SCALEUP INSTITUTE

SCALEUP ANNUAL REVIEW 2025

POWERING UP THE SCALEUP ECONOMY

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ACKNOWLEDGEMENTS

Our thanks to our partners, supporters and contributors to this document.
Report design by NEO and Studio™
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Published by the ScaleUp Institute
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SCALEUP INSTITUTE

THE SCALEUP INSTITUTE'S CORE PURPOSE IS TO:

ENSURE SCALEUPS ARE A NATIONAL PRIORITY embedded into the local fabric of the communities in which they operate, with solutions delivered across the private and public sector to break down the barriers they face.

ENGAGE AS A NATIONAL DATA OBSERVATORY providing insight on the scaleup ecosystem across the UK, disseminating and analysing the most recent data, ensuring scaleup businesses are on the map and providing benchmarks for the landscape each year to see where more can be done. Acting also as an international barometer and assessor.

EDUCATE ON WHAT IS NEEDED TO CREATE AND FOSTER A LOCAL ECOSYSTEM 'MATCH FIT' for scaling businesses at every stage of their growth journey, and to highlight well- evidenced impactful programmes and practices from which others can learn, emulate and improve.

ENHANCE KNOWLEDGE OF SCALEUPS THROUGH RESEARCH, DATA, POLICY AND ANALYSIS, to understand their needs and which localities of the country have the greatest requirement for private and public sector engagement, resources and investment to propel scaleup business growth.

THREE KEY PRINCIPLES THAT GUIDE OUR WORK:

1

DATA AND EVIDENCE
Building upon what works: We will rigorously assess interventions and programmes based on data and evidence of measurable impact.

2

SEGMENTATION
Businesses are not homogeneous – scaling business must be treated as a separate segment with bespoke solutions.

3

CLIENT CENTRIC AND LOCAL
Scaleups value locally delivered solutions – even when a programme is national. In a growing company, time is a scarce commodity and community level engagement is essential, alongside active relationship management.

These principles we believe should be at the heart of efforts to overcome the challenges which scaleups have continually identified to their growth. We will continue to champion them.

CHAIR'S FOREWORD

MARGARET RICE-JONES, CHAIR, SCALEUP INSTITUTE

As we examine the UK's landscape, scaleups continue to make a substantial contribution to the UK economy in every sector and locality.

Last year I reflected on the ten years since the inaugural ScaleUp Report. In 2025, we now mark a full decade of operation of the ScaleUp Institute.

When the ScaleUp Institute was founded, it brought together a core group of visionary leaders from entrepreneurship, finance, industry and academia to address the UK's scaleup gap. Whilst they saw the huge opportunity for growth none of us could have envisaged that, over the following ten years would see such disruption in the world – from a global pandemic and regional conflicts to major upheaval in trade and geopolitics.

It is a testament to the entrepreneurial spirit, innovation and collaboration across all UK localities, sectors, and nations that, despite these macro challenges, we see in 2025 – for the very first time – the UK "power up" to exceed forty thousand scaleups, reaching 44,595, with a further 20,980 in the pipeline. This includes a burgeoning mid-market of 14,135 and a much more visible scaleup landscape of 11,636 scaling businesses. Our female-founded scaleups have broken through the 1,000 barrier and have doubled their number of super-scalers.

- Encouragingly, in 2025 the ScaleUp Institute, working with Glass AI, has rerun a simulation of the 2013 OECD report. Whereas we were then ranked 13th in the world for startup-to-scaleup velocity, we are now 3rd in this crucial conversion rate.

This is excellent progress and a reflection of the work undertaken across ecosystem players in every part of the country. Private and public sector actors, alongside successive UK governments, have increasingly leaned in to support scaling firms, using insights from the ScaleUp Institute to design solutions that address real scaling needs.

In 2025, scaleups have firmly emerged as a fully recognised segment of the UK economy. The ScaleUp Institute seeks to catalyse all stakeholders around our national scaleup opportunity. The significant economic contribution of scaleups to the UK is now better understood than ever – as are the issues that must be tackled to foster their continued growth.

We see this reflected in the enhanced focus on scaleups across the City of London, the Mayoral Combined Authorities and the devolved nations; and in the current Government's pro-growth regulation, dedicated scaleup teams, Industrial Strategy, Trade Strategy and Plan for Small and Medium-sized Businesses. Scaleup leaders are broadly positive about these. They are centred around known scaleup drivers such as clusters, capital, procurement, exports, and skills, with plans to evolve a new scaleup offer that works alongside what local areas deliver.

We also witness the strengthening of public finance institutions – notably the British Business Bank, with greater permanency and flexibility at scale, and Innovate UK's revitalised vision. These important bodies are enhancing their scaleup strategies, services, collaborations and focus, and how they "follow the customer" more closely. At UK and Scottish Government levels the chief entrepreneurs-in-residence – scaleup leaders in their own right – are doubling down on addressing scaleup needs.

All of this means that we are no longer simply discussing the segmentation of the SME landscape. We are now engaged in a far more sophisticated conversation about the different stages of scale and what scaleups need at each phase of their growth cycle – a taxonomy we will continue to evolve with partners.

How we convert pre-revenue or pre-profit, employment-scaling firms into fully commercial entities, and take those generating revenue through scaling to become truly global giants of consequence, is the critical path. It remains a strategic imperative to ensure that the UK's innovative strengths and opportunities, and its potential 'hyperscaling' business, are not 'lost' to overseas markets or an early 'sale'.

The fundamentals and plans are now largely in place, but require implemented at pace, with a much more appropriate risk appetite, more proactive referrals and better joining-up between players. This includes making the Mansion House Accord and Leeds Reforms effective in the scaleup economy not just for larger companies.

Organising more effectively between the public and private sectors removing friction and fragmentation in the UK's funding, procurement, talent and support continuum remains essential, as does embedding a long-term scaleup culture with 'infrastructure' fit for the future.

In our largest ever ScaleUp CEO survey – now with over 1,000 leaders – despite macroeconomic headwinds, scaleup leaders remain innovative, international and focused on growth heading into 2026, with clear priorities. Access to markets, skills, growth capital and infrastructure continue to feature as their top challenges, with tax again appearing as a concern. They want to see a more coordinated public and private investment and innovation ecosystem, with easier and more joined-up "end-to-end" pathways to overseas markets, exports, procurement, investors and follow-on capital, underpinned by a stable tax regime and proactive account management. These will be important elements to the many types of 'account management / concierge' services being considered and evolved across the private and public sectors taking lessons from proven examples. They want to scale in the UK, but will relocate overseas if driven by perceived investor risk appetite and scale, tax stability and perceived overall support.

It remains critical that we tackle barriers to scaling with proven, impactful solutions; shared learnings; better cross-referrals; and increased connectivity.

To help drive that connectivity and shared learning, the ScaleUp Institute continues to work across the country with sectors, localities, clusters and devolved nations, sharing insights, guidance and good practice, including on how regional and national scaleup solutions evolve in the private and public sectors.

2025 has seen our regional ScaleUp Britain programme continue with the London Stock Exchange, British Business Bank, Innovate UK and wider partners. This initiative works with local communities to increase knowledge of funding options; public sector and university growth programmes; and capital markets developments such as PISCES; and to connect scaling businesses with peers, investors and talent. In 2025, this has had further sectoral focus such as marine (Teeside), quantum (Edinburgh), tech (Bristol), life sciences (Liverpool), and also devolved nations of Wales, Scotland and Northern Ireland. Proven impact has come from this programme, with emerging regional interventions, much greater awareness of capital markets developments – including PISCES – and rising optimism about listing in the UK.

Looking ahead, the ScaleUp Institute will continue to prioritise practical steps to address scaling needs and work with all partners to do so. We thank them for their continued support.

The ScaleUp Institute was established to be an independent observatory across the landscape: to monitor progression in addressing long-term scaleup barriers and gaps, and to guide and educate on solutions to these, including how to evolve local scaleup ecosystems. We have been at the forefront of many of the current initiatives both public and private that address scaling needs. We will continue to focus on the need to leverage and build on what works to create long-term, sustainable platforms/ interventions as needs evolve.

Looking to 2026, our innovative and ambitious scaleups will be more crucial than ever in driving UK economic growth, creating jobs and opportunities across the country, and helping us meet a range of domestic and global challenges.

Some may say that, since 2013, we have closed our global scaleup gap. The reality is that this change is fragile in an ever-changing world and gaps remain. Much is still to be done to build a frictionless UK scaleup economy for the long term – with a playbook that enables a truly sustainable scaleup nation, where businesses can start, grow and scale up "forever" while staying in the UK.

Let us continue to build a ScaleUp Nation together.

CEO'S FOREWORD

IRENE GRAHAM OBE, CEO, SCALEUP INSTITUTE

Powering Up ScaleUp Momentum

When the ScaleUp Institute was established, it was with a clear mission: to catalyse the UK ecosystem to back scaleups and the opportunities they offer, and to ensure resources were aligned towards this critical segment of the economy, which we wanted to ensure was truly recognised in its own right, and leant into.

We set out to close the UK's scaleup gap, remove barriers to growth, and - through evidence-based policy - make the UK the best place not only to start but to scale a business.

As a research and education body, we have focussed on fostering the knowledge, understanding and awareness of scaling businesses across the public, private and education sectors. We have sought to ensure the growth of scaleups through targeted interventions in the private and public sector, based on robust research, evidence and sharing of insights and learnings. This has included running dedicated education courses on Driving Economic Development through ScaleUp Ecosystems across the country to enable local areas to come together to evolve solutions for the specific needs of their local scaleup and scaling firms.

At the time of our founding, OECD benchmarks placed the UK 3rd globally for starting a business but only 13th for scaling. Today, SUI working with Glass AI to replicate the OECD review, we see that the UK now ranks 3rd in the world for 'start-up to scale-up velocity', behind only Sweden and the USA. In scaleup numbers by employment, the UK also stands 3rd after the US and Brazil. This is a true testament to the resilience, innovation and entrepreneurship of our scaling leaders, and the increasing focus that the ecosystem and successive Governments have given to these firms.

Scaleups are now firmly recognised as a distinct and vital segment of the economy. They sit at the centre of the Government's growth ambitions and are pivotal to the newly launched Industrial, Trade and Business Strategies - areas that scaling firms themselves wanted prioritised for 2025, with 8 in 10 positive about the stated plans within them.

UK scaleups have remained resilient, ambitious and growth-oriented in 2025 despite ongoing macro economic challenges and global uncertainties, and have forged past the slowdown in the aftermath of the pandemic.

POWERING UP SCALEUP MOMENTUM

Today our scaleup economy has powered to 44,595 scaleups – up by 17,610 from 2013 - with - encouragingly - a further 20,980 in the pipeline, spread across the country in all sectors. This has been driven by a resurgence of scaleups in Accommodation and Food - up by 52% percent and strong performance in our IS8 sectors in Creative Industries, Advanced Manufacturing and Clean Energy, with Industrial Sectors now representing 42 per cent of the overall scaling population. In every ScaleUp neighbourhood we witness a rise in scaling firms, albeit the West Midlands remains at a lower scaleup per population level, alongside, this year, Aberdeen.

More scaleups are achieving significant size, with over 14,000 in the mid market and 11,636 companies, included in the 2025 visible Scaleup Index having crossed the £10.2 million turnover and/or £5.1 million asset threshold. This represents a 26% increase from 2017 since observing this cohort. Among these scaleups, 277 are listed on AIM, 77 are Unicorns and 1,315 are female founded, up 70% per cent from 2024, with the Invest in Women taskforce focused on how we can propel more forward.

Scaleups continue to be a key to the UK economy - representing 50% of UK SME output at £2.19 trillion despite accounting now for 0.8% of the business population. A contribution that climbs even further, when adding in the scaling pipeline, to a level of 71% of UK SME output at £3.1 trillion despite only accounting for 1.1% of the SME business population when combined.

And despite the domestic and global challenges, they remain optimistic about their growth outlook, with 9 in 10 expecting to grow next year, with 6 in 10 planning to scale their employee headcount and 5 in 10 scaling turnover.

WE HAVE FORWARD MOMENTUM - BUT THIS NEEDS TO BE SUSTAINED FOR THE LONG TERM, AND KEY INITIATIVES TURBO CHARGED IN DELIVERY

As the scaleup landscape continues to evolve, the UK's commitment to enabling scaleups must remain agile and forward-looking to ensure we can truly build large scale consequential businesses that start, scale and stay here.

Just as much as ever, scaleups are pivotal to the UK's competitiveness, and ensuring their continued success is essential to the country's long term future economic growth, stability and security.

The challenge ahead is to convert more early-stage firms into commercially robust scaleups, and to ensure that revenue-generating companies can grow into global leaders here in the UK - not be lost prematurely overseas.

The fundamentals are in place, but must now be executed with pace, ambition and better coordination across funding, procurement, skills and support systems. Effective implementation of reforms - from the Mansion House Accord to capital markets developments - will be essential.

In 2014 the ScaleUp Report identified key barriers to scale in access to talent; markets, finance, leadership and infrastructure. In 2025 it is access to markets; talent and finance that are the challenges that, despite progress, remain the most stubborn to overcome.

They remain central to the ScaleUp Institute's mission to address, whilst tax concerns appear for the second year in a row as uncertainty prevails in this area and scaling leaders seek long term consistency and commitment to enabling schemes.

At present our connectivity with scaleups is not sufficiently proactive or consistent. We still need to organise and collaborate much better and take lessons from our international counterparts, including in R&D procurement and fostering account management, concierge and high growth teams. We can use data to far more effect – pinpointing scaling firms early and ' fast tracking' relevant resources, underpinned by effective CRM and referral systems, as well as through Open Data Access and Sandboxes that provide tools to enable a scaleup pathway. The establishment of the Regulatory Innovation Office and pro growth Regulation objectives should be enablers to this, alongside the cluster focus in train.

In the challenging economic environment that we face, it is essential that every lever is pulled to support companies to scale and we will continue to work with the Government, private and education ecosystem at local, regional, national and international levels to achieve this.

SCALEUP CEO HORIZON

This year's survey of UK scaleup leaders is the largest ever conducted by the ScaleUp Institute.

Taking insights from **1,009** scaleup CEOs from across all sectors collectively generating £38.85 billion, employing a combined workforce of over 262,000. These businesses span nearly every sector and region of the UK with 70% in our Industrial Strategy sectors (reflecting the rise in prominence of these sectors in the UK economy) , giving us a comprehensive picture of the issues and opportunities they face.

These scaleup leaders are diverse, highly innovative, international, and productive. 9 in 10 have engaged in some form of innovation activity over the last three years, with 7 in 10 dialling up their innovation spend in 2025, and 7 in 10 seeing export as crucial to their business growth, alongside planning expansion of their presence overseas as they build global companies at scale.

More than 60% per cent say they are a social business, 4 in 10 identify as family businesses. They invest heavily in research and development with 5 in 10 using the money they raise for R&D, with AI seen as a significant opportunity by all of them.

Not unexpectedly, scaleup CEOs voiced their concerns about macroeconomic factors impacting their growth; with increasing costs, energy and supply chain disruption their most critical issues on this front. However, in 2025, they are more positive about the UK as a place to grow a business, with only 4 in 10 worrying about this, down from 6 in 10 in 2024.

Yet despite all of these concerns and headwinds, the overwhelming majority 9 in 10 still expect to grow in 2025: with 6 in 10 growing in employment and 5 in 10 in turnover.

However, consistent barriers to scaling remain, with - for the fifth consecutive year - access to markets continuing as the key challenge for our scaleups (58%), followed by talent and leadership (55%); finance (42%); then infrastructure (29%). In addition, for the second year running tax (26%) coming to the fore. This means that on a longitudinal basis, apart from tax, these have been the consistent top challenges. Whilst policy measures are moving in the right direction we still need to 'cut through' and take concerted efforts to remove them.

They are also clear on the priorities they have heading into 2025 and how the public and private sector can help. Scaleup CEOs strongly support the Government's new Industrial and Trade strategies and Small and Medium business plan with 8 in 10 seeing these as having the ingredients that will support their further growth. That said 4 in 10 experience gaps in their local and cluster support particularly in access to investors (47%); space to grow (44%), NED/ fractional executives (42%) and market access (36%), which emphasises the importance of these strategies. It also shows the value of the National Business Growth service platform which is in development, which must become more visibly scaleup focussed alongside the planned new scaleup offer to be delivered on in this coming year, as well as Local Growth Plans and Mayoral Strategies.

They regard local hubs and enterprise agencies as key facilitators for accessing resources from both the public and private sectors. Access to innovation, research and development, as well as the surrounding infrastructure, remains essential, and the scaleup CEOs express a need for easier access to these resources. Furthermore, they view enhanced connectivity with financiers, advisors, investors, corporates and universities as key enablers.They are clear that enterprise agencies; growth hubs and concierge services have value and the majority want to be known and relationship managed: 7 in 10 want data that they supply to the Government to be used to identify them to fast-track them through to appropriate public and private sector resources and 5 in 10 believe it would be helpful to be kitemarked as a scaleup.

Scaleup CEOs also want more tailored support that offers guidance on funding options, investor introductions, and better connections to R&D and talent resources available at universities and business schools.

Nurturing and retaining these innovative, export-led companies within communities and enabling their scaleup development is vital in the current economic context. These businesses are central to our local communities, future job opportunities and the prosperity of regions and nations across the UK.

Regarding **Market Access**, differing markets present unique challenges and opportunities that require more targeted support. B2B scaleups, who want to double their opportunities with corporates and government, encounter complex processes and difficulties in accessing key decision-makers and contract opportunities. Both private and public sectors can take practical steps to address these issues, such as organising more "meet the buyer" events, appointing dedicated scaleup procurement and innovation managers, and better aligning / carving out existing funding, towards innovative procurement for scaling firms and dialling up Corporate Venturing.

International expansion is a significant factor of scaleup success; and the ScaleUp Institute's work evidences exporting as a key predictor of scaleup potential. 7 in 10 scaleups remain focused on global expansion in 2025, with the EU seen as the priority market , and markets such as China, the Middle East, and Africa, emerging as goals, whilst the focus on the US, whilst still prominent, is decreasing since last year.

We continue to need to improve our support for our scaleups international aspirations by providing better introductions to overseas buyers, tailored scaleup trade missions, market information, alongside dedicated scaleup points of contact, and 'scaleup desks' overseas to ease their engagement in new markets. This is a critical feature for concierge services.

Talent recruitment and retention continues to be one of the foremost challenges highlighted by scaleup CEOs. Companies are actively hiring talent across the UK and internationally, employing various measures to build and retain their talent base, including offering apprenticeships and returnerships. 5 in 10 offer opportunities to young people. They want more employee encounters and better careers advice with businesses like theirs, and are supportive of the Growth and Skills levy review and the direction for it, as they seek to leverage apprenticeships and train their own staff, alongside the plans Skills England have laid out. There is a critical need for sales and business development, innovation expertise, particularly in their leadership teams. They continue to plan to evolve their talent and board plans; 6 in 10 want more help in accessing Non-Executive Director and fractional executives, and 4 in 10 help in accessing peer networks.

Of course, it is also critical to be able to attract the very best international talent to want to work with innovative UK companies and our scaling CEOs are clear how the visa system can be improved. Visa routes have important roles to play here, and there remains friction in the system to resolve.

Turning to **Finance and Growth Capital**, scaleups remain much heavier users of finance - across its multitude of forms - than their SME counterparts. Of those utilising finance 62% are already using equity finance or plan to use it, an increase on last year. From our 2025 ScaleUp Index, we can also see that BGF holds its position as the most active investor in our scaleup cohort (2015-2025) with the British Business Bank's role in the ecosystem also solidly anchored.

This year only 5 in 10 still perceive that much of the funding resides in London and the South-East, down from 6 in 10 last year, and scaleups are more positive about the funding they have in place to support their current growth ambitions.

The ongoing contribution of Development Banks and Innovate UK to the scaling economy are vital, and 76% of Scaleups would value a referral process between equity providers in the private market, and Public Finance Institutions. And in every stage of the finance continuum the UK still needs to address regional and sector disparities and knowledge asymmetries.

In 2025, 6 in 10 ScaleUp CEOs positively believe new funding initiatives to address growth capital will reach them, and 7 in 10 of our scaling CEOs are aware of changes made to capital markets in this regard, including PISCES. This reflects the value of knowledge transfer and education sessions and ongoing investment briefings which scaleup CEOs are clear are beneficial and valued. This further reinforces the important role of the ScaleUp Britain initiative being undertaken with the London Stock Exchange and broader ScaleUp Institute partners, which we will be continuing in 2026 and the ongoing work of the Capital Markets Industry Taskforce.

Whilst many want to stay in the UK and scale - and are positively open to listing here (9 in 10) - those contemplating relocating overseas are considering it because of: A wider investor base; better infrastructure and a more predictable, stable tax environment.

POLICY

As we move into 2026, we continue to need to accelerate progress on our 10 point plan for scaleup growth.

In many respects, with the raft of policy and strategies that the current Government has put in place, including: the Leeds, capital markets and Pension reforms; the National Wealth Fund; the scaling up of the British Business Bank and giving it more flexibly; the skills strategies and developments under Skills England and curriculum reform; the Industrial Strategy, and IS8 sector plans with cluster focus; alongside the Trade strategy, and Business Plan, and pro regulatory agenda, including new and enhanced roles for key agencies, whilst establishing new coordination entities such as the PFI forum; when enacted in practice and/ or to full effect, these collectively should address the critical challenges and issues that scaling businesses have faced for decades.

The current Government is clearly seeking to align its resources and convening power towards scaling challenges, as are leaders in the Devolved Nations, with whom we are working closely, and many Mayoral Combined Authorities through their local growth plans. The presence of entrepreneurs in residence in the UK government and Scotland, who are doubling down on scaleups, is also welcome.

The key question now is : can these policies implement quickly enough, - and can the private sector step up enough - crucially in Pension reforms, and Mansion House Accord delivery - to make sure the UK does continue to scale its high growth firms. AND make sure that the burgeoning scaleup environment, with its wealth of innovation - translates from incubator to an effective, sustained, global scaleup super-power, with companies anchored and thriving in the UK.

It is right that the various Parliamentary Committees seeking evidence from SUI and others this year have focused on the critical flight path we must get right - and

urgently - if we are to ensure that the UK's world-leading strengths in science, quantum, AI, advanced manufacturing, and fintech translate into the creation of UK-born global giants that remain here rather than relocating overseas.

This is not about - per se - 'more money', or more policy, but executing existing policy at pace and organising ourselves much more effectively to connect solutions to scaling firms and remove friction in the system so that it is much easier to move through the funding continuum to IPO, and access markets, procurement, innovation, growth capital and resources at pace, in every locality and cluster.

This requires us to be far better coordinated, collaborative, and connected - engaging with our scaleup community with X-ray precision. It must be underpinned by systemised infrastructure such as robust CRM systems, structured account management, and pathways and referrals that follow the customer journey, supported by concierge-style end-to-end services and R&D-driven procurement. It will also demand the continued segmentation of the scaleup economy, along with a more sophisticated segmentation within it, so that every stage of the scaling cycle is addressed with tailored solutions. This is a taxonomy we will continue to refine with partners throughout 2026.

In Concierge services being considered, scale ups are clear these will make a difference if they have at their centre:

- Internationalisation, with end to end connections to overseas markets, insights, opportunities and specialist expert funding; (44%)
- Knowledge and faster tracking of and to innovation and procurement opportunities; supported by open data (40%)
- Better connectivity to public and private investors, through proactive account management; formal referrals' and knowledge of who they are (36%)
- fast track Planning and regulation (33%)

We also still need to become much more **R&D centric in our procurement** approaches (a key area that has more work to be done, and that we will be exploring further with partners) taking lessons from the US and other overseas markets, and coordinated in our export offerings, building on such proven initiatives as Grow London as we further explore in this review and . outline further as it is about **re-allocating resources** towards these ends with appropriate focus. IP clauses also need to be fit for purpose for scaling firms.

As regards growth capital, in 2025 the ScaleUp Institute has analysed in further detail the investment patterns occurring in our scaleup economy and in our industrial sectors, this has included working with IUK and the EISA assessing the life cycle and regional investment patterns and ages of scaling businesses. This shows the constraining effect of current policy parameters (EIS / SEIS / VCT) to follow on funding, likely exacerbating short termism, and the impact on industrial strategy sector firms, and regional clusters. In this Parliamentary cycle these parameters should be reviewed to make sure they remain fit for purpose for the scaling economy, and remove unnecessary 'cliff edges'.

In addition, in analysing progress on the Mansion House Accord, we see currently only six of the signatories having activity, and the scale of UK pension fund allocation sitting well below that of international counterparts by a magnitude of 4x. To capitalise on our innovation and industrial strengths - and not end up an incubator to the rest of the world - we have to turbo charge execution and deployment of these schemes, and as previously highlighted in 2020 seek to improve risk appetite and frictionless follow on capital, by enabling referrals and considering TIBI style initiatives. At the same as continuing efforts to educate institutional players on the opportunities. Alongside the private sector initiatives underway through the BVCA Compact, and CMIT activities, this knowledge exchange is an area where the OFI, British Business Bank and Innovate UK / UKRI can play critical roles, through Innovate UK's sectoral, regional and catapult structures, and the British Business Bank's new innovation cluster champions planned to be put in place, alongside the MOUs these two entities now have. More structured showcasing and referrals between investors should continue to be evolved and there remains the need for further engagement of corporate venturing and retail investors. To this broader end stamp duty should be removed from shares.

Capital Market reforms and the approval of PISCES infrastructure, alongside Private Securities Market establishment by the LSEG, is a key milestone to build upon and see initial trades in 2026. This delivers to the desire for scaleups to remain private but access public market type investment.

Taking these initiatives forward we will also need to continue our efforts to improve the risk appetite and follow on capital of scaleup knowledge of institutional players, recognising international institutional money often comes in right at seed level. The BVCA Compact, Regulatory reforms, CMIT activities can all play their part in tackling this, alongside Venture Fellowship schemes, which we have recommended evolve and the ongoing role of UKRI/ Innovate UK. The Kent review needs full implementation and initiatives such as that in Scotland under Interface could be potential routes to further enhance investor connectivity and knowledge.

On Skills the work underway is aligned to scaleup needs which must keep pace with our innovation economy, which should also leverage learnings from Innovate UKs work on ICE Skills. And ensure flexibility of allocation and access to levy resources.

We need to be thoughtful in the evolution of apprenticeships and find a way for the types of offerings under level 7 to be provided, whilst bolstering entry levels.

Local Scaleup Cluster Growth: We need to ensure every Local Growth Plan has a plan for scaleups - such as that in the the West of England, Dundee and Liverpool - and local areas should continue to develop their local clusters, maps and hubs with scaleup resources, leveraging what works across the country.

The fact we now have a Council of Nations and Regions, alongside a collaborative Mayoral force means that cross-pollinating of good scaleup practice and initiatives should be easier and more consistent, building on ScaleUp Institute exemplars, such as the Grow London Mayoral programme which should be adopted by all. UK Government Settlements with cities and Combined Authorities should contain a clear scaleup allocation. In 2026 the SUI will continue its convening of local areas to share good practice and programme evolution.

There is a real opportunity for universities and business schools, as community anchors, to further engage with their scaling communities and we do need to further encourage the KEF and entrepreneurial engagement in the ecosystem. The growing collaboration and establishment of University engaged funds, mirroring the leadership of Northern Gritstone, such as those now emerging in Scotland and the South West, is to be encouraged. This will aid our spin out to scaling phase and the latest data of the range of university scaleup spinouts is notable.

Universities should also coordinate with scaleups to align training with real-world job demands. ScaleUp Institute research shows that scaleups are willing to invest in training through partnerships with higher education, but clear, long-term strategies are essential to ensure that these investments align with business needs.

As the scaleup ecosystem matures with fiscal constraints and global challenges still present, organise ourselves better, with ever greater collaboration between the public and private sector, will be fundamental.

IN SUMMARY

Much progress has been made since the establishment of the ScaleUp Institute. As we have aspired to do, the ecosystem has truly galvanised, across all its many actors, to the scaleup economy.

However this needs to be sustained for the long term, and be enacted in every area and sector of the economy, with remaining stubborn obstacles finally 'smashed through' if we are to truly become a leading Scale Up 'Super Power'.

As before, in coming pages, we track the longitudinal progress of recommendations made and where improvement remains. This reinforces the need to double down on what is working; build upon those institutions and initiatives, including tax enablers, that have proven impact; accelerate what is in train; and embed national and regional 'structures' for the long term. Most crucially at this critical and pivotal moment, with so many of the right scaleup ingredients in play, we must now 'join up', be customer centric, and organise ourselves across the public and private sectors in a much more effective, connected, collaborative and cohesive manner.

For our part the ScaleUp Institute remains committed to championing the case for scaleups, ensuring that the necessary resources, talent, and market access are within reach for these vital businesses. Working closely with all our partners, we will continue to provide the research evidence and policy analysis essential for effective evidence-based policymaking and delivering practical solutions, while playing our vital role as a convenor within a connected scaleup ecosystem to drive both economic and societal advancement across the UK so that we can build a frictionless scale-up nation, where businesses can start, grow and scale up whilst rooted in the UK.

ScaleUp Ecosystem - Let's Assemble and Go To It.

2025 RECOMMENDATIONS PROGRESS

1 DATA

USING OPEN DATA TO DRIVE INNOVATION AND SCALE, INCLUDING SPOTTING TARGETING AND CONNECTING EARLY WITH SCALEUP COMPANIES

Use existing data to identify and support scaleup businesses at an early stage

Government Data - such as that held within HMRC - should be utilised to spot scaling businesses early and fast track them into the relevant Government and private sector support to drive UK economic growth.

The Legislation and guidance now in place through the *Data (Use and Access) Act 2025; Data Quality Action Plan Implementation Guide; DSIT Digital Services* should be utilised effectively to enable this and support wider initiatives such as Concierge, account and relationship services, and the introduction of a proper system wide UK Government CRM system, working with critical agencies at national, devolved and regional level, alongside the Smart Data Council. Open Data should be our mantra.

2 SEGMENTATION

EVEN MORE SOPHISTICATION IS NEEDED AS WE TRACK THROUGH GROWTH AND SCALING CYCLES AND DEVELOP FORWARD LOOKING TAXONOMIES AND PATHWAYS, WITH CLEAR SCALEUP SOLUTIONS

Segmentation remains key: public and private sector scale up recognition, as a specific UK Business segment of the UK economy, needs to be sustained, and specific policies and initiatives now even further tailored to the needs of the differing scaling sizes, sectors and cycles,including mid market and beyond : This distinction should be consistent, at national, local and devolved levels, as we continue to evolve StartUp, ScaleUp, Stay Ahead policies.The SUI will work with partners on a forward looking 'scaling' taxonomy.

The Implementation of the Industrial Strategy, Sector Strategies, Trade Strategy and Small and Medium Sized Business Plan should deliver to their stated scaleup intents at pace, and all devolved and Regional Mayoral Strategies should have distinctive 'scaleup' plans and action.

The National Growth Service now launched must further evolve its scaling and scaleup solutions as intended and in time consideration should be given to how we develop a UK / 'England' Enterprise Agency mirroring models in Ireland and Scotland.

3 RELATIONSHIP/ ACCOUNT MANAGEMENT AND HIGH GROWTH TEAMS

THE DEVELOPMENT OF 'CONCIERGE' SERVICES WITH CLEAR 'END TO END' PRACTICAL CONNECTIONS TO MARKET (PROCUREMENT, EXPORTS, R+D) TALENT AND INVESTOR SOLUTIONS WITH FAST TRACKING

Build effective and consistent Relationship / Account Management and High Growth Teams concierge services; and deploy local scaleup / innovation champions: making it easier for scaleups to access programmes and support.

Proactive, Relationship / Account Management and high growth team structures, often referenced as 'concierge' services, are widely used in the private sector to oversee their client base.

Concierge services being considered need to have at their centre:

- Internationalisation, with end to end connections to overseas markets market insights, opportunities and specialist export funding;
- Knowledge and faster tracking of and to innovation and procurement opportunities; supported by open data
- Fast track planning and regulation approvals, 'passporting' where necessary
- Better connectivity to public and private investors, through proactive account management; formal referrals' and knowledge of who the sectors, businesses and investors are.

The Industrial Strategy and wider strategies must facilitate this as part of their implementation with clear, frictionless connection to Trade Missions; Procurement; R&D collaboration; Finance, and; Leadership development services. To make this type of structure effective, it must make efficient use of Government data, as noted in Recommendation 1.

4 HUBS AND CLUSTERS

CONTINUE TO EVOLVE THE UK ENVIRONMENT BUILDING ON STATED STRATEGIES AND ANCHOR TAILORED SCALEUP SUPPORT IN PHYSICAL HUBS AND LOCATIONS TO ENABLE 'FRICTIONLESS' SCALING

Continue efforts to support regional and sectoral cluster development which are enablers to scaleup growth, and ensure there is a clear, joined up approach with public/ private sector as part of the Industrial Strategy Implementation and Spending review commitments.: Effective clusters and hubs provide a focal point for the different elements scaleup businesses need by curating access to investors, talent, mentors, peer networks, and helping to facilitate corporate engagement and R&D procurement opportunities. The most successful hubs utilise a Relationship / Account Management and concierge structures to aid this process. The Investment zones, freeports, Catapults, Growth Hubs and sectoral hubs around the country should evolve scaleup account managers and high growth services taking learnings from leading examples endorsed by SUI. BBB and IUK have critical roles in supporting and aligning with these, including in cluster mapping, as in Cambridge exemplar. Every Local Growth Plan should include a plan for Scaleups, and Settlements with cities and Combined Authorities should also contain a clear scaleup allocation.

Joining up of solutions, pathways and ecosystem players to make the journey of scaling frictionless should be the priority.

5 EXPORT AND INTERNATIONALISATION

CREATE END TO END EXPORT CONNECTIVITY FOR SCALEUPS, INCLUDING SCALEUP DESKS OVERSEAS, AND ALIGNMENTS WITH SPECIALIST FUNDING FROM UKEF

Target greater export resources to scaleups

The Industrial Strategy, Small and Medium Sized Business Plan, and Trade Strategy each highlight the goal of aligning export services towards scaleups and high growth companies. This now needs to be anchored in a clear, defined offer for scaleups, such as through the Implementation of segmented, proactive Relationship Management / Concierge services utilising existing resources in a more organised manner.

This should include building on the International Trade Advisor service by connecting it to emerging relationship management teams as piloting in the North.

We recommend a 'ScaleUp Desk/ visible Scale Concierge 'team' is created, from existing resources, in all overseas embassies/ innovations agencies to enable scaleups to access local market knowledge, and that Scaleup focused trade missions continue to be rolled out to sector clusters/ zones and Mayoral Combined Authorities, mirroring successful programmes already in place such as Grow London which can be leveraged. UKEF should also continue to evolve its engagement with scaling firms.

6 PUBLIC PROCUREMENT AND R&D

ENSURE THERE IS A CLEAR INNOVATION / R&D FOCUSED AND 'CARVED OUT' PROCUREMENT PATHWAY TO BETTER CAPITALISE ON UK INNOVATIONS AND SUPPORT COMPANIES TO REACH SCALE, UNDERPINNED BY PRO GROWTH OBJECTIVES, IP CLAUSING AND CENTRAL OVERSIGHT WITH CLEAR KPIS / COORDINATION OF CHAMPIONS, LEVERAGING OPEN DATA, RIO, AND SANDBOX INITIATIVES, AS APPROPRIATE

Simplify and increase scaleup access to public procurement and R&D collaboration

Leveraging the new Procurement Act, Government should have a more dedicated R&D Innovation procurement process with 'carved out' budget and pathways, similar to international counterparts like the US. This should mirror US SBRI, OTA arrangements, and those such as that deployed in the CIA In-Q-Tel initiative, and the SBA's Mentor Protege programme.

Procurement should be simpler and speeder, with access through fast track; passporting; meet the buyer and sandbox options, supported by RIO, IUK/UKRI and a National Audit Office and Public Accounts Committee with clear pro growth objectives.

The Government should seek to commit / allocate longer and larger term funding in our grant processes as the US and other markets do, via tranche and milestone processes, so that we can truly follow on and capitalise on innovations and take inventions to full commercialisation and globalisation, including making better utilisation of 'Contracts for Innovation' and expanding Regulatory Sandboxes. These should all follow the customer - not simply 'projects' - and join up Government and private sector resources towards scaling businesses better through referral processes.

As part of this, the new Procurement Act should be implemented in a way that ensures the Public Sector increases its buying and strategic partnerships with scaling companies. Procurement champions within Government departments should be given clear objectives to increase buying and strategic partnership with scaleup companies, with clear KPIs and a carve out of budgets towards scaleup and R&D collaboration with them.

Procurement opportunities should be connected to Account / Relationship Management teams/ Concierge services, such as that in OFI, with a priority to connect scaleups to appropriate opportunities.

IP clausing should be 'fit for scaling.

7 CORPORATE COLLABORATION

IMPROVE CONNECTIONS BETWEEN SCALEUPS AND LARGE CORPORATES, ENCOURAGING STRONGER CORPORATE VENTURING IN THE UK.

Improve the connection between scaleups and large corporates.

Large companies should report on the level of collaboration and procurement they source from scaling companies, and seek to learn from those that are exemplar collaborators; and consider further how they can engage more transparently with their scaleup supply chain, through peer to peer activity, and the creation of a 'Corporate Collaboration Charter'. A SBA type Mentor Protege programme should be considered by all corporates and deployed by Government in OEMs it sources from.

As recommended in 2024, Government and private sector, together, should review how to encourage stronger Corporate Venturing in the UK.

8 TALENT

ENSURE THAT TECHNICAL AND PRACTICAL SKILLS ARE FIT FOR THE MODERN ERA, WITH EMPLOYER AND ENTREPRENEURSHIP ENCOUNTERS AT SCHOOL, AND LIFE LONG LEARNING OPPORTUNITIES FOR THE WIDER WORKFORCE.

BUILD A COHERENT STRATEGY TO SUPPORT OVERSEAS TALENT TO SUPPORT UK GROWTH WHEN IT IS NEEDED.

As Education Reform through Skills England takes shape ensuring the deployment of these initiatives such as upskilling and reskilling; boot camps; foundation apprenticeships prioritise scaleups is vital: Entrepreneurship and more scaleup employer encounters should be provided via utilisation and expansion of existing platforms and impactful initiatives, such as the Careers Enterprise Company as should awareness raising of jobs and careers available in our scaleup industrial economy.

Skills mapping and needs as laid out by SUI align to Skills England and IUK priorities, which need to be progressed.

Balance is needed between STEM and STEAM. The planned Education Reform should be fit for the modern era covering technical and practical skills such as investment by giving an understanding on equity / VC, similar to US counterparts.

For digital skills a third party accreditation system, such as that used for music grades, should be rolled out for digital skills.

As we consider how to help our most promising spinouts to scale and open up further University collaboration there should be a more balanced weighting of investment to KEF initiatives.

Universities and business schools should continue to tailor services towards and to match local scaling firms and clusters needs, for which scaling firms are willing to pay provided aligned to their requirements,

It will be important to Monitor Level 7 Apprenticeship uptake and funding and assess if age restriction is working, or if it needs to be adjusted to support the skills pipeline

Continue to evolve the visa system to remove friction and speed process for international hiring and make the UK a destination for scaling ambitions.

9 PEER TO PEER

ENSURE APPROPRIATE PEER TO PEER, NED AND MENTORING OPPORTUNITIES ARE AVAILABLE FOR HIGH GROWTH FIRMS ACROSS THE UK.

Enhance scaleup opportunities to engage in peer-to-peer networks, NEDs, and high quality leadership programmes

The public, private and education sector should continue to work together to close the gap on provision of high-quality flexible scaleup leadership programmes, including mentoring, peer networks and matchmaking of non-executive directors who have scaled businesses before. Better connections should also continue to be made between national programmes and local ecosystem leaders.

The formation on the National Business Mentoring Council and revitalisation of Mentorsme should ensure improved access fir scaling founders to vetted mentoring options.

10 GROWTH CAPITAL

CONNECT, COLLABORATE, CONVENE THE CAPITAL 'AT SCALE' FOR UK SCALEUP BUSINESSES, WITH THE NECESSARY RISK APPETITE AND FOLLOW ON.

Progress has been made, but it is now more critical than ever to ensure that the initiatives underway - Mansion House Accord, Leeds Reforms - deploy at pace and scale and connect with the scaling economy through referrals; proactive education and pathway so that we can close the growth capital gap in every cluster and across the UK, increasing knowledge in both scaleup and investment communities in every part of the country.

This should include fostering of institutional skills and knowledge of the UK growth economy, including an InvestIn series similar to that in the creative sector and enhancement to the Venture Capital Fellowship to include institutional players.

Account management and concierge structures as outlined in 1 and a better referrals network between government PFIs and industry should be enacted through the OFI, PFI forums, and evolution of a 'TIBI' like scheme to foster transparency and follow on opportunities. Work to ensure diverse founders and areas across the whole of the UK are connected to investment resources should continue through such vehicles as the Invest In Women taskforce etc.

Permanency and expansion of the British Business Bank and its key schemes in the Spending Review, as a catalysing force, is positive, alongside the Regulatory Approval for the British Growth Partnership. Key now is execution and continuing the crowding in of private sector resource.

The role and scale of Innovate UK and its direct deployment of innovation 'risk; capital to our most innovative, early stage and scaling businesses is vital and a proven 'kitemark; to crowd in private sector investment. IUK should too be given long term permanency in the same manner as the British Business Bank, alongside our other devolved Development Banks.

Capital Market reforms and the approval of PISCES infrastructure, alongside Private Securities Market establishment by the LSEG, is a key milestone to build upon and see initial trades in 2026. This delivers to the desire for scaleups to remain private but access public market type investment.

The UK business taxation system - notably EIS/SEIS/VCTs, Capital Allowances and R&D - should be consistent and maintained with cliff edges removed to ensure they can be utilised to support entrepreneurship in all areas of the country, and the follow on capital needed at later stages of the scaleup journey. Better awareness raising and flexibility, including beyond the new 2035 horizon is also needed.

All areas of the country should seek to replicate the Northern Gritstone model of funds as we support start up to scaleup, with Scotland, and the South West already engaged in this activity including leverage of Local Pension Funds through the Leeds reforms.

Scaling up UK corporate venturing opportunities should be reviewed in 2026 alongside continued focus on engagement of retail investors in the UK. To this broader end stamp duty should be removed from shares.

WHY SCALEUPS MATTER

Our ambition is that the UK becomes the most fertile ground for businesses, not only to start up but to scale up and grow.

SCALEUPS ARE PRODUCTIVE

Scaleups are more productive than their peers, generating an average of **£558k** turnover per employee.

SCALEUPS ARE INNOVATIVE

9 in 10 scaleups have introduced or improved a product/service/process in the last three years, twice the rate of large firms. **7 in 10** say their appetite for innovation is higher than it was in 2024.

SCALEUPS ARE ACROSS ALL SECTORS

Scaleups span the economy: the majority of them operate in sectors outside of technology. **42%** are operating in the Industrial Strategy sectors.

SCALEUPS ARE INTERNATIONAL

7 in 10 scaleups say export markets are crucial to future growth, seeing opportunities in a range of markets across the world. **5 in 10** employ staff in other countries, with **7 in 10** also considering expanding their physical presence overseas.

SCALEUPS ARE DIVERSE

24% are Women-led Businesses. **30%** are Minority Ethnic Group-led Businesses.

SCALEUPS CREATE HIGH QUALITY JOBS

Scaleups help create high-quality jobs with more satisfied employees – employing **3.9m** workers.

SCALEUPS ARE GOOD CORPORATE CITIZENS

6 in 10 scaleups say they are social businessese. **5 in 10** offer opportunities to young people through internships / work experience / apprenticeships.

THEY PLAN TO GROW

8 out of 10 scaleups expect to grow again in the coming year. With **6 in 10** planning to scale their employee headcount and **5 in 10** scaling turnover.

SCALEUPS IN THE UK

SCALEUPS	TURNOVER	EMPLOYMENT	SCALING BOTH
44,595	39,225	13,750	8,380

SCALEUPS...

EMPLOY **3.9m** PEOPLE

HAD AN AVERAGE TURNOVER OF **£558,349**

5.5M SMES & MID-SIZED FIRMS GENERATE £4.37TR TO THE UK ECONOMY

44,595 SCALEUPS CONTRIBUTE **£2.19TR** FOR THE UK ECONOMY

SCALEUPS CONTRIBUTION IS EQUIVALENT TO 50% OF THE SMES & MID-SIZED TOTAL OUTPUT, DESPITE MAKING UP JUST 0.8% OF THE UK BUSINESS POPULATION

THE SCALING PIPELINE

1.87m
PEOPLE EMPLOYED BY SCALING BUSINESSES IN 2023

20,980
THE TOTAL NUMBER OF BUSINESSES GROWING BETWEEN 15-19.99% IN 2023

£924bn
THE TOTAL AMOUNT OF TURNOVER GENERATED BY SCALING BUSINESSES.

Sources: ONS IDBR 2020-2023, IDBR 2023 for SME and Mid-size turnover, DBT (BEIS) Business Population Estimates 2023 for UK business population count

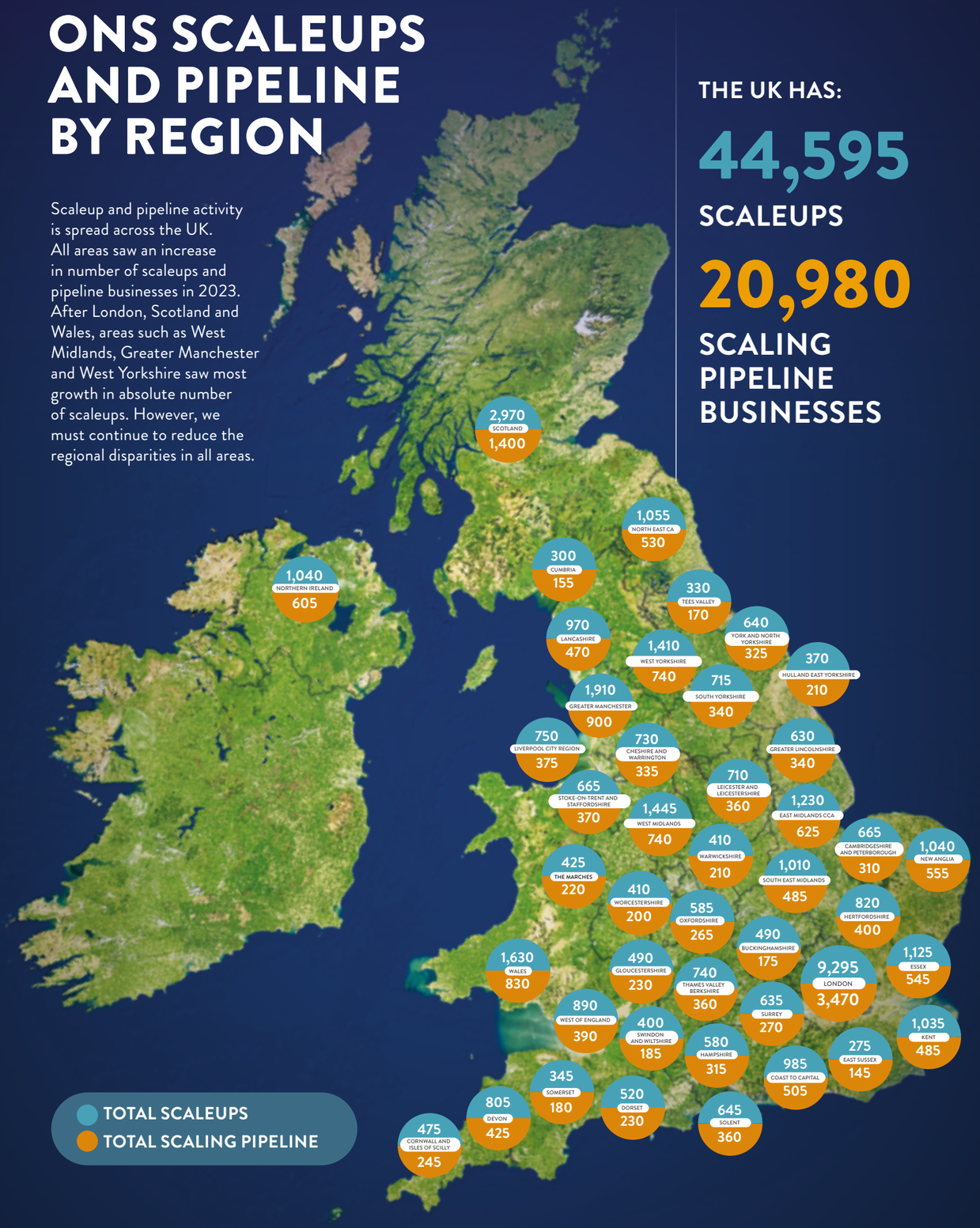
ONS SCALEUPS AND PIPELINE BY REGION

Scaleup and pipeline activity is spread across the UK. All areas saw an increase in number of scaleups and pipeline businesses in 2023. After London, Scotland and Wales, areas such as West Midlands, Greater Manchester and West Yorkshire saw most growth in absolute number of scaleups. However, we must continue to reduce the regional disparities in all areas.

THE UK HAS:

44,595
SCALEUPS

20,980
SCALING PIPELINE BUSINESSES



Source: ONS IDBR 2020-2023

ONS GROWTH RATES

REGIONAL AND SECTORAL

SCALEUPS

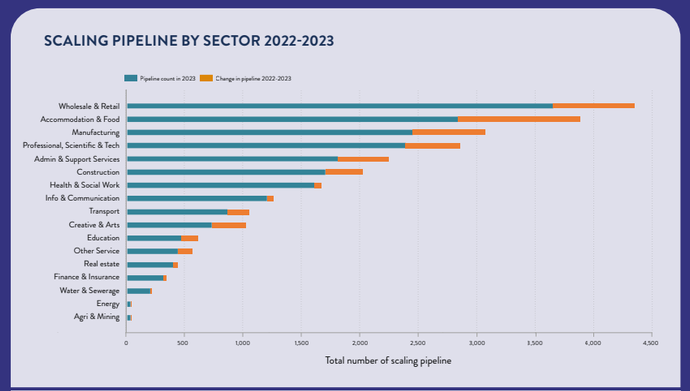
The total number of scaleups in this chart does not align with the overall number of UK scaleups as those growing by both turnover and employment at different growth rates are double counted (i.e. a business scaling employment between 20-29.999% and turnover between 50-59.999% will be counted separately in both applicable growth segments).

SCALING PIPELINE

ONS IDBR 2020-2023

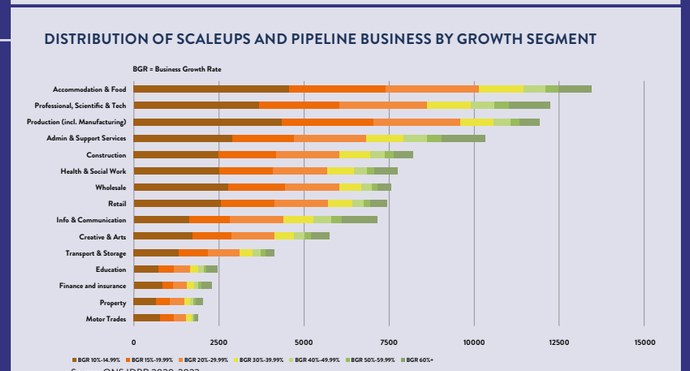
SCALING PIPELINE BY SECTOR 2022-2023

In sectoral growth, pipeline businesses behave similarly to scaleup businesses. All pipeline businesses recorded positive growth in 2023 compared to 2022, with the highest percentage growth observed in the Creative & Arts sector and the lowest in Health & Social Work. In absolute terms, Wholesale and Retail remains the sector with the highest number of pipeline businesses.



SCALEUP AND SCALING PIPELINE GROWTH SEGMENTS - BY SECTOR

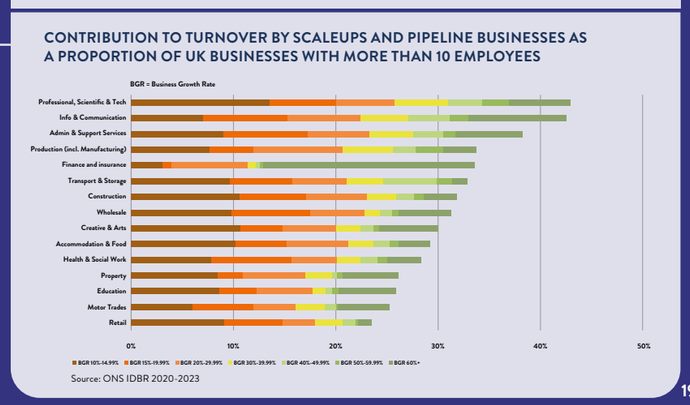
The growth rate distribution of all businesses growing by more than 10% (in turnover and/or employment) across sectors shows where businesses are more concentrated within the different growth brackets. Information & Communication, and Finance & Insurance are the sectors with the highest proportions of businesses scaling by over 60% in turnover and/or employment. By contrast, in the 10–19.99% growth range the highest proportion of businesses are from the Wholesale and Production sectors.



Source: ONS IDBR 2020-2023

SECTORAL CONTRIBUTION TO TURNOVER

The three biggest sectors contributing to total turnover of businesses with at least 10 employees are Professional, Scientific & Technical; Information & Communication; and Admin & Support Services.



Source: ONS IDBR 2020-2023

SCALEUP DENSITY

SCALEUP DENSITY BY LOCAL AREA / DEVOLVED NATION

LOCAL AREA/DEVOLVED NATION	TREND SINCE 2013: AVERAGE GROWTH IN SCALEUP DENSITY	SCALEUPS PER 100K POPULATION		NO OF SCALEUPS (2023)
		2023	2022	
CORNWALL AND ISLES OF SCILLY	4.5	81.8	56.3	475
LONDON	4	103.9	81.3	9,295
YORK AND NORTH YORKSHIRE CA	3.7	76.7	58.6	640
HIGHLANDS AND ISLANDS	3.6	76.6	39.9	375
BUCKINGHAMSHIRE	3.4	86.5	55.3	490
DEVON	3	64.8	49.1	805
WEST OF ENGLAND CA	2.9	74	56	890
EDINBURGH & SOUTH EAST	2.9	58.6	44.8	825
GLOUCESTERSHIRE	2.8	74.3	55.2	490
NEW ANGLIA	2.6	60.9	45.2	1,040
SOMERSET	2.5	59.4	39.9	345
SOUTH OF SCOTLAND	2.5	49.6	34.3	130
OXFORDSHIRE	2.4	78	66.4	585
CHESHIRE AND WARRINGTON	2.4	73.7	51.5	730
DORSET	2.4	65.9	47.8	520
GREATER MANCHESTER CA	2.3	64.8	52.5	1,910
HULL AND EAST YORKSHIRE	2.3	59.5	45.5	370
CUMBRIA	2.3	59.4	38.8	300
GREATER LINCOLNSHIRE	2.3	54.7	44.1	630
NORTHERN IRELAND	2.3	54.2	41.3	1,040
CAMBRIDGESHIRE AND PETERBOROUGH	2.2	72.4	59	665
COAST TO CAPITAL	2.2	61.7	46.5	985
ESSEX	2.2	59.3	45.5	1,125
WALES	2.2	51.5	38.3	1,630
TAY CITIES	2.2	46.8	33.7	370
SURREY	2.1	78.1	62.9	635
THAMES VALLEY BERKSHIRE	2.1	76.3	68.8	740
HERTFORDSHIRE	2.1	67.5	56	820
NORTH EAST CA	2.1	52.4	39.6	1,055
LANCASHIRE	2	61.8	48.7	970
THE MARCHES	2	59.8	46.8	425
HAMPSHIRE AREA	1.9	73.4	62.2	580
EAST MIDLANDS CCA	1.9	54.6	44.4	1,230
FORTH VALLEY	1.9	41.1	39.6	125
AYRSHIRE	1.9	41.0	26.0	150
WORCESTERSHIRE	1.8	66.8	45.1	410
KENT	1.8	54.6	43.2	1,035
SOUTH YORKSHIRE CA	1.8	50.8	37.7	715
WEST YORKSHIRE CA	1.7	58.7	47.7	1,410
STOKE-ON-TRENT AND STAFFORDSHIRE	1.7	57.2	42.7	665
GLASGOW CITY	1.7	48.2	37.1	900
LIVERPOOL CITY REGION CA	1.7	47.3	41.1	750
SOLENT	1.6	51.8	41.2	645
LEICESTER AND LEICESTERSHIRE	1.4	63.7	49.3	710
SWINDON AND WILTSHIRE	1.4	52.9	40.6	400
TEES VALLEY CA	1.4	47.2	34.1	330
WARWICKSHIRE	1.3	66.4	53.5	410
EAST SUSSEX	1.3	49.5	39	275
SOUTH EAST MIDLANDS	1.1	55.2	43	1,010
WEST MIDLANDS CA	0.9	48.5	37.7	1,445
ABERDEEN CITY & SHIRE	-0.1	61.0	43.0	300

ONS IDBR 2010-2023

GREEN SHADING
Indicates where change in scaleup density since 2013 is 2 or more OR scaleup density in 2023 is **greater than 60**

LIGHT ORANGE SHADING
Indicates where change in scaleup density since 2013 is between 1 and 2 OR scaleup density in 2023 is in **between 50 to 60**

DARK ORANGE SHADING
Indicates where change in scaleup density since 2013 is below 1 OR scaleup density in 2023 is **between 40 to 50**

SCALING GROWTH ACROSS LOCAL AREAS

AVERAGE ANNUAL CHANGE IN COMBINED DENSITY

AVERAGE SCALEUP AND SCALING PIPELINE DENSITY CHANGE 2013-2023

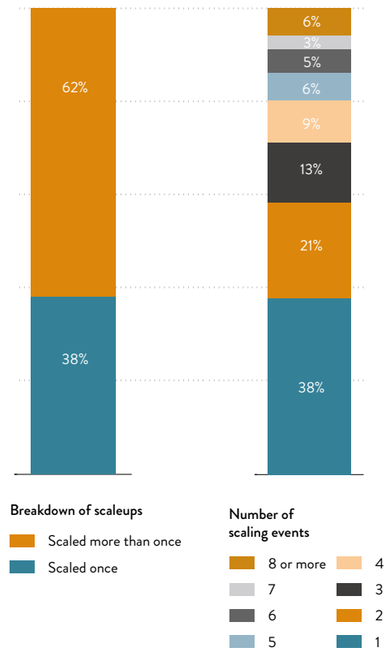
LOCAL AREA/DEVOLVED NATION	AVERAGE YEARLY CHANGE IN COMBINED DENSITY
CORNWALL AND ISLES OF SCILLY	6.6
YORK AND NORTH YORKSHIRE	5.3
LONDON	5
DEVON	4.5
NEW ANGLIA	3.9
GLOUCESTERSHIRE	3.8
WEST OF ENGLAND	3.7
NORTHERN IRELAND	3.6
SOMERSET	3.5
BUCKINGHAMSHIRE	3.5
HULL AND EAST YORKSHIRE	3.4
GREATER LINCOLNSHIRE	3.2
SCOTLAND	3.2
WALES	3.2
CHESHIRE AND WARRINGTON	3.2
GREATER MANCHESTER	3.2
DORSET	3.2
ESSEX	3
HERTFORDSHIRE	3
CUMBRIA	3
STOKE-ON-TRENT AND STAFFORDSHIRE	3
NORTH EAST CA	3
THAMES VALLEY BERKSHIRE	3
COAST TO CAPITAL	3
HAMPSHIRE AREA	3
OXFORDSHIRE	2.9
CAMBRIDGESHIRE AND PETERBOROUGH	2.9
LANCASHIRE	2.8
THE MARCHES	2.8
SURREY	2.7
WORCESTERSHIRE	2.7
WEST YORKSHIRE	2.5
SOLENT	2.5
LIVERPOOL CITY REGION	2.5
TEES VALLEY	2.4
EAST MIDLANDS CCA	2.4
KENT	2.3
SOUTH YORKSHIRE	2.2
LEICESTER AND LEICESTERSHIRE	1.9
EAST SUSSEX	1.8
SWINDON AND WILTSHIRE	1.8
SOUTH EAST MIDLANDS	1.5
WEST MIDLANDS	1.4
WARWICKSHIRE	1.4

17 AREAS have added more than 3 scaling businesses per 100k population

SCALEUPS SCALE MULTIPLE TIMES

SCALEUPS KEEP SCALING

Scaleups are likely to scale repeatedly, two thirds do so more than once



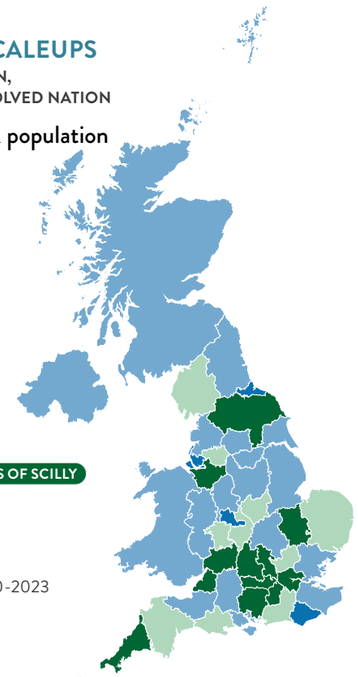
Source: ScaleUp Instiute analysis of Business Structure Database 2002-2022
Note: Total number of scaleup firms is 211,998

DENSITY OF SCALEUPS

PER 100K POPULATION, BY LOCAL AREA/DEVOLVED NATION

Scaleups per 100k population

- Greater than 70
- 60–70
- 50-60
- Fewer than 50



AREAS WITH THE HIGHEST SCALEUP DENSITY:

- LONDON
- BUCKINGHAMSHIRE
- CORNWALL AND ISLES OF SCILLY
- SURREY
- OXFORDSHIRE

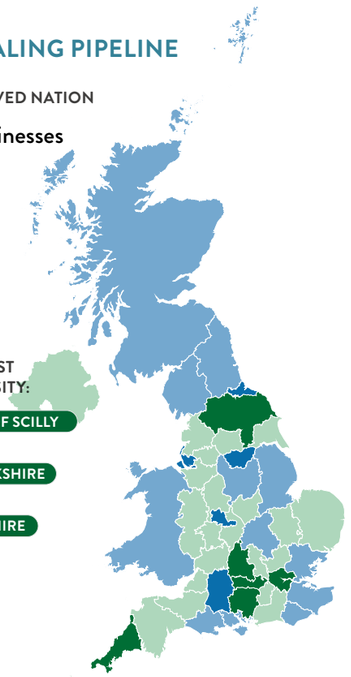
Source: ONS IDBR 2010-2023

DENSITY OF SCALING PIPELINE

PER 100K POPULATION, BY LOCAL AREA/DEVOLVED NATION

Pipeline scaling businesses per 100k (15-19.99%)

- Greater than 35
- 30-35
- 25-30
- Fewer than 25

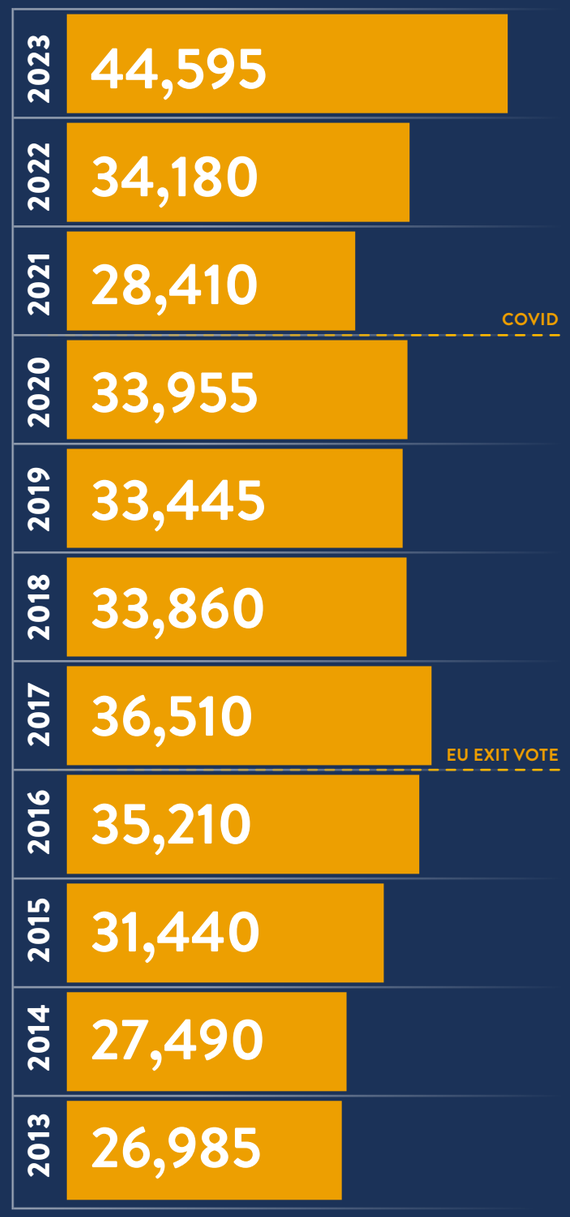


AREAS WITH THE HIGHEST SCALING PIPELINE DENSITY:

- CORNWALL AND ISLES OF SCILLY
- HAMPSHIRE AREA
- YORK AND NORTH YORKSHIRE
- LONDON
- THAMES VALLEY BERKSHIRE
- OXFORDSHIRE

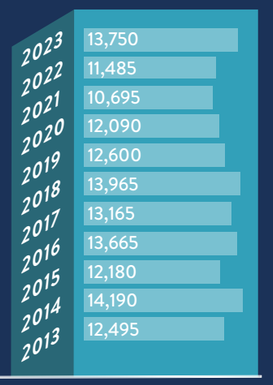
HOW MANY SCALEUPS ARE THERE IN THE UK

TOTAL SCALEUPS IN THE UK



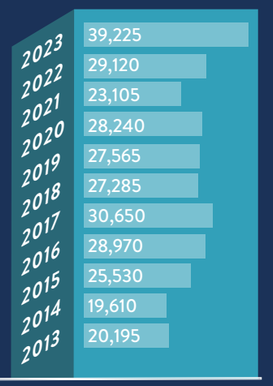
BY EMPLOYMENT IN 2023

13,750



BY TURNOVER IN 2023

39,225



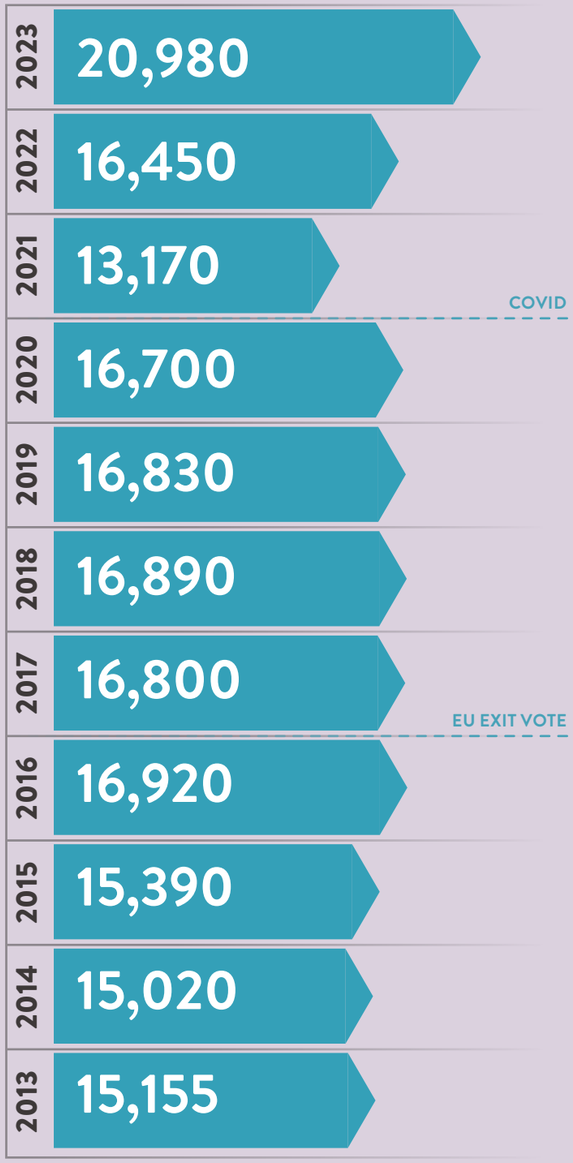
BY EMPLOYMENT & TURNOVER IN 2023

8,380

Source: ONS IDBR 2010-2023

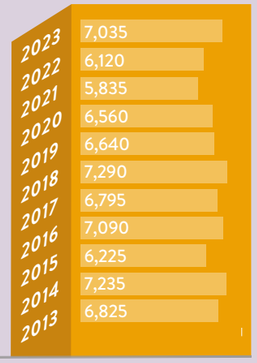
SMALL HIGH GROWTH BUSINESSES: OBSERVING THE SCALING PIPELINE

TOTAL UK SCALING PIPELINE



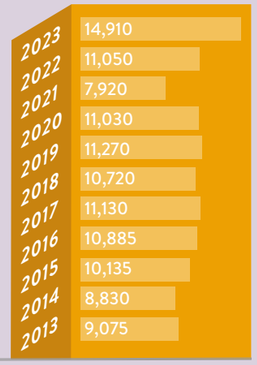
BY EMPLOYMENT IN 2023

7,035



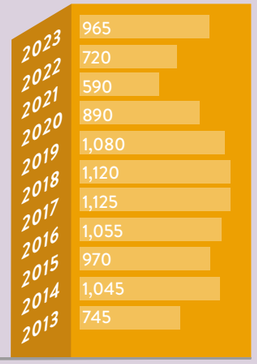
BY TURNOVER IN 2023

14,910



BY EMPLOYMENT & TURNOVER IN 2023

965



Source: ONS IDBR 2010-2023

SCALEUPS AND SCALING BUSINESSES WITHIN THE

INDUSTRIAL STRATEGY SECTORS

More than two-fifths of businesses belong to an IS-8 sector in both the scaleup and pipeline cohorts. Of the 44,595 scaleups and 20,980 pipeline scaling businesses, those within the Industrial Strategy make up 27,500 representing 42% of the total scaling business landscape. These businesses generate £1.7trn to the UK economy and employ about 2.6m people.

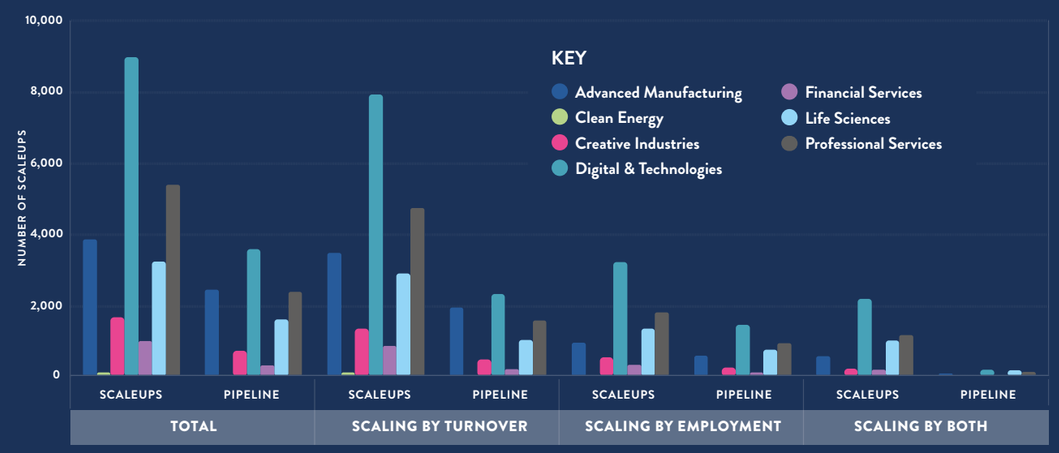
18,835 INDUSTRIAL SECTOR SCALEUPS

EMPLOY	GENERATING	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
1.8m	£1.56trn TURNOVER	£872,552

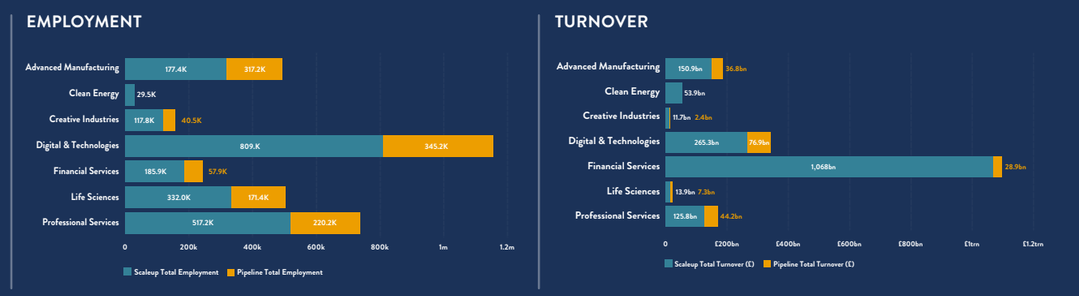
8,665 INDUSTRIAL SECTOR SCALING PIPELINE

EMPLOY	GENERATING	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
792.5k	£152.4bn TURNOVER	£192,292

TOTAL NUMBER OF SCALEUPS AND SCALING BUSINESSES BY SECTOR



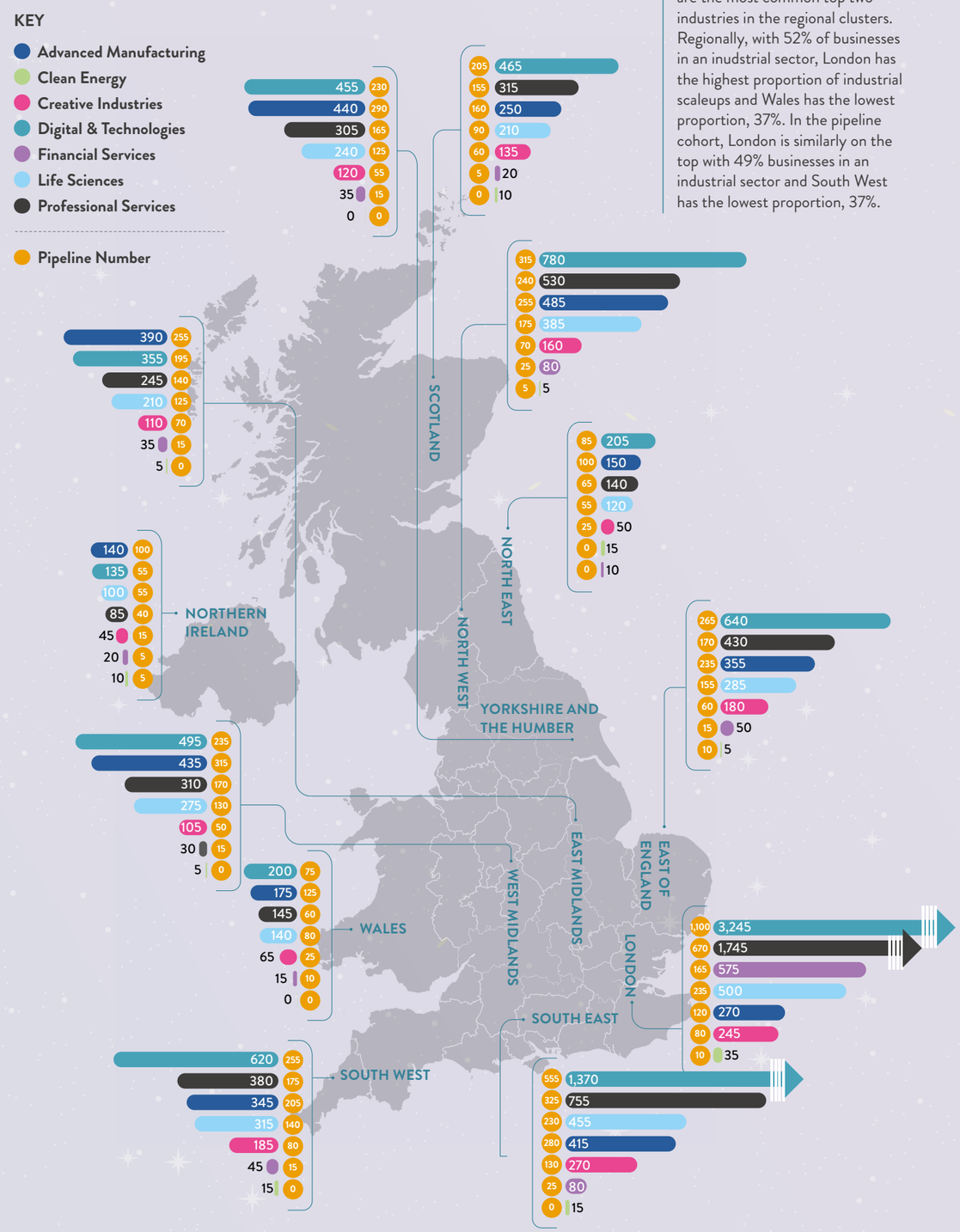
TOTAL TURNOVER AND EMPLOYMENT OF SCALEUPS AND SCALING BUSINESSES BY INDUSTRY



*Note: The ONS is currently undertaking a full revision of the UK SIC system (to become UK SIC 2026). For computation purposes, as of November 2025, we are using both 'J : Information and communication' and 'M : Professional, scientific and technical' as ONS proxy for the Digital and Technologies industry. This leads to double counting of 'Professional, scientific and technical' sector amongst two industrial strategy sectors - 'DIGITAL AND TECHNOLOGIES' and 'PROFESSIONAL SERVICES'.

INDUSTRIAL STRATEGY SECTOR BY REGION

In both the scaleup and pipeline cohort, Advanced Manufacturing, Digital & Technologies, and Professional Services proportionally are the most common top two industries in the regional clusters. Regionally, with 52% of businesses in an inudstrial sector, London has the highest proportion of industrial scaleups and Wales has the lowest proportion, 37%. In the pipeline cohort, London is similarly on the top with 49% businesses in an industrial sector and South West has the lowest proportion, 37%.



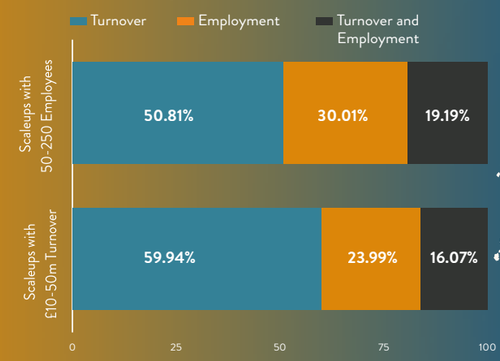
UNDERSTANDING MID-MARKET SCALEUPS

Mid-Market Scaleups are defined as enterprises with average annualised growth greater than 20% per annum in employment or turnover over a three-year period, and with 10 employees at the beginning of the observation period and (1) between 50–250 employees or (2) turnover between £10 million and £50 million.

The latest analysis of ONS IDBR data shows there are just over 14K mid-market scaleups that 10,135 mid-market scaleups employ between 50 and 250 people, an increase of 28.1% since last year, and 7,580 report turnover between £10-£50m, up 34.2%. These mid-market scaleups now support 1,014,202 jobs, representing growth of 29%, and 873,286 jobs, up 30%, and are contributing more to the UK economy, generating £625.77 billion in turnover from those in the 50 to 250 employee range (up 148%) and £160.34 billion from those in the £10-£50m turnover bracket (up 34%).

	SCALEUPS WITH 50-250 EMPLOYEES	SCALEUPS WITH WITH EITHER 50-250 EMPLOYEES OR £10-50M TURNOVER	SCALEUPS WITH £10-50M TURNOVER
NO. OF SCALEUPS	10,135	14k	7,580
NO. OF JOBS	1m	1.5m	873k
TOTAL TURNOVER	£625.7bn	£700bn	£160.3bn

Those with 50-250 employees are more likely to be scaling by both turnover and employment.

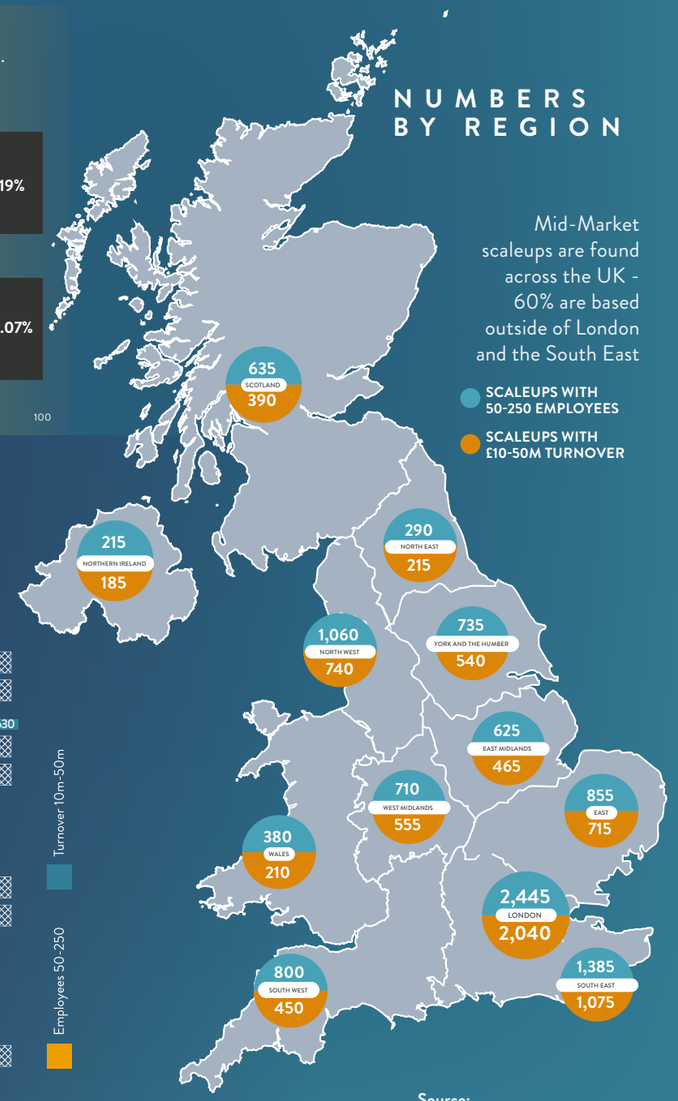


NUMBERS BY REGION

Mid-Market scaleups are found across the UK - 60% are based outside of London and the South East

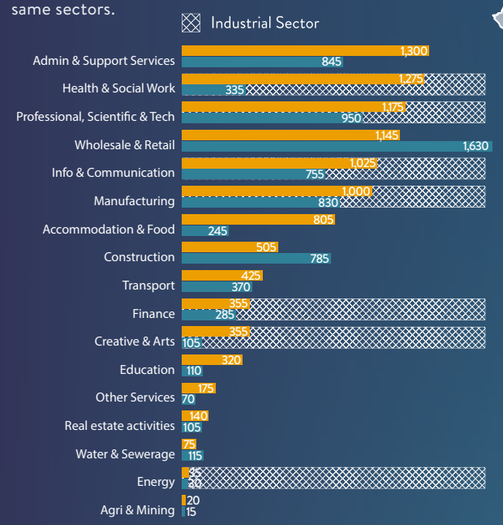
SCALEUPS WITH 50-250 EMPLOYEES

SCALEUPS WITH £10-50M TURNOVER



SCALING BUSINESSES

52% of scaleups with 50-250 employees are within the Industrial Strategy Sectors, while
43% of scaleups with £10m-50m turnover are within the same sectors.



Source:
ONS IDBR 2020-2023

THE 2025 SCALEUP INSTITUTE

FEMALE FOUNDED

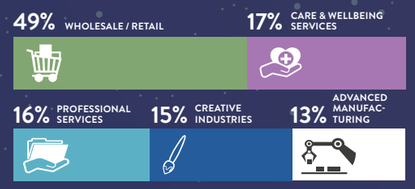
The 2025 Super ScaleUp Female Index highlights 144 female-founded businesses that have surpassed £50m turnover, with 89 still scaling — a 41% rise from last year. Spanning sectors from advanced manufacturing to digital, retail and creative industries, they include standout names such as Twinkl, Quantexa and Kids Planet. These firms exemplify commercial success while reshaping their sectors and inspiring future female-led scaleups.

To sustain this momentum, we must continue championing these role models and removing barriers so more women-led businesses can scale — driving innovation, jobs and impact across the UK and beyond.

Based on Companies House data, shows the number of female founded businesses breaking through the £10.2m t/o; £5.1m assets

NUMBER OF SUPERSCALERS	TOTAL INVESTMENT	NO. OF JOBSTOTAL	TURNOVER
144	£2.7bn	128K	£22.5bn
OF THESE 144 BUSINESSES THOSE STILL SCALING:			
89	£1.4bn	80.7K	£15bn

KEY SECTORS - TOP 5



KEY INSIGHTS

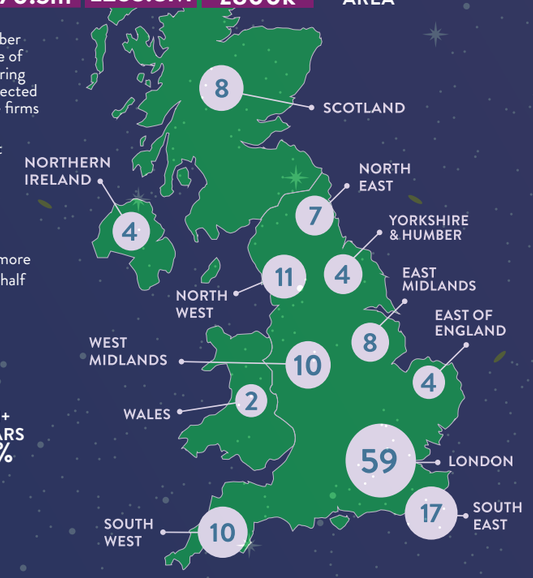
- 2025 shows a 41% increase in scaling female founded superscalers
- Spread across the country, with a significant proportion outside London (59%)
- Over half (56%) of companies belong to the industrial sectors
- Over 60% have turnover of £75M or more
- 75% of businesses are over 10 years old, although more younger businesses are becoming superscalers
- 2025 shows a 17% increase of investment into those scaling

TOP REGIONS OUTSIDE OF LONDON

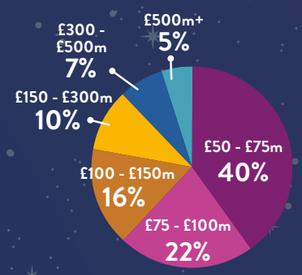
TURNOVER	EMPLOYMENT	EXPORTS	FUNDING	GRANTS WON
WEST MIDLANDS: £4.3bn	EAST MIDLANDS 22.8k	NORTH WEST £170.5m	NORTH EAST £253.8M	SOUTH EAST £800k

- BGF is the leading investor by number of investments, with the importance of British Business Bank's role in fostering larger female founded scaleups, reflected in the half a billion invested in these firms
- Midlands and London are showing the way on how public procurement can foster scale

FEMALE FOUNDED SUPER SCALEUPS BY AREA

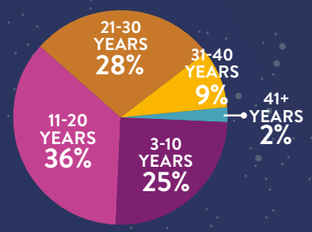


TURNOVER BREAKDOWN FOR £50M PLUS



BUSINESSES BY AGE

Although only 39% of SuperScalers are more than 20 years old, they generate almost half of total turnover, contributing £10.1bn.



THE FINANCE LANDSCAPE

These female founded super scaleups have raised a total of £2.7 billion in fundraisings. BGF is the biggest funder by number of fundraisings with Business Angels, Albion Capital Group, Beringea and Crowdcube following closely behind.

TOP 5 FUNDERS BY NUMBER OF FUNDRAISINGS

8 Government-backed investments to 3 SuperScalers (Lendable, Quantexa, SportPursuit) worth £508m.

INVESTOR	FUNDRAISINGS
BGF	7
Business Angel(s)	6
Albion Capital Group	5
Beringea	5
Crowdcube	5

6 UNICORNS

- Charlotte Tilbury Beauty
- Darktrace
- Lendable
- Quantexa
- Rothesay Life
- Starling Bank

PROCUREMENT

Top 5 Key female founded super scaleups winning public procurement contracts

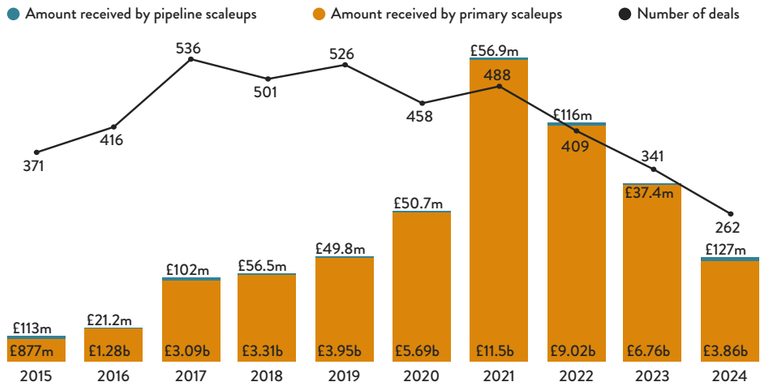
COMPANY	AWARDS	VALUE	REGION	SECTOR
GVAV	45	32,216,439	LONDON	DIGITAL AND TECHNOLOGIES
CADLINE	19	670,607	LONDON	DIGITAL AND TECHNOLOGIES
WB POWER SERVICES	7	1,319,011	EAST MIDLANDS	ADVANCED MANUFACTURING; CONSTRUCTION / PROPERTY
MINSTER CARE GROUP	5	1,721,165	SOUTH EAST	CARE & WELLBEING SERVICES
MORNINGSIDE PHARMACEUTICALS	5	1,724,963	EAST MIDLANDS	LIFE SCIENCES

VISIBLE SCALEUP GROUPS | THE SCALEUP INDEX 2025

86,932
visible scaling legal entities examined

11,636
companies in the scaleup cohort

EQUITY INVESTMENT IN SCALEUP COHORT (2015 - 2024)



TOP INVESTORS IN THE SCALEUP COHORT BY NUMBER OF DEALS (2015 - 2024)

BGF	107
British Business Bank	98
Crowdcube	98
Republic	91
Scottish Enterprise	55

TOP INVESTORS IN THE SCALEUP COHORT BY VALUE OF DEALS (2015 - 2024)

DST Global	£2.28b
Tiger Global Management	£2.21b
CPP Investment Board	£2.20b
Insight Partners	£2.09b
SoftBank Group	£1.98b

TOP-LEVEL INDUSTRIES BY NUMBER OF SCALEUP COHORT COMPANIES (AS OF 2025)

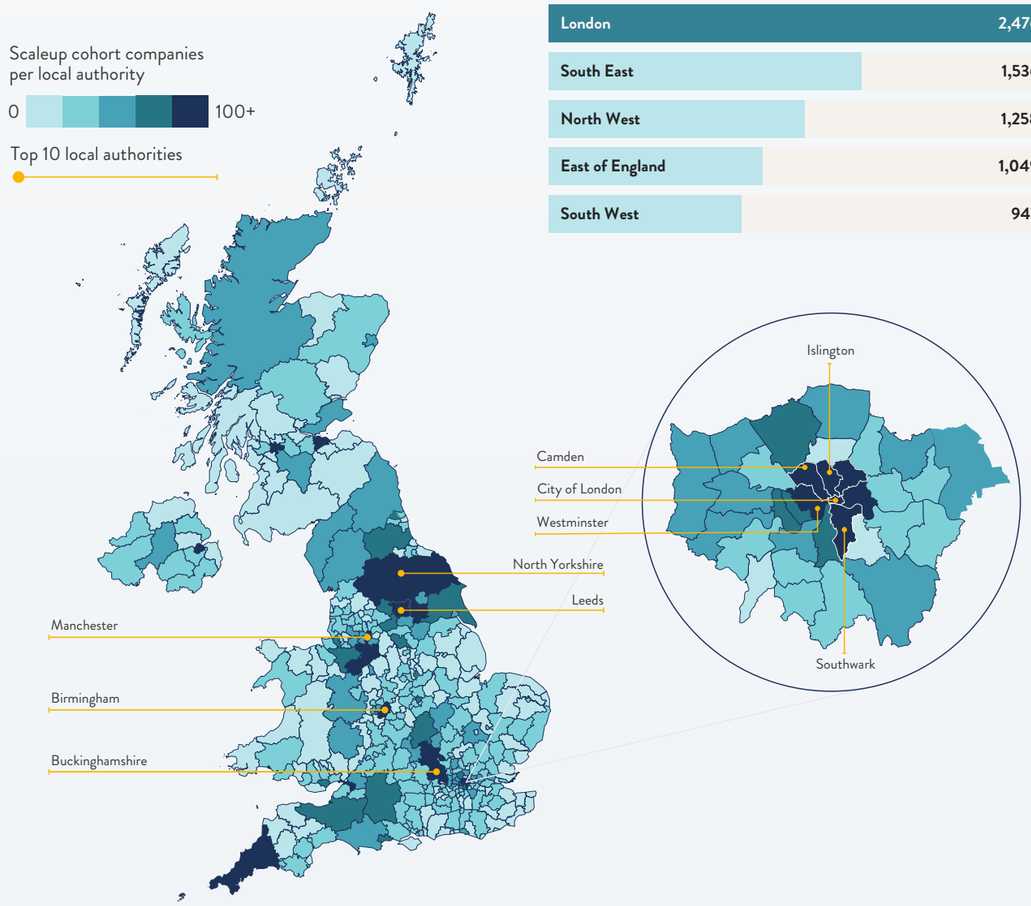
Property, infrastructure and construction	3,174
Distribution and commerce	2,938
Lifestyle and entertainment	2,839
Materials and manufacturing	2,469
Professional services	2,201
Healthcare and wellbeing	2,144
Technology-based businesses	1,692
Travel and transportation	1,553
Education	860
Environment, agriculture and waste	832

TOP ADVISORS TO THE SCALEUP COHORT (BASED ON LATEST FINANCIAL ACCOUNTS)

AZETS	242
RSM	174
CROWE CLARK	172
mha	163
BDO	151
TC	119
pwc	115
Grant Thornton	109
xeinadin	108
SUMER	100

Beauhurst SCALEUP INSTITUTE

LOCAL AUTHORITIES BY NUMBER OF SCALEUP COHORT COMPANIES (AS OF 2025)



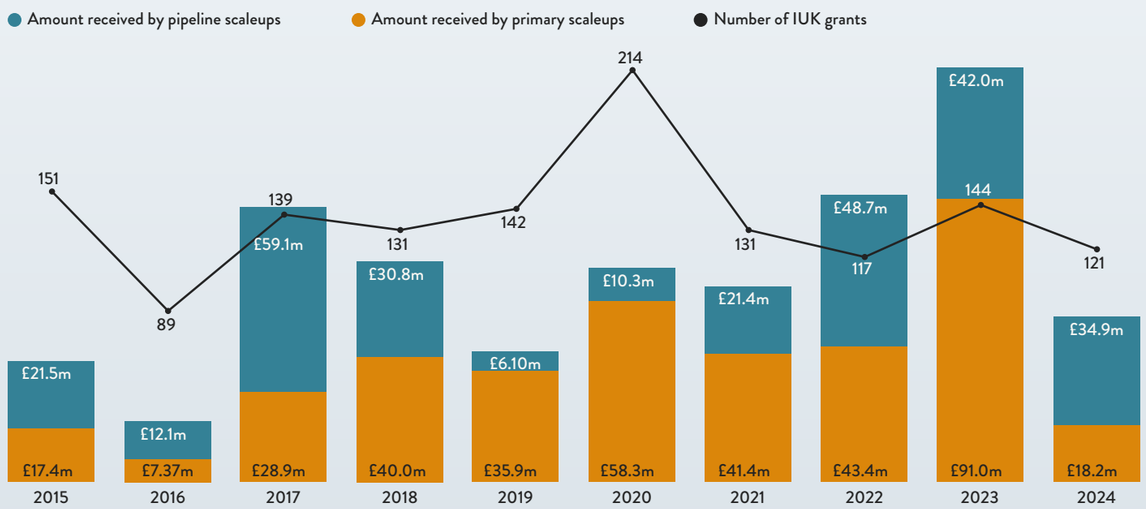
TOP LOCAL AREAS/NATIONS BY NUMBER OF SCALEUP COHORT (AS OF 2025)

London	2,476
South East	1,536
North West	1,258
East of England	1,049
South West	947

Companies in the scaleup cohort	11,636
Total turnover by the scaleup cohort	£408b
People employed by the scaleup cohort	2.32m
Scaleup cohort companies with equity funding	1,302
Total equity investment into scaleup cohort (2015-2024)	£50.1b
Scaleup cohort companies with IUK grant funding	467
IUK grant funding into scaleup cohort (2015-2024)	£669m
Scaleup cohort companies with a female founder	1,315
AIM listed scaleups	277

Beauhurst SCALEUP INSTITUTE

INNOVATE UK GRANT FUNDING RECEIVED BY SCALEUP COHORT (2015 - 2024)



TOP ACADEMIC INSTITUTIONS FOR SCALEUP COHORT SPINOUTS (AS OF 2025)

University of Oxford	18
University of Cambridge	6
University College London	5
University of Bristol	3
Imperial College London	2
University of Southampton	2
University of Manchester	2
Newcastle University	2
University of Ulster	2

UNICORN **INSIGHT**

The ScaleUp Institute has undertaken a follow up to its overarching review of the various analyses of UK unicorns, first conducted in 2023. We recognise that some reports focus on the historical creation of unicorns over time while others examine them at a specific moment. This insight reconciles those two perspectives by looking both at historical trends since 1998 and the current landscape as of November 2025. Since the 2024 update, nine new UK unicorns have been identified. Eight of these are headquartered in London, with one located in the North West, reflecting both the continued strength of the capital's innovation ecosystem and the growing contribution of regional centres. Among these new entrants, fintech continues to stand out as a leading sector, further reinforcing its dominant role within the UK unicorn landscape. The landscape of UK unicorns, companies valued at over 1 billion US dollars since 1998, therefore now comprises 177 UK born unicorns, of which 75 have current valuations above 1 billion US dollars as of September 2025.[1] Collectively, these companies generate £79.2 billion pounds in turnover and employ 236,000 people.

Although the majority of these unicorns are now more than ten years old, six in ten reached unicorn status within their first ten years, with the most common period for achieving that milestone being between five and ten years after founding. London remains the primary hub for unicorns, with notable concentrations also in the South East, East of England and North West regions. The finance sector, particularly fintech, continues to lead by number, followed by life sciences and the creative industries.

University spin outs account for twenty of the UK's unicorns. UK unicorns are truly global in outlook, with over 84 per cent exporting or having an international presence, most commonly in the European Union and the United States. Founders and directors represent a wide range of nationalities, reflecting the international nature of the UK unicorn ecosystem.

While 37 per cent of unicorns have gone public, including those listed on the London Stock Exchange and twenty five in the United States, since 2018 there has been a marked shift towards US listings over UK ones. At every stage of the investment ladder, international investors, mainly from the United States, remain predominant, a trend that becomes especially pronounced from Series C onwards. This reflects both the stronger risk appetite and the deeper pools of follow on funding available internationally.

This update provides an overview of the evolving UK unicorn landscape, capturing the latest additions, distribution and sectoral trends. It builds on the ScaleUp Institute's continuing analysis of growth, internationalisation, leadership and investment dynamics, highlighting the opportunities and challenges within this technology driven ecosystem and offering timely intelligence for investors, policymakers and stakeholders.

1 Note: current valuations as of September 2025 include both private and publicly listed companies.

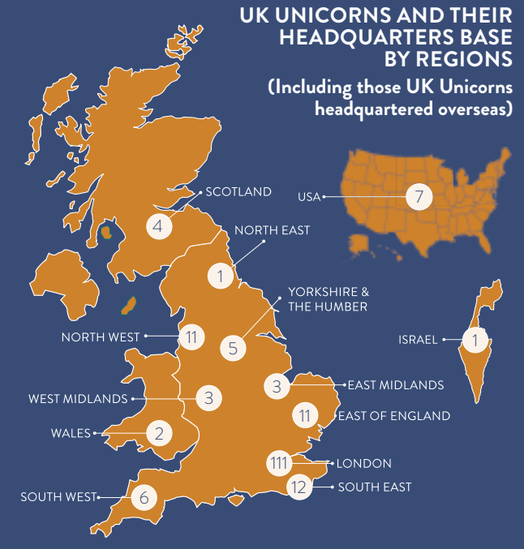
SINCE 1998 **177** UK COMPANIES ACHIEVED $1BN VALUATION **"UNICORN"** STATUS GENERATING TURNOVER OF **£79.2BN** AND EMPLOYING **236K** (236,190)

OF WHICH **28** SPINOUTS 20 UK UNIVERSITY / 8 CORPORATES **66** LISTED ON A PUBLIC MARKET **45** OF WHICH BECAME UNICORNS PRIOR TO IPO AND 21 AFTER IPO **48** ACQUIRED

AS AT **NOV 2025** CURRENT UNICORNS **77** BY VALUATION **10** SPINOUTS ALL UNIVERSITY PUBLICLY LISTED **13** BUSINESSES GENERATING TURNOVER OF **£26.2BN** AND EMPLOYING **115K** (114,967)

UK UNICORNS AND THEIR HEADQUARTERS BASE BY REGIONS

(Including those UK Unicorns headquartered overseas)



- 37 FINTECH
- 18 LIFE SCIENCES
- 16 CREATIVE
- 13 E-COMMERCE
- 12 INTERNET PLATFORM / MOBILE APPS
- 11 INSURANCE SERVICES / INSURTECH
- 10 CLEAN ENERGY GENERATION /ENERGY
- 7 BETTING / GAMBLING
- 6 ANALYTICS, INSIGHT, TOOLS
- 6 ARTIFICIAL INTELLIGENCE / ROBOTICS
- 6 SECURITY SERVICES / DIGITAL SECURITY
- 5 HARDWARE (ELECTRONICS, IT)
- 5 IT SERVICES AND COMMUNICATIONS
- 5 SOFTWARE-AS-A-SERVICE (SAAS)
- 4 SEMICONDUCTOR
- 3 MEDICAL TECHNOLOGY / MEDICAL INSTRUMENTATION
- 3 PROPTECH / SHARING ECONOMY
- 3 FOOD AND DRINK / FOODTECH
- 2 DELIVERYTECH
- 2 EDTECH
- 1 AUTOMOTIVE
- 1 PROFESSIONAL SERVICES
- 1 AEROSPACE

TO DATE, THE **177** COMPANIES HAVE COLLECTIVELY RAISED **£46.9BN** AND **34** OF THEM HAVE RECEIVED **161** INNOVATE UK GRANTS WORTH **£120M**

SCALEUP INSIGHTS

AGE AT WHICH COMPANIES SCALE

As highlighted in previous ScaleUp Institute research on the predictors of scaling, businesses typically reach scaleup levels of growth 10 to 15 years after incorporation.

To further understand this trend, in 2025 we have undertaken a deep dive into the average age of scaling across industries.

Across all scaleups, the median age of scaling is 12, with just under half (45%) scaling by the time they are 10. However, one quarter of businesses scaled after the age of 20.

These trends are also evident across those in the Industrial Strategy sectors, however there are significant variations between industries. Digital & Technology and Financial Services firms are the earliest scalers, reaching scaleup growth on average at 9. While those in Advanced Manufacturing are the latest, typically scaling at age 16, with 4 in ten scaling beyond the age of 20.

Outside the IS-8, Care & Wellbeing companies are the earliest scalers, on average by the age of 8, while those in heavy industries like Transport and Raw Materials are among the latest scaling on average at age 16 and 19 respectively.

SECTOR	MEDIAN AGE OF SCALING	3-5 YEARS	6-10 YEARS	11-15 YEARS	16-20 YEARS	20+ YEARS
Digital and Technologies	9	29%	29%	17%	11%	14%
Financial Services	9	30%	27%	16%	11%	16%
Professional Services	10	23%	27%	20%	13%	17%
Life Sciences	10	25%	25%	16%	12%	21%
Defence	12	23%	23%	21%	15%	18%
Clean Energy	12	19%	27%	17%	14%	23%
Creative Industries	13	18%	24%	19%	15%	25%
Advanced Manufacturing	16	14%	19%	16%	14%	36%
All Scaleups in IS sectors	**12**	**22%**	**24%**	**18%**	**13%**	**24%**
Care & wellbeing services	8	30%	30%	18%	11%	10%
Education	10	24%	31%	18%	13%	15%
Hospitality & live entertainment	11	25%	25%	17%	12%	21%
Construction / Property	13	19%	22%	17%	13%	29%
Wholesale & retail	15	16%	20%	16%	14%	34%
Environment & Agriculture	16	14%	20%	15%	15%	35%
Transport	16	15%	16%	15%	15%	38%
Raw Materials	19	12%	15%	15%	13%	45%
All Scaleups	**12**	**21%**	**24%**	**17%**	**13%**	**25%**

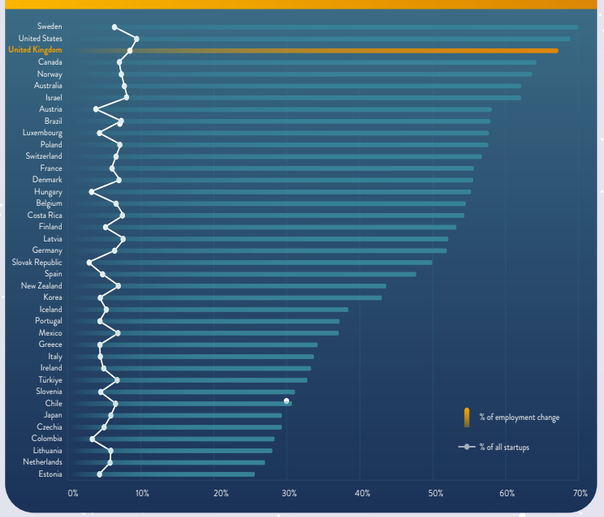
INTERNATIONAL BENCHMARKING USING AI

In collaboration with Glass AI, the ScaleUp Institute has for the second consecutive year applied advanced AI technologies to analyse millions of company records across OECD member countries and Brazil, developing a new evidence base on scaleup growth internationally. This analysis identifies businesses achieving average annualised growth of more than 20% over a three-year period, with a minimum of ten employees at the start of the measurement period. To ensure consistency and comparability, the research focuses on enterprises demonstrating growth through employee expansion.

Building on this foundation, we have revisited and updated the methodology first used in the OECD's 2014 international ranking of startups and scaleups across 17 OECD nations and Brazil. At that time, the UK ranked third for startups and 13th for scaleups, a finding that prompted the commissioning of the UK ScaleUp Report and helped to shape the national policy agenda for growth.

Eleven years on from that early insight, the ScaleUp Institute has, for the first time, applied this enhanced, AI-driven approach to update the OECD's methodology and reassess global performance. The analysis shows that in 2025, the UK's scaleup ecosystem has made substantial progress over the past decade and now ranks third in the world for startup-to-scaleup velocity.

STARTUP-TO-SCALEUP VELOCITY



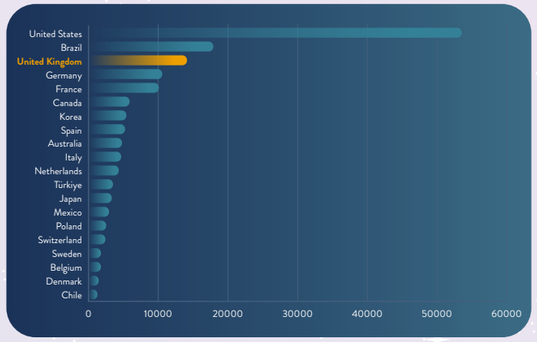
This research also extends and updates last year's benchmarking analysis, providing a richer and more detailed picture of how scaleup activity is evolving across advanced economies.

Scaleup benchmarking analysis in collaboration with: Glass.AI

THIS REVEALS THAT:

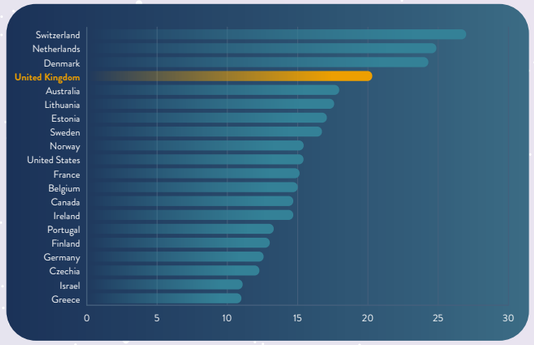
UK STANDING ON AI-IDENTIFIED EMPLOYMENT SCALEUPS

The UK, with 14,128 in absolute numbers of employment scaleups an increase of c.5% since last year, remains third behind the United States (53.6k) and Brazil (17.9k).



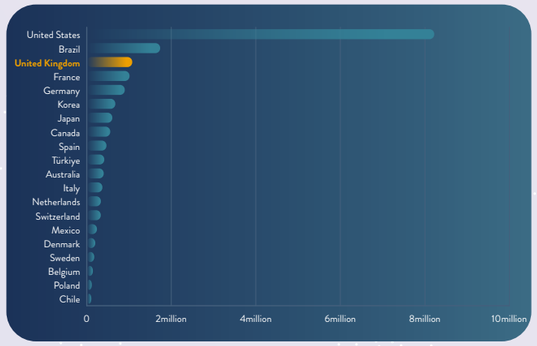
DENSITY OF SCALEUPS PER 100K POPULATION

When assessing employment scaleup density per 100k population for economies with at least 1m population, the UK also continues to rank fourth behind smaller European nations. However, it has the greatest density of scaleups among the seven major industrial countries in the G7, significantly above the US and European peers.



JOBS CREATED BY SCALEUPS AROUND THE WORLD

In terms of the numbers of jobs created by scaleups, the UK is in third behind the US and Brazil but also France.



ONS REGIONAL CLUSTER BREAKDOWN

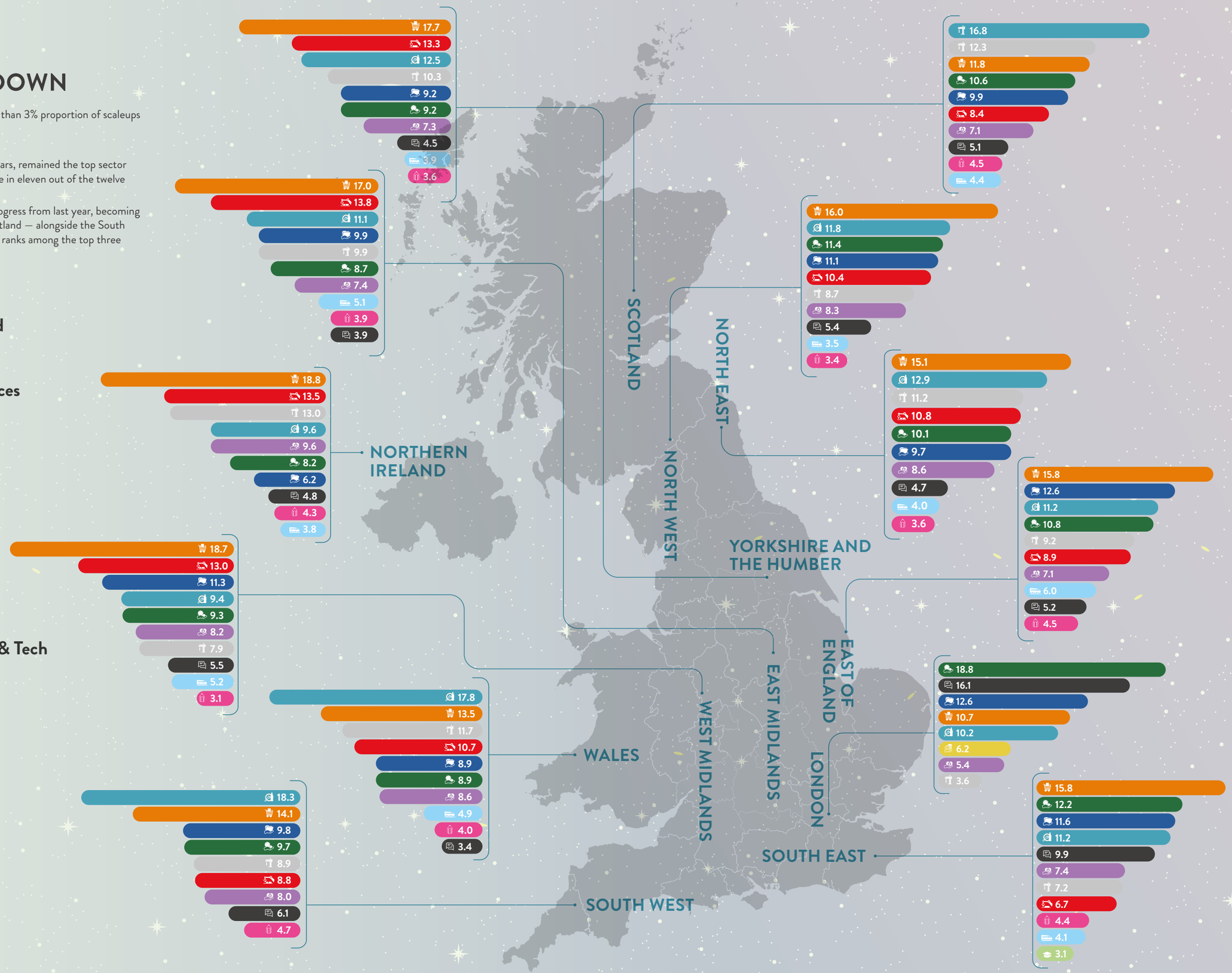
The figures below show the sectors with more than 3% proportion of scaleups in each region.

TOP SECTORS

- **Wholesale & Retail**, similar to previous years, remained the top sector in eight regions and amongst the top three in eleven out of the twelve regions.
- **Accommodation & Food** continued its progress from last year, becoming a top sector in an additional region — Scotland — alongside the South West and Wales from last year. Overall, it ranks among the top three sectors in eight regions.

KEY

- Accommodation & Food
- Construction
- Admin & Support Services
- Creative & Arts
- Education
- Finance & Insurance
- Energy
- Health & Social Work
- Info & Communication
- Manufacturing
- Professional, Scientific & Tech
- Transport
- Wholesale & Retail
- Real Estate
- Other Service



Source: ONS IDBR 2020-2023

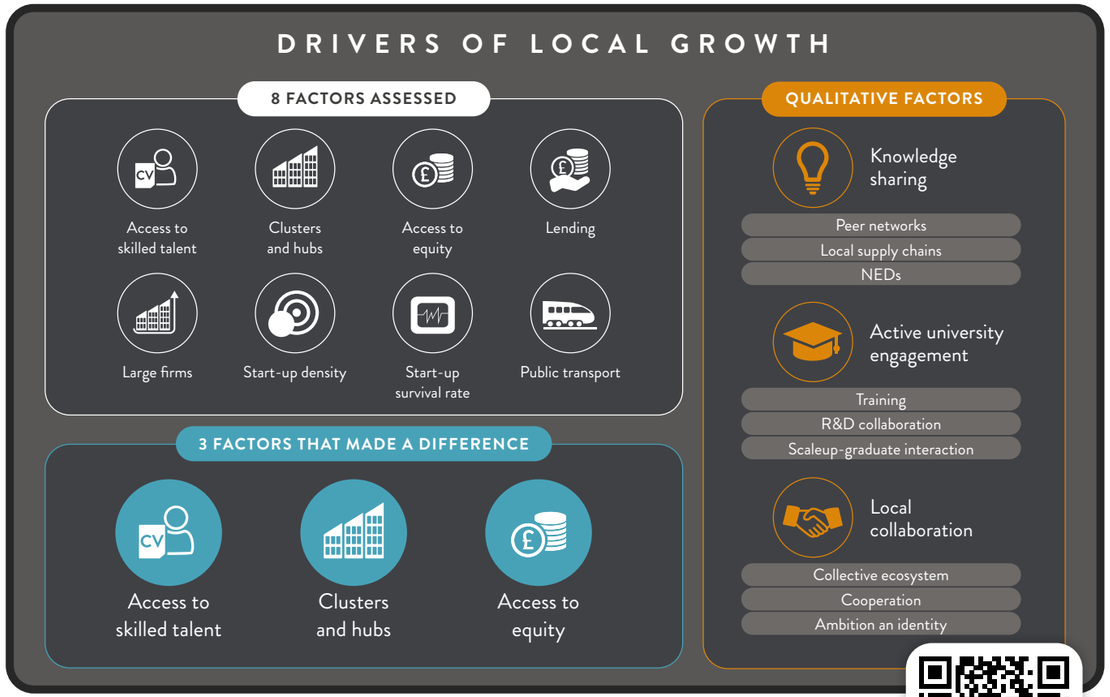
MAPPING SECTORAL SCALEUP CLUSTERS

The ScaleUp Institute has refreshed its national analysis of sectoral scaleup clusters. Building on last year's findings, this edition focuses on the Government's IS8 priority sectors, introduced through the Invest 2035 strategy to drive long-term, sustainable growth. These include Advanced Manufacturing, Clean Energy, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences, and Professional Services.

To provide a fuller picture of the UK economy, we have also mapped four additional Standard Industrial Classification (SIC) sectors (Construction, Education, Transportation and Storage, and Wholesale and Retail). These sectors account for some of the largest areas of scaleup activity and play a significant role in driving local economic growth. Their inclusion enables a more rounded understanding of where scaleup capabilities, supply chains, and future opportunities are taking shape across the country.

Our analysis draws on company classifications from The Data City and a density-based clustering algorithm to identify where scaleups are geographically concentrating. Each sector map shows where scaleups are clustered across the country, helping to highlight regional strengths and patterns of growth.

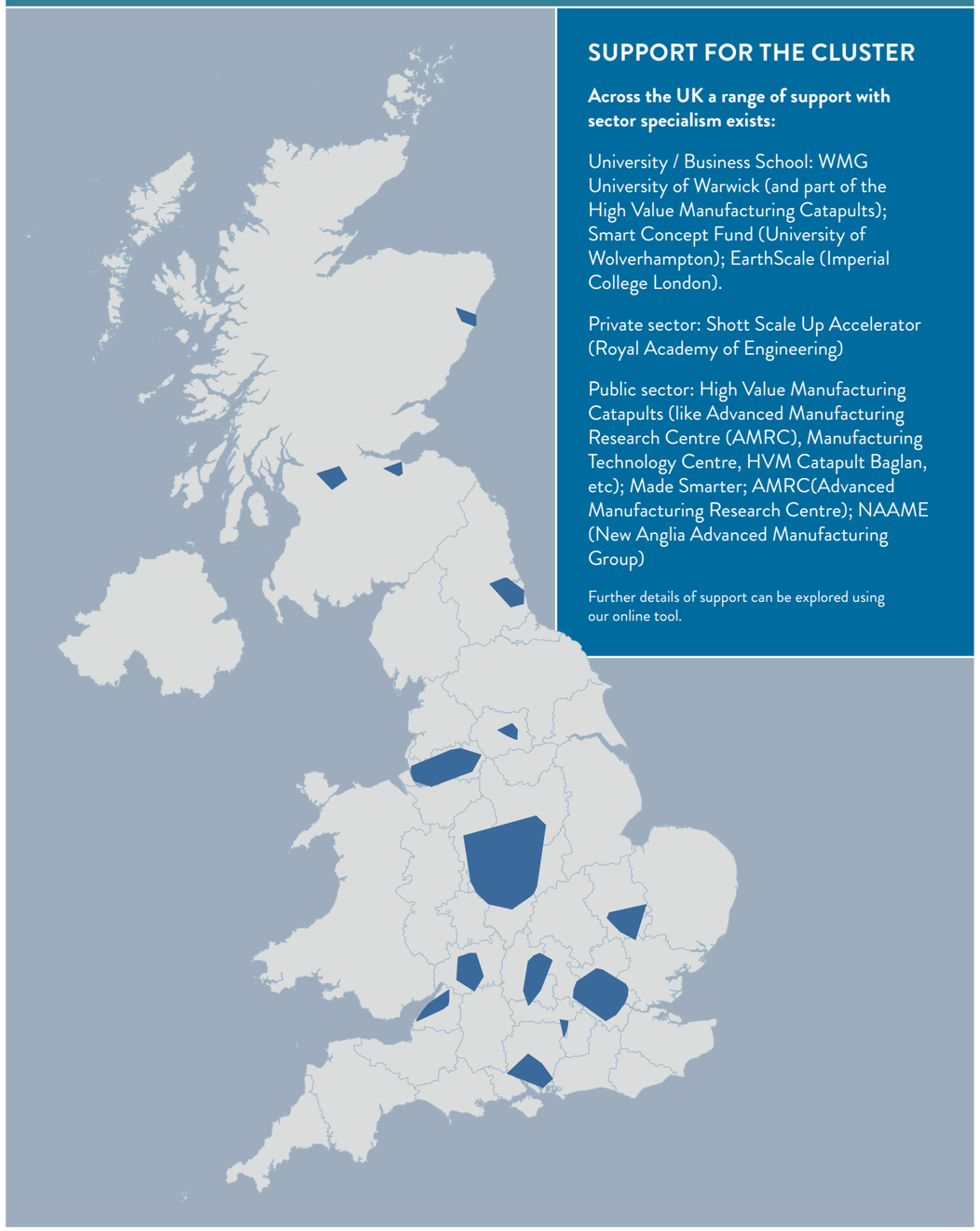
Each sector map also features scaleup support programmes with a defined connection to that sector, grouped into three categories: *University* and *Business School; Private Sector*; and *Public Sector*. Our online tool offers interactive layers, programme listings, and further context to help inform both local and national scaleup strategies.



SCALEUP CLUSTERING RESEARCH IN COLLABORATION WITH: datacity

ADVANCED MANUFACTURING

663	79,298	£23.67bn	£15.67bn	£533,459	14.6%	36.9%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: WMG University of Warwick (and part of the High Value Manufacturing Catapults); Smart Concept Fund (University of Wolverhampton); EarthScale (Imperial College London).

Private sector: Shott Scale Up Accelerator (Royal Academy of Engineering)

Public sector: High Value Manufacturing Catapults (like Advanced Manufacturing Research Centre (AMRC), Manufacturing Technology Centre, HVM Catapult Baglan, etc); Made Smarter; AMRC(Advanced Manufacturing Research Centre); NAAME (New Anglia Advanced Manufacturing Group)

Further details of support can be explored using our online tool.

CLEAN ENERGY INDUSTRIES

1,293	242,127	£170bn	£24.01bn	£514,618m	17.80%	37%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

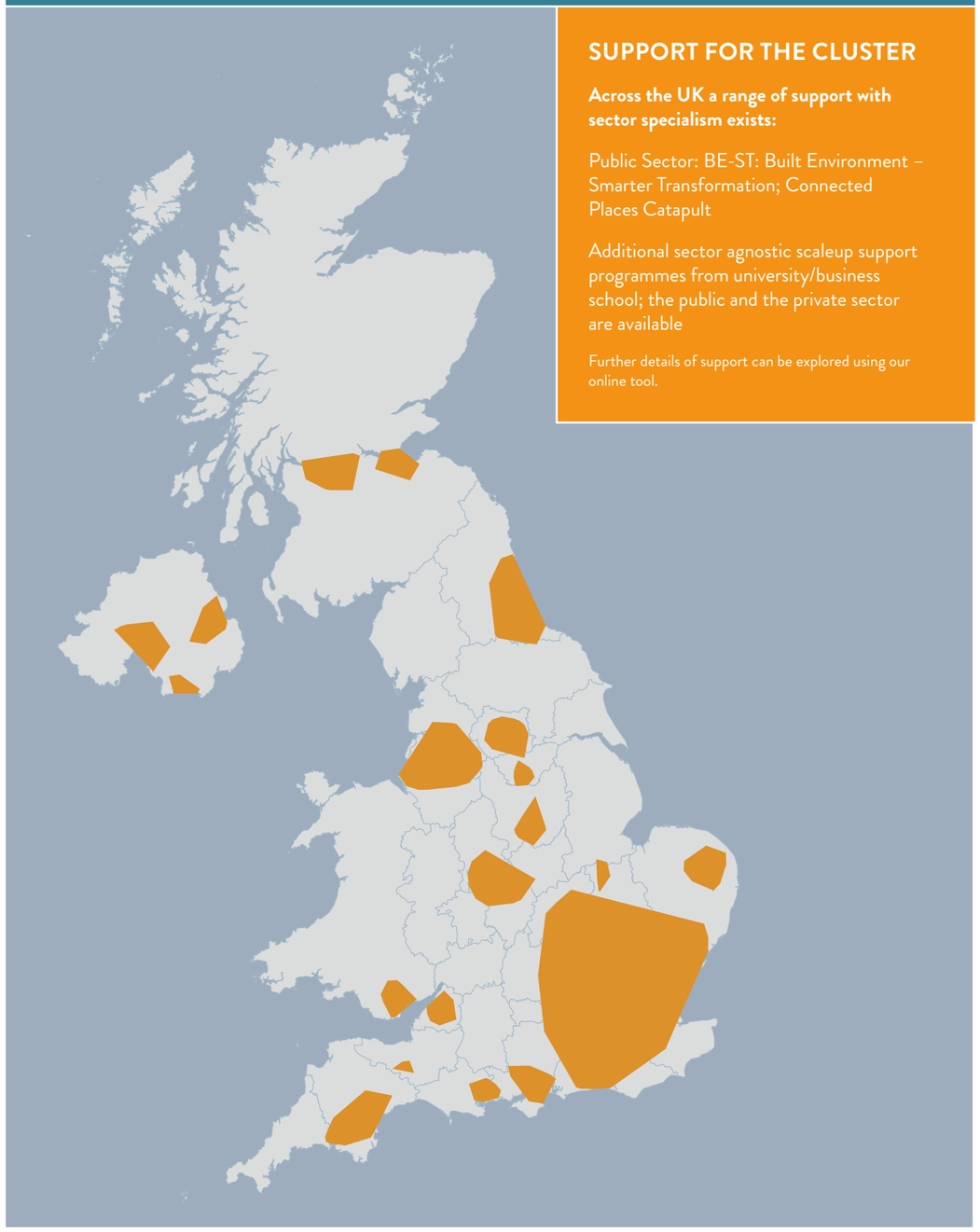
University / Business School: Clean Growth UK (University of Brighton, University of Portsmouth & Liverpool John Moores University); Energy and Bioproducts Research Institute (Aston University); SETsquared programmes: Green Futures, Sustainable Technologies Scale-Up, Hydrogen & Sustainable Transport Economy Accelerator (Universities of Bath, Bristol, Cardiff, Exeter, Southampton, and Surrey); EarthScale (Imperial College London).

Public Sector: Connected Places Catapult; Energy Systems Catapult; Offshore Renewable Energy Catapult (ORE); BE-ST: Built Environment Smarter Transformation; Net Zero Technology Centre.

Further details of support can be explored using our online tool.

CONSTRUCTION

3,517	236,857	£ 43.82bn	£8.23bn	£6.66m	19.60%	36%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Public Sector: BE-ST: Built Environment – Smarter Transformation; Connected Places Catapult

Additional sector agnostic scaleup support programmes from university/business school; the public and the private sector are available

Further details of support can be explored using our online tool.

CREATIVE INDUSTRIES

4,857	1082,275	£210.14bn	£30.8bn	£144.67m	28.8%	35.2%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: Creative Business Accelerator (University of the Arts London)

Private sector: Creative Enterprise

Public Sector: Create Growth Programme; Beyond by Gather

Further details of support can be explored using our online tool.

DIGITAL AND TECHNOLOGIES

1,844	357,120	£ 80.81bn	£71.82bn	£440.76m	14.30%	35.5%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: The Bradfield Centre (Trinity College Cambridge).

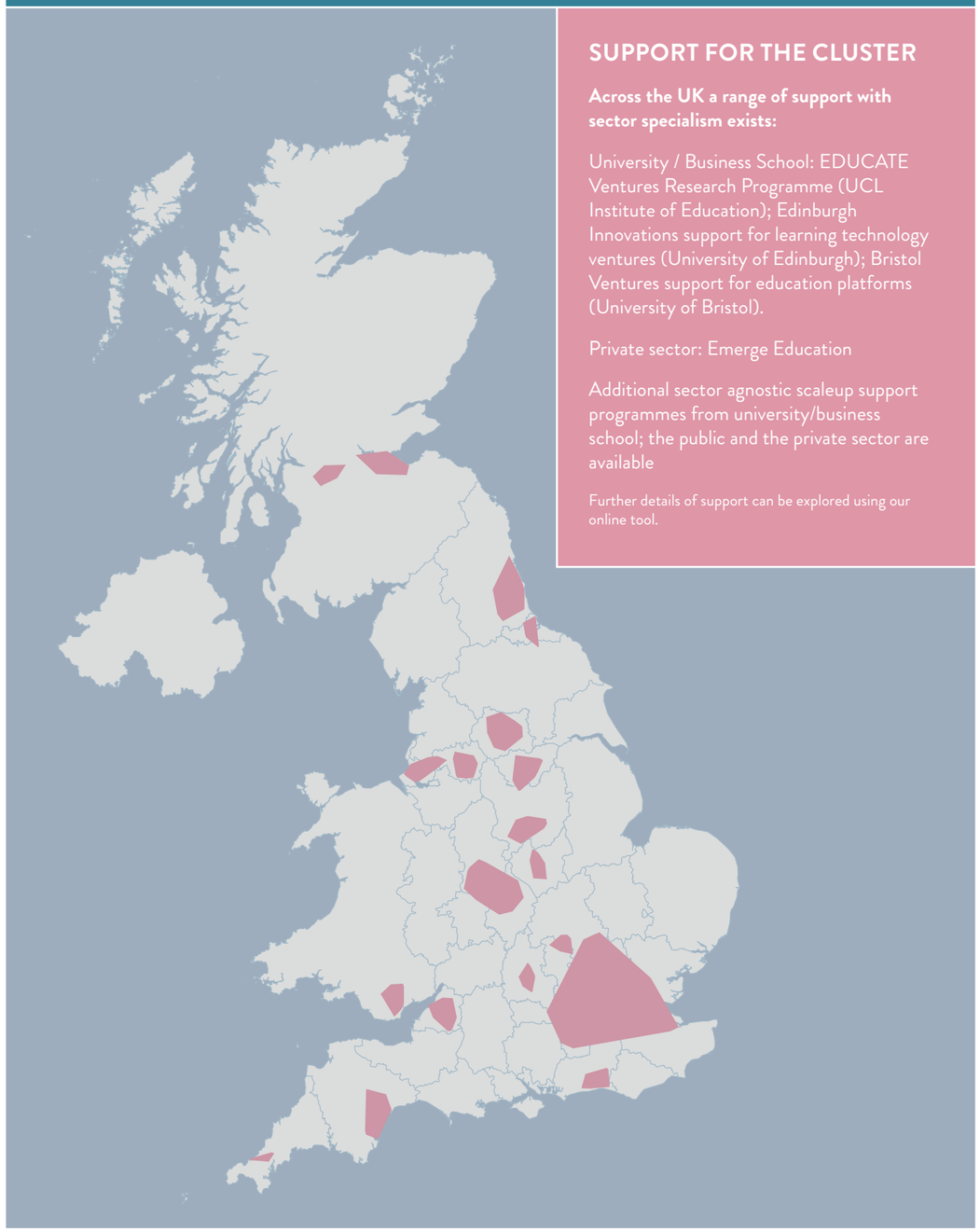
Private sector: Future Fifty; Silverstone Technology cluster; Tramshed Tech; Avado Learning (Fast Futures); Multiverse; Boardwave; Level39

Public Sector: Digital Catapult; Global Business Innovation Programme (GBIP); BetaDen

Further details of support can be explored using our online tool.

EDUCATION

1,760	227,604	£14.62bn	£0.66bn	£5.27bn	52.4%	36.2%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: EDUCATE Ventures Research Programme (UCL Institute of Education); Edinburgh Innovations support for learning technology ventures (University of Edinburgh); Bristol Ventures support for education platforms (University of Bristol).

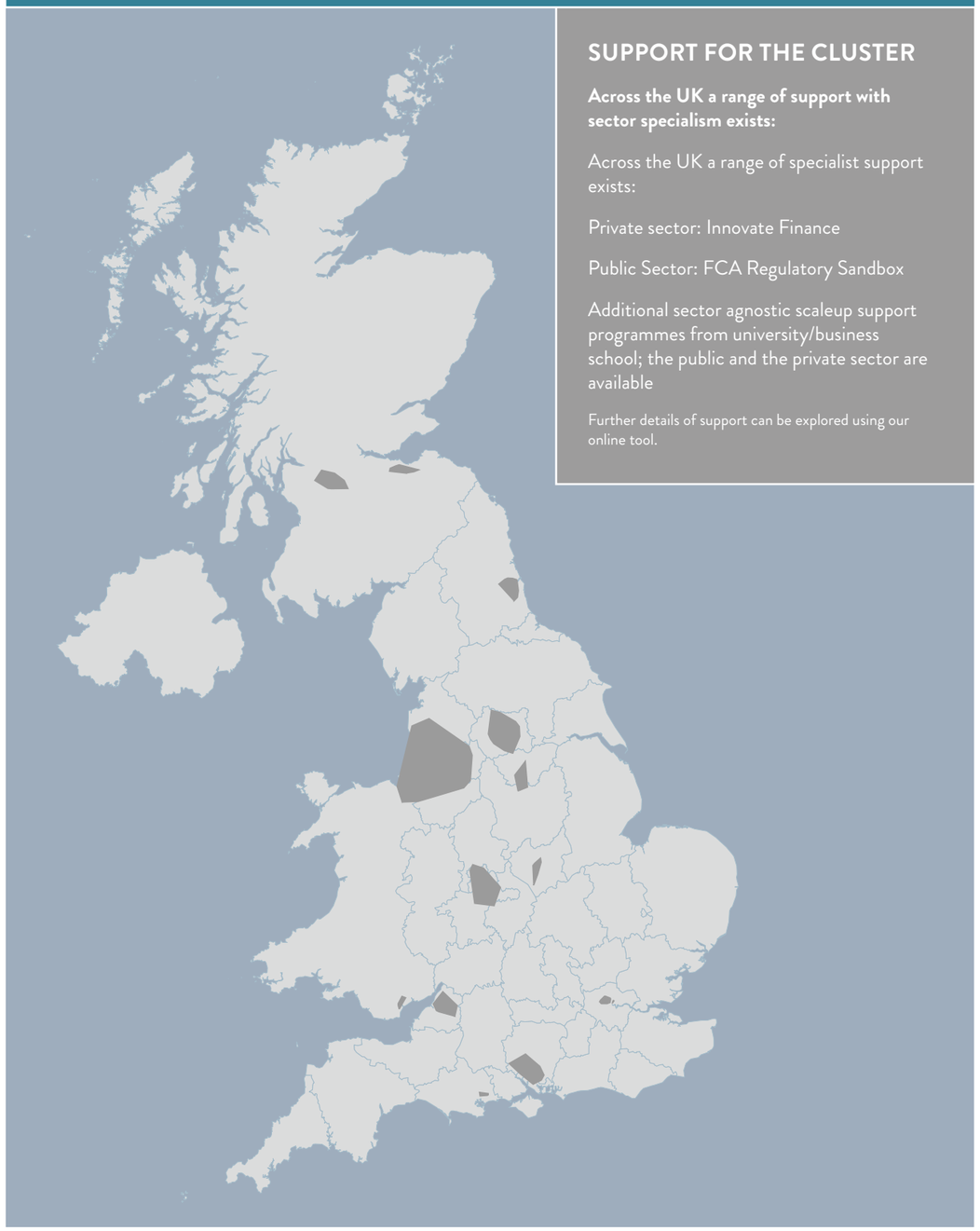
Private sector: Emerge Education

Additional sector agnostic scaleup support programmes from university/business school; the public and the private sector are available

Further details of support can be explored using our online tool.

FINANCIAL SERVICES

2,135	1,024,095	£336.14bn	£65.05bn	£36.4bn	15.4%	36.3%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Across the UK a range of specialist support exists:

Private sector: Innovate Finance

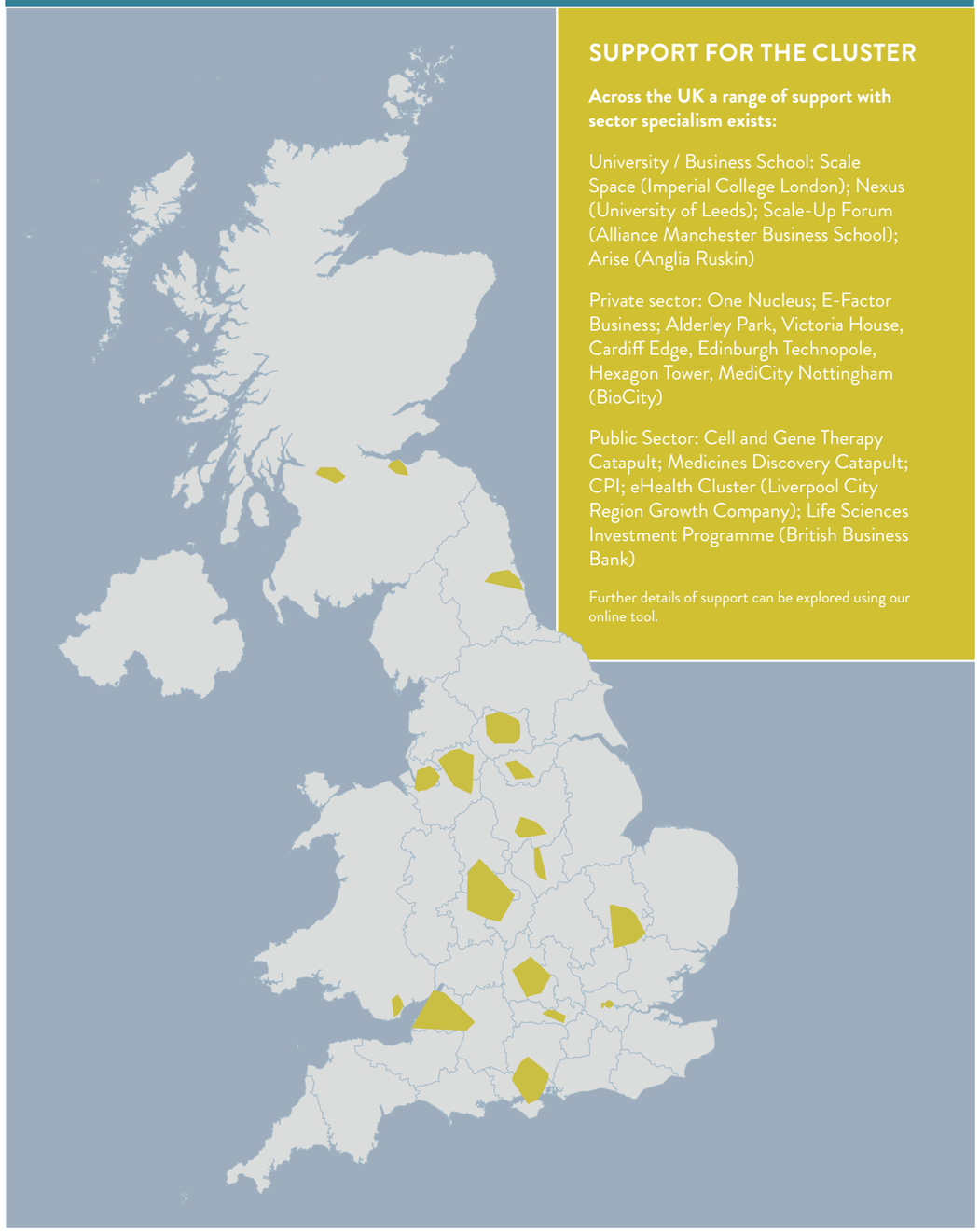
Public Sector: FCA Regulatory Sandbox

Additional sector agnostic scaleup support programmes from university/business school; the public and the private sector are available

Further details of support can be explored using our online tool.

LIFE SCIENCES

1,083	174,378	£27.11bn	£29.18bn	£303.44bn	25.1%	39.7%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: Scale Space (Imperial College London); Nexus (University of Leeds); Scale-Up Forum (Alliance Manchester Business School); Arise (Anglia Ruskin)

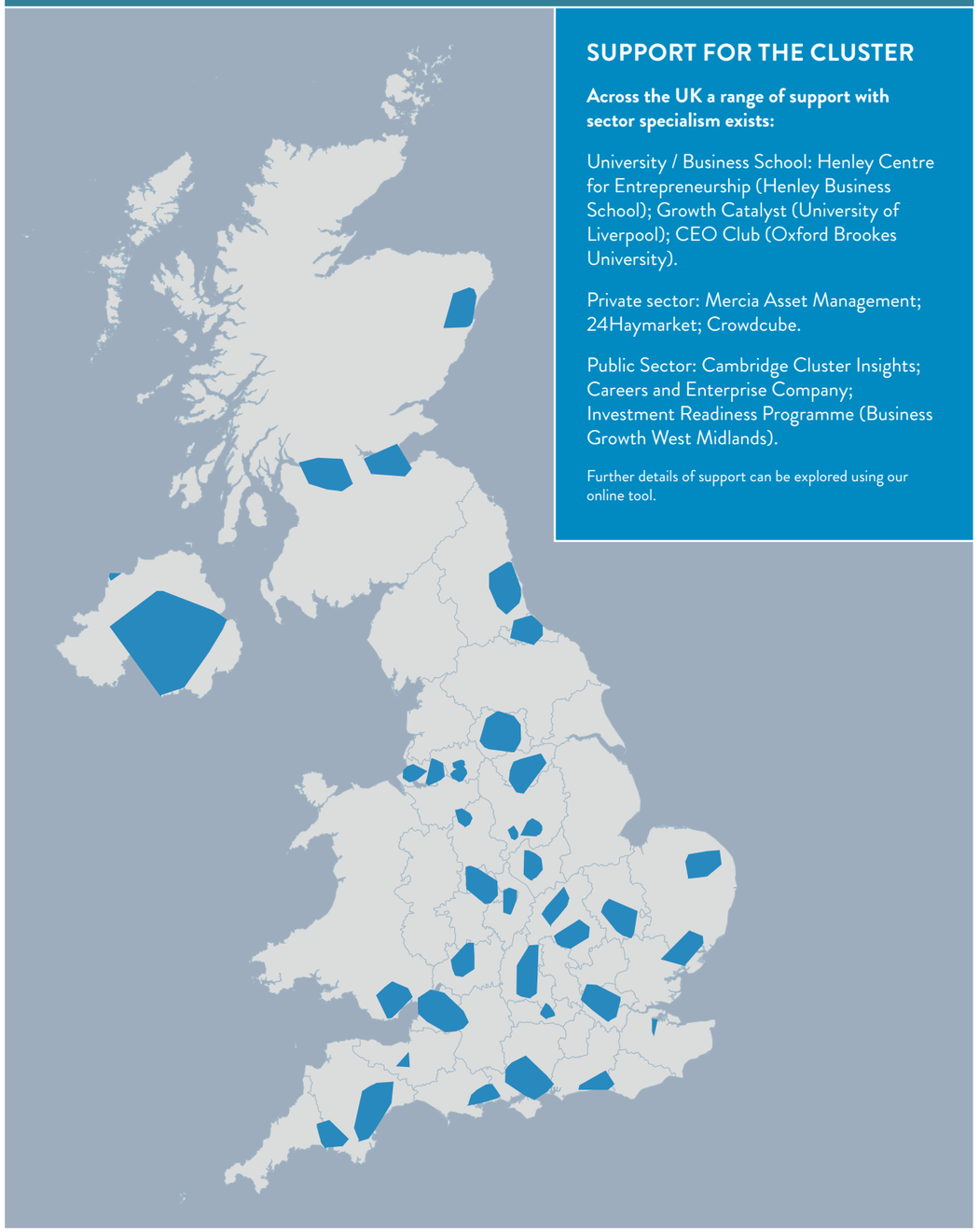
Private sector: One Nucleus; E-Factor Business; Alderley Park, Victoria House, Cardiff Edge, Edinburgh Technopole, Hexagon Tower, MediCity Nottingham (BioCity)

Public Sector: Cell and Gene Therapy Catapult; Medicines Discovery Catapult; CPI; eHealth Cluster (Liverpool City Region Growth Company); Life Sciences Investment Programme (British Business Bank)

Further details of support can be explored using our online tool.

PROFESSIONAL AND BUSINESS SERVICE

11,636	3,083,212	£799.73bn	£139.19bn	£1,403.06m	25.1%	38.2%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: Henley Centre for Entrepreneurship (Henley Business School); Growth Catalyst (University of Liverpool); CEO Club (Oxford Brookes University).

Private sector: Mercia Asset Management; 24Haymarket; Crowdcube.

Public Sector: Cambridge Cluster Insights; Careers and Enterprise Company; Investment Readiness Programme (Business Growth West Midlands).

Further details of support can be explored using our online tool.

TRANSPORTATION AND STORAGE

823	74,055	£13.87bn	£0.97bn	£4.21bn	21.5%	35.5%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: Thames Valley Science Park; Enterprise Solutions (University of Plymouth); Accelerate Cambridge (University of Cambridge);

Private sector: Business Without Borders (Grant Thornton); Henley Business Angels; Way to Scale (Catalyst); E-Factor Business

Public Sector: Connected Places Catapult; Engine Shed (Bristol); Leadership Team Programme (Invest Northern Ireland).

Further details of support can be explored using our online tool.

WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES

3,525	272,276	£87.59bn	6.09bn	£ 12.27m	27.3%	38.5%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	FEMALE FOUNDERS	AVE GROWTH RATE PER ANNUM

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

University / Business School: Fashion District programmes (London College of Fashion, UAL); Future Fashion Factory (University of Leeds with industry partners); Retail Institute (Leeds Beckett University). AberInnovation (Aberystwyth University);

Private sector: True Global; Barclays Eagle Labs Retail Tech initiatives; Google Digital Garage for retail; E-Factor Business;

Public Sector: High Streets Task Force; Growth Hubs' retail and e-commerce support; Creative Growth Programme offers for fashion and retail supply chains.

Further details of support can be explored using our online tool.

SCALEUPS ARE POWERING UP

£2.19trn
The total amount of turnover generated by scaleups up from £1.4trn in 2022. The combined turnover of all SMEs is £4.37trn

44,595
The total number of scaleups in the UK.

3.9m
people employed by scaleups in 2023, across all sectors and local areas of the UK economy

TOP SECTORS FOR SCALEUPS

Those operating in
WHOLESALE & RETAIL
ACCOMMODATION & FOOD
PROFESSIONAL SCIENTIFIC & TECH
ADMIN & SUPPORT SERVICE
account for 50% of all scaleups in the UK.

TOP IS-8 SECTORS FOR SCALEUPS

Those operating in
DIGITAL & TECHNOLOGIES
PROFESSIONAL SERVICES
ADVANCED MANUFACTURING
account for more than 29% of all scaleups in the UK

88
The average number of employees in a scaleup.

65%
The increase in the total number of scaleups since 2013. Over the same period, the number of SMEs increased by 13%.

37%
more productive on average

65%
of scaleups are located outside London and South East

42%
of scaleups are in the industrial strategy sector

£49.3M
The average turnover of a scaleup compared to £42.5m in 2022

VISIBLE SCALEUPS

11,636
in the scaling cohort

generating
£408b
in turnover

employing
2.32m

THE SCALING PIPELINE

20,980
The total number of businesses growing between 15-19.99% in 2023

£924bn
The total amount of turnover generated by scaling businesses in 2023

1.86m
People employed by scaling businesses in 2023

2025 SCALEUP SURVEY

1,009 SCALEUP BUSINESSES

GENERATING **£38.85bn** TURNOVER AND SEEKING TO GROW THIS TO £43BN IN 2025

262.2k ARE EMPLOYED BY SCALEUPS, AND THIS IS EXPECTED TO GROW TO 294K

These scaling firms are from all regions and sectors. With:

70% in the **8 Industrial Strategy Sectors**

24% are women-led

SCALEUPS ARE AMBITIOUS

- **8 IN 10** scaleups expect to continue to scale in 2026 by turnover and/or employee headcount
- **6 IN 10** expect to grow employment
- **5 IN 10** scaleups expect to grow turnover
- **6 IN 10** say they are out-performing their peers

BUT CONSIDER THEY ARE FACING SIGNIFICANT MACROECONOMIC BARRIERS

- **6 IN 10** increasing costs to the business
- **6 IN 10** impact of energy prices
- **6 IN 10** supply chain disruption
- **6 IN 10** rising tariffs
- **5 IN 10** Geopolitical uncertainty and conflict
- **5 IN 10** Lower levels of business / consumer confidence

SCALEUPS' CONFIDENCE IS IMPROVING FROM LAST YEAR ALBEIT FRAGILE

- **45%** worry about whether the UK will be a good location for a business to grow in the future, lower than in 2024 (59%)
- **56%** agree it is harder to grow the business now than in the past, slightly down from 2024 (61%)
- **47%** feel there is very little support available for businesses like theirs, similar to 2024 (52%)

AND THERE IS POSITIVITY ABOUT THE GOVERNMENT'S STRATEGIES

BELIEVE THE

- **75%** Plan for Small and Medium Sized Businesses
- **79%** Industrial Strategy
- **83%** Trade Strategy

WILL BE HELPFUL TO THEIR BUSINESS

- **65%** Think the current public sector finance offerings are "joined up"
- **75%** Say that improvement in the coordination of government support will be vital to their ongoing business growth

SCALEUPS ARE INNOVATIVE

- **9 IN 10** scaleups have been involved in some innovative activity in the last 3 years.
- **8 IN 10** have collaborated or are seeking to collaborate with public, private, university or international partners
- **7 IN 10** scaleups say their innovation appetite in 2025 is higher than 2024

59% want Government/ Innovate UK to offer larger innovation funding packages which are repayable once the business reaches turnover / profitability thresholds to enable recycling of funds for the next generation of scaling businesses

AND HIGHLY INTERNATIONAL

- **7 IN 10** consider exporting to be crucial for their business growth
- **6 IN 10** employ staff from outside the UK
- **5 IN 10** have employees based overseas

THEY SEE THE TOP MARKETS AS:

- **68%** The EU
- **38%** North America

They are also seeing opportunities in other parts of Europe (33%), China (28%), Middle East (25%), Africa (24%) etc.

70% are considering **expanding their physical presence** overseas

WHILE…

24% are considering **relocating the business HQ** outside of the UK, with the EU first and the US second preference in destination

HOWEVER

96% would choose to list on the public market in the UK

THEY ARE GOOD CORPORATE CITIZENS

- **5 IN 10** offer opportunities to young people through internships / work experience / apprenticeships
- **6 IN 10** say they are Social Businesses
- **4 IN 10** identify as Family Businesses
- **3 IN 10** are Minority Ethnic Group-led

AND

- **4 IN 10** wants more opportunities to engage in Employer Encounters with young people

THEY WANT GOVERNMENT SKILLS REFORMS TO BRIDGE ENTRY TO THE WORKFORCE:

- **5 IN 10** want dedicated Upskilling and Reskilling Programmes
- **4 IN 10** want support for Workforce Transition to match workers with growing businesses

LOOKING FORWARD

SCALEUPS TOP BARRIERS TO FURTHER GROWTH

When forced ranked the following challenges appear in their top 3 to overcome

- **58%** Access to UK and international markets
- **55%** Talent & leadership development
- **42%** Access to the right bank / equity finance
- **29%** Infrastructure and access to R&D facilities
- **26%** Access to tax breaks

LOCAL ACCESS TO RESOURCES TO FACILITATE GROWTH IS VITAL

Scaleups highlight the following cluster and regional support gaps:

6 IN 10 say they are part of a sectoral cluster

HOWEVER

4 IN 10 feel as though there are gaps in the support provided to them in their region

- **47%** Access to Investors
- **44%** More space to Grow
- **42%** Networks of NEDs/ Fractional Execs
- **36%** Support to Access Markets

SCALEUPS WOULD LIKE EASIER LOCAL ACCESS TO:

- **5 IN 10** Innovate UK & UKRI schemes
- **4 IN 10** Peer Networks / local mentors
- **4 IN 10** Programmes to access domestic markets / supply chains / procurement
- **4 IN 10** British Business Bank / Devolved National Banks
- **3 IN 10** UK Export Finance and Programmes to expand overseas/ export
- **3 IN 10** Flexible management / leadership development programmes

KEY ENABLERS ARE:

- **5 IN 10** Banks / Financiers
- **5 IN 10** Local professional services
- **4 IN 10** Large corporates
- **3 IN 10** Universities

WHAT SCALING BUSINESSES WANT TO SEE IN CONCIERGE AND 'HUB' SERVICES

- **44%** Support for going into new markets overseas
- **40%** Fast tracking of innovation opportunities and collaborations
- **36%** Connection to public and private sector investors
- **36%** Opening up of data to support innovation
- **35%** Sharing of procurement opportunities and fast tracking access
- **33%** Fast track of planning permissions
- **30%** Dedicated account manager

5 IN 10 believe it would be helpful to be 'kitemarked' as a scaleup.

7 IN 10 are happy to be identified on a public record and that their scaleup status should be shared, with **6 in 10** stating this should be on an opt-in basis.

SCALEUP MARKETS

71% of scaleups are selling to other businesses and government

To support access to B2B markets scaleups want:

4 in 10 access to Contracts for Innovation (SBRI); dedicated funding for Large corporates/Government to work with scaling businesses; key decision makers; and a fast track to procurement opportunities.

7 in 10 Scaleup leaders want the Government to make scaling businesses a **priority in the procurement system** and launch a new **Procurement Education Programme**

4 in 10 more "Meet the buyer" style events.

70% scaleups see exporting as a priority for future growth.

They want support to access overseas markets:

3 in 10 access to financial support for exporting and undertaking market research; introductions to corporates and financiers; proactive trade missions; and support to find in country talent.

However, almost a quarter are considering relocating their business headquarters to the EU and the USA. The key drivers of this are access to investors, better infrastructure, size of markets, and more favourable tax regimes.

SCALEUP PEOPLE, TALENT & LEADERSHIP

Scaleups are experiencing skill gaps in the talent pool:

5 in 10 Advanced digital skills - especially AI and cyber

4 in 10 Analytical and Research skills and Engineering and Manufacturing.

They want the Government to reform the delivery of the skills system, including the Growth & Skills Levy.

4 in 10 want dedicated Upskilling and Reskilling Programmes and support for Workforce Transition to match workers with growing businesses, as well as a Flexible Talent Fund for current employees. And developments to Foundation Apprenticeships and Flexi-apprenticeships.

Scaleups continue to seek improvement in how they can connect with the next generation of workers at schools and universities:

4 in 10 want more employer encounters and improved careers education; and easier access to staff and students at universities to collaborate on research and innovation projects.

6 in 10 are willing to pay for support from Universities and Business Schools if their offerings meet their talent and growth needs.

6 in 10 scaleups have a Board of Directors or a similar governance structure.

8 in 10 want to develop the skills of the senior team and recruit leaders with experience of growing a business

At a senior level critical skills needs are around Strategy Development; Innovation; and, Sales & Business Development.

SCALEUP FINANCE

8 in 10 scaleups use some form of external finance with the majority using traditional debt finance.

4 in 10 currently use equity finance with 8 in 10 mentioning that they would value a referral process to reach more equity capital providers.

HOWEVER: 5 in 10 scaleups feel that most of the money and business advice is provided in London / the South East.

AND overall, scaleups find it more difficult securing investment from UK investors compared to international investors (36% vs 25% respectively).

They see UK investor investors as having a lower risk appetite, providing less support alongside finance and with less capacity in terms of the scale of available funds and being more short-termist.

To improve their access to external finance, scaleups want: **5 in 10** Briefings for businesses & investors on sectors & trends

4 in 10 "Meet the investor" opportunities

4 in 10 would definitely consider public listing with a similar proportion tentative about the opportunity. Of these the vast majority would prefer to list in the UK. While those wishing to remain private would value access to the public market investor pool via a flexible platform arrangement.

Awareness of the changes being made to the capital markets in the UK has increased, with **6 in 10** scaleups saying they are confident that current activities to bridge the growth capital gap will reach them.

THE MARKETS PERSPECTIVE

Access to Markets is the top barrier to growth reported by scaleups in the UK, this includes their access to domestic supply chains, procurement and collaborative activities as well as expanding the business internationally. Scaleups leaders are seeking support to help overcome these challenges to connect them with new opportunities, with easier access to funding and talent. The role of innovation remains crucial with their appetite to innovate higher than in previous years, however they want the Government to improve how support and funding is delivered.

58% **scaleups say:** access to markets is among their top barriers to growth

71% Sell to other businesses or government (B2B)

74% Sell direct to consumers (B2C)

83% Are Collaborating with Partners

WHAT WOULD HELP B2B SCALEUPS TO WORK MORE WITH GOVERNMENT AND LARGE CORPORATES?

4 IN 10 Better access to Contracts for Innovation

4 IN 10 Dedicated Large corporates/ Government funding to buy from and work with scaling businesses

4 IN 10 Fast track to procurement opportunities & dedicated R&D procurement

4 IN 10 Improved access to key decision makers

3 IN 10 Education on how to respond to procurement processes

3 IN 10 Online platform for procurement bids and showcasing your business

3 IN 10 Improved access to trade shows

SCALEUPS WANT SUPPORT TO INNOVATE & COLLABORATE

35% Smoother and faster application process for grants/funding for innovation

34% More opportunities to collaborate with Government on innovation projects (including via public procurement)

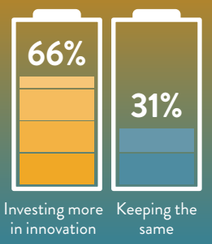
33% Access to flexible infrastructure, equipment and facilities

33% Support to access and exploit new technologies

INNOVATION

9 IN 10 Scaleups have undertaken an innovative activity in the last 3 years

and there is significant appetite to innovate further



59% Would like to see Government/ Innovate UK offer **larger innovation funding packages** which are **repayable** once the business reaches turnover / profitability thresholds, to allow the funds to be recycled for further innovation support to the next generation of high potential companies

70% **scaleups agree** that selling overseas is a priorty for future growth

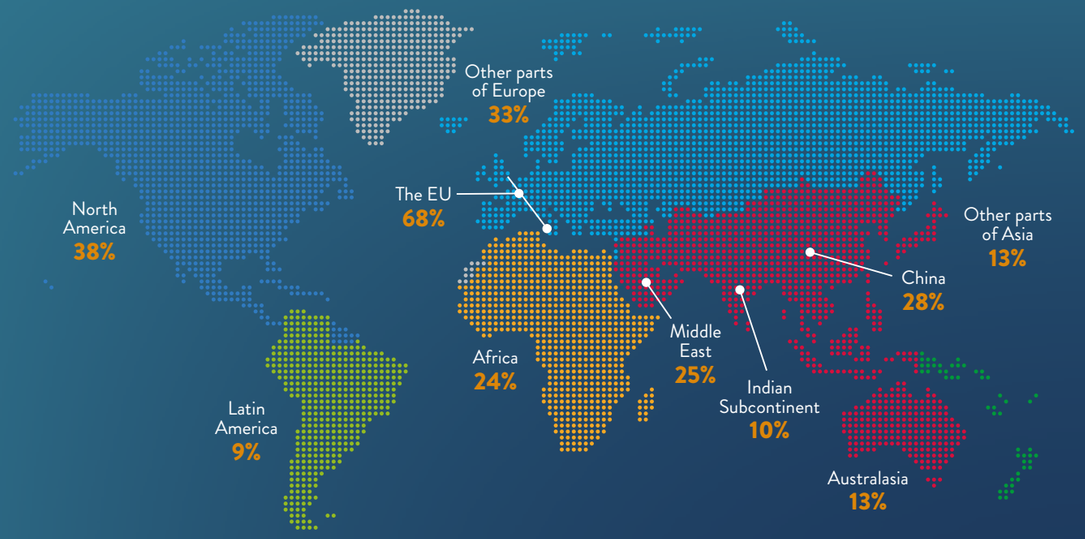
HOWEVER

ONLY **46%** **scaleups are aware** of the Government's trade strategy

BUT

83% think it **will be helpful** to their business

EXPORT MARKETS PRESENTING BEST OPPORTUNITIES FOR SCALEUPS



SUPPORT TO EXPORT

3 IN 10 SCALEUPS WANT:

- Access to financial products to support overseas expansion
- Introductions to corporates/financiers to support overseas expansion
- Funding for research into new markets
- More information on trade missions / market opportunities
- Support to find/recruit in country talent

EXPANDING & MOVING OVERSEAS

Looking to the future many scaleup leaders see **opportunities** to expand their physical presence **overseas**

Expanding physical presence / operations overseas

YES	NO	MAYBE
70%	10%	20%

Also considering relocating the business HQ

YES	NO	MAYBE
13%	46%	40%

The EU is the most common destination for relocation with the US second

The EU **57%**

USA **42%**

Canada **18%**

other parts of Europe **16%**

China **16%**

UAE **12%**

KEY DRIVERS OF RELOCATION:

- **44%** More favourable tax regime
- **36%** Access to investors
- **35%** Better infrastructure
- **34%** Size of markets overseas
- **32%** More positive/proactive attitude to entrepreneurship & risk
- **31%** Ability to hire/access talent more easily

SCALEUP PUBLIC **PROCUREMENT**

Based on visible scaling businesses from Companies House data, excluding charitable and third sector and listed companies using the ScaleUp Index. Data analysed by ScaleUp Institute using Tussell database, based on the period January - December 2024.

Since 2019, scaleup leaders have identified Access to Markets their top barrier in the Annual ScaleUp Survey.

When it comes to procurement, out of a possible UK wide £301.6bn expenditure and 85,330 contracts, SMEs secured **44,086** contracts worth a total of **£50.5bn equivalent to 51.7%** of all public procurement contracts awarded and **16.8%** of the total value awarded in 2024. Within that scaling firms secured only 5% of contracts overall, valued at £4.5bn.

The most active central departments are the Ministry of Defence (MOD) (58 contracts; £204.2m), Department for Environment Food & Rural Affairs (Defra) (37 contracts; £79m) , Home Office (35 contracts; £21.1m) and Ministry of Justice (MOJ) (29 contracts; £76.6m). And the most active regions are London, North West and South East.

In the 2025 ScaleUp Survey, 74% of scaleup leaders said it is important for the government to prioritise scaling firms within the procurement policy system and launch a new ScaleUp Procurement Education Programme.

4 in 10 scaling firms want fast track procurement routes; better access to Contracts for Innovation; dedicated R&D procurement opportunities, alongside trade shows, dedicated large corporate and/ or government funding. This is broadly consistent across sectors.

987 visible Scaleup businesses won...

...3,637 contracts and appeared in...

...666 frameworks issued by the wider public sector worth...

£4.5bn

OUT OF A POSSIBLE £301.6BN PUBLIC PROCUREMENT VALUE AND 85,330 CONTRACTS

SMEs won 44,086 awards worth a total of £50.5bn equivalent to 51.7% of all public procurement awards and 16.8% of the total value awarded in 2024.

Scaling businesses won 5% of all awards and 3.5% of the value of public procurement awards in 2024 was won by scaling businesses.

60.3% of 987 visible scaling suppliers had also won an award in 2024.

LOCAL GOVERNMENT
£1.6bn
PROCUREMENT CONTRACT VALUE
1,608
NUMBER OF AWARDS

CENTRAL GOVERNMENT [1]
£1.5bn
PROCUREMENT CONTRACT VALUE
794
NUMBER OF AWARDS

TOTAL TURNOVER
£32.2bn

TOTAL EMPLOYMENT
190K

TOTAL INVESTMENT
£3.9bn

TOTAL EXPORTS
£750m

MOST COMMON CONTRACT SECTORS TO SCALING BUSINESSES REMAIN CONSISTENT SINCE 2018

Most Public Procurement contracts issued to scaling businesses in 2024 were in the construction sector (21.2%) followed closely by Health, Life Sciences and Social services (17%).

SECTOR	CONTRACTS
Construction and Real Estate	971
Health, Life sciences and social services	742
IT and Telecoms	609
Business and Financial Services	512
Transport	319
Environmental services	213
Equipment (Furniture, Office, Computers)	159
Education and training services	137

Construction remains to be the biggest sector as 21.2% of contracts to scaling businesses in 2024 were given for this sector

CONSTRUCTION, HEALTH & SOCIAL SERVICES, FINANCIAL & BUSINESS SERVICES, IT & TELECOM

SECTOR	CONTRACTS
Research & development services	115
Industrials, chemicals and mining	105
Agriculture and Food products	100
Repair and maintenance services	92
Hotel and restaurant services	54
Clothing and footwear	26
Security equipment	28
Public administration and defence services	20

PUBLIC PROCUREMENT & NET ZERO

In 2024, 29 scaling businesses were awarded 39 contracts valued at £28m that directly referenced Net Zero.

These contracts came from sectors, including:

- Construction
- Research & development services
- Financial and Business Services
- Environmental services

1 Central Government includes UK National Government and Devolved Governments

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TOP BUYERS

TOP 20 BUYER BY VALUE OF AWARDS

BUYER NAME	CONTRACTING AUTHORITY	NUMBER OF AWARDS TO SCALING BUSINESSES	TOTAL AWARD VALUE
The Education Authority - Northern Ireland	Central Government	18	£342.3m
NHS Sussex Integrated Care Board (ICB)	NHS	5	£268.1m
Sheffield City Council	Local Government	5	£248.6m
Ministry of Defence (MOD)	Central Government	58	£204.2m
Scottish Court & Tribunals Service	Central Government	3	£145.1m
NHS England (DHSC ALB)	NHS	30	£120.5m
South Lanarkshire Council	Local Government	2	£119.6m
NHS North West London Integrated Care Board (ICB)	NHS	6	£101.2m
Department for Work and Pensions (DWP)	Central Government	17	£95.1m
Cardiff County Council	Local Government	2	£88.4m
Peabody Trust	Charitable Organisation	3	£85.6m
Department for Education (DfE)	Central Government	24	£83.6m
Department for Environment Food & Rural Affairs (Defra)	Central Government	36	£78.8m
Ministry of Justice (MOJ)	Central Government	28	£76.6m
Govia Thameslink Railway Limited	Private Limited	1	£75.0m
University of the West of England Bristol	Further and Higher Education	15	£61.5m
Thurrock Council	Local Government	4	£57.0m
Southampton City Council	Local Government	4	£55.8m
Cumberland Council	Local Government	35	£54.3m
Birmingham City Council	Local Government	9	£44.5m

TOP 20 BUYERS BY NUMBERS OF AWARDS

BUYER NAME	CONTRACTING AUTHORITY	NUMBER OF AWARDS TO SCALING BUSINESSES	TOTAL AWARD VALUE
Wokingham Borough Council	Local Government	103	£10.2m
NHS Cheshire and Merseyside Integrated Care Board (ICB)	NHS	84	£4m
Ministry of Defence (MOD)	Central Government	58	£204.2m
Bristol City Council	Local Government	56	£7.6m
Westmorland and Furness Council	Local Government	55	£7.7m
North Yorkshire Council	Local Government	53	£7.9m
NHS Property Services	NHS	51	£20.2m
UK Research and Innovation (UKRI) (DSIT ALB)	Central Government	41	£6.7m
Department for Environment Food & Rural Affairs (Defra)	Central Government	37	£79m
Cumberland Council	Local Government	36	£54.3m
Hampshire County Council	Local Government	34	£10.8m
Home Office	Central Government	33	£21.1m
Enfield Council	Local Government	32	£7.5m
Newcastle upon Tyne City Council	Local Government	31	£13.5m
FCDO Services (FCDO ALB)	Central Government	29	£857.0K
NHS England (DHSC ALB)	NHS	28	£99.4m
Ministry of Justice (MOJ)	Central Government	28	£76.6m
Leicestershire County Council	Local Government	28	£5.1m
Liverpool City Council	Local Government	26	£2.6m
Lincolnshire County Council	Local Government	25	£3.4m

BIGGEST BUYERS
TOP 20 BUYERS BY NUMBER OF AWARDED CONTRACTS WORTH £560.7M = 12% OF THE TOTAL VALUE IN 2024

LOCAL GOVERNMENT IS THE LARGEST BUYER, ACCOUNTING FOR **44%** OF ALL CONTRACTS TO SCALING BUSINESSES, TWICE THE SHARE OF CENTRAL GOVERNMENT **(22%)**.

7 OF TOP 20 BUYERS BY VALUE OF AWARDS WERE CENTRAL GOVERNMENT BUYERS

AVERAGE AWARD VALUE BY CENTRAL GOVERNMENT BUYERS WAS **£1.9M**; AVERAGE AWARD VALUE OF LOCAL GOVERNMENT BUYERS WAS **£1M**.

ALL LOCAL CONTRACTING AUTHORITIES BUY LOCALLY

	CONTRACTING AUTHORITY REGION											
SCALEUP REGION	East Midlands	East Of England	London	North East	North West	Northern Ireland	Scotland	South East	South West	Wales	West Midlands	Yorkshire & The Humber
East Midlands	96	10	15	6	20	3	3	3	12	6	16	12
East Of England	20	85	74	4	16	1	6	33	19	13	24	62
London	27	50	368	19	45	1	16	84	89	13	48	35
North East	3	3	13	102	9		2	4	2		5	27
North West	17	19	75	17	247	2	21	21	21	6	30	40
Northern Ireland			2		2	31	1	1				
Scotland	2	3	7	14	4		108	3	3	2	3	2
South East	30	32	92	4	25		16	180	46	4	25	26
South West	7	14	51	2	14		1	35	124	2	14	6
Wales	1	2	13	4	5		4	24	6	42	1	3
West Midlands	21	13	57	14	25	2	1	20	43	12	79	13
Yorkshire & The Humber	14	14	54	11	35	1	13	19	19	8	17	94

TOP CONTRACTS AWARDED TO VISIBLE SCALING BUSINESSES

SUPPLIER	DESCRIPTION	REGION	CONTRACTING AUTHORITY	CONTRACT TITLE(S)	SECTOR	VALUE
ERS Transition	Health and social services	Yorkshire & The Humber	NHS Sussex Integrated Care Board (ICB)	NHS Sussex Non-Emergency Patient Transport service (NEPTS) 2	Financial and Business Services	£230m
			NHS Cambridgeshire and Peterborough Integrated Care Board (ICB)	PROVISION OF PATIENT TRANSPORT SERVICES (PTS) FOR THE CAMBRI	Health and social services	£72m
OCS Group UK Limited	Environmental services	East Of England	Scottish Court & Tribunals Service	Award of Contract For SCTS and COPFS - Total FM Services 202	Repair and maintenance services	£141m
CHC Group Limited	Construction works	Northern Ireland	The Education Authority - Northern Ireland	Provision of Planned and Responsive Maintenance and Minor Wo	Construction	£127m
Cors Health Linited	Health and social services	South East	NHS North West London Integrated Care Board (ICB)	NWL Integrated Musculoskeletal Clinical Assessment and Treat	Health and social services	£98m
Borley Engineering Services Limited	Construction works	Wales	Cardiff County Council	Fairwater Community Campus	Construction	£88m
Equal Experts UK Limited	IT services	London	Department for Environment Food & Rural Affairs (Defra)	Application Development Services for ERM, Floods, SC, Farmin	IT and Telecoms	£74m
Lancer Scott Facilities Management Limited	Construction works	South West	University of the West of England Bristol	017T/2023 Hard FM (Maintenance Term Contractor)	Repair and maintenance services	£60m
Mulalley & Co. Limited	Construction works	London	Peabody Trust	Planned Internal and External Refurbishment Works Programme	Construction	£60m
Maurice Flynn & Sons Ltd	Construction works	Northern Ireland	The Education Authority - Northern Ireland	Provision of Planned and Responsive Maintenance and Minor Wo	Construction	£56m
Trident Maintenance Services Limited	Computer and office equipment | IT services	Scotland	Southampton City Council	Planned Works Delivery Contract	Construction	£55m

5 of the top 11 awards were in the CONSTRUCTION SECTOR worth a total of £386m and remaining were in HEALTH & SOCIAL CARE, IT & TELECOMS, REPAIR & MAINTENANCE AND FINANCIAL SERVICES

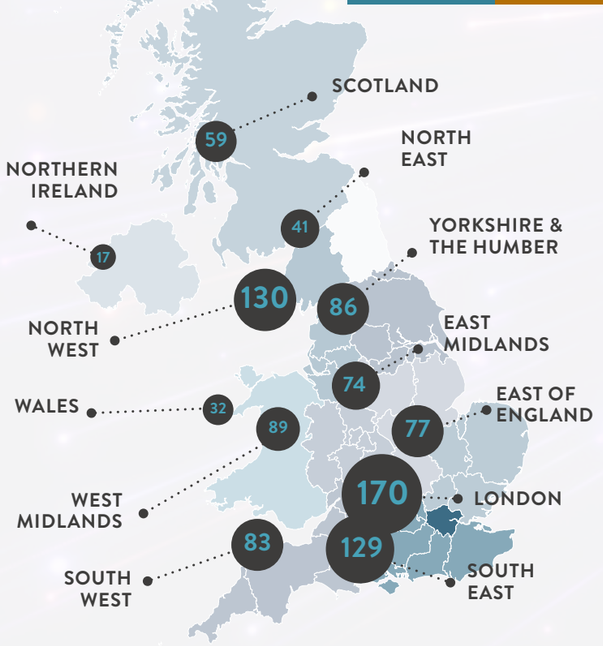
THE BIGGEST CONTRACT IS ISSUED TO **ERS TRANSITION which provides transport and healthcare courier services to the healthcare industry**

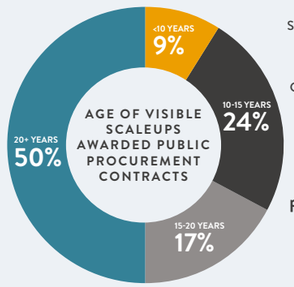
7 out of 10 of the top awards were issued to scaleups OUTSIDE LONDON AND THE SOUTH EAST

7 out of 10 scaling businesses winning public procurement contracts in 2024 were located outside of London and the South East. The North West region received the highest number of contracts outside London followed by the South East.

TOP REGIONS OUTSIDE LONDON

BY TURNOVER	BY EMPLOYMENT	BY INVESTMENT	BY GRANTS WON	BY EXPORTS
Yorkshire & The Humber	South East	North West	South East	Yorkshire & The Humber
£4.8bn	27,226	£739m	£85m	£141m

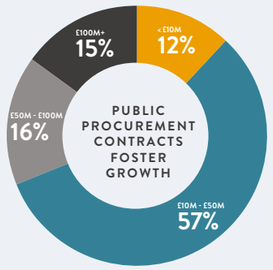




SCALING BUSINESSES ARE MORE LIKELY TO WIN PUBLIC PROCUREMENT CONTRACTS AS THEY MATURE

7 in 10

scaleups awarded procurement contracts in 2024 aged more than 15 years old



MAJORITY OF SCALING BUSINESSES

6 in 10

being awarded procurement contracts in 2024 had turnover between £10-£50m

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LEARNINGS FROM INTERNATIONAL COUNTERPARTS

SCALEUP INSIGHTS

	Simplifying Procurement Process	Encouraging Innovation	Focus on Small Businesses – Targeted Support and Overcoming Financial Barriers	Capacity Building and Professional Development
USA	The majority of Federal procurement is guided by the Federal Acquisition Regulation (FAR) and supported by open platforms such as SAM.gov and USA spending.gov, which improve transparency and supplier access.	To work with innovative companies the US uses an Other Transaction Authority (OTA) approach, including through key agencies such as DARPA. This is outside of the FAR framework and it allows federal agencies to engage with nontraditional contractors, particularly in emerging technologies such as AI, clean energy, and space. Small Business Innovation Research programme run by Small Business Administration (SBA) (The programme awards over $3 billion annually to innovative small firms) In-Q-Tel (IQT) - An Established strategic investment organisation with hundreds of portfolio companies and strong leverage of private capital, operated by the Central Intelligence Agency. Illustrates how public mission needs (e.g. security) can be linked to venture investing and procurement to support scaleups and crowd in private investment	Quotas for contracting with small businesses, including diverse businesses through SBA (SBA sets contracting targets with a new federal goal for 15% of spending to go to small disadvantaged businesses) Mentor-Protégé Programmes: pair large contractors with small businesses to help develop capabilities Prompt Payment Act supports cash flow stability. San Francisco Entrepreneurship-in-Residence / City Innovate (Authorium), now a City-level programme scaled via a platform used by multiple US cities to manage major assets and projects.	Programmes like the Federal Acquisition Institute and Defense Acquisition University ensure that procurement officers are well-trained and equipped to manage complex contracts The Federal Acquisition Institute and Defense Acquisition University continue to build professional capacity among procurement officials.
Israel	Digital platforms providing accessible information on procurement opportunities, contract awards, and supplier performance to enhance transparency	Sector Specialised procurement programmes, particularly in defence and cyber security Israel Innovation Authority links procurement with innovation Pilot programs and prototype testing as part of its procurement strategy, particularly in high-tech sectors	Supports incubators and accelerators that focus on developing solutions for public sector challenges and encourage small innovative businesses Reduced bureaucratic hurdles and targeted support for SMEs to help the	Close collaboration between different sectors, including government, industry, and academia
Singapore	Digital tender platforms provide a fully integrated e-procurement system with open access to contract information and supplier performance data, improving transparency and efficiency across agencies.	The Open Innovation Platform and GovTech Sandbox connect public agencies with high-growth and tech-driven firms to pilot innovative solutions and accelerate technology adoption in government services.	The Enterprise Development Grant (EDG) supports scaling and innovative SMEs by covering up to 70% of project costs for approved initiatives, including procurement readiness and innovation partnerships.	Cross-agency initiatives promote collaboration between government, industry, and academia, ensuring procurement professionals are equipped to work effectively with scaling businesses and innovation-led suppliers.
New Zealand	New Zealand's Government Electronic Tenders Service offers streamlined, SME-friendly access	The Procurement Charter Rule explicitly encourages agencies to look for new and innovative solutions and not to over-prescribe technical requirements, giving businesses the opportunity to demonstrate their expertise.	New Zealand's Government Procurement Rules include SME-focused policies to increase inclusion and fair competition. New rules will be published on 1st Dec 2025 which further encourage procurement from New Zealand businesses, including SMEs.	
Sweden	Sweden, via its National Open Data Portal, enhances transparency and actively enables innovation by making open datasets on public information widely accessible.		Sweden's Public Procurement Framework simplifies qualification requirements to encourage SME participation.	Sweden has a Procurement Academy which builds procurement capability through structured training programmes, professional qualifications, and practical guidance. It promotes sustainable and innovation-friendly procurement practice across the public sector, and provides resources to embed social value, environmental criteria, and lifecycle costing within procurement decisions.
Japan		Japan, by integrating innovation procurement into industrial policy (via Ministry of Economy, Trade and Industry (METI) initiatives), transforms procurement into a strategic tool to stimulate innovation, support emerging technologies, and drive industrial competitiveness.		
Republic of Korea			Republic of Korea's SME network loan programme and advance payment provision expand access to working capital and improve liquidity for smaller suppliers participating in public procurement. The network loan scheme supports SME consortia in bidding for large government projects, while advance payment mechanisms help alleviate cash-flow constraints during delivery, reducing barriers to market participation.	
Germany				Germany's KOINNO competence centre provides advisory support and professional development for public buyers, integrating sustainability and innovation across procurement functions.

SCALEUP INSIGHTS

UK PUBLIC PROCUREMENT

The ScaleUp Institute has long evidenced the power of Government Procurement as a vital lever to scaling up, fostering R&D through public procurement 'anchor' client status which can lead to the crowding in of additional market and investment opportunities.

This evidence has already informed various Government policies and wider policy work including feeding in to the development of the Procurement Act 2023, providing evidence to Lord Vallance during his time at the Council for Science and Technology and the subsequent guidance provided by that council, the Government's the Life Sciences ScaleUp taskforce and Lord Vallance's wider report on appropriate pro-innovation regulation.

Deployed strategically as **early adopters** of innovative solutions, Government Procurement purchasing power can:

- accelerate R&D and commercialisation;
- create "anchor customers" for scaling firms that provide validation, referenceability and long-term demand.
- crowd in private investment; and
- strengthen critical supply chains in key sectors of the economy.

However, the UK still does not operate its procurement system with the same innovation, flexibility or scale as other markets - notably the United States. US instruments, first highlighted in our original 2014 Scaleup Report on Economic Growth, show how public procurement and innovative programmes surrounding their operation. These are explored in case studies overleaf and can be used to systematically support innovation, crowd in private capital and build globally competitive businesses.

Other countries including Israel, Singapore, New Zealand, Sweden, Germany, Japan, Estonia and the Republic of Korea – are also implementing sophisticated innovation-oriented procurement approaches.

The UK has valuable foundations – notably the Procurement Act 2023, **Contracts for Innovation** (formerly SBRI), the Government Procurement Charter (including its commitment to seek new and innovative solutions and avoid over-prescription of technical requirements), and various industrial sectoral initiatives. But these remain: sub-scale; fragmented; and constrained by traditional procurement frameworks and risk appetites.

The time is now to adopt bolder policy instruments, drawing far more closely on the US dynamics we have observed. The UK needs a strategically coordinated procurement approach that actively drives innovation, accelerates commercialisation and strengthens domestic supply chains.

This should include embedding clear targets within departmental budgets for procurement from scaleups, supported by defined pathways for UK companies and a pro-growth mindset from the National Audit Office and the Public Accounts Committee to enable effective long-term scrutiny of success. A procurement academy should also be considered to upskill procurement officers, ensuring they are aware of, and equipped to assess, cutting-edge innovations and purchase them effectively. This, in turn, will support exploration of multi-year funding for innovative UK firms, including phased discovery-to-deployment style grants, OTA-like flexible contracting routes that speed the transition from R&D to operational and commercialised innovation, and direct government procurement opportunities.

We are exploring these ideas further with the Capital Markets Industry Taskforce in a paper to be published later this year.

WHY PROCUREMENT MATTERS FOR SCALEUPS

For scaling firms, public procurement can:

- Provide **early, credible demand** for innovative products and services.
- Act as a **signal of quality** to investors, partners and export markets.
- Offer opportunities to co-develop solutions with sophisticated customers.
- Enable **dual-use** applications (civilian and government/defence markets).

At the system level, a strategically designed procurement framework can:

- drive **mission-led** innovation in fields such as health, net zero, AI, cyber security and advanced manufacturing;
- support **R&D translation** from universities and research institutes into commercial products;
- help build resilient, domestic **supply chains** in critical sectors; and
- prove **efficiency and outcomes** in public services by bringing in new technologies and business models.

International practice suggests that when procurement is explicitly designed with innovation and scaleup growth in mind, it can materially shift the trajectory of technology sectors and individual firms.

DEEP DIVE INTO US MODELS

IN-Q-TEL (IQT)

In-Q-Tel is a strategic investment organisation established by the US Central Intelligence Agency (CIA) to provide the US national security community with access to cutting-edge private sector innovation. Key characteristics include:

- **Mission focus:** IQT invests in venture-backed start-ups and scaleups whose technologies can deliver "ready-soon innovation" (typically within 36 months) tO intelligence and security agencies.
- **New supplier base:** Over 70% of companies in which IQT invests have not previously worked with the US Government, widening the pool of suppliers.
- **Leverage**: The model is highly leveraged; for each dollar IQT invests, the private venture capital market typically invests a multiple of that amount, significantly amplifying public funding.
- **Agency reach:** IQT now supports multiple agencies beyond the CIA, including geospatial and defence intelligence bodies and homeland security.
- **Cross-border engagement**: IQT has invested in UK and European scaleups, including companies such as **Pragmatic, Hadean, Automata and Paragraf**, reflecting the international nature of technology ecosystems.

IQT demonstrates how a publicly anchored investment vehicle, aligned with procurement and mission needs, can both support national capability and catalyse scaleup growth.

OTHER TRANSACTION AUTHORITY APPROACH

The **Other Transaction Authority (OTA)** model provides US defence and certain other agencies with the ability to enter into "other transactions" that are not standard contracts, grants or cooperative agreements. The Defense Advanced Research Projects Agency (DARPA) is the US Department of Defense's R&D agency, established in 1958 and makes substantial use of these types of arrangements for highly innovative technologies, including ARPANET, the forerunner of the Internet. Key features:

- **Regulatory flexibility**: OTAs sit outside many of the constraints of the Federal Acquisition Regulation (FAR), allowing bespoke terms on IP, data, milestones and consortia arrangements.
- **Engagement of non-traditional suppliers**: OTA usages are expressly aimed at attracting firms that do not typically contract with government, including early-stage tech companies and research organisations.
- **Types of OTA**:
  - ***Research OTAs*** – for basic and applied research, often with cost-sharing elements.
  - ***Prototype OTAs*** – to develop and demonstrate prototypes relevant to operational needs; successful projects can move directly into production OTAs.
  - ***Production OTAs*** – for deployment and scaling of technologies that have already been demonstrated.

OTAs demonstrate how an alternative contracting route can support rapid, collaborative innovation and more agile progression from R&D to operational capability.

This has been widely recognised as a deliberate and successful strategy in the development of Silicon Valley. During the Cold War, "extensive and consistent post-war era government funds, especially military contracts, transformed [Silicon Valley] from a quiet region into the bustling tech metropolis it is today". Historian Margaret O'Mara describes a postwar "blueprint" for tech success: companies like Fairchild Semiconductor secured stability and growth through government R&D and contract spending.

MENTOR-PROTÉGÉ

The U.S. Mentor-Protégé model is designed to strengthen the supply-chain base (especially small and disadvantaged businesses) by pairing less mature firms (protégés) with more experienced firms (mentors). Mentors are established contracting firms (often prime contractors) with one or more approved subcontracting plans and able to provide meaningful developmental assistance. Protégés are typically small businesses (per Small Business Administration size standards) or disadvantaged categories (e.g., small disadvantaged businesses). For the UK we would suggest these are tuned to be targeted at innovative scaling companies in the first instance to meet wider UK growth goals.

The relationship in the US benefits both sides: The protege gains access to mentor's technical, business, management expertise and supplier-chain/acquisition experience, has Improved capability to compete for larger government contracts/subcontracts and builds exposure to federal contracting processes, requirements, customer/prime relationships. The Mentor has a strengthened ability to develop a more capable supplier/subcontractor aligned with their own supply chain needs and has access to the innovation and new business models via the protege.

This could have applicability in UK on defence and transport contracting in lower tiers in these OEM supply chains and require a level of subcontracting commitment from prime contracting as part of it.

CITY OF SAN FRANCISCO – ENTREPRENEURSHIP-IN-RESIDENCE

San Francisco's **Entrepreneurship-in-Residence (EIR)** programme, launched in 2013 and run through **City Innovate**, provides a model for city-level innovation procurement.

Key elements:

- Time-bound collaborations (originally a 16-week programme) between start-ups/scaleups and city departments to tackle defined civic challenges;
- Focus on lowering costs, increasing revenues and improving productivity and service quality;
- Creation of a replicable model, now supported by a platform (rebranded **Authorium** in 2024) used by cities across the US to manage assets and projects.

This model illustrates how local and regional government can systematically engage innovative firms and create a pipeline of solutions that can later be adopted by other cities or central Government.

THE **TALENT, SKILLS AND LEADERSHIP** PERSPECTIVE

55%

SCALEUPS SAY ACCESS TO TALENT AND LEADERSHIP IS AMONG THEIR TOP 3 BARRIERS TO GROWTH

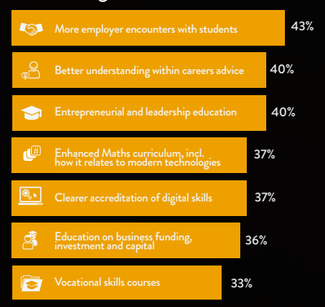
Access to talent is a key barrier to growth, experienced at all levels from entry through to the executive team. When forced to rank their top one barrier, access to talent and leadership was rated highest by one in three scaling business leaders.

THE EDUCATION SYSTEM PLAYS A VITAL ROLE IN DEVELOPING SKILLS IN THE NEXT GENERATION AND AS A SOURCE OF TALENT AND EXPERTISE FOR GROWTH AND INNOVATION BUT MORE NEEDS TO BE DONE

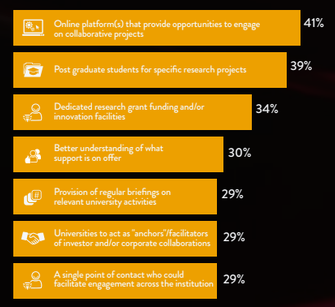
9 in 10

SCALING BUSINESS LEADERS WOULD BE WILLING TO PAY TO ACCESS UNIVERSITY SUPPORT, IF IT MET THEIR TALENT AND GROWTH NEEDS

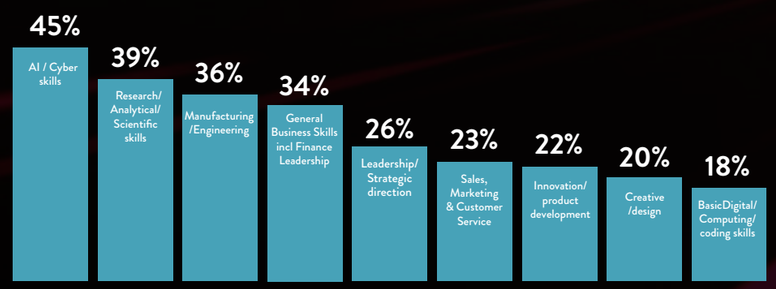
When working with schools and colleges scaleups want more employer encounters with students and better careers guidance



And engagement with universities and business schools needs to be easier. Scaling business Leaders would like...



WORKFORCE SKILLS GAPS AND RECRUITMENT CHALLENGES



INSIGHT: SKILLS GAPS AND THE INDUSTRIAL STRATEGY SECTORS

When analysing this data by the Industrial Strategy sectors, the skills gaps scaleups are facing are broadly consistent with the industries they are engaged in.

FOR THOSE IN ADVANCED MANUFACTURING AND CLEAN ENERGY SKILLS GAPS DIAL UP AROUND SECTOR SPECIFIC ENGINEERING & MANUFACTURING **5 IN 10** FOLLOWED BY AI / CYBER SKILLS AND ANALYTICAL & SCIENTIFIC SKILLS.

WHILE FOR THOSE IN LIFE SCIENCES **6 IN 10** ARE EXPERIENCING GAPS IN RESEARCH & SCIENTIFIC SKILLS AND LEADERSHIP & STRATEGIC DIRECTION IS ALSO HIGHLIGHTED AS A PARTICULAR CHALLENGE.

IN COMMON WITH ALL SCALEUPS, THE LARGEST GAP FACING THOSE IN DIGITAL & TECHNOLOGY AND PROFESSIONAL SERVICES **5 IN 10** AND THE CREATIVE INDUSTRIES **4 IN 10** IS ADVANCED TECH SKILLS AROUND AI AND CYBER.

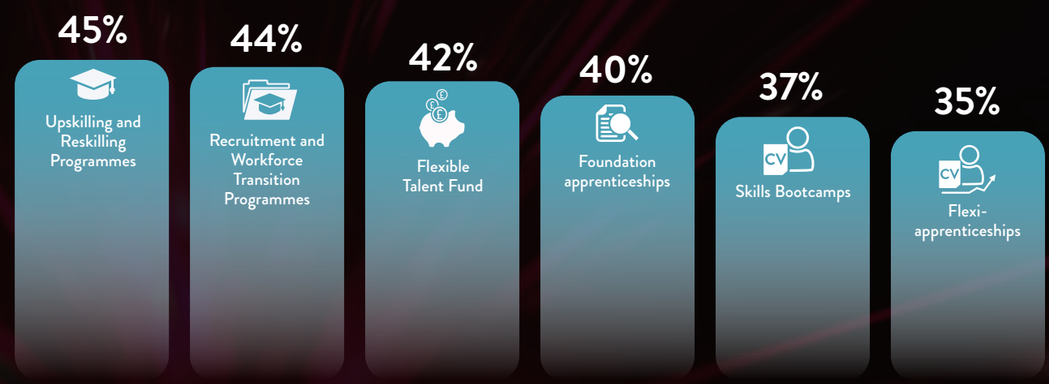
FOR FINANCIAL SERVICES THE TOP GAP IS ANALYTICAL & RESEARCH **5 IN 10**

As part of skills reforms the Government is considering a range of measures to bridge gaps to entry into the workforce and overcome the skills gaps experienced by businesses.

Scaling businesses would plan to use the following:

45%

SCALEUPS OFFER APPRENTICESHIPS, INTERNSHIPS AND/OR WORK PLACEMENTS



ACCESS TO INTERNATIONAL TALENT

58% Employ staff in the UK from overseas

45% Have employees based overseas

SCALING BUSINESSES WOULD LIKE TO SEE THE FOLLOWING IN VISA ACCESS

Faster processing/ approval time	48%
Reduce costs to apply for a visa	44%
Make the visa system easier to understand	42%
Visas should cover a wider range of roles	41%
Fast tracking of family/ dependents as well	38%
Visa salary thresholds should be lower	34%

THE **TALENT, SKILLS AND LEADERSHIP** PERSPECTIVE

BUILDING LEADERSHIP CAPACITY

While scaling many businesses seek to enhance and develop their leadership team, with **8 in 10** saying it is vital to upskill their current team with a similar proportion looking to recruit leaders with experience of growing a business.

6 IN 10 SCALEUPS HAVE A BOARD

BOARD / SENIOR MANAGEMENT SKILLS DESIRED BY SCALEUPS

TO FILL THESE SKILLS GAPS, SCALEUPS ARE SEEKING TO DEVELOP THEIR LEADERSHIP TEAMS

7 IN 10

- Developing the skills of current members of the senior team
- Recruiting leaders with experience of growing a business

6 IN 10

- Access to NEDs
- Access to Fractional execs

INSIGHT: LEADERSHIP TRENDS

When it come to having a board of directors, socially focused scaleups and those in the mid-market are more likely than their peers to have a formal governance structure in place. Sectorally, **Advanced Manufacturing, Defence, Life Sciences** and **Digital & Tech** scaleups are also more likely to have a board (all **7 IN 10**). While those not in any of the IS8 are far less likely to have adopted this structure.

The leadership skills in demand also vary by industry and type of business. While the tops skills are broadly similar to their male-led peers, more Women-led businesses are seeking branding and marketing skills. For Minority Ethnic Group-led scaleups most in demand skills are sale & business development and innovation.

Across the Industrial Strategy sectors, there are some variation with Clean Energy scaleups demanding compliance & risk management skills alongside brand development and innovation; while those in Financial Services are seeking sales and fundraising skills. Talent & culture management skills are important for Professional Services, who are also seeking expertise on branding & marketing. For Life Sciences, innovation is highly sought after as well as fundraising and strategy development; while sales, innovation and compliance are the top three for the Creative Industries.

Perhaps unsurprisingly as they are also less likely to have a board, non-IS8 scaleups are less likely to seek support in the form of NEDs and fractional executives. While developing skills of the current top team is important across the board, desire to access Fractional Expertise dials up for Women-led and Minority Ethnic Group-led scaleups as well as those in Financial Services. Advanced Manufacturers and Digital & Tech firms want greater access to networks of NEDs.

EVOLVING THE SUPPORT

The Government has launched three new strategies to support businesses - the Plan for Small and Medium Sized Businesses, the Industrial Strategy and the Trade Strategy.

9 in 10 SCALING LEADERS HAVE HEARD OF AT LEAST ONE OF THESE INITIATIVES

50% Are aware of the Plan for Small and Medium Sized Businesses	**75%** Are positive that the Plan for Small and Medium Sized Businesses will be helpful to their business
49% Are aware of the Industrial Strategy	**79%** Are positive that the industrial strategy will be helpful to their business
46% Are aware of the Trade Strategy	**83%** Are positive that the trade strategy will be helpful to their business

To support businesses, the Government and Innovate UK are looking to offer an integrated package which aligns innovation and R&D interventions with wider government policy, including on access to finance, skills, infrastructure, regulation, and procurement.

65% Scaling business leaders feel that current interventions are delivered well against this objective of coordinated support.

However...

75% Believe that an improvement of this coordination would be vital to their ongoing business growth.

DEVELOPING A "CONCIERGE" SERVICE FOR SCALEUPS IN THE UK

Scaling leaders prioritise exporting, innovation and collaboration as key elements of this package of support:

42% Support for going into new markets overseas	**38%** Fast tracking of innovation opportunities and collaborations	**35%** Sharing of procurement opportunities and fast tracking access
34% Opening up of data to support innovation	**33%** Connection to public and private sector investors	**32%** Fast track of planning permissions
30% Dedicated account manager		
27% Fast track of regulatory approvals with passporting where relevant	**26%** Fast track of tax credit processes	
24% Introductions to University research facilities to work on key R&D	**24%** Fast tracking of visa applications	**16%** Access to Nonexecutive directors or mentors

PEER NETWORKS UPDATE

Peer to peer support is a key source of help in demand by scaling business leaders, in 2025 this is once again a top ask among respondents to the ScaleUp Survey with 5 in 10 seeking this type of support.

Since 2021, Innovate UK Business Growth and ScaleUp Institute have been offering peer groups to highly innovative scaling leaders from across the UK. To date, over 300 leaders have participated in the network which offers a confidential, supportive, yet challenging, forum for the leaders of innovative, scaling businesses to get new ideas, resolve critical issues and share good practice. These leaders are bringing a range of issues to the discussions with key themes in 2025 around maintaining a scaling culture as the business grows, ongoing developments in the UK investment landscape, and growing internationally.

Innovate UK | Business Growth

PEER NETWORKS INSIGHTS

KEY ELEMENTS OF EFFECTIVE SCALEUP PEER NETWORKS

PARTICIPANTS SHOULD ALWAYS DRIVE THE AGENDA FOR DISCUSSION.
Not the sponsors of the network or those who organise or facilitate the meetings.

EFFECTIVE CURATION REALLY MATTERS.
Enabling members to share different experiences and expertise at appropriate events and forums can optimise peer learning.

HAVE A MIX.
Peer networks work well as both cross-sector and sector-specific groups. Trust between individual members is built more effectively and quickly if they are not commercial competitors.

INCLUDE SCALEUPS AT DIFFERENT STAGES OF BUSINESS GROWTH.
Scaleup leaders learn more effectively from peers who have encountered similar issues to their own, particularly if recently.

DISCUSSIONS MUST BE CONFIDENTIAL.
Effective peer groups discuss their plans, strategy, finance, and people in an open and frank environment.

MAKE EACH MEMBER ACCOUNTABLE TO THE GROUP.
Scaleup peer networks should report on their progress to one another, testing plans and assumptions with time bounded measurable goals.

> **“It is like having your own personal board, where you can go in with any topic and they’ll help you solve it.”**

> **“It can be so lonely running your own business, and the cost of failure is huge. Drawing on the experiences of others and their personal lives can be so important.”**

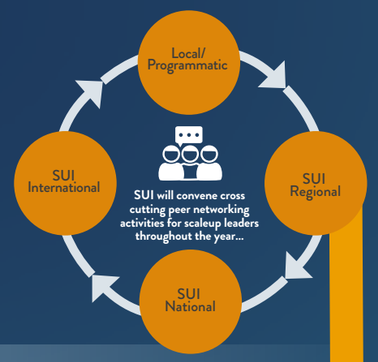
> **“It’s great to have support from like-minded people who offer help and advice freely and openly.”**

PEER TO PEER IMPACT

NETWORKS HELP LEADERS:

- Make decisions quicker
- Gain confidence in their decision-making ability
- Build leadership capacity
- Share issues and concerns
- Learn people management skills

PEER TO PEER: COMMUNITY OF SUCCESS



Enhancing international connectivity for a selective group of UK scaleups with peers in key global markets

Bringing together scaleup peers from every part of the UK more broadly and with sectoral focus at key national events like the ScaleUp Annual Review

Joining up scaleup leaders at a regional level from various local & programme solutions in cross cutting peer networks

Local, private and education peer activities provided by a range of ecosystem players as part of programmes

309 LEADERS ENGAGED SO FAR

70% are in the Industrial Strategy Sectors

27% Female participants

4.83 out of 5 average group meeting rating

89% regularly apply group learnings in their business

NET PROMOTER SCORE: 84

THE FINANCE **PERSPECTIVE**

42% Scaleups say access to finance is among their top barriers to growth

Access to growth capital is a critical factor in enabling businesses to scale. Scaling businesses are using a variety of sources of funding and are planning to invest in further in R&D. However they continue to face challenges to access the funding they need to grow, highlighting the ongoing perception that most funding is in London and the South East and the difficulty in raising from UK investors compared to international counterparts. They are positive though that changes being made to bridge the growth capital gap will increase the availability of funding and are considering opportunities to list on the public market in the UK, or access this flexibly via new schemes like Pisces.

- **78%** Use external finance
- **89%** Have used or plan to use one of the tax schemes
- **52%** Perceive most funding to be in London / South East
- **65%** Think the current public sector finance offerings are "joined up"
- **60%** Are confident that activities to bridge the growth capital gap will reach them
- **65%** Are aware of changes made to the capital markets (e.g. Pisces and Listing Reforms)

SOURCES OF FINANCE

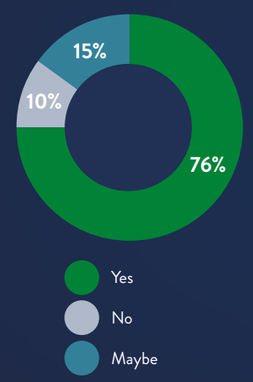
USING OR PLANNING TO USE

Traditional debt	Venture debt	Equity	Trade / Export Finance
75%	56%	62%	71%

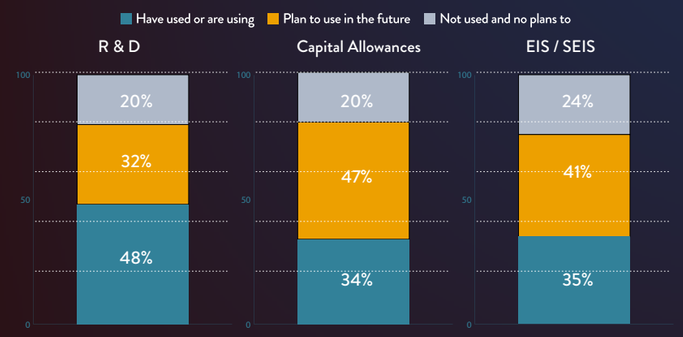
TO CONNECT INVESTMENT BETTER SCALEUPS WOULD VALUE

5 IN 10	4 IN 10	3 IN 10	3 IN 10
Briefings for businesses and investors on sectors & trends	"Meet the investor" and other events showcasing your business	Access to relationship managers at investors	Access to finance mentors and peers

Scaleups would value a referral process between equity providers



TAX SCHEMES



What scaleups say will help them utilise these tax schemes more:

Faster claim processing/settlement	45%
Commitment from Government to continue offering these schemes beyond current time periods	45%
Expanding the range of things we are able to claim for	44%
Making schemes easier to understand/apply for	43%
Increasing value of any allowance we are able to claim for	42%
If it was recommended to me by someone I trust (e.g. accountant, lawyer, etc)	32%

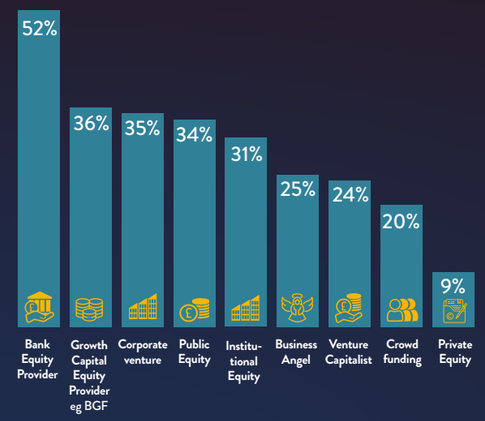
56% Scaleups would welcome a change to the R&D system to provide funding upfront and then repaid via the the tax system.

Only **2%** of respondents disagree

73% Say it would be an improvement on the current system

while only **7%** believe it would not

KEY SOURCES OF EQUITY



PLANS FOR INVESTMENT

- **45%** Research and development
- **44%** Capital expenditure
- **38%** Infrastructure /premises
- **35%** Changes to product / service design and/or offerings
- **35%** International expansion
- **23%** Acquisition of another business

RAISING FUNDS FROM UK AND INTERNATIONAL INVESTORS

SCALEUPS LEADERS REFLECT THE FACT THAT IT IS DIFFICULT TO RAISE FUNDS FROM **UK INVESTORS VS INTERNATIONAL INVESTORS DUE TO THE FOLLOWING**

BARRIERS TO FINDING SUITABLE UK INVESTORS

4 IN 10

- **35%** Risk appetite of UK investors

3 IN 10

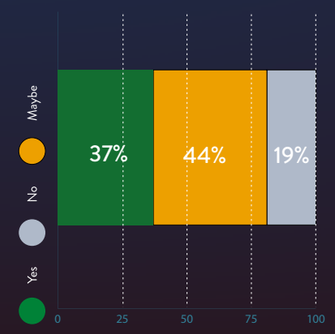
- **29%** Lack of wider support provided alongside any funding
- **27%** Scale of funds willing to be invested alongside any funding
- **26%** Short termism, ie not willing/able to invest for longer periods of time
- **25%** Terms and conditions associated with the funding

SCALEUP LEADERS WANT THE GOVERNMENT TO CREATE BETTER CONNECTIVITY BETWEEN PUBLIC SECTOR FINANCE OFFERINGS

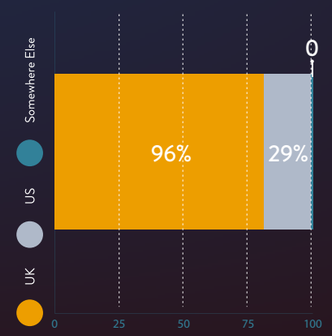
- Proactive connection to innovation / funding opportunities **49%**
- Better connections to private sector investors **43%**
- Greater knowledge of you as a business **42%**
- Dedicated account manager **35%**
- Regular investor briefings **30%**
- Regular curated investor 'meetings' **27%**
- Single point of contact at Innovate UK **23%**

Most Scaleups would consider public listing on a stock exchange with an overwhelming preference to do so in the UK. For those wishing to remain private having the ability to access the public market investor pool via a flexible platform arrangement is attractive.

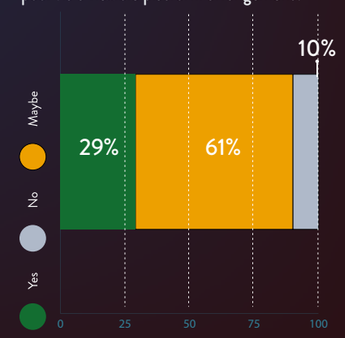
Would you consider a public listing on a stock exchange?



Where would you consider listing?

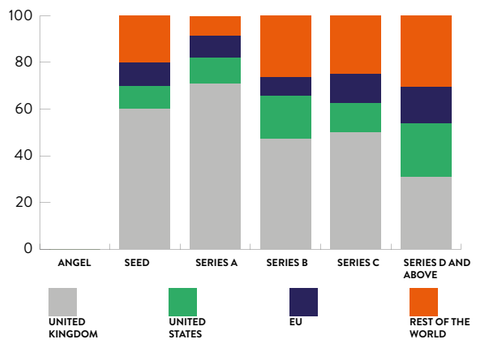


If you prefer to remain private, would you value access to the public market investor pool via a flexible platform arrangement?

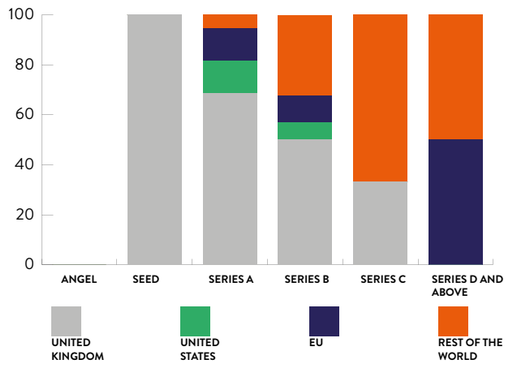


INVESTORS BY NATIONALITY AT FUNDING STAGES

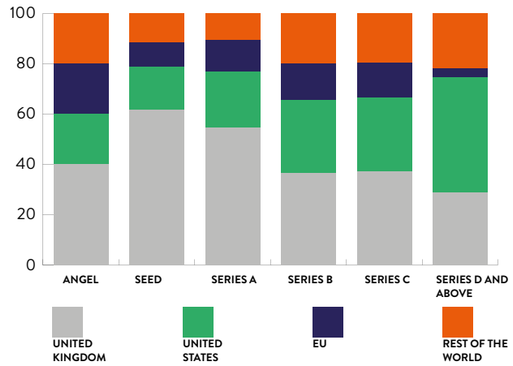
ADVANCED MANUFACTURING



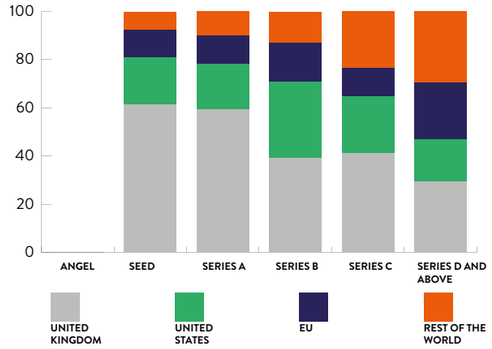
CLEAN ENERGY



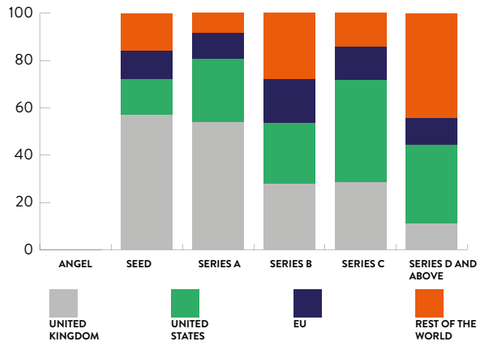
FINANCIAL SERVICES



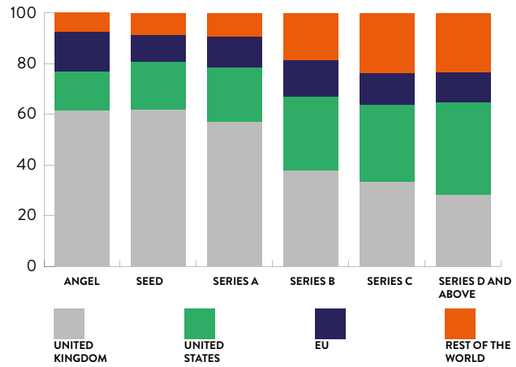
LIFE SCIENCES



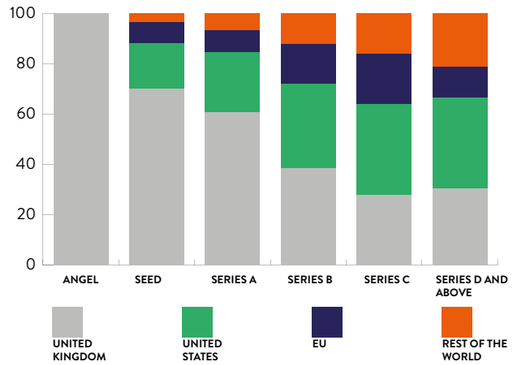
CREATIVE INDUSTRIES



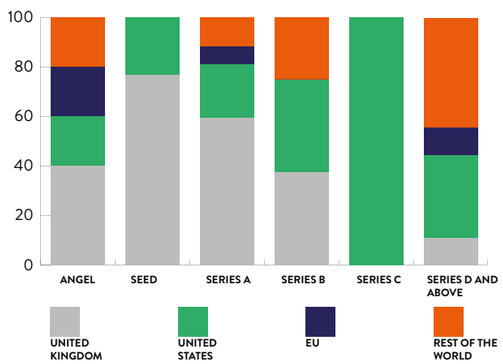
DIGITAL AND TECHNOLOGY



PROFESSIONAL SERVICES



DEFENCE



SCALEUP INSIGHTS

SCALING INVESTMENT: INSTITUTIONAL FUNDS BACKING UK SCALING FIRMS

A review of UK Pension Funds and International Sovereign Wealth Funds/ Pension Funds backing UK scaling firms.

The Mansion House Accord (MHA) aims to unlock new sources of funding for UK scaling businesses from Pension Funds and Institutional Investors, with signatories committing to invest up to £50 billion in UK business and major infrastructure projects.

The following analysis reviews investment from the MHA signatories to date into 10,966 scaling firms of which 1,678 had raised equity investment totalling £83 billion, as identified in the ScaleUp Institute's annual ScaleUp Index, and wider data sources.

It also provides a comparator of funding received by these companies from international Sovereign Wealth / Pension Funds.

INVESTMENT BY UK PENSION AND UK INSTITUTIONAL FUNDS AS SIGNATORIES TO MHA

To date, 6 of the 17 Mansion House Accord Signatories[1] have directly backed 69 of these scaling firms.

In total these 69 firms have received £6.4 billion from UK and international investors, of which UK Pension Funds have directly taken part in 100 funding rounds totalling £3.5 billion.

Most prolific and active of the Accord signatories:

- Aviva: participating in 33 funding rounds across 21 companies,
- Legal & General: taking part in 41 rounds involving 26 companies,
- M&G: investing in 22 rounds across 19 companies.

Whilst Phoenix Group, Royal London and the Universities Superannuation Scheme (USS) are at the nascent beginnings of investment. And some other signatories invest members' monies through diversified funds, for example NatWest Cushon who invests in part via L&G, or Nest or Aegon, which invest through large mandates with global asset managers such as BlackRock, and Schroders amongst others.

SECTORS

68 of the 69 companies backed are in the IS-8 sectors, with the vast majority operating in Digital and Technologies (70%), followed by Financial Services (36%) and Professional Services (22%).

This reinforces the knowledge/ 'comfort level' of these sectors over the deep tech / life science and creative sectors.

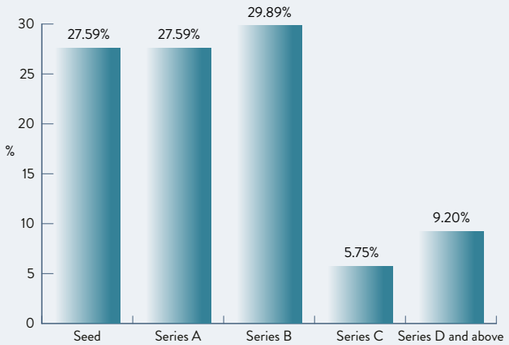
SCALEUP PROFILE

- On average these businesses were 7.9 years old when they raised investment from a UK Pension Fund.
- 59% are reporting turnover
- with 41% pre-turnover and circa 67% pre-profit

INVESTMENT SIZE AND PROFILE

40% of the sums of investment into these scaling businesses are between £10m and £70m, with the smallest round at £700k) and largest £295m).

The majority of these investments have been made at seed rounds and Series A and B but drop off at the crucial scaleup follow on funding stages.



LOCALITY

The Pension Fund investments are regionally dispersed, with over half (55%) based outside of London, 14% in the East of England, 13% in the South East and 12% in the South West.

1 Aegon, Aon, Aviva, Legal & General, LifeSight, M&G, Mercer, NatWest Cushon, Nest, NOW: Pensions, Phoenix Group, Royal London, Smart Pension, The People's Pension, SEI, TPT Retirement Solutions, and Universities Superannuation Scheme (USS). See: https://www.gov.uk/government/news/pension-schemes-back-british-growth

INVESTMENT BY INTERNATIONAL SOVEREIGN WEALTH / PENSION FUNDS

In contrast 14 International Sovereign Wealth / Pension Funds (10 SWF[1] and 4 International Pension Funds[2]) are backing 52 of these scaling firms with only one overlap with UK pension funds.

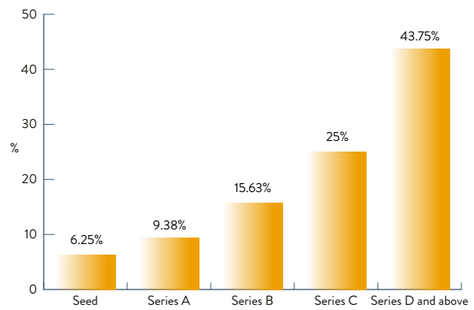
In total these 52 scaling firms have raised £24.4bn in 302 rounds. Of which International investors participated in 175 investment rounds with a total value of £19.9bn, accounting for c. 81.5% of the value of all investment received. £13.6 billion of this funding has been raised with SW/ International Pension Funds, alongside wider international investment pools.

MOST PROLIFIC INTERNATIONAL INVESTORS

- Middle Eastern investors are the largest investors in value backing 18 companies in 20 rounds to a level of £7.2bn with sources from UAE (Abu Dhabi), Qatari and Saudi Arabian Sovereign Wealth Funds.This includes the biggest single investor, the Abu Dhabi Investment Authority, backing 2 companies (Cinch and The Ardonagh Group) with rounds worth £2.8bn.
- Whilst the Singaporean Government is the most active in terms of number of businesses (23) and rounds (35), with the Government of Singapore Investment Corporation participating in 13 rounds backing 7 companies with a total value of £2.5bn and Temasek participating in 22 rounds for 16 companies, to a total value of £1.6bn. In total, Singaporean investors have invested £4.1bn.
- Four Canadian investors[3] are also actively backing UK scaling businesses contributing to 12 rounds totalling £2.9bn into 10 companies.

INVESTMENT SIZE AND PROFILE

The value of these rounds range from £1.5 million (involving Sixth Swedish National Pension Fund) to £1.8 billion (involving Abu Dhabi Investment Authority), with almost two fifths (37.7%) of rounds worth over £100m. The majority is coming into the businesses in later rounds beyond Series C.



SECTORS

49 of the 52 companies backed are in the IS-8 sectors, again the majority are operating in Digital and Technologies (73%), followed by Financial Services (42%) and Professional Services (25%).

LOCALITY

Significantly most of the businesses receiving backing from international Sovereign Wealth / Pension Funds are London based (77%); followed by the East of England (8%) and Scotland (6%).

SCALEUP PROFILE

- On average these businesses were 7.2 years old when they raised investment from an International Sovereign Wealth / Pension Fund.
- 73% are reporting turnover,
- with 27% pre-turnover and 50% pre-profit

THE ROLE OF BRITISH BUSINESS BANK

Of the 120 scaling firms which have had investment from these UK or International SW or pension funds the British Business Bank (BBB), and funds backed by it, have supported 27 of the 120 firms across 64 funding rounds, with a total of £2.84 billion raised (accounting for around 9.4% of the total amount secured by these companies). All of these 27 firms have been in industrial sectors.

This breaks down[4] as:

- 15 firms invested in by UK pension funds across 32 funding rounds with a total of £945 million, of which 78% of which were in Seed, Series A/ B rounds and 22 % in later stage rounds;
- 13 for international SWF/ pension funds across 38 funding rounds with a total of £2.42 billion, of which 58% were between Seed/ Series A/B rounds, and 42% in later stage rounds.

British Business Bank-backed funds (excluding Angel funds) that participated in these businesses include: Accelerated Digital Ventures, Amadeus Capital Partners, Atomico, IQ Capital Partners, Episode 1, Hoxton Ventures, JamJar Investments, Kin Group, Maven Capital Partners UK LLP, Molten Ventures, Panoramic and Scottish Equity Partners, with £59.5m fully disclosed (not all funding rounds have disclosed details).

This highlights the importance of the British Business Bank (BBB), as a catalytic investor and the need for at scale 'sovereign fund' type interventions.

The Government's focus therefore on the complementary roles of the BBB and NWF, alongside Innovate UK, as our equivalent sovereign levers is vital.

1 Temasek (Singapore); Government of Singapore Investment Corporation (GIC Private Limited) (Singapore); Mubadala Investment Company (UAE); Qatar Investment Authority (QIA) (Qatar); CPP Investments (Canada); Abu Dhabi Investment Authority (UAE); Public Investment Fund (PIF) (Saudi Arabia); Surj Sports Investment (Saudi Arabia); Bpifrance (France); Khazanah Nasional Berhad (Malaysia)
2 Teachers' Venture Growth (TVG) (Canada); Ontario Teachers' Pension Plan (Canada); Healthcare of Ontario Pension Plan (HOOPP) (Canada); Sixth Swedish National Pension Fund (Sweden)
3 CPP Investments, Teachers' Venture Growth (TVG), Ontario Teachers' Pension Plan, and Healthcare of Ontario Pension Plan (HOOPP)
4 Note: 1 firm, Graphcore, has been backed by both UK Pension and International SW Funds

In addition, providing BBB with greater capacity to both co-invest and direct invest is necessary if you are to match the scale of overseas Government funding coming into our UK scaleup economy and industrial strategy sectors, and thereby further enable the ethos of supporting UK companies to start, grow, scale and stay here.

POLICY IMPLICATIONS

- **QUANTUM AND RISK APPETITE:** This data analysis shows the quantum and risk appetite of international institutional money versus UK pension/ institutional funds backing UK scaling firms, and the size of the funding levels that UK players need to step up to: overall international sovereign/pension funds are providing funding at circa 4X the level of current UK Institutional Investment.
- **FOLLOW ON FUNDING:** It also highlights how UK players are not following through to the later stage scaleup investment rounds - which reinforces the need for more proactive action, such as with an equivalent to the French TIBI scheme.
- **PACE:** Further, it highlights the active Mansion House Accord players, versus those still building their capability, and the pace of action, which remains slow and raises the question of how we accelerate the signatories into operating at the scale of their counterparts. Clearly this can be through peer to peer learning and sharing of exemplar models; the creation of new funding vehicles such as the British Growth Partnership and / or sector funds and/ or the encouragement of investment through existing or 'new' 'at scale' operators.
- **NEED FOR UK SOVEREIGN WEALTH FUND EQUIVALENTS AND IMPORTANCE OF COMPLEMENTARY ROLES OF BRITISH BUSINESS BANK; NATIONAL WEALTH FUND AND INNOVATE UK AS DIRECT INVESTORS AND CATALYSTS:** as we witness the scale of international government investment into UK scaleups and industrial sectors, such as that from Singapore and the Middle East, the analysis further reinforces why the UK Government is right to scale the British Business Bank (BBB) and have a sovereign vehicle that has direct investment options; alongside the National Wealth Fund, and co-investment models and devolved nations entities of SNIB and DBW and InvestNI.
- **EDUCATION TO ADDRESS BIAS AND KNOWLEDGE ASYMMETRY:** It also reflects the ongoing 'bias' towards the sectors that are 'easy to understand' such as professional services, digital platforms and fintech, which have well documented paths to scaling quickly, whereas the R&D deep tech sector which the UK has an excellent incubator base in, such as life sciences; quantum; advanced manufacturing; clean energy remain underserved. It reinforces the role of UKRI / Innovate UK with their broad resource base, including in academia, in helping to better inform investors of the sectoral opportunities alongside the needs for specialist sectoral funds.
- **JOINING UP:** The analysis continues to highlight the need to address information asymmetries and for deep dive knowledge transfer between the innovators and the UK finance community, as well as a better joined up referrals programme between Public Finance Institutions (PFIs) themselves and the private sector economy. This could be based around existing BBB mechanisms, and those in the private sector, building upon the adoption of a joined up CRM.

SCALEUP INSIGHTS

INVESTMENT PATTERN INSIGHTS

Highlighting sector funding patterns, regional patterns and considerations as regards current Taxation EIS/ VCT parameters could evolve.

Age of scaling business at first fundraising by region and devolved nation - the median age for the first raise for a scaling firms is 4 years for all uk - but london is half of that time, with midlands, north east and northern ireland nearly 1.5x to 2x over that period.

REGION	MEDIAN AGE AT TIME OF FIRST FUNDRAISING	NUMBER OF SCALING BUSINESSES RAISING FOR THE FIRST TIME AFTER 7 YO	NUMBER OF SCALING BUSINESSES RAISING FOR THE FIRST TIME AFTER 10 YEAR OLD
London	2	127	89
Scotland	4	19	14
South East	4	60	43
South West	4	39	29
East of England	4	31	27
Wales	5	14	12
Yorkshire and The Humber	5	38	28
North West	5.5	57	44
East Midlands	6	24	17
North East	6	19	14
West Midlands	7	33	22
Northern Ireland	8	11	7
UK-wide	4	472	346

Age of scaling business at first fundraising by sector - scaling firms operating in tech and life sciences are typically raising at a younger age; while key sectors such as advanced manufacturing are lagging behind & risk being excluded from eis / vct parameters

SECTOR	MEDIAN AGE AT TIME OF FIRST FUNDRAISING	NUMBER OF SCALING BUSINESSES RAISING FOR THE FIRST TIME AFTER 7 YO	NUMBER OF SCALING BUSINESSES RAISING FOR THE FIRST TIME AFTER 10 YEAR OLD
Digital and Technologies	3	137	99
Advanced Manufacturing	8	85	66
Professional Services	5	129	94
Life Sciences	3	12	10
Financial Services	3	76	51
Clean Energy	3	15	11
Creative Industries	4	44	33
Defence	4	19	16
All Scaling in IS sectors	4	340	245
Wholesale and Retail	5	134	103
Construction / Property	5	122	93
Transport	5	37	30
Environment & Agriculture	6	25	22
Raw Materials	8	24	21
Care and Wellbeing Services	4	40	28
Education	5	34	23
Hospitality and live entertainment	4	49	37

In collaboration with

eisa
enterprise investment scheme association

FIVE SCALEUP GAPS

THE TALENT AND SKILLS GAP
Finding employees to hire who have the skills they need

THE MARKETS GAP
Accessing customers other markets /home market

THE INFRASTRUCTURE GAP
Navigating Infrastructure and access to R&D facilities

THE LEADERSHIP CAPACITY GAP
Building their leadership capability

THE FINANCE GAP
Accessing the right combinations of finance

EVIDENCE AND CASE STUDIES

NATIONAL BUSINESS MENTORING COUNCIL

Mentoring is a proven source of support in scaling a businesses. 8 in 10 founders / CEOs crediting mentoring as playing a vital part in their growth.

7 in 10 scale businesses have some form of mentor today, but for those that do not have a mentor they consistently cite the difficulty in knowing where to go and find the right qualified mentors to support them.

To address these needs and issues, leading firms from across the UK responsible for mentoring standards and accredited mentoring services have come together to form a new National Business Mentoring Council, supported by Government and referenced within its Small Business Plan.

The ScaleUp Institute is delighted to co-chair this forum with the Association of Business Mentors.

The Council will harness the collective expertise and experience of the nation's leading mentoring and business organisations to explore how the sector can work together to address challenges of the availability and accessibility of good quality business mentoring, drive coherence in the sector, promote the benefits of business mentoring and reduce any perceived barriers to participation by both businesses and potential business mentors.

The main aims of the Business Mentoring Council are as outlined below:

National Business Mentoring Council Members

KEY OBJECTIVES

- Bring together organisations to reduce fragmentation and provide a more coherent business mentoring offer.
- Build an understanding of the benefits and impact mentoring can have on businesses through gathering data and commissioning research.and understanding the trends in mentoring and needs of businesses.
- Help all understand the clear 'professional' pathways that exist for mentors to improve mentor quality and promote standards which in turn should improve standards in mentoring and the quality of mentoring support to SMEs, startups and scaling firms.
- Develop an effective comms strategy to raise awareness and promote the benefits of mentoring; mentoring programmes; mentorsme; and encourage more businesses to take up mentoring;
- Consider how the community can collaborate on activities (events/ seminars /awards ec) designed to promote awareness, foster networking and share knowledge on mentoring and its benefits.
- Support Government in the development of its strategies across Small Business; Business Growth service; Industrial Strategy etc and Small Business Support.

An immediate focus on **National Mentoring Day** was a Help To Grow roundtable mentoring session with Minister Blair and the launch by UK Finance of Mentorsme which we hope will be a valuable resource in finding vetted business mentoring organisations across the UK, alongside a wide range of mentoring and business guidance programmes run by banks, and the Government.

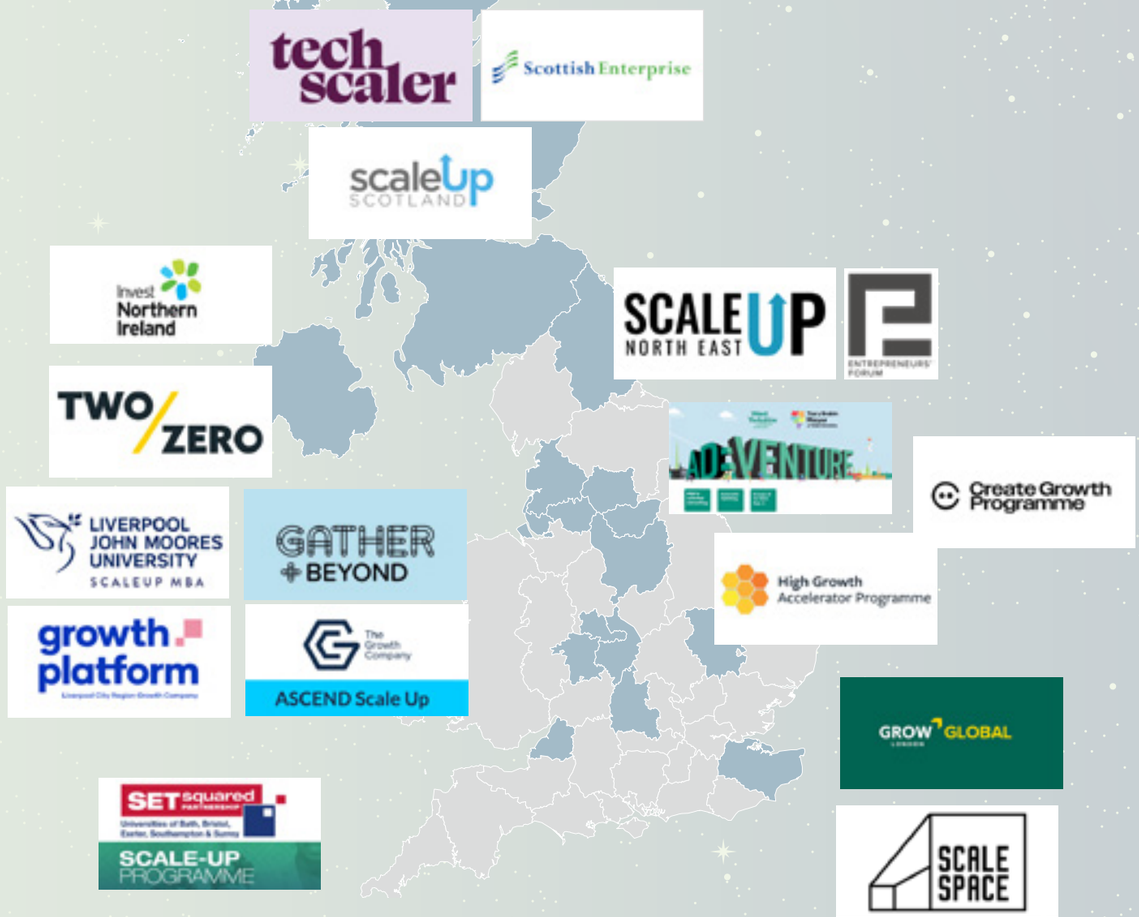
HOW TO GET INVOLVED:

If you want to get involved contact:
info@scaleupinstitute.org.uk or
www.ukfinance.org.uk/mentors-me/find-mentor

UK Finance

EXEMPLAR AREAS IN 2025

DRIVING UK ECONOMIC GROWTH THROUGH SCALEUP ECOSYSTEMS



LOCAL SCALEUP SUPPORT AVAILABLE ON OUR WEBSITE

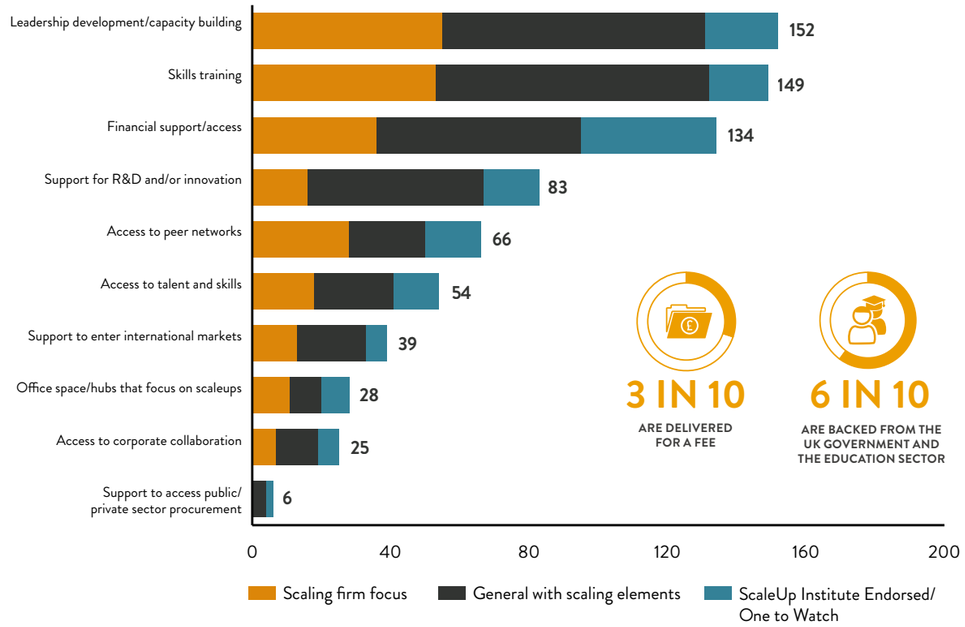
SCALEUP SUPPORT

NATIONAL & LOCAL PROGRAMMES

The ScaleUp Institute's latest mapping suggests that there are over 290 programmes that have either been set up specifically for scaleups or have support that can aid scaling, details of which can be found on the ScaleUp Support Finder on the Institute's website

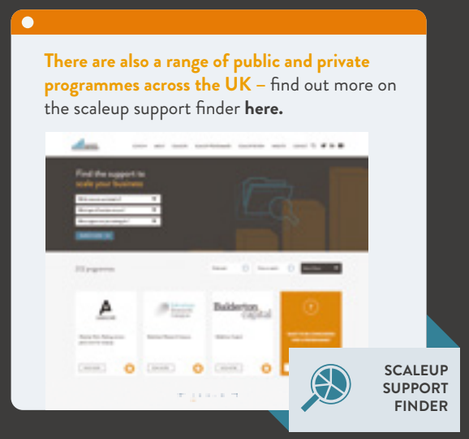
TOTAL PROGRAMMES: 296

SUI ENDORSED ONE TO WATCH	SCALING FIRM FOCUS	GENERAL WITH SCALING ELEMENTS
77	93	126

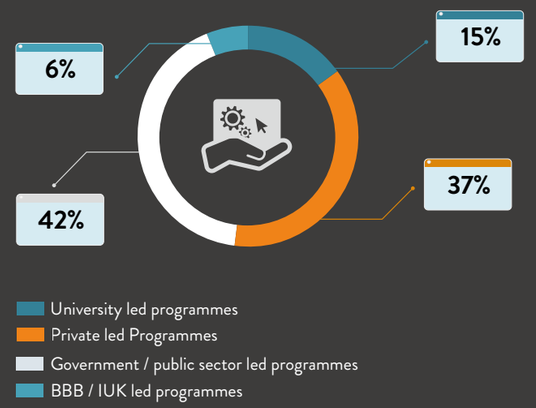


3 IN 10 ARE DELIVERED FOR A FEE

6 IN 10 ARE BACKED FROM THE UK GOVERNMENT AND THE EDUCATION SECTOR



There are also a range of public and private programmes across the UK – find out more on the scaleup support finder **here.**



LEADING PROGRAMMES

Talent and Skills

- DebateMate
- F4S
- Google Digital Garage
- The Careers & Enterprise Company
- Barclays | LifeSkills
- One to Watch: digitalboost!

Leadership

- MIT | VMS
- VISTAGE
- 10,000 small businesses
- British Library
- scaleup Scotland
- BizSmart
- Entrepreneurs' Forum
- UK Net Zero
- Horizon37
- helm
- Strathclyde Glasgow
- Edge Hill University
- Royal Academy of Engineering
- Creative Industries Council
- One to Watch: Gather + Beyond
- Scale X

Markets

- Sharing in Growth
- Grand Scale
- Grow London Partners
- One to Watch
- Santander | Navigator
- Match Maker Ventures

Finance

- Foresight
- Molten
- Minerva
- Scottish Enterprise
- sep
- Amadeus Capital Partners
- Maven
- Newable
- BGF
- Livingbridge
- Beringea
- Accel
- Banc
- Passion Capital
- Partech
- Envestors
- frog
- crowdcube
- Archangels
- mercia asset management
- British Business Bank
- LDC
- NatWest
- Notion
- MMC
- Republic
- Insight Partners
- octopus investments
- Cambridge Innovation Capital
- WealthClub
- Cambridge Angels
- Balderton
- Index Ventures
- 8 Eight Roads

Infrastructure

- Interface
- Engine Shed
- Aldersley Park
- Scale Space
- Babraham Research Campus
- RIEm
- Brunel University London
- Cambridge Ahead
- Barclays | Eagle Labs
- SET squared
- Stevenage Bioscience Catalyst
- FCA
- NatWest
- One to Watch: Catapult Digital

NEW CASE STUDIES

Talent and Skills

- One to Watch: digitalboost!

Leadership

- One to Watch: Scale X
- Entrepreneurs' Forum

Markets

- Grand Scale

Finance

- Insight Partners
- Beringea

Infrastructure

- Scale Space
- RIEm Research, Innovate and Emerge
- Brunel University London

SCALEUP INSIGHTS

SCALEUP BRITAIN: CONNECTING AMBITION ACROSS THE UK

LOCATIONS FOR SUB: Birmingham, Bristol, Edinburgh, Glasgow, Leeds, Manchester, Tyneside/Newcastle, Belfast, Cardiff, Liverpool, Nottingham

SCALEUP BRITAIN: CONNECTING AMBITION ACROSS THE UK

Throughout 2025, ScaleUp Britain continued its nationwide mission to connect founders, funders, educators, and policymakers across every part of the UK. From Belfast to Bristol, Cardiff to Edinburgh, Nottingham to Tyneside, the events have brought the scaleup community together, generating new ideas, partnerships, and action.

TYNESIDE

Each event focused on the specific strengths of its region while reflecting the shared ambition of scaling businesses across the country: access to finance, markets, talent, and leadership.

BUILDING CONNECTIONS AND COMMUNITY

A defining feature of ScaleUp Britain has been the power of connection. In Belfast, Roisin Garland, Co-Founder of Grand Scale, said: "It's about making connections with ecosystem stakeholders, from emerging to established scaleups, and breaking down barriers to help companies realise their ambitions."

Orla McKeating, Innovation Factory, reflected on the sense of collaboration: "Networking-wise, it was incredible. We learned a lot from the speakers and founders here, it really strengthened our sense of what Northern Ireland can achieve together."

Across the UK, this spirit of openness was echoed. "It's an amazing way to learn about funding options and connect with other entrepreneurs, you realise you're not alone," said Laura Mallows, Founder of Mallows Beauty, following the Cardiff event.

INFORMATION ON SCALEUP BRITAIN

Scaling companies contribute £1.8trn to the economy yearly, equivalent to 69% of the UK's SME economy, despite being less than 1% of the business population.

ScaleUp Britain is focused on celebrating, highlighting and providing support to scaling companies across the UK. We work with local communities and scaling businesses to enable easier access to funding, markets and talent.

We recognise that scaling businesses have unique funding and market needs, and these needs will continue to change as a business grows and develops.

Scaleup founders and leaders, and ecosystem players with scaling clients want up-to-date information, education on options available for raising funding, insights on market developments, and connecting those who can help access opportunities and partnerships. ScaleUp Britain takes a leading role in convening experts, influencers, actionable information and opportunities for scaling.

ScaleUp Britain. Working with you and for you to support your business growth ahead.

> **" IT WAS A BRILLIANT OPPORTUNITY TO UNDERSTAND HOW WE CAN HELP DEVELOP THE NEXT GENERATION OF TALENT TO SUPPORT SCALING BUSINESSES,"**
>
> **ALEX WARNER, DEPUTY PRINCIPAL AT WESTON COLLEGE.**

In Bristol and Nottingham, more intimate roundtables allowed local investors, universities, and founders to explore the latest developments in capital markets and private securities, helping shape how regional finance ecosystems can better support scaling firms.

BELFAST

EDINBURGH

REGIONAL STRENGTH AND COLLABORATION

Each ScaleUp Britain location reflected the diversity of the UK's business landscape. In Cardiff, leaders from Fintech Wales, Tramshed Tech, and Cardiff and Vale College showcased Wales's energy and ambition. "Having the ScaleUp Institute here to amplify what's great about Wales is crucial to putting us on the map nationally and internationally," said Mark John, Founder of Tramshed Tech.

In Edinburgh, the conversation turned to deep tech and quantum innovation. Simon Andrews, Executive Director at Fraunhofer UK Research, observed: "It's exciting to see how government, universities, and investors can collaborate to help businesses launch, grow, and scale successfully."

BRISTOL

SCALE UP BRITAIN

SCALEUP INSTITUTE

LONDON STOCK EXCHANGE
An LSEG Business

SCALEUP BRITAIN SUPPORTS LOCAL COMMUNITIES AND SCALING BUSINESSES ACROSS THE UK, ENABLING EASIER ACCESS TO FUNDING, MARKETS AND TALENT.

British Business Bank · BARCLAYS · BGF · BUY WOMEN BUILT · CMIT · HSBC Innovation Banking · LONDON STOCK EXCHANGE · UKRI Innovate UK · NatWest · Sage · SuperScalers · UK Finance

Alison McLeod, Photonics Scotland, added: "It's so valuable when these events come to our regions, they help bridge communities and accelerate innovation."

Meanwhile in Tyneside, ScaleUp Britain highlighted clean-growth innovation and investment, showcasing scaleups from renewable energy, maritime technology, and digital infrastructure, a reminder of the North East's crucial role in the UK's net-zero transition.

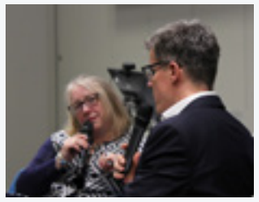
INSIGHTS AND IMPACT

The discussions across the six events revealed clear priorities for founders: better access to growth capital, stronger connections between universities and business, and targeted support to build leadership and talent pipelines.

Brendan McCurgan, Co-Founder of Simple Scaling, summed up the message from Belfast: "Anyone with aspirations to scale should understand the ecosystem, the challenges, and the mechanisms that can enable their journey."

In Bristol and Nottingham, founders and financiers discussed the evolving role of private markets and how regional collaboration can unlock innovation investment. In Tyneside, clean-tech companies explored the future of green finance and infrastructure. Across all events, participants highlighted the value of practical insight, peer learning, and community.

GLASGOW



CARDIFF

LOOKING AHEAD

The success of ScaleUp Britain in 2025 demonstrates the growing appetite for connection, learning, and collaboration across every part of the UK. By bringing together scaling businesses, investors, educators, and policymakers, these events are helping ensure the UK remains the best place in the world to scale a business.

Building on this momentum, ScaleUp Britain will continue by heading to Liverpool in November and then into 2026 with events in Surrey, Birmingham and Manchester, further strengthening regional ecosystems and connecting the innovators, investors, and leaders driving the UK's scaleup success.

Stay up to date with ScaleUp Britain at www.scaleup-britain.co.uk.

SCALE-UP STORIES

THE EVOLVING CHALLENGES AND FUTURE ADVICE FROM THE UK'S SCALING LEADERS

Each year, we have the privilege of hearing directly from scaling business leaders across the UK, from technology innovators to consumer brands, advanced manufacturers, and life sciences pioneers. Their stories remind us that scaling is never linear. It demands resilience, adaptability, and clarity of purpose as markets evolve and new opportunities arise.

While every business journey is unique, common themes continue to shape the experience of scaling up in the UK. Founders have been open about their challenges and have shared advice for those following behind them.

ACCESS TO MARKETS: BUILDING REACH AND RESILIENCE

Reaching new customers, both at home and overseas, remains central to sustainable growth. Many founders stressed the value of diversifying early. **DASH Water** built strong online and subscription sales alongside retail partnerships, while **Ruuby** expanded internationally to France and Switzerland to balance risk. **MORI** proved that physical retail, when designed as an experience, can still work alongside digital, and **Flawsome**! showed how a sustainability mission can build loyalty.

ACCESS TO FINANCE: PARTNERING FOR SUSTAINABLE GROWTH

Finance remains a defining challenge, with founders emphasising that investor alignment matters as much as capital. DASH Water chose values-driven investors, **Saint & Sofia** grew profitably without external funding, Ruuby's founder highlighted the importance of not underestimating the toll of raising investment and **Wildstone** demonstrated how strategic reinvestment can catalyse scale.

ACCESS TO TALENT AND SKILLS: SCALING CULTURE AND CAPABILITY

As firms expand, building and retaining the right team becomes critical. **Cera** recruited over 10,000 people in 18 months by widening access and creating routes back to work. **The Content Cloud Network** stressed the need to build leadership depth beyond the founder, while Saint & Sofia credited its inclusive, flat structure with preserving agility as it grew.

LEADERSHIP AND RESILIENCE: STAYING FOCUSED THROUGH GROWTH

Founders spoke of the need for clarity and discipline as scale takes hold. Ruuby has ruthlessly prioritised, while **Heights** shared lessons on validating models before expanding. **Saint & Sofia** and **HIVED** showed how outsiders can bring innovation to mature sectors, and purpose-driven businesses like DASH Water and **WUKA** demonstrated how authenticity fuels resilience.

INFRASTRUCTURE AND INNOVATION: ENABLING AND ACCELERATING GROWTH

Infrastructure, regulation, and innovation remain key to progress. WUKA's campaign to remove VAT on period underwear unlocked new market potential, while **Multimac's** long journey through safety approvals showed the persistence required to innovate. **Sunswap's** clean-technology refrigeration, **Brainomix's** AI-driven diagnostics, and **Sole Bliss'** rapid product pivot each illustrated how agility and innovation underpin successful scale.

LOOKING AHEAD

Across every story runs a shared conviction, scaling is about people, purpose, and perseverance. Founders are optimistic yet realistic, clear that continued collaboration between the public and private sectors will be vital.

Their advice is simple but powerful: stay true to your mission, invest in leadership, and choose partners who share your vision for sustainable, long-term growth. With that foundation, the UK's scaleup community will continue to drive innovation, productivity, and prosperity in the years ahead.

Read more from scaling leaders here:
https://www.scaleupinstitute.org.uk/scaleup-stories/

"STAY TRUE TO YOUR MISSION, INVEST IN LEADERSHIP"

Kevin Macliver (Director) and Minty Macliver (Operations)

Ruby Raut | CEO and Founder of WUKA

Heights founders, Dan Murray-Serter and Joel Freeman

HIVED co-founders, Murvah Iqbal CEO and Mathias Krieger CPO

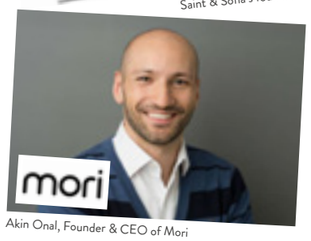
Lisa Kay, footwear designer and owner of Sole Bliss

Co-Founders of Content Cloud Liv Gascoine and Daisy Rose

Saint & Sofia's founders Malcolm Bell and Dessi Bell

Damian Cox, CEO and Founder, Wildstone

Ben Maruthappu, founder and CEO of Cera



Akin Onal, Founder & CEO of Mori

Venetia Archer, founder and CEO Ruuby

Flawsome founders, Karina Sudenyte and Maciek Kacprzyk

Dr Michalis Papadakis, CEO & Co-Founder

Michael Lowe (centre), CEO of Sunswap, with co-founders Andrew Sucis COO and Nikolai Tauber CTO)

Jack Scott and Alex Wright, co-founders of DASH Water

THE 5 KEY SCALEUP CHALLENGES

Remain with access to UK and international markets and talent dialling up

THE TALENT AND SKILLS GAP
Finding employees to hire who have the skills they need

THE MARKETS GAP
Accessing customers other markets / home market

THE LEADERSHIP CAPACITY GAP
Building their leadership capability

THE FINANCE GAP
Accessing the right combinations of finance

THE INFRASTRUCTURE GAP
Navigating Infrastructure and access to R&D facilities

THE SCALEUP ESCALATOR

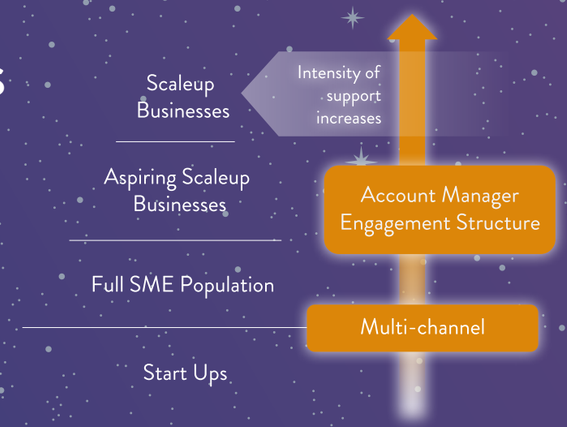
We have to join up tailored solutions and be accessible

We need to build clusters and hubs with joined up solutions and nurture our scaling pipeline and scaleups in a proactive relationship manner to enable their fullest growth.

WE NEED TO SEGMENT BUSINESS

And create high growth teams and relationship management for our scaleups.

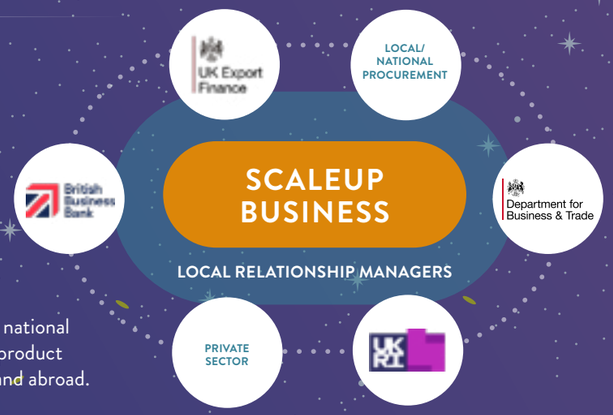
Account Managers will actively engage with Scaleup Businesses within local areas, working with them to understand their developing needs as they grow. They will provide appropriate suggestions, and make sensible introductions both within the local ecosystem and relevant national programmes across the public and private sector.



LOCAL HUB

Put the customer at the centre: scaleups value relationship management and being 'put on the map'... develop your high growth team

Account Managers will actively engage with Scaleup Businesses within local areas, working with them to understand their developing needs as they grow. They will provide appropriate suggestions, and make sensible introductions both within the local ecosystem and relevant national programmes across the public and private sector. ScaleUp product specialists reside in government specialised areas at home and abroad.



ACT COLLECTIVELY AND ALIGN RESOURCES

To address our scaleup challenges

TARGETING, COORDINATING & PROMOTING SCALEUPS

SCALEUP ECOSYSTEM	ENTREPRENEURS	GOVERNMENT	EDUCATORS
	LARGE CORPORATES	MEDIA	INVESTORS
SUPPORT	TALENT	CUSTOMERS	INFRASTRUCTURE
	LEADERSHIP	FINANCE	

WE NEED TO USE DATA TO BEAM IN ON OUR SCALEUPS AND CHAMPION THEM, INCLUDING VERIFICATION OF THE 'SCALEUP STATUS' OF A BUSINESS TO FAST TRACK SOLUTIONS TO SCALEUP LEADERS

WE NEED TO LEVERAGE BETTER WHAT WORKS THROUGH SUI INSIGHTS, KNOWLEDGE EXCHANGE AND GOOD PRACTICE

WE NEED TO CHAMPION SCALEUPS

THEIR SUCCESS STORIES AND ROLE MODELS

THE SCALEUP INSTITUTE

The ScaleUp Institute is a private sector-led, not-for-profit organisation focused on collaborating with policy makers, corporates, finance players, educators and government at a local and national level.

Our mission is to help the UK to become the best place in the world to grow a business as well as start one, and enable our existing high-growth businesses to scale up even further.

SCALEUP INSTITUTE

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