

EVALUATION OF THE CREATE GROWTH PROGRAMME (CGP) 2022 TO 2024

JUNE 2025

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IMPACT EVALUATION OF THE CREATE GROWTH PROGRAMME 2022 TO 2024

Policy overview

The Create Growth Programme (CGP) is an initiative to support high growth potential creative businesses in 12 areas around England. It consists of three strands:



Finance

Grants and investor partnerships



Business support

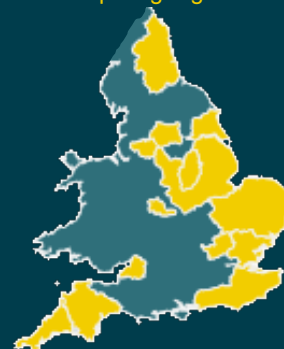
Local programmes of workshops, mentoring and networking for participating businesses



Investor support

Activities to inform investors about the creative industries and connect investors and businesses

Participating regions:



The CGP aimed to support business to become investment ready and increase the number of investors willing to invest in creative businesses outside London.

Evaluation methodology

The evaluation triangulates evidence from multiple different methodologies to yield **robust and comprehensive evidence on the short-term impacts** of the CGP:

- Comparing outcomes before and after CGP support
- “Difference-in-differences” comparing changes in outcomes for those with different CGP support or no support
- Self-reported impacts
- In-depth qualitative perspectives



Survey data at two time points from 134 businesses



Monitoring data on 94 grant recipients



Interviews and focus groups with 51 businesses
15 delivery partners
6 investor stakeholders

Key findings

Has the CGP increased investment readiness?

The CGP increased businesses' self-awareness and understanding of finance:

- 85%** self-reported that the CGP increased their confidence in their business offer
- 60%** reported a positive impact on their understanding of investment

But increased confidence does not appear to have increased demand for equity finance:



Proportion likely to seek equity investment is similar before and after CGP support

The likelihood that those seeking finance are able to secure it may have increased:



More businesses have a business plan after CGP support

⇒ It remains to be seen whether the CGP has had an impact on equity investment in future

Has the CGP increased investor willingness to invest?

Little evidence of any substantive change in willingness to invest in creative businesses among investors due to the CGP

Few investors engaged with the programme.

Has the CGP increased business growth?

The CGP has increased innovation within supported businesses:

- 36%** of businesses strongly agreed that the CGP led to **new products**
- 39%** of businesses strongly agreed that the CGP led to **new business models**

Innovation can be expected to support increased business growth in future:



81% of grant recipients expected their achieved innovations to **increase sales revenue**, and **35%** expected **reduced costs**

⇒ It remains to be seen whether these expected impacts of CGP on business growth are realised



Has the CGP built local capacity for supporting the creative industries?

The CGP has increased local networking among creative businesses.

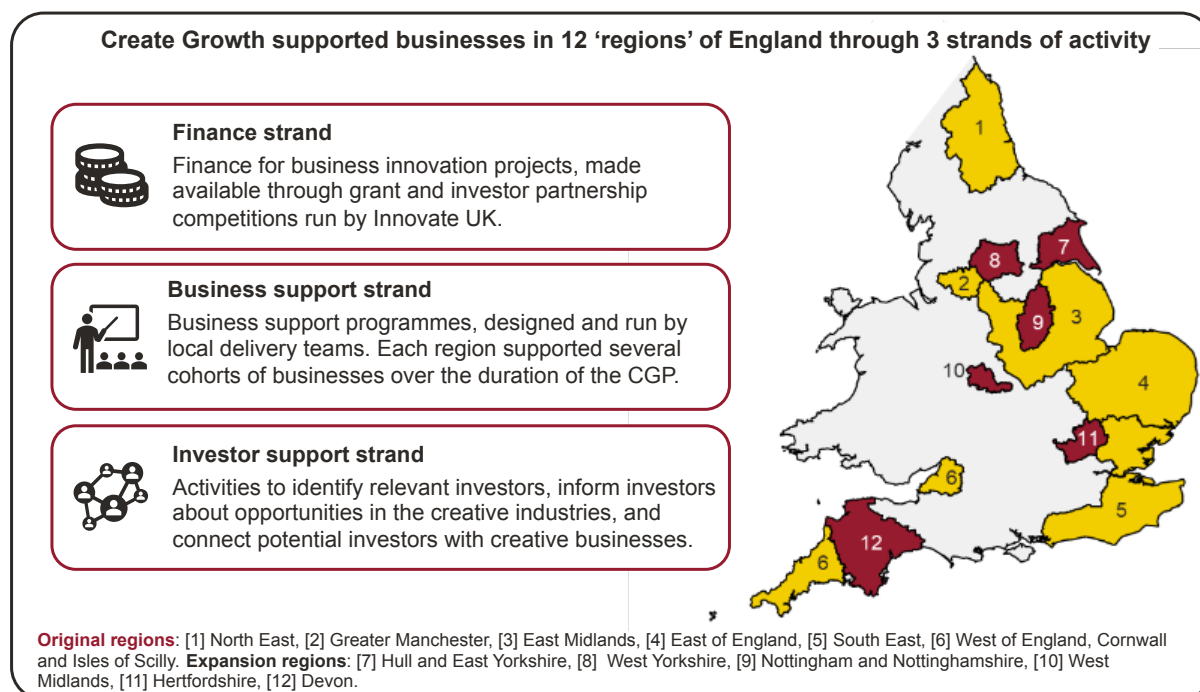


Two-thirds of businesses formed a new collaboration or partnership due to CGP

There are perceptions of small improvements in local understanding and supporting infrastructure.

Executive summary

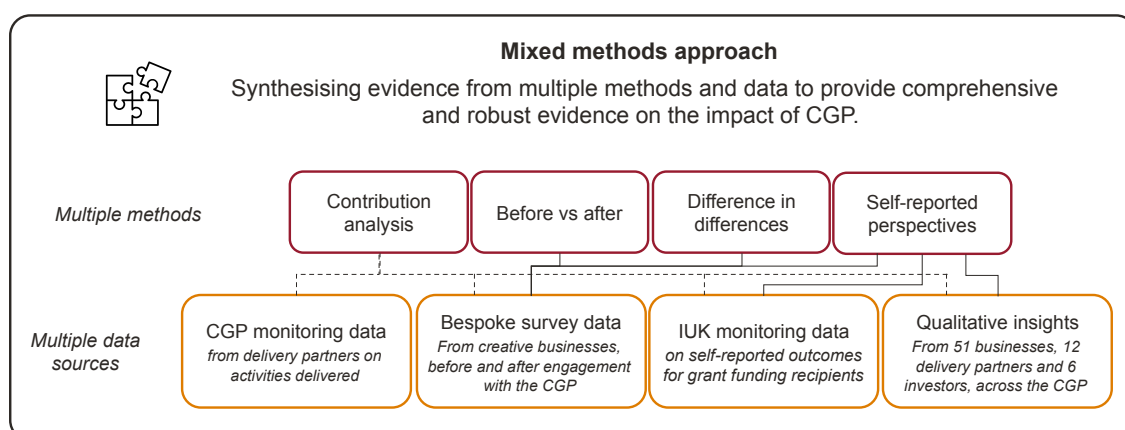
The Create Growth Programme (CGP) is an initiative launched in late 2022 to support the development of businesses in the creative industries with high-growth potential. The CGP provides a bespoke package of finance, business support and investor capacity building to support creative businesses in particular areas of England.



This report presents the main findings of an independent evaluation of the CGP. The evaluation includes a process evaluation and an impact evaluation. The process evaluation provides insight on the effectiveness of the design of the CGP, and what has worked well and less well in delivery so far. The impact evaluation examines what changes have occurred as a result of the CGP and whether the programme has achieved (or looks set to achieve) its intended outcomes.

The evaluation is based on evidence collected prior to January 2025. This is before the end of programme delivery (originally planned for March 2025, but since extended to March 2026). Evidence from businesses is mostly collected less than a year after their CGP support finished. As such, the evaluation should be viewed as an early impact assessment that examines immediate and short-term impacts, as well as leading indicators of future impacts. Future evaluation is needed to examine key outcomes (e.g. business growth and finance use) over the longer-term.

The evaluation takes a mixed methods approach, bringing together various data and methodologies to document changes in the outcomes of interest, provide evidence for the mechanisms through which the CGP could affect those outcomes, and attribute impacts to the CGP.



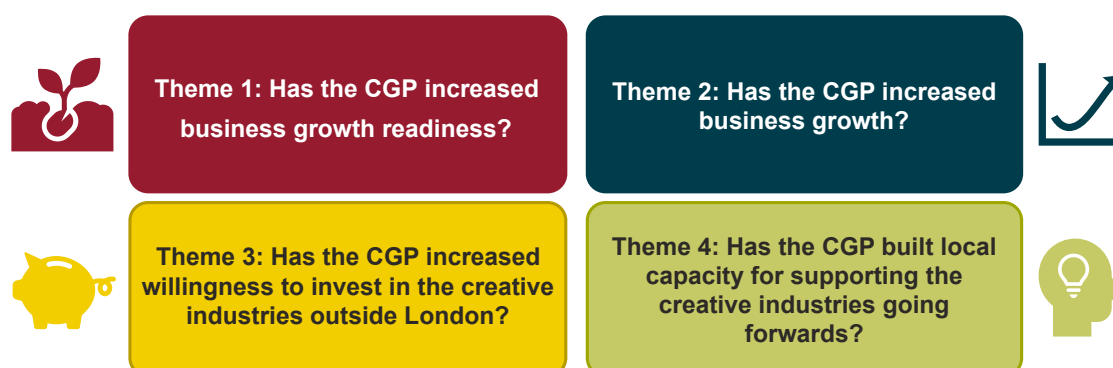
Key findings from impact evaluation

The evidence suggests the CGP will have a **positive impact on the growth of many supported businesses**. This is expected to **be driven primarily by the CGP increasing firm innovation and improving business management practices**.

There is less evidence that the CGP will increase growth through increasing equity investment, as was an initial intention of the policy. The CGP has had **little impact on overall demand for investment or the willingness of investors to invest in creative businesses**. However, it **may have increased the likelihood that some of those seeking external finance are able to secure it**, by increasing their business confidence, understanding of finance and ability to communicate with investors and other finance providers.

This evaluation could only examine the immediate and short-term impacts of the CGP. This is because at the time of the evaluation analysis, less than a year had passed since most CGP activity. **Future evaluation would be valuable to examine longer-term impacts** which take longer to occur – including examining whether expected impacts on business growth are realised, and whether CGP support increases private finance use.

A more detailed summary of the findings of the impact evaluation is provided below, structured around the four themes of the impact evaluation.



Theme 1: Has the CGP increased business investment readiness?

There are multiple aspects to ‘investment readiness’ including: how attractive a business is to investors, how well a business understands the available finance option, whether the business wants investment, and how well the business is able to communicate with investors.

The CGP has had some **positive impact on businesses’ self-awareness, understanding of investment and likely appeal to investors**. Supported businesses report the programme had a positive impact on their clarity of, and confidence in, their business offer. 85% of survey respondents reported that CGP increased their confidence in their business offer and potential for growth. The CGP also **increased supported businesses’ understanding of finance**. Over 60% of surveyed businesses reported a positive impact of the programme on their understanding of the investment landscape, and their confidence and knowledge on securing investment.

However, **increased understanding and confidence does not appear to have thus far resulted in a significant increase in businesses’ desire to secure equity finance**. Many noted they did not think this type of investment was ‘right’ for their business, even with increased understanding of the potential options. There is little change in the proportion of businesses thinking they are likely to seek equity finance or seek other external finance after CGP support as compared with before.

While the CGP may have had limited impact on business demand for investment, **the investment readiness of those businesses looking to seek finance may have been increased**. Many businesses appear more confident in their ability to obtain finance, and the business support programmes increased the proportion of firms who have a business plan and who have an IP strategy, without which appeal to investors may be limited.

Theme 2: Has the CGP increased business growth?

It is too soon to expect impacts on business growth to be widely evident. The evaluation draws on evidence from businesses who are mostly observed less than a year after their CGP support finished. The mechanisms through which CGP is expected to improve business growth (such as improved business decision making) would take longer than that to feed through into demonstrable increases in turnover.

Outcomes which would be expected to influence growth going forwards are however observable.

The **CGP has led to increases in innovation** within supported businesses. Levels of reported innovation are higher after CGP support than before CGP support. After CGP support 56% of businesses reported product or service innovation over the past 12 months. Before CGP support 35% reported such innovation over the previous three years. Increases in innovation are found to arise from both the grant support and business support programmes. Over a third

of supported businesses strongly agree that the CGP led to new products or services, and over a third strongly agree that the CGP led to new business models.

Increases in **innovation can be expected to feed through into growth in future**. CGP grant recipients thought their innovation projects had a positive impact on their commercial opportunity: 81% expected new innovations arising from their project to result in increased sales revenue while 35% expected reduced costs. Qualitative feedback from businesses indicates a belief that changed business processes and products will increase their future growth.

A majority of supported businesses believe the CGP will have a positive impact on their growth. 78% of survey respondents reported the programme had (or would have over the next 1-2 years) a positive impact on their business revenue growth, with 32% reporting a significant positive impact.

Future work will be required to check if expected impacts on business growth are realised in future. Early signs are positive given the impacts of the CGP on innovation, and business confidence and understanding. Furthermore, qualitative insights reveal some businesses report positive impacts on their employment and turnover already.

Theme 3: Has the CGP increased willingness to invest in the creative industries outside London?

There is **little evidence that the CGP has led to a substantive increase in investor willingness to invest in the creative industries to date.**

CGP included a range of activities designed to increase investors' awareness and understanding of the sector and connect investors and creative businesses. However, **only a limited number of investors engaged with these activities**. This means that the overall impact on investor perceptions will be limited, even though investors who participated were generally positive about their experiences.

The CGP has led to some increased connections between investors and delivery partners—for example, the addition of organisations to the 'approved investor partner' list for Innovate UK investor partnership competitions. These connections could have positive impacts on investment levels over the longer term if engagement and momentum are maintained.

Theme 4: Has the CGP built local capacity for supporting the creative industries going forward?

The CGP has **increased the amount of local networking and collaboration among creative businesses**. Two-thirds of surveyed businesses supported by CGP had formed new collaborations or partnerships as a result of the programme. Many businesses reported staying in ongoing communication with their CGP peer group and continuing to derive benefit from this network even after the end of their participation in the programme for example, by

continuing to ask questions and sharing knowledge and funding opportunities, or in a few cases by working directly as partners, contractors, or suppliers to other participants.

There are also **perceptions among businesses of small improvements in more general local understanding of the creative industries and supporting infrastructure**. In a few regions businesses thought there was now more emphasis on the creative sector and more 'buzz', stemming in part from a perception of increased local authority backing.

The evaluation did not identify any specific examples of legacy policies or programmes to support local creative businesses arising from the CGP in participating regions. However, the continuation of the CGP itself has likely postponed any such developments.

Key findings from the process evaluation

There are **two findings from the process evaluation that are relevant to understanding the absence of some hoped-for impacts of the programme**.

First (as mentioned above) the unchanged investor perspectives are directly related to the **limited investor engagement** with CGP activities. The limited engagement was found to be for a range of reasons, including: insufficient advertising of activities to a large and diverse set of investors; insufficient investment-ready businesses to connect with investors; and the design and framing of activities which could be improved. Various stakeholders pointed to informal networking events as being more attractive to both businesses and investors than formal pitching events. Qualitative insights from investors suggest investors are interested in exploring opportunities for investing in creative businesses.

Second, **the type of businesses enrolled on the business support programmes** may have been partly responsible for the lack of change in demand for private finance, and limited change in overall businesses' attractiveness to investors. Regional delivery teams were flexible in their interpretation of 'high growth potential' businesses, resulting in fewer enrolled businesses at a stage of development to benefit from equity investment than originally intended. This may have limited the overall impact of CGP on equity demand and business investment readiness.

The evaluation also collected a range of insights on things that worked well and less well, in terms of the design and delivery of the CGP activities and the programme as a whole. These provide lessons for the CGP continuation period during 2025/26 and for future policy design.

Limitations and next steps

Additional evaluation activity in future would be beneficial to understand the longer-term impacts of the CGP.

The impact evaluation evidence to date suggests that the CGP will have improved business growth for supported businesses, and may have increased the likelihood that those seeking

external finance are able to secure it. However, these findings are based on observing changes in outcomes relatively soon after participation in the programme. It would be valuable for future evaluation activity to explore how impacts vary over time, and in particular examine:

- **Whether supported businesses do reap the benefits they anticipate in terms of increased business growth** (increased turnover and increased employment) and whether these benefits are sustained.
- **Whether there is an increase in private finance raised by supported businesses**, either equity investment or other forms of private finance.

1 Introduction

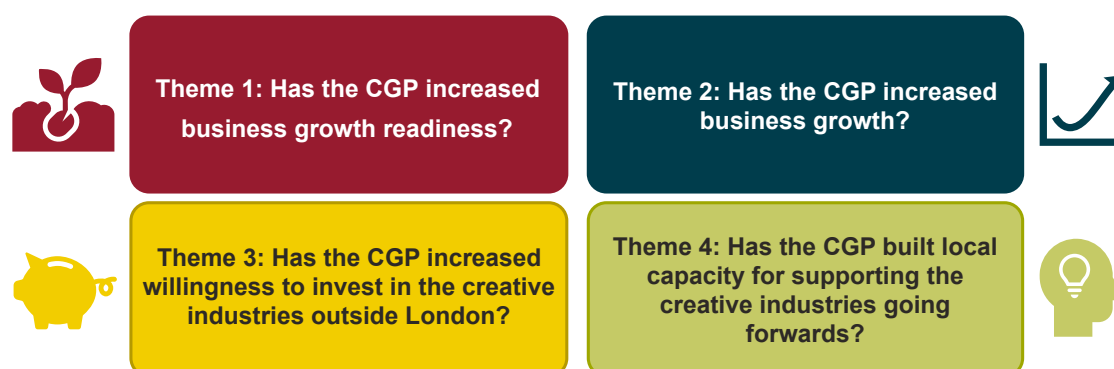
The Create Growth Programme (CGP) is an initiative aimed at supporting the development of businesses in the creative industries with high-growth potential across England (outside of London). It was launched in 2022 by the Department for Culture, Media & Sport (DCMS).

This report presents the main findings from the independent evaluation of the CGP. The evaluation includes two aspects:

- **Impact evaluation:** an assessment of what changes have occurred as a result of the CGP and whether the programme has achieved (or looks on course to achieve) its intended outcomes.
- **Process evaluation:** an analysis of whether the CGP was implemented as intended, whether the design worked, and what has worked more or less well in securing the desired impacts of the programme.¹

The impact evaluation is organised around four themes, each exploring a different aspect of intended outcomes from the programme, as set out in Figure 1.

Figure 1 Impact evaluation themes



Source: Frontier Economics.

This report is structured as follows:

- Chapter 2 provides a brief overview of the Create Growth Programme (CGP).
- Chapter 3 summarises the data and methodology used for the evaluation.
- Chapters 4 to 7 presents the findings for each theme of the impact evaluation.
- Chapter 8 presents the process evaluation findings.
- Chapter 9 summarises and concludes with some lessons for the future.
- Annex A provides additional information on the methodology.

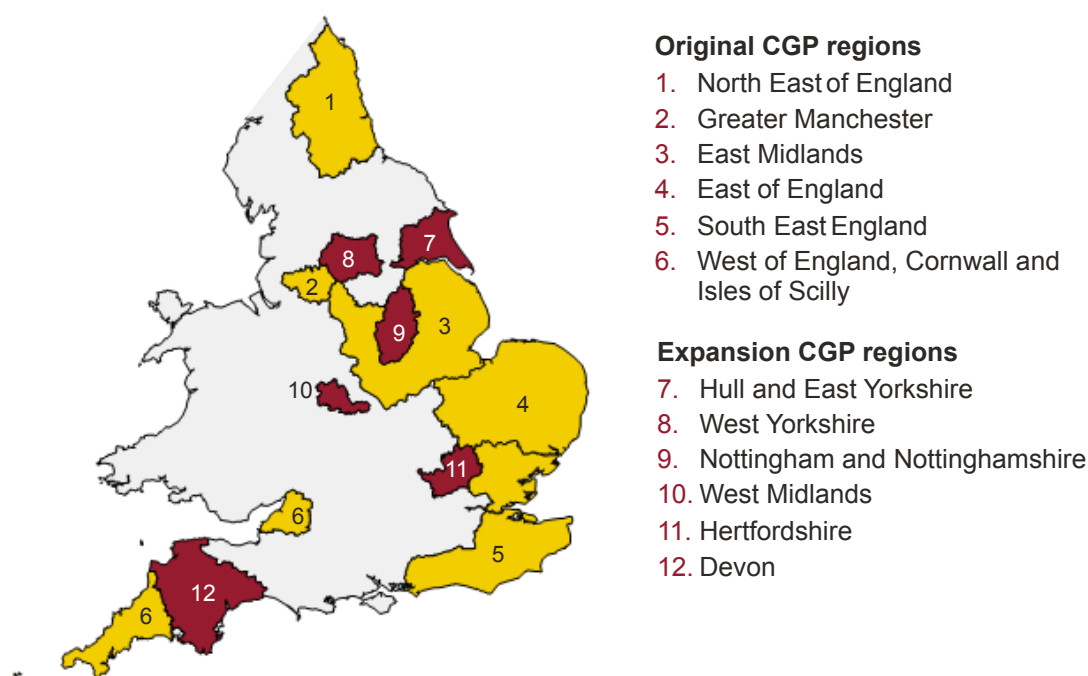
¹ An early process evaluation was delivered in August 2023, which provided an early assessment of whether the CGP was being implemented as intended and whether the design and processes were working effectively. This report expands on this early process evaluation, considering new evidence that has become available to us since.

2 The Create Growth Programme

The Create Growth Programme (CGP) is an initiative aimed at supporting the development of businesses with high-growth potential in the creative industries across England (outside of London).

The programme provides 12 ‘regions’ with a bespoke package of capital, business support and investor capacity building to support high-growth potential business to grow, build investor networks, and access finance. The programme was initially started in 6 regions in late 2022, and subsequently extended to support a further 6 regions from March 2024. The areas participating in the CGP are shown on the map in Figure 2.

Figure 2 Local areas participating in the CGP



Notes: The “East of England” area includes Norfolk, Suffolk and Cambridgeshire. The “East Midlands” area includes Leicestershire, Derbyshire & Greater Lincolnshire. The “West of England and Cornwall” area includes two programmes delivered separately in areas referred to as “Cornwall” and “West” in this report.

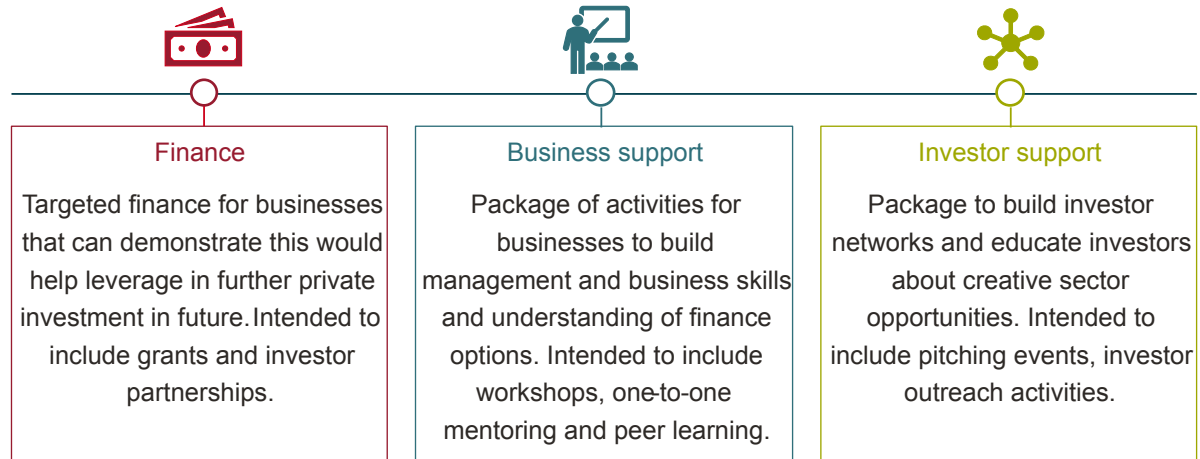
Source: Frontier Economics

The initial guidance from DCMS was that “high-growth potential” creative businesses could be identified as those meeting the following criteria:

- Turnover growth of 10% year on year over approximately 3 years.
- Employing at least 2 people over the last two years (full-time, part-time or freelance).
- Created a revenue generating product, launched a new platform or service or reached a market of scale.
- Generated sales revenue in the last two years.

There are three strands to the CGP, as illustrated in Figure 3: a finance strand, a business support strand, and an investor support strand.

Figure 3 Components of the CGP



Source: Frontier Economics.

The **finance strand** is making finance available for business innovation projects that will act as a stimulus for growth and investment. This funding is being made available through funding competitions operated by Innovate UK, which are only open to businesses in the creative industries in the 12 participating regions. There have been three funding competitions:

- Funding competition 1 was a small grants competition, offering funding of £10,000 to £30,000 for projects of 3-6 months duration.²
- Funding competition 2 was an investor partnership competition, providing grant funding for projects that had a confirmed investor partner providing matched investment.³ Eligible projects were of 6-8 months duration, with a total cost of between £100,000 and £750,000.
- Funding competition 3 was another small grant competition, offering funding of £10,000 to £30,000 for projects of 3-5 months duration.⁴

In addition, some CGP funding was used to make grants available to creative businesses in CGP regions through the Creative Catalyst programme. This is a national Innovate UK small grants competition, offering funding up to £50,000 for projects conducted by creative businesses, or businesses that support the creative industries.⁵

The **business support strand** consists of a range of business support programmes that are designed and run by local delivery teams in the 12 participating regions. The exact package

² DCMS [Create Growth Programme Competition 1](#) The competition was open between November 2022 and February 2023, and funded projects between June 2023 and December 2023.

³ DCMS [Create Growth Programme Competition 2](#) The competition was open between October 2023 and January 2024, with supported projects expected to run between June 2024 and February 2025.

⁴ DCMS [Create Growth Programme Competition 3](#) The competition was open between May 2024 and June 2024, and funded projects are expected to be undertaken between November 2024 and March 2025.

⁵ UKRI [Creative Catalyst Programme](#)

of activities offered as part of the programme varies across local regions, although there are some core consistent support types such as masterclasses, peer group support and mentoring. Each region is supporting several cohorts of high-growth potential businesses on its programme throughout the life of the CGP, with typically around 20 businesses per cohort. The programmes vary in length, from several days to 12 months.

The **investor support package** is being delivered by Innovate UK Business Connect, in collaboration with the local regions. This strand of the programme involves investor mapping activities to identify relevant investors, activities to inform investors about opportunities in the creative industries (e.g. webinars), and activities to connect potential investors with creative businesses (e.g. through pitch events or other networking opportunities). The investors engaged in the programme may be located anywhere in the UK or overseas, but the outreach and events are focused on connecting investors with creative business investment opportunities within the regions that are participating in the CGP.

2.1 Theory of change

The aims of the CGP are to:⁶

- **Support high growth potential businesses to become investment ready**, by developing businesses' knowledge, skills and access to capital.
- **Increase the number of investors willing to invest in creative businesses** outside of London, by educating and developing investor networks.
- **Build local capacity for supporting creative businesses in regions to drive local growth** outside of London.

The overall intent is to support high growth potential creative businesses to achieve their scaling ambitions and help drive the economic growth of the creative sector across England.

To evaluate the CGP it is necessary to set out a "Theory of Change" for the programme.⁷ This describes how the activities of the CGP are expected to feed through into desired impacts – in other words, articulating the pathways or mechanisms through which impacts are expected to be realised. The evaluation can then seek to verify this with empirical evidence.

The Theory of Change for CGP is summarised in the logic model set out in Figure 4. The logic model separates out:

- **Inputs:** the time, money and support required to conduct the programme.
- **Activities:** the day-to-day activities of the CGP delivery partners.
- **Outputs:** the observable and tangible results of the programme.
- **Outcomes:** the specific changes that the CGP aims to deliver.

⁶ DCMS Create Growth Programme Business Case.

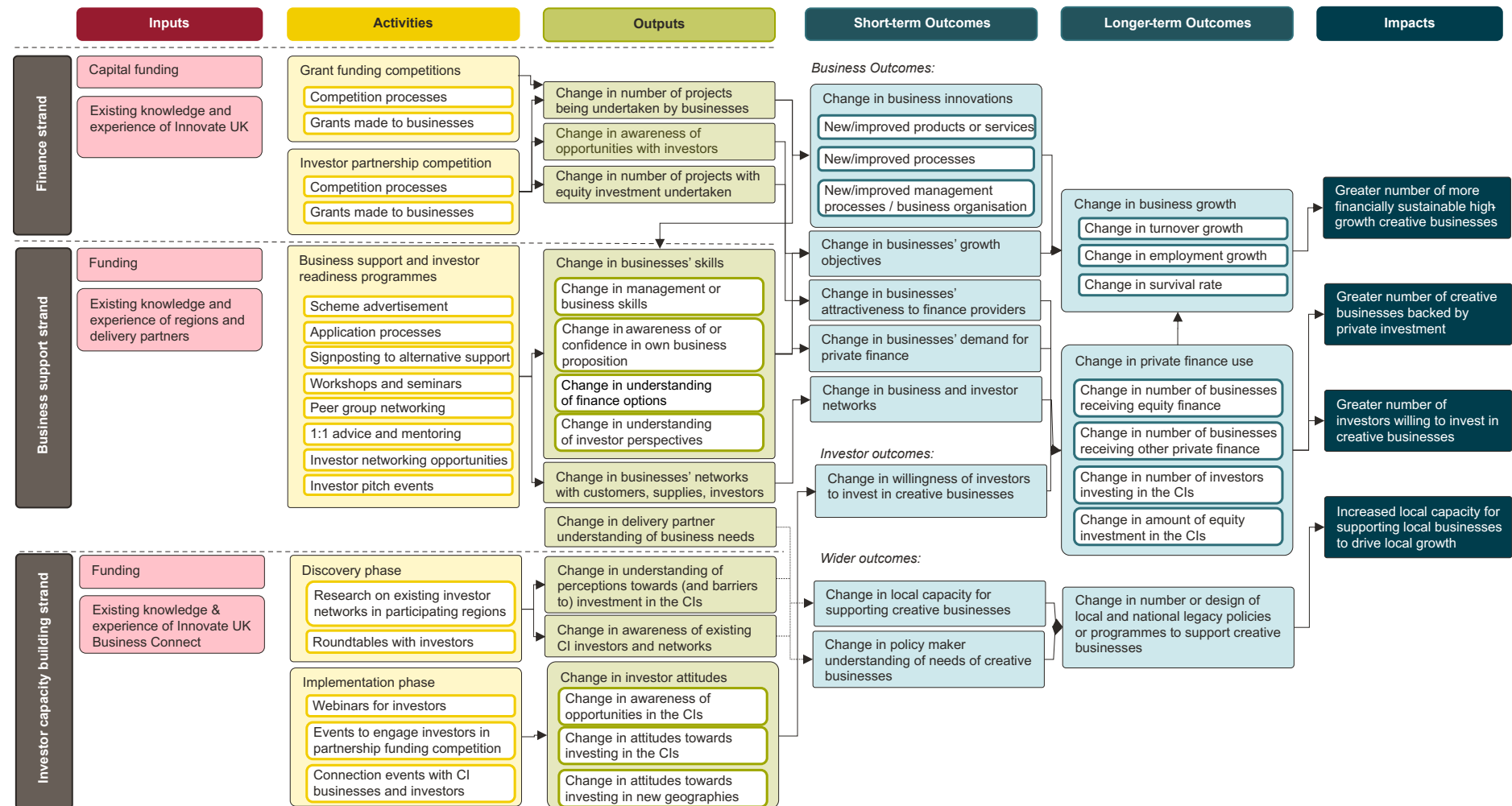
⁷ In line with best practice for evaluation, see HM Treasury (2020), [Magenta Book: Central Government guidance on evaluation](#)

- **Impacts:** the ultimate objectives of the programme.

The logic model sets out how the activities of the programme are expected to lead to outputs, and to the desired outcomes and impacts.

- The finance strand is expected to deliver grant funding and investor partnerships, which increase the number of innovation projects being undertaken by supported businesses. The investor partnership competition is expected to change businesses awareness of investor opportunities and increase the number of projects with equity investment.
 - This would then be expected to feed through into increased business innovation, which could feed directly to greater business growth. This could also feed through into changed growth objectives or changed attractiveness to investors, increasing private finance use and further enabling business growth.
- Business support programmes are expected to change businesses' management or business skills, and their understanding of finance options and investor perspectives.
 - This could feed through into business innovation (particularly regarding management and organisational practices) and changed business growth. Or this could result in changes in demand for private finance or changes in the attractiveness of businesses to investors, either of which could increase private finance use (again, potentially further enabling business growth).
- The investor focused activities are expected to change the awareness of creative opportunities among investors and increase their understanding of investing in the sector.
 - This could feed through into increased willingness to invest in creative businesses, and consequently an increase in private finance use among creative businesses (again, enabling business growth).
- Each of these three pathways above could be expected to feed through into there being a greater number of more financially sustainable high-growth businesses, and lead to there being a greater number of creative businesses backed by private investment.
- The logic model also sets out that the CGP is expected to increase delivery partner and policy understanding of creative businesses and investor perspectives, as a result of delivering the various activities.
 - This can be expected to feed through into better policies and programmes to support the creative industries and improved local capacity for supporting local businesses.

Figure 4 Create Growth Programme logic model



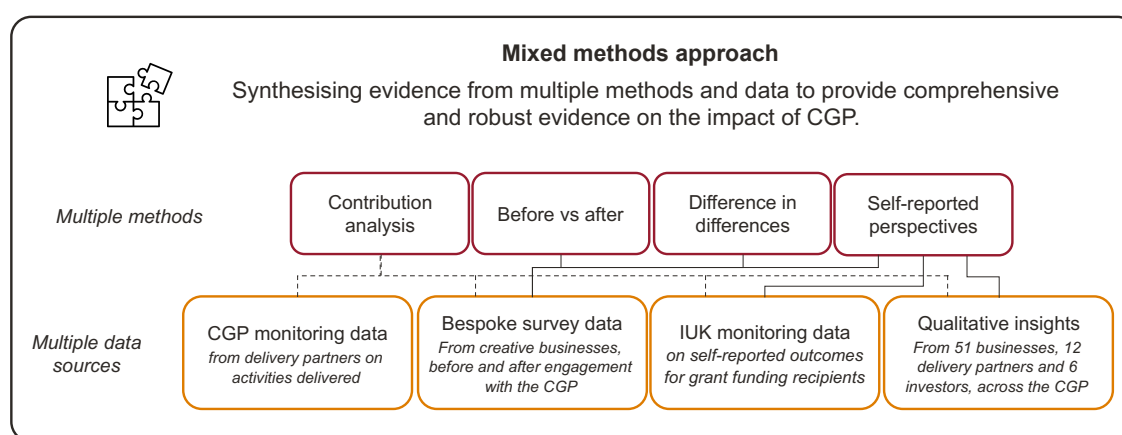
Source: Frontier Economics

3 Evaluation methodology

The impact evaluation takes a mixed methods approach and synthesises evidence from a range of methodologies in order to unpick what changes in outcomes of interest can be attributed to the CGP. Triangulating evidence from multiple different approaches and data sources yields more robust and comprehensive evidence than relying on one approach alone.

This section summarises the approaches and data used at a high level. More detail on the methodology can be found in Annex A.

Figure 5 Evaluation methodology overview: data sources and approaches



Source: Frontier Economics.

The methodologies included within the evaluation are:

- **Theory-based contribution analysis.** Contribution analysis argues that a reasonable causal claim of contribution can be made if: (i) there is an articulated Theory of Change, (ii) activities are delivered as per the Theory of Change, (iii) pathways to impact are supported by evidence on observed results and underlying assumptions, and (iv) other potentially influencing factors have been considered.
- **Before and after analysis** comparing business outcomes after engagement with the CGP with outcomes before engagement. This reveals changes in outcomes of interest.
- **Difference-in-differences (DiD) analysis** comparing changes in outcomes over time for CGP participants and non-participants, and for businesses with different types of CGP support (who might be expected to be impacted differently). Given small sample sizes for comparison, this analysis is used to qualitatively support inferences about the causal impact of CGP rather than to quantify causal impacts.
- **Analysis of self-reported views** from businesses, delivery partners and investors. This is a valuable source of evidence on what impacts stakeholders perceive the programme to have had, though views need to be validated across stakeholders or with other data to

increase the robustness of the evidence. Where views are qualitative, framework analysis was used to synthesise stakeholder insights, and to identify and validate key themes.

These analyses draw on four main data sources:

- **Qualitative insights** from in-depth interviews and focus groups with key stakeholders. This included: all delivery partners; businesses from early and later cohorts of the business support programmes across all 12 regions participating in the CGP; businesses who had been supported through grants and investor partnership funding; and investors with varying degrees of interaction with the CGP. A total of 51 businesses, representatives from the 15 delivery partners, and 6 investors (or investor group representatives) engaged in the qualitative research between November 2024 and January 2025.
- **Bespoke primary survey data** from creative businesses. This is used to conduct the before and after analysis and the DiD analysis, as well as providing some quantitative data on self-reported impact. Survey data was collected prior to and after CGP support, from businesses who interacted with the CGP at an **early stage** of the programme. This includes businesses that (i) applied for funding from the first funding competition, and/or (ii) participated in an early cohort of one of the regional businesses support programmes. Early cohorts are defined as those who had completed their business support programme (or the intense phase of their business support programme) before July 2024 and had started the programme at least two months previously. The focus on this sub-set of businesses was so as to analyse data from businesses who had finished their CGP-funded projects, or largely finished participation in a CGP business support programme, and had some time for outcomes to have been felt. The ‘after support’ survey was conducted in June-July 2024.
- **Monitoring data** from Innovate UK on the self-reported impacts (at project completion) of receiving funding among businesses who received grants via the first CGP competition.
- **Monitoring data** from delivery partners on the activities delivered through the CGP.

The evidence from all these approaches is triangulated to inform the overall narrative regarding the impacts of the CGP. The robustness of the evaluation is increased through the overall weight and breadth of the combined evidence base.

Where quantitative insights are reported in Chapters 4 to 8, these primarily come from the primary survey data. Those statistics reported are calculated across firms who responded to the survey, not all firms supported by CGP.

When describing qualitative findings, it is not appropriate to quantify these in terms of a proportion of respondents, due to the more flexible and variable nature of qualitative discussions (when compared with the quantitative survey). Instead, the report uses a range of terms to give the reader an indication of the scale of an experience or feeling expressed. For example, ‘most’ would refer to a sizeable majority of respondents, ‘many’ would refer to a mid-high proportion of respondents, ‘some’ would refer to at least a small amount to around half of respondents, and ‘a few’ would refer to a very small minority of respondents.

4 Findings – Theme 1: Has the CGP increased business investment readiness?

Key findings:

The CGP increased supported businesses' clarity of, and confidence in, their business offer. 85% of survey respondents reported that CGP increased their confidence in their business offer and potential for growth. Qualitative feedback from participants and delivery partners pointed to the value of businesses' taking time out of day-to-day business delivery, the input of mentors, and the "learning by doing" from activities such as developing business plans, finance plans, IP plans, pitch decks, and funding applications.

The CGP also increased supported businesses' understanding of finance. Over 60% of surveyed businesses reported a positive impact of the programme on their understanding of the investment landscape, and their confidence and knowledge on securing investment. Business support programme participants often pointed to the value of the workshops and mentor support in achieving this. In particular, these activities provided an overview of types of investment, gave insight into what investors are looking for, and helped them to understand what investment might be right for them. Pitch development and practice was also highly valued by some businesses.

Increased understanding and confidence do not, however, appear to result in a large increase in businesses' desire to secure equity finance. Many businesses noted they did not think this type of investment was 'right' for their business, even with increased understanding of the potential options. There is little change in the proportion of businesses thinking they are likely to seek equity finance or other external finance after CGP support as compared with before. Many businesses qualitatively reported being more confident in their existing decisions, or now having enough information and understanding to be clear that investment was not the right path for their business or their current plans.

The CGP may lead to an increase in investment received by participating businesses in future. While the programme has had limited impact on business demand for equity investment, **it may have increased the likelihood that those seeking finance are able to secure investment** (due to their greater confidence, understanding and ability to communicate with investors). The perspectives of delivery partners are mixed, but businesses themselves are more confident in their ability to obtain finance.

It is too early to expect the CGP to have had demonstrable impacts on actual investment in creative businesses, as obtaining external investment is a process that takes time. Therefore, **it remains to be seen whether the CGP has had a material impact on investment received.** A small number of businesses have received equity investment through the CGP investor partnership competition. But for the most part these were businesses that already had

higher levels of investment readiness and were not businesses supported through the business support element of the CGP.

The CGP directly supported creative businesses. Over 900 businesses had enrolled on regional business support programmes by the end of 2024). The CGP also provided £11.8 million of funding to 316 projects: £10.3 million to 310 businesses through small grants and £1.4 million to 6 businesses through investor partnerships, where grant funding was matched by a total of £2.1 million of private investment.

A key question for the evaluation is the extent to which this support has increased business “investment readiness”. There are multiple dimensions to a business’s “investment readiness”. One aspect is the suitability of the business to receive investment. This depends on the underlying proposition of the business, but also on the mindset of the business, leadership skills and strategic planning, the ability of the business leadership to communicate the business offer and its growth strategy. This could be interpreted as a business being ‘investment ready’ from the investor perspective. Another aspect is a business’s understanding of potential finance options, and having the skills and knowledge needed to navigate investment opportunities effectively. Armed with that understanding, has the businesses made an informed decision that they want a certain type of investment, and are they in a position to go out and seek investment in an appropriate way. This could be thought of as being ‘investment ready’ from the business’s perspective.

The evidence on the impact of CGP on these different aspects of investment readiness is summarised in this chapter.

4.1 Businesses’ confidence and clarity in their business offer

The CGP increased supported businesses’ clarity and confidence in their businesses offer and in their growth potential.

Businesses who completed the evaluation survey were very positive about the impact of the CGP on their business confidence: **85% of respondents agreed that the CGP increased their confidence in their business offer and potential for growth**, with 47% strongly agreeing.

The qualitative feedback from participants on the business support programmes was also typically (but not universally) positive. Many businesses expressed having increased confidence and clarity in their offer, markets, values, and potential. The experience of one business is described in more detail in Case Study 1.

"[The conversations with Create Growth contributed to] the clarity around the messaging, clarity around the story of the company, clarity around the impact that the company has on its clients, and also putting that into the way we tell that story, including the pitch deck, and that's probably where [the CGP] contributed most actually to the company." CGP Participant

Qualitative insights reveal various ways in which the regional business support programmes enabled businesses to improve their clarity and confidence.

- Many participants and delivery partners mentioned the benefits to business owners in having **the opportunity to take dedicated time away from the day-to-day operations** and management of their business and spend time reflecting and planning for the future.

"My main take away I think about the sessions and that period of time was it gave me almost like permission to remove myself from the day-to-day for a day per week and think about things, think about things long term and that has really benefited." CGP Participant

"A programme like this that takes you out of [your] cycle and puts you in a [position] where you're talking to people about your business model... and your long term goals - with a bunch of other people who are doing the same thing - it enables you to talk about how best to get to that point to look at your business model and take a step back." Delivery partner

- Further to this, businesses and delivery partners found the **support of mentors and peers particularly helpful in that they allowed an outside perspective and guidance** for the business and its potential, which they would not otherwise have access to.

"It's kind of like you feel like there's somebody on the journey with you. Because it can be a bit lonely being a business owner, especially if you're a small business." CGP Participant

- A few participants and delivery partners also noted that **the process of developing business plans, finance plans, IP plans, pitch decks, and making funding applications** for grants (including the Innovate UK grant) has been **beneficial in helping businesses to better clarify and more effectively communicate their business offer**, ambitions and plans for growth. This was often seen as particularly effective when they were receiving the support of their mentor in these activities.

"In doing that exercise and writing these sorts of applications, it does sometimes provide a bit of clarity to what you do. And it was sort of a successful failure in the sense of I went through this exercise and... it did provide a lot of clarity in what the scalable part of this model was going to be and then that has really helped steer ...my business to where it is now and setting up for 2025 to be quite an exciting and different year." CGP Participant

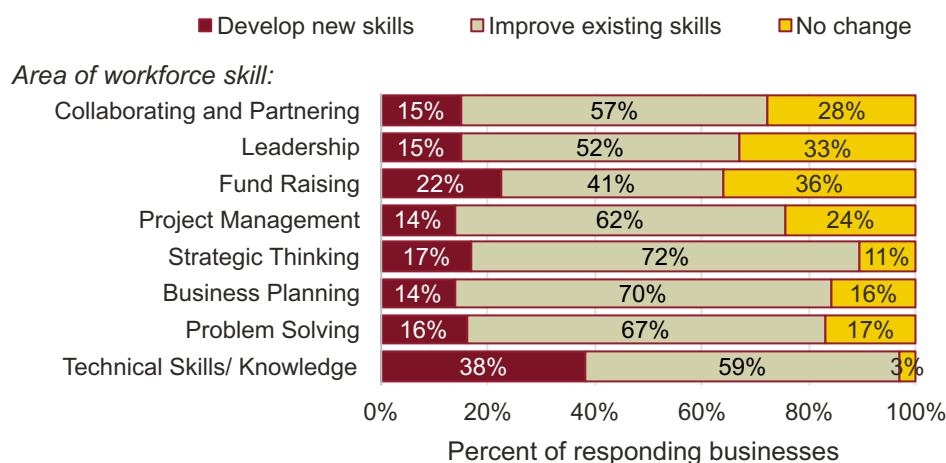
For some, it was not just the specific skills they have gained through the programme that increased their confidence, but a 'mindset' shift, whereby they now saw their business and what it might achieve differently.

"I think it's totally transformed my mindset; my business mindset has been totally transformed and upgraded. It's like becoming the latest iPhone. I was an iPhone 4 and now I feel like I've got the skills to be an iPhone whatever the latest one is." CGP participant

Receiving CGP grant funding was also reported by many businesses to have increased their skills. Monitoring data from the first grant competition revealed that a majority of grant recipients found the funding allowed them to develop new or improve existing skills across a range of areas (shown in Figure 6). Increases in technical skills was the most common, but

other increases in skills were also widely reported, including strategic thinking and business planning.

Figure 6 Self-reported impact of CGP grant funded project on workforce skills



Source: Frontier Economics analysis of Innovate UK monitoring data.

Notes: Sample is 94 businesses who received grants through funding competition 1.

Case study 1 - CGP West of England business support programme participant

The business is a video marketing production company established in 2022 that creates high end B2B and B2C video content while giving paid opportunities to underrepresented filmmakers from ethnic minorities, LGBTQ+, female, and low-income backgrounds.

The business-owner took part in CGP to further increase and develop their networks and to expand their knowledge about growth and how this would work ethically for their business. They also wanted to understand more about the different ways investment can be generated.

The business-owner received mentoring support and attended regular masterclasses, which were further supported by independent activities and tasks. Conversations with their mentor and through masterclasses allowed them to consider what the key metrics and strengths are that they are selling to investors, helping them better understand how to show that culture and inclusivity has real value for investors. This increased their confidence when considering what they offer potential investors.

"What it allowed us to do is really hone our key metrics. What are we measuring? Okay, that's our USP and what an investor would want to buy into... Conversations around different types of investment, culture and growth helped us really understand that there is real value in what we're prioritising and how we're choosing to measure our success. If we stick to this, we'll achieve our goals regardless of what the optics are."

They also valued networking sessions which helped them better understand how to present their offer to prospective clients, while simultaneously networking with other participants has

enabled them to understand more about how other businesses grow, showing there is not a 'cut and paste' way of doing things.

"We had that session and then we had a networking event the week after or two weeks after. And straight off the bat, some of the insights that came from that session proved to be incredibly effective in that networking session."

As time has gone on, the business has found that they have been working more intentionally, and have further developed and focused their product on making high-end content for the industry. The business notes that they have been able to grow through their sales despite it being a challenging time in film and tv, with some larger organisations having closed.

They are confident that the CGP has given them a better understanding of the funding landscape and potential investors and stakeholders for the future, and has also given them a better understanding of how to assess whether these are appropriate investors for them.

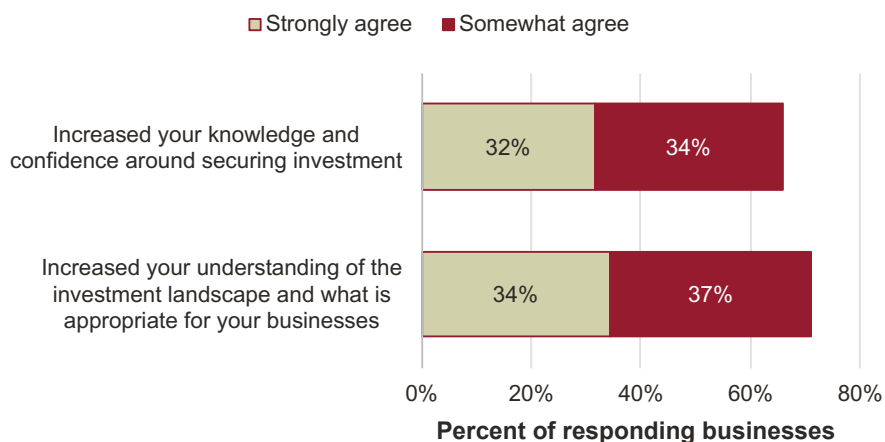
"What to look for in prospective stakeholders and investors in the future and how to evidence what we're looking for with them to believe whether or not they are the correct people to go on an investment journey with. So that again was a huge take away from being on the programme."

4.2 Businesses' understanding of finance

The CGP increased businesses' understanding of finance and their confidence around securing investment.

Over 60% of business respondents to the evaluation survey were positive about the impact of the CGP on their understanding of and knowledge around investment (shown in Figure 7).

Figure 7 Self-reported impact of CGP on investment understanding and knowledge



Source: Frontier Economics based on primary survey data

Note: Sample is comprised of all survey respondents who received competition 1 funding and/or participated in a regional business support programme.

Most participants and delivery partners who engaged in the qualitative research found that the CGP has increased businesses' understanding of the investment landscape and what is appropriate for their business.

Participants reported they have more confidence in their decision-making when choosing between different finance options and what is appropriate for them. Importantly, businesses noted they are more aware of the potential risks of external funding (including through grants). They were also more confident that they were providing something of value for the investor, not 'begging' for money.

"For me, it definitely informed me better to see what kind of investor would be right for us and who wouldn't be right for us... It gave me more confidence in my own self to stand in front of investors and say actually I want X amount for this equity." CGP participant

"The investment is going both ways. The investor gets something from us rather than just us asking for handouts... we've vastly changed our perspective on what investment means." CGP participant

The main way the programme had increased businesses' knowledge and confidence of investment was reported to be the business support workshops delivered by the regional teams. Participants and delivery partners noted that the workshops had various benefits, including:

- **Providing an overview of the different types of investment**, including less well-known approaches such as social investment, as well as the life-cycle of investment.

"I was introduced to all of the aspects of funding that was available to me, and was given a full range of products and opportunities fully explained, and even help filling out forms and how to go about getting investment, down to putting together my presentation packs and all that sort of stuff. I had... zero knowledge of what was available, and this course has opened up my eyes incredibly to a massive amount of opportunities." CGP Participant

"I'd say that they can all probably now articulate what types of investment there are out there and also what types are suitable for them. Sometimes that has actually led to some of them saying "now I know more about what this kind of investment means I'm probably not going to go for it", but that's a good thing. They're on the journey, or at least they'll know when in their future they might be ready for that kind of investment." Delivery partner

- **Giving insight into what investors are looking for and reducing myths** about investment.

"The only real knowledge I have of investment is kind of the Dragon's Den style investor. Understanding that it's not just that, there are other ways that people invest and why people invest, was really useful to learn." CGP Participant

"It's not Dragon's Den, you know, it's starting a conversation with someone. So I think just removing some of the taboo around investment in the creative industries, it's been really good." Delivery partner

- **Helping them to understand what investment might be appropriate for them.**

"I'm clear about the point at which I would need finance and what it would be for and how it would work, which I just wasn't before. So I feel like I've got a choice now, because I can make an informed choice. I didn't feel I could make an informed choice before and I felt a bit like, 'oh, I'm failing by not being investor ready and not going out and looking for investment' and all the rest of it. But actually, now I realise that, yes, that is a tool that I could use. But at the minute it's not the right one." CGP Participant

"We've gone from businesses that are kind of like, 'yeah, I think I want investment, but I don't know what that looks like' to six months later, they're pitching to investors." Delivery partners

While most participants found the workshops helpful to some degree, the level to which these helped increase their knowledge and understanding was dependent on the existing knowledge of the cohort, and the extent to which the information and speaker experience was tailored accordingly. As such, a few more experienced business-owners reported that they did not feel they had learned anything new from attending some of the workshops.

"There isn't anything that I've learnt from the programme that I couldn't have got from a Google search or from having previous knowledge of having businesses before. So no, it didn't help me at all." CGP Participant

However, for some of those with more pre-existing knowledge of finance, they reported either finding it reassuring to be sure that they were not 'missing' any information, or valued being able to follow this up in more detail with the speakers and with their mentors.

"From a personal perspective, it was reassuring that, you know, we were doing things right and there wasn't any other way we could do it. But I didn't feel that we learned anything." CGP Participant

"It did give me an opportunity to get a little bit more nuance and a little bit more detail orientated and the time that we spent with those mentors and the speakers, whether they be in the formal setting or in the coffee afterwards that were incredibly valuable to me as I was able to talk specifically about my business." CGP Participant

Another aspect of business support programmes highly valued by some was pitching practice sessions offered by the CGP. A few who attended pitch-days (either locally or in London) where they met investors also found these helpful.

"In terms of pitching and looking for investment, I feel like now I'd be at a stage because of the programme where I could go to an investor and pitch and know the figures, know what I need, and know what I want - which without the programme I wouldn't have had a clue. So yeah, it really helped me." CGP Participant

"It really helped me prepare a pitch deck, be able to present to investors. I'd got through onto an international competition, which was like pitching to get through to the next round. They gave me confidence to do that. I'd never had a pitch deck; I'd never done any pitching whatsoever. So the mentoring and the preparation running up to that helped." CGP Participant

4.3 Demand for equity finance

While the CGP increased understanding of finance, this does not appear to have led to an increase in demand for equity finance.

The quantitative evidence does not suggest that the CGP has had a significant impact on overall expected use of external finance.⁸

- Comparing expectations of future external finance use before and after CGP support suggests there has been limited change. 57% of supported businesses reported they were likely to seek equity investment over the next three years in the follow-up survey, only slightly higher than the 51% who reported this at baseline. 63% of supported businesses reported they were likely to seek other (non-equity) external investment in the follow-up survey, slightly lower than the 69% who reported this at baseline.
- That said, around half of surveyed businesses self-reported a positive impact of the CGP on their likelihood of seeking external financing: 51% agree that as a result of the CGP they are more likely to seek equity investment, while 59% agree they are more likely to seek (non-equity) external investment. However, this could reflect survey respondents being biased towards reporting a positive impact of their CGP participation, or it could reflect widespread but small changes in expectations of seeking investment.

The qualitative feedback from supported businesses reveals that their increased confidence and understanding of investment has typically manifested in two ways:

- Increased confidence in taking the next steps to apply for or seek funding or finance.
- Increased confidence that external finance and investment are not the most appropriate thing for their business, and a clearer understanding of their next steps for using existing assets to leverage growth.

For example, in many instances businesses noted that they did not plan to seek external investment in the form of Venture Capitalists (VCs) or Angel Investors, with some being more focused on securing grant funding in the future, and others being confident that their business can grow through their own internal innovation and investment. This confidence in growth through innovation was not restricted to those who had received grant funding, but was prevalent among businesses that had only been on a business support programme.

It is not possible to attribute exact proportions to how many participants were considering different types of finance. However, they broadly fell relatively equally into these three categories depending on what they have determined would be most effective for their business:

⁸ There are broadly two types of external finance. Equity finance involves a business selling shares to raise money. Debt finance involves a business borrowing money from a lender, which is then paid back with interest. More information on different types of business finance options can be found [online](#) on from the British Business Bank.

- Businesses who are actively seeking or plan to seek external finance through investors (such as VCs or Angel Investors) in the future.
- Businesses who are focused on accessing grant opportunities.
- Businesses who do not think external investment are appropriate for them and are seeking growth through their own sales.

Businesses who are actively seeking or plan to seek external finance through investors (such as VCs or Angel Investors) in the future.

These businesses typically valued support from the programme in helping to consolidate their offer, developing resources to help with external pitches, and identifying potential sources of investment.

"Potentially we will look to access some finance for [future business idea]. We need to lean into it... if [product] is something that works, then we will need to seek funding to roll it out to other companies at that point. So we're kind of at the beginning of that journey. But without a doubt, I will be exploring finance options." CGP participant

A few have recently experienced or were in the process of identifying and meeting with investors; however, at the time of the research none had successfully completed this process. Delivery partners noted that they had been developing further opportunities to link businesses to investors within their region and networks; however, expected this would take time to manifest in direct investment as relationships developed.

Businesses who are focused on accessing grant opportunities.

Participants and delivery partners noted that some businesses were more focused on grant funding opportunities, either having been successful in gaining a CGP grant through Innovate UK or exploring other opportunities as they emerge.

These businesses often reported that they found they were more aware of the wider local and national funding landscape, opportunities available, and their likely eligibility for grants, as a result of the CGP. Some have received direct support from their mentors in making applications.

"What I did find really useful was just being signposted to different grants available and things like that. I did apply for an Innovate UK grant, and they helped me to get someone to look through the application, so I did manage to get that. So that was incredibly helpful." CGP participant

Several delivery partners noted that they had been able to effectively signpost and support participants with grant applications, including the CGP opportunities, and other local, regional, and national opportunities.

As noted previously, in some instances the successful grant holders have used this funding to develop a new product or innovation, which would then support their business to grow through their own sales and revenue.

Businesses who do not think external investment are appropriate for them and are seeking growth through their own sales.

Many businesses found the programme useful as it helped them to clarify that external funding may not be the right thing for their business, and in particular they felt it helped them to become more confident that they would be able to grow through their own sales and revenue.

"I think in terms of expectations, naively I think I thought 'great, I'm going to come out of this programme with a £5,000,000 investor... Actually it's been far more nuanced than that and far more useful than that, and actually for me that wouldn't have been the right thing. So if it pushed me hard down that route, I'm sure I could have come out with an investor, but it wouldn't have been the right thing, so I think it's definitely exceeded my expectations, but also done a lot more for me than just get in the cash." CGP participant

Often these businesses have successfully worked with their mentors looking at their product offers and finances (particularly around forecasting and target-setting) to ensure the viability of their approach.

"It's been a very beneficial experience. I think for me it really helped me consolidate what we were doing.... how to repackage the offering and reconfigure everything, to then increase revenue without investment and then later on look for investments." CGP participant

A few also noted that they would prefer to grow their business themselves, without giving control to another organisation, or potentially compromising their business's values. Similarly, a few of the delivery partners also noted that this might be a concern for some businesses.

Some businesses had also changed the scale and nature of the growth they were seeking as a result of this process. Some delivery partners felt it was a positive aspect of the programme, that businesses were more confident in their own knowledge to inform their decision not to pursue external finance.

"One of them recently said to me at an event, 'You're going to be really annoyed with me. I don't want investment. I've realised I don't want to grow in the way that I thought I did', and I'm like, 'I'm really pleased for you that you've worked that out, you've done it from a position of knowledge.'" Delivery partner

"We've had a couple of those where...their mentors have made sure they've had a really strong look at the books and what they're doing and they're realising that they've got cash they didn't know they had or that they're in a better position....and they could do a lot more with what they had. They will stay where they are, but they will continue to grow more deeply because they've realised what they've got. I think that's just as valuable." Delivery partner

Case Study 2 describes the lived experience of one business on the programme who has increased their business understanding and is looking to grow the business through internal revenue and grant funding in the first instance.

Case Study 2: CGP Greater Manchester business support programme participant

The business was established in 2007 by two media professionals to develop and create commercials and branded content, podcasts, and livestreams. In recent years the business-owners wanted to grow their business further. The business-owners took part in the CGP to help them to better understand and navigate the commercial aspects of business growth, as their areas of expertise were focused on the creative elements of their business.

“Creatively we can do our job inside out. We know our industry; we know how to make good content. But the actual running of the business, the commercial side, that is where the help from Create Growth has been vital because that can be very overwhelming.”

CGP supported the business-owners through one-to-one mentoring and group masterclasses. They felt that successful proposals for work benefited from CGP support to professionalise their approach to bids, and that support and strategies from CGP masterclasses were helpful to allow them to better plan and allocate time to new business development. They were very pleased with the mentor who they felt understood their business well, and had flexibly responded to their queries, while providing knowledge and insights they needed.

“Not only did it help us come up with how to put together really good proposals, I think that’s really helped us win much more business than we did have. But it’s also helped with strategising, and it’s also helped with contacts as well because he’s introduced us to some other creatives in the North-West that have helped us with our business.”

The business-owners felt the CGP support has helped them to identify customers and increase their revenue by supporting them to develop pricing strategies and allowing them to understand and prioritise commercial pathways. As a result, much of their work is now focused on a new sector in which they have developed their offer and are increasing their footprint.

“You’re looking at the path ahead and it’s kind of filled with brambles and overgrown. The help from Create Growth helps you to clear away all the brambles and the overgrown plants so you can see a path ahead. Not in terms of how we make videos and content, but in terms of the commercial path forward.”

As a result of their engagement with the CGP, the business-owners have been more aware of grant opportunities, and wider opportunities for support. They have recently been engaging with Innovate Edge and an Innovation Growth Specialist to further develop their offer through a new product, at which point they intend to seek further investment.

"Potentially we will look to access some finance for [future business idea]. If it is something that works, then we will need to seek funding to roll it out to other companies. We're at the beginning of that journey. But without a doubt, I will be exploring finance options."

4.4 Investment received

It remains to be seen whether the CGP has a material impact on investment received by participating businesses.

Among those who desire external investment, their likelihood of being able to secure finance in future may have been increased by participating in the programme.

The CGP may lead to an increase in investment received by participating businesses. While the programme has had limited impact on the overall proportion of business looking to seek equity investment in future, it may have increased the likelihood that those seeking finance are able to secure investment. This could be expected on the basis that:

- Businesses themselves are more confident in their business offer, and in how to seek investment (as discussed above).
- Among participants of the business support programmes there is an increase in the proportion who have a business plan or an IP strategy. Among survey respondents, the proportion with a formal business plan increased from 40% before CGP participation to 57% after, while the proportion with an IP strategy increased from 24% to 44%.

Both of these changes would be expected to increase businesses' appeal to investors, and therefore the likelihood that the businesses will secure finance.

However, while it should be noted that while businesses have increased confidence, some delivery partners are more circumspect. Delivery partners involved in delivering the investor strand of the programme were cautious about the number of businesses emerging from the regional business support programmes that they considered ready to pitch for investment. This was based on their interactions with businesses and reviewing businesses' applications to participate in an investor showcase event.

Obtaining external finance is a process that takes time. Even if the CGP has increased businesses' appeal to investors, this would not necessarily be expected to have fed through into demonstrable impact on actual investment in creative businesses by now. Case study 3 for example illustrates how one business was supported through the programme and developed to the point of being offered investment, but did not take up the offer at this time due to wider factors.

Six businesses did receive equity investment through the CGP investor partnership competition. Between them these businesses received £1.4 million in grant funding and £2.1 million in private investment. However, most of these businesses were not supported through a CGP business support programme and could be argued to have already been relatively

investor ready. Those whom the evaluation engaged had already received equity investment previously. The experience of one business who received investor partnership funding is detailed in Case Study 6 in Chapter 8.

For businesses supported through the business support programmes or first grant funding competition, there is little evidence of any impact on finance receipt to date.

- Among the evaluation survey respondents, after CGP support 24% reported having received external finance over the past 12 months CGP engagement, compared to 27% before CGP support.
- Among those who received grant funding from the first funding competition, only a couple of businesses reported having been able to raise further funds from external investors as a result of their project.

It therefore remains to be seen whether the CGP has an impact on creative businesses' access to finance over the longer term.

Case Study 3 - CGP North East business support programme participant

The business was established in 2020 to provide a cloud-based archiving platform to gather and exhibit digital media for a range of organisations. This initially commenced with a focus on the cultural sector (including arts, culture, and heritage organisations), and then expanded to include organisations across sectors (commercial, education, public, third, healthcare) working with communities and the general public to manage their visual archives.

On engaging with the CGP the business-owner attended group masterclasses, and received regular one-to-one mentoring which has been one of the most important aspects of the CGP for them. The business-owner found the programme, and particularly the support of their mentor, to be beneficial in helping them better explain their businesses 'story' and roadmap.

They also felt the support from their mentor had helped them better understand and unpack different investment mechanisms; while the workshops helped them develop in specific areas such as networking and pitching, while gaining investor perspectives that they wouldn't get otherwise, including through a talk from an Angel Investor.

"This being my first business and approaching investors and seeking private investment was all new to me. I quickly learned how complicated it was and how many versions and mechanisms were in place and the nature which impacts how you negotiate."

The support helped the business-owner to develop an initial pitch deck, and they started speaking with investors, initially gaining commitments of over £800K from Angel Investors until wider factors meant the business owner chose not to enter this agreement. However, they see this as a valuable experience and believe their ability to gain these commitments was directly influenced by discussions with their mentor in helping them to clarify their proposition and tell their business's 'story'.

"That certainly contributed, to be able to go through that journey, get it to the almost finish line. I couldn't have done that without the contribution of particularly the mentor."

5 Findings – Theme 2: Has the CGP increased business growth?

Key findings:

A majority of supported businesses believe the CGP has had a positive impact on their growth potential. 78% of survey respondents reported the programme had (or would have over the next 1-2 years) a positive impact on their business's revenue growth, with 32% reporting a significant positive impact.

The CGP has led to increased innovation within supported businesses, both in terms of the development of new products or services and new organisational practices. Over a third of supported businesses strongly agree that the CGP led to innovation in their business, and levels of innovation increased after CGP support as compared to before. Increases in innovation arise from both CGP grant support and from the business support programmes.

Increases in innovation can be expected to feed through into growth in the future for many businesses. CGP grant recipients were positive about the impact of their innovation projects on their commercial opportunity: 81% expected new innovations arising from their project to result in increased sales revenue while 35% expected reduced costs.

It remains to be seen whether expected impacts on business growth are realised in future or whether stakeholders are biased in their perceptions. However, some positive impact should be expected given the impacts on innovation, and business confidence and understanding, documented. Furthermore, some businesses already report positive impacts on their employment and turnover.

The CGP aims to increase the investment readiness of creative businesses with the ultimate objective of increasing business growth. The second evaluation theme is therefore concerned with exploring whether the CGP looks set to have an impact on business growth.

It is too soon to expect impacts on realised business growth to be evident. The various mechanisms through which the CGP might be expected to influence business growth (illustrated in the logic model in Figure 4) could take a number of years. The focus is therefore on 'leading indicators' of future business growth – such as changes in outcomes that would be expected to influence growth going forwards (such as business planning and innovation) and perceived impacts of the CGP on future growth.

5.1 Increases in innovation

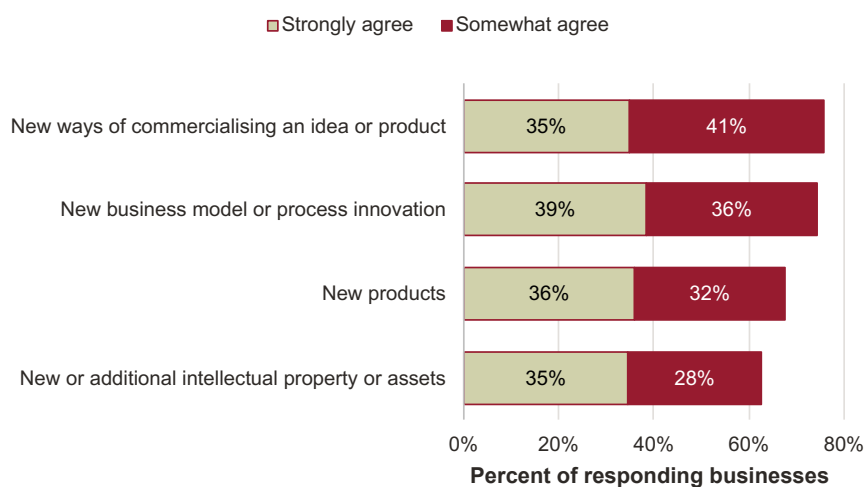
The CGP has led to increases in innovation within supported businesses.

Innovation is the development of ideas that result in new products or services, new processes for producing or marketing products or services, or new practices for organising or running a

business. Innovation can be completely new or may just be new to a particular firm. Innovation is typically thought to be a key driver of business growth, by increasing revenue streams or by lowering costs.⁹

Over a third of surveyed businesses supported by the CGP self-reported strongly agreeing that the CGP had led to innovation in their business. Figure 8 summarises the self-reported impact of CGP on various forms of innovation. Over one third strongly agree that CGP had led to (or will over the next 1-2 years lead to) new products. A similar proportion felt similarly about business model or process innovation, and about new ways of commercialising ideas or products.

Figure 8 Self-reported impact of CGP on innovation



Source: Frontier Economics based on primary survey data

Note: Sample is comprised of all survey respondents who received competition 1 funding and/or participated in a regional business support programme.

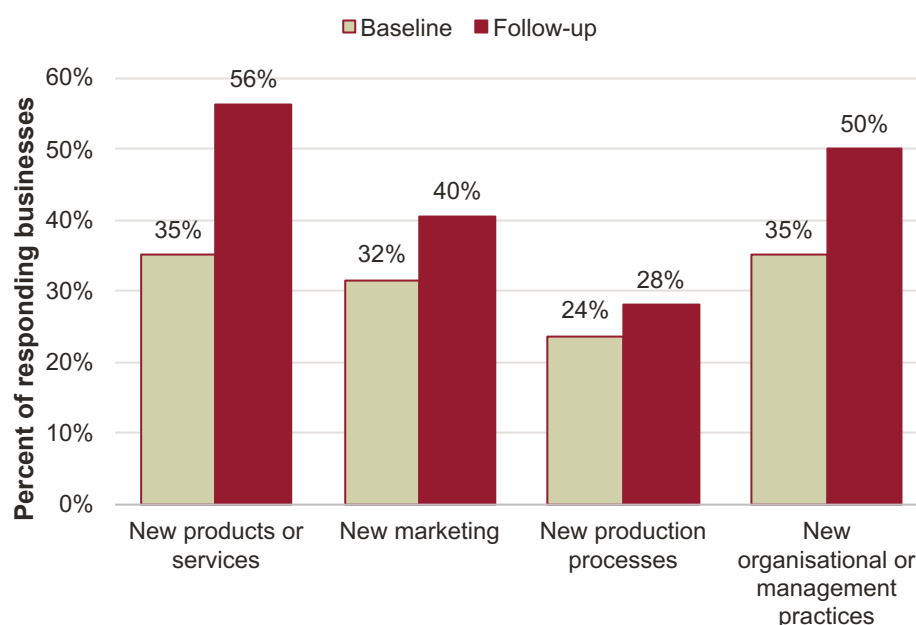
Self-reported impacts on innovation are also evident in the monitoring data collected by Innovate UK from those who received grants from the first funding competition. Nearly three-quarters (73%) of businesses expect to introduce new products or services within a year, as a result of their grant funded project. 95% expect to do so within 5 years. Over half (57%) expect to introduce new processes within a year, and 77% to do so within 5 years.

These self-reported impacts of the programme are consistent with changes in the prevalence of innovation reported by survey respondents before and after CGP support. For example, Figure 9 shows that after CGP support 56% of businesses reported product or service innovation over the past 12 months. Before CGP support 35% reported such innovation over

⁹ See for example Audretsch, D. B., Coad, A., & Segarra, A. (2014). *Firm growth and innovation*. *Small Business Economics*, 43(4), 743-749, which note that a large number of applied papers observe a positive link between innovation and firm growth, despite recognising the complexity of this relationship; or Braunerhjelm, P., & Thulin, P. (2022). *Does Innovation Lead to Firm Growth? Explorative versus Exploitative Innovations*. *Applied Economics Letters*, 30(9), 1179-1182 that finds a significant and positive effect of innovation on employment growth.

the previous three years. After CGP support 50% of businesses reported introducing new organisational or management practices over the past 12 months, compared to 35% reporting having done so over the previous three years when before CGP support.

Figure 9 Levels of innovation (before and after CGP support)



Source: Frontier Economics based on primary survey data

Note: Sample is comprised of all survey respondents who received competition 1 funding and/or participated in a regional business support programme. Baseline survey asked about innovation activity over the past 3 years. Follow-up survey asked about innovation activity over the past year.

A key question is the extent to which these increases in innovation can really be attributed to the programme or would have happened in any case. For example, those applying to the CGP funding competitions by definition have an innovative project in mind, and therefore might be expected to produce innovation over the following 12 months even in the absence of CGP.

Various aspects of evidence support interpretation of the increase in innovation as being attributable to the CGP. First, the survey data reveals innovation does not increase over time among the (albeit small sample of) survey respondents who applied for CGP funding but were not successful and did not participate in the CGP.

Second, there is evidence of a positive impact on innovation for all types of CGP participants. There are sizable self-reported impacts on innovation for all types of participants, while changes in levels of innovation before versus after CGP support are driven by changes among business support participants.

Finally, qualitative feedback provided insights that confirm both business support programmes and grant funding were seen as valuable for driving innovation among businesses. The detailed feedback also illustrates how and why the CGP had an impact on increasing innovation.

For those receiving business support, the development of new innovations and products was often facilitated and motivated by specific elements of the programme such as IP workshops, mentor support, peer learning, and networking. In some instances, this has led to businesses pivoting their offer or choosing to focus on a new or different element of IP. In a few cases participants and delivery partners also report new collaborations and partnerships being established by cohort-peers following their meeting on the programme.

CGP grants were also reported to be a key supporting factor in product development and innovation. Grant recipients reported typically focusing these on developing a specific new product (often with a tech emphasis), through which they could generate new revenue streams. The grant had supported them to utilise staff time, or freelancer time (and their own time) to focus on this development in a lower-risk way.

"The grant funded a new module for our solution to be developed. [It covered] staff time... so we could take somebody off consultancy work and move them on to actually building research development." CGP Participant

"We asked them a series of questions about impact... and what we've seen is just a really positive response, 'Thank you so much for this funding', 'This idea would never have come into fruition without this funding'." Delivery partner

The experience of one business who received grant funding is described in Case Study 4.

Case Study 4 - Grant Recipient

The business provides consultancy and software support for audience engagement and impact in the creative and cultural sector. Over time, the business had offered a wide range of services, including the development of bespoke apps for their customers; however, they wanted to develop a solution that would be more accessible for their customers and widen their reach.

The business wanted the opportunity to focus on a specific and clear product offer but were unsure about pursuing this as they already had debt-based investment. The CGP grant offered a good opportunity to do this. The CGP grant allowed them to focus on the development of one flagship product; offering an interactive AR experience available via subscription, allowing access to a tailored product, rather than clients paying for a fully bespoke option.

"The main thing that Create Growth funded, was to say, right, just stop, just do one thing, one product that is distinct enough and desirable enough, and just focus on that instead of focusing on the numerous different product options we have done over the years."

The grant paid for the business founders' (Technical Director and Creative Director) and freelancers' time to plan and create the infrastructure needed to develop the resource, and to build and test it. While they did not access further support from the CGP, they were positive about process for the grant application and claims, and felt they received good support from their monitoring officer who they found helpful as they asked challenging reflective questions

about how they were using the grant and why, as well as being technically supportive around the grant process.

The business is currently in talks with potential clients to roll out the product, but they are hopeful that the new product will allow them to continue to grow in the future.

“We’re still working through trying to generate business from it. It’s been slow, but I feel there’s a pick-up now. I am confident we used the money well, and it’s given us a robust product that has proven value we can go and sell, and before that, we had lots of different products that were not distinct enough and were subsequently hard to sell.”

The product development enabled by the grant has also opened-up possible opportunities for further expansion as a result of potential future collaborations which are being explored.

“We’ve made some other connections as a result of this as well of having this technology. We’re in conversation with two other companies [to widen the offer] ... So that’s another potential area of business that we could pursue.”

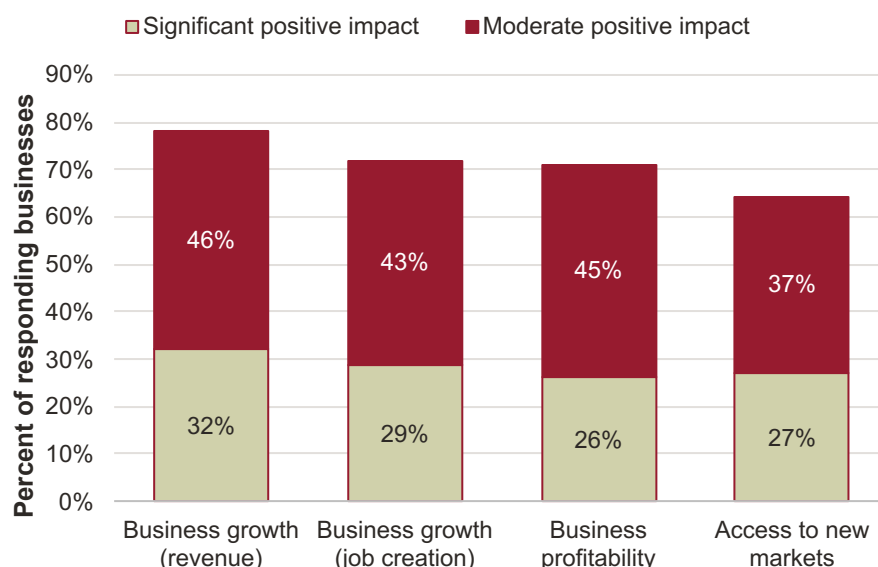
5.2 Expectations of increases in future growth

Increases in innovation can be expected to feed through into growth in future.

A majority of supported businesses believe the CGP has had, or will have, a positive impact on their growth.

There is quantitative evidence that businesses expect their innovations and changes in business practices to feed through into business growth.

78% of survey respondents reported that they thought the programme had had, or would have over the next 1-2 years, a positive impact on their business’s revenue growth, with 32% reporting a significant positive impact (shown in Figure 10). Similarly, 72% and 71% reported a positive impact on their business growth in terms of job creation and profitability, respectively.

Figure 10 Self-reported impact of CGP on business growth

Source: Frontier Economics based on primary survey data

While bearing in mind the small sample sizes for respondents who have participated in particular stands of the programme, respondents who received grant funding from competition 1 were typically more positive than firms who only participated in a business support programme: 90% of business who had only received grant funding reported a positive impact of the programme on business revenue growth, compared to 72% of those who only participated in a business support programme.

Drawing on Innovate UK monitoring data from grant recipients, it is clear that businesses expect their innovation projects to result in business growth. 68% of businesses who received a grant through the first funding competition report that their commercial opportunity has “greatly increased” as a result of their grant funded project. 81% expected new innovations arising from their project to result in increased sales revenue while 35% expected reduced costs.

In terms of employment impacts, grant recipients report an average 1.9 full-time equivalent (FTE) jobs retained in their businesses, and 0.6 FTE jobs created, due to their funded projects. The expected employment impacts of their funded projects in 5 years’ time are an average of 4.8 FTE jobs retained in and an average additional 6.5 FTE jobs created.

5.3 Realised business growth

It remains to be seen whether the expected positive impacts on business growth are realised in future.

Self-reported expectations of the impact of the CGP on future business growth should be treated with caution, as this may reflect some bias or optimism on the part of businesses. However, some positive impact should be expected given the impacts on innovation, and business confidence and understanding, that are robustly evidenced.

Furthermore, some businesses already report demonstrable positive impacts on their employment and turnover. The qualitative research identified several participants who reported an increase in their revenue since taking part in the CGP, and similarly delivery partners were also able to reference participants with revenue increases. This was typically attributed to a few elements where the programme has benefited businesses, specifically, through the development of products and innovations as noted previously, by helping to improve business planning and efficiency, and by helping businesses to better identify and engage with potential clients and be more effective in winning work.

"It really helped us sustain ourselves, and then grow at a scale at a pace that was a bit slower than we had imagined. But to be here at the end of this calendar year almost and say that we now have an editor on our payroll, is evidence of growth. To say that our turnover is twice of what it was last year is evidence of growth." CGP participant

"We had one company that we've already seen a 10% growth in turnover since attending cohort one just through doors that have been opened. I think that from a business development perspective if you get the businesses with a very clear growth plan, very clear what their value propositions are, very clear on how they connect with the sector, they then really roll." Delivery partner

Evidence of participants having taken on new staff was relatively limited, and only a few participants and delivery partners mentioned this. However, other ways some businesses have added to their capacity both to support growth and to meet demand included working more with freelancers and taking on student placements and interns. In several instances the student placements had been arranged through university stakeholder contacts participants were introduced to on the programme. Several businesses also mentioned they have ambitions to take on more staff in the future which they feel is more feasible following the guidance of the CGP mentors.

In a few cases, businesses emphasised that the CGP support has helped them to withstand a difficult period of time in their industries (particularly in the Film and TV industries where it was noted some businesses were closing); and has enabled the continued viability of their business. One participant noted that the support from their mentor has helped them improve their processes and marketing, which has prevented them from closing or reducing staff numbers.

"I'd honestly say that he's helped to keep the business going for the last few months, making us look at what we were doing, how we were doing it." CGP participant

6 Findings – Theme 3: Has the CGP increased willingness to invest in the creative industries outside of London?

Key findings:

There are several barriers that limit the appeal of businesses in the Creative Industries to potential investors. This includes a perceived lack of commercial focus among creative businesses, limited investor understanding, limited business collateral, and business models that rely on key individuals. The CGP was designed to address the first two of these challenges, but it should be acknowledged that the other barriers to investment could still limit investment even if the CGP were successful.

The **CGP included a range of investor-focused activities that sought to increase investors' awareness and understanding, and connect businesses and investors.** This included roundtables, webinars, networking sessions and showcase days.

Take up of most of these activities among investors was limited, however. This will limit the impact of the CGP on investor attitudes to investment in the sector. The lack of engagement from investors was attributed to a number of factors including: insufficient advertising of activities to a suitably diverse set of investors; a lack of investment-ready businesses to promote the sector; and the design and framing of events.

Investors that engaged with the CGP activities were mostly positive about their experiences. However, given low levels of engagement, the CGP is unlikely to have had a significant impact on investors' willingness to invest in the creative industries to date.

While impact to date may be limited, the **CGP has provided some groundwork that can be built on in future.** Stakeholders' understanding of the barriers to investment and the challenges involved in addressing these has increased throughout the programme. Networks and relationships are being built, with more organisations included on the 'approved investor partner' list for Innovate UK investor partnership competitions. There is appetite among investors to learn more about the creative sector. Keeping up the momentum of the CGP will help benefits be realised in the future.

The CGP was designed to increase investors' willingness to invest in the creative industries, by increasing investor awareness alongside improving the investment readiness of creative businesses. The third theme of the impact evaluation therefore explores the extent to which the CGP changed investors' perceptions, and the evidence is presented in this Chapter. (The investment readiness of creative businesses is addressed under Theme 1 in Chapter 4).

It is worth noting that the evidence from investors is based on qualitative input from a more limited number of investors or investor representatives (13: 6 via interviews and 7 via a survey) than the evidence on business outcomes reported in Chapters 4 and 5.

6.1 Challenges to investment in creative businesses

Creative businesses typically present several challenges that limit attractiveness for investors, only some of which the CGP is designed to address.

There is consensus across delivery partners, investors and stakeholders that businesses in the creative industries face challenges in attracting investment. These include:

- **A perceived lack of commercial focus among creative businesses.** Creative businesses are often perceived as lacking a commercial mindset. They may prioritise artistic or cultural outcomes over financial returns, which can make them less appealing to profit-driven investors. Additionally, it was felt some creative businesses seek funding without a clear plan or a thorough understanding of their financial requirements nor with well-defined long-term business strategies.

“The objectives of creative businesses are often not about maximising shareholder value, whereas a fully commercial business’s sole and overriding objective is to maximise shareholder value. Therefore, that’s an important priority for an investor, isn’t it? Because an investor is, in the end participating in the business of the shareholder principally.”

Investor

- **Limited investor understanding of the creative sector.** The creative industries are generally not well understood by investors, who therefore focus on investing in sectors where they have a better understanding of businesses’ value and potential. The abstract and intangible nature of creative work can make it difficult to assess its commercial viability. Even when businesses have demonstrated past success, investors may find it challenging to evaluate whether that success can be consistently repeated or scaled, further deterring investment.

“I would say for us, I think there’s a lack of understanding at VC-level of exactly what’s being sold, and I think maybe from the founder point of view on the creative side, there’s equally a lack of understanding about what constitutes an investable sort of business for investors in that space”

Investor

- **Limited availability of collateral.** Creative businesses often lack tangible assets, intellectual property or collateral that can be leveraged to secure financing. This absence of guarantees increases the perceived risk for investors.
- **Reliance on key individuals.** Creative businesses tend to be heavily reliant on people rather than technology. The success of many businesses is tied to individual talent, expertise, and creativity. However, the mobility and turnover of key individuals can disrupt operations and hinder long-term sustainability.

“I’d probably say the biggest barrier we see, which is very prevalent in creative industries, is what we call the “hit by a bus theory”. Creative industries are so reliant on their founders that if their founders were to be hit by a bus tomorrow, there’s not really a company left behind, because you need to create a grain of that founder to really drive it.”

Investor

Interviews with all stakeholders highlighted the breadth of businesses encompassed in the creative-sector footprint, and the wide-range of sub-sectors within this. These divergences mean that the above challenges do not apply equally across the creative sector, with some sub-sectors facing greater barriers to attracting external investment than others. For example, some stakeholders felt that while more commercialised sub-sectors like video games may have established paths to investment, arts-based or niche creative ventures can experience greater difficulties. One investor added that sub-sectors prone to having smaller team sizes can be particularly affected by the above challenges.

Investors had mixed views in relation to whether these barriers affected some regions in the UK more than others. While some of the interviewed investors did not feel geography had a material influence, others suggested that it was easier to work with businesses in London or in the South East. The reasons indicated related primarily to cultural differences, including a perception that businesses based in London or in the South East may have a more commercially driven mindset.

The CGP was designed to address two of the challenges above: the perceived lack of commercial focus among creative businesses and the limited investor understanding of the sector. But it is important to acknowledge that even if the CGP was completely successful in addressing those two challenges, the other reported barriers to investment in creative businesses would still persist and could limit investment in the sector.

6.2 Low engagement with CGP activities from investors

The CGP delivered investor-focused activities that aimed to increase investor awareness of the creative sectors but faced difficulties engaging investors.

The ‘investor support’ strand of the CGP included a range of investor focused activities that sought to understand investor perspectives and provide information to increase investors’ awareness and understanding. These activities included:

- **Investor Roundtables.** Roundtables were held in London and in each of the 6 original regions, providing a forum for investors to engage with creative businesses. These sessions facilitated discussions on challenges and opportunities arising from CGP.
- **Online webinars.** A series of webinars were delivered to enhance investor understanding of the creative sector, covering topics such as Intellectual Property protection and valuation, due diligence and best practices for value creation across creative industries.
- **Office Hours.** A rapid networking session between investors and creative businesses was organised online, with the aim of connecting the dots between investors interested in opportunities in the creative industry, and promising innovators looking to raise funds.
- **Showcase days.** An event was held in London aimed at investors looking to explore the creative industries, including pitch presentations from founders of creative businesses and opportunities for networking between investors and founders. Some regions participating in the CGP also held showcase days in their regions.

However, take up of these activities by investors was low, with delivery partners reporting that some of these activities only attracted a handful of investors to participate. This will have limited the effectiveness of the investor strand of the programme.

The qualitative insights collected through the evaluation highlighted several potential barriers to obtaining greater investor engagement in the CGP activities. These included:

- Insufficient advertising of activities to a sufficiently large and diverse set of investors.
- Insufficient investment-ready businesses to connect with investors.
- Appropriately designing and framing activities.
- Limited appetite for learning about the creative industries among investors.

Insufficient advertising of activities to a sufficiently large and diverse set of investors.

Most of the investors who engaged in the evaluation were unaware of some or all of the CGP activities delivered and would have valued receiving more information about these activities.

This lack of awareness could be due to the limited reach of delivery partners to certain types of investors. It was felt by some stakeholders and investors that Innovate UK Business Connect typically focused on working with larger investors who may not be as well matched with this sector or the types of businesses on the programme (who were more early-stage than these types of investors would usually work with).

“Innovate Business Connect, anecdotally, seem to be concerned with larger investors, Series A and above investors...that’s not going to solve the problem in this industry, you’re not going to get like the large VCs involved in this it’s just not worth their time.”
Investor

However, limited awareness of the CGP activities was also observed amongst investors who reported having previously invested in creative industries and being registered to mailing lists from Innovate UK.

“They never reached out to us, so it would have been good if they had. And we’ve already been on their mailing lists and things like that for other programmes.” Investor

It was also found that there was some disconnect in expectations about what would be delivered by different delivery organisation between the regional delivery partners and Innovate UK Business Connect, and a lack of clarity around roles and responsibilities for engaging with local investors. In response to this, delivery partners have taken a more proactive role than they were necessarily expecting in the development of investor relationships and activities. For some delivery partners this included reaching out to their own local networks and Angel groups. Some regional delivery leads agreed to Creative UK (their delivery partner) adding the role of Investment Community Manager to support delivery in their regions, to reach the types of investors creative businesses may need.

"There was definitely a challenge around reaching those investment networks who were probably not talking the same language as the creative industries. Innovate UK are in charge of the big national grant programme and have their investor partnerships programme, but they were very much reaching VC level investor partners on a national basis and quite a lot of our businesses were needing to meet Angels or very early-stage VC pre-seed and seed investors, and to do that on a regional basis." Delivery partner

Insufficient investment-ready businesses to connect with investors

Delivery partners pointed to one challenge being a lack of investment-ready businesses to showcase and connect with investors. They found that applications for their investor showcase event did not show businesses to be sufficiently investor-ready, noting that they did not always effectively communicate the businesses' value proposition, how they will commercialise, or have a clear growth plan.

In part this could be due to timing, given that many CGP business support programmes were still underway when applications for the showcase were open. However, one delivery partner also suggested this could be due to the composition of businesses being supported on the regional programmes. The flexibility afforded to regional delivery partners in defining the 'high-growth potential' businesses included on the programme (discussed in more detail in Chapter 9) was welcomed by regional delivery partners to ensure a wide range of businesses were included on the programme. But this did lead to some mismatch with the design of the investor-focused offer, leading to some expectations management in terms of which and how many businesses would be invited to the investor events they arranged.

"I think generally if there'd been a clearer definition of what high growth potential means earlier, we could have focused down on matching those to investors that are at a better stage or more relevant stage to the business." Stakeholder

"Their [regional delivery partners] understanding of what's a good business to pitch and the preparation that they may have had versus what our definition would be on the profile of investors has not been well matched." Stakeholder

Stakeholders differed in their opinions of how important it is to have investment-ready businesses to showcase the sector. Some felt it would discourage future engagement if investors were invited to events attended by businesses who were not yet investment ready. However, other investor stakeholders perceived value in networking events where creative businesses were not pitching for investment but where investors and creative businesses had the opportunity to mingle and learn from one another.

Appropriately designing and framing activities

There was agreement across stakeholders that the design and framing of activities is an important influence on attracting investors. Various stakeholders pointed to informal networking events as being more attractive to both businesses and investors than formal pitching events.

One investor stakeholder noted that the framing of CGP events around the ‘creative industries’ could deter investors. They suggested that activities should instead focus on the innovations being developed by businesses as the way to attract investors.

“I do definitely believe that focusing on the innovation that the creatives are bringing is more akin to what investors understand.” Investor

A few investors further noted that they were not significantly consulted or involved in the programme’s design, suggesting that greater involvement could have made the programme more targeted and responsive to investors’ needs, and more appealing to investors.

Appetite for learning about the creative industries among investors

There was disagreement among stakeholders about the receptiveness of investors to learn about the creative sector. Delivery partners perceived challenges in communicating to investors that they could improve their understanding, but all investors who engaged with the evaluation were receptive and keen to learn more.

“They don’t want to be educated. You can’t tell grown people who have established wells that they don’t understand something. It does not land. It fundamentally does not land, and we made resources for them to engage with and they haven’t engaged with them, so it’s not like they’re even casually researching this.” Delivery partner

“VC is always very curious to learn about potential opportunities. It’s just a case of making it easier. If you’re expecting me to go out and learn it well, no, I’ll just stick to what I know. That’s why creative gets lost.” Investor

On balance it does not seem likely that investors being fundamentally uninterested was a significant driver of low take up, and that awareness and framing are more likely to have been the key barriers. In terms of framing, it was suggested that investors were more likely to engage when their interest is piqued by an interesting proposition, and then they seek to find out more subsequently. This could have lessons for the sequencing, advertising and framing of engagement with investors.

“I think if the sector collectively piques somebody’s interest, they will do the research themselves and they will start to learn through doing through conversation through that one-to-one engagement.” Stakeholder

It was noted by stakeholders and delivery partners that investor events should place a priority on ensuring organic and informal opportunities for networking and discussion, with emphasis on ideas and innovations rather than sector-education.

6.3 Impact of CGP activities on those who engaged

Investors that did engage with CGP activities valued them, but it is too early to expect tangible impacts on investment.

Most investors who engaged in the evaluation that had attended at least one of the CGP activities found them helpful in addressing some of the barriers to investing in creative industries – particularly in relation to improving investor understanding of creative industries and introducing investors to creative businesses.

“I found the Innovate UK pitch event to be very useful as I learned more about the creative ecosystem, including grant funding and emerging startups. Before I had not come across the opportunity to learn about the work being done by founders in the industry, so it was a great way to learn, meet and establish long-term relationships.” Investor

Innovate UK Business Connect also conducted extensive ad hoc personal network building with investors, in addition to the activities set out above. This has resulted in an increase in the Innovate UK investor network – for example, the addition of organisations to the ‘approved investor partner’ list for Innovate UK investor partnership competitions. These organisations have demonstrated some willingness to invest, by putting in the time required to go through Innovate UK due diligence processes, but it remains to be seen whether they invest in any creative businesses going forward.

Both delivery partners and programme stakeholders noted that, even where investors had become more engaged during the programme, achieving investment in the short term is unlikely. It takes time to develop the relationships between the investors and businesses and identify whether they are a good fit.

“We had an investment dinner, it went very well, but you can lead horses to water, but you can’t necessarily make them drink. So, we can make those connections with the investors, but they might not necessarily be the right investors. That sort of thing also takes a lot of time, I think with investment, it’s a conversation, it’s very much building that relationship. So, if we’re doing that in, say, month seven of the programme, it’s very unlikely by month nine, we’re going to have had that tangible turn around.” Delivery partner

It is too early to know whether the small number of connections between businesses and investors built through the CGP will lead to investment in the longer term.

6.4 Impacts over the longer term

The CGP may contribute to changing attitudes to investment over the longer term, if relationships and momentum are maintained and lessons are learnt on how to best engage investors.

The CGP looks to have had little overall impact on investors willingness to invest in the creative industries to date. While those investors that have engaged with the CGP have found some activities beneficial, relatively few investors have engaged with the programme. Investor stakeholders consulted for the evaluation were overall are not particularly optimistic about the impact achieved.

“I don't think Innovate UK have helped tremendously in encouraging a change of investors thought process. I think they seem to have in my opinion struggled to bring in investors who haven't invested in the creative industries in the past.” Investor

That said, both delivery partners and investors emphasised that it takes time to build relationships with investors. There has been significant relationship building undertaken as part of the CGP, and this may yield fruit in future. However, investors stressed that it is important to maintain engagement and momentum, otherwise interest will wane. Additional future activity will be required if the CGP is to have any lasting impact on investors.

It is worth noting there was appetite across stakeholders for ongoing activity to increase investor awareness and connect investors with creative businesses. The CGP evaluation has provided important lessons on how such activities can be improved, rather than evidence these would not be expected to have any impact in future if well designed and delivered.

7 Findings – Theme 4: Has the CGP built local capacity for supporting the creative industries going forwards?

Key findings:

Businesses reported that the **CGP had increased the amount of local networking and collaboration between creative businesses**. Around two-thirds of surveyed businesses supported by the CGP had formed new partnerships or collaborations as a result. Many businesses reported staying in ongoing communication with their CGP peer group and continuing to derive benefit from this network even after the end of their programme, for example, by continuing to ask questions and sharing knowledge and funding opportunities, or in a few cases by working directly as partners, contractors, or suppliers to other participants.

A large minority of surveyed businesses (40%) thought there was **at least some improvement in local stakeholders' understanding of the creative industries over the past year**, while one in three thought there had been at least some improvement in local infrastructure.

In a few regions businesses thought there was now **more emphasis on the creative sector, which typically stemmed from a perception of increased local authority backing**, or from their increased awareness of opportunities as a result of the CGP. Some local delivery partners also pointed to local authorities having highlighted the importance of the creative sector in their local strategies and attributed this in part to the CGP increasing the profile of the sector.

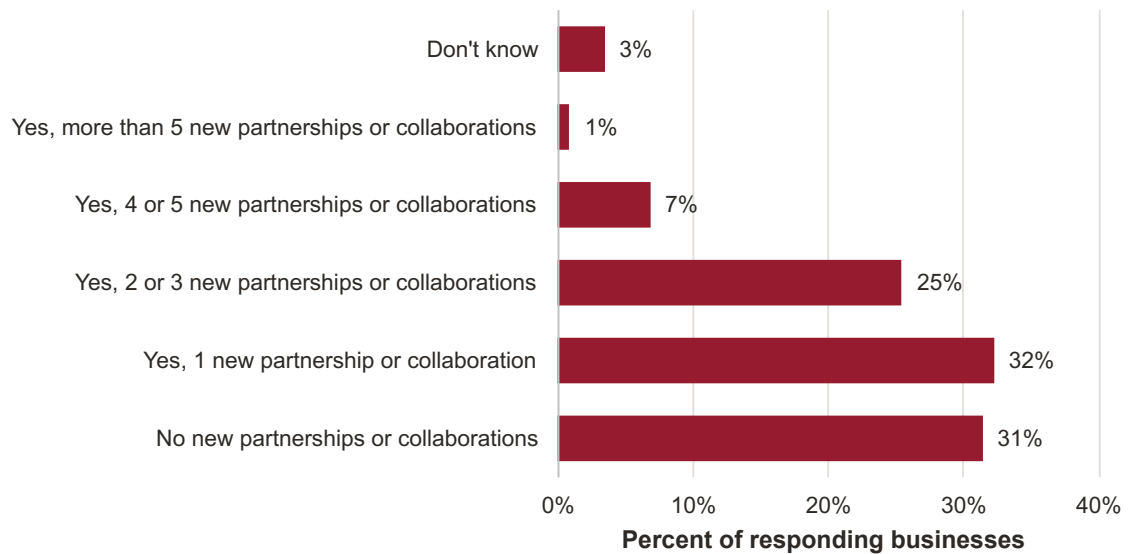
There is **little evidence of specific local legacy programmes or policies arising from the CGP yet**, but this could be due to the CGP itself being continued for at least another year.

The final strand of the impact evaluation, summarised in this Chapter, concerns whether the CGP has built local capacity for supporting the creative industries going forward. This was the third aim of the CGP, as set out in Chapter 2. Three aspects were explored by the evaluation: networking and collaboration between creative businesses, local stakeholders' understanding of creative businesses and supporting infrastructure, and legacy policies and programmes.

7.1 Local networking and collaboration between businesses

The CGP has increased the amount of local networking and collaboration between creative businesses – both during programme participation and persisting beyond that.

Around two-thirds (65%) of surveyed businesses supported by the CGP reported that they had formed new partnerships or collaborations as a result of the programme. Figure 11 shows 32% reporting forming one new partnership, 25% 2-3 new partnerships and a smaller proportion of firms forming 4 or more new partnerships or collaborations as a result of CGP.

Figure 11 Self-reported impact of CGP on partnerships and collaborations

Source: Frontier Economics based on primary survey data

Note: Sample is comprised of all survey respondents who received competition 1 funding and/or participated in a regional business support programme.

Qualitative insights also speak to the value of networking and collaboration. Businesses and delivery partners both reported that a key way the programme benefitted businesses was through networking with other participants. Businesses reported finding it helpful understanding what other businesses were doing. A few have gone on to develop partnerships and new business ideas with people they met on the programme, while others have identified options for future possible collaborations or sales opportunities.

"The fundamental benefit we've gained, or I've gained through doing the programme is the industry links and the meeting up with other companies and organisations within the creative industries and that melting pot." CGP Participant

Delivery partners also felt the experience of observing and hearing from other participants gave businesses additional confidence to try different approaches and activities themselves.

"The peer-to-peer activity's been a big part, because it sometimes takes hearing someone else's story to think 'Oh actually that's really achievable'. ...to hear someone in the same position as them has been able to have done it really well. It gives them another boost to want to push towards it." Delivery partner

For some, simply having the opportunity to discuss their experiences with their peers was seen as beneficial.

"We had one really good session where we basically sat on the sofas and we just all talked. Everybody explained a little bit about what they were doing and the issues that they had. We all had different issues and all different things and it was just fantastic, and that could have gone on for hours." CGP Participant

Participants and delivery leads also found that often the advice and insights from peer-to-peer feedback on business plans and pitch decks was particularly helpful, giving an additional element of feedback, with a few participants noting the combination of this, the delivery team, and a mentor was almost like having a board of directors they could go to for guidance.

"I'd say definitely the support network, so just having all those other businesses and creatives. We still keep the channels of communication open, and you know, message each other with things that are going on, which is really nice." CGP participant

"There's the camaraderie side of it... they feel like friends because we've been to events, supporting each other and chatting to each other and helping each other and telling each other about bits of business that have popped up, that they might be interested in. I've got a call on Wednesday with a collaboration with one of the companies that I met on the event. And also you know you know the people that run it as well have just been amazingly accessible so if I'm stuck on something, I can text one of them and something will happen... you know really it's been like having a board that I didn't have six months ago." CGP participant

Following the programme, participants from some of the regions noted that they had stayed in touch with their cohort, and a few noted that the delivery leads had helped facilitate this using WhatsApp groups and ongoing communications which was helpful. Again, delivery partners felt this ongoing communication and support was really helpful for supporting growth over the long-term, with businesses feeling they could ask questions if needed, and noting they could share knowledge and funding opportunities, or in a few cases stay in touch with others to identify where they may work with other participants directly as partners, contractors, or suppliers.

Case study 5 describes the experience of one business and the value they attribute to the local networking aspects of the CGP.

Case Study 5 - CGP Cornwall business support participant

The business is an online media company which has developed an additional offer of bespoke tutorials exploring different aspects of the filmmaking and television process. They took part in the CGP to understand more about how they could go further and grow the business in practice.

The business-owner found the main benefit of taking part in the CGP was the opportunity to make industry links and meet other creative businesses from their area, and ultimately this helped them establish new collaborations which have led them to start a new joint-venture. By establishing their new collaboration, they think this will have a more significant impact on Cornwall's creative education and employment opportunities and economy.

"The fundamental benefit we've gained, or I've gained, through doing the programme is the industry links and the meeting up with other companies and organisations within the creative industries and that melting pot."

The support from the CGP through workshops and mentoring also helped them better understand finance options and what is right for them. This increased awareness meant that when he successfully applied for a match-funded grant by a local growth hub he was able to fully assess the pros and cons of accepting this, and the risks that the terms of the grant posed for his business; ultimately having the confidence in making the decision to decline the grant and focus on other opportunities.

The business-owner was particularly positive about how the programme was tailored to meet the needs of creative businesses in Cornwall, and their understanding of the challenges they may face.

"They all knew what the issues were in Cornwall and were trying their absolute best to address that. It wasn't some alien third party organisation from another part of the country coming in and telling people what to do, who didn't understand it. They the team absolutely knew what the issues are here, so yeah it was very appropriate."

They have also found ongoing support and signposting to opportunities from the programme invaluable, feeling that the programme has very successfully created community and links among Cornwall's creative industries and wider business infrastructure.

"They're still keeping us on the WhatsApp and they're still giving us all of the information and they're telling us about Angel investors groups and funding groups and funding opportunities. That is absolutely invaluable."

7.2 Local understanding of the creative industries and supporting infrastructure

There are perceptions of small improvements in general local stakeholders' understanding of the creative industries and supporting infrastructure.

Local delivery teams

Businesses consulted through the evaluation often spoke very positively about their local delivery teams. They found them to be very engaged and helpful, providing additional links to wider resources. Participants described them as being particularly effective when they felt the team was invested in them personally and felt like they had someone 'in their corner'.

"Some of the people in our programme, to me, they just felt invested in us, you know, and they really wanted us to do all right and they really wanted to help where they could." CGP participant

"I think it's been fantastic. It's been really, really useful. I felt very supported. I felt like the people involved actually know me. They know my business, they're interested. They're trying to, you know, really make it work for me. So yeah, it's been it's been really transformational." CGP participant

A few participants also felt that having the backing and support of the CGP programme gave them additional credibility as a business, as it to some extent gave them a clear sign of interest and support which might be appealing to grant holders or future investors.

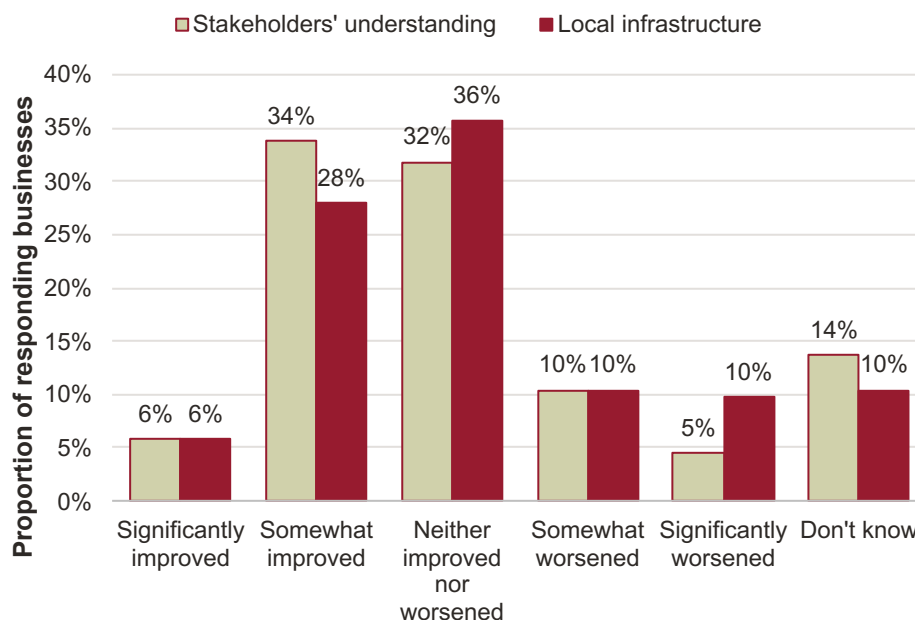
"I've been involved with this, this, this, but [Create Growth] gave me a separate identity from all the other places I've been involved in. That's what I'm looking for." CGP participant

Local stakeholders more generally and supporting infrastructure

The bespoke survey asked respondents whether they thought local stakeholders' understanding of creative businesses in their region had changed over the past 12 months, and whether they thought the local infrastructure for supporting creative businesses in their region had changed. "Local stakeholders" were defined as local government, growth hubs, other business support organisations, investors, customers and suppliers, while "local infrastructure" was defined as opportunities for collaborative working and networking, funding opportunities, and business support programmes or initiatives (other than the CGP).

Around 40% of businesses thought that local stakeholders' understanding had at least somewhat improved, while 34% thought local infrastructure had at least somewhat improved (shown in Figure 12).

Figure 12 Perceptions of changes in local infrastructure for creative businesses and stakeholder understanding of creative businesses



Source: Frontier Economics based on primary survey data

Note: Sample is comprised of all survey respondents, regardless of whether they received CGP support.

Qualitative engagement revealed that businesses had mixed previous experiences, awareness and engagement with stakeholders in their local and regional areas. Several

reported increased contact with local authorities, grant holders, and universities in their area since taking part in the CGP.

Following the programme most believed they understood more about or were more aware of their local stakeholder eco-system, and in a few regions participants thought there was now more emphasis on the creative sector and more 'buzz', which typically stemmed from a perception of increased local or combined authority backing, or from their general increased engagement and awareness of the opportunities as a result of the CGP.

Delivery partners in general felt there was increased awareness and understanding of the creative sector among local stakeholders, in particular among local authorities and universities who they had engaged through the programme.

"I think it's just a greater appreciation amongst our stakeholders that there's a wide spectrum of creative industry enterprises, and that they need to be taken seriously because there are a number of really interesting propositions there." Delivery partner

In a few instances, delivery partners mentioned that local authorities had highlighted the importance of the creative sector in their local strategies. They felt that this was in part due to the increased prominence and profile of the sector facilitated by the CGP.

7.3 Legacy policies and programmes to support creative businesses

There is limited evidence of specific legacy policies or programmes arising from the CGP activities at the time of this evaluation.

Several delivery partners noted the ongoing links and support they had provided programme participants once their cohort had concluded. There was also an appetite among delivery partners to extend and widen the impact of the CGP through the ongoing development of a pipeline of businesses, and by supporting businesses through different stages of the programme.

A few of the delivery partners mentioned that rather than creating new infrastructure, the programme had enabled them to better join-up existing business support opportunities that businesses could access, increasing their awareness of the local offer. These benefits could be expected to persist beyond the life of the programme.

"There's a plethora of business support activities out there...there's so many different bits and pieces. That's why we took the decision up front to make sure this aligns back to our Growth Hub, because what we didn't want to do is just add to the feedback we get from SMEs that it's so confusing. We wanted to show there was an alignment and joined-up'ness to this....and I think the cohorts that we've had coming through here will now have a better understanding of the wider business support available across the county." Delivery partner

8 Process evaluation findings

Key findings:

Business support programmes broadly met recruitment targets, but this required some flexibility in assessing business eligibility – particularly around whether businesses were ‘high growth potential’. This enabled the CGP to support a good number of locally prioritised businesses, but meant some businesses were at an earlier stage of development than previously intended. This created some challenges, including designing business support activities targeted at an appropriate level, and aligning with national efforts to connect businesses and investors.

There are some elements of the business support programmes that were highlighted by stakeholders as being particularly important. These include:

- Having a positive and constructive relationship with mentors – which was thought to depend on either an effective matching process or flexibility to self-select mentors.
- Workshops that were well attended, face-to-face and had opportunities for networking.
- Having different activities (such as workshops, mentoring and networking) that interacted and worked together.

Delivery partners and businesses felt there was a disconnect between the CGP funding support and the business support activities. In particular:

- The design of the grant funding felt at odds with the CGP aims. Grant support for specific projects was felt not to align with the programme objectives of supporting businesses to become self-sustaining, and that businesses would be better served by grants for more growth-focussed activities. The grant competitions were, however, well delivered and over-subscribed, and the availability of funding for the sector was welcomed.
- The investor partnership competition was felt to be overly complex and was too early in the programme for businesses supported by the regional programmes to be ready to apply.

The **investor focused activities suffered from low engagement from investors**. This was due to a range of factors including: insufficient advertising of activities to a sufficiently large and diverse set of investors; insufficient investment-ready businesses to connect with investors, and the design and framing of activities that could be improved.

Stakeholders highlighted a desire for more opportunities to connect businesses with investors, particularly outside London. However, the limited number of investment ready businesses coming through the programme posed challenges for that.

Overall, **the various strands of the CGP did not fit together as well as initially intended**. The main reasons for this, which are all interlinked, are:

- The design of some aspects of the programme were less well aligned from the outset.
- Businesses accepted onto the business support programmes were often at an earlier stage of development than originally intended, limiting the benefits of interacting with other strands of the programme (e.g. investor partnership funding or investor networking).
- The programme strands ran largely in parallel, meaning there was insufficient time for businesses to be supported on a journey through different strands of the programme.
- The programme would have benefited from more clarity and engagement between the various regional and national delivery partners.

The governance and management structure meant that various delivery stakeholders felt there was a lack of overall control and direction for the programme. The CGP would have benefitted from one organisation having greater oversight and control. This could have ensured more clarity and engagement between the different delivery teams, which would have improved information flows and the coordination of the various CGP activities.

In addition to understanding the impacts of the CGP, the evaluation also sought to understand whether the CGP was implemented as intended, whether the design worked effectively, and what worked more or less well in delivery. Some of these aspects are discussed as part of the impact evaluation findings in Chapters 4 to 7, since they are directly related to whether or how impacts are realised. Additional aspects are summarised in this Chapter.

8.1 Design and delivery of business support programmes

8.1.1 Business recruitment

Regional delivery partners broadly met their recruitment targets, but some flexibilities were required – particularly around the definition of 'high growth potential' that was used to assess businesses' eligibility for the programme.

Delivery partners reported that mostly they had already engaged, or expected to engage, their target numbers of businesses. They had achieved this using a combination of approaches including referrals from local business advisers, market research and web scraping, holding launch events to generate interest, and their own networks.

Delivery partners were mixed in their overall experience of the recruitment process, but several experiences were common:

- **Application numbers being high, but not always within the programme eligibility requirements.** In particular, delivery partners noted that they had received applications from a significant number of sole traders and Community Interest Companies. While delivery partners recognised why these individuals would not be appropriate for the programme, they felt it highlighted a need for further support for these businesses to offer a potential pipeline for growth in the future.

- **Some challenges engaging participants from ‘harder-to-reach’ geographies targeted within their delivery regions.** Delivery partners noted this was typically due to these localities being more rural. They noted that more marketing and engagement activities (such as face-to-face drop-in sessions, or telemarketing) were focused on these areas, but that this did not always fully bridge the gap in the target.
- **Competition from other business support offers.** Some of the delivery partners highlighted that there are a range of business support opportunities available for businesses in their local areas, so they needed to ensure the quality and creative focus of their offer was highlighted to best engage participants.

"There's a lot of proliferation of business support thanks to the UK Shared Prosperity Fund, there's a lot of stuff out there and it's quite confusing again for businesses, so to have something that's particularly focused on a sector has filled that gap." Delivery partner

"In the snowstorm that is business support, it's not easy to stand out shall we say." Delivery partner

Feedback from businesses suggests that the application process itself may have been a barrier to participation. In their closing remarks to the follow-up survey, a small proportion of businesses expressed dissatisfaction with the process. Overall, 10% of businesses that participated in a business support programme indicated that the process of applying to the programme was too complicated or complex.

The definition of “high-growth potential” used to assess businesses’ eligibility for the programme was applied differently in different areas. This flexibility was required because some delivery partners identified early that the initial guidance on the definition of high-growth potential would likely not apply to many creative businesses in their areas. To help support the identification of eligible businesses, some looked at wider criteria such as industry track record, quality of the product offer, sector recognition, and business-owner ambition and attitude to determine whether a business can be considered eligible. In a few instances, delivery partners noted that they have found it particularly helpful to include mentors and investment experts in the diagnostic process to help with this assessment.

"You get a sense of where a founder is positioned currently, what their industry thinks of them, and what their ambition and aspiration is. With all of those conditions, you get a sense of what's high growth, particularly if you've got experts in the room who have looked at business models and sectors. So, it's a complicated process that relies on expertise, essentially knowledge of those sub-sectors potentially more than if you were just assessing turnover and staff numbers." Delivery partner

8.1.2 Cohort composition and level of support provided

The broad reach of CGP across creative sectors, and the flexible interpretation of ‘high growth potential’ meant that cohorts were mixed, in terms of their sector, levels of

experience, and stage of business growth. This caused some challenges in designing an appropriately pitched programme of support.

The flexibility in assessing business eligibility for the support programmes was not without downsides. In some cases participants highlighted that the levels of business-owner experience in their cohorts were mixed, which they felt made it challenging for the delivery teams to ‘pitch’ workshop support at the right level for everyone.

"The problem with that first cohort was that there were really mixed bunch of established businesses and then even a couple were just sort of 'ideas'. So it was a very was difficult when they were trying to facilitate whether it's online courses or in-person something that would hit all the benchmarks of people. Which obviously was a challenge for them in doing that." CGP participant

In some regions this was addressed by developing “Stage 1” and “Stage 2” programmes, with support tailored to different levels of business development and investment readiness. Delivery partners welcomed DCMS’ flexibility in allowing the development of local programmes in this way. However, a consequence of this is that some of the businesses supported by the programme were not as close to being investment-ready (in terms of their business development) than anticipated at the start of the programme. This caused some disconnect with the investor engagement activities at the national level (as noted in Chapter 6), which were seeking to connect investors with more investment-ready businesses.

While participants typically valued the focus of the programme on the creative sector, in a few instances, participants mentioned that they felt they were dissimilar to other participants in terms of where they sat within the creative sector, for example, as a not for profit, as a tech-focused business, or as a more ‘traditional’ creative business. In these cases they felt more time and effort was focused on the others in the group, or that the content was too broad, with little opportunity for more targeted support.

"It's such a very wide brief. You know there are organisations specifically for screen-based industries like screen skills and things like that, but I don't know, maybe they could tailor it and say there's a session for people working in screening, a digital media session, something like that." CGP participant

"I expected that the people running it would be more diverse and they're totally not. I don't know if that's a [local] thing, but they don't know anybody from any kind of product industry at all, and the product industry is pretty massive. There's nobody in fashion, there's nobody in any kind of design at all, which I've been really disappointed about." CGP participant

A few of the delivery leads also highlighted the challenge in trying to tailor information to be relevant across a wide range of sub-sectors; however, a few mentioned that they had run sub-sector-specific cohorts and activities where they were able to show sufficient demand and convene the relevant participants. This had been particularly successful for some of those in the film and TV industry, and for more tech-focused businesses.

8.1.3 Aspects of programme design

The majority of businesses found all aspects of business support programmes valuable. Participants rated the most valuable aspects of the programme as: mentoring, one-to-one talks with experts, in-person workshops and networking events with peers.

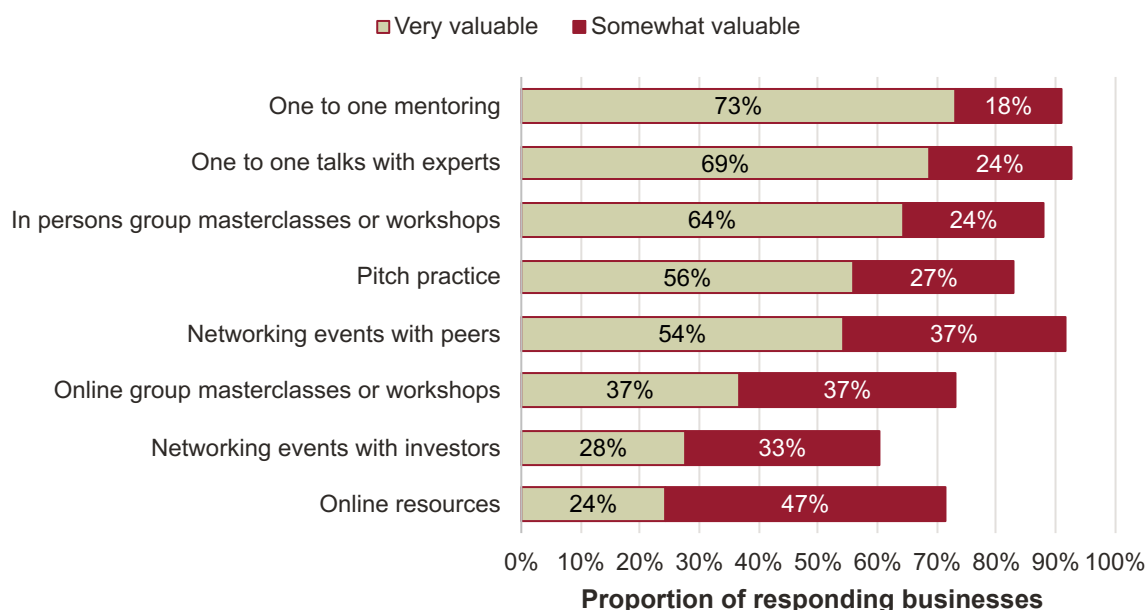
A few aspects of the business support programmes' design and delivery were highlighted by stakeholders as being particularly important. These included:

- Having a positive and constructive relationship with mentors – which was thought to depend on either an effective matching process or flexibility to self-select mentors.
- Workshops that were well attended, face-to-face and had opportunities for networking.
- Having different activities (such as workshops, mentoring and networking) that interacted and worked together.

Delivery partners welcomed the flexibility in the programme design and delivery that DCMS allowed for this programme. They felt it has allowed them to design a more bespoke offer for their local business's needs, and iteratively tailor this to address any emerging challenges or areas for support.

"That slightly more relaxed approach from DCMS on this I think reflects the fact that all areas are different, so it's allowed local partners to deliver something that is specific from their areas based on their experience of delivery in the past." Delivery partner

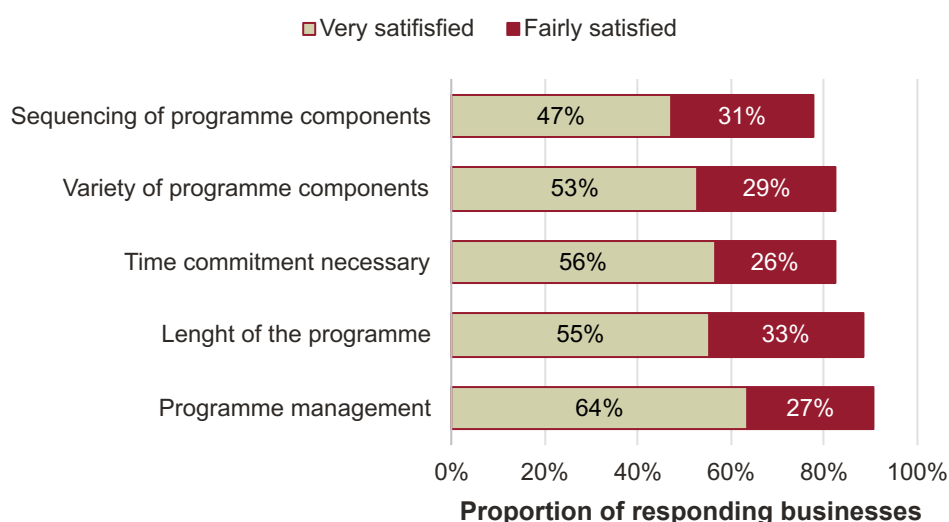
Businesses for their part report finding the majority of provided activities valuable. Figure 13 shows the proportion of business support survey respondents who found different aspects of the programme valuable. Participants rated the one-to-one mentoring component as the **most valuable aspect** of the business support programme, with 73% considering it very valuable, followed closely by one-to-one talks with experts (69%).

Figure 13 Perceived value of business support activities

Source: Frontier Economics based on primary survey data

Note: Sample is comprised of businesses who participated in a Business Support programme.

There were high levels of reported satisfaction with the programme's structure and organisation, as shown in Figure 14. Around half to two-thirds of business support participants who answered the survey were very satisfied with the management of the programme, variety of programme components, sequencing of programme components, and the programme's time commitment and length. Around 80% of survey respondents were at least fairly satisfied with these aspects.

Figure 14 Satisfaction with programme organisation

Source: Frontier Economics based on primary survey data

Note: Sample is comprised of businesses who participated in a Business Support programme.

A few aspects of programme delivery were highlighted as being important, which are discussed in more detail below. These are: mentor selection, the format of workshops and the interaction of the different business support activities.

Mentor selection and duration of engagement

Having a positive and constructive relationship with their mentor was seen as a key factor for many participants in their overall experience of the programme; having either a) an effective matching process; or b) allowing participants to select their own mentor, was welcomed by participants. Those who had a less positive experience with their mentors typically found this to be because the mentor was not experienced in the areas important to them, and they were not able to change.

"I was very cautious about having a mentor and they've matched us perfectly... through the Chamber and network you get all these coaches that they've never actually done the job. They've never worked. Whereas the guy they matched us to? He really has got some proper experience in running businesses that are aligned [to ours]." CGP participant

"The mentor that I got was a business consultant and their background is business consultancy and have only ever run a service business. So, I found that quite frustrating because...it's completely different, they don't have the experience that I've needed." CGP participant

Participants also discussed varying durations of mentoring activities undertaken, with some indicating they have received more mentor support during the course of the programme than others (possibly due to being on different programme 'Stages'). Typically, participants thought more engagement was beneficial than just a small amount e.g. two hours or sessions did not seem enough for some.

"I had two individual mentoring sessions and I just don't think that was enough for me. But I think what would have helped is if they sort of knew what the outline was of the programme and then actually kept you accountable and asked you about what the next stages are for moving forward. That would have been really helpful for me. I thought the mentoring sessions were quite light. They didn't really give me much advice. So, I think helping me navigate through the programme would have helped massively." CGP participant

Similarly, delivery partners noted the importance of ensuring they had high quality mentors available for participants although some had taken different approaches to this, for example, some encouraged participants to select from pre-approved lists of experts (including sector experts or experts in aspects of businesses such as IP or finance), others allowed participants to identify their own mentors and pay them using funding from the programme.

Format of workshops

Businesses highlighted that where workshops were well attended, face-to-face, and had opportunities for networking these were particularly effective, and participants from most regions were very positive about this aspect of the programme.

In the two regions where concerns were raised about the format of the workshops:

- One region's workshops were mostly delivered online, which participants felt had led to limited engagement during the sessions and limited opportunities for networking. (This is consistent with broader survey evidence on mode of activity delivery: only **18% of businesses** who participated in a business support programme were **very satisfied** with the **online activities**, compared to **56% for the in-person activities**.)
- One region's participants noted that they felt there was a lack of enthusiasm and motivation ahead of workshop sessions which led to them being poorly attended, limiting the potential of any networking and community building.

In regions where networking through workshops was seen as particularly successful, participants noted that the delivery leads placed a strong emphasis on community building both during and following the programme, and ensured good links were made between participants.

A few participants also noted that they valued when the delivery teams made resources from the workshops available electronically, so they could refer back to these when needed as they progressed through their growth journey.

Interaction of the different business support activities

Overall, participants and delivery partners felt the interaction of the different components of the business support programme – particularly the combination of workshops, mentoring, and networking was a very effective part of the CGP's design, as it allowed participants the opportunity to learn new things, reflect on their business, and build upon this with the support of mentors and peers.

"It was everything really networking, meeting people, learning off them, going on the courses, going to the different venues. The workshops are all different and catered for different angles. Yeah, lots of learning to be honest." CGP participant

"The fact that I've been able to go [to my mentor] 'right, I went to that workshop and I've done this, I've learnt this and I've had to go at this. Have I done this right? What do you think?' The two are very intertwined, but I think either one without the other would not have the same impact." CGP participant

"That opportunity to practice pitching too, so within the framework of the programme we had the time and space and it's always hard to give your business time and space, isn't it, when you're just on the front end all the time. But in that classroom setting where you write about it and actually practice a pitch and share your work with everyone in the room, I think

that was hugely beneficial because that can be quite scary when you're a solo practitioner on your own all the time to actually have feedback, and the strength of the community was really helpful." CGP participant

8.2 Design and delivery of the finance strand

Delivery partners and businesses felt there was a disconnect between the CGP funding support and the business support activities. The design of the grant funding felt at odds with the CGP objectives of increasing business readiness for private investment. The timing of the funding support was felt to be problematic, with the investor partnership competition in particular coming too early relative to the business support programmes.

The finance strand of the CGP delivered three bespoke funding competitions – two grant competitions and one investor partnership competition – as well as supporting additional grants to creative businesses in CGP regions through the Creative Catalyst programme.

8.2.1 Design and delivery of the grant competitions

The grant competitions were generally seen as well delivered, through standard Innovate UK processes. There was strong demand for grant funding from creative businesses, and across the grant competitions 770 applications received and 310 projects funded.

However, stakeholders reflected that the grant support was not well aligned with the rest of the CGP. Delivery partners highlighted two key challenges with the grant competitions that they felt limited the overall reach and impact of programme:

- **The timing of the grants was not aligned with the business support programme**, with some feeling Competitions were launched too soon in both the original and new area's delivery periods to be attainable for some of the businesses who had yet to receive significant support.

"I think we've had 1-2 businesses who have managed to get the grant but that's because we identified them early, knew that they were already working in partnership and had something that would fit, and it did. But aside from that, it was a virtually impossible task. I think also the timing of releasing the bid itself, it was difficult over the summer over August, it is never an easy to period to piece together a complex bid." Delivery partner

- **The product-focused nature of grants felt inconsistent with programme aims and objectives.** Some of the delivery partners noted that the grants focus on funding a specific project was not aligned with the programmes aims of supporting growth and helping businesses become self-sustaining and ready for investment. It was felt some businesses would be better served by grants for more growth-focused activities such as marketing and commercial modelling.

"The positioning of the grants as purely for innovation within a time-based project, when we are trying to shift the sector to a business investment model away from project time-

based grant giving as a way of sustaining their businesses. I think the structural offer and impact of those funds would be much better if it was an investment in equity or business development alongside innovation that the money could be spent on that and was positioned in that way and run by an evergreen ongoing fund." Delivery partner

Several participants and delivery partners also felt that they would have preferred more clear links to grants or a dedicated funding pot once businesses had been through the business support process and were ready to apply.

"I would have loved to have got some grant funding and it's really interesting that even though you're accepted on this programme, it's no guarantee that you're going to get the grant funding." CGP Participant

It was noted by some stakeholders and investors that potentially further grant investment from Government is possibly needed as a springboard to bridge the gap between the £30K grants available through the programme and larger scale venture capital (VC)-style investment.

"Public money is really where it starts. If we could get more public money into the sector, more programmes, more funds, then VC could tag on to it and it would mitigate some of the upfront risks, maybe even if we're imagining those risks, it gives a level of security I think for private money to get more involved." Investor

"I think we're kind of limiting the dreams of the businesses because the interventions are quite small in the standard programmes from standard competitions outside of investor partnerships. I think where £50K is a great sum of money, but only takes them so far. I'd love to see longer length projects and them doing bigger things." Stakeholder

8.2.2 Design and delivery of the investor partnership competition

The investor partnership competition was not well subscribed with a limited number of applications and only six businesses funded.

In principle the investor partnership competition was better aligned with the aims of the CGP than the grant funding, as it explicitly involved private investment alongside public grant funding. The investors interviewed acknowledged the potential of this model – even if some felt that for creative businesses it could have been more effective if it focused on early-stage investment.

"Whenever there's a grant, there's discipline. I'm actually a great advocate of the Investor Partnership programme". Investor

"It's a very good model. But Innovate UK are very, very focused at the later stage. Whether it's a political thing, whether it's for headlines, I don't know, but they want to be involved in the big deals and, I don't say that that's a bad strategy, but it's not going to work here [in the creative industries]" Investor

However, delivery partners and stakeholders struggled with the complexity of the programme and again felt there was some disconnect with the rest of the CGP, particularly in terms of timing.

Several delivery partners noted frustrations from themselves and participants that this element of the programme was overly complex to apply for. This was also the reflection of at least one business who successfully obtained investor partnership funding, as described in Case Study 6. Some felt the timings to arrange and deliver an application were particularly challenging.

It was also noted by stakeholders that there was not a high number of businesses on the programme receiving business support who were yet ready for this type of investment.

"With the Comp 2, which was the Investor Partnership programme, I just don't think that worked at all and it wasn't aligned, and we did say it wasn't going to work and it wasn't really heard. It was very frustrating because we were getting questions from businesses and they were like 'this just doesn't feel useful', and also the time scale for them to apply to it was utterly bonkers. So, it ended up being really a much more negative thing than a positive thing because we were just getting businesses that were annoyed about it."
Delivery partner

Stakeholders noted that they felt the creative sector should be more integrated into the investor partnership programme, through the recruitment and inclusion of more targeted investors for the sector.

"With the investor partnerships, it's making sure that the investor stakeholders that we're engaging are better suited for the programme, so I think it's getting that a little bit more harmonised with the businesses that we're matching them to." Stakeholder

Case Study 6 - Investor Partnership supported business

The business is a music rights tech and licensing company which has spent the last 6-7 years developing their technology and developing relationships and agreements with key stakeholders and clients to build their offer. Over the years they have accessed various funding opportunities, including a government backed-start-up loan and wider grants, and they have investors.

When they initially saw the Investor Partner competition, they felt it looked complicated and time-consuming, so were not sure if they would apply; but were encouraged to do so by Innovate UK and Creative East.

The business-owner was very pleased to receive the support and used it to fund the development of the next evolution of their offering and expand into additional services. The grant allowed them to hire an additional technical employee to support this.

The business-owner noted that on release the product developed will open a new revenue stream and allow them to enter new markets and engage new customers. In time, this will potentially create further job opportunities at the company.

While their experience was mostly positive on receipt of the support from the CGP, the business-owner noted the complexity of the opportunity, and in particular the application process to identify and on-board investors.

“It's complicated. It is ridiculously complicated. The only way we've managed to navigate it is by having constant calls with Innovate UK, I've even had my existing investors speak to Innovate UK to understand it better. It was very confusing.”

“It's just not very clear as to how it actually works, and I think it's because how it works on paper and how it actually works are maybe two different things.”

On examination they found many of the investors on the Innovate UK list do not invest in the creative sector, with only a small proportion who were suitable, and of these only a few responded to their queries. The business-owner felt the process would have been easier if they had been able to on-board their existing and potential new investors they had identified, and already had commitment from, onto the list at the outset, which would also further enhance the Innovate UK offer.

“I saw that list and I was like, there is no way anyone on this list is investing in my company because I've spoken to some of them before. They don't invest in my industry, and most are VC's who are known to invest less in women. I think companies should be able to come to the application process with their existing, and new investors, and maybe that's when they onboard those investors onto the Innovate UK list. They've got this whole process of onboarding the investors and that happens months before the application. So, you can't onboard anyone that you've already got investment from or are in communication with.”

The business-owner also found the timescales for the application process challenging, particularly during the December/January period when many investors may not be working.

8.3 Design and delivery of the investor strand

The investor focused activities delivered through the CGP had limited investor engagement, due to a range of factors related to both design and delivery of activities.

Investor focused activities

The investor focused activities, and the challenges delivery partners faced in encouraging engagement from investors, are discussed in more detail in Chapter 7. In summary there was low take up from investors, which appears to be attributed to factors such as:

- Insufficient advertising of activities to a sufficiently large and diverse set of investors.
- Insufficient investment-ready businesses to connect with investors.
- Designing and framing of activities which could be improved.

Business engagement with investors

Another area stakeholders, delivery partners, and participants identified for improvement was around engagement between businesses and investors. It was felt by many that more should be done to help link the businesses to investors, with more support for the delivery partners to help identify these if needed.

"I think they struggled in the whole programme to find actual active investors." CGP participant

"One negative for me has been the lack of opportunity to get in front of investors. There's been a showcase day at one point, I put myself forward... and we weren't selected - fair enough. But obviously that's what I'm here for, so I was sort of like, 'well, isn't the whole point that I should get a chance to go and pitch?', if I do a bad job and nobody wants to invest, then that's up to them. But isn't the whole point in the programme that I get the chance to be showcased?" CGP Participant

However, various stakeholders also acknowledged the challenges posed by a limited number of businesses being supported by the CGP who were both seeking investment *and* investment ready during the programme.

"The fact that I was the only one on the programme that was looking for investment, it might have been a bit of a waste." CGP participant

"It was difficult to find businesses of a good enough quality to exhibit at our showcase. There's a definite desire that if we have got investors in the room, we are not wasting their time because they will stop engaging with us. So the businesses need to be at that 'ready to pitch for investment' stage." Delivery partner.

It was observed that an emphasis on national events being held in London perhaps did not align with the ethos of the programme, and it was found to be notable that some regions were not represented at these events.

"I know a lot of the activity that Innovate UK have done is great, but it has been very London centric. So to try and encourage businesses to take part in it and say, 'oh, but you've got to go to London' it's not very appealing for them." Delivery partner

Generally, programme partners felt more clarity and engagement was needed between the regional and national investor activities, potentially with more co-design and co-hosting of events to remove any element of duplication or competition.

8.4 Design and coordination of the overall programme

The various strands of the CGP did not fit together as well as initially intended. In large part this was due to the strands running in parallel, meaning there was no time for businesses to progress through different forms of support. However, this was compounded by businesses on the business support programmes being at an earlier stage than intended.

The programme would have benefitted from greater overall oversight by one organisation and more clarity and engagement between the various regional and national delivery teams.

The CGP was designed as a programme with strands of activity that were expected to work together to support businesses to become investment ready and access private investment. In practice, the feedback from stakeholders has been that the programme strands have not worked as well together as originally hoped.

There are four key, connected, reasons for this:

- **The design of some aspects of the programme was less well aligned.** In particular, the grant funding competitions, while welcomed by stakeholders, were felt to be at odds with the overall objective of increasing business development and private finance use.
- **The businesses accepted onto the business support programmes were often at an earlier stage of development than originally intended.** While this enabled regional programmes to support the development of a range of creative businesses, it meant there were fewer than expected investment-ready businesses who would benefit from interaction with other aspects of the programme.
- **The programme strands ran largely in parallel.** This meant that it was hard for the business support programmes to help businesses become investment-ready early enough for them to engage with other aspects of the programme (such as networking events or the investor partnership competition). This issue was compounded by some of the businesses being supported on the regional programmes being at an earlier stage than anticipated and with lower starting levels of investment readiness.

“The programme has ... interventions that... target different stages of businesses. Businesses that are applying to the competitions and getting match funding from investor partners are at that more developed stage, whereas I think the businesses applying to the regional programmes, are at that earlier stage – they need some confidence, they need some structure [and] guidance. That means ... it's difficult to have a joined-up approach because the businesses need time to go through that process. Expecting one programme to hold their hand the whole time would mean having a programme that lasts for 7-8 years maybe.” Delivery partner

- **The programme would have benefitted from more clarity and engagement between the various regional and national delivery teams.** This could have improved understanding about what was being offered by the different parties, and therefore how activities could be designed and timed to best support one another. This is discussed in more detail below.

Programme governance

Various delivery stakeholders reflected on the challenges posed by the governance and management structure of the programme. It was often felt that there was a lack of overall control and direction. This created uncertainty on roles and responsibilities, and limited the extent to which the various delivery partners worked together to discuss and agree improvements to the programme. In particular, it limited the coordination between different strands of activity, and the extent to which delivery partners understand the ramifications of their strand specific decisions for the wider programme.

"One of the most tangible manifestations of that was on the investor networking side where, in order for that bit to work, Business Connect needed quite direct engagement with the regions and a flow of information from the regions. But it was also needed in the other direction; the region's needed feedback and information from Business Connect. It never really happened in the right way and... I think it's because there was never any sort of management relationship between those two delivery groups." Delivery partner.

Delivery partners also pointed to slow processes and delays such as contracting, establishing Memorandums of Understanding, and obtaining answers to questions or feedback on decisions. This has impacted on their ability to coordinate and to deliver activities. Overall programme delivery, it was felt, could have been improved with better overall direction that was suitably resourced.

In addition to improved overall direction, there was an appetite for better opportunities for the regional delivery partners (particularly at the programme delivery level) to network and share knowledge and experiences in an open forum. Some found that the knowledge transfer events and programme board meetings did not give sufficient opportunity for this, often being overtaken by national priorities and information sharing.

"All it needed was a venue and a date and we would have all shown up there and had a really productive sharing of ideas and thoughts. But every time we thought we were going to something like that, it was kind of taken over by us being lectured about stuff that we already knew and not having an opportunity to talk to the other delivery partners. So a more constructive opportunity to share with other delivery partners would be really helpful, helpful to us, but helpful to others as well." Delivery partner

9 Summary and conclusions

9.1 The overall impact of the CGP to date

Pulling together the evidence from across the impact evaluation themes, the CGP looks likely to achieve at least some of its aims and ultimate objectives. The evidence suggests the programme has had, or will have, a **positive impact on the growth of many supported businesses**. This will **likely be driven primarily by the CGP increasing firm innovation and improving business management practices**. There is less evidence the CGP will increase growth through increasing equity investment, as was an initial intention of the policy. It has had **little impact on overall demand for investment or the willingness of investors to invest in creative businesses**. However, the CGP has increased the investment readiness of some firms seeking investment (or choosing instead to seek other forms of finance).

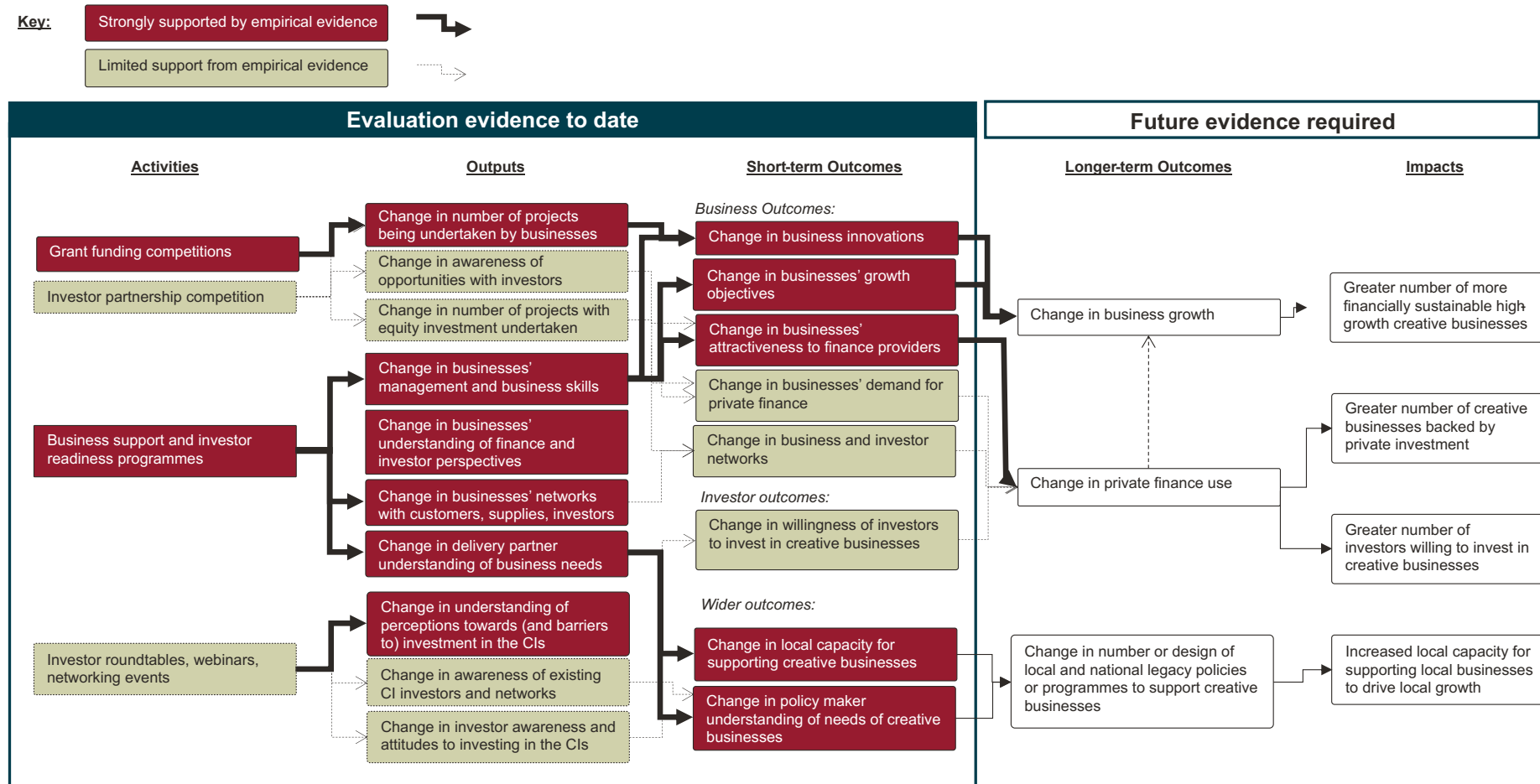
Figure 15 summarises at a high level the strength of the evaluation evidence in the context of the CGP logic model. For simplicity, the different activities, outputs and outcomes, and the pathways between these, are classified into two categories: “strongly supported by empirical evidence” or “limited support from empirical evidence”. This abstracts from lots of detail and nuance, and therefore while a helpful high level visual summary of the evaluation, should be interpreted in the context of the detailed evidence presented in this report.

That said, Figure 15 illustrates that the evaluation found support for expected changes in business growth in future, through evidence of changes in business innovation, growth objectives and potentially attractiveness to finance providers. There is evidence these arise as a result of grant funding and the business support programmes, which were broadly successfully delivered. There is limited expected impact on change in private finance use, as there is little evidence of changes in business demand for private finance (coming from the business support programmes) and little evidence of changes in investor perspectives (as a result of the investor focused activities).

In understanding the likely absence of some hoped-for impacts, it is worth highlighting two key findings from the process evaluation. First, the unchanged investor perspectives are directly related to the limited investor engagement with CGP activities.

Second, the little change in demand for private finance, and limited change in overall businesses’ attractiveness to investors (given the limited number seeking private investment), could be partly down to the type of businesses enrolled on the business support programmes. Regional delivery teams were flexible in their interpretation of ‘high growth potential businesses’, resulting in fewer enrolled businesses at a stage of development to benefit from equity investment than originally intended. This may have limited the overall impact of CGP on equity demand and overall business investment readiness.

Figure 15 High level summary of evaluation evidence across the CGP theory of change



Notes: Activities, outputs and outcomes, and the pathways between these, are classified into "strongly supported by empirical evidence" or "limited support from empirical evidence". This abstracts from lots of detail and nuance, and therefore while a helpful high level visual summary of the evaluation, should be interpreted in the context of the detailed evidence presented in this report

Source: Frontier Economics.

Future evaluation evidence

This evaluation has only been able to provide evidence for the short-term outcomes of CGP (as illustrated in Figure 15). While some longer-term implications of these outcomes can be hypothesised, it would be valuable for further evaluation activity in future to examine whether these longer-term outcomes are realised. In particular, it would be valuable to explore:

- Whether supported businesses do reap the benefits they anticipate in terms of increased business growth (increased turnover and increased employment) and whether these benefits are sustained.
- Whether there is an increase in private finance raised by supported businesses, either equity investment or other forms of private finance.

9.2 Lessons for the future

The evaluation evidence suggests several lessons for future policy design.

Some reflections may be relevant to the CGP itself. DCMS has announced an extension to the CGP for 2025/26, and it may be possible to improve some CGP activities during this period.

- **The design of financial support delivered over the continuation year of the CGP should be carefully considered.** There is limited time to develop new funding products; but even so, it would be worth DCMS consulting carefully with delivery partners about the businesses emerging from the business support programmes, and what their funding needs and ambitions are. This would increase understanding of what forms of private finance would be most appropriate for those firms and therefore how public funding could be best used to leverage that.
- **There should be new activities to connect investors and businesses.** Learning from the CGP to date, these should be more informal than pitch events, and open to a wider range of businesses. They should be held in the participating regions, and jointly organised by Innovate UK and regional delivery teams, with joint responsibility for advertising and encouraging the attendance of investors.
- **DCMS should play a greater role in coordinating and providing direction to the CGP as a whole.** In particular, roles and responsibilities for the different delivery partners should be clearly set out for the remainder of the programme. Any decisions should be made transparently and promptly.
- **There should be greater knowledge sharing between the regions and DCMS should identify who is best place to coordinate that.** There has been a significant amount of learning about delivery and local creative ecosystems by the regional delivery teams. Delivery of the continuation year of activities would be improved by increased sharing of

this information across regions. Learnings from further delivery should also be captured in order to aid policy development in future.

Other reflections are more relevant to the design of future potential policies that could seek to support the creative industries. These include:

- When designing an intervention that consists of a set of interconnected activities or strands, **careful consideration should be given to how the strands will work together in practice** – particularly given the timing of the strands of the intervention. There may be less benefit to running an interconnected programme (rather than separate smaller policy initiatives) if direct engagement between the strands over the life of the intervention is limited.
- If an intervention is designed with multiple strands and delivery partners, then **the governance structure needs to be well designed**. One organisation should have explicit oversight of the programme and be tasked with ensuring information sharing and coordination between delivery partners. Roles and responsibilities should be defined and agreed clearly upfront, and mechanisms put in place for the appropriate sharing of data and knowledge between organisations.
- In designing future support for the creative industries, it is worth **considering whether interventions may benefit from being more focused on particular sectors or particular stages of business development**. On the one hand this presents the challenge of identifying and engaging sufficient business in that sector or at that stage of development. This was an issue faced by CGP regional delivery teams. However, doing so has the advantage that interventions can then be more accurately targeted to address particular business needs (or barriers to growth) for businesses in that sector or at that development stage. Different sectors and businesses at different growth stages will have different needs, and face different barriers, and policies designed to address these should be carefully evidenced based.

Annex A Methodology for the evaluation

This annex contains additional detail on the evaluation methodology and data sources.

A.1 Evaluation approach

The evaluation takes a mixed methods approach. Evidence is brought together from various methods, including contribution analysis, before-versus-after analysis, difference in differences analysis, and self-reported impacts. These methods are all summarised briefly in Chapter 3.

There are two main reasons for the evaluation taking a mixed methods approach:

- It has proved challenging to identify a suitable proxy for the ‘counterfactual’ (what would have happened in the absence of the policy), which is needed in order to use quasi-experimental approaches. These methods estimate impacts by comparing outcomes of those affected by the policy to a proxy for what would have happened to them in the absence of the policy – require identifying a suitable proxy for this ‘counterfactual’.
- It was not proportionate for the evaluation to collect primary survey data from businesses in areas outside the CGP regions to act as a comparison group. Identifying suitable comparator businesses and obtaining sufficient survey response rates would have required significant additional resources. Furthermore, the CGP regions were expanded during the programme in any case, which could have complicated regional comparisons.
- It was originally intended that the evaluation would make comparisons between businesses supported on the programme and those who applied but were not successful in their application due to capacity constraints. In practice it turned out that few regional programmes were oversubscribed, either due to limited demand or because regional partners did soft screening before the formal applications. In some cases it was possible to seek to collect data from unsuccessful applicants (most notably, applicants to the first funding competition). However, response rates among these groups were low, meaning that while some difference-in-differences analysis has been conducted, this is interpreted cautiously.
- The evaluation themes cover a broad range of outcomes of interest for a variety of stakeholders. Understanding impact across these outcomes, as well as providing insights as to the mechanisms why impacts have or haven’t been achieved, requires a depth of insight that is best satisfied by drawing on multiple data sources and approaches.

A.2 Evaluation data sources

The evaluation drew on various data sources that are each described in more detail in this section:

- Primary survey data from creative businesses.
- Primary survey data from investors.
- Monitoring data.
- Qualitative data from a range of stakeholders.

Primary survey – creative businesses

Primary survey data was collected from creative businesses to support the evaluation.

A survey was sent at two points to businesses who interacted with the CGP: at baseline ('before' CGP support) and a follow up ('after' CGP support).

Baseline

Throughout CGP delivery, data has been collected from businesses who have sought support from the CGP. This has been done in various ways depending on the strand of the programme:

- Data were collected from **businesses who applied for funding** in one of the CGP funding competitions, at the point they applied, via an online survey form. This was circulated by the Innovate UK competitions team on behalf of the evaluation, but completion was not mandatory (and had no bearing on whether or not funding was awarded). The response rate for applicants to the first funding competition was 22%.
- Data were collected from businesses who **participated in the regional business support programmes** in one of two ways. It was originally intended that baseline data for the evaluation would be collected through the application process in each region. While this approach was implemented in some regions, it was not possible in all due to the CRM systems of some delivery teams. In those regions the baseline data were collected from participating business through a separate online form administered by the evaluation team. While in principle it was mandatory for businesses to complete this at the point they were onboarded onto the programme, this did not always achieve 100% response rates.¹⁰
- The evaluation framework assumed that baseline data would be collected from all applicants to the business support programmes, including **unsuccessful applicants**. However, in practice, data were only collected for a limited number of businesses not accepted onto the programme. This is because regional programmes were either not

¹⁰ For the cohorts of businesses within the scope of this survey analysis, the response rate to the online form was 80%.

over-subscribed or because businesses were informally screened (and potentially signposted to other support) before making a formal application to the CGP.

The baseline survey focused on factual and perception information on the current state of businesses.¹¹ For example, information relating to business outcomes (e.g. employment, turnover, innovation), access to finance (e.g. past finance use and expectations) and self-perceived skills. Businesses participating in the regional business support programmes were asked additional information about aspects of business planning.

Follow-up

A follow-up survey was sent in June-July 2024 to a sub-set of businesses that had interacted with the CGP. Specifically, the survey was sent to businesses who either (or both):

- **Applied for funding from the first funding competition** - regardless of whether they were successful or not.
- **Participated in an early cohort of one of the regional businesses support programmes.** Figure 16 below sets out the timings for the various business support programmes delivered by the original six regions. The rows highlighted in red represent the 16 early cohorts who were included in the follow-up survey.

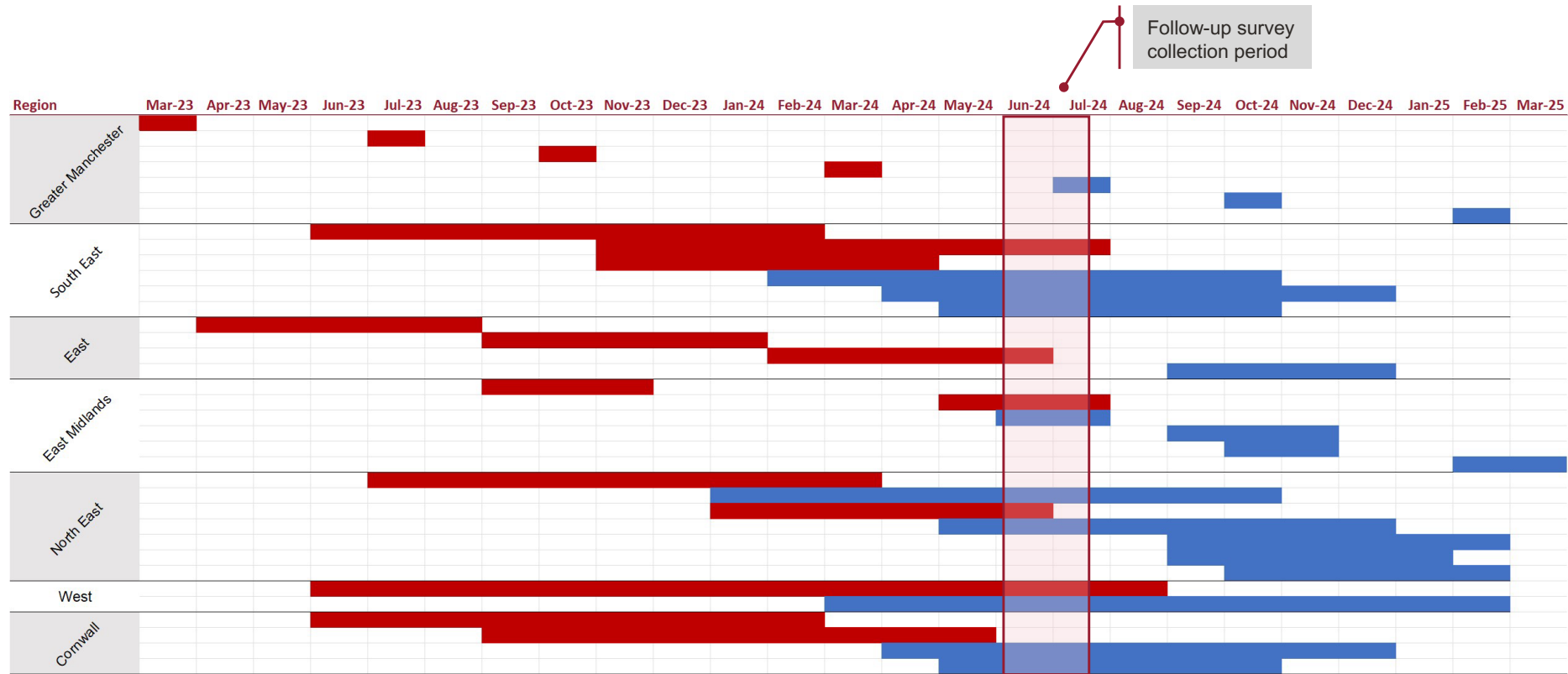
The focus on this sub-set of businesses was so as to collect data from businesses who had finished their CGP-funded projects, or finished participation in a CGP business support programme, and ideally had some time for outcomes to have been felt. While ideally data would be collected from all cohorts, and with potentially a greater gap since programme completion for some cohorts, this was not possible given the timeframes for the evaluation.

The follow up survey included two broad types of questions. The same (or similar) factual and perception questions were asked at baseline and follow-up, allowing for a comparison of the state of a business over time. In addition, questions on the self-reported changes over time or self-reported impact of the CGP were asked in the follow-up survey.

The follow-up survey was conducted online and administered by BMG Research. Businesses were invited to complete the survey by email, and reminded to complete the survey via email, telephone follow ups and SMS reminders. The survey was circulated to 609 unique business contacts.

¹¹ Information can either be factual (e.g. 'What was the approximate turnover of your business over the last 12 months?') or perceptions by respondents (e.g. 'How well do you feel your senior leadership team understand the benefits and costs of different finance options?')

Figure 16 Timelines for the various business support programmes (original CGP regions only)



Note: Each row represents a different cohort. For each cohort, the dates between programmes start and end date are coloured. The red colour represents cohorts which were included in the data analysis, while blue represents cohorts that were not included. Cornwall and West, which are considered to form part of the same region for CGP purposes, are separated as they operate different programmes.

Sample sizes

Table 1 summarises the number of businesses and the sample sizes for those who answered the baseline data collection and/or follow up survey, split according to their type of engagement with the CGP. The response rate is higher among those who participated in a business support programme, or where successful in their application for CGP funding, than among those who were unsuccessful in their CGP funding application. This is common with voluntary business surveys of this type.

The exact sample sizes used in the analysis depend on the approach (described below) and outcome of interest (as not all respondents answered all questions at baseline or follow-up).

Table 1 Sample of businesses invited to the surveys and response rates

| CGP interaction | No. of firms | Answered Baseline Survey | Answered follow-up Survey | Answered both surveys | Response rate for both surveys (%) |
|------------------------|--------------|--------------------------|---------------------------|-----------------------|------------------------------------|
| All | 609 | 467 | 154 | 134 | 22% |
| BS participant | 302 | 276 | 93 | 87 | 29% |
| Funding applicant | 348 | 231 | 78 | 64 | 18% |
| Of which: successful | 107 | 75 | 42 | 36 | 34% |
| Of which: unsuccessful | 241 | 156 | 36 | 28 | 12% |

Source: Frontier Economics.

Note: Type of engagement with CGP is defined according to the information provided by delivery partners, rather than the information provided by respondents to the follow-up survey. In a small number of cases this information does not align, but the delivery partner information is deemed to be a more reliable indicator of CGP participation.

Types of analysis

The following types of analysis drew on the primary survey data:

- **Self-reported impacts** of the CGP. This is a valuable source of evidence on what impacts businesses that have been involved with the CGP perceive the programme to have had. As is always the case with self-reported impacts, however, this suffers from certain shortfalls such as potentially biased responses or inability to isolate the impact of CGP support from other drivers of change.
- **Before/after analysis** comparing business outcomes or perceptions after engagement with the CGP versus before. This reveals the change in the outcomes of interest, although attribution to the CGP requires other external drivers of change to be accounted for.
- **Difference-in-differences (DiD) analysis** comparing changes over time for CGP participants and non-participants, and comparing between businesses with different types of CGP support (who might be expected to be impacted differently). Given the small

sample sizes for these different groups, this analysis was used with caution to qualitatively support inferences about the causal impact of CGP rather than to quantify causal impacts

Implementation issues

There are a few practical issues in implementing these analyses that are worth noting.

- Self-reported impacts are reported for all businesses who answer the relevant questions in the follow-up survey. However, for the before/after analysis (and difference-in-differences analysis) the sample is restricted to those businesses present in both the baseline and follow-up survey. This is so that a change in sample composition does not contribute to a change in outcomes over time.
- For some metrics the sample sizes are slightly lower than those in Table 1. This is because not all firms answer the relevant questions in the follow up survey. In particular, some questions were routed to individuals based on their responses earlier in the follow-up survey regarding their engagement with the CGP (i.e. whether they had received funding from CGP or interacted with a business support programme). In a small number of cases respondents did not report the expected interaction with CGP and therefore the relevant questions were not asked.
- Finally, the follow-up data were collected at roughly the same time for all businesses (June-July 2024), while the baseline data were collected over a long timeframe (depending on when businesses started their interaction with CGP).¹² This means that the length of time between the baseline data and follow-up survey varies across businesses. Similarly, since businesses finished their engagement with the business support programmes at different times, the time between programme completion and the follow-up survey varies across businesses. There is not a sufficient sample of businesses to conduct robust analysis that compares changes in outcomes according to these timing differences. However, sensitivity checking suggests there are not obvious systematic differences in the results between earlier and later supported businesses.

Primary survey – investors

A survey was designed and deployed to collect data on investors' perceptions on three aspects:

1. the main barriers to investment in creative industries.
2. changes in investor sentiment relative to creative industries over the past two years.
3. perceived impacts of the CGP on willingness to invest in the creative industries.

The survey was disseminated by Innovate UK Business Connect, primarily through its Investor Newsletter sent in November 2024. To further extend its reach, Business Connect also sent

¹² Funding competition 1 applicants supplied baseline data in February to April 2023, while business support participants supplied baseline data between March 2023 and May 2024.

direct emails to investors they had engaged with throughout the programme and requested that regional delivery partners also share the survey with any relevant investor contacts within their networks.

Only 7 investors responded to the survey. This means that there was limited scope to conduct quantitative analysis using the survey data. Instead, the data was analysed qualitatively, alongside insights gathered from investor interviews.

Secondary data analysis

The evaluation drew on programme monitoring information to evidence the activities undertaken as part of the CGP. This included information from delivery partners on:

- The number of businesses who took part in the business support programmes in the different regions, disaggregated by size and sector.
- The number of applications for funding from the CGP fund through the Innovate UK competitions, the number of projects funded, and the amount of funding granted.

The evaluation also drew on monitoring data collected by Innovate UK from grant recipients upon the completion of their funded projects. This includes information on a variety of self-reported impacts of the funded projects (for example, whether the project resulted in any innovations; what impact those innovations are expected to have on revenues; the employment impact of the funded projects). This information was available for business who received funding through the first CGP grant competition.

Qualitative evidence

The evaluation incorporated qualitative research methods to explore the lived experiences of stakeholders, delivery leads, and CGP participants and beneficiaries, and their views on the impact of the programme.

Qualitative research allows the evaluation to explore experiences in more detail, exploring not 'how many' had x experience or x impact, but what informed that experience, what programme element(s) led to this impact, and why did it have this impact for some businesses or areas but not others. In-depth interviews in particular allow the evaluation to explore individual experiences in detail, in a 1:1 setting where people may feel more comfortable providing potentially sensitive information about their business or their experience. Focus groups allow participants to share and compare their experiences, allowing discussion around why their experiences may have led to similar or different outcomes, and in some instances achieving consensus on particular topics and themes.

Between November 2024 and January 2025 the evaluation engaged with a total of 51 supported businesses, 6 investors or investor group representatives, and representatives from 15 delivery partners (including DCMS). A summary of the different stakeholder groups and how they were engaged is provided in Table 2.

Table 2 Qualitative fieldwork sessions

| Stakeholder type | Fieldwork type |
|--|--|
| DCMS | 1 small group interview (2 participants) |
| Innovate UK and Innovate UK Business Connect | 2 in-depth interviews and 1 small group interview (3 participants) |
| Regional business support programme delivery leads | 12 individual and small group interviews (2-3 participants) |
| Investors and investor group representatives | 6 in-depth interviews |
| Business support programme participants – original CGP regions | 2 focus groups, 13 businesses engaged 4 2-stage longitudinal in-depth interviews 2 in-depth interviews |
| Business support programme participants – new CGP regions | 3 focus groups, 20 businesses engaged 5 in-depth interviews |
| Grant-only beneficiaries | 5 in-depth interviews |
| Investor Partner beneficiaries | 2 in-depth interviews |

Participants were recruited via email with the assurance of the research being voluntary and confidential. The interviews and focus groups took place online via Teams and were moderated by members of the evaluation team. Focus groups lasted for 60 minutes, while in-depth interviews lasted 30-45 minutes. Pre-agreed discussion guides were used to conduct the interviews and focus groups. The discussion guides provided details of key questions, but were used flexibly to ensure participants experiences were fully explored. Interviews and focus groups were recorded and transcribed with participant permission for subsequent analysis.

The amount of fieldwork with business support participants and regional delivery partners was sufficient such that no significant new themes were emerging by the end of the fieldwork. The qualitative data collection from grant recipients and investors, in contrast, was constrained by stakeholders' willingness to participate. Further engagement with investors would have been valuable to increase the robustness of the evidence on investor perspectives in Chapter 6.

A.3 Analysis and evidence triangulation

The evidence was analysed and synthesised using framework analysis. This involves developing an analytical framework, structured around the evaluation themes to organise findings. Qualitative and quantitative evidence is indexed against the framework. This allows the research team to explore and synthesise views and experiences across stakeholders and stakeholder types, and across evidence sources. Areas of commonality and difference were identified. Where evidence points in different directions, it is assessed whether there are any clear reasons for this – for example, different perspectives from different types of respondents,

due to differing sight of activities or different biases. The consistency and strength of evidence is taken into account before drawing conclusions.

Annex B Text version of the CGP logic model

The CGP logic model illustrated in Figure 4 is described in text below.

The CGP inputs are:

- Finance strand: Capital funding; existing knowledge and experience of Innovate UK
- Business support strand: Funding; existing knowledge and experience of regions and delivery partners
- Investor capacity building strand: Funding; existing knowledge and experience of Innovate UK and Business Connect

The activities being delivered by the CGP are:

- Grant funding competitions
 - Competition processes
 - Grants made to businesses
- Investor partnership competition
 - Competition processes
 - Grants made to businesses
- Business support and investor readiness programmes
 - Scheme advertisement
 - Application processes
 - Signposting to alternative support
 - Workshops and seminar
 - Peer group networking
 - 1:1 advise and mentoring
 - Investor networking opportunities
 - Investor pitch events
- Discovery phase
 - Research on existing investor networks in participating regions
 - Roundtables with investors
- Implementation phase:
 - Webinars for investors
 - Events to engage investors in partnership funding competition
 - Connection events with CI businesses and investors

The anticipated outputs from these activities are:

- Change in number of projects being undertaken by businesses

- Change in awareness of opportunities with investors
- Change in number of projects with equity investment undertaken
- Change in business skills
 - Change in management or business skills
 - Change in awareness of or confidence in own business proposition
 - Change in understanding of finance options
 - Change in understanding of investor perspectives
- Change in businesses' networks with customers, suppliers, investors
- Change in delivery partner understanding of business needs
- Change in understanding of and perceptions towards investment in the CIs
- Change in awareness of existing CI investors and networks
- Change in investor attitudes
 - Change in awareness of opportunities in the CIs
 - Change in attitudes towards investing in the CIs
 - Change in attitudes towards investing in new geographies

The short-run outcomes expected to follow logically from the CGP activities and outputs are:

- Change in business innovations
 - New/improved products or services
 - New/improved processes
 - New/improved management processes/business organisation
- Change in businesses' growth objectives
- Change in businesses' attractiveness to finance providers
- Change in businesses' demand for private finance
- Change in business and investor networks
- Change in willingness of investors to invest in creative businesses
- Change in local capacity for supporting creative businesses
- Change in policy maker understanding of needs of creative businesses

The long-run outcomes are:

- Change in business growth
 - Change in turnover growth
 - Change in employment growth
 - Change in survival rate
- Change in private finance use
 - Change in number of businesses receiving equity finance
 - Change in number of businesses receiving other private finance

- Change in number of investors investing in the Cis
- Change in amount of equity investment in the Cis
- Change in number or design of local and national legacy policies or programmes to support creative businesses

The ultimate anticipated impacts of the CGP are:

- Greater number of more financially sustainable high-growth creative businesses
- Greater number of creative businesses backed by private investment
- Greater number of investors willing to invest in creative businesses
- Increased local capacity for supporting local businesses to drive local growth



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