



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Anneliese Dodds MP
House of Commons
London
SW1A 0AA

1 August 2017

Dear Anneliese,

FINANCING GROWTH IN INNOVATIVE FIRMS: A CONSULTATION

Firstly, congratulations on your recent appointment as shadow Treasury minister.

Secondly, I would like to inform you that we are today publishing the enclosed consultation on 'Financing Growth in Innovative Firms'. This consultation is part of the work of the Patient Capital Review, which was announced in November last year by the Prime Minister.

The UK is home to some of the most exciting technology, research and development in the world, but a lack of the right long-term capital investment continues to hold back younger firms from commercialising this innovation successfully. This consultation document sets out comprehensive evidence about weaknesses in the supply of capital for innovative UK firms and seeks views on the policy options available to strengthen it.

This includes seeking views on the structure of a potential new National Investment Fund which could act as a domestic replacement to the European Investment Fund (EIF) if it is needed once the UK leaves the European Union.

The consultation document also asks:

- whether patient capital investment would be supported by measures that reassure pensions fund trustees that a small portion of investment in higher-risk, illiquid assets (as part of a balanced portfolio) is consistent with acting in the interest of scheme members;



- for industry proposals to support Defined Contribution pension savers to get the benefits of less liquid investments, that are not priced and traded on a daily basis;
- how to support the creation and expansion of University Investment Funds and discusses measures to strengthen investment outside of London; and
- how to make best use of existing resources across tax and spending aimed at supporting investment and entrepreneurship.

Getting these policy choices right will help boost British business, provide more high quality jobs and support improvements in productivity.

I look forward to the debate and discussion on this important area of policy in the coming months.

I am depositing a copy of this letter and the consultation in the House of Commons Library.

A handwritten signature in blue ink that reads 'Andrew Jones'.

Andrew Jones
Exchequer Secretary to the Treasury