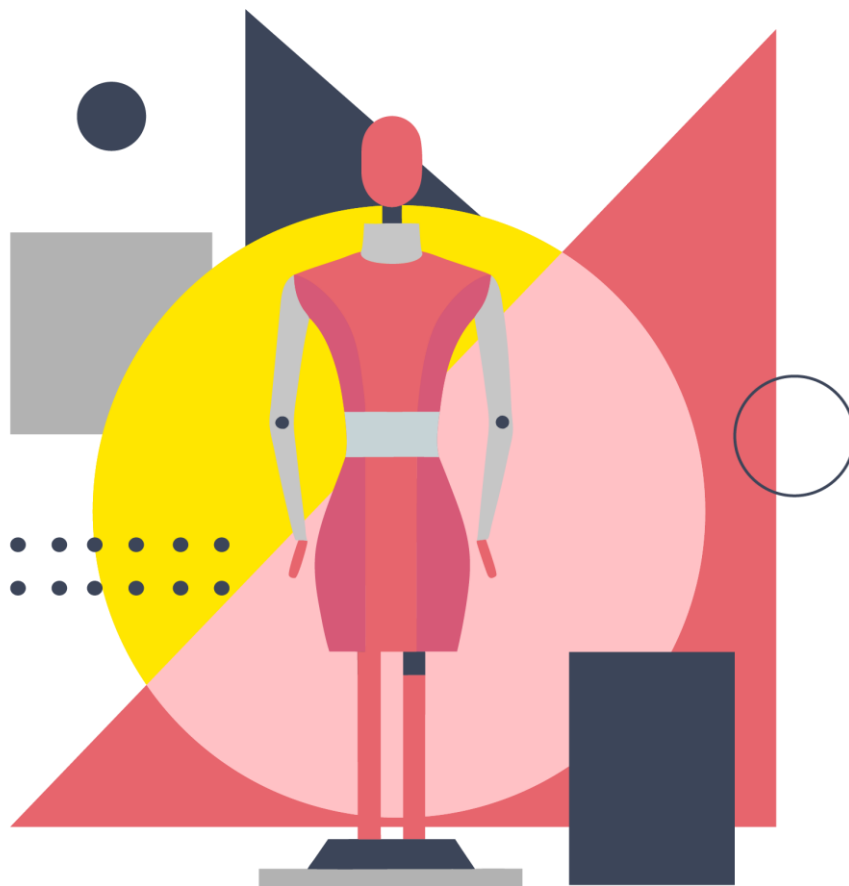
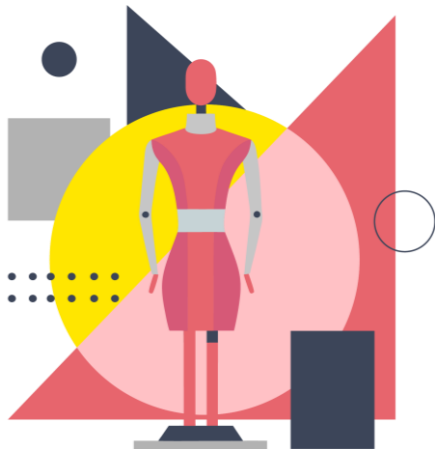


Evaluation of the British Fashion Council's NEWGEN programme

Final evaluation report
June 2025





About the authors



Alma Economics combines unparalleled analytical expertise with the ability to communicate complex ideas clearly.

www.almaeconomics.com

About the commissioning organisation



This independent analysis was commissioned by the Department for Culture, Media & Sport (DCMS). The analysis and findings are those of the authors and do not represent the views of DCMS.

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Executive Summary

Scope of the evaluation

Alma Economics was commissioned by DCMS to conduct an evaluation of NEWGEN. Within the scope for this research was a realist-theory-based impact evaluation and an economic evaluation of NEWGEN for the beneficiaries within the period from 2023/24 to 2024/25, corresponding to the period during which DCMS provided financial support to the programme. The evaluation also included a light-touch process evaluation, exploring feedback on the delivery of NEWGEN and what could be improved.

NEWGEN programme objectives and structure

Since 1993, NEWGEN has supported emerging fashion design talent in developing, global, and high-end brands. Over the past two decades, it has provided a platform for several prominent UK-based designers, including Alexander McQueen, Grace Wales Bonner, Christopher Kane, and Roksanda Ilincic. The programme has three strategic objectives to support this:

1. To develop the future talent pipeline of fashion designers and help early-stage designers build their businesses.
2. To increase the commercial growth of the fashion industry, including inward investment and export success.
3. To support the high reputation of London Fashion Week and the UK as the best place in the world for launching new designers and upcoming brands.

Approximately 20 designers are supported every year through NEWGEN. In 2024/25, there were 20 NEWGEN recipients in total, of whom seven are first-year beneficiaries. NEWGEN beneficiaries can benefit from the programme for up to three years and receive showcasing support for up to two fashion weeks a year. Designers can choose which of the three London Fashion Weeks (February, June, September) they decide to activate. Recipients are chosen based on creativity, strong design aesthetic, and point of difference, as well as adherence to principles aligned with the UN Sustainable Development Goals, as set by the Institute of Positive Fashion.

Over the past two financial years, the programme has been funded through a £2 million contribution from DCMS, additional funds from the BFC Foundation, and limited funding from private sector sponsors. DCMS funding has supported NEWGEN programme beneficiaries with showcasing at five London Fashion Weeks: September 2023, February 2024, June 2024, September 2024, and February 2025. NEWGEN was previously funded through the European Regional Development Fund (ERDF) until 2022/23. The removal of ERDF support led to a funding gap over the next two years, which is currently being bridged by DCMS.

Our evaluation approach

This evaluation used a theory-based approach utilising a range of research methods to generate insights around the impact of the NEWGEN programme. Key research activities underpinning the evaluation included:

- The development and refining of a programme Theory of Change for NEWGEN
- Analysis of application and monitoring data from programme beneficiaries
- Design and analysis of a survey of unsuccessful applicants to NEWGEN and NEWGEN alumni to understand key quantitative impacts of the programme
- Semi-structured interviews with programme beneficiaries and industry stakeholders
- A cost-benefit analysis to understand the additionality of NEWGEN and the programme's value for money

Figure 1. Summary of research approach



Highlights from the impact evaluation

Commercial growth

NEWGEN beneficiaries experienced an increase in sales and stockists both during and after participating in the programme. The key mechanisms through which sales increased for designers included increasing the legitimacy of their brand to the press and buyers, and the BFC creating connections with buyers through showrooms in Paris. However, some industry stakeholders noted that while NEWGEN helps designers boost their sales, this is limited by the current economic climate, as well as a focus on showcasing over commerciality of the programme overall.

With regards to employment, most designers preferred to keep their brands small and did not hire additional full-time staff during and after their acceptance to NEWGEN. This was largely driven by the uncertainty of the industry and the seasonality of the work. While designers may need additional staff to assist with showcasing activities, the lack of certainty around sales made it difficult to keep them on full-time. One industry stakeholder did highlight the extent to which NEWGEN generates additional activity in adjacent sectors, with designers hiring freelancers in a range of wider creative industries.

Financial and business sustainability

While several designers had received offers from external investors for additional funding for their brand, financial sustainability was noted as a key challenge by both designers and industry stakeholders. Because sales did not come until after the showcasing took place, sponsorship from NEWGEN or a similar cash injection was necessary to keep the business viable from a cash flow perspective. After NEWGEN, one designer felt that this translated into a constant search for outside investment to fund design and showcase activities. Designers noted that NEWGEN had an impact on their approach to the design process, making them more business-oriented, positively impacting financial sustainability.

Skills

NEWGEN also helped designers improve their skills, particularly with regard to business and marketing. By gaining insights into the commercial aspects of the fashion industry, for example, through mentoring, designers reported learning how to better handle the business side of building their brands.

Reputation and visibility

Designers highlighted the impact of NEWGEN on brand visibility and reputation, with the NEWGEN label bestowing their brand with additional legitimacy and helping them stand out amongst other young designers. NEWGEN was also seen as an essential part of London Fashion Week, setting London apart from other fashion capitals and fashion weeks.

Highlights from the economic evaluation

Our economic evaluation of NEWGEN drew on data generated through the impact evaluation, programme monitoring data, and other published data sources. This data was synthesised into a social cost-benefit analysis framework in order to balance the estimated benefits of the programme against its costs.

The main benefit stream measured as part of this economic evaluation was the estimated productivity uplift for NEWGEN supported brands, which was derived via the estimated contribution of NEWGEN to the additional sales experienced by supported brands during and after the programme. We understand that designers supported by NEWGEN experience an increase in sales through two primary channels.

- Designers attract additional press and publicity through showcasing at London Fashion Week, driving additional sales.
- The majority of sales to stockists and larger buyers happen in showrooms in Europe throughout fashion month¹, with NEWGEN designers granted the opportunity to participate in the BFC's LONDON show ROOMS programme, which subsidises their costs to travel to Paris and utilise space in the BFC's showroom.

We have estimated that the two years of NEWGEN covered by this evaluation will generate combined benefits of approximately £7.6m over an eight-year time horizon, of which £5.7m can be attributed to the DCMS share of funding. When set against the costs of delivery of the programme, this represents a benefit-cost ratio of approximately 3.0. The headline results from the economic evaluation are summarised in the table below:

¹ Fashion month refers to the stretch of fashion weeks occurring in Europe and the US, starting with New York and ending with Paris and Milan.

Table 1. Benefits and costs of NEWGEN

Benefits and costs (discounted)	Value
Programme benefits, of which:	£7.6m
Attributable to DCMS funding	£5.7m
Attributable to other funders	£1.9m
Total delivery costs, of which:	£2.6m
DCMS funded	£1.9m
Other funders ²	£0.6m
Net social benefit (attributable to DCMS funding)	£3.8m
Net social benefit (all funding)	£5.0m
Benefit-cost ratio	3.0

Source: Alma Economics analysis

Highlights from the process evaluation

Application to NEWGEN

The application process was described as a pivotal moment in the careers of emerging designers. Designers were often familiar with NEWGEN's reputation within the fashion industry prior to applying, and many were encouraged to apply by panellists or industry connections. However, challenges such as extensive paperwork and navigating financial and sustainability criteria were noted.

Support offered to successful designers

Support offered to successful designers encompassed showcasing opportunities and business mentoring. The showcasing support, particularly at London Fashion Week, was highly valued by designers for its role in enhancing brand visibility, connecting designers with buyers and press, and fostering overall growth. Despite this, many designers found the funding insufficient to cover the full costs of showcasing, leading to financial strain. Some expressed pressure to participate in multiple showcases, with this not being financially viable for their brand.

The business mentoring component was viewed to have provided valuable guidance on aspects such as manufacturing, intellectual property, finance, and marketing, with some designers finding it useful in addressing professional and personal challenges. Others felt that the sessions lacked personalisation or struggled to access or fully utilise them due to time constraints or unclear signposting.

² Other funders refer to the BFC Foundation and the commercial sponsor for NEWGEN who provide additional funding for the programme.

Suggested areas for improvement

Several areas for improvement emerged from the evaluation from designers as well as industry stakeholders. Designers called for increased financial support and greater transparency regarding fund allocation. Enhanced preparation for first-time showcasing and a stronger commercial focus at London Fashion Week were also suggested. Industry stakeholders echoed these sentiments, emphasising the need for broader support beyond showcasing, including an increased focus on business mentoring to address the challenges faced by emerging designers.

Limitations of this research

The findings in this report should be interpreted alongside challenges and limitations faced in the delivery of evaluation activities, which may have impacted the robustness of results in some areas.

A major challenge in delivering this research was difficulty engaging with NEWGEN alumni and current beneficiaries, which resulted in low sample sizes for the surveys and semi-structured interviews. The low sample sizes were primarily driven by the small number of programme beneficiaries supported on an annual basis (there are only around five to seven new entrants to the programme each year). The timing of fieldwork also clashed with preparation for the London Fashion Week in February, which may have had an impact on the ability of some stakeholders to participate in the research. Due to the low sample sizes for the survey, we recommend that the quantitative analysis of survey data presented below be interpreted with a degree of caution. Whilst valuable insights were gained from the interviews with beneficiaries, due to the relatively low number of interviews, there is also a risk that these may not represent the full range of perspectives in relation to the programme.

Lastly, we understand from the qualitative interviews that some designers make personal contributions to their showcasing efforts, although data on this was not captured robustly as part of the evaluation activities. Factoring personal costs into the social-cost benefit analysis would likely result in a reduction in the benefit-to-cost ratio estimated in this report.

Introduction

Background to the evaluation

London has been one of the world's foremost fashion capitals for more than 50 years, with London Fashion Week focused on championing emerging talent and young designers who have come up locally through the industry. London is home to renowned fashion schools, including the Royal College of Art and Central Saint Martins, which are responsible for training the leaders of major brands both domestically and globally. Beyond the artistic merit of the industry, the fashion industry is a major contributor to the UK economy, reportedly contributing one job in every 23 in London and over £11 billion in GVA³.

Emerging designers in the UK face several challenges when trying to grow and legitimise their brand. These include access to finance, with high costs required for brands to showcase to a professional standard at major fashion weeks, a highly saturated market, with many brands vying for a limited number of wholesale retailers and a challenging economic climate and sluggish industry-wide growth over the last five years, creating additional barriers for newer and more established brands alike⁴.

About the BFC NEWGEN programme

NEWGEN has supported emerging fashion design talent to build global and high-end brands since 1993. Over the past two decades, it has provided a platform for several prominent UK-based designers, including Alexander McQueen, Grace Wales Bonner, Christopher Kane, and Roksanda Ilincic. The programme has three strategic objectives to support this:

1. To develop the future talent pipeline of fashion designers and help early-stage designers build their businesses.
2. To increase the commercial growth of the fashion industry, including inward investment and export success.
3. To support the high reputation of London Fashion Week and the UK as the best place in the world for launching new designers and upcoming brands.

Approximately 20 designers are supported every year through NEWGEN. In 2024/25, there were 20 NEWGEN recipients in total, of whom seven are first-year beneficiaries. NEWGEN beneficiaries can benefit from the programme for up to three years and receive showcasing support for up to two fashion weeks a year. Designers can choose which of the three London Fashion Weeks (February, June, September) they decide to activate. Recipients are chosen based on creativity, strong design aesthetic, and point of difference, as well as adherence to principles aligned with the UN Sustainable Development Goals, as set by the Institute of Positive Fashion.

Over the past two financial years, the programme has been funded through a £2 million contribution from DCMS (approximately £1 million per year), additional funds from the BFC Foundation, and limited funding from private sector sponsors. DCMS funding has supported NEWGEN programme

³ London's Fashion and Textile Industry: A powerhouse of economic impact and job creation, November 2023. See: <https://ukft.org/londons-fashion-textile-industry-report/>

⁴ The State of Fashion 2025: Challenges at every turn. n.d., McKinsey and Company, 2025. See: <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion>

beneficiaries with showcasing at five London Fashion Weeks: September 2023, February 2024, June 2024, September 2024, and February 2025. NEWGEN was previously funded through the European Regional Development Fund until 2022/23. The removal of support from ERDF led to a funding gap over the next two years, which is currently being bridged by DCMS.

Objectives and scope of the evaluation

Alma Economics has been commissioned by DCMS to conduct an evaluation of NEWGEN. Within the scope of this research is an impact and economic evaluation of NEWGEN for the beneficiaries within the period from 2023/24 to 2024/25. The key research questions driving the focus of the evaluation are as follows:

1. Has the NEWGEN programme led to increased economic activity, including turnover and employment, and if so, to what extent?
2. Has the programme led to increased investment in the participating businesses compared to those not supported?
3. Has the programme addressed the issue of high showcasing costs? Do unsuccessful applicants succeed in showcasing? If so, how do they finance this?
4. Has the programme supported the development of financially sustainable business models?
5. Has the NEWGEN programme resulted in increased exports and foreign direct investment?
6. Has the programme delivered value for money? Do the monetised benefits outweigh the costs?
Has the programme delivered value for money for the government?
7. Has participation in NEWGEN resulted in increased visibility and online engagement for designers?

Report structure

The report is structured as follows:

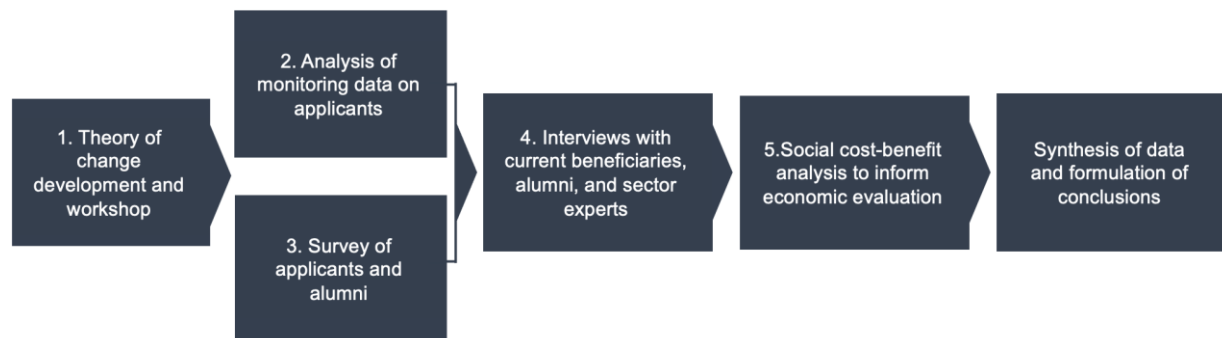
- **Chapter 2** outlines our methodology and overall approach to the evaluation.
- **Chapter 3** provides key findings from the impact and process evaluation, underpinned by interviews with designers and sector stakeholders, monitoring data provided by the BFC, and analysis of survey data.
- **Chapter 3** provides key findings from the economic evaluation of NEWGEN, outlining our cost-benefit analysis work.

Additional detail on the methodology underpinning the cost-benefit analysis is provided in the technical annex at the end of the document.

Approach and Methodology

The diagram below summarises our approach to the impact, process, and economic evaluation of the British Fashion Council (BFC)'s NEWGEN programme, with additional detail on each research activity provided below.

Figure 2. Summary of research approach



1. Theory of change development and workshop

To understand how programme inputs, in terms of funding and other resources, and NEWGEN activities funded by DCMS result in intermediate and long-term impacts, the evaluation team developed a programme Theory of Change in collaboration with DCMS and the BFC delivery team.

The Theory of Change framework sets out the causal chains that flow from the implementation of a policy intervention, determining how, why, and to what extent project inputs—NEWGEN activities funded by DCMS—result in intermediate outcomes and long-term impacts. The Theory of Change developed for DCMS has underpinned the nature and direction of our planned evaluation activities in terms of prioritising the key impacts that should be measured through the impact and economic evaluations.

At the start of the evaluation, we co-developed the Theory of Change for NEWGEN through scoping discussions with the BFC delivery team and DCMS, and a Theory of Change workshop with both organisations. The workshop covered topics including (i) wider context and challenges within the UK fashion industry, (ii) activities and inputs delivered as part of NEWGEN, (iii) key short- and long-term outcomes of NEWGEN, and (iv) steers on the focus of the research and the research questions. Feedback from the workshop and the discussions was used to refine the Theory of Change and the research questions. The full Theory of Change for NEWGEN can be found in the next chapter.

2. Analysis of monitoring data on successful and unsuccessful applicants

Following the finalisation of the Theory of Change, monitoring data provided by the BFC was analysed to provide insight into key metrics, such as the number of full-time equivalent staff NEWGEN brands employed and the average annual turnover of supported brands. Monitoring data analysed included application packs for all applicants (both successful and unsuccessful) who had reached the presentation stage of the application process from 2020 to 2024, when the data was shared by the BFC. As NEWGEN is a multi-year programme, monitoring data also included information on turnover

and employment from successful brands after their first and second years participating in the programme. There was no available monitoring information on designers' outcomes after their third and final year, as they do not “reapply” at this stage.

3. Survey of alumni and unsuccessful applications

A survey was launched in November 2024 to understand the longer-term outcomes of NEWGEN applicants. This survey captured the responses of both successful and unsuccessful applicants, providing insights into beneficiary outcomes and a comparison (“counterfactual”) group. The survey was sent to 19 alumni from 2022 onwards and received six valid responses, representing a response rate of 32%. The survey was sent to 166 unsuccessful applicants and received 28 responses, representing a response rate of 17%. The survey covered questions focused on understanding changes in key outcomes since applying to NEWGEN, including sales and numbers of stockists, brand size, reputation and visibility, and skills development.

4. Interviews with current beneficiaries, alumni, and industry stakeholders

We carried out one-to-one semi-structured interviews with two key stakeholder groups, designers, and industry stakeholders. As outlined in Table 2 below, we spoke to eight designers, including six who are current beneficiaries of the programme and two who are programme alumni. In addition to this, we engaged with a total of eight industry stakeholders.

Table 2. Number of interviews per stakeholder group

Stakeholder group	Number of interviews
Designers – Current beneficiaries	6
Designers – Alumni	2
Industry stakeholders	8

Profile of interviewees

1. Current beneficiaries and alumni

The current beneficiaries and alumni interviewed each described their unique route to becoming a designer and building their own brand. The majority began their journeys through formal education in fashion, which included pursuing relevant undergraduate and postgraduate studies at well-known universities. For some, internships at established fashion houses or brands were a stepping stone, while others delved straight into setting up a brand and honing their skills through practice. For many current beneficiaries, the COVID-19 pandemic emerged as a pivotal moment. While it brought considerable challenges, including the loss of promising opportunities, it prompted a focus on refining brand identity, adopting innovative technologies, and exploring sustainability.

2. Industry stakeholders

The industry stakeholders interviewed represent a diverse group of professionals with extensive experience in the fashion industry, particularly in relation to supporting emerging designers. This

includes individuals working in academia, thinktanks, as well as consultants on topics including finance and sustainability. Of the individuals interviewed, the majority had direct experience working with the BFC and NEWGEN. Several experts had experience being part of the panel that assesses NEWGEN applicants or being a mentor to successful ones.

3. Economic evaluation

In line with HM Treasury Green Book Guidance, we conducted a social cost-benefit analysis to estimate the benefits of NEWGEN, weighing these against the costs of the delivery. The primary benefit measured was an uplift in productivity based on increases in sales experienced by supported brands. Our analysis is underpinned by inputs from the impact evaluation, informed assumptions, and estimates from the literature and secondary data. The assumptions and full methodology underpinning the cost-benefit analysis are provided in the technical annex at the end of the report.

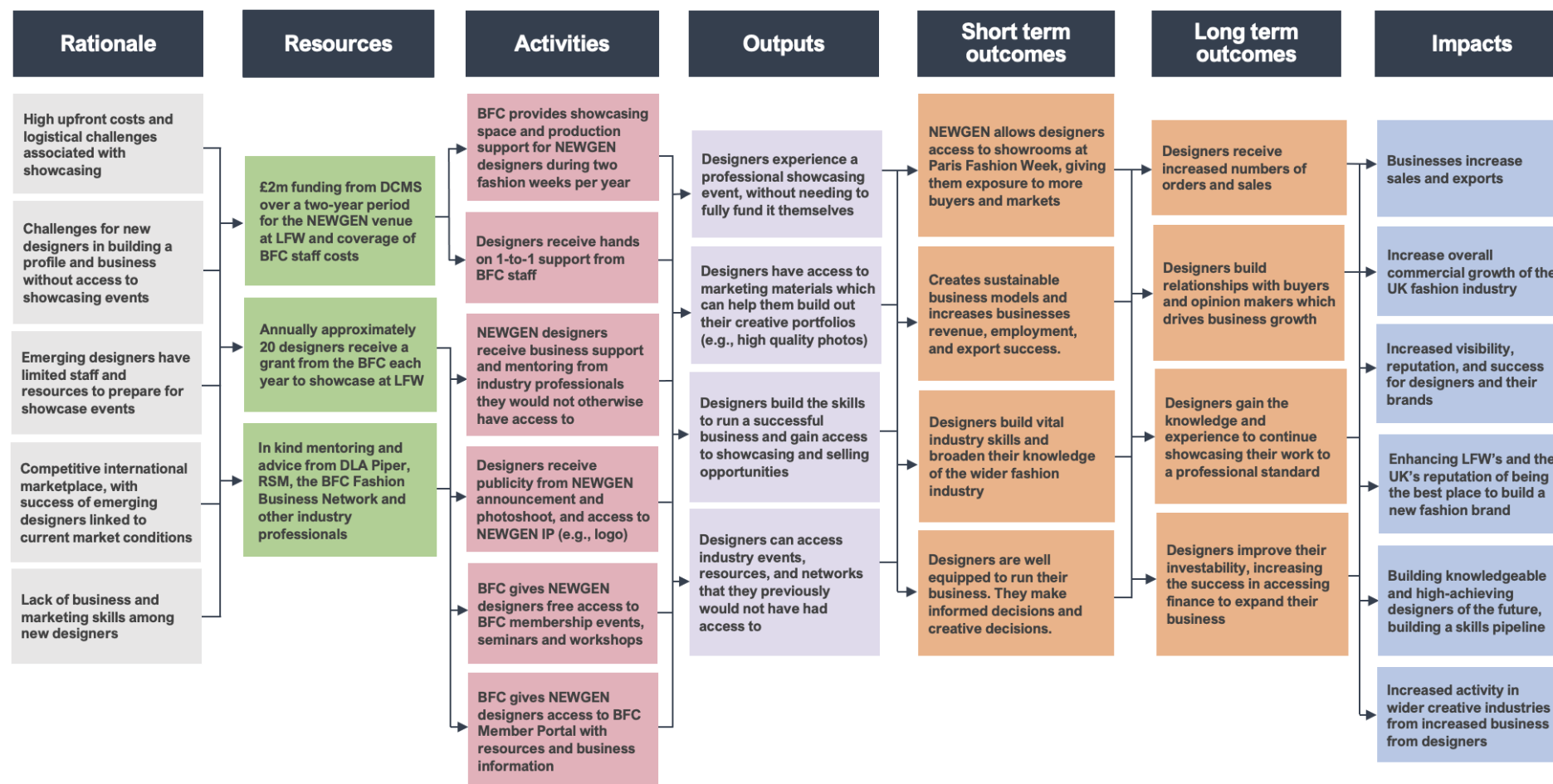
Limitations of the research

The findings in this report should be interpreted alongside challenges and limitations faced in the delivery of evaluation activities, which may have impacted the robustness of results in some areas.

A challenge in delivering this research was difficulty engaging with NEWGEN alumni and current beneficiaries, which resulted in low sample sizes for the surveys and the semi-structured interviews. The low sample sizes were primarily driven by the small number of programme beneficiaries supported on an annual basis (there are only around five to seven new entrants to the programme each year). The timing of fieldwork also clashed with preparation for the London Fashion Week in February, which may have had an impact on the ability of some stakeholders to participate in the research. Due to the low sample sizes for the survey, we recommend that the quantitative analysis of survey data presented below be interpreted with a degree of caution. Whilst valuable insights were gained from the interviews with beneficiaries, due to the relatively low sample size of interviews, there is also a risk that these may not represent the full range of perspectives in relation to the programme.

Lastly, we understand from the qualitative interviews that some designers make personal contributions to their showcasing efforts, although data on this was not captured robustly as part of the evaluation activities. Factoring personal costs into the social-cost benefit analysis would likely result in a reduction in the benefit-to-cost ratio estimated in this report.

Theory of Change for the NEWGEN programme



Impact and Process Evaluation

Impact evaluation

The impact evaluation took a theory-based approach and was primarily informed through interviews with programme beneficiaries and industry stakeholders, with findings supplemented by analysis of survey and monitoring data. Key impacts explored included (i) the impact on commercial growth and employment, (ii) financial and business sustainability, and (iii) reputation and visibility.

Impact on commercial growth

Sales and stockists

Insights from interviews with designers

Most designers engaged through the research had seen an increase in their sales after they had become a part of NEWGEN, with some designers noting their sales had been almost non-existent pre-NEWGEN. Generally, the designers who spoke about their retail stockists had gained stockists since showcasing as part of NEWGEN. After NEWGEN, designers were more likely to have the majority of their stockists outside of the UK and only had one or two stockists in London. One designer mentioned that they could have had more stockists, but were choosing to be selective in terms of where they sold their collection.

Designers attributed their increase in sales to several elements of the NEWGEN programme. A few designers mentioned that participating in NEWGEN and showcasing at London Fashion Week had increased the legitimacy of their brand to buyers, who were more likely to take them seriously as a result. A few designers also mentioned the role of the press NEWGEN designers typically receive in generating interest from buyers. One designer mentioned that before NEWGEN, they were only creating limited styles for their brand and had not created a full collection. However, because they had to show a full collection at London Fashion Week, this further legitimised their brand and had a tangible impact on sales. However, another designer thought that showcasing did not increase the financial value of their brand because of the limits around timing and format of shows.

“The first show season was the best I ever had and after that [sales] were less than the first, but didn’t really change. The first kick I felt quite a lot and was impactful, since you kind of launched as a brand properly.”

A few designers also mentioned they had the opportunity to take their collections to the BFC’s showroom in Paris through the LONDON show ROOMS programme, where they had the opportunity to meet buyers and sell their collections.

LONDON show ROOMS is a programme run by the BFC, where designers are offered subsidised places to show their collections in showrooms in Paris, during Paris Fashion Week. While LONDON show ROOMS is a separate programme to NEWGEN, many of the designers participating in LONDON show ROOMS are also supported by NEWGEN. For example, during Paris Fashion Week in 2025, six of the eight designers participating in LONDON show ROOMS were NEWGEN designers.

One designer noted that while buyers may come to London Fashion Week, the majority of sales are made on the continent, especially after Brexit, further highlighting the importance of the programme as part of the support NEWGEN designers have access to. However, there is still a financial burden associated with showing in Paris, with another designer adding that even with the BFC subsidy to the programme, they estimated their personal costs to attend would still be upwards of £5k.

One designer mentioned that while they did not think that NEWGEN had increased their sales, it increased their “cultural capital” within the fashion industry, which increased their ability to provide consultancy work to other brands and guest lecture at universities.

Insights from interviews with industry stakeholders

Industry stakeholders and delivery partners had mixed views on the extent to which NEWGEN has impacted brand sales. A few industry stakeholders also noted that contextual factors, such as the economic climate and downturn of the industry, are affecting the extent to which NEWGEN designers are able to increase their sales. It is likely that this economic climate could be limiting the full commercial impact of NEWGEN.

“The last four to five years have been incredibly challenging for the UK fashion industry. COVID meant a lot of brands suffered, even larger ones. This had knock-on effects for buying patterns for bigger stores, impacting NEWGEN brands” (Industry stakeholder)

One delivery partner noted that the focus of the programme limits the extent to which designers increase sales. They mentioned that while NEWGEN sheds a spotlight on brands, commerciality and business development are not the main focus of the programme. Another noted that the connection between sales and the NEWGEN programme is often indirect, and some designers may only see benefits over the long term.

Industry stakeholders and delivery partners engaged through the research were in agreement that the primary mechanism through which NEWGEN increases sales for participating designers is by supporting designers in making connections with buyers, especially larger buyers who would not otherwise engage with small brands. Industry stakeholders noted that this largely took place in Paris, through the LONDON show ROOMS programme, which is a distinct programme from NEWGEN, but NEWGEN designers can access. A few industry stakeholders also mentioned the importance of the increased brand recognition designers gain through showcasing at London Fashion Week.

Furthermore, market access has become more challenging due to regulatory changes and barriers to exports in the wake of Brexit. These changes have disrupted previous patterns of collaboration and internship opportunities with the rest of Europe. The loss of free movement has also impacted the sector’s ability to attract and retain international talent.

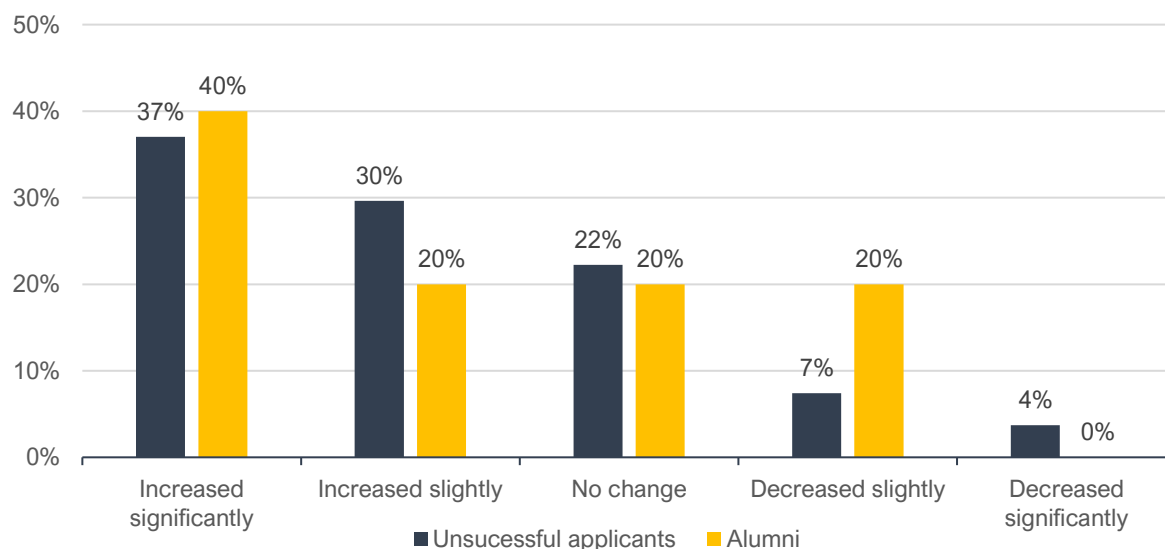
Insights from monitoring and survey data

Monitoring data on successful applicants to NEWGEN at the time of their application, and after their first and second years on the programme, indicated that the average annual turnover per NEWGEN brand is approximately £380k. Data is provided by designers after their first full year and second full year participating in the programme.

Alumni and unsuccessful applicants were both surveyed on the extent to which their sales had changed since they entered onto or applied to NEWGEN. A slightly greater percentage of alumni reported that their sales had increased significantly, with 37% of unsuccessful applicants and 40% of

alumni reporting a significant increase in sales, while a slightly greater percentage (4%) of unsuccessful applicants reported a significant decrease in sales. Generally, while responses were quite similar across both groups, findings should be interpreted with caution due to the low number of responses from alumni in particular.

Figure 3. Change in brand sales since applying or entering onto NEWGEN



Source: Alma Economics survey of applicants (alumni=6, unsuccessful applicants=28)

Employment

Insights from interviews with designers

Most designers and alumni engaged through the research thought that NEWGEN had a minimal impact on the number of staff they were able to hire. Most designers deliberately kept their teams quite small, noting that they usually had an assistant or studio manager and a few interns at most. Some designers did not feel they were financially able to employ anyone at all.

Because of the seasonality of the work, many designers also reported hiring freelancers to help with collections or showcasing during busy times. Freelancer roles were typically in areas such as videography, styling, or casting. One designer mentioned that they thought London Fashion Week (as compared to other fashion weeks) was unique because of the extent to which consultants and freelancers are willing to dedicate pro bono time to support smaller brands or projects, as they believe it supports the industry more widely.

Insights from interviews with industry stakeholders

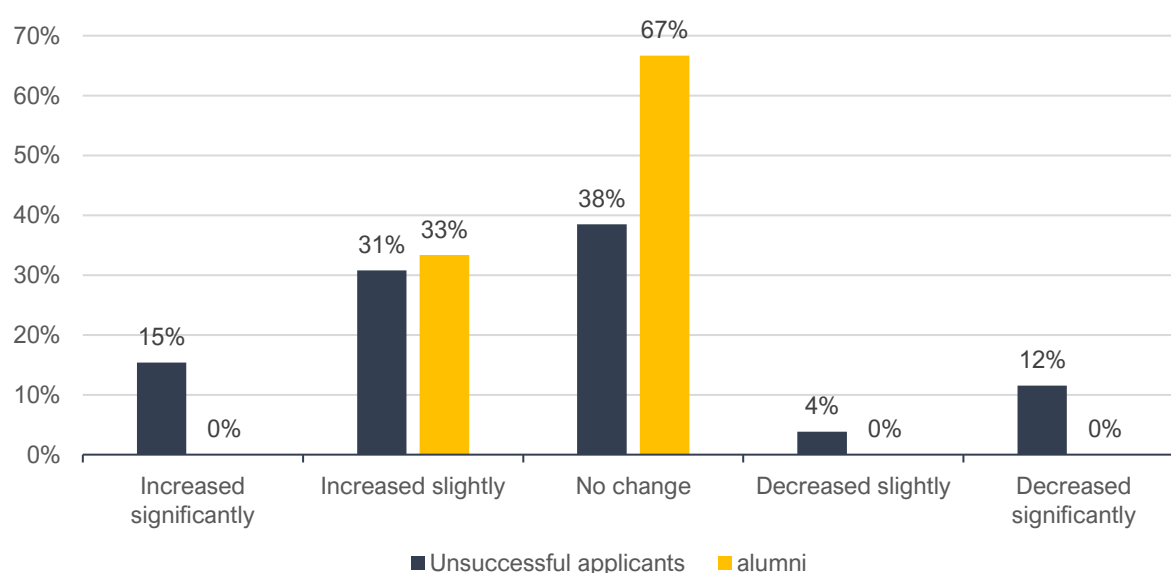
Industry stakeholders were generally in agreement with designers around the role of NEWGEN in stimulating additional employment in supported brands. Most industry stakeholders thought that brands were more likely to hire freelancers (rather than permanent staff) to assist with showcasing activities because of the lack of certainty around sales and the financial instability of small brands more generally. One industry stakeholder highlighted the extent to which NEWGEN generates additional activity in adjacent sectors, noting that in showcasing alone, NEWGEN designers are likely to hire freelancers in a range of wider creative industries, including set designers, filmmakers and editors, hair and beauty artists, and live musicians and DJs.

Insights from monitoring and survey data

Based on analysis of monitoring data from NEWGEN beneficiaries, during their time on the programme, NEWGEN brands reported having a mean of 2.4 full-time equivalent employees (FTEs). This affirms what was noted by interviewees, that while NEWGEN designers may hire a studio assistant or interns, brands are generally kept quite streamlined despite NEWGEN support.

When asked about how their brand size had changed with regards to their workforce after applying to NEWGEN, the greatest proportion of both unsuccessful applicants and alumni reported no change to the size of their workforce, with 38% and 67% respectively. A higher proportion of unsuccessful applicants reported that their workforce had increased in size, but no alumni reported a decrease in workforce size.

Figure 4. Change in brand size since applying to NEWGEN



Source: Alma Economics survey of applicants (alumni=6, unsuccessful applicants=28)

Impact on financial and business sustainability

Insights from interviews with designers

Several designers engaged through the research were in conversation with or had received offers from external investors to secure additional funding for their brands, both independently and as part of commercial sponsorships within NEWGEN. These included both additional public sector grants (e.g., Arts Council Funding) and equity investment from larger brands or conglomerates. However, a few designers also spoke of the challenges of running a financially viable brand. One designer noted that the NEWGEN sponsorship money was necessary to fund the business due to the high upfront costs associated with showcasing, despite their brand already having significant sales and being relatively successful. Because sales did not come until after the showcasing took place, sponsorship from NEWGEN or a similar cash injection was necessary to keep the business viable from a cash flow perspective. After NEWGEN, the designer felt that this translated into a constant search for outside investment to fund design and showcasing activities.



"I felt just felt like oh, now I have to raise money for sponsorship. It felt like a treadmill. I couldn't win, even though I had a lot of recognition and was selling in really good stores."
(NEWGEN beneficiary)

Another designer added that the scale of NEWGEN helped them think differently about the design process. While previously they were focused on making their product independently, after NEWGEN, they thought differently about how they could use suppliers to help retain profit. Finally, another designer spoke about the importance of the press and publicity NEWGEN designers receive in raising the profile and commercial success of the business, which helped them secure sales.

"What might not be on the P&L [profit and loss] is like very tangible brand equity with regards to like press feedback or leverage or like celebrities wearing it." (NEWGEN beneficiary)

Insights from interviews with industry stakeholders

Industry stakeholders generally thought NEWGEN stimulates significant commercial growth in the wider fashion industry and creative industries in the UK and London. As designers are showcasing internationally, and many attendees come from abroad to attend NEWGEN shows, this raises the profile of the fashion industry in London. One industry stakeholder also mentioned the crossovers that happen during London Fashion Week between NEWGEN brands and larger companies, giving NEWGEN brands experience with more commercial endeavours.

Securing sufficient funding, which is crucial for sustaining and growing a brand, is a key challenge for emerging designers, with the cost of being on schedule and participating in events like London Fashion Week being particularly burdensome, and the limited funding available often being dominated by a few major organisations.

However, a few industry stakeholders thought there could be an even greater focus on commerciality within NEWGEN, to better reflect the commercial nature of the fashion industry. One industry stakeholder noted that while there is a high level of creativity in the UK amongst emerging designers, there is often hesitancy to compromise to appeal to a broader audience, limiting their potential for further commercial growth. One industry stakeholder also noted that while NEWGEN brands are successful during their time within the programme, they rely on the grant funding and support to run their businesses, meaning they are faced with a cliff-edge when they finish the programme, limiting the longevity of the businesses.

Impact on skills

Insights from interviews with designers

Overall, designers mentioned several positive impacts of NEWGEN on their skills and knowledge. The examples given typically focused not on their creative skills but more on personal and professional growth. For instance, one designer mentioned the opportunities (e.g., showcasing) they were able to capitalise on led to improved mental health and increased confidence. Enhanced business acumen was also mentioned. By gaining insights into the commercial aspects of the fashion industry, for example, through mentoring, designers reported learning how to better handle the business side of building their brands. However, some designers found it difficult to identify specific improvements to their skill set as a result of NEWGEN.

Insights from interviews with industry stakeholders

Industry stakeholders emphasised the value of the skills gained from the business mentoring and support provided by NEWGEN. Many experts mentioned that designers are highly talented, particularly when it comes to the creativity and design skills required to build a brand, as they have already been accepted onto the programme. Similar to the view expressed by designers, experts mentioned that participating in NEWGEN can be particularly beneficial for learning the skills required to run their brand as a business. Some highlighted that there should be an increased focus on this, for instance through the business mentoring, to support designers even further.

"They get to just understand how they need to structure their business and that it is a business" (Industry stakeholder)

Impact on reputation and visibility

Insights from interviews with designers

Designers consistently highlighted the substantial impact of NEWGEN on their brand's visibility and reputation within the fashion industry. A key theme that emerged relates to the credibility and legitimacy that the programme offers emerging designers. Many interviewees emphasised that being part of NEWGEN acts as a "stamp of approval."

"...it was instantly taken more seriously than before." (Current beneficiary)

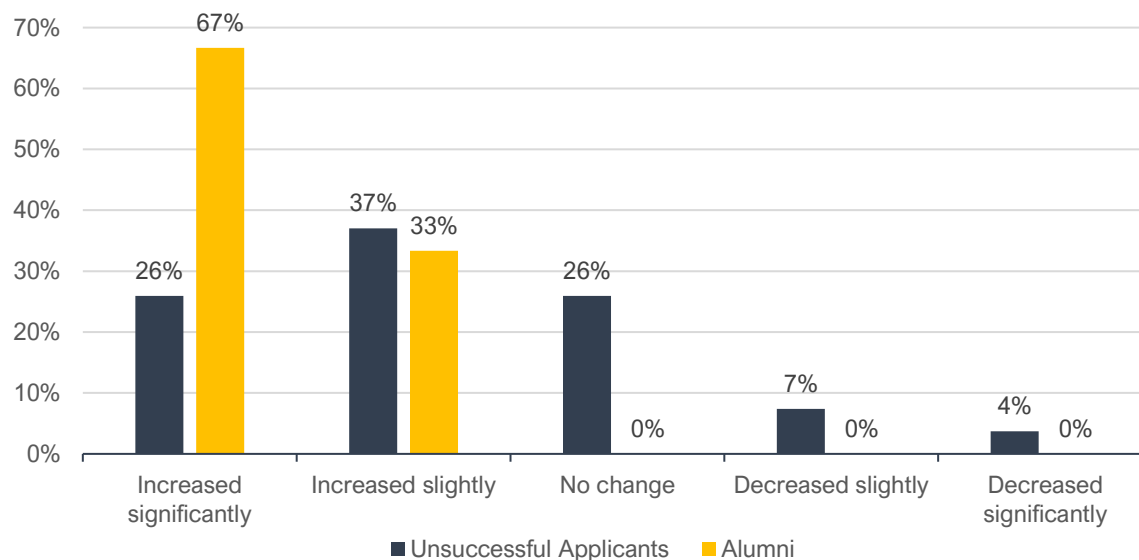
The increased visibility can translate into tangible, immediate benefits, such as higher social media engagement, more press coverage, and increased sales. Some described that the exposure had already opened doors for further business opportunities.

Insights from interviews with industry stakeholders

Beyond the impact on designers and their brands, industry stakeholders emphasised the important role that NEWGEN plays in maintaining London's reputation as a global hub for emerging fashion talent. It was noted that NEWGEN predates similar initiatives and has built a strong reputation based on the exceptional talent it has nurtured, creating a "virtuous circle" of influence within the industry. NEWGEN is seen as essential to London Fashion Week, showcasing a high proportion of emerging designers and setting London apart from other fashion weeks.

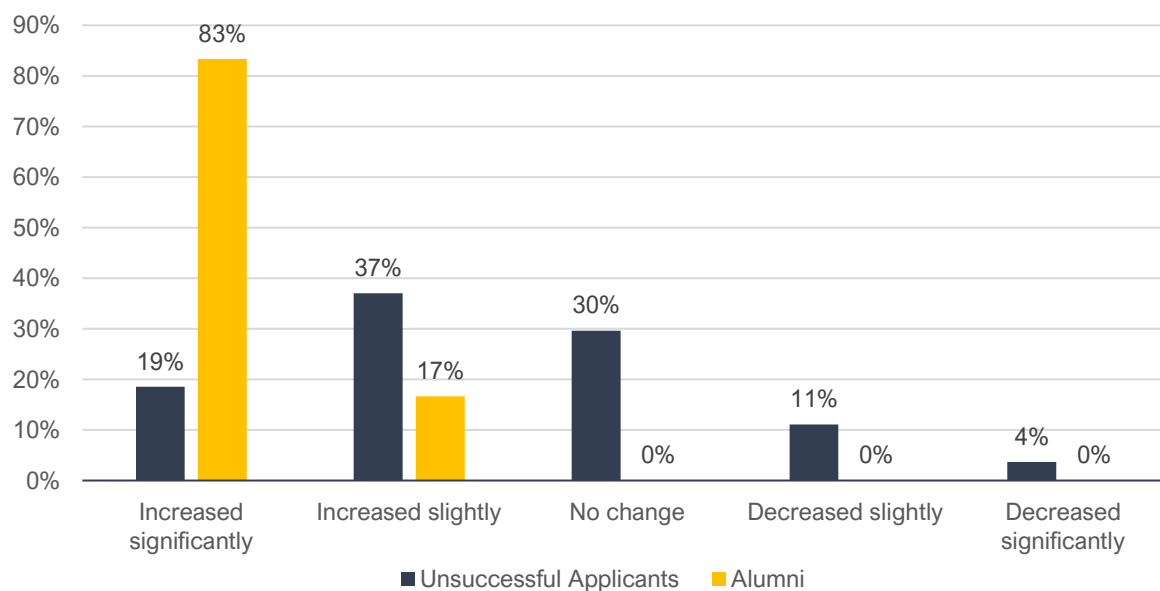
Insights from monitoring and survey data

Alumni and unsuccessful applicants were both surveyed on the extent to which their brands visibility had increased since applying to NEWGEN. All alumni reported that they had seen an increase in their brand's visibility since applying to NEWGEN, affirming what interviewees mentioned about the importance of the press and publicity NEWGEN designers receive as part of the programme. Unsuccessful applicants gave mixed responses with regards to visibility, with 56% responding they had seen an increase, 30% reporting no change, and 15% reporting a decrease in visibility since their NEWGEN application.

Figure 5. Change in brand visibility since applying to NEWGEN

Source: Alma Economics survey of applicants and alumni (alumni=6, unsuccessful applicants=28)

Successful applicants also felt that there was a change in their brand's reputation since applying to NEWGEN. All alumni surveyed felt that their brand's reputation had increased significantly or slightly, compared to only 56% of unsuccessful applicants.

Figure 6. Change in brand reputation since applying to NEWGEN

Source: Alma Economics survey of applicants (alumni=6, unsuccessful applicants=28)

Process evaluation

The process evaluation was informed by the insights gained through interviews with programme beneficiaries and industry stakeholders. Key topics that were explored include views and experiences on (i) the NEWGEN application process, (ii) the support offered to NEWGEN designers, as well as (iii) suggested areas of improvement.

Application to NEWGEN

Current beneficiaries and alumni were asked about their experience with the NEWGEN application process. Applying to NEWGEN was described as a significant milestone in designers' journeys. Some designers were accepted on their first application to the programme. Others received valuable feedback, which they used to refine their approach, and were successfully accepted in a later round. Prior to applying, designers reported being highly familiar with the programme due to its prominence within the industry and association with supporting emerging talent.

"If you train and attend fashion school in London, you're very aware of NEWGEN" (Current beneficiary)

Similarly, it was described that the NEWGEN panel are also likely to be aware of the brand before the designer applies. Many designers were encouraged to apply by current panellists or other people in their networks. In terms of the application process, some found it straightforward, while others noted challenges, such as extensive paperwork and navigating financial requirements and sustainability criteria.

Support offered to successful designers

The interviews with alumni and current beneficiaries discussed the support that they had received through participating in the programme. This included both showcasing support and bespoke business mentoring.

Showcasing support

The value of accessing showcasing opportunities, particularly at London Fashion Week, was consistently highlighted by designers. They described that the funding support provided by the programme, which covered some essential costs, was crucial. It was described that this financial backing enabled them to showcase their designs, which they might not have been able to do otherwise. In turn, the exposure gained through showcasing was described by many as critical for improving their brand's visibility, as well as connecting them with buyers and press, and supporting their brand's overall growth.

Conversely, several designers expressed that the funding was insufficient to cover the full costs of showcasing their collections. The expenses associated with showcasing were described as substantial, including the costs of production for showcased products, models, PR, and stylists. In combination with designers' wanting to seize the opportunity to showcase twice a year, this means that participating in the fashion weeks remains a highly expensive endeavour, and some are reliant on external funding and sponsors. Furthermore, as NEWGEN beneficiaries have a limited number of seasons they can participate in as part of the programme, it was described that some designers feel pressure to showcase even though it might not be financially viable for their brand.

Business and mentoring support

In addition to showcasing opportunities, NEWGEN alumni and beneficiaries discussed the importance of having access to information and support to help them run their businesses. This included mentoring and seminars on topics such as manufacturing, intellectual property, trademarking, finance, and marketing from industry stakeholders. The extent to which designers utilised and valued this support varied. For some, this support was described as incredibly beneficial, both in tackling

business-related issues and more personal ones. Furthermore, learning from other NEWGEN designers was described as a valuable by-product of participating in the same seminars.

Of those who placed less value on these sessions, some perceived them as generic and said they would have benefited from being more tailored to the audience. Other criticisms included a lack of signposting for available support and struggling to find the time to take advantage of the support.

"Like it's kind of hard to you know, to [...] request that specific information if you didn't know what information you need at the 1st place like it takes time to figure this out." (Industry stakeholder)

Suggested areas for improvement

NEWGEN designers and alumni raised several areas for improvement in the programme. Increased financial support to help their brands and ensure the ongoing sustainability of their businesses was raised by many. While some argued that the BFC and NEWGEN should receive increased overall funding from the Government, others suggested that a greater portion of the existing funds should be allocated to support designers and that there needs to be greater transparency regarding how the money is spent, as this is currently not clear.

"I feel like its ultimately just down to [...] you just don't know what's going on. You see these big headlines of like the 1,000,000 that's coming in and it's always shocking how much it is. And you're like, OK, cool. So now what? Where is that? If someone just told you where it was, then it kind of makes a lot more sense." (Current beneficiary)

An additional area of improvement raised by some designers was that further guidance and preparation for building a brand and showcasing would be beneficial, and that there should be more of a commercial focus to LFW as a whole. One suggestion given was to spend more time on preparing designers before their first showcase, as currently, this happens quite soon after they are accepted onto the programme.

"The best would be when you got this programme, [...] for the first half a year for them to kind of like train you and like explain how it works before actually giving the first show." (Current beneficiary)

Views on improvements that can be made to the programme were also discussed with industry experts. Increased funding to better support designers in the tough climate they are building their brands in, was described by many as key. Beyond funding, it was mentioned that broadening the focus of NEWGEN could be beneficial to emerging fashion designers. For instance, one industry stakeholder highlighted that further emphasis should be placed on aspects beyond showcasing, for example, by increasing the focus on business mentoring.

Economic Evaluation

This section presents findings from the social cost-benefit analysis of the NEWGEN programme, providing estimates of the value for money of the two years of NEWGEN supported by DCMS funding. Our approach is guided by HM Treasury Green Book guidance relating to best practice for appraisal. Additional information on our methodology and the assumptions underpinning the model are provided in the Technical Annex.

Programme benefits

Brand productivity uplift

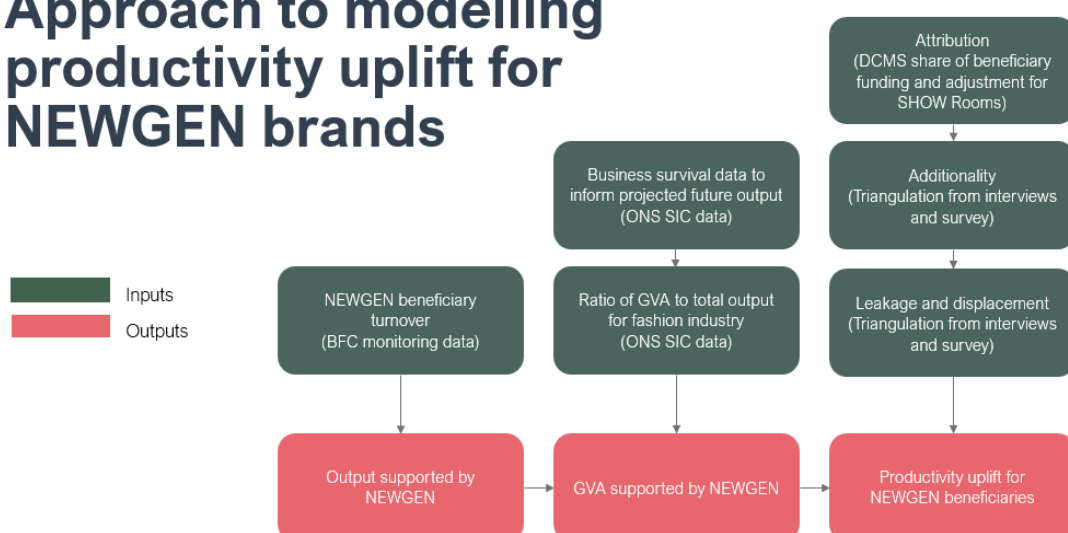
The key benefit stream measured as part of this economic evaluation was the estimated productivity uplift for NEWGEN supported brands, which was derived via the estimated contribution of NEWGEN to the additional sales experienced by supported brands during and after the programme. We understand that designers supported by NEWGEN experience an increase in sales through two primary channels:

- Designers attract additional press and publicity through showcasing at London Fashion Week, driving additional sales.
- The majority of sales to stockists and larger buyers happen in showrooms in Europe throughout fashion month⁵. NEWGEN designers are granted the opportunity to participate in the BFC's LONDON show ROOMS programme, which subsidises their costs to travel to Paris and utilise space in the BFC's showroom.

Our approach to modelling this benefit stream is described by the schematic below, with detailed assumptions detailed in the Technical Annex.

Figure 7. Model schematic for NEWGEN brand productivity uplift

Approach to modelling productivity uplift for NEWGEN brands



⁵ Fashion month refers to the stretch of fashion weeks occurring in Europe and the US, starting with New York and ending with Paris and Milan.

In summary, we have estimated that the two years of NEWGEN covered by this evaluation will **generate total benefits of approximately £7.6m over an eight-year time horizon, of which £5.7m can be attributed to the DCMS share of funding.**

Non-monetised benefits

There are additional benefits of NEWGEN and impacts from the Theory of Change that were not able to be monetised within the context of this evaluation and are summarised qualitatively below:

- **Increased activity and employment in the wider creative industries based on increased business from designers.** Designers typically hire other creative professionals to assist with showcasing events, including stylists, hair and makeup artists, DJs and musicians, and lighting designers and videographers. A 2023 report found that the industry supports one in every 23 jobs in London, and over 200,000 jobs overall.⁶ This indicates that there are significant indirect employment benefits generated from supporting NEWGEN designers in showcasing, which are not captured in the findings summarised above.
- **Skill growth of supported NEWGEN designers.** NEWGEN designers gain skills in marketing, business, and professional showcasing through their participation in NEWGEN, which can generate further economic benefits in the form of productivity increases, should designers stay in the fashion industry or move into other roles, which in turn may also increase their quality of life and wellbeing.
- **Contribution to the UK's soft power and global reputation.** The fashion industry is a major contributor to the UK's soft power and reputation globally. The British Council estimates that approximately 1,500 students from abroad register in fashion courses at UK universities annually, based on the reputation of the institutions and the nation's industry more broadly. Further, they also found that 22% of young people in countries that are "strategically important to the UK" cited fashion as something that made the UK attractive to them⁷.

Programme costs

Cost data provided by the BFC indicated that DCMS has provided around £2.0m in public funding across 2023/24 and 2024/25 to support the delivery of NEWGEN. In addition to receiving DCMS funding, NEWGEN also receives funding from a commercial sponsor and the BFC Foundation. Across 2023/24 and 2024/25, NEWGEN received on average 76% of its funding from DCMS, 23% from the BFC Foundation, and around 2% from a commercial sponsor. The costs of NEWGEN are generally split into three categories (also summarised in the table below):

- **Grants to NEWGEN designers:** NEWGEN designers are provided with grants each time they activate or show at London Fashion Week to fund showcasing activities, including the development of collections and hiring showcasing support staff (e.g., models, stylists, photographers, and videographers). Across 2023/24 and 2024/25, an average of 24% of the total funding was dedicated to grants for NEWGEN designers.

⁶ London's Fashion and Textile Industry: A powerhouse of economic impact and job creation, UK Fashion and Textile Association 2023. See: <https://ukft.org/londons-fashion-textile-industry-report/>

⁷ The Power of Fashion, British Council 2016. See: <https://www.britishcouncil.org/research-insight/power-fashion>

- **Showcasing space:** The BFC rents a showcasing space each fashion week for the designers to make use of to display their collections. Showcasing costs made up the majority of the cost of the NEWGEN programme, accounting for an average of 68% (approximately £890k) across 2023/24 and 2024/25.
- **BFC staff costs:** An average of around 7% of funding (approximately £100k) was dedicated to staff salaries for BFC staff members who delivered the NEWGEN programme across 2023/24 and 2024/25.

Table 3. Average annual NEWGEN costs by activity (2023/24 and 2024/25)

Activity	Total cost (£m)	Annual average (£m)	Percent of total cost
Grants to NEWGEN designers	0.6	0.3	24%
Showcasing space	1.7	0.9	68%
BFC staff costs	0.2	0.1	7%
Total	2.6	1.3	100%

Source: BFC Monitoring Data

Additional costs not captured in the CBA model

In addition to the public costs of the NEWGEN programme, insights from the interviews indicated that some designers also incur private costs to participate in the programme. For example, several designers noted the high cost of showcasing, even with the grant provided by the BFC. One designer felt that it was difficult to run a brand without external funds and sponsors due to the high costs of marketing and PR, production, and paying talent during showcasing events. Another designer mentioned that they could not attend the LONDON show ROOMS, as even with the subsidy from the BFC, it would have cost them upwards of £5k to attend. Due to a lack of data on private costs, these have not been captured in the economic evaluation results presented in this report. Inclusion of private costs would act to revise the BCR downward due to attribution of benefits to other funding sources.

Attribution of benefits to NEWGEN and DCMS

In addition to benefiting from the NEWGEN programme itself, NEWGEN designers also benefit from access to LONDON show ROOMS. As the majority of buyers do not buy during London Fashion Week, and instead buy through showrooms in Paris, the BFC subsidises costs for designers to rent space in the BFC showroom in Paris through the LONDON show ROOMS programme. As the benefits in the model are derived through additional productivity from sales, benefits are attributed proportionally to both NEWGEN and LONDON show ROOMS, based on the cost of delivering each programme. Therefore, of the total estimated productivity uplift, 87% of benefits (£7.6m) were attributed to NEWGEN, while the remaining 13% were attributed to LONDON show ROOMS.

The following table shows the total cost dedicated to LONDON show ROOMS and the NEWGEN programme in 2024/25.

Table 4. Total costs, NEWGEN and LONDON show ROOMS

Programme	Total annual cost (2024/45) (£m)
NEWGEN	1.4
LONDON show ROOMS	0.3
Total	1.7

Source: BFC Monitoring Data

While DCMS funds the majority of NEWGEN delivery, NEWGEN is also funded by a commercial sponsor and the BFC Foundation. As a result, we also prorated all benefits and costs in the model based on the DCMS share of the delivery costs (76%). We therefore do not assume that all benefits are attributable to DCMS funding, as the additional funding (e.g., from the BFC Foundation) was in place prior to DCMS support, suggesting that DCMS support did not leverage additional funding for the NEWGEN programme.

Additionality of NEWGEN

The modelling also made assumptions around additionality, leakage, and displacement. Our assumptions were informed through the synthesis of data collected through the survey of successful and unsuccessful applicants, and interviews with current beneficiaries and NEWGEN alumni, with discussion of key assumptions detailed below:

- **Additionality.** This represents an estimate of the proportion of NEWGEN's benefits that are additional, e.g., that would not have happened in the absence of the programme. Because of the nature of fashion buying (e.g., through showrooms in Paris), we have assumed a relatively high level of additionality (35%), reflecting our understanding that designers would likely not have access to many sales and stockists without NEWGEN, even if they were able to make direct-to-consumer sales.
- **Displacement and leakage.** Displacement represents an estimate of the extent to which NEWGEN crowds out sales from other unsupported designers, while leakage provides an estimate of the extent to which benefits from NEWGEN “leak” away from a target area (in this case, the UK). Based on interviews with industry, we understand that both displacement and leakage are expected to be relatively low (around 5%) based on an understanding that the international nature of the UK fashion industry means NEWGEN designers are not in direct competition with other UK brands in many cases due to most wholesale sales taking place in Paris, and that the physical nature of showcasing support means NEWGEN grants are generally funding support staff and freelancers based in London and the UK to assist with fashion week.

Value for money

We have estimated that the two years of NEWGEN covered by this evaluation will generate total benefits of approximately £7.6m over an eight-year time horizon, of which **£5.7m can be attributed to the DCMS share of funding**. Setting total benefits against the costs of delivery, this represents a benefit-cost ratio of approximately 3.0. The table below summarises key findings.

Table 5. Benefits and costs of NEWGEN

Benefits and costs (discounted)	Value
Programme benefits, of which:	£7.6m
Attributable to DCMS	£5.7m
Attributable to other funders	£1.9m
Total delivery costs, of which:	£2.6m
DCMS funded	£1.9m
Other funders	£0.6m
Net social benefit (attributable DCMS funding)	£3.8m
Net social benefit (all funding)	£5.0m
Benefit-cost ratio	3.0

Source: Alma Economics analysis

Technical Appendix

The following section outlines in detail the approach taken to the cost-benefit analysis of the NEWGEN programme.

General assumptions

Discounting

In line with guidance from HM Treasury Green book, future benefits and costs of NEWGEN have been discounted and presented as present value, to reflect social time preference. Based on HMT Green Book Guidance, we have set our social discount rate at 3.5%.

Number of funded NEWGEN brands

Our estimates for productivity uplift are scaled based on the number of NEWGEN entrants each year. Brands can be supported by NEWGEN for up to three years, and around 20 brands are supported on the programme at any one time. Most designers remain on the programme for the full three years. The table below presents the number of entrants to the NEWGEN programme from 2021/22 to 2024/25, based on monitoring data provided by the BFC. Despite DCMS only funding NEWGEN in 2023/24 and 2024/25, we understand that all cohorts listed below have benefited from DCMS support due to the multi-year nature of the programme.

Table 6. Number of NEWGEN entrants per year

Cohort entry year	Number of supported brands
2021/22	10
2022/23	7
2023/24	5
2024/25	7
Total	29

Source: BFC Monitoring Data

Programme cost assumptions

The BFC provided data on the cost of delivering NEWGEN from 2022/23 to 2024/25, with NEWGEN receiving funding from DCMS, a corporate sponsor, and the BFC Foundation during this period. The following table shows the split of funding by funder.

Table 7. NEWGEN funding by source (2023/24 and 2024/25)

Funder	Total funding (£m)	Average annual funding (£m)	Percent of total cost
DCMS	2.0	1.0	76%
BFC Foundation	0.6	0.3	23%
Commercial sponsorship	<0.1	<0.1	2%
Average total cost	2.6	1.3	-

Source: BFC Monitoring data

This funding supports staff costs, renting showcasing space, and grants to designers. The following table shows the breakdown of funding by activity in 2024/25 and 2023/24.

Table 8. NEWGEN programme costs (2023/24 and 2024/25 average)

Activity	Total cost (£m)	Annual average cost (£m)	Percent of total cost
Grants to NEWGEN designers	0.6	0.3	22%
Showcasing space	1.7	0.9	68%
BFC staff costs	0.2	0.1	9%
Average total cost	2.6	1.3	-

Source: BFC Monitoring Data

In addition to benefiting from the support provided by NEWGEN, designers also benefited from access to the LONDON show ROOMS programme, also run by the BFC. The BFC's LONDON show ROOMS programme provides subsidised showcasing space for British designers in Paris, where the majority of a season's sales take place. The cost of delivering the LONDON show ROOMS programme was £132k for the fashion week in March 2025, with the programme almost wholly funded by the BFC Foundation.

Programme benefit assumptions

Productivity uplift

The productivity uplift resulting from participation in NEWGEN has been derived from the increase in sales experienced by designer brands. In our model, productivity is proxied by the ratio of GVA to total output (turnover). Specifically, data on the average annual turnover per NEWGEN brand was taken from monitoring data provided by the BFC. This was then multiplied by the ratio of GVA to total output for businesses registered under the SIC code for the manufacture of wearing apparel (based on analysis of the 2020 Input-Output analytical tables), specifically to best proxy fashion industry businesses. These two figures were multiplied to get an estimate of the productivity uplift per brand per year. We also assumed that each NEWGEN brand remains supported by the programme for the

full three-year term.

Table 9. Productivity uplift assumptions

Data input	Value
Average annual turnover per NEWGEN brand	£379,000
Ratio of GVA to output for manufacture of wearing apparel businesses	0.6
Productivity uplift per brand	£213,000

Source: Alma Economics analysis of data from the BFC and the Office for National Statistics

Additionality and attribution

Additionality

Our analysis focused on estimating the additional impact of NEWGEN, or those benefits that would not have accrued in the absence of the NEWGEN programme. **Our analysis assumed that 35% of the productivity uplift occurring as part of NEWGEN is additional**, reflecting anecdotal evidence provided through interviews with designers and industry stakeholders, as well as insights from a survey of alumni. In the survey, alumni were also asked the extent to which they felt that their additional sales were attributed to NEWGEN.

To what extent do you feel that this change in your brand(s)' sales has been driven by the NEWGEN programme? Where 0 is not at all driven by the programme and 10 is entirely driven by the programme.

Based on the survey, respondents answered that 45% of their sales were attributed to NEWGEN. To be conservative, this estimate was then adjusted downward based on contrary feedback from semi-structured interviews with industry stakeholders and current beneficiaries. This reflects that whilst some interviewees felt that additional sales and turnover could be almost wholly attributed to NEWGEN, others felt that because the programme's focus was on showcasing, the connection between NEWGEN and sales was more indirect, and increased sales were more attributable to the opportunity to show in showrooms in Paris. This downward adjustment was also supported by the response to other survey questions, in comparison to those in the counterfactual group. For example, a similar proportion of NEWGEN beneficiaries surveyed and unsuccessful applicants report an increase in sales after their applications to NEWGEN.

Leakage

Leakage accounts for the share of programme benefits that are expected to accrue outside of the UK. **Our analysis assumed a leakage rate of 5%**, reflecting evidence from interviews about the types of freelancers and additional staff NEWGEN brands are likely to hire. Because of the physical nature of most showcasing at London Fashion Week, we understand that most of the staff or freelancers hired by NEWGEN brands using grants provided by the BFC are likely to be located in the UK or in London.

Displacement

Displacement accounts for the share of programme benefits that are expected to displace existing economic activity (e.g., the extent to which sales from NEWGEN designers displace sales from other UK fashion brands). **Our analysis assumed a displacement rate of 5%**, reflecting our

understanding that displacement is likely to be very low due to (i) the relatively small size of NEWGEN brands, (ii) the high-income nature of the typical customer buying designer fashion, and (iii) the global nature of the fashion retail industry, meaning many NEWGEN competitors are located outside the UK.

Attribution of benefits to DCMS funding for NEWGEN

As the benefits in the model are derived through additional productivity from sales, benefits are attributed proportionally to both NEWGEN and LONDON show ROOMS, based on the cost of delivering each programme. Therefore, of the total estimated productivity uplift, 87% of the benefits are attributed to NEWGEN, while the remaining 13% are attributable to LONDON show ROOMS. Further, as NEWGEN has multiple funders, 76% of benefits are attributable to DCMS funding, while the remaining 24% are attributable to other funders. The following table summarises all our assumptions around additionality and attribution.

Persistence of benefits

Given that it was not possible to collect data from beneficiaries relating to long-term sales and business survival, we projected the persistence of the measured sales uplifts using data from the ONS relating to the five-year survival rate of clothing retail enterprises. NEWGEN brands were assumed to have a 100% survival rate for the three years they were supported by the BFC and were then assumed to survive in line with the trend identified in the data thereafter. The productivity uplift per brand was then multiplied in each year by the number of NEWGEN brands supported and the clothing retail enterprise survival rate.

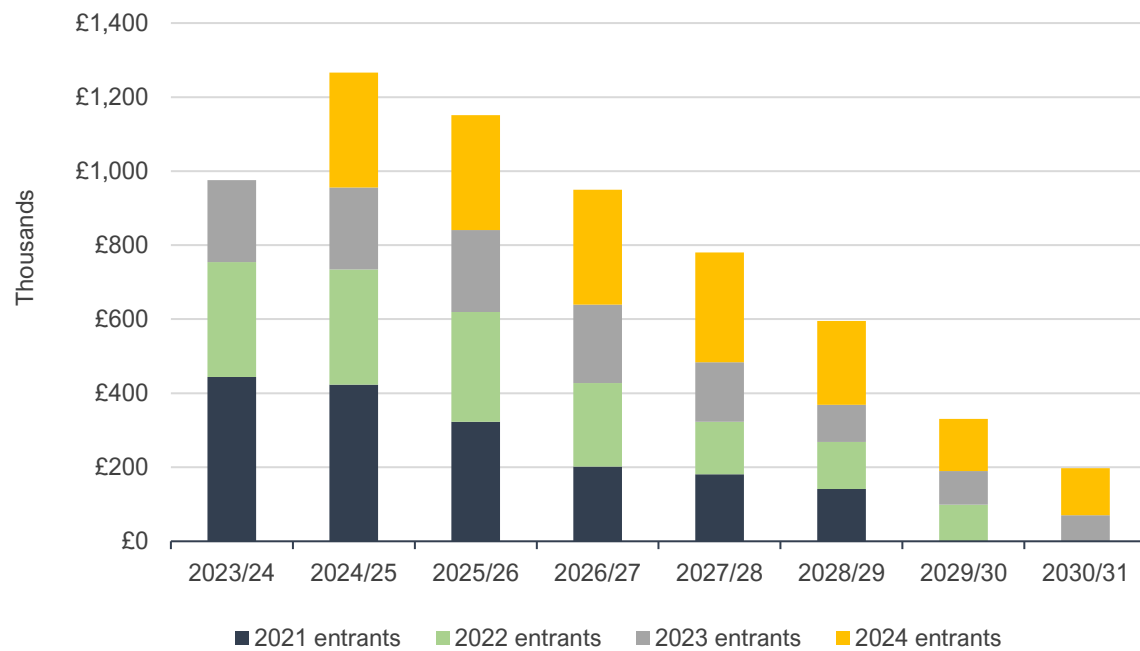
Table 10. Five-year survival rate of clothing retail enterprises

Years following end of NEWGEN support	Survival rate (%)
Year 1	95%
Year 2	73%
Year 3	45%
Year 4	41%
Year 5	32%

Source: Office for National Statistics, Fashion Retail Industry business survival rate⁸.

The following chart shows the additional productivity uplift of each NEWGEN cohort over time, based on the assumptions outlined above and the assumed survival rate of businesses in the fashion industry.

⁸<https://www.ons.gov.uk/businessindustryandtrade/changetobusiness/businessbirthsdeathsandsurvivalrates/adhocs/006865fiveyearsurvivalofclothingretailenterprisesinlondonandtheuk>

Figure 8. Productivity uplift by NEWGEN entry cohort and year (£000s)

Source: Alma Economics analysis

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