House of Commons

Women and Equalities Committee

Female entrepreneurship: Government Response

Eighth Special Report of Session 2024–26

HC 1640

Women and Equalities Committee

The Women and Equalities Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Government Equalities Office and its associated public bodies.

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

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Committee Reports are published on the Committee's website at www.parliament.uk/womenandequalities and in print by Order of the House.

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Eighth Special Report

The Women and Equalities Committee published its Eighth Report of Session 2024–26, Female entrepreneurship (HC 711) on Wednesday 22 October 2025. A letter and the Government Response were received on 14 January 2026 and are appended below.

Appendix 1: Letter from the Minister for Investment, Department for Business and Trade, His Majesty's Treasury and the Minister for Services, Small Businesses and Exports, Department for Business and Trade, 14 January 2026

We would like to thank the Women and Equalities Committee for its dedication to female entrepreneurship through its research and publication of its report. The Government has reviewed the recommendations in the report, and its response is attached to this letter.

As stated in the Committee's report, backing women-led businesses is at the heart of boosting the UK economy. The Government will be working in partnership with industry including through the Invest in Women Taskforce and its £635 million funding pool, as well as through the delivery of the British Business Bank's recently published Strategic Plan.

We have reflected on the recommendations of the Committee in collaboration with other government departments and relevant partners such as Innovate UK, the Financial Conduct Authority and the British Business Bank. You will note that responses for each have been grouped together where possible. We look forward to working in partnership with these organisations as we seek to make the UK the best place in the world for women-led businesses to grow and prosper.

Lord Jason Stockwood MP

Minister for Investment, Department for Business and Trade, His Majesty's Treasury

Blair McDougall MP

Minister for Services, Small Businesses and Exports, Department for Business and Trade

Appendix 2: Government Response

British Business Bank

Recommendation 1

We recommend that the British Business Bank should:

- ***have a fifth strategic objective, to ensure that equity finance to female entrepreneurs in the UK increases from 2% to 10% by 2030;***
- ***set itself the target of ensuring that no less than 30% of the finance it makes available to UK businesses is allocated to supporting female-led businesses;***
- ***ensure gender balance on its investment/assessment committees; and***
- ***require all investors seeking its support to sign up to the Investing in Women Code.***

Recommendation 3

In the immediate term, the British Business Bank must take more of an interest in whom its funding supports. Venture capital firms and angel investors that benefit from public funding should be required to demonstrate gender-equitable investment decisions. The British Business Bank should require all investors it supports to provide data on the proportion of that finance they make available to female-led businesses.

Recommendation 9

We call on the British Business Bank to ringfence a minimum of 30% of Regional Angel Programme funding for supporting female angel investors and investment in female-led businesses across the regions and to publish data on take-up by gender. The Bank should also review the access requirements to the programme to ensure that smaller angel

groups, particularly those led by women who have less capital behind them than their male peers, are able to benefit from the Programme's co-investment funds.

We welcome the Committee's focus on improving access to finance for female entrepreneurs and share the ambition of ensuring that innovative businesses can thrive regardless of the gender or background of their founders. The British Business Bank's new Strategic Plan[1] places a clear emphasis on unlocking the potential in people and places, supporting high-potential companies, whoever leads them and wherever they are based, to access the capital they need to start, scale and succeed. Within this framework, the Bank already embeds diversity and inclusion across its investment processes and partner assessments, ensuring that its interventions contribute to a more accessible and inclusive finance ecosystem.

The Bank is delivering a substantial programme of activity that aligns strongly with the intent behind the Committee's recommendations. This includes the Start Up Loans programme, which consistently supports a significantly higher share of female and ethnic minority entrepreneurs than the wider market; the expansion of the Angel Syndicate Programme, which is increasing the number of women and other underrepresented individuals participating as angel investors; and major initiatives such as the £400m Investor Pathways Capital scheme and the £100m commitment to female fund managers, deployed through existing Bank programmes. More recently, the Bank announced[2] an additional £30m anchor investment in the Invest in Women Taskforce's *Women Backing Women* Fund of Funds, which will broaden the diversity of decision-makers and help channel more capital to diverse founders. The Bank also continues to strengthen data collection and encourage responsible investment practices to promote greater transparency and best practice across the fund managers and lenders that it supports.

We will continue to work closely with the Bank, the Invest in Women Taskforce and industry partners to build a more inclusive finance environment that supports women-led businesses across the UK. We welcome the Committee's recommendations as a valuable contribution to this shared ambition, and we remain committed to ensuring that the Bank's strategic plan delivers meaningful progress for female founders as part of a more dynamic and representative entrepreneurial ecosystem. We would

1 https://www.british-business-bank.co.uk/about/research-and-publications/five-year-strategic-plan

2 https://www.british-business-bank.co.uk/news-and-events/news/british-business-bank-agrees-commit-ps30-million-invest-women-taskforce-women-backing-women-fund

encourage the Committee to meet representatives of the British Business Bank to hear more about its current work and forward planning in this space, and to support continued constructive engagement.

Financial Conduct Authority

Recommendation 2

We do not accept arguments that transparency and accountability in venture capital are too difficult, and neither should the Government. The Financial Conduct Authority should be mandated to require all registered venture capital firms to report on the number and proportion of deals that go to support female-led businesses and the overall proportion of funding that represents. These details should be published on an annual basis. Financial penalties should be levied on firms who do not comply with this reporting requirement. This regime should be introduced in this Parliament.

We welcome the Committee's call for better transparency and accountability for investors. We would highlight the government-led Investing in Women Code as a significant initiative in this area. The Code produces an annual report on the investment landscape from across lenders, equity, and angel investors. It is evolving to improve its data collection capability with support from the Invest in Women Taskforce and will continue to champion data reporting by lenders and investors, including Venture Capital funds.

The FCA collects various regulatory returns from authorised firms on a periodic basis to provide timely, accurate data to assist in meeting its statutory objective of protecting consumers, maintaining market integrity (for instance detection and prevention of market abuse and manipulation) and promoting competition. Regulatory returns also provide a fundamental baseline for the FCA to monitor and assess firms' ability to meet its threshold conditions on an ongoing basis, e.g. via prudential returns.

Since receiving its secondary international competitiveness and growth objective in 2023, the FCA has been putting growth and competitiveness at the heart of its approach. Growth is front and centre of the FCAs new strategy.[3] As part of this, FCA is transforming how it works, including by streamlining data requests to reduce the burden on firms, while ensuring

3 https://www.fca.org.uk/publication/corporate/our-strategy-2025–30.pdf

it has the right information to intervene where needed. In its recent letter to the Prime Minister,[4] the FCA highlighted that they have recently reduced data requests for 36,000 firms, saving time and money for them.

The FCA does not request reporting from venture capital firms, or other alternative investment fund managers (AIFMs), in relation to deals undertaken. FCA do not mandate which investment strategy and investment choices AIFMs should make. Rather, AIFMs are expected to comply with relevant rules in the FCA Handbook, to act as good agents by avoiding foreseeable harm and to deliver good outcomes to investors. They are also expected to act as good market participants, observing proper standards of market conduct.

It should be noted that registered venture capital firms are generally smaller firms, and this recommendation would not align with the FCAs plans to streamline returns. In addition, versus regulatory reporting requested from other AIFMs and the wider population of asset managers, this request would be disproportionate and inconsistent with the FCAs overall approach to reporting.

Innovate UK Response

Recommendation 5

Public funding structures should challenge gender bias and not reinforce it. Innovate UK should:

a. ***ringfence a minimum of 30% of its funding for female entrepreneurs with year on year increases to 40% by 2030;***

b. ***in the short-term lower leverage ratios and reduce match funding requirements for women-owned businesses to help level the playing field and allow equitable access to opportunity;***

c. ***ensure gender-equitable assessment panels;***

d. ***publish gender-disaggregated data on funding applications, approvals and allocations, that data should include information on ethnicity and disability of applicants;***

e. ***recognise femtech as a high value sector; and***

4 https://www.fca.org.uk/publication/correspondence/growth-approach-pm-letter-december-2025.pdf

f. ***review programme design and application processes, critically evaluating them for potential forms of indirect discrimination that may act as barriers to female founders.***

We welcome the Committee's spotlight on Innovate UK as a leader on this agenda and are pleased to share its recently announced programmes and commitments. Innovate UK is committed to driving inclusive innovation and realising the full potential of untapped talent in the UK. Women innovators represent a huge part of this currently untapped talent.

Innovate UK's Women in Innovation Programme has been running for 9 years. Since its inception in 2016, the programme has invested over £11 million in more than 200 women innovators and built a vibrant network of 11,000 women business leaders. Over this time, Innovate UK has seen an increase in the proportion of successful women-led applications across all competitions from 1 in 7 to 1 in 3. Success rates for applications to Innovate UK are equivalent for men and women.

Over the last year, Innovate UK has engaged closely with the community to listen, learn and work together to identify opportunities to accelerate growth and scale for women-led businesses. In response, Innovate UK published a Pledge for Progress for Women in Innovation[5] in April 2025, which set out 10 commitments, and a report on progress in October 2025.

The 10 commitments have been designed to create more opportunities, foster inclusivity, and deliver systemic change for Innovate UK and across the wider innovation ecosystem. They include refining the Women in Innovation Awards and setting bold goals and measures for representation and inclusion in the future Innovate UK strategy. So far, new actions include establishing a Women in Innovation Community Forum, launching an assessor recruitment campaign and opening the competition for Women in Innovation Awards 2025/26 (as highlighted in the November 2025 Budget).

Innovate UK is working closely with partners in the ecosystem to align efforts, including the British Business Bank, the Invest in Women Taskforce and the investment community. Innovate UK is a signatory of the Investing in Women Code and around 45% of Innovate UK's investor partners are signatories of the code. Innovate UK is exploring opportunities to do more to help investors identify high potential women-led businesses and de-risk investments into these businesses (by providing due diligence on the innovation and offering aligned grant funding) and provide an incentive for change.

5 https://iuk-business-connect.org.uk/wp-content/uploads/2025/04/Advancing-Women-led-Innovation-%E2%80%93-Our-Pledge-for-Progress.pdf

Recommendation 5a

Ringfence a minimum of 30% of its funding for female entrepreneurs with year-on-year increases to 40% by 2030.

Innovate UK's Pledge for Progress for Women in Innovation sets out 10 commitments including, Commitment 4:

"*We will make bold commitments for inclusion and representation in our future strategy. These will feature specific, measurable goals for our entire organisation, and we will report on our progress annually.*"

Innovate UK is currently reviewing strategic direction for the future. Innovate UK is building inclusive innovation in by design, ensuring that it is central to the delivery of the future strategy.

The Women in Innovation Awards 2025/26 has the biggest budget to date, reflecting a 20% increase over last year. There will be up to 60 awardees and to spread the benefits wider, highly commended applicants will also receive bespoke business support. Guidance on eligibility, scope, and priorities has been made clearer to ensure women innovators are spending their time on a competition that is right for them. Innovate UK is also piloting a new set of application questions designed to improve clarity and flow.

In addition to the Women in Innovation Awards, Innovate UK supports other targeted programmes. These include the 2025 Global Business Innovation Programmes to Sweden and India focusing on Women in AI and Health Tech, ICURe Discover for Women Entrepreneurs, and the Women in Manufacturing Initiative.

Beyond targeted programmes, it is essential that the full range of Innovate UK's support and investment opportunities are more visible and accessible to women innovators. Opportunities are shared consistently across Innovate UK channels, including the Innovate UK Business Connect Opportunities and Events pages, the dedicated Women in Innovation newsletter, and the Women in Innovation LinkedIn group.

The No Limits platform provides innovators with easy access to opportunities from more than 200 partners nationwide.[6] The platform has curated content for women and highlights are shared regularly with the Women in Innovation community.

6 https://nolimits.ukri.org/

Recommendation 5b

In the short-term lower leverage ratios and reduce match funding requirements for women-owned businesses to help level the playing field and allow equitable access to opportunity.

Innovate UK recognises that aligned funding requirements can present barriers for some businesses, including women-led businesses. Innovate UK's approach is to ensure that funding remains accessible while maintaining fairness and impact. Requirements across programmes are actively reviewed to identify where flexibility can improve equity without compromising project outcomes. For example, the Women in Innovation Awards 2025/26 and Growth Catalyst early-stage start-up awards, require no match funding and a percentage of the overall grant is provided upfront to reduce barriers to innovators who may struggle with cashflow and be unable to frontload the payments by claiming in arrears.

Innovate UK is committed to removing systemic barriers and has introduced measures such as clearer guidance, tailored support, and pilot initiatives to make competitions more inclusive. Ongoing reviews of actions taken and new research will be used to inform further evidence-based improvements and drive positive change for women innovators.

Recommendation 5c

Ensure gender-equitable assessment panels.

Innovate UK fully supports the principle of gender-equitable assessment panels and has committed to embedding equity and inclusion throughout application and assessment processes.

Commitments 8–10 in Innovate UK's Pledge for Progress[7] for Women in Innovation, outline how the assessment process will be transformed. This includes:

- Developing a new assessor classification method to better match assessors to applications.
- Actively recruiting a diverse assessor pool, working towards a goal of 50% women assessors, and promoting recruitment through the Women in Innovation community.
- Embedding Equality, Diversity, and Inclusion (EDI) guidance as a core part of assessor onboarding and ongoing support.

7 https://iuk-business-connect.org.uk/wp-content/uploads/2025/04/Advancing-Women-led-Innovation-%E2%80%93-Our-Pledge-for-Progress.pdf

The goal is to ensure that every applicant experiences a fair, consistent, and inclusive assessment process. All of the changes to process will be reviewed and refined in collaboration with the innovation community.

Recommendation 5d

Publish gender-disaggregated data on funding applications, approvals and allocations, that data should include information on ethnicity and disability of applicants.

Innovate UK's Pledge for Progress[8] for Women in Innovation sets out 10 commitments including Commitment 5:

"*To ensure ongoing accountability and transparency, we will publish an annual diversity data report covering all Innovate UK competitions. This will provide detailed insights into gender representation across applications and awards, including investment value.*"

The new Innovate UK diversity data report[9] draws on data from over 36,000 applications submitted to Innovate UK across a two-year period between April 2023 and March 2025. Since the previous applicant diversity data report[10] covering applications between April 2022 to March 2023, the range of characteristics reported on has been expanded. These now include:

- age
- conditions
- illnesses and disabilities
- educational background
- ethnicity
- gender
- socioeconomic background

By broadening the range of characteristics, Innovate UK aims to strengthen transparency and deliver a richer picture of those applying for and receiving Innovate UK funding. This report does not attempt to compare results with previous years. There are not enough years' data available to draw robust year-on-year comparisons at this point.

8 https://iuk-business-connect.org.uk/wp-content/uploads/2025/04/Advancing-Women-led-Innovation-%E2%80%93-Our-Pledge-for-Progress.pdf
9 Innovate UK diversity data report 2023 to 2025 – UKRI
10 https://www.ukri.org/publications/innovate-uk-applicant-diversity-data/innovate-uk-applicant-diversity-data-2022-to-2023/

The scope and detail of future diversity data reports will continue to be refined in collaboration with the innovation community and stakeholders.

Recommendation 5e

Recognise femtech as a high value sector.

Innovate UK recognises the significant potential of FemTech for the UK economy and society. FemTech drives innovation in women's health, wellbeing, and life sciences - areas that have historically been underfunded and underserved.

The Lifesciences High Growth Sector as part of the Government's Industrial Strategy is an important area of focus for Innovate UK. Within the Lifesciences sector, Innovate UK welcomes innovations that address conditions unique to, disproportionately impact, or manifest differently in women, recognising this as a major growth opportunity for the UK.

Accelerating FemTech[11] was launched in May 2023 by Innovate UK Biomedical Catalyst, Health Innovation Network, and partners to support early-stage FemTech SMEs, university spin-outs, and academics. In Cohort 1, 10 innovators received £1 million for feasibility studies. Cohort 2 support was expanded to support 21 UK-based, early-stage companies, university spinouts, and entrepreneurial-minded academics focused on women's health to gain the commercial and funding momentum they need for long-term success.

Innovate UK, Biomedical Catalyst – Accelerating FemTech: Evaluate[12] was launched in September 2025. This 10-week hybrid programme aims to support UK companies with technologies for women's health that are already developed but are looking to prove their value. It offered expert-led workshops, tailored business coaching and strategic networking opportunities to foster collaboration, market access and growth.

Innovate UK will continue to work with stakeholders to ensure FemTech is recognised and supported as a critical contributor to economic growth and improved health outcomes.

Recommendation 5f

Review programme design and application processes, critically evaluating them for potential forms of indirect discrimination that may act as barriers to female founders.

11 https://iuk-business-connect.org.uk/opportunities/accelerating-femtech/
12 https://iuk-business-connect.org.uk/opportunities/innovate-uk-biomedical-catalyst-accelerating-femtech-evaluate/

Innovate UK is committed to embedding an inclusive by design approach across all programmes and processes. Equality Impact Assessments are conducted to identify unintended barriers to engagement, revise criteria to ensure clarity and fairness and analyse success rates by gender.

Aligned with Commitment 1 of Innovate UK's Pledge for Progress[13] for Women in Innovation, improvements have been made to ensure that applying for an Innovate UK opportunity is an added-value experience for applicants. This includes providing clear guidance on eligibility, scope, and priorities; enhancing support through tailored resources; signposting applicants to alternative funding opportunities; and improving the assessment experience to ensure consistency, fairness, and clarity in feedback.

Under Commitments 8–10, Innovate UK is starting to reshape its assessment process to enhance fairness and inclusivity. A new assessor classification framework has been introduced to better match expertise to applications. Innovate UK has launched a new assessor recruitment campaign to actively recruit a diverse assessor pool, working towards a goal of 50% women assessors. Equality, Diversity and Inclusion (EDI) principles are embedded into guidance and core element of the assessor onboarding process.

Finally, through mechanisms such as the Women in Innovation community forum, Innovate UK will establish a continuous feedback loop with women innovators to drive ongoing improvement and accountability.

Departmental Responses

Recommendation 4

We do not support mandating gender quotas on investment committees at this stage, as measures to improve transparency and increased incentives to change behaviour should be given time to have an effect; but the Government should not rule out intervention in the future if the level of venture capital investment in female entrepreneurs shows no sign of improvement.

The Government agrees and does not rule out interventions in the future if the level of venture capital investment in female entrepreneurs shows no sign of improvement.

13 https://iuk-business-connect.org.uk/wp-content/uploads/2025/04/Advancing-Women-led-Innovation-%E2%80%93-Our-Pledge-for-Progress.pdf

Recommendation 6

The Government should develop and publish an ambitious strategy for advancing female entrepreneurship to sit alongside and complement the existing Industrial Strategy and SME Strategy. This strategy should be published within 12 months. It should be developed in consultation with stakeholders across the investment landscape but particularly female entrepreneurs. It should include a focus on sectors of the economy not deemed to be high growth such as beauty and social enterprise, where female entrepreneurs currently feel overlooked despite delivering long-term sustainable growth and employment. The recommendations of our report should provide a good starting point for such a strategy.

Recommendation 7

The strategy should be overseen by a dedicated Minister and Office within the Department for Business and Trade akin to the US Office of Women's Business Ownership, with an assigned budget and responsibility for driving implementation of the strategy, and ensuring accountability and transparency through data collection.

Women are central to unlocking growth for the UK economy and Ministers welcome the Committee's ambition to amplify this further. That is why this Government is proud that several Ministers, including the Chancellor, are strong champions for women-led businesses. We believe this collective commitment is stronger than appointing a singular Minister and creating a separate strategy, as women-led businesses should be embedded in everyone's agenda and their interests should be integrated into mainstream policies rather than being seen as distinct from the wider economy.

We agree with the Committee that supporting women-led businesses is complementary to the Industrial and SME Strategies and we are working collaboratively across government on this basis. It should be noted that women were included in the SME Strategy[14] through policies to back under-represented entrepreneurs as well as the recently published British Business Bank's Strategic Plan[15] to unlock potential across people and places. For example, we will back more businesses and investors from under-represented backgrounds through the new British Business Bank £400m Investor Pathways scheme, expanding support to diverse angel

14 https://assets.publishing.service.gov.uk/media/688b1f6f1affbf4bedb7b11d/our-plan-for-small-and-medium-sized-businesses.pdf

15 https://www.british-business-bank.co.uk/about/research-and-publications/five-year-strategic-plan

networks through new Angel Syndicate Support and Embracing Diversity programmes, and by supporting the Invest in Women Taskforce and other initiatives.

Backing women and other overlooked entrepreneurs is at the heart of the Government's economic strategy. Our greatest successes have come from an action-based approach to supporting women-led businesses through collaboration with industry leaders, including through the £635 million funding pot raised by the Invest in Women Taskforce, the largest such fund in the world. We will continue to work across departments, with the British Business Bank, and industry in our mission to unlock the untapped potential of overlooked entrepreneurs. This includes aligning the Industrial Strategy, SME Strategy, and future policies to ensure that women business leaders are fully recognised and supported.

Recommendation 8

The Government should set itself a target for the proportion of public contracts awarded to female-led businesses similar to initiatives in Canada, the US and Nordic countries. Given the low base we suggest a target of at least 10% by the end of this Parliament. The proposed new Office should have responsibility for driving this reform and provide training and support to help female founders navigate public procurement processes.

The Procurement Act 2023 introduced a new duty for Contracting Authorities to consider SMEs when designing their procurements, for example by prohibiting onerous insurance requirements, and designing lotting structures that make procurements more accessible to smaller organisations, including female-led businesses fitting within this size criteria.

The National Procurement Policy Statement (NPPS) sets the Government's strategic priorities for public procurement in support of the Government's missions. This includes driving economic growth and strengthening supply chains by giving small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs) a fair chance at public contracts.

To enable implementation of the NPPS and take forward commitments in the Plan for Small Business, all central government departments (including executive agencies and non-departmental public bodies (NDPBs)) must set a three-year target for direct spend with SMEs (from 1 April 2025) and a two-year target for direct spend with VCSEs (from 1 April 2026) and report results annually. These will benefit SME female-led businesses. These targets will be published shortly.

The Cabinet Office's consultation on procurement reform closed on 5 September. This included proposals to open up more opportunities for small and medium-sized enterprises (SMEs) and voluntary, community, and social enterprises (VCSEs), which are vital for driving the UK economy. These measures will support SME female-led business. We aim to bring forward a package of reforms on this shortly.

Recommendation 10

The Government should launch a Female Enterprise Investment Scheme to sit alongside the EIS and SEIS, with higher incentives to specifically drive investment in women-led businesses. People who invest in women-led businesses should receive greater benefits. Existing biases in the investment landscape and a lack of awareness of existing reliefs show that a new, easily marketable, marquee incentive is required. Such an investment in female entrepreneurship by the Government would serve to demonstrate its commitment to supporting female-generated economic growth. The scheme should allow SEIS-level tax breaks of up to a £2 million threshold.

As with all tax reliefs, EIS and SEIS must remain consistent with our international obligations, including subsidy control rules. Creating an additional scheme with targeted differential rates for particular groups of businesses would raise complex design and compliance issues which would need to be examined carefully. It would also need to be assessed against the fiscal context. The Government is committed to repairing the public finances, and any new or enhanced reliefs must be weighed against difficult trade-offs elsewhere.

Recommendation 11

The Government should remove entirely the age limit on eligibility for the Enterprise Investment Scheme (EIS). The existing seven-year threshold does not adequately reflect the structural and social challenges faced by many female founders, including longer growth trajectories typical of the sectors in which they operate and the impact of caregiving related career breaks. Extending the eligibility period would better accommodate these realities, promote gender equity in access to growth capital, and support the scaling of female-led enterprises across the UK.

EIS in one of the three venture capital schemes intended to incentivise investment into early-stage, higher-risk companies. These companies are most likely to be affected by market failures such as information asymmetry due to their lack of track record. The current company age limits are set at

7 years (10 years for knowledge intensive companies) from the company's first commercial sale. This works to effectively target the earliest-stage companies, who find it hardest to access finance due to this market failure. Expanding the schemes to larger, more mature companies would risk displacing investment away from these early-stage companies.

Recommendation 12

The Government should launch a campaign to increase awareness of the SEIS, EIS and proposed FEIS schemes among investors and female entrepreneurs. The campaign should be appropriately tailored to ensure underrepresented groups of women are aware of the schemes. The Government should collect data on the schemes by gender and region to monitor take-up.

Increasing female-led participation in existing schemes, improving awareness of them among both entrepreneurs and investors, and building more inclusive investment networks are practical and immediate avenues for progress. We welcome the recommendations around greater awareness of EIS/SEIS schemes and are working with the Invest in Women Taskforce to amplify these to eligible women-led businesses.

The Government has also published a Call for Evidence that seeks views on the effectiveness of existing tax incentives, and the wider tax system for business founders and scaling firms, and how the UK can better support these companies to start, scale, and stay in the UK. The Call for evidence will close on 28 February 2026.[16]

Recommendation 13

Institutional investors, including major banks and pension funds, are a key component of the funding landscape. We call on them to do much more to support female-led businesses, including through supporting the Invest in Women Taskforce.

Recommendation 14

The Government should update us in its response to this report on the steps it is taking through its convening powers to get those investors, particularly the signatories of the Mansion House Accord, to support the Taskforce.

We recognise the vital role that institutional investors play in the funding landscape and in increasing access to finance for female-led businesses.

16 Tax Support for Entrepreneurs: Call for Evidence - GOV.UK

The Government is addressing the lack of UK pension fund investment in innovative UK businesses through the Mansion House Accord and the British Growth Partnership (BGP). Government is engaging with key stakeholders across these initiatives to create better coordination with the Invest in Women Taskforce.

Two of the Mansion House Accord signatories, Aviva and M&G, have already committed to the Invest in Women Taskforce funding pot. We are working to bring additional Mansion House signatories on board and will continue to do so in 2026.

The Invest in Women Taskforce is channelling large-scale institutional capital into female-led venture funds and female powered and mixed businesses. By empowering both sides of the investment table, the Taskforce is not only unlocking more capital but also redesigning where the capital goes and who controls it. The Women Backing Women Fund of Funds will bridge the gap between institutional investors and diverse fund managers best placed to back female and mixed businesses. Commitments from institutional investors include Barclays, BGF, Nationwide, and the British Business Bank.

Recommendation 15

As part of a new Strategy for Female Entrepreneurship, the Government should establish a large-scale nationwide programme dedicated to supporting female founders across all sectors to sustain and scale up their businesses. The programme should offer mentorship, sponsorship, coaching and networking for female entrepreneurs with a particular focus on raising capital. It should seek to connect female founders with industry leaders and experienced entrepreneurs from diverse backgrounds and sectors who can offer guidance on business scaling, investment negotiations and market expansion. The Government should work with Metro Mayors to develop the hubs in their areas and to ensure they are appropriately tailored to meet regional needs and locally supported and promoted.

Government agrees in the value of unlocking the potential of people and place, so that no matter who you are or where you live impacts your business growth. This is why we are proud to work in partnership with the British Business Bank as well as Metro Mayors who share this mission. Addressing structural access to finance barriers faced by entrepreneurs of all backgrounds across the UK is a key element of the Bank's strategy.

Announced in the Industrial Strategy, Government has designed a series of investment partnerships, giving city regions and clusters the expertise and catalytic financing to secure private investment and to deliver Mayors'

Local Growth Plans. This includes funding for Growth Hubs and the Bank's new programme to support clusters of innovation which will coordinate investment-readiness programmes, strengthen financial networks, and connect high-potential firms in the IS-8 to investors in 10 city regions. This will be underpinned by a £100 million expansion of the Bank's Nations and Regions Investment Fund to back businesses across the UK.

Government will continue to work with Metro Mayors as they set regional economic strategies that prioritise innovation, enterprise, and inclusive growth. We will seek to support Metro Mayors as they create a supportive environment for startups and scale-ups as well as to unlock funding streams and make capital more accessible for all entrepreneurs.

In addition, there are already a number of specific Government initiatives to back female founders across sectors and stages. This includes the recently launched UK Export Finance Female Founder Export Accelerator, the Women's International Networking Programme, WAVE (Women Advancing Venture and Entrepreneurship) programme, and Innovate UK's Women in Innovation Awards. The Invest in Women Hub, an independent website supported by the Department for Business and Trade, also offers resources including free mentorship, networks, and expert support to help women start, grow, and scale their businesses.

The British Business Bank's Investor Pathways Capital initiative will also unlock potential by reducing the barriers to entry for first-time fund managers and encouraging more talented investors across the UK to start venture funds. As part of the commitment to widening access, the initiative will target at least 50% of investment going to female fund managers that meet the access to capital requirements.

Recommendation 16

The Government should develop a specific programme of promoting targeted, female-focused accelerators in high growth sectors where women are underrepresented. Such a measure was noticeably missing from the Industrial Strategy.

We recognise the importance of targeted support for female founders in the high-growth sectors and share the ambition to address underrepresentation in these areas. Government is working to align initiatives that support women with the Industrial Strategy and there are already a number of programmes doing so, including the recently announced UKEF Female Founder Export Accelerator.

UK Export Finance (UKEF), the UK's export credit agency, have announced the launch of the UKEF Female Founder Export Accelerator in Partnership with Lifted Ventures, a first-of-its-kind collaboration designed to support women-led and women-owned businesses from diverse backgrounds to expand globally, scale faster and access the finance and tools needed to succeed beyond the UK.

Commencing in January 2026, the UKEF Female Founder Export Accelerator is a programme comprising both in-person and virtual learning workshops along with mentoring and coaching. The programme is designed to equip female founders with the insight, support and funding pathways they need to scale internationally with confidence.

The in-person workshops will take place in different locations around the country. The cohort will have a significant proportion of founders from global majority backgrounds, highlighting our ambition to support more underrepresented businesses in line with UKEF's Business Plan to 2029.

Weighted scoring reflected whether programme applicants operated in the Industrial Strategy's growth-driving sectors, as well as their growth and impact potential.

The Accelerator programme is targeted towards ambitious female founders who are:

- Already exporting and want to accelerate international growth
- Preparing to expand into global markets within the next 12–24 months

This programme is just one of many initiatives UKEF is taking forward to support more underrepresented businesses, and is part of a programme of activity spanning marketing, events, panels, community engagement and data.

Recommendation 17

Universities are a vital source of innovative start-ups, but evidence to this inquiry suggests women are less likely to take up entrepreneurship courses and/or develop spinouts than their male peers. This is a missed opportunity for growth. The Government should work with UKRI to develop a specific programme of dedicated entrepreneurial support for women in postgraduate and postdoctoral studies. The programme should include increased opportunities for, and better signposting to, entrepreneurial fellowships, funding and pre-accelerator programmes. It should include female-focused networks for sharing experience, mentorship and guidance and seek to instil confidence in taking the step towards entrepreneurship.

This Government is launching entrepreneurship fellowships to support commercialisation in universities in the UK, including those in Scotland, Wales and Northern Ireland, supporting UK Research and Innovation's (UKRI) existing investments to fuel regional growth across the nations.

UKRI will invest £4 million per year for new Enterprise Fellowships, bringing 100 top researchers into business across the UK, and up to £25 million for new entrepreneurship-focused doctoral training schemes, and will launch a new £4.5 million round of the Women in Innovation Awards.

Since its inception in 2016, the Women in Innovation Programme has invested over £11 million in more than 200 women innovators and built a vibrant network of 11,000 women business leaders. Over this time, Innovate UK has seen an increase in the proportion of successful women-led applications across all competitions from 1 in 7 to 1 in 3. Success rates for applications to Innovate UK are equivalent for men and women.

In April 2025, Innovate UK published a Pledge for Progress for Women in Innovation, which set out 10 commitments including on refining the Women in Innovation Awards and setting bold goals and measures for representation in the future IUK strategy. New actions include establishing a Women in Innovation Community Forum, launching an assessor recruitment campaign and opening the Women in Innovation Awards 2025/26.

Innovate UK ICURe programme has introduced a women-only Discover programme in 2024, with the aim to build a pipeline of women-led innovations coming out of academic research. There are two further programmes committed for 2025/26, with plans for a women-led ICURe Explore programme, to help support women further progress their commercialisation journey and spin-out journey. ICURe will hold women-led spin out showcases to raise the visibility of the pipeline to investors.

To support the economic contribution of the UK's universities, UKRI's investment in core quality-related block grant and Higher Education Innovation Funding will be protected in real terms over the Spending Review period, a cumulative increase of over £425 million.

Welsh firms will be supported to scale and commercialise cutting-edge technologies and Welsh universities will benefit from the £4 million per year that UKRI will invest in new fellowship funding to support budding academic entrepreneurs to develop ideas for new spin-out companies based on their research.

Recommendation 18

Alongside a strategy on female entrepreneurship, the Government should launch a national campaign highlighting female role models at all stages of the entrepreneurial journey. It also needs to better promote the Invest in Women Hub.

Government supports the goal of showcasing female role models and better promoting the Invest in Women Hub. To maximise impact and ensure clarity across the ecosystem, we believe this is best achieved through amplifying industry-led initiatives.

We are working closely with the Invest in Women Taskforce, Investing in Women Code, and the Invest in Women Hub to coordinate efforts, leveraging the initiatives followings and creating clear pathways for investors and female founders to access resources and opportunities. Government is working across these initiatives to amplify upcoming campaigns.

Recommendation 19

Self-employed women (and those employed via their small business) are poorly served by the UK's parental leave arrangements. As part of its Parental Leave and Pay Review, the Government should review legislation pertaining to maternity through the lens of a self-employed woman and seek to tailor policies to support women's entrepreneurial aspirations.

Recommendation 20

We acknowledge the Government's desire to protect a mother's time with her baby. As such, we recommend that Maternity Allowance is increased for self-employed mothers in the first six weeks to bring it closer in line with Statutory Maternity Pay. This will allow more mothers to spend time with their babies in the early weeks. A very limited number of Keeping in Touch days should be permitted in this period. After six weeks we recommend self-employed mothers be allowed to Keep In Touch with their business as often as necessary.

We know that the arrival of a child whether through birth or adoption, is a transformative time in a family's life. We also know the current system could be improved to better support working families. The Parental Leave and Pay review,[17] co-led by the Department for Business and Trade and the

17 https://www.gov.uk/government/collections/parental-leave-and-pay-review

Department for Work Pensions, launched on 1 July 2025, presents a much-needed opportunity to consider our approach to the system of parental leave and pay for all parents including for the self-employed.

The review is designed to build on our evidence base and assess how well the current system is working and will help identify where there may be opportunities for improvement. It will also consider fairness and equality across employment statuses, as well as the practical implications for employers and employees. We expect the review to run for a period of 18 months. Decisions on reform or legislation will depend on the findings of the review, ministerial priorities, and the wider fiscal context.

This review supports the Government commitment to raise living standards for working families including for those who do not currently qualify for existing leave entitlements, such as self-employed parents.

Recommendation 21

The Department for Work and Pensions should review funding for Universal Credit and reclassify Maternity Allowance so that it is not treated as "unearned income" for the purposes of Universal Credit, so that when self-employed women access it, their Universal Credit is not reduced.

Universal Credit is a means-tested system of support, and where an individual claims Universal Credit, their award is adjusted to take account of other financial support that the customer is receiving – including earnings, other income and benefits.

Maternity Allowance is a benefit paid by the State and is classed as unearned income for Universal Credit purposes. Unearned income that is available to help meet daily living costs is taken fully into account in determining the amount of Universal Credit that an individual is entitled to. As such, in determining the entitlement to Universal Credit, Maternity Allowance is deducted pound for pound from the total value of the award. This principle applies to other benefits: for example, the same approach is applied to new style Jobseeker's Allowance and new style Employment and Support Allowance.

The High Court judgment in 2020 upheld the policy of treating SMP paid by employers as earnings as well as the treatment of Maternity Allowance. A subsequent joint Northern Ireland court judgement in 2022 also upheld the treatment of Maternity Allowance as unearned income in Universal Credit.

Maternity Allowance is in scope of the Parental Leave and Pay review.

Recommendation 22

We reiterate the conclusions from our report on paternity and shared parental leave. Improved paternity leave and pay and reform to the shared parental scheme is long overdue and would directly benefit female entrepreneurs.

This Government knows that the parental leave system needs improvement. In the Plan to Make Work Pay we committed to a review of the parental leave system. This review launched on 1 July and will explore how the system can better support working families and reflect the realities of modern work and childcare, while still balancing the needs of businesses, and the Exchequer. The Review presents an opportunity to assess the current system against the following objectives: Maternal health, Economic growth through labour market participation, Best Start in Life, and Childcare.

The recommendations outlined in your previous report are important contributions to the review and we thank you for your careful considerations. We will use the information in the report to inform the review.

Through the Employment Rights Bill we have made a start on improving our offer to working families by making Unpaid Parental Leave and Paternity Leave "day one" rights. Government recognises that more can be done to go further. Shared Parental Leave and Paternity Leave and Pay are all in scope of the parental leave and pay review.

We expect the review to run for a period of 18 months. The Government will conclude the review with a set of findings and a roadmap, including next steps for taking any potential reforms forward to implementation.

Recommendation 23

The Government should undertake a review of the adequacy of existing childcare support for self-employed mothers. That review should consider: the potential merits of making childcare a tax-deductible expense, if only for an initial period; expanding free hours of childcare to include services, such as nannying, that can cover the period from 0–3 months, when most nurseries do not accept babies; how to encourage more flexible childcare services; and making support, such as tax relief or pension credits, available to encourage family members other than parents to undertake childcare and relieve some of the burden borne by the mother.

As set out in the Budget, the Department for Education will lead a review of childcare provision. The purpose of this review is to simplify the system for providers and families, making it easier to access childcare and increasing the overall impact of the government's offer.

We are committed to a childcare system that is clear, fair and helps parents balance work and family life. Tax-Free Childcare (TFC) reduces the cost of childcare so that parents, including those who are self-employed, can enter work, stay in work and increase their hours. Under the scheme, for every £8 paid into an account by parents, the Government contributes an additional £2, up to £2,000 per child per year (or £4,000 for disabled children). Support is available until the child reaches age 11, or age 16 if disabled, for families who meet the same income criteria as the Free Childcare for Working Parents offer. TFC can pay for a wide range of approved childcare, including childminders, nurseries, nannies, after-school clubs, play schemes and holiday clubs, ensuring support is flexible and can be adapted to families' different circumstances.

In 2026–27 the Department for Education expect to provide over £9.5 billion for the early years entitlements. More than doubling government investment in the early years sector since 2023–24 through the successfully rolled-out expansion of government-funded childcare for working parents, which will save parents up to £7,500 a year on average.

We want all parents with primary-aged children, who need it, to be able to access childcare around the school day. This is why the National Wraparound Childcare programme has improved the availability of childcare so that many more parents have been able to access before and after school childcare, from 8am to 6pm, without them needing to make alternative arrangements.

We also recognise the hugely important contribution nannies make to the childcare sector. While we do not currently plan to regulate nannies, as they are employed by parents at home and therefore are an unregulated part of the sector, over the coming months we will set out our plans for reform, including for nannies. Officials will remain in touch with the National Nanny Association (NNA), and we are following with interest the NNA's petition on the Parliamentary website regarding DBS checks for nannies.

Recommendation 24

The Government should work to increase the provision and relevance of financial and enterprise education in schools and to ensure that it is delivered as a core part of the curriculum. Seeking to increase the financial confidence of girls should be a key element of the provision.

As part of the response to the Curriculum and Assessment (CAR) Review's final report,[18] published on 5 November, the Government has made a commitment to strengthen pupils' foundational understanding of financial education in mathematics and citizenship, with digital resources to support teaching. From budgeting to understanding credit, through our revised curriculum all children will learn about the fundamentals of money, ensuring every pupil develops the skills needed to succeed in the modern world, including entrepreneurial skills.

The Department for Education (DfE) will engage with sector experts and young people in working out how best to reflect proposed new financial education content in the updated curriculum and ensure that it can be delivered successfully. We will also consider what additional resources will be required. There will be public consultation on updated curriculum Programmes of Study in 2026, to seek views on the content before they are finalised. We intend to publish the revised financial education curriculum content by 2027, with a view to it being taught from September 2028. As part of this work, we will liaise with stakeholders and colleagues within DfE and beyond to consider how to increase the financial confidence of girls and in doing so help to enhance female entrepreneurship in the future.

The Department for Education works with partners such as the Careers & Enterprise Company (CEC) and the Money and Pensions Service (MaPS) on this agenda. For example, CEC has an Employer Advisory Group that champions entrepreneurial skills and ensures a focus across the national careers system. In addition, the department works closely with MaPs to monitor the evidence for financial education and to progress towards the UK Strategy for Financial Wellbeing national goal, which seeks to ensure that two million more children and young people receive a meaningful financial education by 2030.

Recommendation 25

Women and girls remain underrepresented in STEM subjects and less likely to pursue entrepreneurship in this field. The Government and higher education institutes should work to address gender bias in curriculum design in STEM subjects and strive to increase the visibility of female role models to support this work.

18 The final report here https://www.gov.uk/government/publications/curriculum-and-assessment-review-final-report and Government's response to the report here: https://www.gov.uk/government/publications/curriculum-and-assessment-review-final-report-government-response

High and rising school standards are at the heart of the Government's mission to break down barriers to opportunity and give every child the best start in life. We know that studying STEM subjects can boost students earning potential. We also know that there is a growing demand for students with STEM qualifications in the jobs market. Addressing the gender imbalances in STEM subjects would contribute to reducing shortages in the STEM pipeline and could also help to improve the gender pay gap.

The Department for Education is reforming the curriculum to make STEM more relevant and engaging for every pupil, including girls. By embedding examples of scientists and innovators from diverse backgrounds throughout programmes of study, we will ensure every child can see themselves reflected in what they learn. These changes will dismantle stereotypes, raise aspirations, and build confidence creating a curriculum that equips all young people with the knowledge and ambition to succeed in STEM and drive future innovation.

The DfE is a partner signatory to the Tomorrow's Engineers Code pledging to work with the engineering community to improve the quality, targeting, inclusivity and reach of engineering inspiration activities. The Code is a framework for organisations working to increase the number and diversity of young people pursuing engineering careers.

The STEM Ambassadors programme, funded by UKRI, is a nationwide network of more than 28,000 volunteers registered from over 7,500 employers, reaching over 3 million young people every year. The programme has been active for over 20 years. These volunteers engage with young people to spark interest in STEM subjects and showcase the wide variety of STEM careers by sharing their personal experiences. 57% of Ambassadors are under 35, 48% are women and 17% have an ethnic minority background.