We are a Real Estate SME business based in Newcastle.

We are seeing evidence of North East businesses moving jobs and functions to London to be closer to funding sources, in part due to a shortage of effective funding sources willing to look seriously at the North East.

With this in mind, we find it deeply concerning that the British Business Bank, a Government scheme, provided £5bn to London firms between October 2015 and September 2018. That is £567 for each London resident. At the same time, it provided £465m to the North East, that is £176 per person. (figures reported by North East Chamber of Commerce)

This, together with the massive concentration of infrastructure spend in London (and underspend in the North East) clearly is only adding to the concentration of business development, and GVA growth in London at the expense of other regions.

We consider that the British Business Bank should not lend to companies based in London or the South East, the two regions with above average GVA per head. If you have all the advantages of being in London, you don’t need additional government help! Further, that quotas should be set to allocate available finance between the different UK regions.

There is a vibrant SME community in Newcastle and wider North East, particularly around Tech, Life Sciences and Renewable Energy. This could substantially grow and add to North East GVA with a better allocation of investment capital. I strongly believe that these businesses would engage more readily with the British Business Bank and others, if they thought the funding was allocated regionally and they weren’t wasting their time.

Fergus Trim
Managing Director
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