

Written evidence submitted by Ms Becky Cotton, Co-Founder and CEO, Lumino [FEN0019]

Dear Members of the Women and Equalities Select Committee,

I welcome this inquiry and recognise the work of the Committee in examining this incredibly important issue.

Female entrepreneurship plays a vital role in the UK's economy, yet systemic barriers continue to prevent women from accessing the same opportunities as their male counterparts. I am pleased to contribute my perspective to this inquiry and would be very willing to provide oral evidence should the Committee wish.

The evidence I provide is based on my personal experience as a founder and mentor, as well as my work in health technology, innovation, and policy.

Background

I am the co-founder of **Lumino**, a digital therapeutics company focused on improving access to evidence-based treatments. My work at Lumino builds on over 15 years of experience in healthcare at a national level in the UK. Previously, I was **Director of Mental Health Policy at the NHS Confederation**, where I chaired the **Mental Health Policy Group**, a coalition of leading national organisations, including Mind, Rethink Mental Illness, and the Royal College of Psychiatrists. In that role, I co-authored the Group's 2015 **Manifesto for Better Mental Health**, which helped secure a £2.3bn per year commitment to mental health funding.

My expertise extends into entrepreneurship and innovation. Through a **Churchill Fellowship**, I studied digital approaches to mental health across Australia and the USA, and I hold an **Executive MBA from the University of Cambridge**, where I was awarded the **Sainsbury's Scholarship and Director's Award**. I mentor on the **NHS Clinical Entrepreneur Programme**, which supports healthcare professionals in developing and scaling innovation, and on **EnterpriseTECH STAR** at the University of Cambridge, guiding promising postgraduate and doctoral students as they transition into entrepreneurship.

Beyond the Deficit Lens: The Real Barriers Facing Women Entrepreneurs

Too often, female entrepreneurship is framed through a **deficit lens**—as if women don't achieve the same levels of business success because they lack skills, knowledge, or confidence. This is a **flawed diagnosis** of the problem.

The real issue is not that women need more training, mentoring, or workshops on imposter syndrome. The issue is that they do not have **equitable access to capital, networks, and sponsorship**. If we misdiagnose the problem, we get the wrong policy response—one that focuses on **“fixing” women** rather than **fixing the systemic barriers that block them from scaling businesses**.

For years, we've funded an industry of providers to run mentoring schemes, which, while valuable in some cases, have not moved the needle. **What actually shifts the dial is access to money and power**—the same factors that benefit many male entrepreneurs through established networks and sponsorship.

The Role of Government: Moving Beyond Tokenism

It is sometimes suggested that government has little role in this, as investment decisions are made in the private sector. But that ignores a fundamental fact: **government is one of the largest funders of early-stage innovation in the UK**.

In my sector, health tech, major public funders—including **Innovate UK** and **NIHR** —are critical in determining which companies survive and scale. I am immensely grateful for the public investment my company has received, including most recently from the **Scottish Government's excellent Civitech programme** (which itself is an exemplar in supporting gender diverse teams – I would highly recommend the Committee speak with them), but the system remains fundamentally inequitable.

The problem is this:

- **Funding for female entrepreneurship is often treated as a niche issue**, delegated to small EDI teams with **tiny pots of money** rather than embedded into **core investment decisions**.

- **There is little transparency** on how much of major funding bodies' capital (e.g., Innovate UK's grants) actually reaches female-led businesses.
- **Women hit a 'valley of death'**—they may secure small grants, but when it comes to scaling and raising private investment, they lose out.

The Hidden Problem: British Business Bank and Angel Investment Oversight

- A significant issue is what happens **within angel investment networks**—many of which are **funded with public money by the British Business Bank**.
- If you speak to female founders about their experiences with some angel investor groups, you'll hear **horror stories**. Many have experienced dismissive attitudes, biased questioning, or outright exclusion from investment opportunities. These issues are rarely discussed publicly because **the data isn't there, the oversight isn't there, and the accountability isn't there**.
- This is public money. The British Business Bank should be able to **demonstrate that the angel groups they fund are making investment decisions free from bias**.
- If the government is serious about making funding access fairer, then ensuring proper **monitoring, reporting, and intervention** in these investment networks, where they enjoy the support of public money, is essential.

The Economic Case for Change

This matters **not just because it's the right thing to do, but because it's an economic necessity**. If the UK is serious about growth, job creation, and global competitiveness, we need to **back the winners of the future**—and that includes female-led businesses.

The data is clear:

- Women-led businesses generate **more revenue per pound of investment** than those led by men¹.
- **If women started and scaled businesses at the same rate as men, it could add £250bn to the UK economy².**

¹ Boston Consulting Group (2018), *Why Women-Owned Startups Are a Better Bet*
<<https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet>>

Yet we continue to **underfund and under-support** female founders in the very sectors that drive high-growth, high-impact innovation.

What Needs to Change

The UK does not need another round of reports acknowledging the problem. We need **policy change that moves money and decision-making power.**

Other countries have already taken action. **Canada has a dedicated Women's Entrepreneurship Strategy³, a \$6 billion initiative aimed at increasing access to financing, networks, and expertise** for women entrepreneurs, supporting the growth of women-led businesses, and promoting gender equality in the entrepreneurial ecosystem.

The UK should **urgently** adopt similar approaches.

Recommendations

1. **Full transparency on funding** – All government-backed funding bodies, including **Innovate UK and the British Business Bank**, should **publish gender-disaggregated data** on where their money goes.
2. **A fundamental shift in investment allocation** – Major public funders should move **beyond EDI side projects** and embed **gender-equitable investment as a core priority.**
3. **A solution to the 'valley of death'** – The government should introduce **scale-up funding mechanisms** to support female-led businesses at the point where private capital often fails them.
4. **Oversight of angel investment networks** – The British Business Bank must **monitor the groups it funds** to ensure female founders are not facing **bias or exclusion** in investment decisions.

² HM Government (2019), *The Rose Review of Female Entrepreneurship*
<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF>

³ Government of Canada (accessed 7th March 2025), *Webpage: Women's Entrepreneurship Strategy.*
<https://ised-isde.canada.ca/site/women-entrepreneurship-strategy/en>

5. **Accountability for VC firms** – If a venture capital firm benefits from public funding or tax incentives, they should be required to **demonstrate gender-equitable investment decisions**.

Conclusion: Back Women, Back the Economy

This is not just about fairness. It's about **economic strategy**.

Female-led businesses are driving innovation, creating jobs, and generating tax revenue that funds our public services. Yet we continue to **underfund and undervalue** them. If the UK wants to compete on the global stage, **we cannot afford to keep excluding female entrepreneurs from investment at scale**.

The time for incremental change is over. We need **bold action, reallocated funding, and structural reform** to unlock the full potential of female entrepreneurs in the UK.

I would welcome the opportunity to discuss these issues further and provide oral evidence to the Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Becky Cotton". The signature is written in a cursive, flowing style.

Co-Founder and CEO, Lumino

March 2025