

British Business Bank Injects £200m into North East Economy

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The British Business Bank has delivered a substantial £200m injection into the North East economy, as detailed in its second annual Impact Report for the 2024/25 financial year. This significant financial commitment underscores the Bank's role in fostering regional growth, supporting 800 businesses across the North East and generating an anticipated £400m in additional turnover over the lifespan of the funding.

This investment has already sustained 8,200 jobs in the region and is projected to create 900 new ones, providing a lifeline for local communities and bolstering economic resilience. A key component of this support is the £660m Northern Powerhouse Investment Fund II (NPIF II), which has channelled over £80m into emerging and expanding businesses since its launch. The fund offers a range of financial instruments, from loans starting at £25,000 to equity investments of up to £5m, covering the entire North East, including Teesside.

The Bank's efforts come on the back of an expanded financial capacity, increased to £25.6bn following the Spending Review in June 2025. This allows the Bank to scale its annual investments to around £2.5bn, attracting further third-party capital to amplify its impact. Shaun Fooy, senior network manager at the British Business Bank, commented in a recent interview: "The North East is home to some truly extraordinary businesses, so it's always a pleasure to take a step back and look at the very real impact we're having on the region, and 2024/25 has been another very strong year for Bank support."

Nationally, the Bank facilitated £6.8bn in finance for smaller businesses in 2024/25, comprising £1.2bn of public funding, £2.6bn in guaranteed lending, and £3bn in private capital. This support reached 24,000 businesses new to the Bank's funding, alongside 4,000 previously supported firms. The projected outcomes include 38,000 new jobs and £18bn in additional business turnover, contributing £8bn to economic output and over £100m in economic benefits across every UK nation and region.

The report highlights a deliberate focus on regional development, with 84 percent of supported businesses located outside London, ensuring that growth is not concentrated solely in the capital. However, while the current Labour government has overseen this period of investment, questions remain about whether their broader economic policies will sustain such regional initiatives without imposing undue regulatory burdens on businesses.

Looking ahead, the British Business Bank's commitment to the North East signals a promising future for the region's entrepreneurs and workforce. With plans to expand its impact, the Bank is well-positioned to drive prosperity and opportunity across the UK's diverse economic landscape.