



Support for innovative businesses

What is it?

The Chancellor has announced a new £1.25 billion coronavirus package to help firms driving innovation in the UK. The package is split into two strands: The £500m Future Fund for high growth firms and £750m of targeted support for SMEs focusing on research and development.

Future Fund

The Future Fund will provide government loans ranging from £125,000 to £5m to UK based companies, subject to at least equal match funding from private investors.

These convertible loans may be a suitable option for businesses that rely on equity investment and are unable to access the Coronavirus Business Interruption Loan Scheme.

To be eligible the business:

- Is based in the UK
- Can attract the equivalent match funding from third party investors and institutions
- Has previously raised at least £250,000 in equity investment from third party investors in the last 5 years

Full eligibility will be published shortly by the government. To see headline terms for the Future Fund setting out the main features expected to apply to the loans please [click here](#).

This scheme will launch in May 2020 and will be delivered in partnership with the British Business Bank.

R&D intensive SMEs

The £750m of targeted support for the most R&D intensive SMEs will be available through Innovate UK's grants and loan scheme. Innovate UK will accelerate up to £200m of grant and loan payments for its 2,500 existing Innovate UK customers on an opt in basis.

An extra £550m will also be available to increase support for existing customers and £175k of support will be offered to around 1,200 firms not currently in receipt of Innovate UK funding with the first payment being made mid-May.

As further information is published by the government we will update our summaries. Should you have any initial queries either contact your usual CK contact or look at the governments dedicated business support website businesssupport.gov.uk.