

SCALEUP ANNUAL REVIEW

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SCALEUP INSTITUTE

EVIDENCING, EDUCATING, EVOLVING, EMBEDDING.

ACKNOWLEDGEMENTS

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The full ScaleUp Annual Review can be accessed at:
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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

Last year we marked a full decade of the ScaleUp Institute and the scaleup policy dynamics that have occurred across that period.

As we enter a new era, with a new Government and a renewed focus on devolution, our founding mission remains as relevant as ever: driving economic growth through strong local scaleup ecosystems, while working in partnership with the public and private sectors to shape national, regional and devolved solutions.

Scaleups are now widely recognised as a vital part of the UK economy, with their contribution and the barriers to further growth better understood.

The ScaleUp Institute's insights have played an important role in advancing this understanding, both in the UK and internationally.

Despite ongoing geopolitical uncertainty, tariffs and inflationary pressures, the UK scaleup economy continues to demonstrate remarkable resilience. There are now more than 70,000 scaleups, a 176% increase since 2013. The UK has also made significant progress internationally, rising from 13th to 3rd in scaleup velocity. The OECD has recognised this momentum, recognising the UK is outperforming the EU in scaling velocity and unicorn creation.

This progress reflects the collective efforts of businesses, investors, public sector organisations and successive governments. The UK's scaleup ecosystem is more vibrant than ever, with ambitious businesses driving innovation, creating jobs and addressing major societal challenges.

However, we cannot afford to be complacent. Regional and diversity disparities remain, and we must do more to ensure every ambitious business, wherever it is based or whatever background, can access the support it needs to scale.

> **“Scaleups are now fully recognised as a vital segment of the UK economy and their significant economic contribution to the UK.”**

Our priority now is to turn scaleup momentum into globally significant businesses that start, scale and stay in the UK. We must continue to remove barriers, strengthen collaboration and ensure initiatives reach every part of the country. We must also protect our future global champions from premature overseas relocation or sale.

The ScaleUp Institute will continue to focus on practical, evidence-led solutions, building on what works and developing sustainable support for businesses at every stage of growth, including the mid-market.

I would like to thank our Board, partners, ambassadors, scaleup champions and the Institute’s dedicated team for their continued commitment and contribution to our mission.

As we seek to drive forward growth in every post code our scaleups will be central to the UK’s reindustrialisation, future prosperity, creating jobs, opportunity and innovation across the country.

Together, let’s continue building a ScaleUp Nation where businesses Start, Scale and Stay.

CEO's FOREWORD



IRENE GRAHAM OBE
CEO, SCALEUP INSTITUTE

As we enter into a new era, and a new Government, a Number 10 North, - with Devolution at its heart - which our scaleup economy supports, it reinforces how vitally important the starting point of the ScaleUp Institute's journey has been.

From the get-go the Scaleup Institute has worked at local level conveying learnings on how to Drive Economic Growth through local Scaleup Ecosystems[1], whilst working in partnership with the private and public sector on national, devolved and regional priorities and solutions.

This has driven initiatives across the country which have had proven results such as in the North East, Liverpool, Scotland, Coventry and Warwickshire, and Bristol, to name a few, and forged partnerships such as that with Grow London and the Manchester Growth Company, which are now being further evolved to Scale UK Connect with account management and localised partners.

It is testament to the entrepreneurial spirit, innovation and collaboration across the UK that, despite continuing macroeconomic headwinds and global disruption, our 2026 findings show the scaleup economy growing to 74,670 businesses, with a further 27,925 in the pipeline. Meaning our scaleups are now almost 1.4% of business whilst generating £1.65 trillion, 60% of SME output. A contribution that climbs even further, when adding the scaling pipeline, to a level of 81% of UK SME output at £2.75 trillion despite only accounting for 1.9% of the SME business population when combined.

Growth is evident in every part of the country, supported by a burgeoning mid-market of 25,189 scaling businesses, including 2,985 scaling family businesses. Our increasingly visible scaling landscape includes 12,111 businesses having crossed the £10.2 million turnover and/or £5.1 million asset threshold. This represents a 31% increase from 2017 since observing this cohort with 309 listed on AIM, while female-founded scaleups now number 1,887 are female founded, up 44% per cent from 2025, with more progressing to superscale.

We note the sectors most impacted by the pandemic surging forward in this year's report which we hope can be maintained, and growth in each of the Government's identified Industrial Strategy Sectors, including in the manufacturing and creative industry sector.

Importantly, the increase in UK scaleup velocity we reported on last year, up from 13th in the world to 3rd, is also endorsed by the OECD who now reflect the UK has a scaling velocity that outstrips the EU, as well as being ahead of the EU on the creation of more Unicorns: the velocity of which the ScaleUp Institute observes has doubled in the last 3 years.

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 develop solutions that address their real needs.

Through our work, including ScaleUp Britain in partnership with the London Stock Exchange, we continue to catalyse stakeholders around local, regional and national opportunities. As the number of scaleups in the UK grows and the significant economic contribution of scaleups is better understood, and segmented across industry and government, we now need to concentrate on how we convert scaleup velocity into globally consequential companies that stay here.

This needs doubling down at pace to solve the remaining challenges on market access; investor access and institutional deployment; procurement and skills pathways, if we are to sustain scaleup velocity, and make truly frictionless the journey for our scaleups to become global giants.

That is why the new initiatives announced in the recent Budget and Entrepreneurial Prospectus from *EMI2, to Founders Relief; from expansion of the High Potential Individual Visa and Global Talent Visa; to a new Commercial Hub and Innovation Market place launching in 2027, with revised UK supplier definitions, and pro regulatory powers*

1 Delivered in tandem with Dan Isenberg

to adapt rules temporarily so innovative products can be tested, refined and scaled faster, are so vital.

Equally important are Innovate UK's new Velocity strategy and the enhanced capacity of the British Business Bank, including its scale, cheque sizes, sector and regional reach, products and direct investment.

The British Business Bank's role in unlocking and connecting UK Institutional Capital to our innovative scaling economy is essential. Our Public Finance Institutions must also collaborate more effectively, strengthen referrals and create clearer pathways between themselves and private investors, which scaleup firms so importantly want to see improve. This is critical if we are to commercialise our research base, become the number one Innovation Nation and close the gap on US scaleup velocity.

The private sector remains stepping up. We are seeing greater focus on high-growth businesses in banking, including IP lending and specialist innovation teams; the launch of the London Stock Exchange's Private Securities Market with a range of transactions completed; the refresh of AIM; and progress on Mansion House Accord commitments, including the announced UK Scale-up Fund and initiatives such as Future Growth Capital.

The fundamentals are now largely in place, from the Industrial and Trade Strategies, and Sector and SME plans. Implementation of these has begun. The priority now is relentless execution at pace to: **Back British, Buy British and Invest in British**.

This requires meaningful delivery of the Mansion House Accord and Leeds Reforms, reversing the slide of institutional money out of equities[2]; a more appropriate appetite for risk, proactive referrals, better connectivity and a long-term scaleup culture supported by infrastructure 'fit for the future'.

In 'Rewiring the State', reindustrialisation, and the forthcoming '10 year plan', driving forward local scaleup growth, including in the mid-market growth segment, must be at the centre of strategy and prioritised.

Scaleups move quickly and as an ecosystem and a country the UK must do the same. With six in ten scaling firms considering moving their headquarters overseas, retaining our most innovative and ambitious businesses is a strategic imperative. We cannot afford to lose our future global champions through overseas relocation or premature sale.

We need to continue to tackle barriers through proven solutions, shared learning, stronger cross-referrals and greater 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, to share insight, guidance and good practice. We know that the drivers of local growth are access to local skilled talent, clusters and hubs; and local growth capital, and we witness these interdependencies in our new mapping tools which foster scaleup knowledge and insight.

In 2026 we have been pleased to continue our work with the CMA Growth Council; the SME Growth Forum and the Mid-Market Growth Council, while sharing our learnings with international counterparts such as through TAFTIE (The European Network of Innovation Agencies) and in our work with Canada on a cross border peer group for Biomanufacturing.

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.

In 2027 we look forward to further collaboration with local areas such as the Northern 500; the Midlands Combined Authorities; Leeds, Abertay and Newcastle, the Scottish Government, and their Chief Entrepreneur in residence, as they accelerate their scaleup ambitions. Alongside sector initiatives and continuing to take learnings from the tracking and assessment that we do of impactful programmes, both at home and abroad.

ScaleUp Britain, working with the London Stock Exchange, and our wider partners, will continue its mission and work across the country to improve funding connections, market access and talent pathways.

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 helped shape many of the public and private initiatives now supporting scaling businesses. 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. We will fully support the National Mission on Work Experience and Devolution agenda as it evolves.

In 2027, our innovative and ambitious scaleups will be more crucial than ever in driving UK economic growth in every post code, creating jobs and opportunities across the country, and helping us meet a range of domestic, societal and global challenges.

Despite macroeconomic headwinds, scaleup leaders remain innovative, international and focused on growth heading into 2027, with clear priorities; the Ecosystem needs to continue to step up and match their ambitions. Our scaleup CEOs across the UK in our 1,300 strong survey are,in these along, ready to drive a further £4 billion into our economy in 2027, if we focus on solving their market, investor and innovation needs - a prize worth pursuing when we multiply that up and seek to drive meaningful growth in every postcode.

Our fundamentals are strong, but the challenges remain significant. The ecosystem must now match the ambition of our entrepreneurs with the pace, commitment and investment they need.

Together, we must build a frictionless UK scaleup economy for the long term: a truly sustainable ScaleUp Nation where businesses can start, grow and scale, while choosing to remain and succeed in the UK.

Let's continue to build a ScaleUp Nation together.

2 Pension fund allocation in UK Equities has fallen from 53% in 1997 to 4.1% in 2025, and LSE has projected it could drop to 3.5% by 2030: https://docs.londonstockexchange.com/sites/default/files/documents/business-leader-letter-to-the-chancellor-06-11-2025_v2.pdf

SCALEUP CEO HORIZON : SNAPSHOT SUMMARY OF SENTIMENTS AS THE HEAD INTO 2027

This year's survey of UK scaleup leaders is the largest the ScaleUp Institute has ever conducted. It draws on insights from 1,354 scaleup CEOs whose businesses together generate around £33.23 billion in turnover and employ 249.3k people, with ambitions to grow to £36.61 billion and almost 278.3k employees. They span nearly every sector and region of the UK: 64% operate in Industrial Strategy sectors, reflecting those sectors' growing prominence in the economy, and 73% are based outside London and the South East. This gives us a comprehensive picture of the issues and opportunities they face.

These scaleup leaders are diverse, highly innovative, international and productive. Around a third are women-led and just over a third are led by people from minority ethnic groups with 5 n 10 also identifying as a family business. 9 in 10 have undertaken some form of innovation activity in the last three years, and more than 4 in 10 say their appetite to innovate is higher than last year, with only 3% saying it is lower. Nearly 7 in 10 already sell overseas and plan to do so in 2027, and 5 in 10 see opportunities to expand their physical presence abroad as they build global companies at scale.

They invest heavily in research and development using the money they raise for R&D, with technology developments such as AI (75%), and robotics (59%) seen as a significant opportunity by all of them.

Not unexpectedly, scaleup CEOs voiced their concerns about macroeconomic factors impacting their growth; with UK political changes, increasing energy prices, lower levels of business / consumer confidence and increasing costs to the business being their most critical issues on this front.

Yet despite all of these concerns and headwinds, the majority 8 in 10 still expect to grow in 2026: 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 (44% down from 55% last year); finance (38%); regulatory (29%) Tax (28%) and infrastructure, 23% (up from 17%). Apart from tax, these have been the consistent top challenges over time. Policy is clearly moving in the right direction, and having impact but we still need to cut through and make concerted efforts to remove them.

Scaleup leaders are also clear on their priorities heading into 2027 and how the public and private sectors can help. They want consistent and stable pro growth tax and regulatory policies. They are positive about the plans for Devolution by the Government, and major policy strands on talent and skills reform, and the devolution of funding and tax to localities (46% each) as being supportive to scaleup growth but caution that this must come with clear objectives, frameworks, the right resources to enable effective delivery and not fragment or create disparities.

Six in 10 believe the UK Scale-up Fund and new Innovate UK Velocity Strategy will help their business. They view themselves as part of regional clusters but point to space to grow (27%), access to equity and growth capital (27%), help accessing talent and skills (24%) and leadership development (23%) as key gaps.

Between 5 and 6 in 10 scaleups across England rate the support in their region as excellent, as do 5 in 10 in Scotland, but this falls to 4 in 10 in Wales and 3 in 10 in Northern Ireland. Fast tracking of innovation / procurement opportunities and collaborations remains the most sought-after source of public sector support alongside Innovate UK / UKRI. Access to innovation, research and development, and the infrastructure around it, remains essential, and scaleup CEOs want easier access to these resources, alongside better connections with financiers, advisers, investors, corporates and universities. They also want to be known and relationship-managed: 5 in 10 would value a shared register of public sector contracts won, so that other public buyers know they have already been purchased from, and close to 4 in 10 want more on-the-ground scaleup account managers and export advisers in their area.

Scaleup CEOs also want more tailored support. Peer networks and mentors top the list (32%), followed by flexible leadership development programmes (26%) and Access to NEDs / Fractional Execs (26%) advice on funding and introductions to investors (24%).

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.

On market access, different markets present distinct challenges and opportunities that require more targeted support. B2B scaleups want to do more with

corporates and government, but encounter complex processes and difficulty reaching key decision makers and contract opportunities. They want to see the fast tracking to procurement and innovation opportunities with better access to Contracts for Innovation (37%), education on procurement processes (34%) and fast-tracked procurement opportunities with dedicated R&D procurement (33%), and 83% would support the introduction of US-style procurement initiatives in the UK. Both the private and public sectors can take practical steps to address this: organising more 'meet the buyer' events, appointing dedicated scaleup procurement and innovation managers as now planned by UK Government, better aligning or ring-fencing existing funding for innovative procurement from scaling firms, and dialling up corporate venturing.

International expansion is a significant factor in scaleup success, and the ScaleUp Institute's work shows that exporting is a key predictor of scaleup potential. Although 73% say international trade is harder now due to the macroeconomic environment, 7 in 10 still plan to do so and 4 in 10 to do more. The EU remains the single leading market (47%), but taken USA and Canada together, North America (51%) has overtaken it, a striking re-emergence after last year's decline, with China (19%), the UAE (17%) and Africa (16%) also of interest.

We still need to improve support for scaleups' international ambitions. Local export advisers and trade hubs (35%), access to trade missions (32%) and financial products to support overseas expansion (28%) are their key requirements, alongside dedicated scaleup advisers in overseas markets. This must be a core feature of the planned concierge services, where support for entering new markets overseas is the second most requested element (35%).

Talent recruitment and retention remains one of the foremost challenges for scaleup CEOs, even though it has eased as a barrier this year. Retaining existing staff is their top talent priority (78%), and AI and cyber skills are the biggest gap (46%). Companies are hiring across the UK and internationally and investing in their people: 44% plan to increase their training budget, and more than half (56%) offer apprenticeships or work experience. They want more employer encounters with students and better careers advice. Half consider the apprenticeship process under the Growth and Skills Levy is working well for them but to improve it which to see . greater flexibility on which staff and roles are eligible (31%) and clearer communication about what it covers (27%), while a quarter want support for Level 7 type apprenticeship restored. In their leadership teams, AI adoption and digital transformation is now the most sought-after skill, followed by innovation, strategy, and sales and business development.

Scaleups are also employers of international talent with 6 in 10 recruiting from overseas and seeking growth-focused visa routes with less friction, faster processing (39%) and a visa system that is streamlined and easy to access and understand are key (37%).

Turning to finance and growth capital, scaleups remain much heavier users of finance, in all its forms, than their SME counterparts. Seven in 10 use some form of external finance, and 6 in 10 (59%) are using or plan to use equity.

5 in 10 scaleups still perceive that most funding resides in London and the South East, and still express mainly confidence (56%) that efforts to bridge the growth capital gap, including unlocking pension funds and the National Wealth Fund, will reach them.

The ongoing contribution of the Public Finance Institutions to the scaling economy are vital. 6 in 10 would value a referral process between these and the broader equity private landscape. Many would also welcome referrals from public finance institutions to public procurement opportunities and so wish to see greater flexibility in export finance. At every stage of the finance continuum, the UK still needs to address regional and sector disparities and knowledge asymmetries.

Six in 10 scaleup CEOs (61%) are aware of recent capital market reforms such as PISCES and listing rules reform, and many want to know more: 55% would like to learn more about PISCES. This reflects the value of the knowledge transfer, education sessions and investment briefings that scaleup CEOs consistently tell us they value, with sector briefings for businesses and investors the most valued support for accessing finance (39%, rising to 47% among equity users). It further reinforces the important role of the ScaleUp Britain initiative with the London Stock Exchange and wider ScaleUp Institute partners, which we will continue in 2027, and the ongoing work of the Capital Markets Industry Taskforce.

Many want to stay and scale in the UK. More than 8 in 10 would consider, or might consider, a public listing, and 93% of those would choose the UK. But 6 in 10 are considering relocating their headquarters overseas, driven by the size of markets (36%), political and policy stability (29%) and access to investors (29%). For those staying, the UK's understanding of their sector is the strongest draw (45%).

SCALEUP INSTITUTE RECOMMENDATIONS PROGRESS 2025/26

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 including testing and and innovating with open data access across sectors in sandbox environments:

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.

Data sharing also needs to take place between Public Finance Institutions, as part of supporting investment to and Procurement from scaleups and across emerging concierge and Account Management initiatives, including initiatives in Mayoral Strategic Authority areas and Devolved Nations. A 'joined up' effective CRM needs to be implemented to act as a backbone for proactive engagement with scaleup businesses.

Legislation is now in place to help facilitate the use of Government data and the Smart Data Strategy needs to be acted upon, with greater access to Government held data utilised as part of implementing the UK Industrial Strategy and expected 10 year plan.

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 and as the Devolution Agenda evolves with Rewiring of the State and 10 year plans. The N500 initiative is encouraging in this regard and the planned forthcoming Midlands and Scotland initiatives.

The SUI will continue to work with partners and the OECD on a forward looking 'scaling' taxonomy. It remains important that fund raising and revenue are not the only measures, given the level of 'bootstrapping', organic growth in UK scaleups and preprofit, pre-revenue characteristics of deep tech scaling firms, where Innovate UK's strengths lie.

The Implementation of the Industrial Strategy, Sector Strategies, Trade Strategy and Small and Medium Sized Business Plan should continue to deliver to their stated scaleup intents at pace, alongside the Devolved nations and Regional Mayoral Strategies.

The Business Growth Service, and 'Scale UK Connect' the new catalyst pilot service that has just been launched must be allowed to bed in, and work in concert with Innovate UK's Velocity strategy and the British Business Bank's regional approach as they start to deliver. 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

Further development of 'concierge' services with clear 'end to end' practical connections to market (procurement, exports, R&D) talent and investor solutions with fast tracking.

The ScaleUK Connect pilot, alongside Innovate UK Velocity, as evidenced, recommended, analysed, and leaned into by SUI, are important steps towards building a UK wide Government Relationship / Account Management and High Growth Teams concierge service. Alongside the central pilot, effective and consistent offerings across regions and devolved nations should be developed, 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.

Scale UK Connect is due to implement services that mirror recommendations made by SUI over the past decade, and in 2025, as outlined below which continue to match scaleup priorities in 2026:

- 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, 10 year Plan and Rewiring of State initiatives, as fiscal devolution takes shape.

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 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 (see overleaf). BBB and IUK have critical roles in supporting and aligning with these, including in cluster mapping, as in the Cambridge exemplar and toolkit SUI has produced.

As central Government devolution of power and fiscal responsibility takes place, it is important to establish appropriate structures, objectives, measurement and guardrails to ensure Combined Authorities/MSA's have a clear scaleup allocation and guidance on good practice, including relevant support in resources, and toolkits.

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.
- The new Scale UK Connect service and wider activity are all part of developing a clear, defined international offer for scaleups through the Implementation of segmented, proactive Account Management / Concierge services. This needs to be bedded down for the long term.
- As Growth Advisors take shape, we must not lose sight of the International Trade specialisation and have appropriate resourcing , at local level, towards this vital export and international focus, as fiscal devolution occurs.
- 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.
- It is welcome that SUI's recommendation for more Scaleup focused trade missions based on the Grow London model will now be part of the planned Scale UK Pilot which must embed for the long term and work effectively with MSA's and sector clusters.
- As referenced in the 2025 Recommendations, UKEF should continue to evolve its engagement with scaling firms as it is considered an increasingly important resource to scaleups and those growth firms in the mid-market. The expansion of its capacity in the 2026 Budget and planned new services with the BBB are therefore welcomed. Going forward it must continue to provide support to IS8 sectors and review its weightings towards more service oriented / IP rich businesses than is currently the case, and step up its ability to provide firm pre-committments to contract awarding, as international equivalents do more effectively.

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

The Procurement Act provides an overarching framework to improve procurement for growth companies, and there have been further positive steps set out in the

Entrepreneurial Prospectus 2025 and 2026, aligning to SUI insights, setting out plans to better ensure Government can act more effectively as the first customer as companies seek to commercialise their innovations and scale. The Innovation Marketplace set out to launch in Spring 2027 and the new Public Procurement Policy Statement and supplier definition in 2027 should help in this regard, as well as the Commercial Innovation Hub to work with Procurement Champions in every department, who should be given clear objectives and KPIs and an OTA like framework to operate within.

These are all initiatives long evidenced for by SUI that should each support Government having a more dedicated R&D Innovation procurement process with clearer 'carved out' budget and pathways, similar to international counterparts like the US. As these are deployed, lessons should be taken from the US SBRI, OTA arrangements, and CIA In-Q-Tel initiative, and the SBA's Mentor Protege programme as laid out in prior SUI Annual reviews and reports.

As these elements are rolled out more fully, the implementation of the Procurement Act needs to be monitored to ensure the Public Sector does increase its buying and strategic partnerships with scaling companies.

Fast track arrangements; regulatory passporting; meet the buyer and sandbox options should continue to be developed across sectors, as laid out in the Regulating for Growth Bill supported by RIO, IUK/ UKRI. The National Audit Office and Public Accounts Committee with clear pro-growth objectives.

IUK's Velocity Strategy should mean progress on commitment and / allocation of longer and larger term funding in 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'. This should follow the customer - not simply 'projects' - and join up Government and private sector resources towards scaling businesses better through referral processes.

Procurement opportunities should be connected to Account / Relationship Management teams/ Concierge services and Scale UK Connect and that in OFI, with a priority to connect scaleups to appropriate opportunities. IP clausing should be 'fit for scaling.

SCALEUP INSTITUTE RECOMMENDATIONS PROGRESS 2025/26

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'. An SBA type Mentor Protege programme should be considered by all corporates and deployed by Government in OEMs it sources from as part of large scale supply chain / procurement initiatives.

As recommended in 2024, Government and the private sector should review how to encourage stronger Corporate Venturing in the UK which is recognised by the OECD as a driver of US scaleup growth.

The SUI in 2027 will be undertaking further work in this area.

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.

The Focus upon skills for young people, including the National Mission on Work Experience, and the devolution of regional skills funding for 16-19 year olds are important steps, which scales support, and scaleups and Mid-market growth firms need to be part of local skills plans as these are developed. 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 is being planned in the Mission on Work Experience, as should awareness raising of jobs and careers available in our scaleup industrial economy.

Each of these need to align with the ongoing work by Skills England and the deployment of initiatives on upskilling and reskilling the wider work force for a changing workplace and the continued evolution of the Growth and Skills Levy.

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.

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

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.

Steps announced to improve visa routes for scaleups and to speed up visa approvals are also vital, specifically expanding the Global Talent Visa and expanding the High Potential Individual Visa, however continued efforts to evolve the visa system to remove friction and speed process for international hiring and make the UK a destination for scaling ambitions is needed.

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, fractional executives 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 of the National Business Mentoring Council and revitalisation of Mentorsme should ensure improved access for 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.

It is recognised that progress has been made against the Mansion House Accord, and Leeds Reforms such as with the announced £1bn UK Scaleup Fund, the Future Growth Partnership; the British Growth Partnership but it is now more critical than ever to ensure that the Mansion House Accord deploys at pace to the scaleup economy, and the UK ScaleUp Fund itself scales up, and / or other at scale initiatives develop, as outlined in our insight overleaf.

These efforts must also work in concert with Scale UK Connect, Innovate UK's Velocity Strategy, Devolved nations and MSAs.

Handoff and referrals need to be improved; and pathways 'following the customer' so that we can make frictionless the funding journey for UK scaleups and ensure they stay in the UK to form Global Consequential companies.

The Office For Investment, has an important role here in overseeing PFI forums and Sterling 20, and should systemise a referral process and 'investment relationship' oversight.

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

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. leveraging Scale UK Connect. The planned doubling of British Business Bank commitments to women led business and investment funds is also welcome.

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. As the Velocity approach is fully operationalised, 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 the Private Securities Market established by the London Stock Exchange Group as part of this, with initial transactions occurring in 2026, are key milestones. Promotion of this and the reforms in AIM should continue, and ScaleUp Britain will continue its mission in 2027 to raise awareness and connectivity.

Attention must remain on reversing the downwards trend of UK institutional allocation to equity investment, alongside increasing retail investors in UK scaleup growth opportunities, particularly given the new platforms emerging. The Government needs to continue its work through BBB etc on expanding the variety of deployment vehicles, including the further exploration of first loss options, and consideration to implementing relevant tax incentives such as those outlined by the London Stock Exchange and the Capital Markets Industry Taskforce.

The retail focus should complement existing private sector activity. Stamp duty should be removed from shares in order to support this drive to build a stronger UK investment culture.

Stability for the UK business taxation system is positive, with uplifts for the amount thresholds for EIS/SEIS/VCTs in the 2025 Budget and EMI2 in 2026 welcome, along with the planned consultation on a Founders Relief in the 2026 Budget. These are all important steps in smoothing / removing existing cliff edges/ friction to enable and encourage UK entrepreneurs and scaleup founders to build global consequential companies in the UK. SUI will monitor these as they evolve to ensure they remain aligned to scaleup growth and regional dynamics.

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 is an area that also requires focus and should be considered more actively in 2027.

A GUIDE TO SCALEUPS

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 on average 40% more productive than their peers, generating an average of £283k 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. 4 in 10 say their appetite for innovation is higher than the last 12 months while 5 in 10 say it is about the same.

SCALEUPS ARE INTERNATIONAL

7 in 10 are selling goods and services to customers overseas and 5 in 10 say exporting is a key opportunity for growth. 5 in 10 see opportunities to expand their physical presence overseas, while 3 in 10 are considering it.

SCALEUPS ARE ACROSS ALL SECTORS

Scaleups span the economy: the majority of them operate in sectors outside of technology. 4 in 10 are operating in the Industrial Strategy sectors.

WHY SCALEUPS MATTER

SCALEUPS CREATE HIGH QUALITY JOBS

Scaleups help create high-quality jobs with more satisfied employees – employing 6.1m workers. With 8 in 10 seeing talent retention as critical for their growth.

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 ARE GOOD CORPORATE CITIZENS

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

SCALEUPS ARE DIVERSE

31% are Women-led Businesses. 34% are Minority Ethnic Group-led Businesses

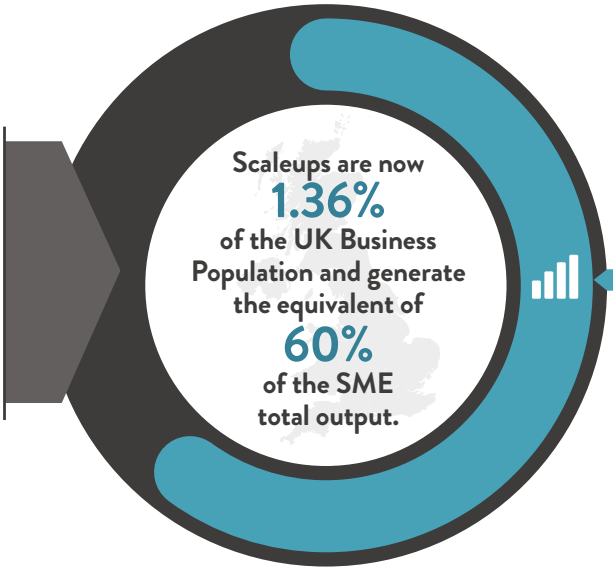
SCALEUPS IN THE UK

SCALEUPS	TURNOVER	EMPLOYMENT	SCALING BOTH
74,670	70,350	14,330	10,010

SCALEUPS EMPLOY **6.1M** PEOPLE

SCALEUPS HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£283,379***

5.5m SMES GENERATE **£2.75tr** TO THE UK ECONOMY



74,670 SCALEUPS CONTRIBUTE **£1.65tr** TO THE UK ECONOMY

SCALEUP INCREASE

In 2026, our analysis of the 2024 ONS IDBR data show a steep increase in the number of scaleups compared with previous years. Following sections examine which sectors contributed most to this growth and where the largest increases occurred across turnover and employment bands, providing greater insight into the factors driving the rise.

NOTE ON TURNOVER FIGURES

ONS has moved to exclude aggregate IDBR turnover figures for the Finance and Insurance sector (SIC Section K) due to data-quality concerns and to align with other government statistics, including the Business Population Estimates. This means turnover figures are not directly comparable to previous years.

THE SCALING PIPELINE

2.4m
PEOPLE EMPLOYED BY SCALING BUSINESSES IN 2024

27,925
THE TOTAL NUMBER OF BUSINESSES GROWING BETWEEN 15-19.99% IN 2024

£570bn
THE TOTAL AMOUNT OF TURNOVER GENERATED BY SCALING BUSINESSES.

*Excluding Finance and Insurance sector

ONS IDBR 2021-2024; DBT (BEIS) Business Population Estimates 2024 for UK business population count and SME turnover

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.



Over the past year, ScaleUp Britain continued to bring together founders, funders, educators and policymakers from across the UK. From Liverpool to Surrey, Cambridge to Cardiff, Glasgow to Edinburgh and the summits continue to connect the scaleup community, creating opportunities to exchange ideas, build new partnerships and drive meaningful action to support business growth.

ScaleUp Britain is dedicated to championing, connecting and supporting ambitious companies across the UK. Working alongside local communities and the wider ecosystem, we enable easier access to the finance, markets and talent essential for growth.

We recognise that the challenges and opportunities businesses face change as they develop, particularly when it comes to securing investment, entering new markets and expanding their operations.

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 plays a leading role in bringing together experts, influencers, industry leaders and ecosystem partners to share knowledge, provide actionable insights and create opportunities that help ambitious companies realise their growth potential.

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

LIVERPOOL



"We need to provide better advice, guidance and support to help businesses navigate difficult periods and reach the stage where they can scale up. Initiatives such as ScaleUp Britain play an important role in bringing together businesses and the regional ecosystem, connecting them with the support and opportunities they need to grow. That's why we're investing significant Combined Authority funding into building a strong regional ecosystem."

STEVE ROTHERAM
MAYOR OF THE LIVERPOOL CITY REGION

EDINBURGH



CAMBRIDGE



CARDIFF



BIRMINGHAM



GUILDFORD



ONS SCALEUPS AND PIPELINE BY REGION

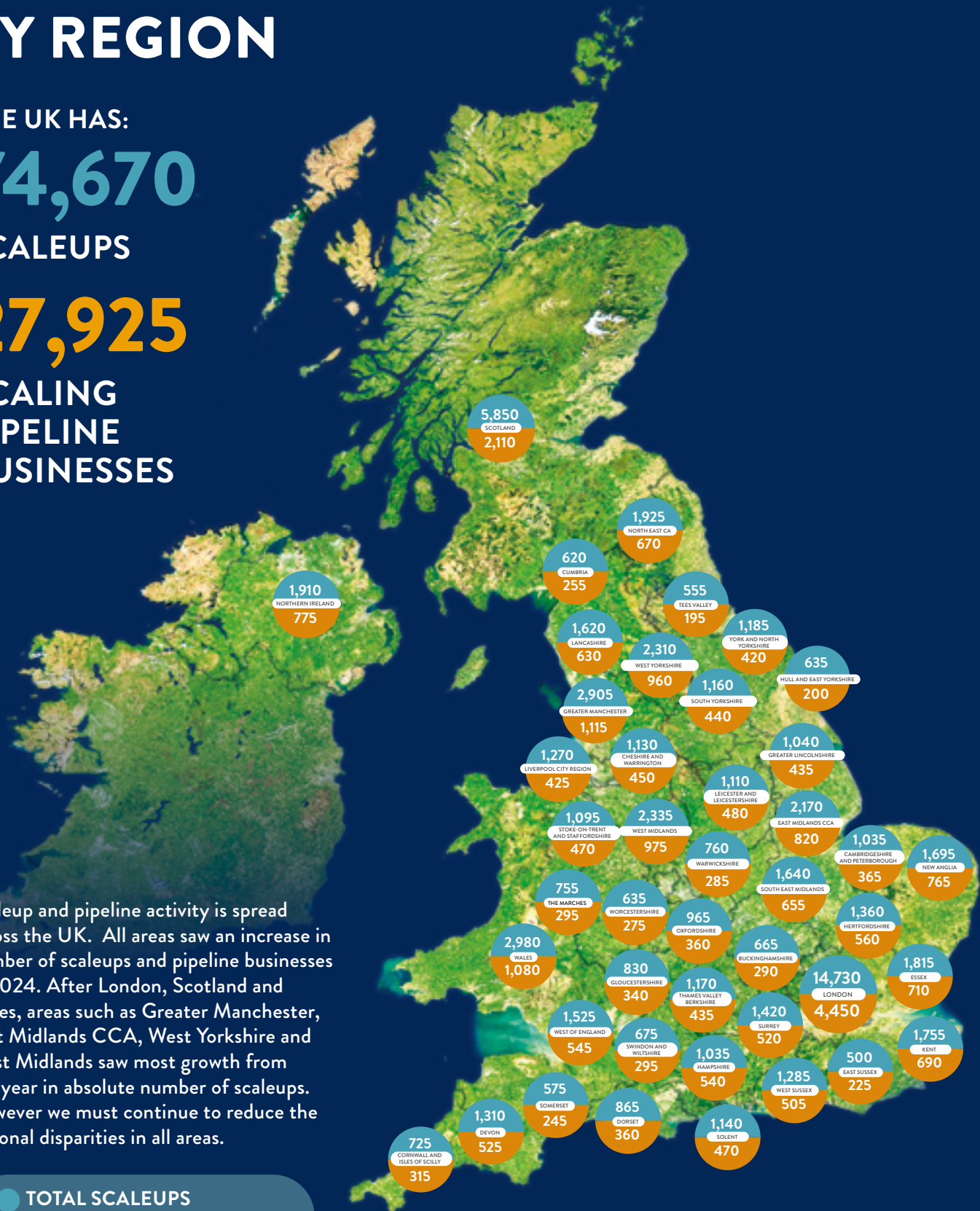
THE UK HAS:

74,670

SCALEUPS

27,925

SCALING PIPELINE BUSINESSES



Scaleup and pipeline activity is spread across the UK. All areas saw an increase in number of scaleups and pipeline businesses in 2024. After London, Scotland and Wales, areas such as Greater Manchester, East Midlands CCA, West Yorkshire and West Midlands saw most growth from last year in absolute number of scaleups. However we must continue to reduce the regional disparities in all areas.

TOTAL SCALEUPS
TOTAL SCALING PIPELINE

Source: ONS IDBR 2021-2024

ONS GROWTH RATES

REGIONAL AND SECTORAL

SCALEUPS



SCALING PIPELINE



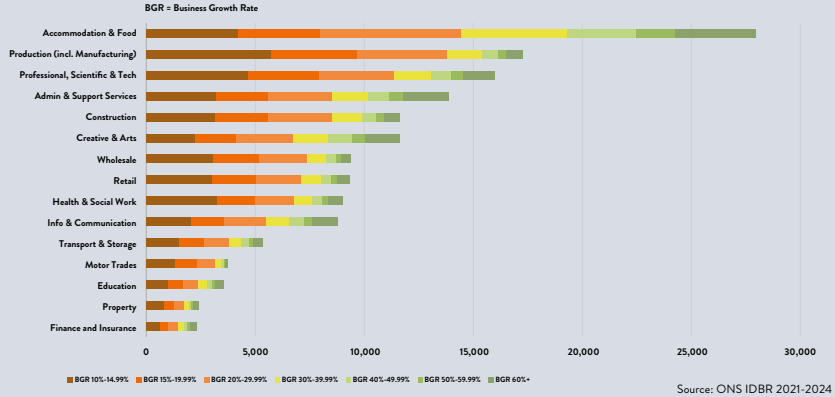
Source: ONS IDBR 2021-2024

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).

GROWTH SEGMENTS BY SECTOR

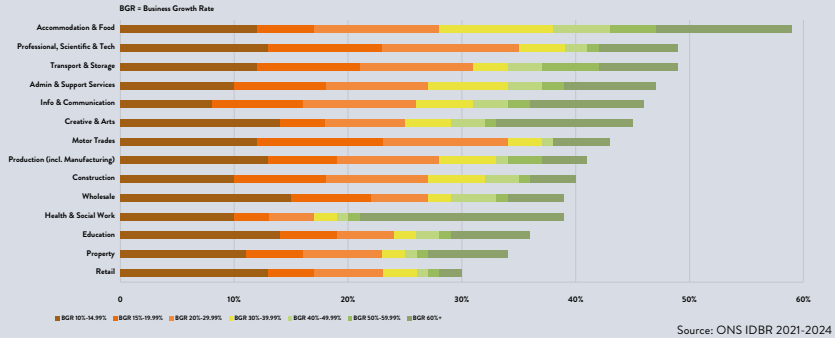
The growth rate distribution of all businesses growing by more than 10% (in turnover and/or employment) across sectors shows where businesses are more concentrated within the different growth brackets. Finance & Insurance, Business administration and support services, and Arts entertainment recreation and other services are the sectors with the highest proportions of businesses scaling by over 60% in turnover and/or employment. In contrast, businesses in the Motor Trades sector, Production and Wholesale sectors have highest proportion of businesses in the 10–19.99% growth range.

DISTRIBUTION OF SCALEUPS AND PIPELINE BUSINESS BY GROWTH SEGMENT



Source: ONS IDBR 2021-2024

CONTRIBUTION TO TURNOVER BY SCALEUPS AND PIPELINE BUSINESSES AS A PROPORTION OF UK BUSINESSES WITH MORE THAN 10 EMPLOYEES



Source: ONS IDBR 2021-2024

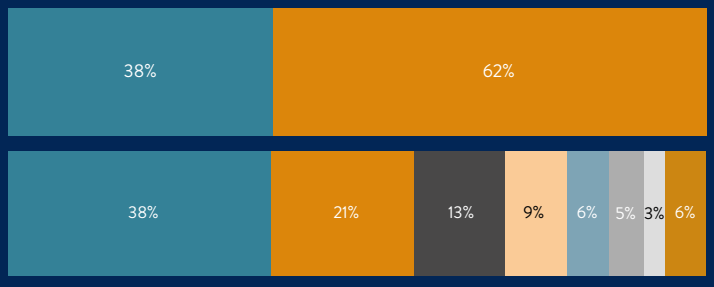
GROWTH SEGMENTS - SECTORAL CONTRIBUTION TO TURNOVER

The three biggest sectors contributing to total turnover of businesses with at least 10 employees are Accommodation and food services, Professional scientific and technical, and Transport and Storage sector.

SCALEUPS SCALE MULIPLE TIMES

SCALEUPS KEEP SCALING

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



Breakdown of scaleups

- Scaled more than once
- Scaled once

Number of scaling events

- 8 or more
- 7
- 6
- 5
- 4
- 3
- 2
- 1

Source: ScaleUp Instiute analysis of Business Structure Database 2002-2022

Note: Total number of scaleup firms is 211,998

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 2024	SCALEUPS PER 100K POPULATION 2023	NO OF SCALEUPS (2024)
YORK AND NORTH YORKSHIRE	9.1	140.3	76.6	1185
LONDON	8.9	162.1	103.3	14730
CORNWALL AND ISLES OF SCILLY	7.9	123.8	81.6	725
CUMBRIA	7.8	121.4	59.2	620
WEST OF ENGLAND	7.2	124.5	73.7	1525
GLOUCESTERSHIRE	7.1	124	74	830
HAMPSHIRE AREA	6.8	128.9	73.1	1035
OXFORDSHIRE	6.6	126.4	77.8	965
SCOTLAND	6.6	105.5	53.9	5850
DEVON	6.3	104.4	64.7	1310
NORTHERN IRELAND	6.2	99.1	54.2	1910
WARWICKSHIRE	6.1	120.2	66.1	760
WEST SUSSEX	6.1	107.2	63.3	1285
DORSET	6	108.3	65.6	865
THE MARCHES	5.9	104.9	59.7	755
HULL AND EAST YORKSHIRE	5.9	100.6	59.3	635
SURREY	5.8	113.7	70.4	1420
HERTFORDSHIRE	5.8	110	67.2	1360
NEW ANGLIA	5.8	98.2	60.8	1695
SOMERSET	5.8	97.7	59.2	575
WALES	5.8	93.5	51.5	2980
THAMES VALLEY BERKSHIRE	5.7	117.9	75.6	1170
BUCKINGHAMSHIRE	5.7	114.9	86	665
CHESHIRE AND WARRINGTON	5.7	112.1	73.4	1130
NORTH EAST CA	5.7	94	52.2	1925
CAMBRIDGESHIRE AND PETERBOROUGH	5.6	110.8	72.2	1035
LANCASHIRE	5.4	101.1	61.5	1620
EAST MIDLANDS CCA	5.4	95	54.5	2170
GREATER LINCOLNSHIRE	5.3	89.5	54.6	1040
ESSEX	5.2	94.1	59.1	1815
GREATER MANCHESTER	5	96.5	64.4	2905
KENT	5	90.9	54.3	1755
WORCESTERSHIRE	4.9	102.2	66.6	635
SOLENT	4.9	90.5	51.5	1140
WEST YORKSHIRE	4.8	94.9	58.5	2310
STOKE-ON-TRENT AND STAFFORDSHIRE	4.8	93	57.1	1095
EAST SUSSEX	4.8	89.1	49.4	500
SWINDON AND WILTSHIRE	4.5	87.9	52.6	675
LEICESTER AND LEICESTERSHIRE	4.4	97.9	63.6	1110
SOUTH YORKSHIRE	4.4	81.1	50.6	1160
LIVERPOOL CITY REGION	4.4	79	47.2	1270
TEES VALLEY	4.1	77.9	47	555
SOUTH EAST MIDLANDS	4	87.7	54.9	1640
WEST MIDLANDS	3.4	76.9	48.3	2335

- Indicates where change in scaleup density since 2013 is **6 or more OR** scaleup density in 2024 is **greater than 110**
- Indicates where change in scaleup density since 2013 is between **5 and 6 OR** scaleup density in 2024 is in between **95 to 110**
- Indicates where change in scaleup density since 2013 is **below 5 OR** scaleup density in 2024 is between **75 to 95**

SCALING GROWTH ACROSS LOCAL AREAS

AVERAGE ANNUAL CHANGE IN COMBINED DENSITY

AVERAGE SCALEUP AND SCALING PIPELINE DENSITY CHANGE 2013-2024

LOCAL AREA/DEVOLVED NATION	AVERAGE YEARLY CHANGE IN COMBINED DENSITY
YORK AND NORTH YORKSHIRE	11.6
CORNWALL AND ISLES OF SCILLY	10.9
LONDON	10.8
HAMPSHIRE AREA	10.6
CUMBRIA	10.3
GLOUCESTERSHIRE	9.5
WEST OF ENGLAND	9.1
DEVON	8.4
DORSET	8.3
OXFORDSHIRE	8.3
SCOTLAND	8.3
NORTHERN IRELAND	8.2
NEW ANGLIA	8.1
HERTFORDSHIRE	7.9
WEST SUSSEX	7.9
BUCKINGHAMSHIRE	7.8
SOMERSET	7.7
CHESHIRE AND WARRINGTON	7.6
THE MARCHES	7.6
WALES	7.5
THAMES VALLEY BERKSHIRE	7.3
WARWICKSHIRE	7.3
NORTH EAST CA	7.2
SURREY	7.2
LANCASHIRE	7
GREATER LINCOLNSHIRE	6.9
WORCESTERSHIRE	6.9
STOKE-ON-TRENT AND STAFFORDSHIRE	6.8
CAMBRIDGESHIRE AND PETERBOROUGH	6.7
EAST MIDLANDS CCA	6.7
EAST SUSSEX	6.7
ESSEX	6.7
HULL AND EAST YORKSHIRE	6.7
SOLENT	6.6
GREATER MANCHESTER	6.5
KENT	6.4
WEST YORKSHIRE	6.4
SWINDON AND WILTSHIRE	6.2
LEICESTER AND LEICESTERSHIRE	5.8
LIVERPOOL CITY REGION	5.4
SOUTH YORKSHIRE	5.4
SOUTH EAST MIDLANDS	5.2
TEES VALLEY	5.2
WEST MIDLANDS	4.6

25 AREAS HAVE ADDED 7 OR MORE SCALING BUSINESSES PER 100K POPULATION

- >7
- 6-7
- <6

ONS IDBR 2010-2024

DENSITY OF SCALEUPS

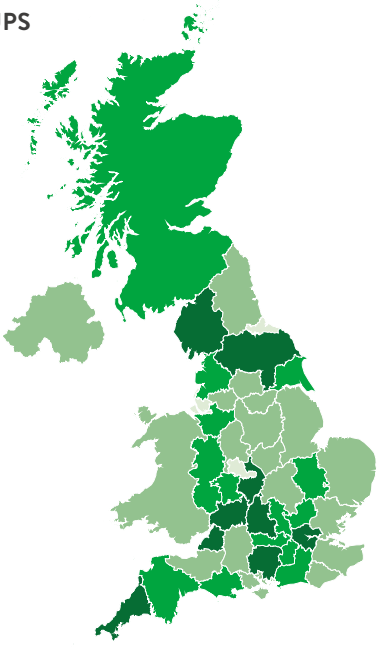
PER 100K POPULATION, BY LOCAL AREA/ DEVOLVED NATION

Scaleups per 100k population

- Greater than 120
- 100-120
- 80-100
- Fewer than 80

Areas with the highest scaleup density:

- LONDON
- YORK AND NORTH YORKSHIRE
- HAMPSHIRE AREA
- OXFORDSHIRE
- WEST OF ENGLAND



Source: ONS IDBR 2021-2024

DENSITY OF SCALING PIPELINE

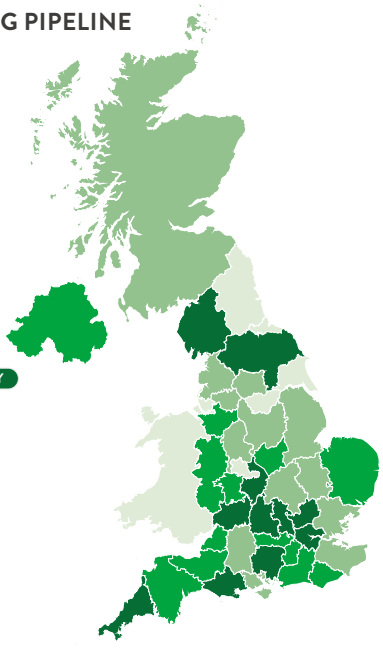
PER 100K POPULATION, BY LOCAL AREA/ DEVOLVED NATION

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

- Greater than 45
- 40-45
- 35-40
- Fewer than 35

Areas with the highest scaling pipeline density are

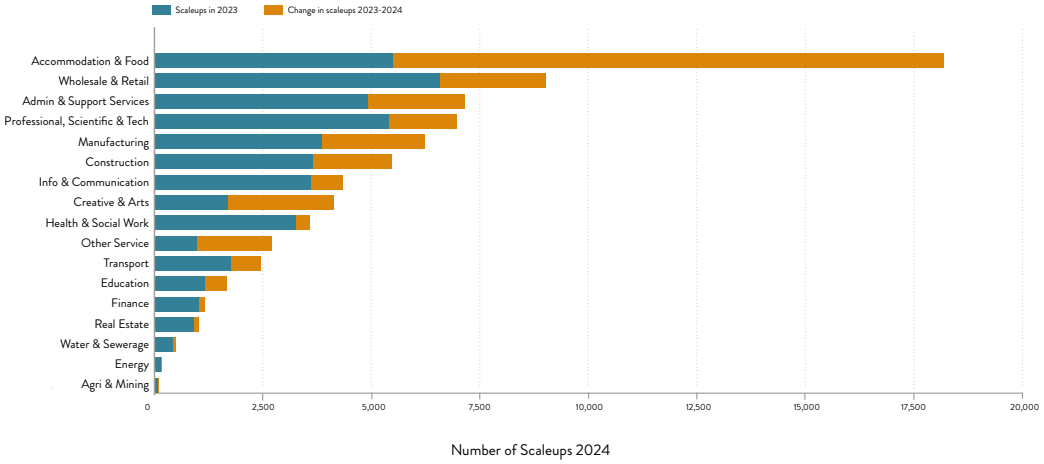
- HAMPSHIRE AREA
- CORNWALL AND ISLES OF SCILLY
- GLOUCESTERSHIRE
- BUCKINGHAMSHIRE
- CUMBRIA



Source: ONS IDBR 2021-2024

SCALEUPS BY SECTOR

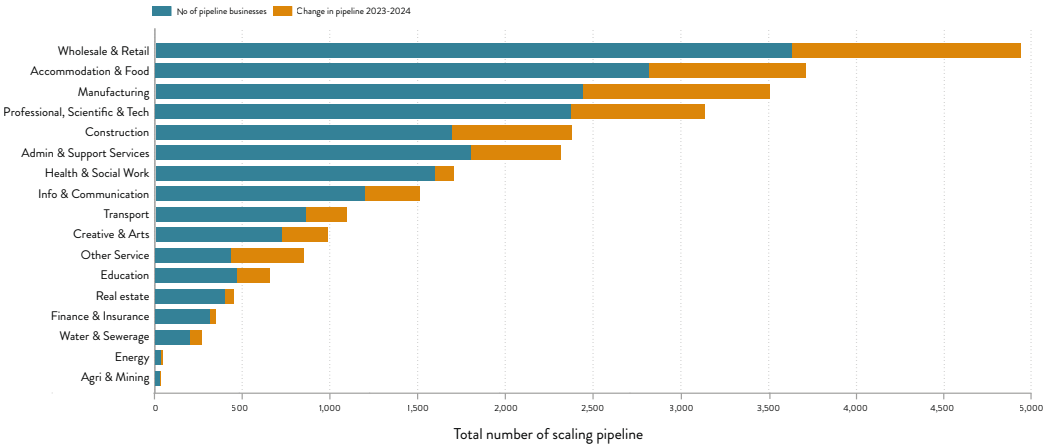
Accommodation & Food Services (233%); Wholesale & Retail (37%); and Admin & Support Services (46%) are the largest 3 sectors driven by the substantial increases they have had in this last period. Across these three sectors their total number has doubled between 2023 and 2024, driving up the overall numbers of scaleups.



Source: ONS IDBR 2020-2024

SCALING PIPELINE BY SECTOR

Market leaders: The three largest pipeline sectors in 2024 are Wholesale & Retail (4,950), Accommodation & Food (3,715) and Manufacturing (3,515).



Source: ONS IDBR 2020-2024

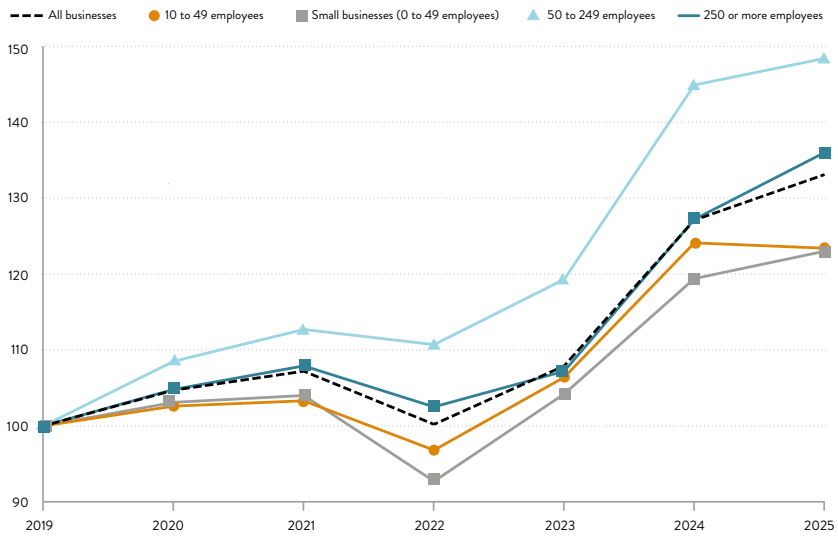
UNDERSTANDING THE CHANGE IN THE NUMBER OF SCALING FIRMS

ANALYSIS OF ALL UK FIRMS TURNOVER BETWEEN 2019-2025

Of the 74,670 scaleups reported by ONS data in 2024, 70,350 scaled due to turnover growth and this type of scaling now accounts for 94% of all scaleups. This growth has come from businesses of all sizes; however, 83% of the total increase has come from those with less than 50 employees. To explore the wider context of this surge in scaleups, the following chart analyses turnover across all UK businesses between 2019 and 2025. It indexes the total turnover to 2019 levels to reveal distinct trends by business size.

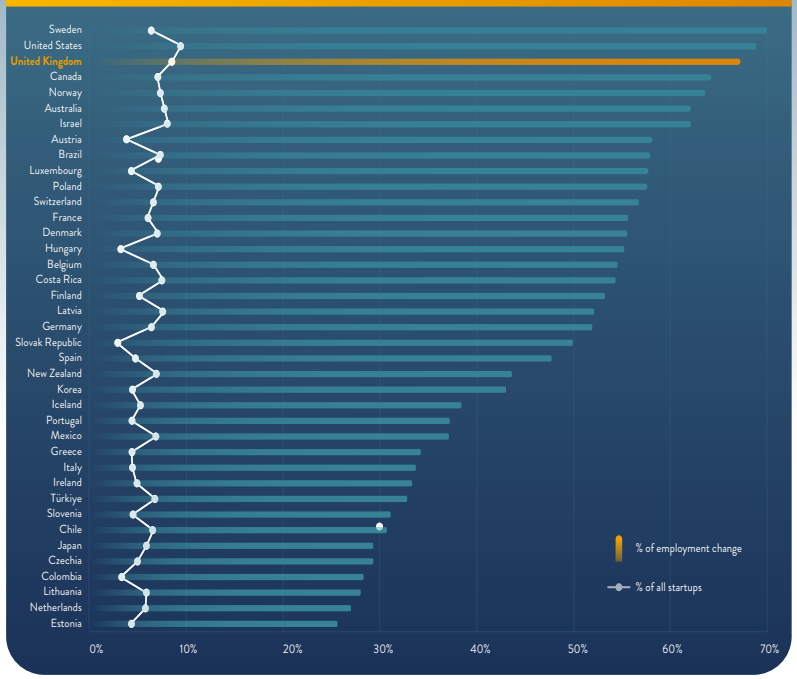
Notably the total turnover generated by UK businesses fell significantly between 2021 and 2022 in the aftermath of the Covid Pandemic, with the steepest declines among smaller businesses. Following this dip turnover levels recovered strongly in 2023 and 2024. This decline followed by rapid recovery potentially explains at least part of the increase in the number of businesses scaling by turnover; however, it also provides an indication with the slowdown in growth between 2024 and 2025 that there is likely to be a similar a similar trend or a possible decrease from these record levels in 2025.

UK BUSINESS INDEXED TURNOVER



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



Scaleup benchmarking analysis in collaboration with: Glass.AI

LATEST INSIGHTS FROM THE OECD

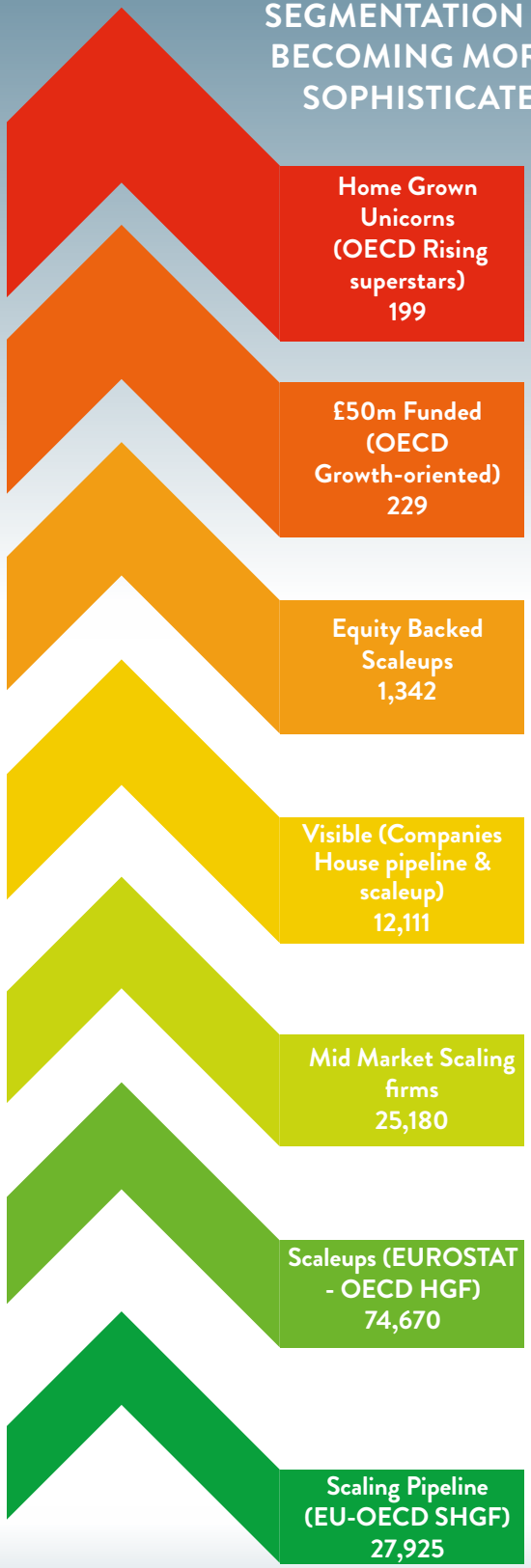
The UK scales more start-ups than the EU, but fewer reach $1bn than in the US

5.9 - 3.5 - 8.5
UK - EU - US
scale-ups per 100 innovative start-ups

0.8 - 0.7 - 1.7
UK - EU - US
rising superstars (unicorns) per 1,000 start-ups

SOURCE: OECD START-UPS DATABASE

UK SCALEUP SEGMENTATION IS BECOMING MORE SOPHISTICATED



S STARTUP, SPINOUT, SCALEUP, STAY

C CLUSTER, CONVENE, CONNECT: CAPITAL & CONTRACTS

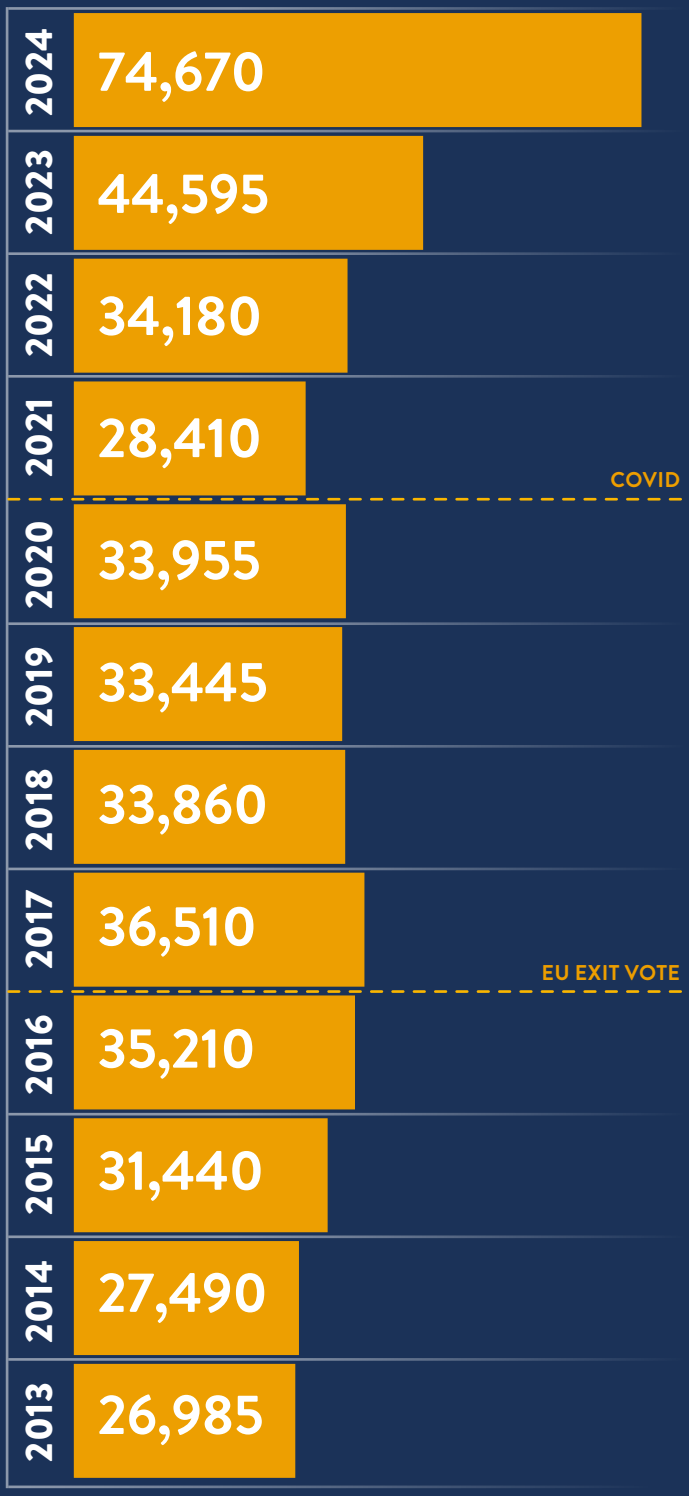
A ACCELERATE & ALIGN

L LEAN IN

E EDUCATE, ENABLE & 'EGNITE'

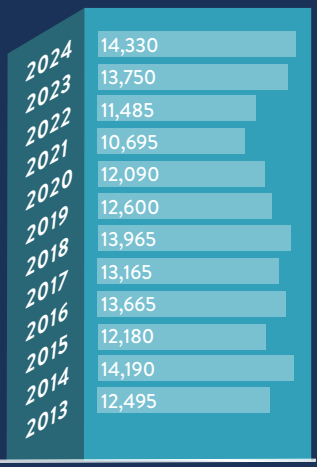
HOW MANY SCALEUPS ARE THERE IN THE UK

TOTAL SCALEUPS IN THE UK



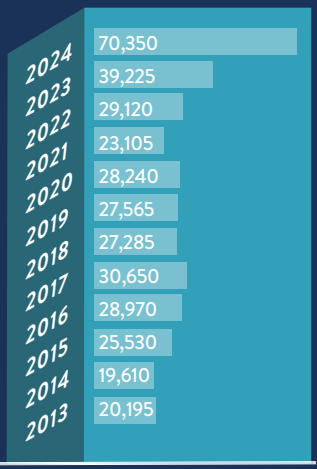
BY EMPLOYMENT IN 2024

14,330



BY TURNOVER IN 2024

70,350



BY EMPLOYMENT & TURNOVER IN 2024

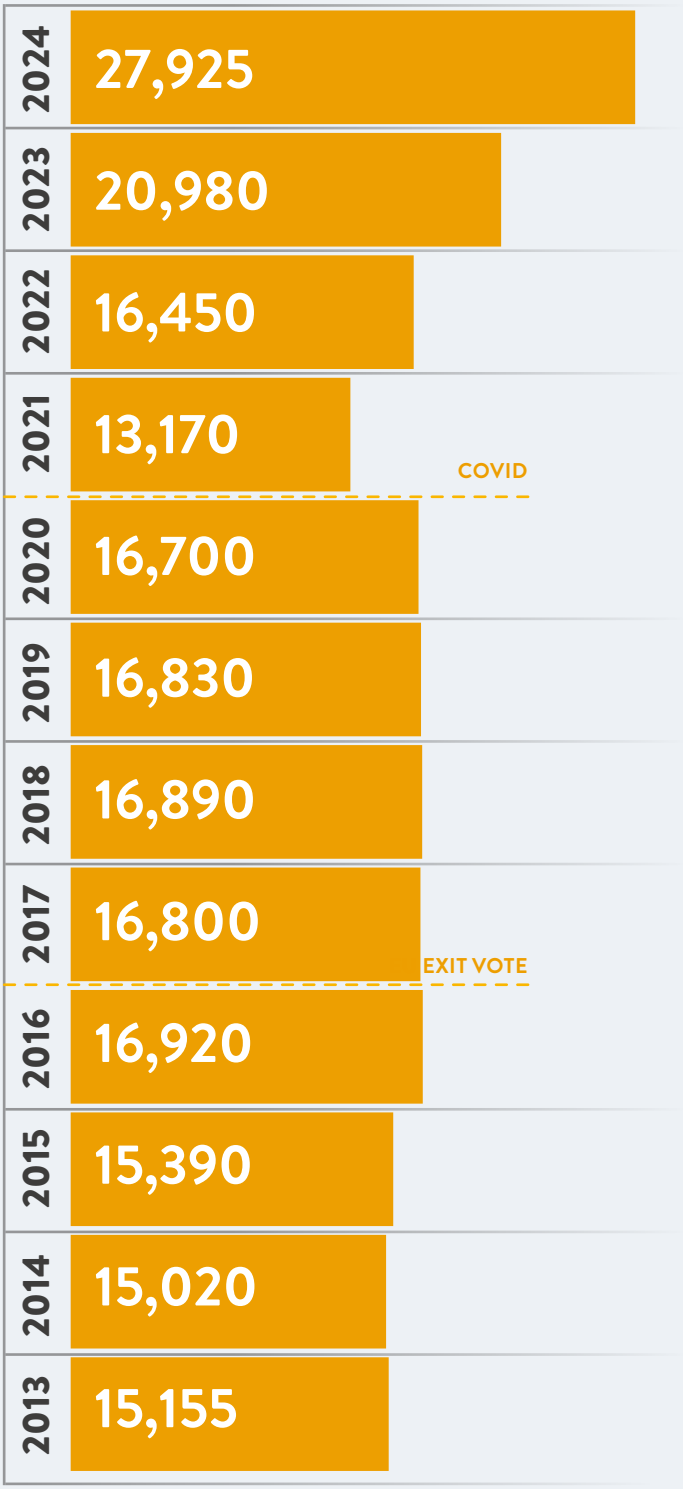
10,010



Source: ONS IDBR 2010-2024

SMALL HIGH GROWTH BUSINESSES: OBSERVING THE SCALING PIPELINE

TOTAL SCALING PIPELINE IN THE UK



BY EMPLOYMENT IN 2024

7,950



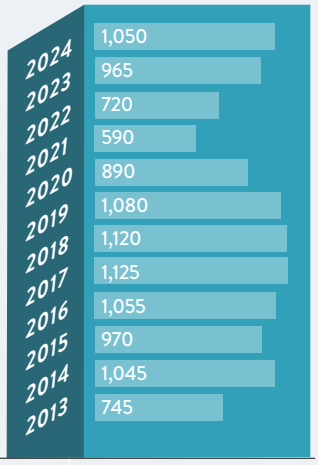
BY TURNOVER IN 2024

21,025



BY EMPLOYMENT & TURNOVER IN 2024

1,050



Source: ONS IDBR 2010-2024

SCALEUPS AND SCALING BUSINESSES WITHIN THE
INDUSTRIAL STRATEGY SECTORS IN THE UK

More than a third of businesses belong to an IS-8 sector in both the scaleup and pipeline cohorts. Of the 74,670 scaleups and 27,925 pipeline scaling businesses in the UK, number of businesses within the Industrial Strategy sectors are 26,475 scaleup and 11,235 pipeline businesses making 35% and 40% of the total respective cohorts.

26,475

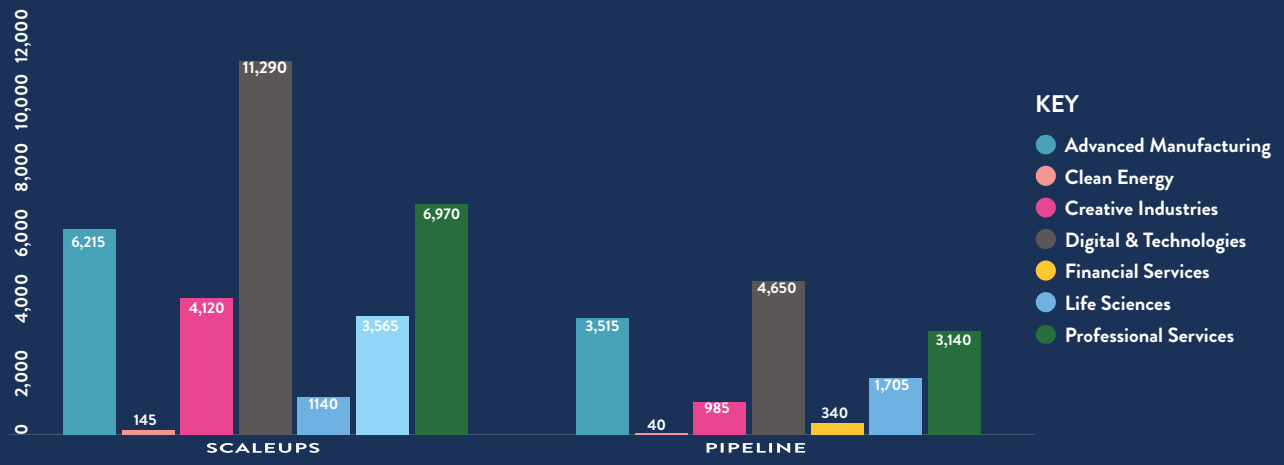
INDUSTRIAL SECTOR SCALEUPS

EMPLOY	GENERATING	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
2.5m	**£792.7bn** TURNOVER	**£321,733**

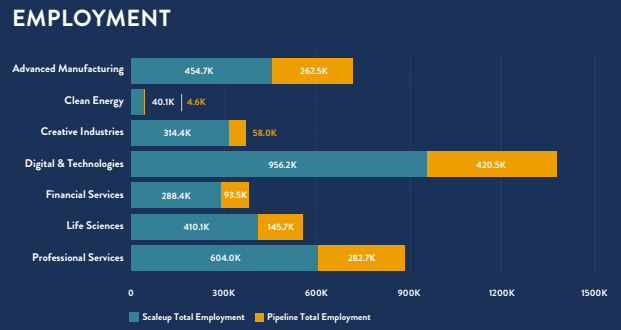
11,235 INDUSTRIAL SECTOR SCALING PIPELINE

EMPLOY	GENERATING	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
984.8k	**£235.0bn** TURNOVER	**£238,649**

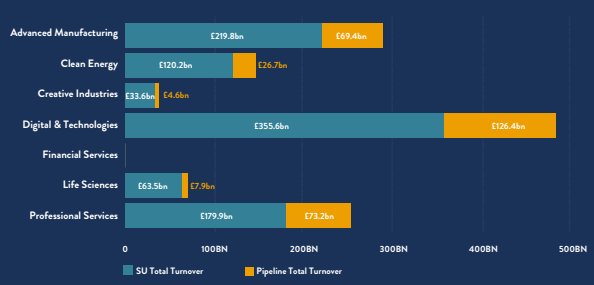
TOTAL NUMBER OF SCALEUPS AND SCALING BUSINESSES BY SECTOR



TOTAL EMPLOYMENT OF SCALEUPS AND SCALING BUSINESSES BY INDUSTRY



TOTAL TURNOVER OF SCALEUPS AND SCALING BUSINESSES BY INDUSTRY

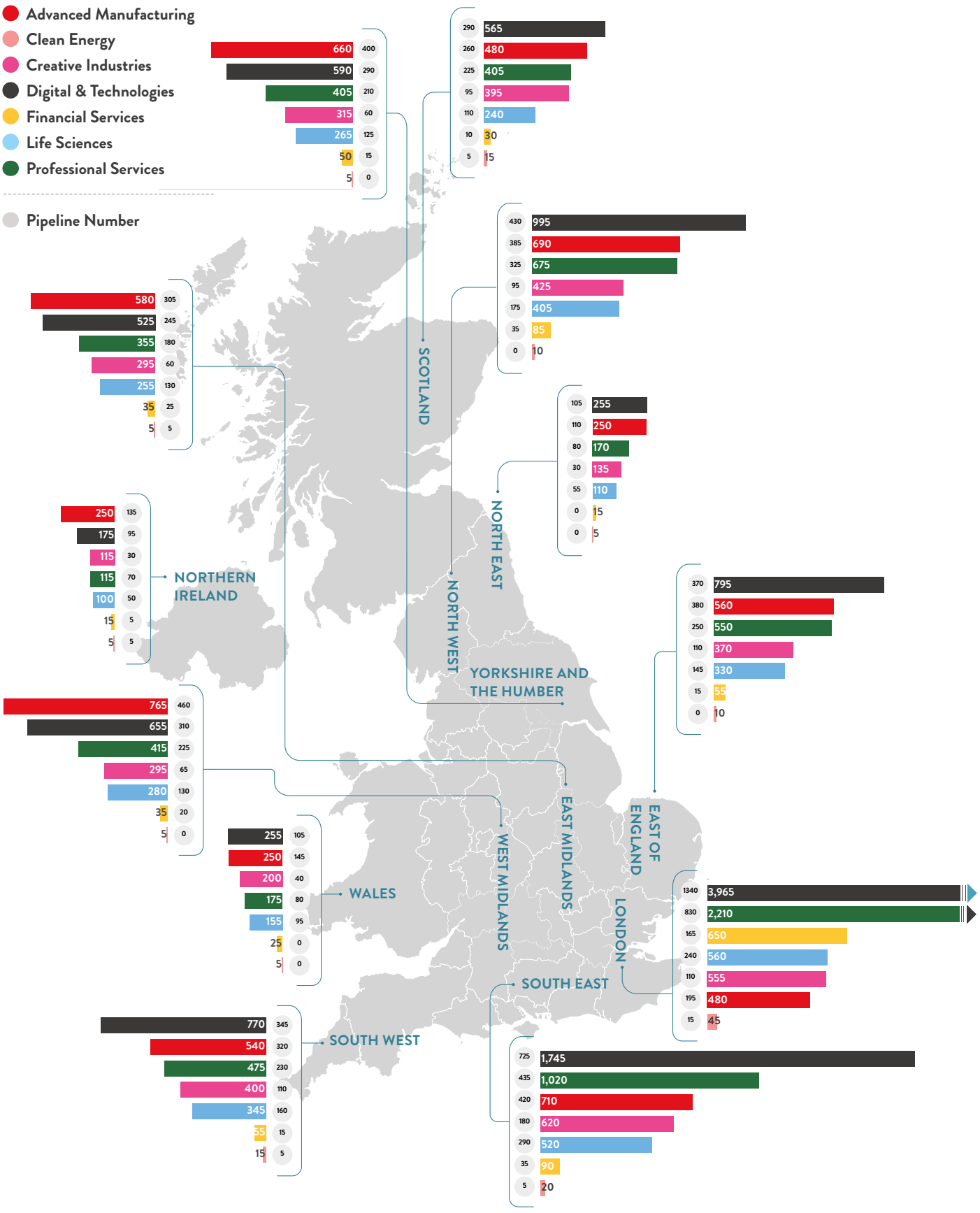


*Note: The ONS is currently undertaking a full revision of the UK SIC system (to become UK SIC 2026). For computation purposes, as of August 2026, we are using both 'J : Information and communication' and 'M : Professional, scientific and technical' as ONS proxy for the Digital and Technologies industry.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

Source: ONS IDBR 2021-2024

INDUSTRIAL STRATEGY SECTOR BY REGION

Digital & technologies, Advanced Manufacturing and Professional Services are the industries with most number of businesses in majority of the regions.

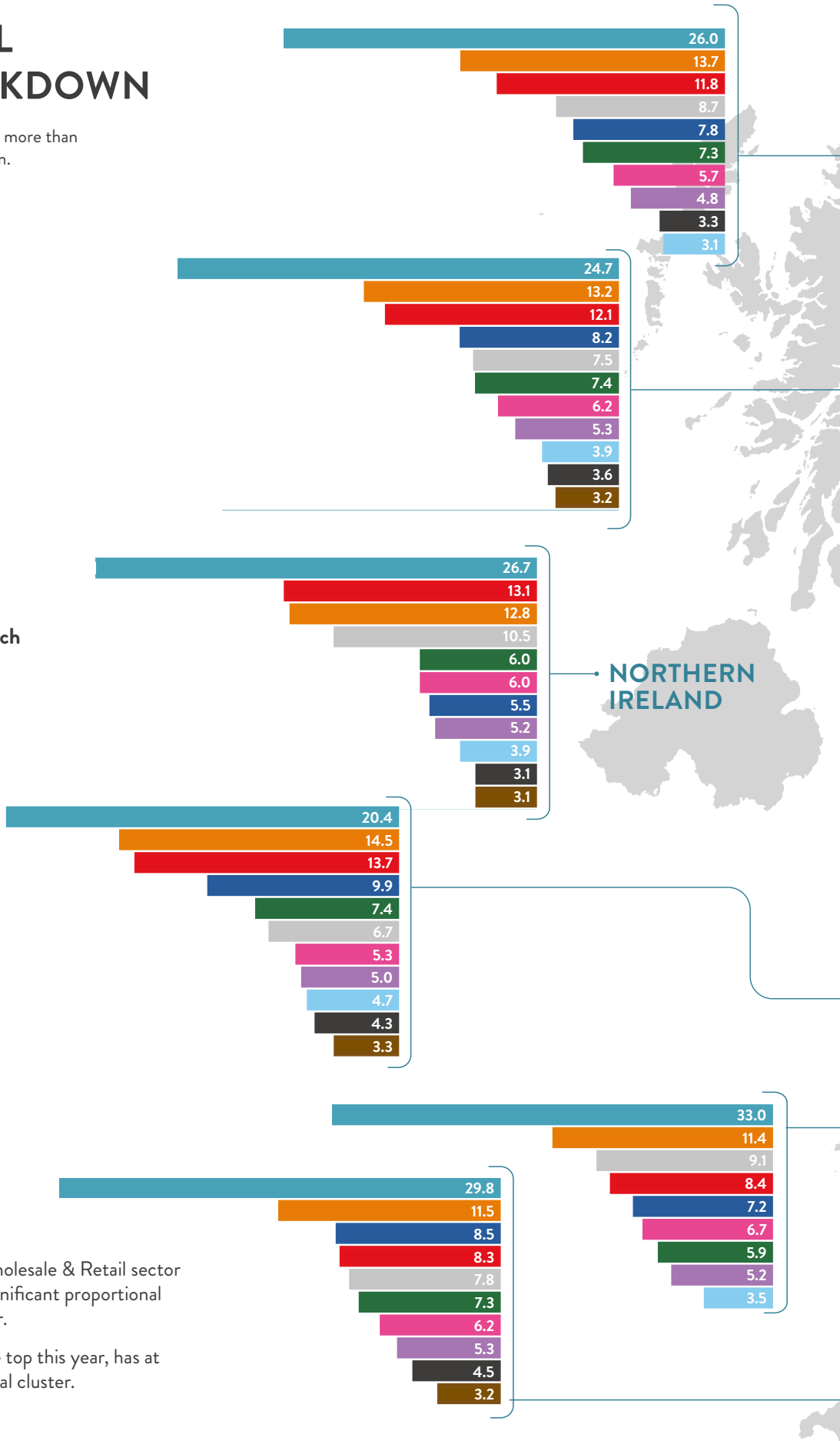


ONS REGIONAL CLUSTER BREAKDOWN

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

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

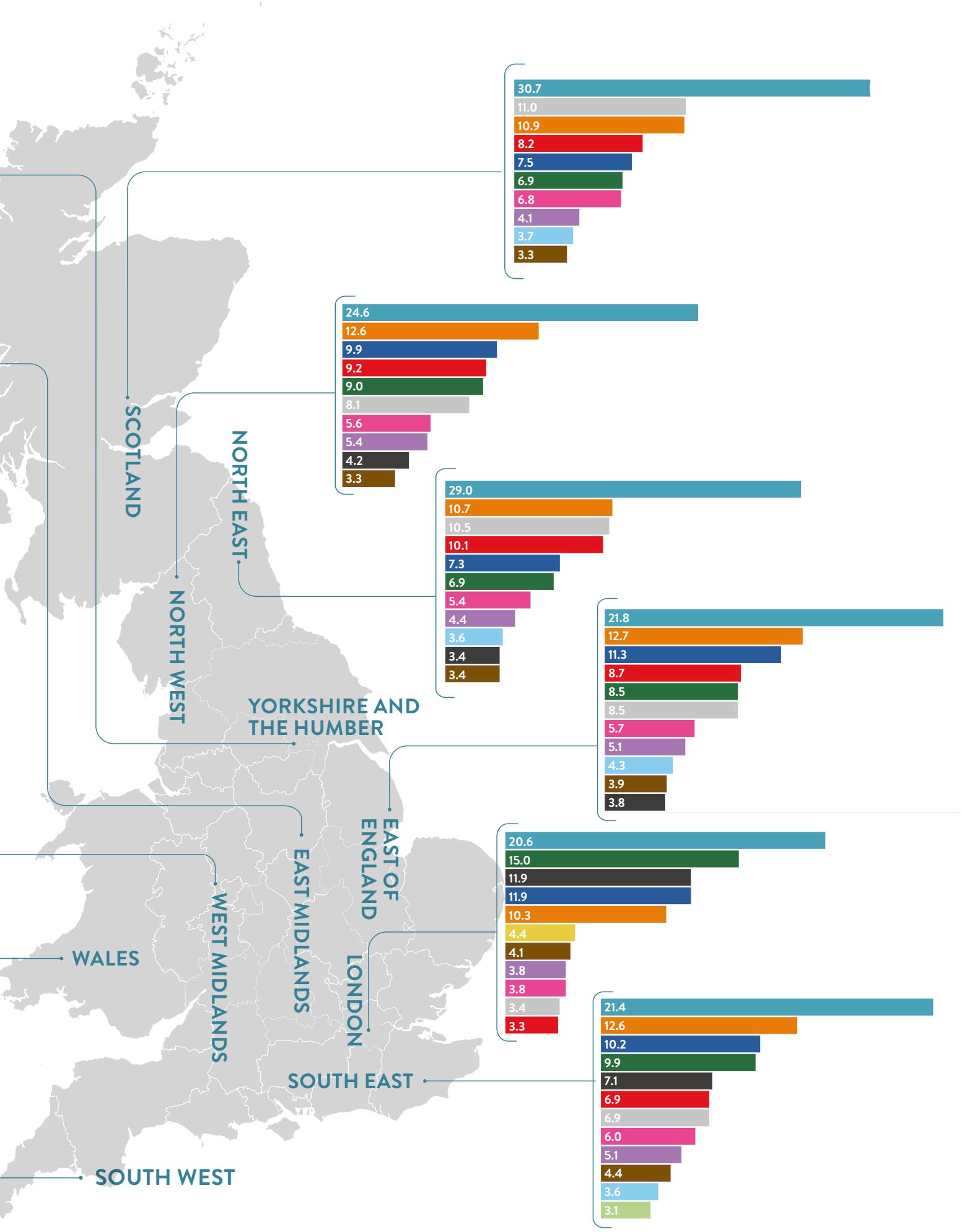


TOP SECTORS

Accomodation & Food replaced Wholesale & Retail sector to be the top growth sector with significant proportional growth in each region from last year.

Wholesale & Retail, though not the top this year, has at least 10% of scaleups in each regional cluster.

Source: ONS IDBR 2021-2024


30.7
11.0
10.9
8.2
7.5
6.9
6.8
4.1
3.7
3.3
SCOTLAND
24.6
12.6
9.9
9.2
9.0
8.1
5.6
5.4
4.2
3.3
NORTH EAST
29.0
10.7
10.5
10.1
7.3
6.9
5.4
4.4
3.6
3.4
3.4
NORTH WEST
21.8
12.7
11.3
8.7
8.5
8.5
5.7
5.1
4.3
3.9
3.8
YORKSHIRE AND THE HUMBER
EAST OF ENGLAND
20.6
15.0
11.9
11.9
10.3
4.4
4.1
3.8
3.8
3.4
3.3
EAST MIDLANDS
WEST MIDLANDS
WALES
LONDON
21.4
12.6
10.2
9.9
7.1
6.9
6.9
6.0
5.1
4.4
3.6
3.1
SOUTH EAST
SOUTH WEST

ONS **CLUSTERS BREAKDOWN**

WITH LARGEST PROPORTIONAL GROWTH

The figures below show the top 3 sectors with biggest proportional growth in scaleups in that sector.

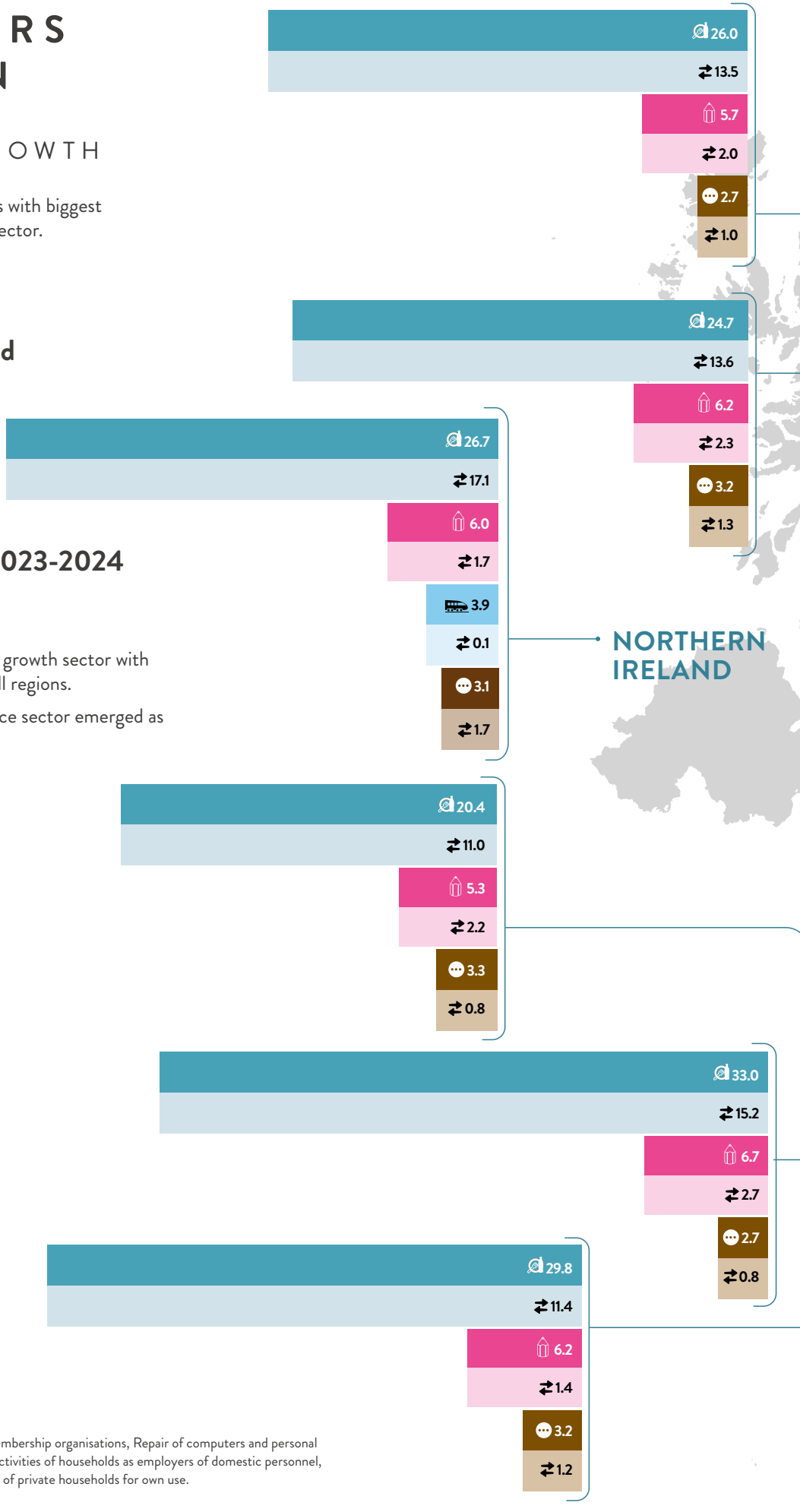
KEY FOR PROPORTION IN 2024

- Accommodation & Food
- Creative & Arts
- Other Service*
- Transport
- Change in proportion 2023-2024

TOP SECTORS

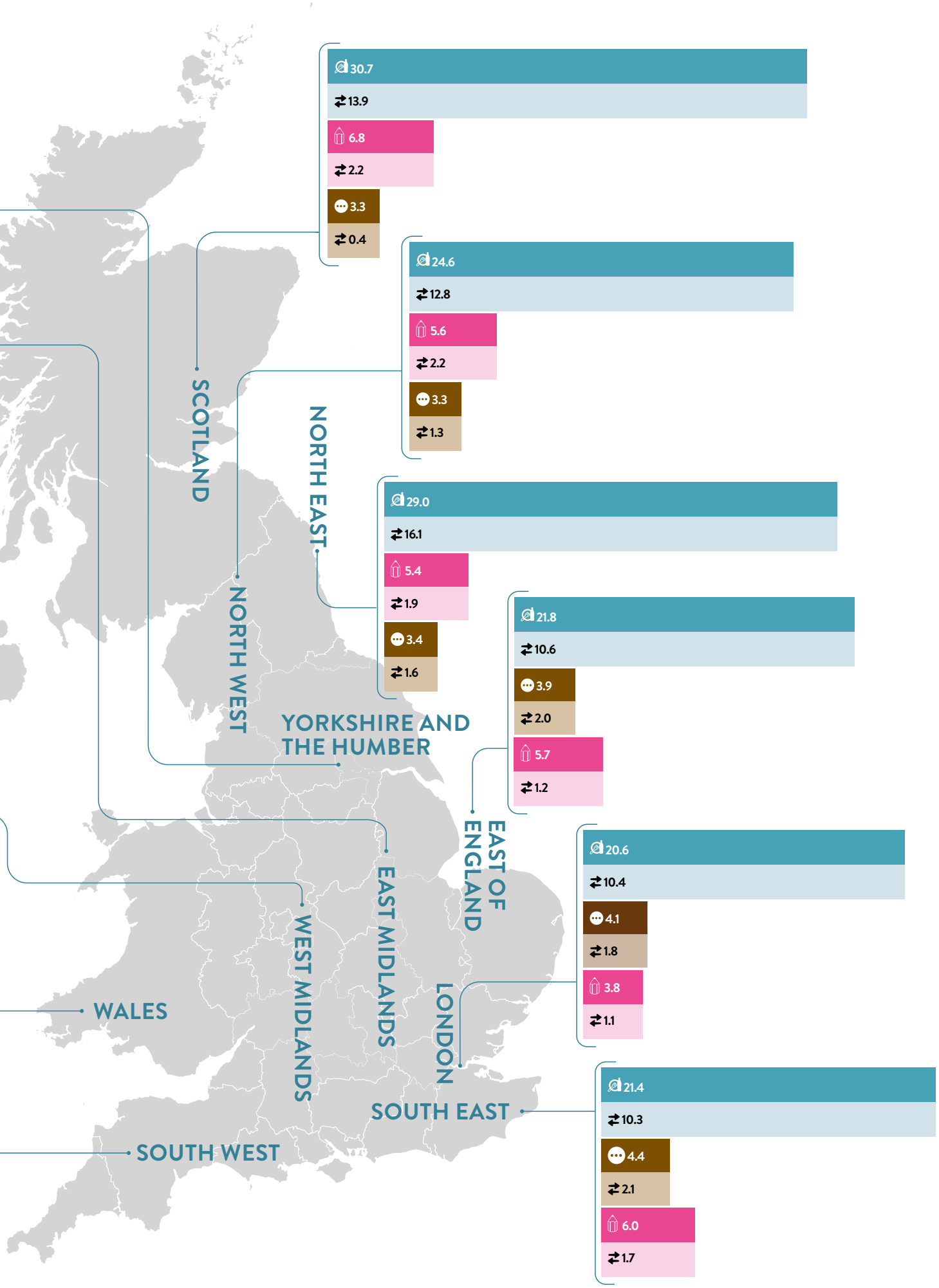
Accomodation & Food appears as a top growth sector with significant proportional growth across all regions.

Creative & Arts along with Other Service sector emerged as a top 3 growth sector in all 12 regions."



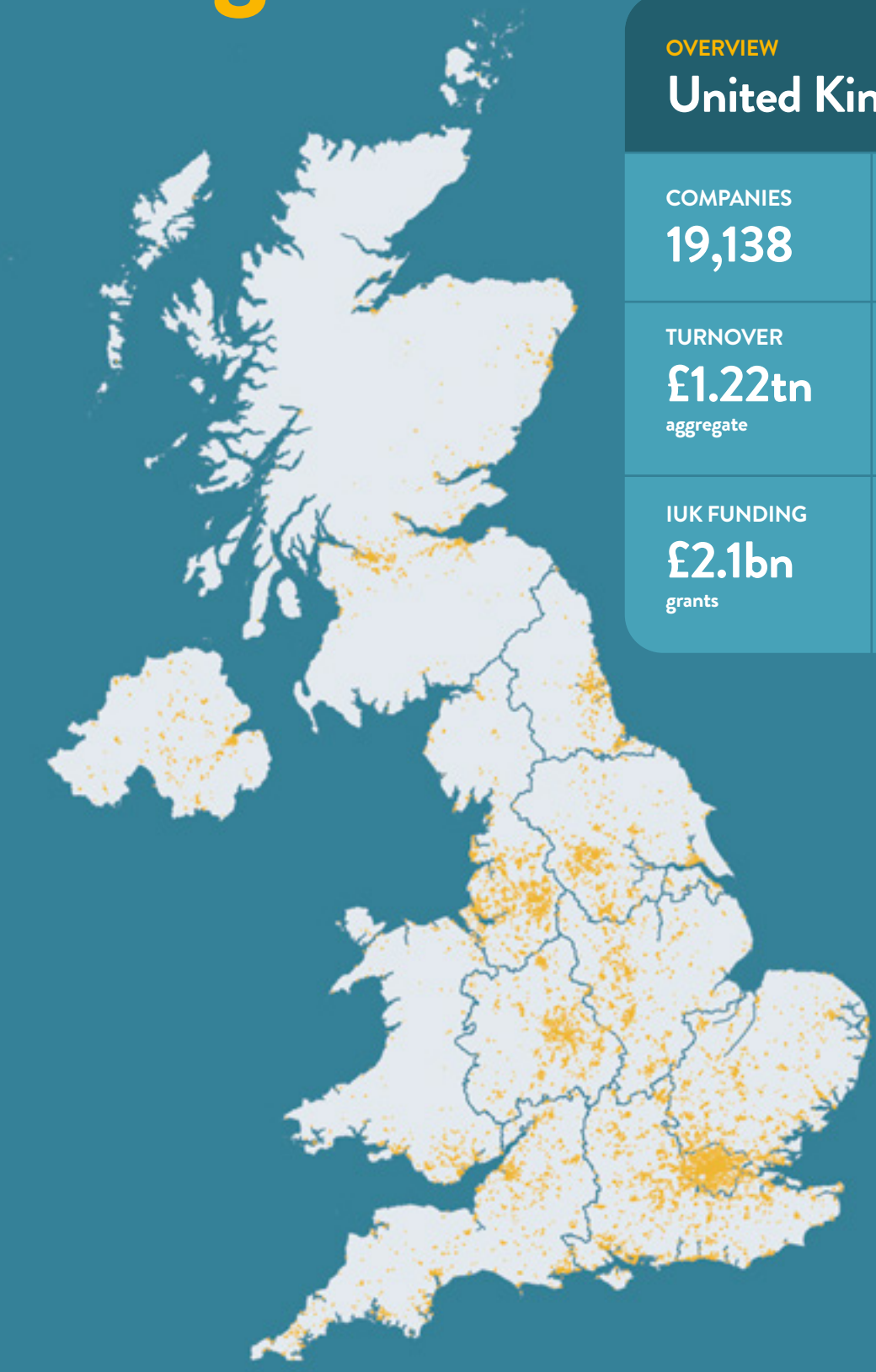
*Other services include sections such as: Activities of membership organisations, Repair of computers and personal and household goods, Other personal service activities, Activities of households as employers of domestic personnel, Undifferentiated goods- and services-producing activities of private households for own use.

Source: ONS IDBR 2020-2024


30.7
13.9
6.8
2.2
3.3
0.4
SCOTLAND
24.6
12.8
5.6
2.2
3.3
1.3
NORTH EAST
29.0
16.1
5.4
1.9
3.4
1.6
NORTH WEST
21.8
10.6
3.9
2.0
5.7
1.2
YORKSHIRE AND THE HUMBER
EAST OF ENGLAND
20.6
10.4
4.1
1.8
3.8
1.1
EAST MIDLANDS
WEST MIDLANDS
LONDON
WALES
SOUTH EAST
21.4
10.3
4.4
2.1
6.0
1.7
SOUTH WEST

National Insights

The ScaleUp Institute has developed an interactive online tool that brings together a range of data sources into a detailed view of the UK scaling landscape, with lenses on national and regional trends, sectoral clusters, support infrastructure and investment dynamics.



OVERVIEW

United Kingdom

COMPANIES **19,138**	EMPLOYEES **5.5m**
TURNOVER **£1.22tn** aggregate	INVESTMENT **£162.71bn** equity raised
IUK FUNDING **£2.1bn** grants	FEMALE-FOUNDED **17.0%** of companies



Regional Lenses

The same data narrows to a single geography - in the West Midlands for example, 1,361 scaleups employing 299,245 people, with £53.79bn of turnover and £2.36bn of equity raised.

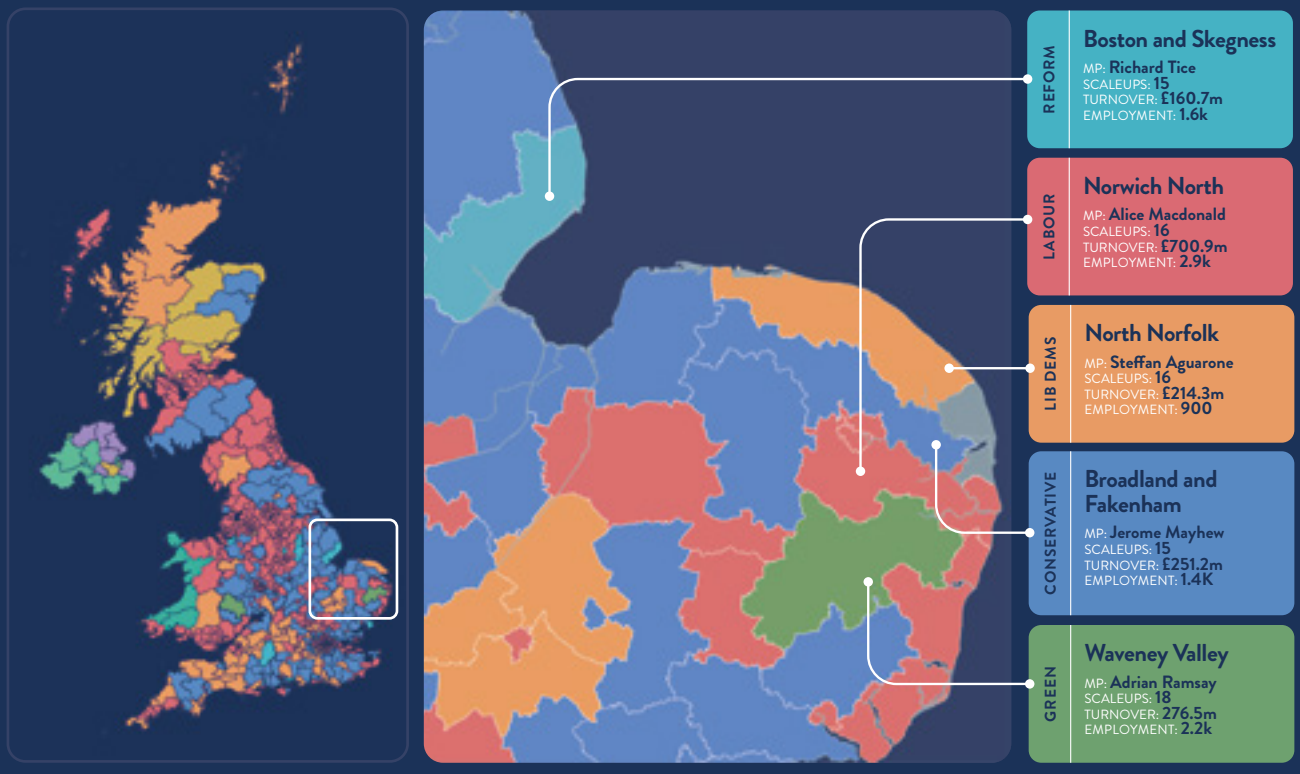
OVERVIEW

West Midlands

COMPANIES 1,361	EMPLOYEES 299.2k
TURNOVER £53.8b aggregate	INVESTMENT £2.4b equity raised
IUK FUNDING £433.5m grants	FEMALE-FOUNDED 17.8% of companies

Scaleups by Constituency

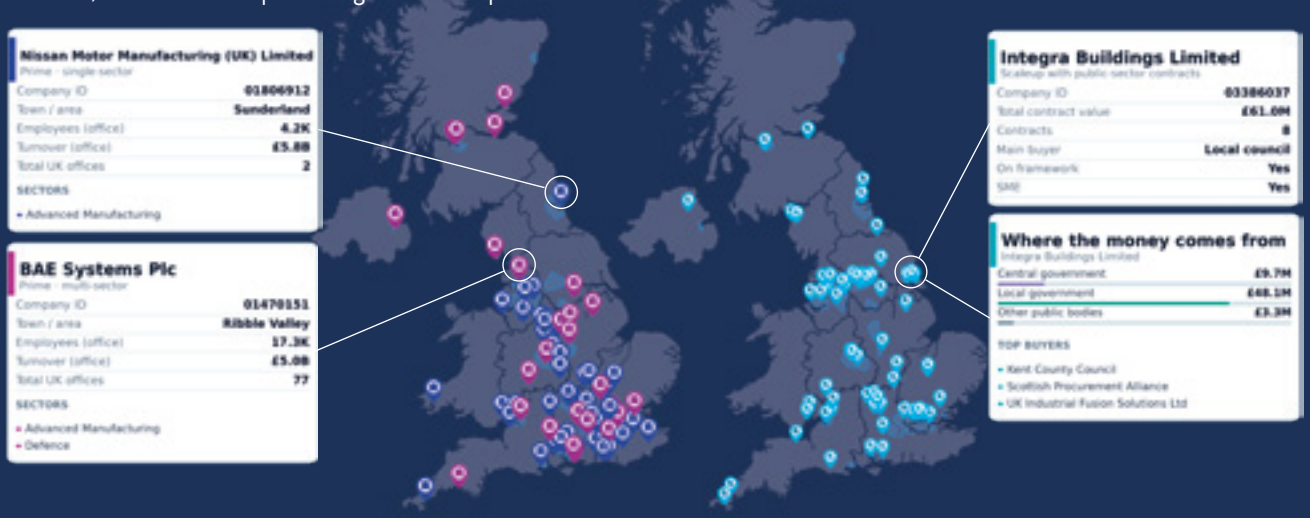
OVERVIEW: Norfolk, Suffolk & The Wash



Advanced Manufacturing cluster
Maps shown filtered to Advanced Manufacturing. Shaded areas are that sector's clusters.

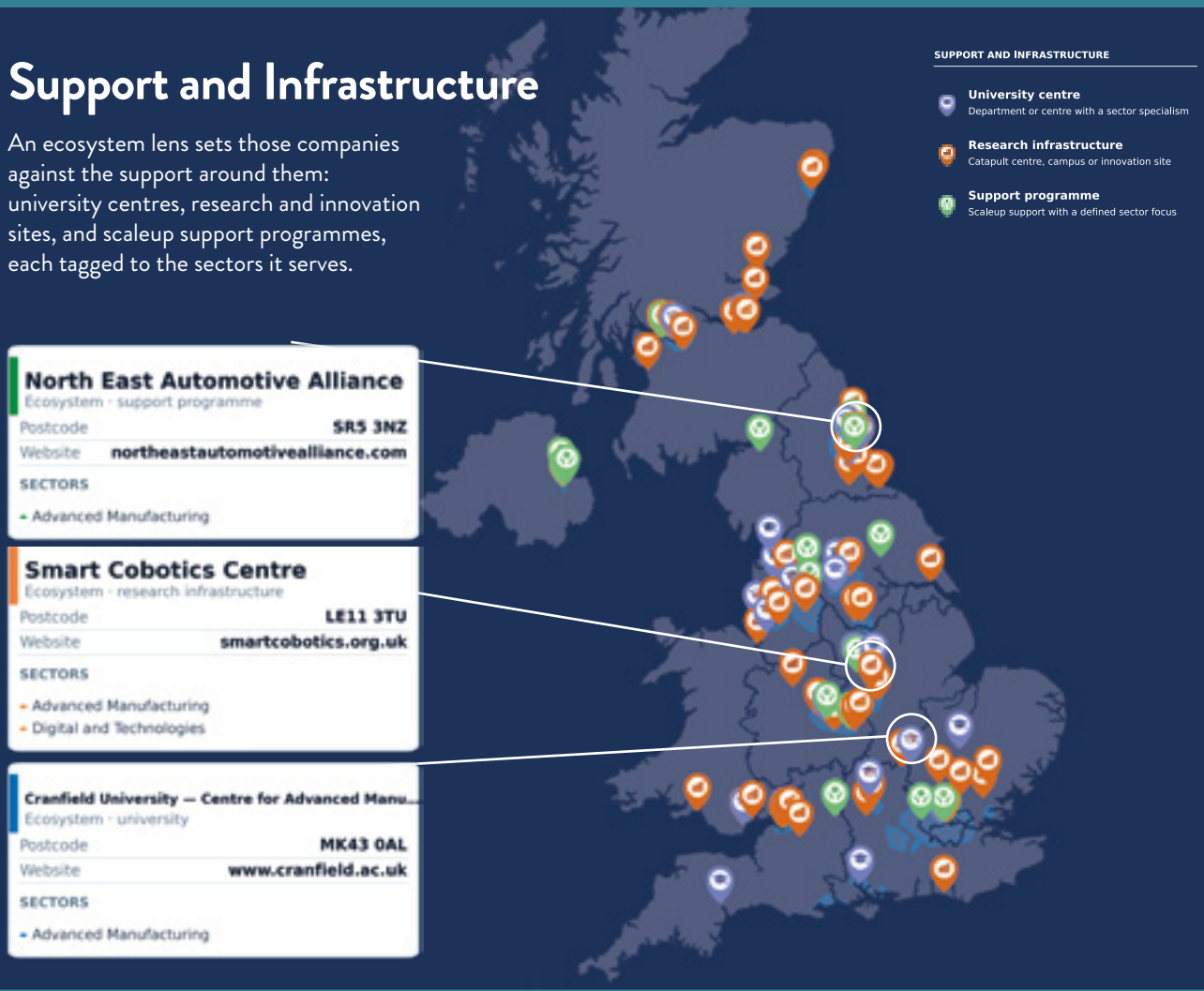
Primes and Procurement

Further layers reflect how larger companies can foster cluster development as supply chains evolve around them and also the impact of public sector contracts. In advanced manufacturing 191 prime contractors are across 744 UK sites, and 950 scaleups holding £6.76bn in public contracts.



Support and Infrastructure

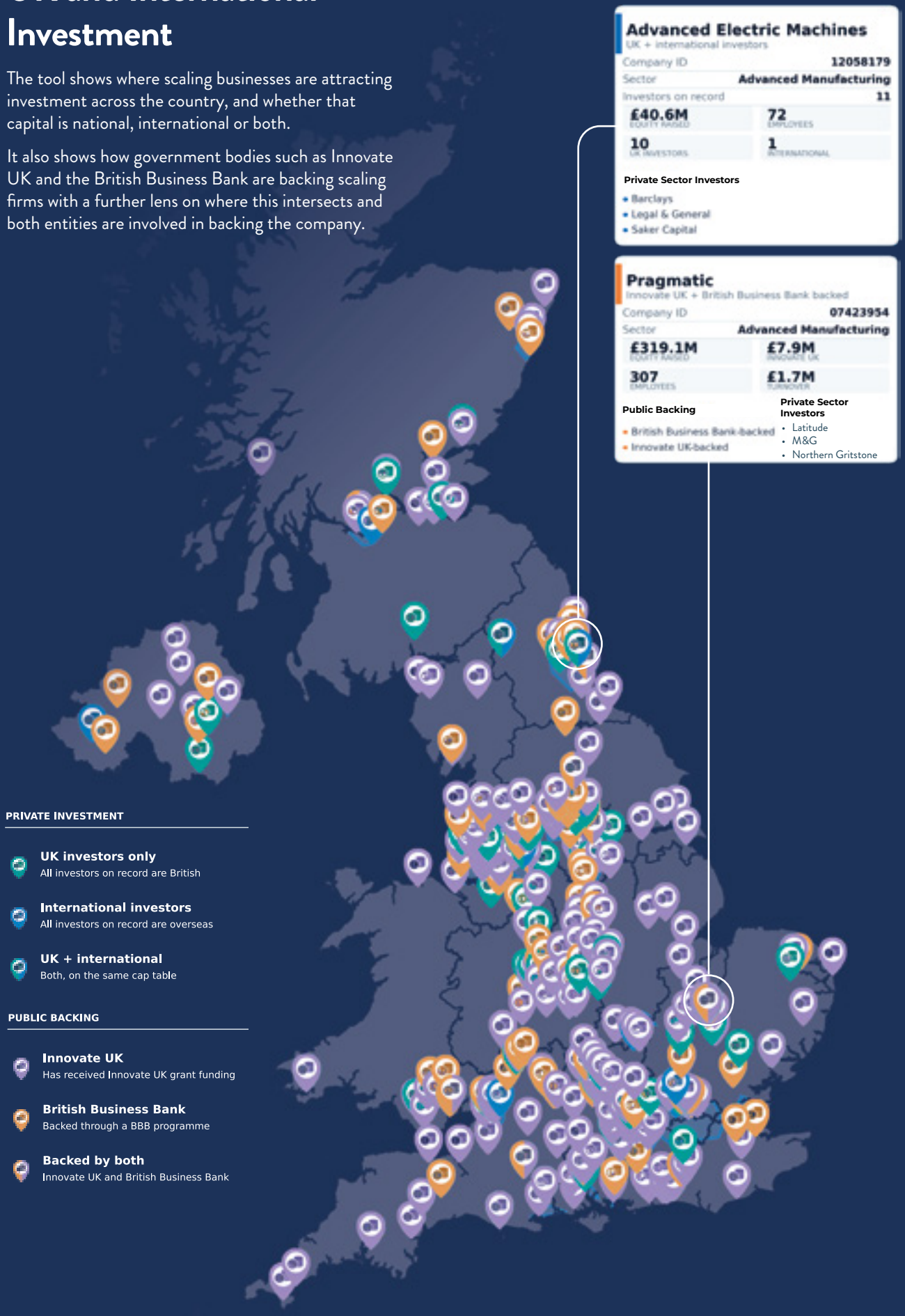
An ecosystem lens sets those companies against the support around them: university centres, research and innovation sites, and scaleup support programmes, each tagged to the sectors it serves.



UK and International Investment

The tool shows where scaling businesses are attracting investment across the country, and whether that capital is national, international or both.

It also shows how government bodies such as Innovate UK and the British Business Bank are backing scaling firms with a further lens on where this intersects and both entities are involved in backing the company.



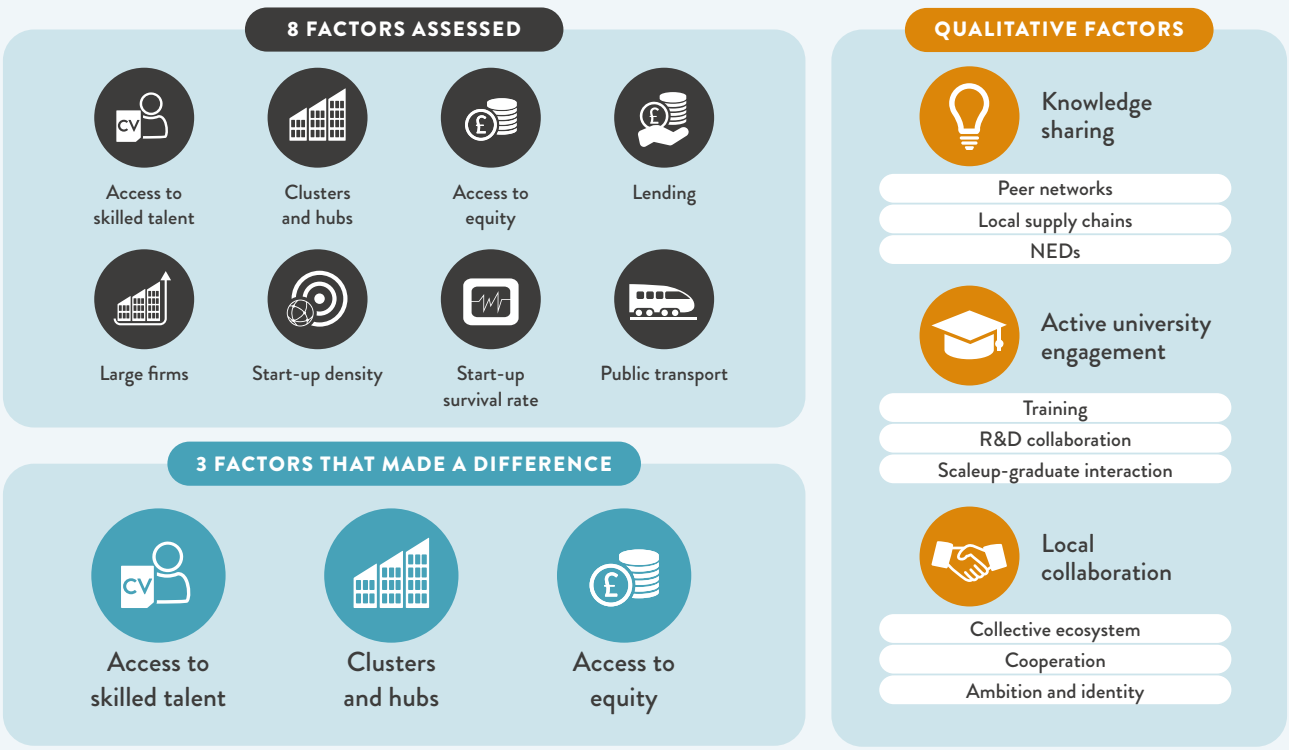
MAPPING SECTORAL SCALEUP CLUSTERS

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 Beauhurst using 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.

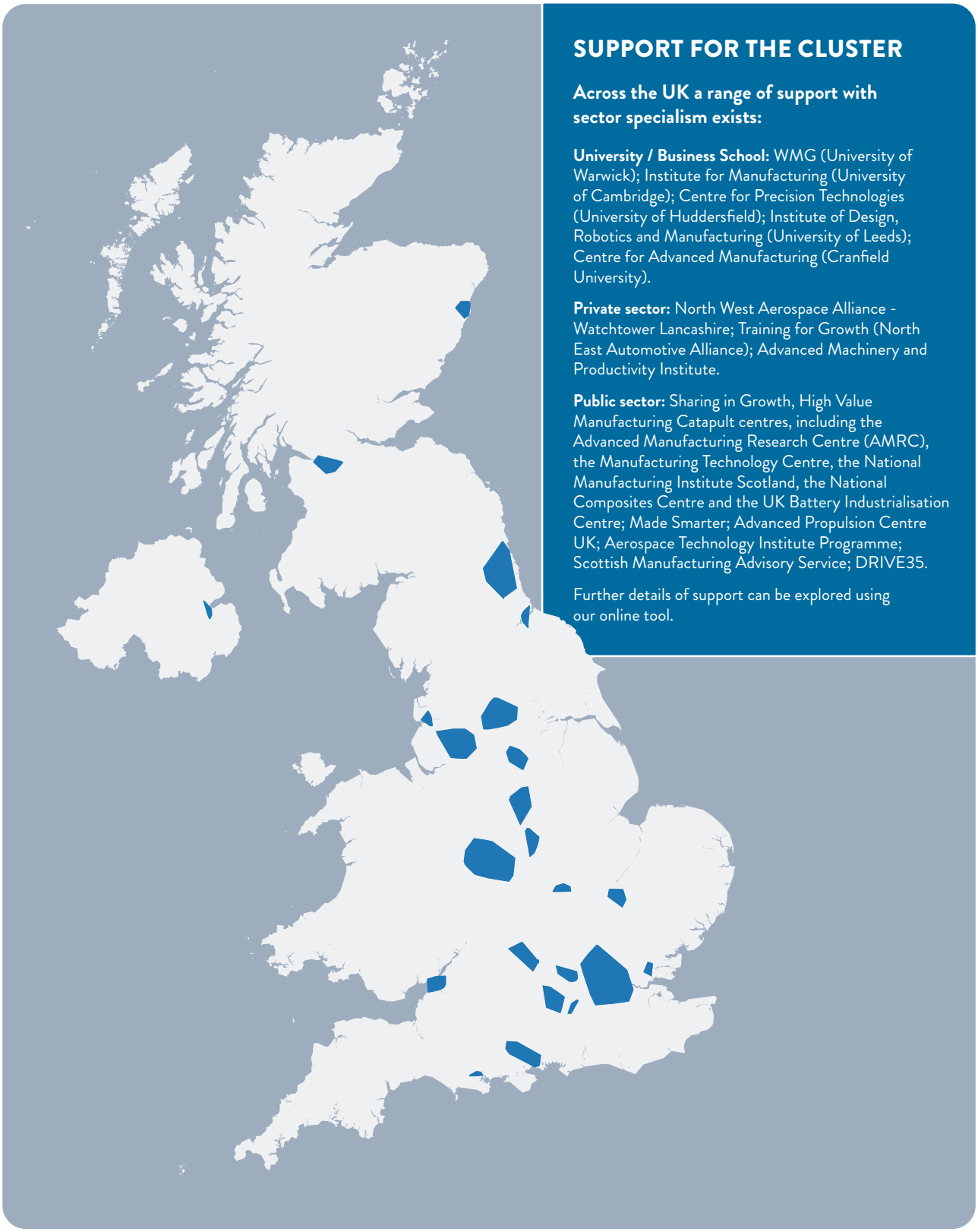
DRIVERS OF LOCAL GROWTH



SCALEUP CLUSTERING RESEARCH IN COLLABORATION WITH: datacity Beauhurst

ADVANCED MANUFACTURING

1,769	298,266	£69.24bn	£14.49bn	£841.6m	15.1%	10.3%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: WMG (University of Warwick); Institute for Manufacturing (University of Cambridge); Centre for Precision Technologies (University of Huddersfield); Institute of Design, Robotics and Manufacturing (University of Leeds); Centre for Advanced Manufacturing (Cranfield University).

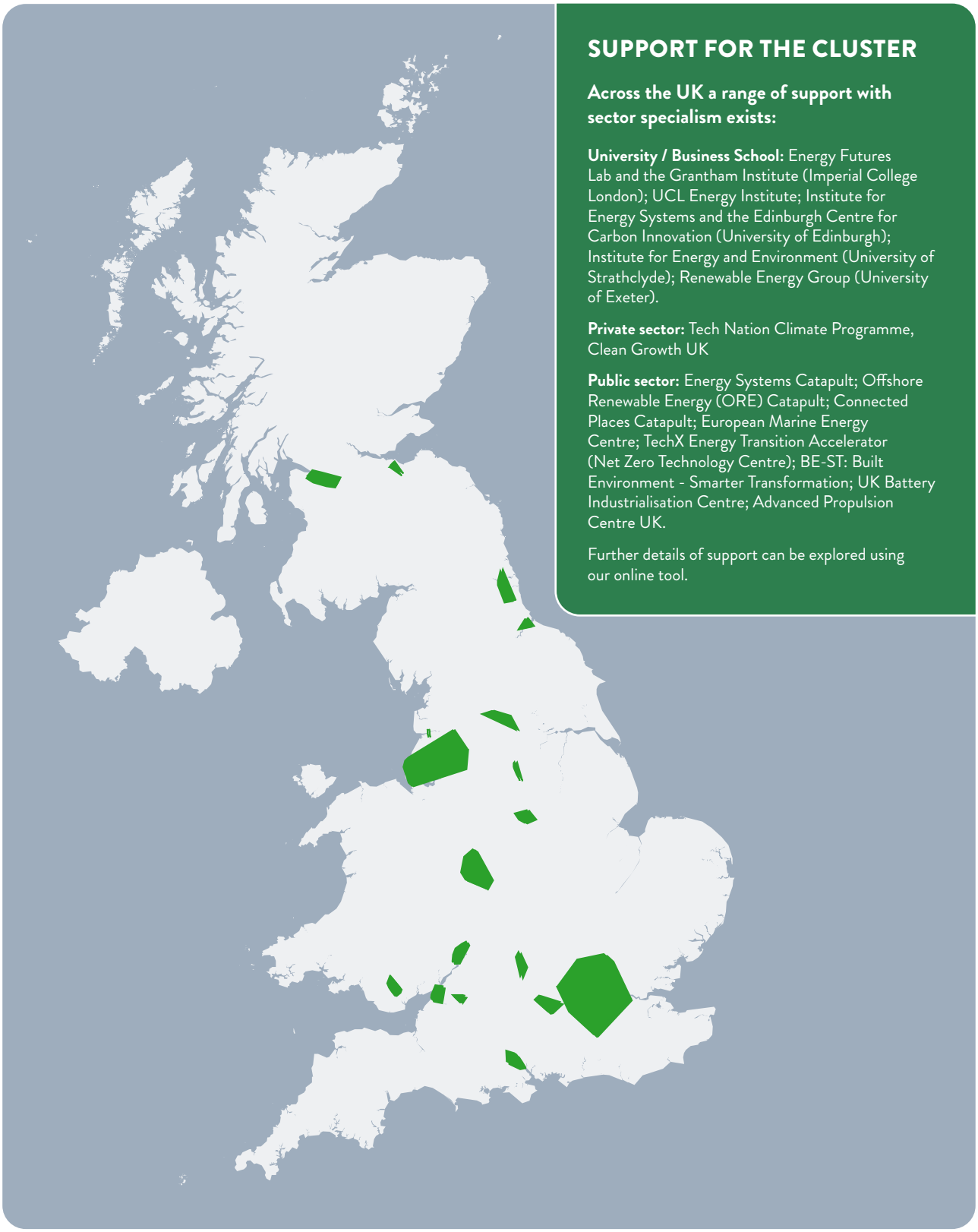
Private sector: North West Aerospace Alliance - Watchtower Lancashire; Training for Growth (North East Automotive Alliance); Advanced Machinery and Productivity Institute.

Public sector: Sharing in Growth, High Value Manufacturing Catapult centres, including the Advanced Manufacturing Research Centre (AMRC), the Manufacturing Technology Centre, the National Manufacturing Institute Scotland, the National Composites Centre and the UK Battery Industrialisation Centre; Made Smarter; Advanced Propulsion Centre UK; Aerospace Technology Institute Programme; Scottish Manufacturing Advisory Service; DRIVE35.

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

CLEAN ENERGY INDUSTRIES

1,163	381,552	£186.96bn	£22.31bn	£379.9m	23%	9.3%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: Energy Futures Lab and the Grantham Institute (Imperial College London); UCL Energy Institute; Institute for Energy Systems and the Edinburgh Centre for Carbon Innovation (University of Edinburgh); Institute for Energy and Environment (University of Strathclyde); Renewable Energy Group (University of Exeter).

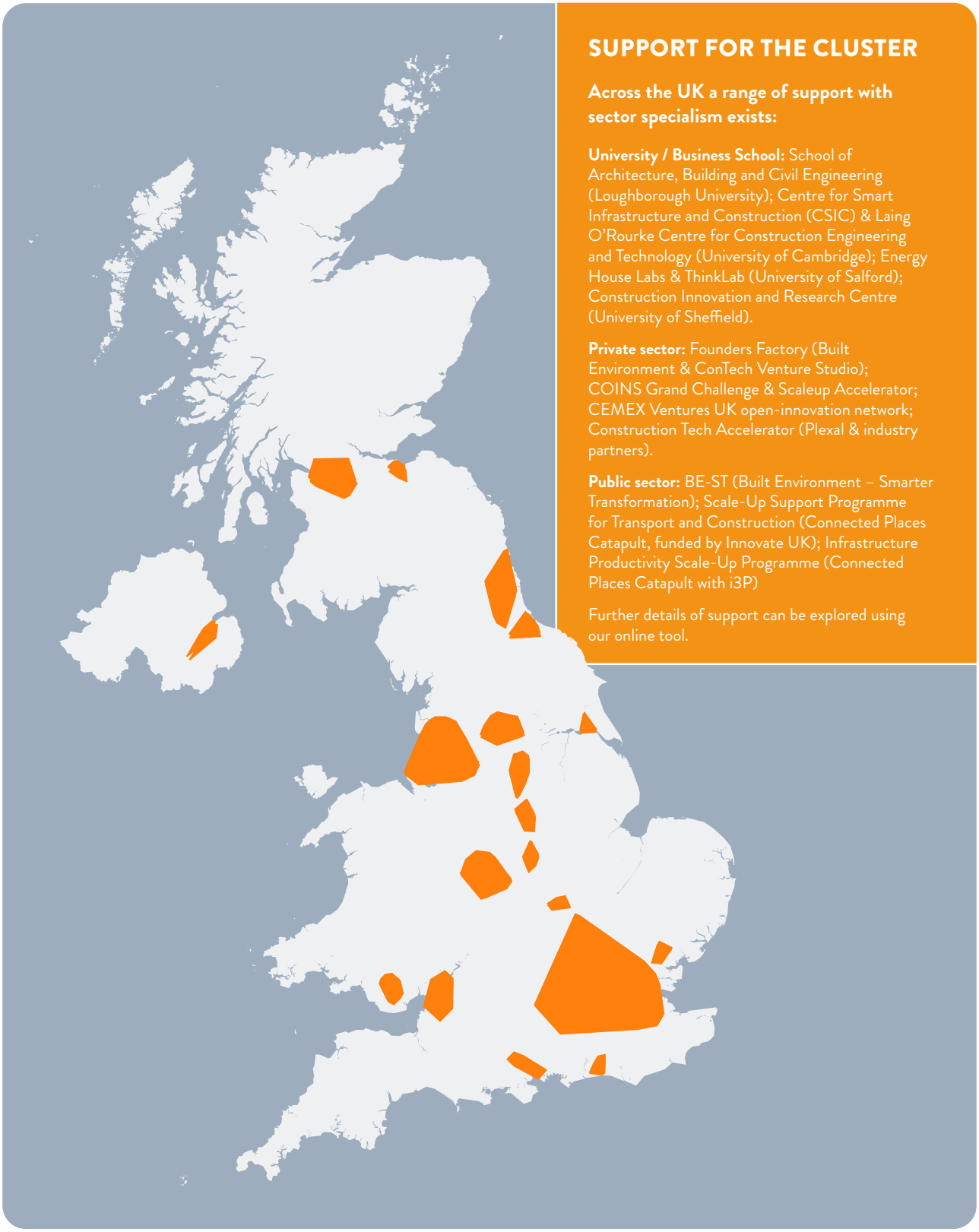
Private sector: Tech Nation Climate Programme, Clean Growth UK

Public sector: Energy Systems Catapult; Offshore Renewable Energy (ORE) Catapult; Connected Places Catapult; European Marine Energy Centre; TechX Energy Transition Accelerator (Net Zero Technology Centre); BE-ST: Built Environment - Smarter Transformation; UK Battery Industrialisation Centre; Advanced Propulsion Centre UK.

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

CONSTRUCTION

3,515	628,596	£112.13bn	£5.89bn	£38.6m	13.7%	11.3%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: School of Architecture, Building and Civil Engineering (Loughborough University); Centre for Smart Infrastructure and Construction (CSIC) & Laing O'Rourke Centre for Construction Engineering and Technology (University of Cambridge); Energy House Labs & ThinkLab (University of Salford); Construction Innovation and Research Centre (University of Sheffield).

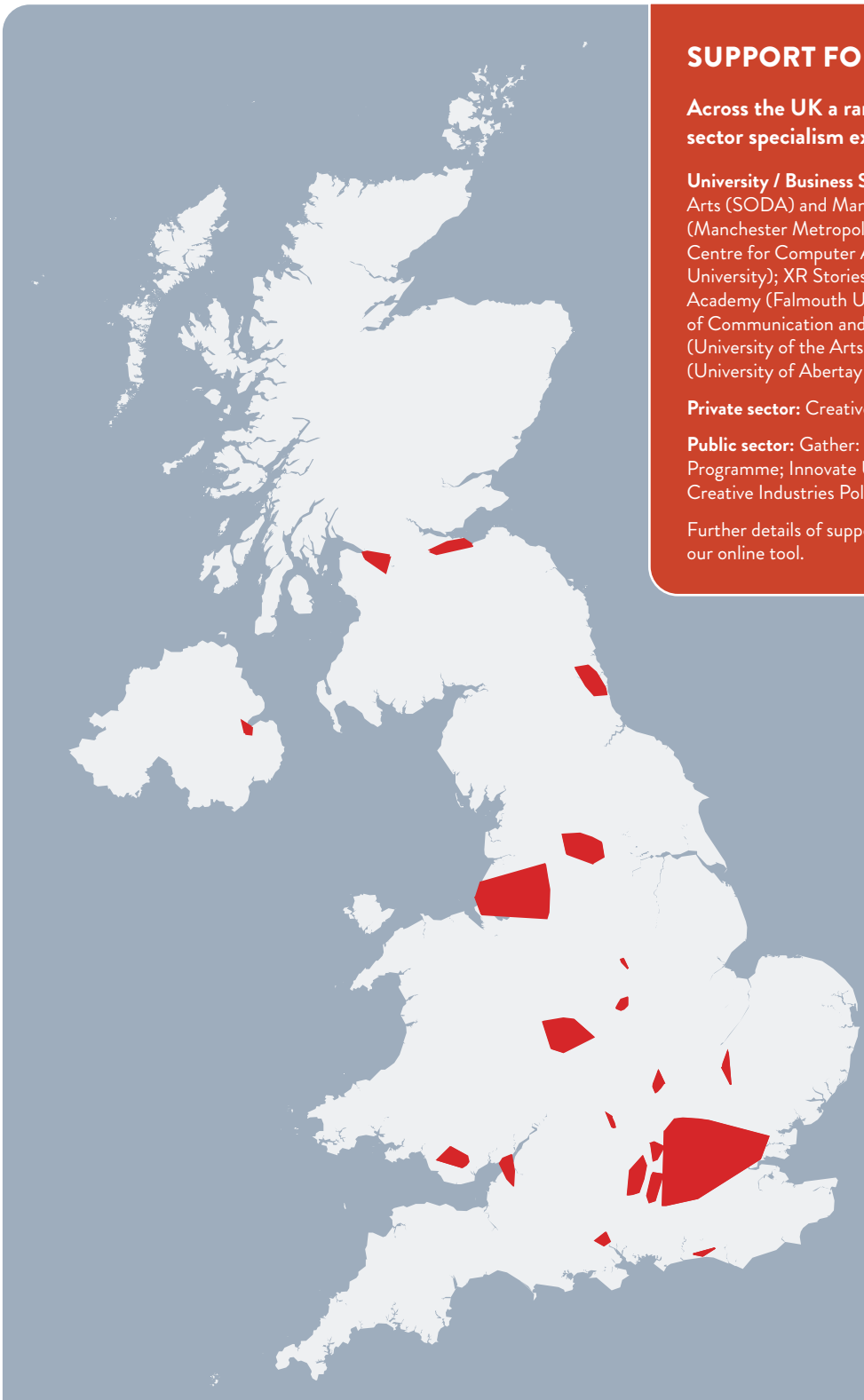
Private sector: Founders Factory (Built Environment & ConTech Venture Studio); COINS Grand Challenge & Scaleup Accelerator; CEMEX Ventures UK open-innovation network; Construction Tech Accelerator (Plexal & industry partners).

Public sector: BE-ST (Built Environment – Smarter Transformation); Scale-Up Support Programme for Transport and Construction (Connected Places Catapult, funded by Innovate UK); Infrastructure Productivity Scale-Up Programme (Connected Places Catapult with i3P)

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

CREATIVE INDUSTRIES

2,309	531,298	£107.31bn	£12.36bn	£90.4m	18.2%	15.5%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: School of Digital Arts (SODA) and Manchester School of Art (Manchester Metropolitan University); National Centre for Computer Animation (Bournemouth University); XR Stories (University of York); Games Academy (Falmouth University); London College of Communication and Central Saint Martins (University of the Arts London); Abertay Game Lab (University of Abertay Dundee).

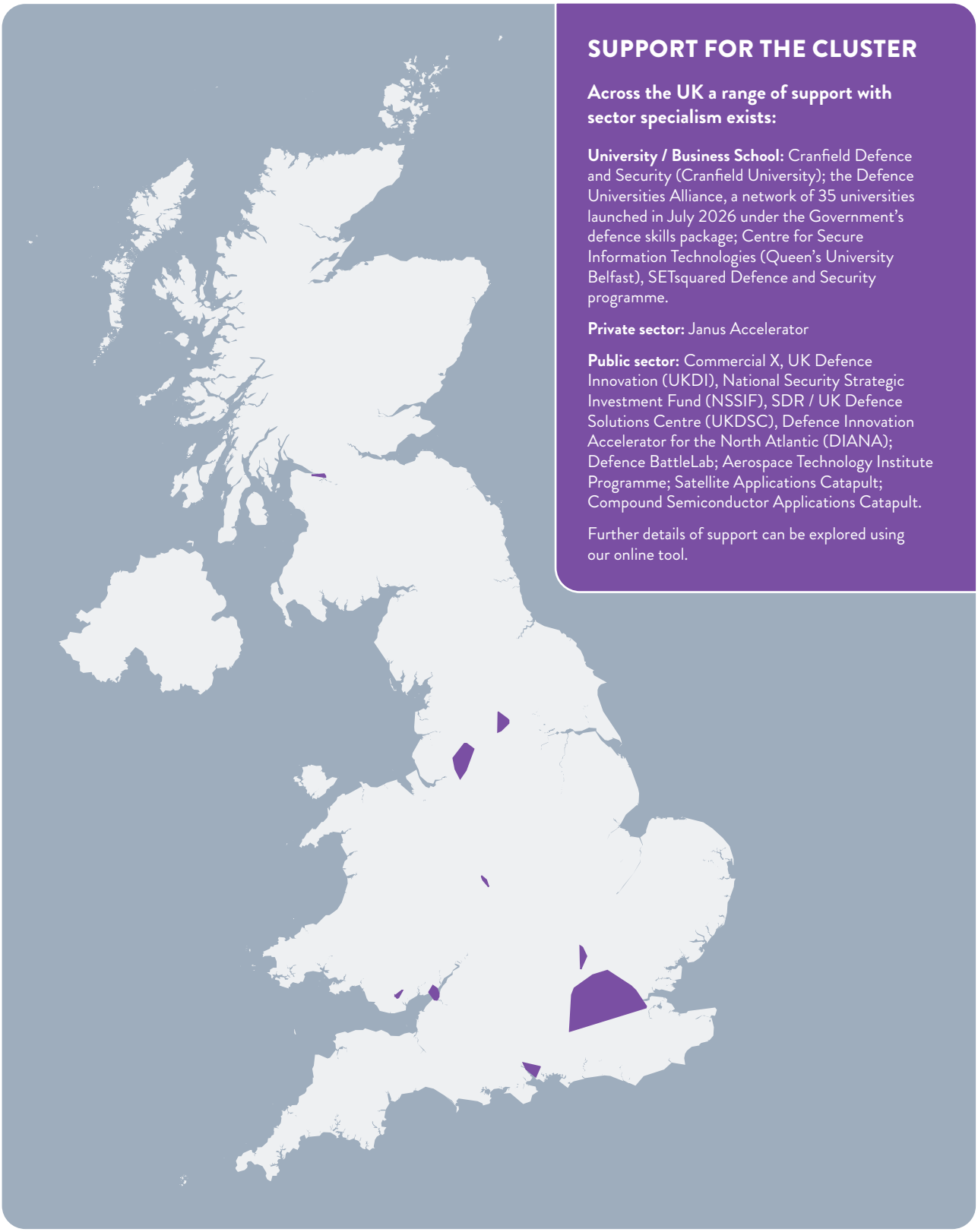
Private sector: Creative UK.

Public sector: Gather: Beyond, Create Growth Programme; Innovate UK Creative Catalyst, Creative Industries Policy and Evidence Centre.

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

DEFENCE

587	196,790	£25.43bn	£8.86bn	£698.4m	16.5%	9.3%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: Cranfield Defence and Security (Cranfield University); the Defence Universities Alliance, a network of 35 universities launched in July 2026 under the Government's defence skills package; Centre for Secure Information Technologies (Queen's University Belfast), SETsquared Defence and Security programme.

Private sector: Janus Accelerator

Public sector: Commercial X, UK Defence Innovation (UKDI), National Security Strategic Investment Fund (NSSIF), SDR / UK Defence Solutions Centre (UKDSC), Defence Innovation Accelerator for the North Atlantic (DIANA); Defence BattleLab; Aerospace Technology Institute Programme; Satellite Applications Catapult; Compound Semiconductor Applications Catapult.

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

DIGITAL AND TECHNOLOGIES

2,783	668,854	£140.15bn	£74.64bn	£572.6m	22.2%	9.1%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: UCL Centre for Artificial Intelligence; Department of Computer Science and Technology (University of Cambridge); University of Edinburgh (School of Informatics / Bayes Centre), Artificial Intelligence and Machine Learning Lab (Imperial College London); Intelligent Systems Research Centre (Ulster University); Bristol Robotics Laboratory (University of Bristol and UWE Bristol).

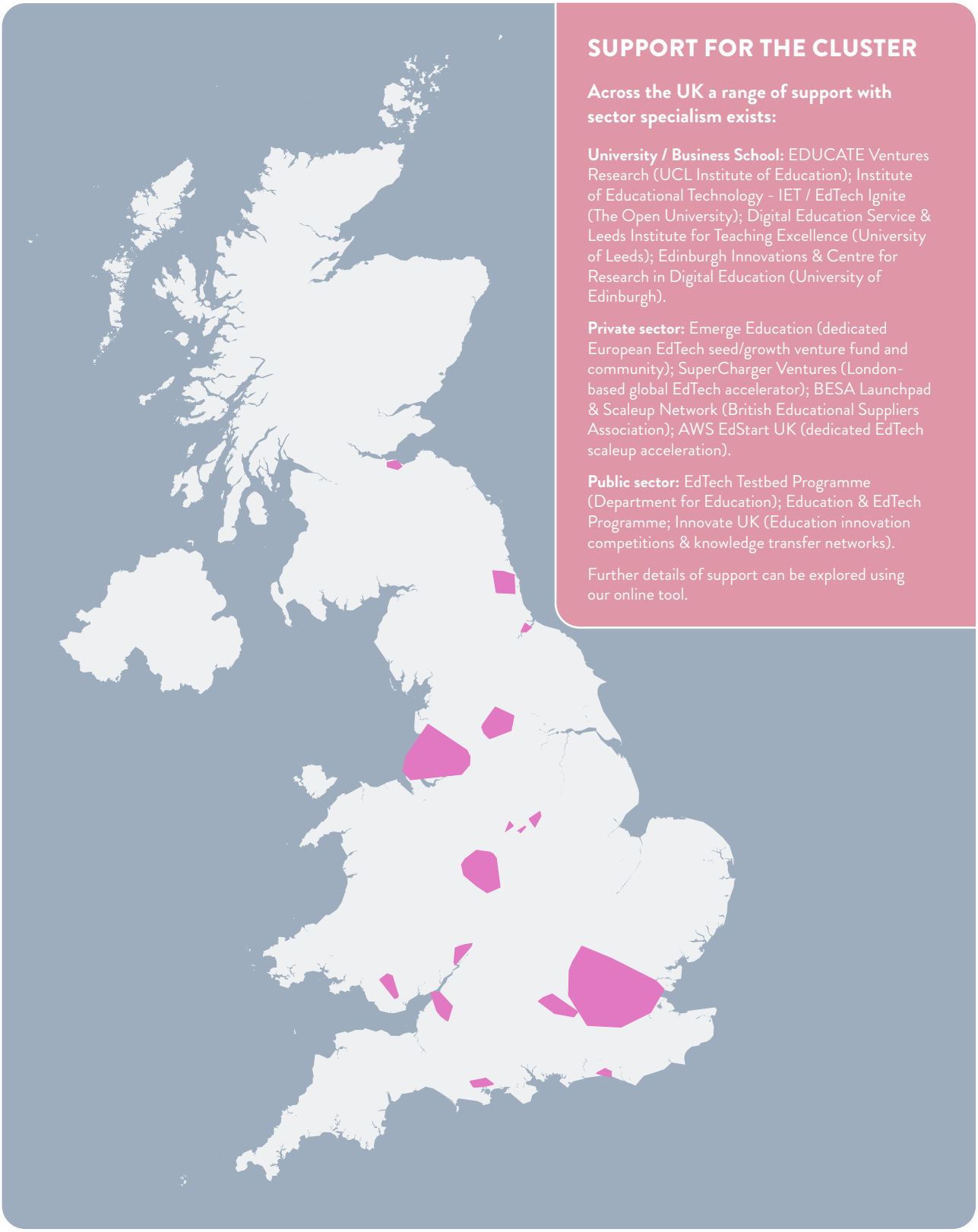
Private sector: Tech Nation, Bradfield Centre; Cambridge Science Park; Catalyst (Northern Ireland); ARC West London.

Public sector: Digital Catapult; Connected Places Catapult; Compound Semiconductor Applications Catapult; BetaDen Accelerate; Techscaler; Made Smarter.

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

EDUCATION

1,656	439,099	£32.86bn	£3.23bn	£5.9m	20.7%	36%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: EDUCATE Ventures Research (UCL Institute of Education); Institute of Educational Technology - IET / EdTech Ignite (The Open University); Digital Education Service & Leeds Institute for Teaching Excellence (University of Leeds); Edinburgh Innovations & Centre for Research in Digital Education (University of Edinburgh).

Private sector: Emerge Education (dedicated European EdTech seed/growth venture fund and community); SuperCharger Ventures (London-based global EdTech accelerator); BESA Launchpad & Scaleup Network (British Educational Suppliers Association); AWS EdStart UK (dedicated EdTech scaleup acceleration).

Public sector: EdTech Testbed Programme (Department for Education); Education & EdTech Programme; Innovate UK (Education innovation competitions & knowledge transfer networks).

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

FINANCIAL SERVICES

1,638	1,144,985	£292.52bn	£45.15bn	£13.7m	24.2%	8.9%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: LSE FinTech Hub; Institute of Finance and Technology and the Centre for Blockchain Technologies (UCL); Centre for Digital Finance and FinTech (Imperial College London); Edinburgh FinTech Hub (University of Edinburgh); Fintech Cluster (Strathclyde Business School); FinTech Research Group (Warwick Business School); Centre for Digital Finance (University of Southampton).

Private sector: Fintech Forward Programme, FinTech Innovation Lab London (Accenture), NatWest Group Fintech Programme, Level39.

Public sector: FCA Regulatory Sandbox and Digital Sandbox, Fintech North, Innovate Finance, Center for Finance, Innovation and Technology (CFIT), FinTech Scotland, FinTech Wales Foundry.

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

LIFE SCIENCES

425	79,253	£13.92bn	£14.73bn	£128.9m	16%	15.1%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: UCL Institute of Biomedical Engineering; Institute of Biomedical Engineering (Imperial College London); Faculty of Life Sciences and Medicine (King's College London); Centre for Regenerative Medicine (University of Edinburgh); Cambridge Institute for Medical Research.

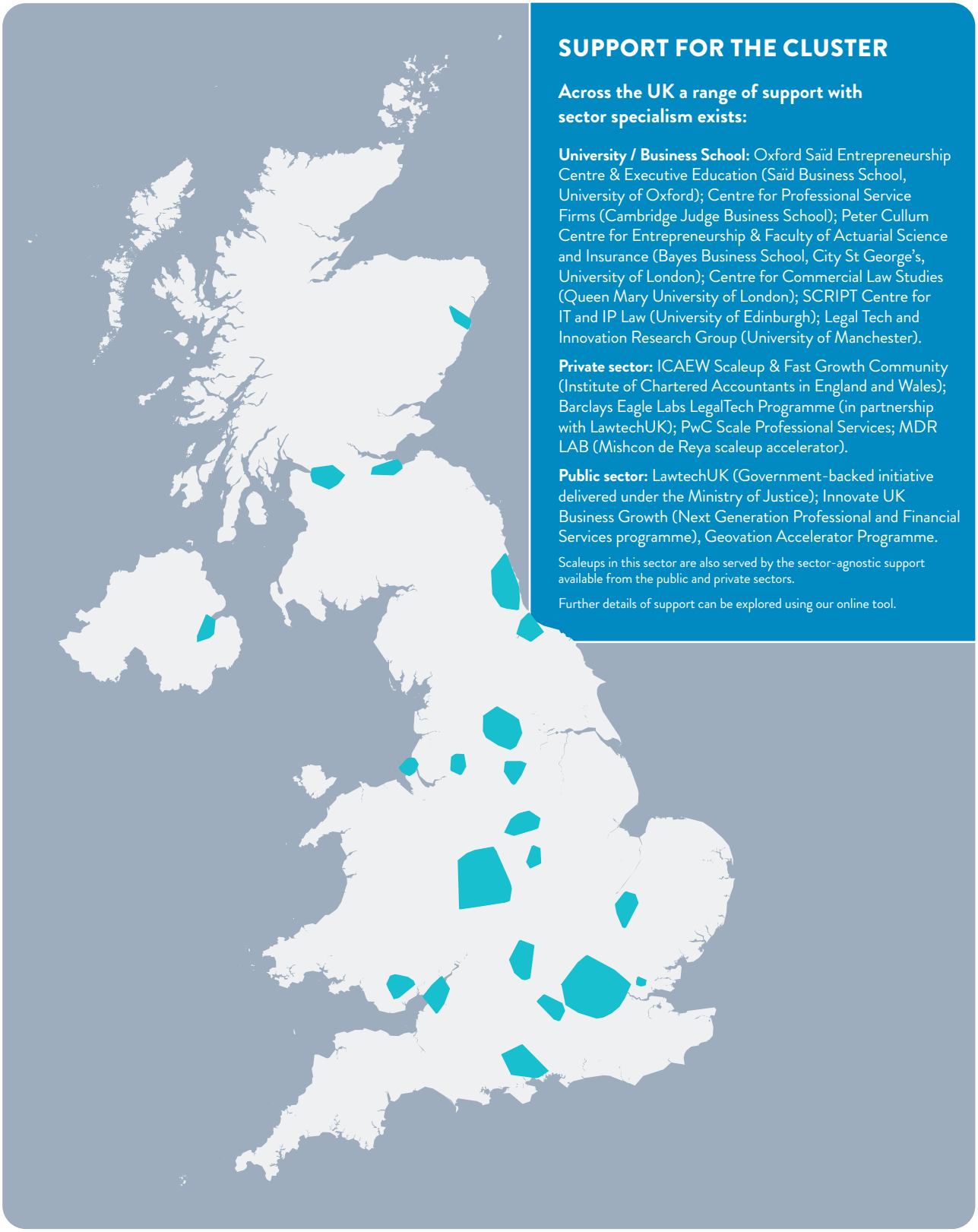
Private sector: Alderley Park; Babraham Research Campus; Stevenage Bioscience Catalyst, BioCity hubs (Pioneer Group); Cambridge Science Park.

Public sector: Cell and Gene Therapy Catapult; Medicines Discovery Catapult; CPI, including the Medicines Manufacturing Innovation Centre and the National Biologics Manufacturing Centre; SBRI Healthcare; Cambridge Biomedical Campus, Scale Space, Life Sciences Investment Programme (British Business Bank).

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

PROFESSIONAL AND BUSINESS SERVICE

6,262	2,080,929	£344.50bn	£43.19bn	£1.02bn	19.9%	16.9%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: Oxford Saïd Entrepreneurship Centre & Executive Education (Saïd Business School, University of Oxford); Centre for Professional Service Firms (Cambridge Judge Business School); Peter Cullum Centre for Entrepreneurship & Faculty of Actuarial Science and Insurance (Bayes Business School, City St George's, University of London); Centre for Commercial Law Studies (Queen Mary University of London); SCRIPT Centre for IT and IP Law (University of Edinburgh); Legal Tech and Innovation Research Group (University of Manchester).

Private sector: ICAEW Scaleup & Fast Growth Community (Institute of Chartered Accountants in England and Wales); Barclays Eagle Labs LegalTech Programme (in partnership with LawtechUK); PwC Scale Professional Services; MDR LAB (Mishcon de Reya scaleup accelerator).

Public sector: LawtechUK (Government-backed initiative delivered under the Ministry of Justice); Innovate UK Business Growth (Next Generation Professional and Financial Services programme), Geovation Accelerator Programme.

Scaleups in this sector are also served by the sector-agnostic support available from the public and private sectors.

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

TRANSPORTATION AND STORAGE

1,599	413,711	£134.59bn	£8.59bn	£559.7m	14.3%	10.4%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: Digital Aviation Research and Technology Centre (DARTeC) & Centre for Autonomous and Cyber-Physical Systems (Cranfield University); Logistics Research Centre & Centre for Sustainable Road Freight (Heriot-Watt University); Future Mobility Group (Newcastle University); Enterprise Solutions & Marine Station (University of Plymouth).

Private sector: GXO Logistics Innovation Accelerator; Logistics UK Innovation and Scaleup Forum.

Public sector: Freight Innovation Fund (FIF) Accelerator (Connected Places Catapult, funded by Department for Transport); Scale-Up Support Programme for Transport and Construction (Connected Places Catapult); Transport for London (TfL) Innovation Collaboration Framework.

Scaleups in this sector also benefit from regional cluster interventions via the Freeport and Investment Zone innovation corridors.

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

WHOLESALE AND RETAIL TRADE

4,811	1,015,467	£281.80bn	£8.90bn	£40.2m	15.1%	15.4%
SCALEUPS	EMPLOYEES	TOTAL TURNOVER	INVESTMENT	GRANTS RECEIVED	AVG GROWTH P.A.	FEMALE FOUNDED %



SUPPORT FOR THE CLUSTER

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

University / Business School: The Retail Institute (Leeds Beckett University); Food Innovation Centre (University of Nottingham); AberInnovation (Aberystwyth University); National Centre for Food Manufacturing (University of Lincoln); Consumer Data Research Centre - CDRC (UCL and University of Leeds).

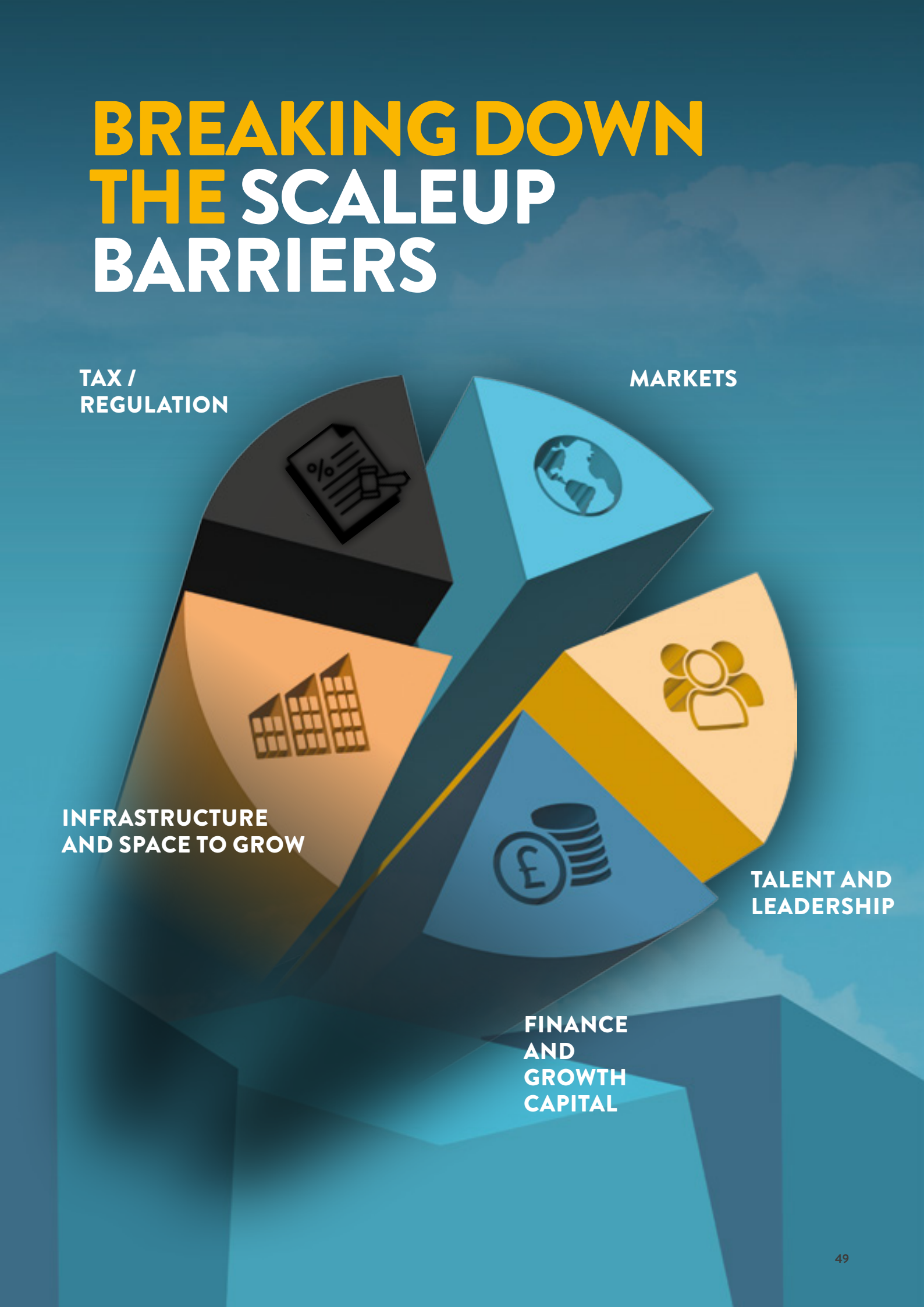
Private sector: Buy Women Built (retail distribution and market-access accelerator for female-founded consumer brands); True Global (specialist retail and consumer-tech investment & scaleup platform); Founders Factory (Retail & Consumer Ventures); British Retail Consortium (BRC) Associate & Technology Partner Programme; Tesco Accelerator Programme.

Public sector: Department for Business and Trade (DBT) E-Commerce & Retail Global Export Tracks.

Scaleups in this sector are also supported by regional Growth Hub retail-tech and supply chain resilience networks.

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

BREAKING DOWN THE SCALEUP BARRIERS



Family Business Overview

In 2026, the ScaleUp Institute, commissioned by Family Business UK, delivered a first-of-its-kind analysis of the UK family business landscape using real firm-level Companies House data. The research highlights the significant contribution of mid-market and scaling family businesses to jobs, investment and long-term growth across the UK.

The UK Family Business Landscape

One-third of all active companies with employees registered at Companies House are family businesses,[1] numbering 766,847 in total (excluding sole traders); with an estimated revenue of £1.6 trillion and employing over 3 million people (excluding sole traders).

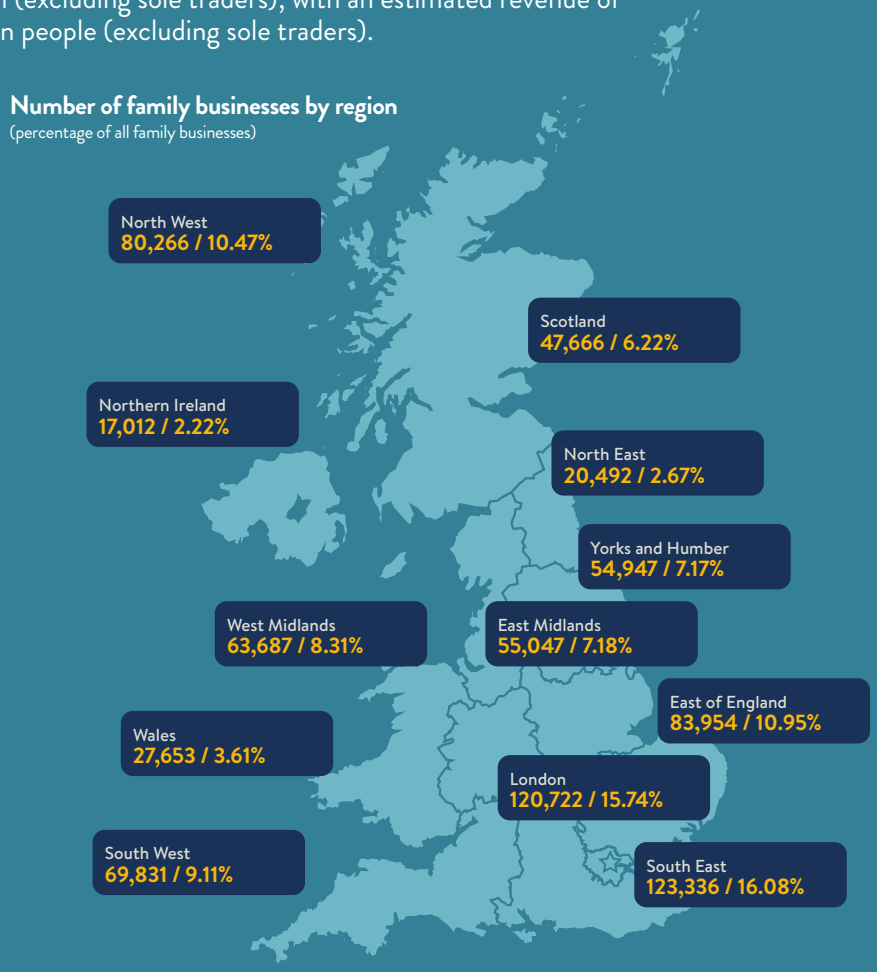
1 in 3
766,847 companies
active employer companies at Companies House are family businesses[1]

£1.6trn
estimated annual revenue generated by family businesses

3m+
people employed by family businesses (excluding sole traders)

35%
Industrial Strategy sectors

Number of family businesses by region
(percentage of all family businesses)



Mid-Market Family Businesses

8,641
mid-market family firms

£142bn
total turnover

42%
in IS8

76%
outside London & South East

912,198
people employed

£2.38bn
raised across 673 rounds into 425 companies

Scaling Family Businesses

2,985
scaling firms

£72.4bn
turnover

499,695
employees

£2.06bn
raised by 278 scaling firms across 420 rounds

1 in 4
of all UK scaling businesses are family businesses

51%
in IS8 sectors

Top barriers to further growth for mid-market and scaling family businesses

TOP BARRIERS TO FURTHER GROWTH

- **56%** access to markets in UK and internationally
- **55%** talent and leadership development
- **42%** access to right bank/ equity finance
- **29%** access to tax breaks
- **25%** infrastructure and access to R D facilities

THESE BUSINESSES ARE AMBITIOUS

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

Access to markets



Export Summary

What would help your business?

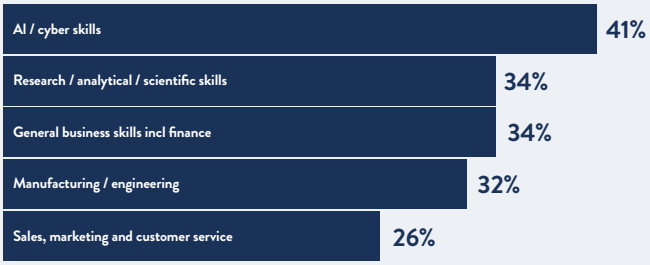
- **3 in 10** Local international trade hub near you in the UK
- **3 in 10** Funding for research into new markets
- **3 in 10** In-country management recruitment support
- **2 in 10** Proactive trade mission and market info

Accessing Finance and Growth Capital

- **40%** say capital access is a major barrier
- **78%** use at least one form of external funding
- **61%** use traditional bank debt
- **80%** want structured referral between equity providers
- **8 in 10** believe funding is concentrated in London & South East

Talent & Leadership Capacity

Workforce skills gaps and recruitment challenges



To fill these skills gaps, family business scaleups are seeking to develop their leadership teams

- **8 in 10** Developing the skills of current members of the senior team
- **7 in 10** Recruiting leaders with experience of growing a business
- **6 in 10** Bringing in a fractional executive Access to non-executive directors



READ INSIGHT PIECES IN OUR REPORT, FEATURING:

- BETTYS & TAYLORS
- STRATHBERRY
- MACPHIE
- J W LEES
- BENNIE GROUP
- W&R BARNETT

INSIGHTS FROM THE REPORT

Governance: Multi-generational family firms tend to formalise the family's influence.

Investment: First-generation family businesses are more likely to take on external investment, while legacy firms prefer self-funding.

Culture: Family businesses shift as they scale up to mid-market size: As the family businesses become bigger, retaining the underlying fundamental family culture is vital and family businesses deploy different tools to achieve this

Global: Family businesses are exporters and expand overseas where there's a key business opportunity

Note: Survey responses are based on the published report and findings from the 2025 ScaleUp Institute Survey. The ScaleUp Institute will monitor how these responses change over the following year.

THE 2026 SCALEUP INSTITUTE FEMALE FOUNDERS

WHAT IS A FEMALE-FOUNDED BUSINESS?

Female-founded businesses are those founded or co-founded by women, with at least one woman from the founding team still actively involved in the business.

NUMBER OF SCALEUPS 1,887
1,425 SCALEUPS
462 SCALING PIPELINE

NO. OF JOBS 280.7K

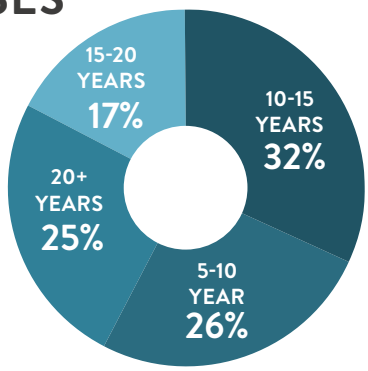
TOTAL TURNOVER £24.3bn

TOTAL INVESTMENT £3.14bn

AGE OF SCALING BUSINESSES

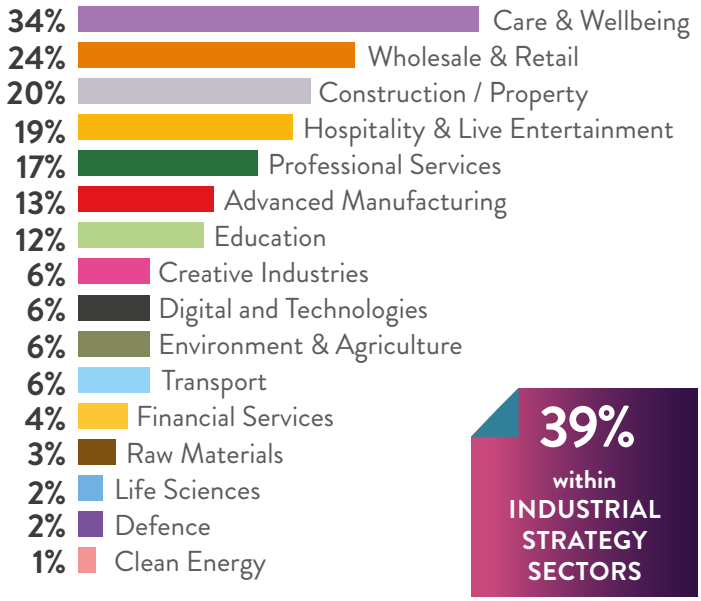
7 IN 10

Female founded scaling businesses are **10** or more years old.



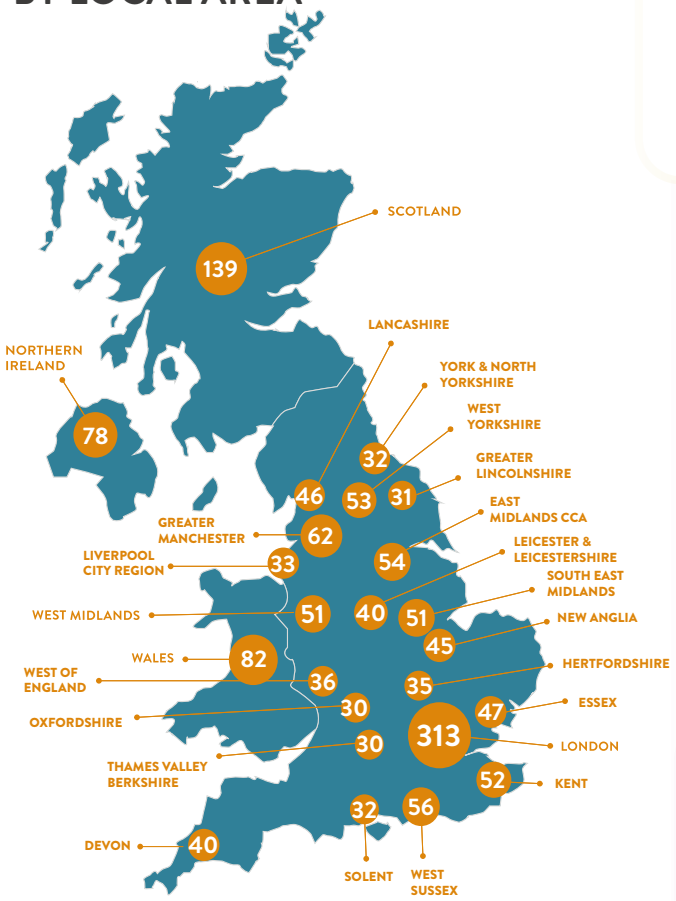
KEY SECTORS

UK scaleup female founded businesses operate across all sectors and UK geographies with a significant proportion in the Industrial Sectors (39%).



39% within INDUSTRIAL STRATEGY SECTORS

NUMBER OF FEMALE FOUNDED SCALING BUSINESS BY BY LOCAL AREA



Mid-market female founded scaling businesses represent **55%** of **all female founders** in the **Index**, contributing **70% of total turnover**, **62% of employment** and **92% of total investment**.

NUMBER OF SCALEUPS 1,045

NO. OF JOBS 174K

TOTAL INVESTMENT £2.9bn

TOTAL TURNOVER £17.1bn

TOP REGIONS OUTSIDE OF LONDON FOR:

EMPLOYMENT NORTH WEST 42,711

EXPORTS SOUTH EAST £172.1m

TURNOVER NORTH WEST: £3.9bn

GRANTS WON NORTH WEST £33.7m

INVESTMENT SOUTH EAST £491.3m

TOP FUNDERS

INVESTOR	NO. OF INVESTMENTS	VALUE
BUSINESS ANGEL(S)	34	£141.1m
REPUBLIC	23	£53.0m
CROWDCUBE	22	£24.3m
BRITISH BUSINESS BANK	14	£594.4m
BGF	13	£81.2m
SCOTTISH ENTERPRISE	13	£32.4m

Leading Investments:
The top five female-founded businesses by total equity raised account for **40% of all investment in the Index**.
They include AI analytics firm Quantexa, rural telecoms provider Africa Mobile Networks, fintech lender Lendable, cell therapy company Quell Therapeutics, and global content producer SISTER.

GRANTS

63 FEMALE FOUNDED SCALING BUSINESSES HAVE RECEIVED **223 INNOVATE UK GRANTS** TOTALING **£57.6M**. OF THESE, 31 BUSINESSES RECEIVED £24M IN GRANTS AND LEVERAGED £204M IN PRIVATE-SECTOR EQUITY INVESTMENT (8.5×).

UKRI Innovate UK

TOP 10 FEMALE FOUNDED SCALEUPS WITH MOST IUK GRANT FUNDING RECEIVED	
SUNAMP	Develops thermal energy storage solutions to improve energy efficiency and sustainability
EXPERT TECHNOLOGIES GROUP	Provides industrial automation and intelligent technology solutions
FORTH ENGINEERING	Develops bespoke robotic and remote-operated solutions for hazardous environments and the nuclear sector.
URBAN FORESIGHT	Provides smart city consultancy and innovation services to develop sustainable urban environments.
OCEANIUM	Uses seaweed to develop a range of biodegradable and plastic-free packaging materials.

PROCUREMENT

128 FEMALE FOUNDED SCALING BUSINESSES

361 CONTRACTS

£406m VALUE

TOP SCALING BUSINESSES BY NUMBER OF AWARDS

128 female founded scaling businesses have been awarded 361 public procurement contracts worth a total of £406m in 2025.

SUPPLIER	NO. OF AWARDS	VALUE OF AWARDS	REGION	SECTOR DESCRIPTION
THINKS INSIGHT & STRATEGY	19	£3.1m	South West	Market research and public opinion polling

AIM LISTED COMPANIES

- EVERPLAY GROUP
- FACILITIES BY ADF
- SKILLCAST GROUP PLC
- SOSANDAR
- SPACEANDPEOPLE

UNICORNS

BOOHOO	MULTIVERSE
COMPASS PATHWAYS	PREQIN
DARKTRACE	**QUANTEXA**
FANDUEL	ROTHESAY
FUNDING CIRCLE	STARLING BANK
INTERACTIVE INVESTOR	SYNTHESIA
LASTMINUTE.COM	ZEPZ
LENDABLE	

Since 1998, **15 female-founded companies have achieved 'unicorn' status** (a valuation exceeding $1bn), of which eight remain current unicorns. Lendable and Quantexa are also included in our 2026 Female Founder Index. Collectively, **these businesses span eleven different sectors.**

SPOTLIGHT

TURNOVER FEMALE FOUNDER SCALEUPS

Wendy Wu Tours

EMPLOYMENT FEMALE FOUNDER SCALEUPS

newson clinic

OLDEST FEMALE CO-FOUNDED SCALING FIRM

MOUSSAIEFF
RARE AND MAGNIFICENT JEWELS



THE 2026 SCALEUP INSTITUTE

FEMALE FOUNDED

SUPER SCALERS

SuperScalers

WHAT IS A SUPERSCALER?

We define a SuperScaler as a female founder or co-founder who has scaled a business to £50m+ in revenue. We define a SuperScaler as a female founder or co-founder who has scaled a business to £50m+ in revenue. The SuperScalers team, co-founded by Sam Smith and Rosaleen Blair CBE, supports this community by connecting ambitious female founders with the people, experiences and opportunities to scale bigger businesses.

NO. OF SCALEUPS	NO. OF JOBS	TOTAL TURNOVER	TOTAL INVESTMENT
333	285k	£44.7bn	£5bn

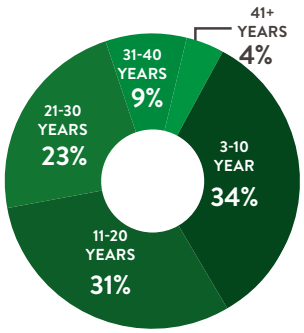
OF THESE 333 BUSINESSES THOSE STILL SCALING:

NO. OF SCALEUPS	NO. OF JOBS	TOTAL TURNOVER	TOTAL INVESTMENT
145	141k	£20.7bn	£1.4bn

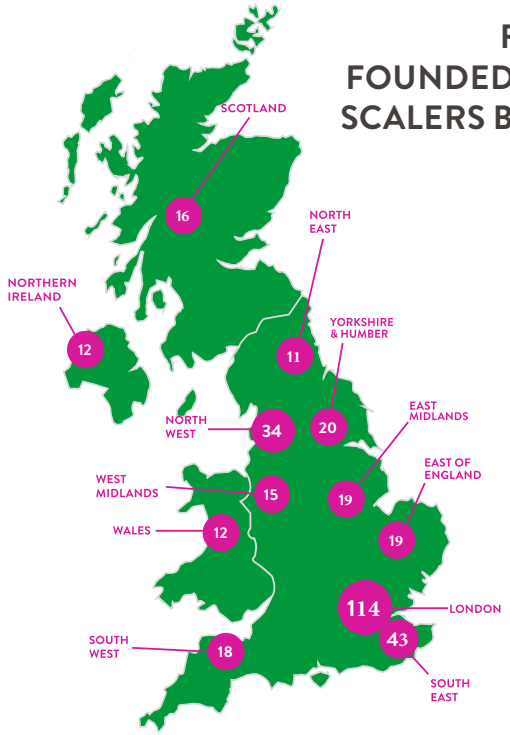
AGE OF SCALING BUSINESSES

7 IN 10

Female founded Superscalers are **10** or more years old.



FEMALE FOUNDED SUPER SCALERS BY AREA



KEY SECTORS

43% of the 333 are in one or more of the **industrial strategy** sectors. The biggest overall sector represented is Wholesale and Retail with almost half of the 333 superscalers (47%).

47%	Wholesale & Retail
18%	Food Supply Chain
18%	Professional Services
15%	Care & Wellbeing
15%	Creative Industries
15%	Construction / Property
11%	Digital and Technologies
10%	Hospitality & Live Entertainment
10%	Transport
6%	Advanced Manufacturing
6%	Environment & Agriculture
6%	Education
6%	Financial Services
5%	Raw Materials
3%	Energy
2%	Clean Energy
2%	Defence
1%	Life Sciences

43% within INDUSTRIAL STRATEGY SECTORS

TURNOVER BREAKDOWN FOR £50M PLUS

45%	£50 - £75m
20%	£75 - £100m
16%	£100 - £150m
10%	£150 - £300m
5%	£300 - £500m
3%	£500m+

TOP REGIONS OUTSIDE OF LONDON FOR:

EMPLOYMENT NORTH WEST 38.6k	FUNDING EAST OF ENGLAND £204.9M
TURNOVER WEST MIDLANDS: £5.1bn	GRANTS WON WALES £2m
EXPORTS SOUTH EAST £344.7m	



POWERING UP

In 2026 the ScaleUp Institute Female Founder Scottish Scaleup Index shows 139 visible scaling female founded /cofounded businesses based in Scotland, breaking through £10.2m in turnover and / or £5.1m in assets, representing a 81% growth since 2025.

LETS BACK OUR FEMALE FOUNDER SUPERSCALERS

This year, the Super Scaler Female Index highlights 333 female founded or co-founded businesses that have at any point surpassed £50m in turnover - more than doubled (up 125%) from 144 in 2025.



HOME GROWN UNICORN INSIGHT

The ScaleUp Institute has updated its overarching analysis of home grown unicorns, building on its initial review conducted in 2023. Recognising that existing analyses differ in their approach – with some tracking the historical creation of unicorns and others assessing the landscape at a specific point in time – this insight brings together both perspectives, examining the evolution of UK unicorns since 1998 and their current position as of October 2026.

The UK unicorn landscape now comprises **199 UK-born companies** that have achieved a valuation of over US$1 billion since 1998, of which **104 retain valuations above this threshold as of October 2026**. Collectively, the 199 UK unicorns generate £74.3 billion in turnover and employ 228,000 people.

Of the **14 companies that achieved unicorn status in 2026**, AI and Robotics emerged as the leading sector, accounting for four new unicorns, followed by Fintech with three. This marks a shift from 2025, when Fintech led the creation of new unicorns, and highlights the growing prominence of AI businesses within the UK unicorn ecosystem. However, Financial Services, particularly Fintech, continues to dominate the overall landscape, accounting for 45 unicorns followed by Life Sciences (23) and Enterprise Software, Data & Cybersecurity (21)

Six in ten unicorns reached this milestone within ten years of founding, with a median of eight years from establishment to achieving unicorn status. London remains the UK's leading unicorn hub, with notable concentrations also in the East of England, South East and North West. Spinouts account for 37 unicorns (nearly one in five), comprising 22 originating from UK universities and 15 from large corporates.

UK unicorns demonstrate a strong international orientation, with over 79% trading outside the UK and a similar proportion maintaining an overseas office, most commonly in the United States and the EU. The diversity of nationalities represented among founders and directors further reflects the international character of the UK's unicorn ecosystem. **Of the 199 unicorns identified, 69 (35%) have been publicly listed at some point: 41 in the UK, 26 in the US, one in Frankfurt and one in Amsterdam.** As of October 2026, 32 remain publicly listed, with 18 having their primary listing in London and 14 in the United States.

International investors, predominantly from the United States, play a leading role across every stage of the unicorn investment journey, beginning as early as Seed stage and becoming more prominent from Series C onwards. Their earlier involvement in unicorns points to the importance of international capital in supporting businesses with exceptional growth potential, reflecting both a greater appetite for high-risk, high-growth opportunities and the deeper pools of follow-on funding available internationally.

This updated insight provides a comprehensive overview of the evolving UK unicorn landscape, capturing new entrants, historical trends, geographical distribution and sectoral developments. Building on the ScaleUp Institute's ongoing analysis of growth, internationalisation, leadership and investment dynamics, it highlights the opportunities and challenges shaping this technology-driven ecosystem and provides timely intelligence for investors, policymakers and wider stakeholders.

Since 1998 **199** UK companies achieved $1bn valuation **"UNICORN"** STATUS generating turnover of **£74.3bn** and employing **228k** (227,747) have collectively raised **£46bn**

of which **37** Spinouts / 22 UK university / 15 corporates **69** listed on a public market **43** of which became Unicorns prior to IPO and 23 after IPO **66** aquired

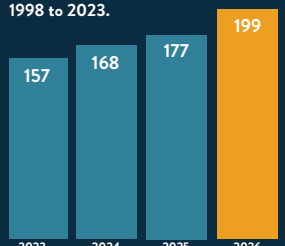
UKRI Innovate UK and **27** of them have received **133** Innovate UK grants worth **£109m**

UK UNICORNS AND THEIR HEADQUARTERS BASE BY REGIONS

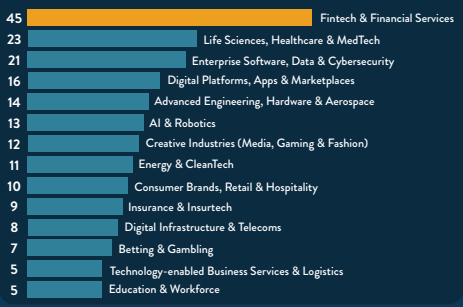
(Including those UK Unicorns headquartered overseas)



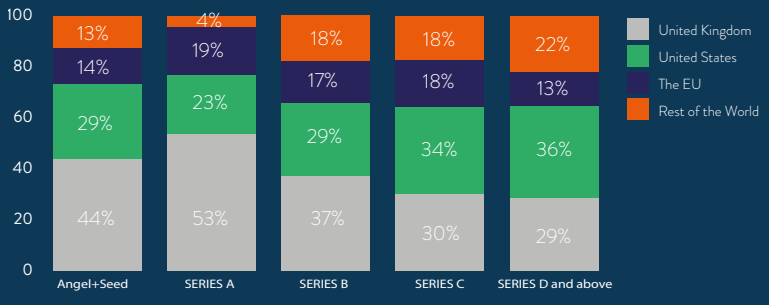
Home grown Unicorn velocity has more than doubled to an average of 14 per year 2023-2026; vs 6 per year from 1998 to 2023.



SECTORS THEY COME FROM



INVESTORS BY NATIONALITY MIX BY STAGE

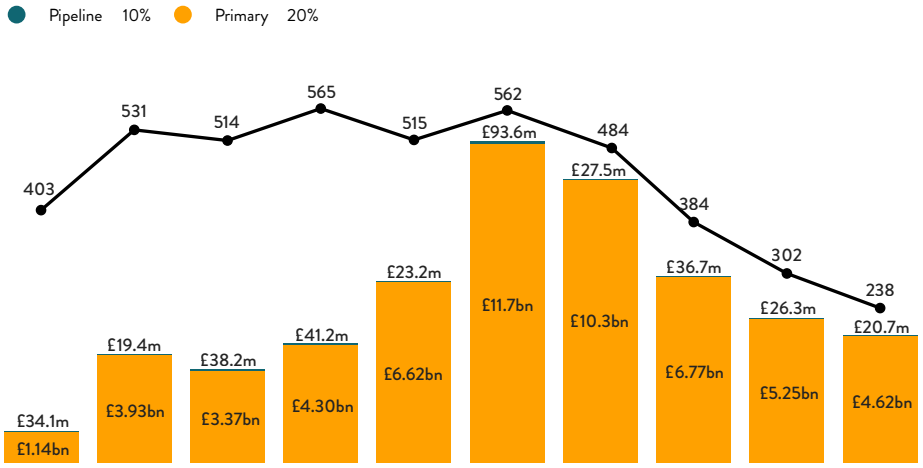


VISIBLE SCALEUP GROUPS | THE SCALEUP INDEX 2026

92,765
visible scaling legal entities examined

12,111
companies in the scaleup cohort

EQUITY INVESTMENT IN SCALEUP COHORT (2016 - 2025)



TOP INVESTORS IN THE SCALEUP COHORT BY NUMBER OF DEALS (2016 - 2025)

Republic	117
BGF	108
Crowdcube	107
British Business Bank	97
Scottish Enterprise	85

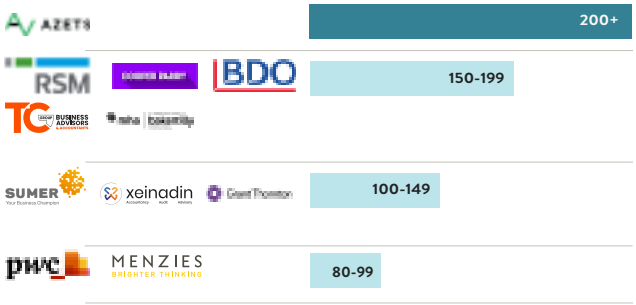
TOP INVESTORS IN THE SCALEUP COHORT BY VALUE OF DEALS (2016 - 2025)

SoftBank Group	£3.02bn
La Caisse	£2.60bn
Tiger Global Management	£2.38bn
CPP Investment Board	£2.37bn
Insight Partners	£2.13bn

TOP-LEVEL INDUSTRIES BY NUMBER OF SCALEUP COHORT COMPANIES (AS OF 2026)

Property, infrastructure and construction	3.43k
Distribution and commerce	3.18k
Lifestyle and entertainment	3.01k
Materials and manufacturing	2.58k
Healthcare and wellbeing	2.40k
Professional services	2.38k
Technology-based businesses	1.89k
Travel and transportation	1.68k
Education	999
Safety and security	922

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

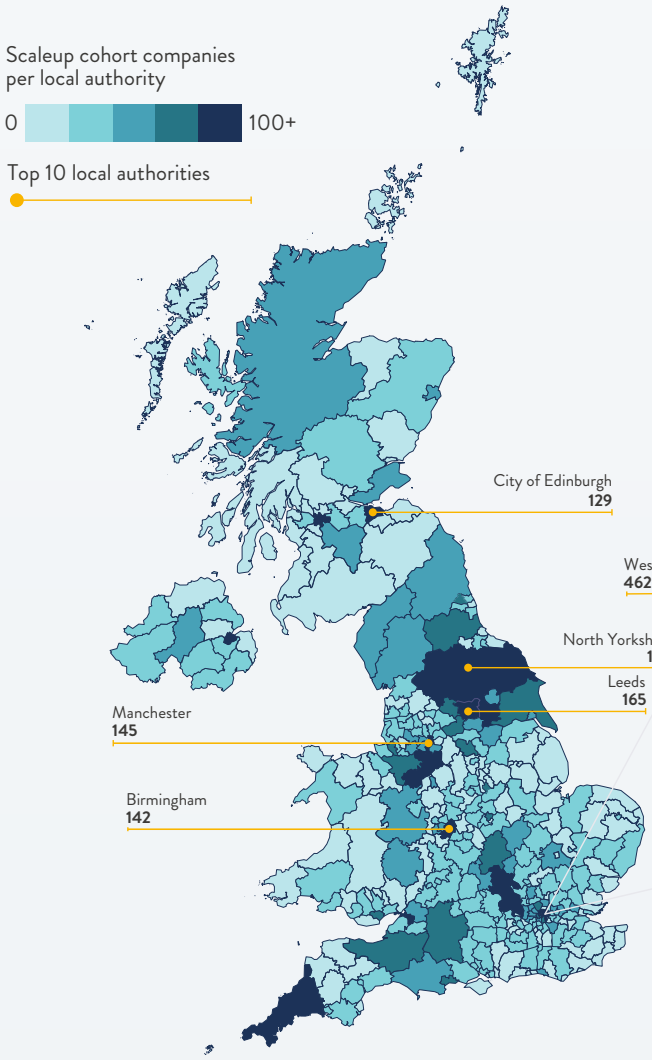


TOP ACADEMIC INSTITUTIONS FOR SCALEUP COHORT SPINOUTS (AS OF 2026)

University of Oxford	24
University of Cambridge	7
University College London (University of London)	5
University of Manchester	3
University of Dundee	3
University of Bristol	3

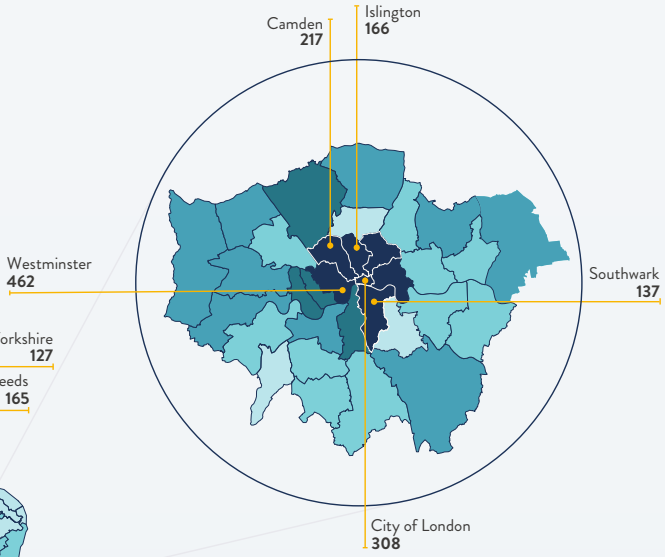
Beauhurst SCALEUP INSTITUTE

LOCAL AUTHORITIES BY NUMBER OF SCALEUP COHORT COMPANIES (AS OF 2026)



TOP REGIONS BY NUMBER OF SCALEUP COHORT (AS OF 2026)

London	2.63k
South East	1.58k
North West	1.28k
East of England	1.15k
South West	947



Companies in the scaleup cohort	12,111
Total turnover by the scaleup cohort	£428bn
People employed by the scaleup cohort	2.44m
Scaleup cohort companies with equity funding	1,342
Total equity investment into scaleup cohort (2016-2025)	£58.4bn
Scaleup cohort companies with IUK grant funding	525
IUK grant funding into scaleup cohort (2016-2025)	£499m
Scaleup cohort companies with a female founder	1,887
AIM listed scaleups	309

AGE AT WHICH COMPANIES SCALE

SCALEUP INSIGHTS

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 2026 we have undertaken a deep dive into the average age of scaling across industries and how it compares with the age at which the UK's unicorns reach a billion-dollar valuation.

Across all scaleups, the median age of scaling is 12. By contrast, the UK's unicorns reach a billion-dollar valuation at a median age of just 8, clearing the $1bn valuation threshold four years sooner – almost always on the back of significant international equity investment.

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. Yet the equity-backed firms in these capital-intensive sectors move far faster: in both Advanced Manufacturing and Defence, unicorns reach their billion-dollar valuation at a median age of 5.

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	MEDIAN AGE OF REACHING UNICORN VALUATION
DIGITAL AND TECHNOLOGIES	9	9
FINANCIAL SERVICES	9	9
PROFESSIONAL SERVICES	10	10
LIFE SCIENCES	10	10
DEFENCE	12	12
CLEAN ENERGY	12	12
CREATIVE INDUSTRIES	13	13
ADVANCED MANUFACTURING	16	16
ALL SCALEUPS IN IS8 SECTORS	12	8
CARE AND WELLBEING SERVICES	8	
EDUCATION	10	
HOSPITALITY & LIVE ENTERTAINMENT	11	
CONTRUCTION / PROPERTY	13	
WHOLESALE & RETAIL	15	
ENVIRONMENT & AGRICULTURE	16	
TRANSPORT	16	
RAW MATERIALS	19	
ALL SCALEUPS	12	

Median age of reaching unicorn valuation is shown for the Industrial Strategy (IS-8) sectors only. For the remaining sectors the number of unicorns is too small to produce a reliable median, so no figure is reported. Unicorn ages are based on 199 UK unicorns; median age of scaling is based on the 11.6k visible scaleups in the ScaleUp Index 2025.

UNDERSTANDING MID-MARKET SCALEUPS

There are various definitions of the Mid-Market segment. Despite these differences, the Mid-Market represents an important segment of the UK business population, with a significant contribution to employment, turnover and economic growth. For this year's analysis, the ScaleUp Institute has adopted the Mid-Market Growth Council (MMGC) definition, which encompasses businesses with turnover of £10 million to £100 million and/or between 50 and 500 employees. Within this segment, Mid-Market scaleups are defined as businesses achieving average annualised growth of more than 20% in employment and/or turnover over a three-year period, with at least 10 employees at the start of the observation period. Pipeline businesses are those growing at an average annualised rate of 15% to 19.99% over the same period.

The latest analysis of ONS Inter-Departmental Business Register (IDBR) data identifies 64,880 mid-market businesses across the UK, collectively employing 7.7 million people and generating £1.91 trillion in turnover. Of these, 18,265 (28%) are scaleups, employing 2,627,549 people and generating £829,387,799,000 in turnover. This represents 34% of total mid-market employment and 43% of turnover, highlighting the significant economic contribution of scaling businesses within this segment. A further 6,915 pipeline businesses employ just over 1 million people and generate £269 billion in turnover.

Complementing this national picture, our analysis of visible scaling businesses provides further insights into the economic contribution and equity investment secured by businesses within the mid-market segment. The analysis identifies 6,081 visible mid-market scaleups, which collectively generate £172 billion in turnover, employ over 1.07 million people and have raised £34.3 billion in equity investment. Alongside these, 1,408 visible pipeline businesses, growing at an average annualised rate of 10% to 19.99%, generate a further £37 billion in turnover, employ nearly 208,000 people and have secured £281 million in equity investment

MID-MARKET SCALEUPS & PIPELINE

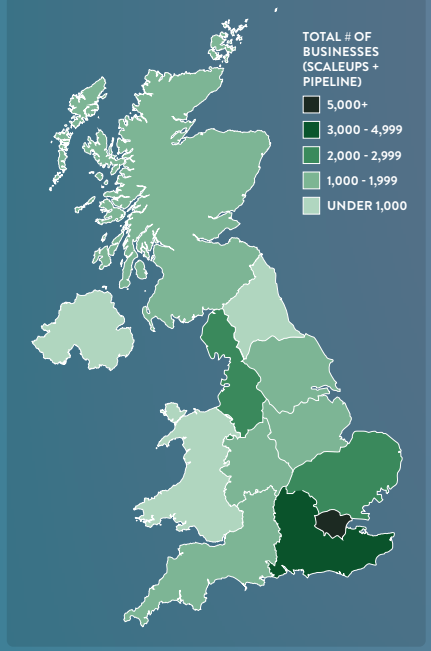
	NUMBER OF COMPANIES	NO. OF EMPLOYEES	TOTAL TURNOVER
SCALEUPS	18,265	2.63m	£829.4bn
PIPELINE	6,915	1m	£269bn

VISIBLE SCALING BUSINESSES[1]

	NUMBER OF COMPANIES	NO. OF EMPLOYEES	TOTAL TURNOVER	TOTAL INVESTMENT
	6,081	1.07m	£172bn	£34.3bn
	1,408	208k	£37bn	£281m

NUMBERS BY REGION

1 IN 4 UK scaleups and pipeline businesses are Mid-Market



ONS DATA

61.8% are based outside London and the South East

REGION	SCALEUPS COS.	SCALEUPS EMPLOYED	SCALEUPS TURNOVER	PIPELINE COS.	PIPELINE EMPLOYED	PIPELINE TURNOVER
Scotland	1,150	165,650	£37.50bn	450	62,413	£12.28bn
Northern Ireland	485	69,839	£15.37bn	185	24,346	£5.27bn
North East	515	75,680	£14.82bn	215	30,839	£6.84bn
North West	1,740	258,973	£69.74bn	700	101,690	£19.99bn
Yorkshire and The Humber	1,295	188,087	£43.28bn	545	71,760	£14.98bn
East Midlands	1,090	155,835	£28.33bn	495	77,633	£13.46bn
West Midlands	1,305	176,522	£41.73bn	550	75,961	£17.19bn
Wales	550	75,688	£12.98bn	230	38,220	£5.60bn
East of England	1,600	218,033	£66.11bn	680	95,241	£22.20bn
London	4,770	711,624	£370.75bn	1,380	218,080	£105.59bn
South East	2,510	362,757	£101.38bn	970	141,306	£33.89bn
South West	1,255	168,861	£27.42bn	515	65,434	£11.94bn

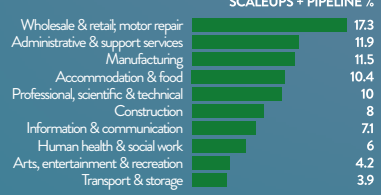
VISIBLE SCALING BUSINESSES

65.3% are based outside London and the South East

REGION	COS.	TURNOVER	EMPLOYED	EQUITY RAISED
Scotland	453	£10.28bn	74,610	£974m
Northern Ireland	213	£5.66bn	36,929	£43m
North East	257	£5.90bn	48,002	£554m
North West	805	£22.84bn	143,234	£1.68bn
Yorkshire and The Humber	568	£16.26bn	99,341	£280m
East Midlands	497	£12.73bn	86,210	£318m
West Midlands	562	£15.11bn	94,882	£601m
Wales	261	£6.27bn	48,097	£157m
East of England	683	£18.60bn	113,404	£3.66bn
London	1,615	£57.20bn	272,343	£21.30bn
South East	987	£25.49bn	167,027	£3.85bn
South West	588	£13.11bn	96,026	£1.19bn

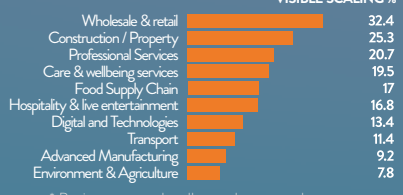
TOP SECTORS

42% of UK scaleups and **42.6%** of pipeline businesses are within the IS-8 sectors



TOP SECTORS*

44.4% of visible scaling businesses are within the IS-8 sectors



* Businesses may be allocated to more than one sector

[1] For the Companies House-based analysis, scaling businesses included in the latest ScaleUp Index that meet the MMGC definition were identified using their latest available financial statements as of October 2026.

1.36% = 60%

Scaleups make up 1.36% of the UK business population and generate the equivalent of 60% of total SME output

£1.65trn

The total amount of turnover generated by scaleups up from £1.1trn in 2023. The combined turnover of all SMEs is £2.75trn (all values excluding finance sector)

74,670

The total number of scaleups in the UK.



67%

The increase in the total number of scaleups since 2023.

40%

more productive on average

VISIBLE SCALEUPS

12,111
in the scaling cohort

generating
£428b
in turnover

employing
2.44m

6.1m

people employed by scaleups in 2024, across all sectors and local areas of the UK economy

TOP SECTORS FOR SCALEUPS

Those operating in
ACCOMMODATION & FOOD
WHOLESALE & RETAIL
ADMIN & SUPPORT SERVICE
PROFESSIONAL SCIENTIFIC & TECH

account for 55% 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 23% of all scaleups and 29% of all pipeline businesses in the UK

82

The average number of employees in a scaleup

67%

of scaleups are located outside London and South East

35%

of scaleups are in the industrial strategy sector. In the pipeline cohort, 40% of businesses belong to an industrial strategy sector

£22.5m

The average turnover of a scaleup (excluding finance sector)

THE SCALING PIPELINE

27,925

The total number of businesses growing between 15-19.99% in 2024

£570bn

The total amount of turnover generated by scaling businesses in 2024 (excl Finance sector turnover).

2.44m

People employed by scaling businesses in 2024

2026 SCALEUP SURVEY

1,354
SCALEUP BUSINESSES

GENERATING
£33.23bn
TURNOVER AND SEEKING TO GROW THIS TO £37.6BN IN THE NEXT 12 MONTHS

249.3k
ARE EMPLOYED BY SCALEUPS, AND THIS IS EXPECTED TO GROW TO 278.3K

These scaleups came from across all regions and sectors. They vary considerably in age, and many are long established businesses **(26% are over 20 years old)**

- 65% in the **8 Industrial Strategy Sectors**
- 33% are women-led
- 34% are MEG-led

SCALEUPS ARE AMBITIOUS

- **8 IN 10** scaleups expect to grow their turnover and/or employee headcount in 2027
- **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 ARE CAUTIOUS ABOUT THE MACROECONOMIC ENVIRONMENT IN WHICH THEY OPERATE

- **5 IN 10** UK political changes creating uncertainty
- **5 IN 10** Impact of energy prices
- **5 IN 10** Lower levels of business / consumer confidence
- **4 IN 10** Supply chain delays / disruption
- **4 IN 10** Increasing costs to the business
- **4 IN 10** Geopolitical uncertainty and conflict

Despite concerns around increasing costs from energy prices, employment and taxes, more than half (54%) state that this will not hamper investment in their business.

CONTINUING THE TRENDS SEEN IN 2025 CONFIDENCE IS IMPROVING

- **51%** agree it is harder to grow the business now than in the past, down from 61% in 2024
- **42%** worry about whether the UK will be a good location for a business in a few years' time, significantly lower than 2024 (59%) and down from 45% in 2025
- **41%** feel there is very little support available for businesses like theirs, lower than 2025 (47%) and 2024 (52%)

AND THERE IS POSITIVITY ABOUT THE PROPOSED DIRECTION OF TRAVEL FROM THE NEW GOVERNMENT

Although UK political change is a leading macroeconomic concern

6 IN 10 **are positive about the UK Government and its announced plans.**

5 IN 10 **believe devolution of power will be positive for their growth**

however they caution that this must have clear objectives, frameworks and oversight

6 IN 10 believe the **UK Scale-up Capital Fund** will be helpful to business

5 IN 10 see the Government's devolution measures as helpful to business, including **planning powers to mayors, increased fiscal devolution, and devolved 14–16 pathways**

SCALEUPS ARE INNOVATIVE

- **9 IN 10** scaleups have been involved in some innovative activity in the last 3 years
- **7 IN 10** have collaborated or are seeking to collaborate with public, private, university or international partners
- **4 IN 10** say their appetite for innovation is higher in the next 12 months
- **5 IN 10** say it is about the same as last year

Scaleups are significantly more likely to be using / planning to use advanced technologies than their non-scaling peers.

- **8 IN 10** AI
- **7 IN 10** Advanced data analytics & data technologies
- **6 IN 10** Digital modelling, simulation & digital twins; Automation & robotics; Immersive technologies

47% say technological advances is the biggest driver of their increased appetite to innovate with **6 in 10** seeking to adopt tech to support workforce development

AND HIGHLY INTERNATIONAL

- **68%** sell overseas
- **5 IN 10** see exporting as key to future growth
- **7 IN 10** plan to do the same or more international trade in 2027

KEY INTERNATIONAL MARKETS

- 47% The EU
- 45% The US
- 21% Canada

with opportunities also highlighted in China (19%), UAE (17%), Other parts of Europe (16%) and Africa (16%)

50% see opportunities to expand their physical presence in these territories, with 31% considering it

3 IN 10 already have employees based overseas

HOWEVER

6 IN 10 scaling leaders are considering relocating overseas. The main drivers of this are the size of markets; investor base; and, perceived enhanced tax regimes

THEY ARE GOOD CORPORATE CITIZENS

- **6 IN 10** scaleups say they are social businesses
- **4 IN 10** identify as family businesses
- **6 IN 10** offer opportunities to young people through internships, work experience and / or apprenticeships
- **9 IN 10** plan to increase or invest the same amount in their training budgets next year
- **3 IN 10** are minority-ethnic group led

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
- 44% Talent & leadership development
- 38% Access to the right bank / equity finance
- 29% Regulatory barriers
- 28% Access to tax breaks

KEY ENABLERS ARE:

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

LOCAL ACCESS TO RESOURCES TO FACILITATE GROWTH IS VITAL

4 IN 10 scaleups consider their business to be part of a sectoral cluster

HOWEVER

5 IN 10 feel as though there are gaps in the support available in their region

THEY HIGHLIGHT THE FOLLOWING CLUSTER AND REGIONAL SUPPORT GAPS

- 33% Support to access markets
- 27% More space to grow
- 27% Access to investors
- 26% Network of NEDs / Fractional execs

SCALEUPS WOULD LIKE EASIER LOCAL ACCESS TO:

- 4 IN 10 Innovate UK & UKRI schemes
- 3 IN 10 Peer Networks / local mentors
- 3 IN 10 Flexible management / leadership development programmes
- 3 IN 10 Visa schemes focused on growth

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

- 52% Fast tracking of innovation / procurement opportunities and collaborations
- 35% Support for going into new markets overseas
- 30% Fast track of planning permissions
- 29% Connection to public and private sector investors
- 28% Dedicated account manager
- 27% Fast track regulatory approvals
- 27% Opening up of data to support innovation

TO ENHANCE THEIR ACCESS TO PUBLIC SECTOR SUPPORT

5 IN 10 would like a **register showing if you have won a public sector contract** to be shared with all public sector parties

4 IN 10 would like more **scaleup account managers and export advisers** from local and regional government, including devolved agencies, combined authorities and growth hubs

SCALEUPS ARE POSITIVE ABOUT THE HELPFULNESS OF THESE PUBLIC AGENCIES & FINANCE INSTITUTIONS IN THEIR LOCAL AREA AND SECTOR

- 6 IN 10 British Business Bank
- 5 IN 10 Innovate UK
- 5 IN 10 The National Wealth Fund
- 5 IN 10 UK Export Finance

BUT THEY WANT TO SEE ENHANCED REFERRAL PATHWAYS BETWEEN THEM, WITH PUBLIC PROCUREMENT, AND ALSO WITH THE PRIVATE SECTOR

IN THE DEVOLVED NATIONS:

- 7 IN 10 Scottish National Investment Bank
- 5 IN 10 Development Bank of Wales

IN FOCUS: TOP BARRIERS TO GROWTH ACROSS THE UK AND THE IS-8 SECTORS

REGION / NATION

EAST MIDLANDS
1. UK and International Markets 62%
2. Talent & Leadership 43%
3. Bank and Equity Finance 38%
4. Tax Breaks 29%
5. Regulatory Barriers 28%

EAST OF ENGLAND
1. UK and International Markets 57%
2. Talent & Leadership 49%
3. Bank and Equity Finance 37%
4. Regulatory Barriers 32%
5. Tax Breaks 30%

LONDON
1. UK and International Markets 55%
2. Talent & Leadership 46%
3. Bank and Equity Finance 37%
4. Tax Breaks 30%
5. Regulatory Barriers 30%

NORTH EAST
1. UK and International Markets 53%
2. Talent & Leadership 45%
3. Bank and Equity Finance 37%
4. Tax Breaks 30%
5. Regulatory Barriers 26%

NORTH WEST
1. UK and International Markets 58%
2. Talent & Leadership 43%
3. Bank and Equity Finance 34%
4. Regulatory Barriers 29%
5. Tax Breaks 28%

SOUTH EAST
1. UK and International Markets 52%
2. Talent & Leadership 46%
3. Bank and Equity Finance 40%
4. Tax Breaks 33%
5. Regulatory Barriers 28%

SOUTH WEST
1. UK and International Markets 51%
2. Talent & Leadership 47%
3. Bank and Equity Finance 36%
4. Regulatory Barriers 32%
5. Tax Breaks 26%

WEST MIDLANDS
1. UK and International Markets 59%
2. Talent & Leadership 44%
3. Bank and Equity Finance 40%
4. Regulatory Barriers 31%
5. Tax Breaks 27%

YORKSHIRE & HUMBER
1. UK and International Markets 61%
2. Talent & Leadership 45%
3. Bank and Equity Finance 33%
4. Tax Breaks 29%
5. Regulatory Barriers 28%

NORTHERN IRELAND
1. UK and International Markets 51%
2. Talent & Leadership 49%
3. Regulatory Barriers 37%
4. Bank and Equity Finance 31%
5. Infrastructure 27%

SCOTLAND
1. UK and International Markets 54%
2. Talent & Leadership 45%
3. Regulatory Barriers 37%
4. Bank and Equity Finance 35%
5. Tax Breaks 32%

WALES
1. UK and International Markets 56%
2. Bank and Equity Finance 41%
3. Regulatory Barriers 40%
4. Talent & Leadership 38%
5. Tax Breaks 32%

IS-8 SECTORS

ADVANCED MANUFACTURING
1. UK and International Markets 55%
2. Talent & Leadership 50%
3. Bank and Equity Finance 36%
4. Tax Breaks 27%
5. Regulatory Barriers 26%

CLEAN ENERGY
1. UK and International Markets 63%
2. Bank and Equity Finance 46%
3. Talent & Leadership 35%
4. Regulatory Barriers 31%
5. Access to external support & advice 28%

CREATIVE INDUSTRIES
1. UK and International Markets 58%
2. Talent & Leadership 42%
3. Bank and Equity Finance 35%
4. Access to external support & advice 29%
5. Infrastructure 28%

DEFENCE
1. Talent & Leadership 66%
2. UK and International Markets 50%
3. Regulatory Barriers 31%
4. Innovation Support & Funding 31%
5. Bank and Equity Finance 28%

DIGITAL & TECHNOLOGIES
1. UK and International Markets 57%
2. Talent & Leadership 40%
3. Bank and Equity Finance 37%
4. Access to government & corporate procurement / supply chains 28%
5. Regulatory Barriers 28%

FINANCIAL SERVICES
1. UK and International Markets 53%
2. Talent & Leadership 45%
3. Bank and Equity Finance 41%
4. Regulatory Barriers 34%
5. Tax Breaks 28%

LIFE SCIENCES
1. UK and International Markets 51%
2. Talent & Leadership 50%
3. Bank and Equity Finance 36%
4. Regulatory Barriers 34%
5. Tax Breaks 28%

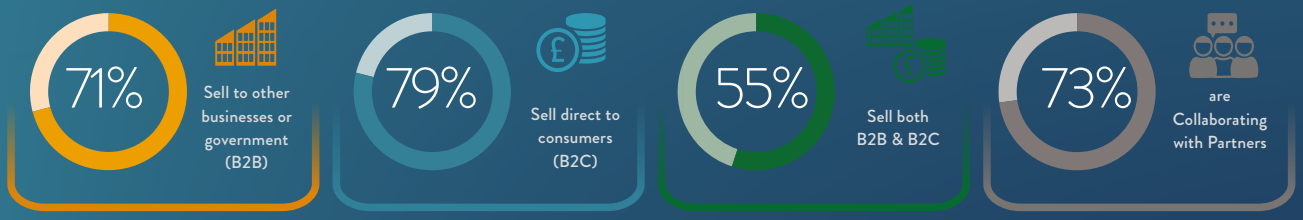
PROFESSIONAL & BUSINESS SERVICES
1. UK and International Markets 58%
2. Talent & Leadership 46%
3. Bank and Equity Finance 37%
4. Regulatory Barriers 33%
5. Tax Breaks 30%

THE MARKETS PERSPECTIVE

58% SCALEUPS SAY ACCESS TO MARKETS IS AMONG THEIR TOP BARRIERS TO GROWTH

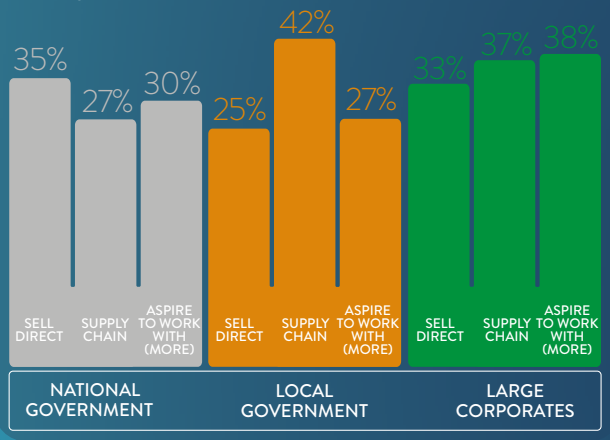
Access to Markets

Access to Markets remains the top barrier to growth reported by scaleups in 2026. These firms are active across a range of markets selling to and collaborating with other businesses, governments and international partners and see opportunities to do even more to fuel their ongoing growth. However they are experiencing challenges and want support to enter and expand in these markets.



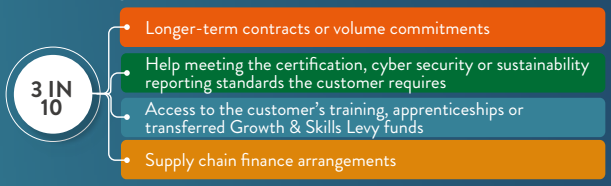
B2B MARKETS

Scaleups are actively working with Government and Large Corporates including via their supply chains, however there is a desire to do more.



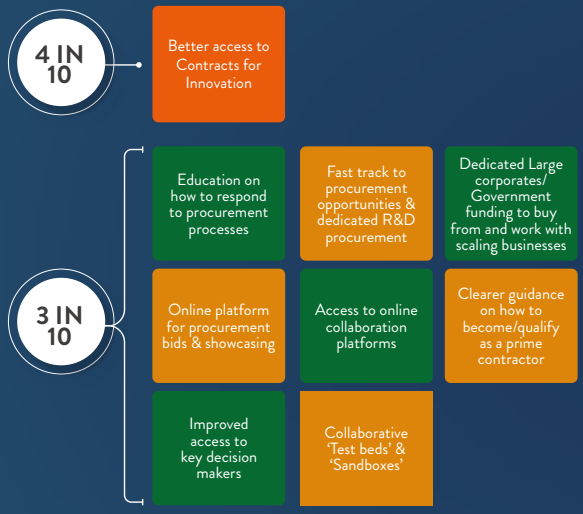
SUPPORTING THE SUPPLY CHAIN

When working in the supply chain, scaleups would value:



Sectorally, the biggest ask from Advanced Manufacturers is greater connectivity with their customers' partners and markets overseas, while support with meeting standards is most important to Clean Energy and Financial Services scaleups.

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



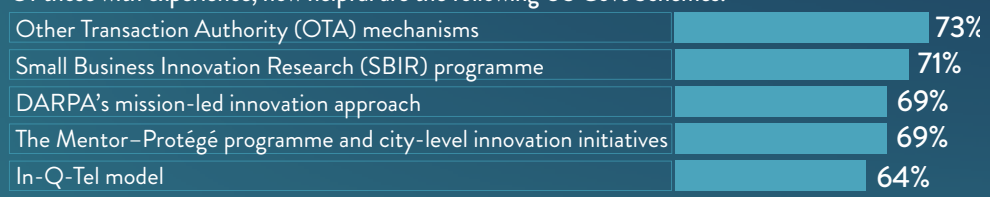
Access to Contracts for Innovation dials up to 5 in 10 for those in the Digital & Tech sector, and for scaleups in the North East and Northern Ireland; while 5 in 10 Advanced Manufacturers are seeking platforms for procurement and showcasing.

Those in Professional and Financial Services want dedicated funding pots for working with scaling firms (4 in 10). Scaleups in Clean Energy, Defence and the East of England want improved access to key decision makers.

LESSONS FROM THE US PROCUREMENT REGIME

The US Government offers a range of incentives and mechanisms to support businesses to access government buyers and enable upskilling down the supply chain. 24% of the scaleups surveyed have experience selling to the US Government

Of those with experience, how helpful are the following US Govt Schemes:



83% would support introduction of US style procurement initiatives to UK Government procurement

68%

ARE SELLING THEIR GOODS AND SERVICES TO CUSTOMERS OVERSEAS

AND

47%

SAY EXPORTING IS A KEY OPPORTUNITY FOR GROWTH

HOWEVER

73%

OF SCALEUPS STATE THAT THE MACROECONOMIC ENVIRONMENT HAS AFFECTED THEIR APPETITE FOR EXPORTING AND EXPANDING OVERSEAS

7 IN 10

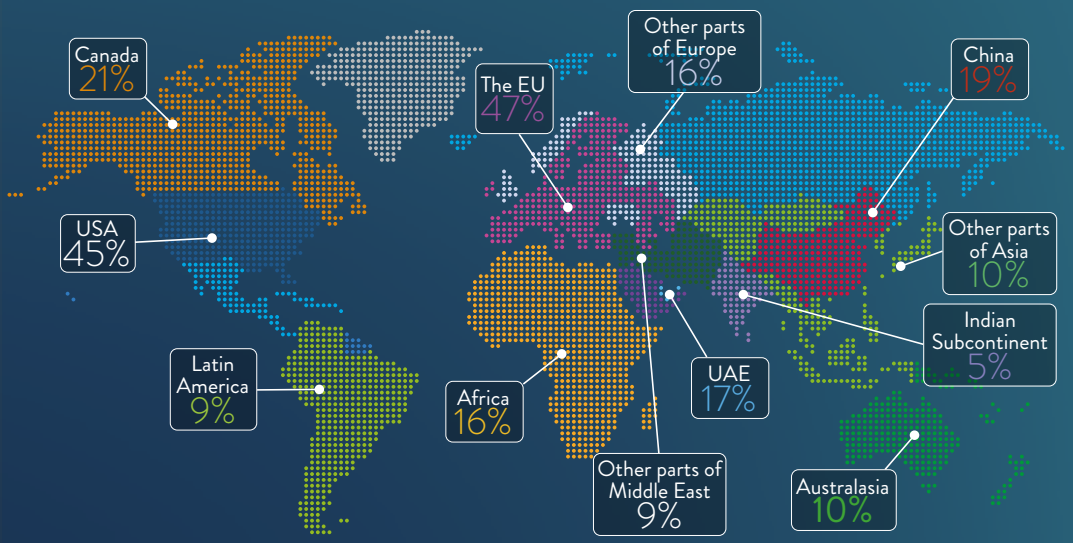
PLAN TO DO THE SAME OR MORE INTERNATIONAL TRADE IN 2027

The **EU remains the leading international market** overall, followed closely by the USA and then Canada.

However, when the two North American markets are considered together, **North America** (51%) overtakes the EU to become the **top export market of focus** for scaleups, marking a striking re-emergence following the sharp decline recorded in last year's survey.

Looking to the future 50% scaleups are seeing opportunities to expand their physical presence overseas, with 31% considering it.

INTERNATIONAL MARKETS PRESENTING BEST OPPORTUNITIES FOR SCALEUPS



SUPPORT TO EXPORT

Scaleups are looking for:

5 IN 10
TRADE MISSIONS & INTRODUCTIONS TO OVERSEAS BUYERS

4 IN 10
LOCAL EXPORT ADVISORS AND TRADE HUBS

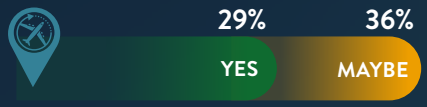
3 IN 10
ACCESS TO FINANCIAL PRODUCTS TO SUPPORT OVERSEAS EXPANSION

2 IN 10

- TRAINING/SUPPORT ON MARKET SELECTION, ENTRY AND FULFILMENT
- DEDICATED SCALE-UP EXPORT ADVISERS IN OVERSEAS LOCATIONS TO PROVIDE IN-COUNTRY SUPPORT
- INTRODUCTIONS TO CORPORATES AND FINANCIERS WHO CAN SUPPORT OVERSEAS EXPANSION
- SUPPORT TO FIND/RECRUIT IN COUNTRY MANAGEMENT/ EMPLOYEES IN OVERSEAS MARKETS
- FUNDING FOR RESEARCH INTO NEW MARKETS
- GREATER BESPOKE MARKET INSIGHTS, E.G. VIA EMAIL, WEBINARS ETC.

MOVING OVERSEAS

When asked if they would consider relocating their HQ from the UK

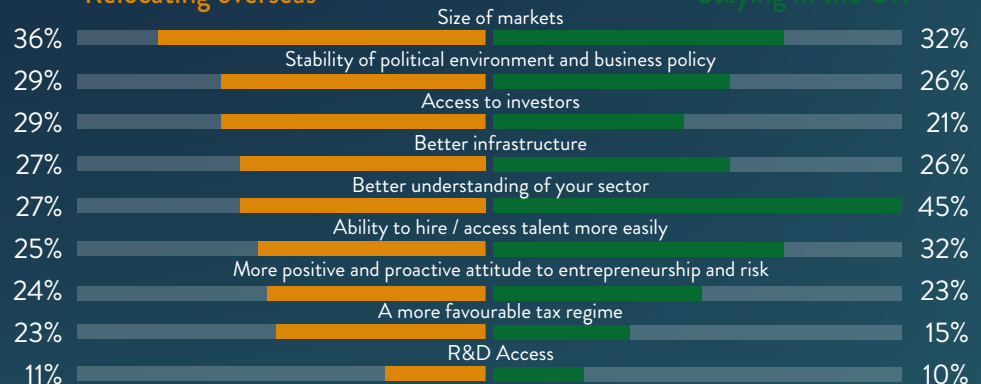


This dials up to 4 in 10 for those in Digital & Tech, Defence and Life Sciences sectors

The top reason for relocation is market size (most important to Creative Industries and Financial Services), followed by political stability and access to investors (important to Life Sciences).

Better Infrastructure is the top driver for Advanced Manufacturers. While those staying see the understanding of their sector as the biggest driver for remaining in the UK.

KEY DRIVERS



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 2025.

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 £310.6bn expenditure and 89,629 contracts, SMEs secured 45,302 contracts worth a total of £42.5bn equivalent to 50.5% of all public procurement contracts awarded and 13.7% of the total value awarded in 2025. Within that scaling firms secured only 3.6% of contracts overall, valued at £6.9bn.

The most active central departments are the Ministry of Defence (MOD) (62 contracts; £1.5bn), Department for Education (37 contracts; £368.4m), HM Revenue and Customs (HMRC) (13 contracts; £330.2m) and Department for Work and Pensions (DWP) (7 contracts; £253.9m). And the most active regions are London, South East and North West.

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.

950 visible Scaleup businesses won...

...3,230 contracts and appeared in...

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

£6.9bn

OUT OF A POSSIBLE £310.6BN PUBLIC PROCUREMENT VALUE AND 89,629 CONTRACTS

SMEs won **45,302** awards worth a total of **£42.5bn** equivalent to **50.5%** of all public procurement awards and **13.7%** of the total value awarded in 2025.

Scaling businesses won **3.6%** of all awards and **2.2%** of the value of public procurement awards in 2025 was won by scaling businesses.

59.5% of **950** visible scaling suppliers had also won an award in the previous year.

LOCAL GOVERNMENT

£1.4bn
PROCUREMENT CONTRACT VALUE

1,489
NUMBER OF AWARDS

CENTRAL GOVERNMENT [1]

£3.3bn
PROCUREMENT CONTRACT VALUE

613
NUMBER OF AWARDS

TOTAL TURNOVER **£30.1bn**	TOTAL EMPLOYMENT **133K**
TOTAL INVESTMENT **£5.4bn**	TOTAL EXPORTS **£937m**

MOST COMMON CONTRACT SECTORS TO SCALING BUSINESSES REMAIN CONSISTENT SINCE 2018

Most Public Procurement contracts issued to scaling businesses in 2025 were in Construction and Real Estate sector (21.3%), followed by IT and Telecoms (17.6%), Health, Life sciences and social services (14.8%), and Financial and Business Services (12.7%).

CONSTRUCTION REMAINS TO BE THE BIGGEST SECTOR AS 21.3% OF CONTRACTS TO SCALING BUSINESSES IN 2025 WERE GIVEN FOR THIS SECTOR

SECTOR	CONTRACTS	SECTOR	CONTRACTS
Construction and Real Estate	687	Education and training services	117
IT and Telecoms	575	Repair and maintenance services	89
Health, Life sciences and social services	478	Equipment (Furniture, Office, Computers)	83
Financial and Business Services	412	Industrial equipment and materials	60
Environmental services	226	Hotel and restaurant services	56
Transport	211	Agriculture and Food products	46
Other	189	Energy	8

PUBLIC PROCUREMENT & NET ZERO

In 2025, 25 scaling businesses were awarded 29 contracts valued at £236m that directly referenced Net Zero.

These contracts came from sectors, including:

- CONSTRUCTION
- RESEARCH & DEVELOPMENT SERVICES
- FINANCIAL & BUSINESS SERVICES
- IT AND TELECOMS

TOP BUYERS

tussell

TOP 20 BUYERS BY VALUE OF AWARDS

BUYER NAME	CONTRACTING AUTHORITY	NUMBER OF AWARDS TO SCALING BUSINESSES	TOTAL AWARD VALUE
Ministry of Defence (MOD)	Central Government	62	£1.5bn
Department for Education (DfE)	Central Government	37	£368.4m
NHS South East London Integrated Care Board (ICB)	NHS	4	£342.7m
HM Revenue & Customs (HMRC)	Central Government	13	£330.2m
Department for Work and Pensions (DWP)	Central Government	7	£253.9m
The Mining Remediation Authority (previously The Coal Authority) (DESNZ ALB)	Central Government	1	£203.1m
University of Sussex	Further and Higher Education	3	£170.4m
ECHELON CONSULTANCY LIMITED	Private Limited	1	£137.2m
Wigan Metropolitan Borough Council	Local Government	6	£134.9m
NHS England (DHSC ALB)	NHS	23	£116.6m
Ministry of Justice (MOJ)	Central Government	13	£103.1m
The Education Authority - Northern Ireland	Central Government	7	£100.3m
NHS Bristol North Somerset and South Gloucestershire Integrated Care Board (ICB)	NHS	6	£94.2m
Portsmouth City Council	Local Government	6	£84.9m
Department for Infrastructure (Northern Ireland) (DfI)	Central Government	1	£75.0m
Foreign Commonwealth & Development Office (FCDO)	Central Government	3	£67.2m
Kent County Council	Local Government	14	£63.5m
Cambridgeshire County Council	Local Government	7	£59.7m
NHS Supply Chain	Central Government	8	£46.5m
SANCTUARY HOUSING ASSOCIATION	Non Profit Organisation	2	£45.9m

TOP 20 BUYERS BY NUMBERS OF AWARDS

BUYER NAME	CONTRACTING AUTHORITY	NUMBER OF AWARDS TO SCALING BUSINESSES	TOTAL AWARD VALUE
Bristol City Council	Local Government	73	£42.0m
Ministry of Defence (MOD)	Central Government	62	£1.5bn
Plymouth City Council	Local Government	60	£2.7m
Wokingham Borough Council	Local Government	52	£2.1m
Gloucestershire County Council	Local Government	39	£6.8m
Department for Education (DfE)	Central Government	37	£368.4m
Leicestershire County Council	Local Government	36	£11.0m
UK Research and Innovation (UKRI) (DSIT ALB)	Central Government	34	£15.5m
Birmingham City Council	Local Government	33	£16.9m
Norfolk County Council	Local Government	31	£15.2m
NHS Cheshire and Merseyside Integrated Care Board (ICB)	NHS	29	£5.3m
NHS Property Services	NHS	28	£4.6m
Nottinghamshire County Council	Local Government	28	£35.9m
NHS Wales - Shared Services Partnership	NHS	27	£14.2m
Hampshire County Council	Local Government	24	£18.8m
NHS England (DHSC ALB)	NHS	23	£116.6m
Homes England (MHCLG ALB)	Central Government	21	£7.2m
Enfield Council	Local Government	19	£14.1m
Bank of England (BoE) (HMT ALB)	Central Government	17	£2.6m
North Northamptonshire Council	Local Government	17	£1.8m

BIGGEST BUYERS

TOP 20 BUYERS BY NUMBER OF AWARDED CONTRACTS WORTH £2.2BN = 31.9% OF THE TOTAL VALUE IN 2025

LOCAL GOVERNMENT IS THE LARGEST BUYER, ACCOUNTING FOR 46% OF ALL CONTRACTS TO SCALING BUSINESSES, MORE THAN TWICE THE SHARE OF CENTRAL GOVERNMENT (19%).

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

AVERAGE AWARD VALUE BY CENTRAL GOVERNMENT BUYERS WAS **£6M**; 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	94	11	18	2	2	2	0	10	13	1	8	12
East Of England	22	82	68	3	11	1	9	27	17	1	20	15
London	51	76	314	26	71	2	21	91	95	27	44	46
North East	14	1	9	43	7	1	10	0	13	0	2	22
North West	8	9	38	8	164	0	4	20	9	12	11	31
Northern Ireland	0	0	2	0	0	26	2	1	3	0	0	0
Scotland	6	1	4	5	7	0	104	3	14	3	4	1
South East	29	21	95	4	7	3	5	129	29	8	22	11
South West	7	12	28	6	11	0	7	18	200	12	13	12
Wales	2	2	3	1	6	0	1	3	10	46	4	4
West Midlands	26	9	37	6	19	0	4	7	19	7	38	10
Yorkshire & The Humber	34	18	79	17	41	0	8	27	29	11	23	100

TOP CONTRACTS AWARDED TO VISIBLE SCALING BUSINESSES

SUPPLIER	DESCRIPTION	REGION	CONTRACTING AUTHORITY	CONTRACT TITLE(S)	SECTOR	VALUE
Boxxe Group Limited	IT services	Yorkshire and the Humber	Ministry of Defence	Microsoft Enterprise Agreement 2025–2028	IT and Telecoms	£401m
Bromley Healthcare CIC	Health and social services	London	NHS South East London Integrated Care Board	Bromley Community Services	Health, Life sciences and social services	£329m
Route 101 Limited	IT services	South West	Department for Work and Pensions	DWP Digital Channels Contact Centre	IT and Telecoms	£221.1m
Alpheus Environmental Limited	Environmental services	East of England	Mining Remediation Authority	Operations and Maintenance of Mine Water Treatment Schemes and Legacy Assets	Environmental services	£203.1m
Equal Experts UK Limited	IT services	London	HM Revenue & Customs	Core Outcome-Based IT Services	IT and Telecoms	£177.4m
OCS Group UK Limited	Construction works	East of England	University of Sussex	Provision of Facilities Management Services	Repair and maintenance services	£170m
Cardo (Wales & West) Limited	Construction works	South West	Echelon Consultancy Limited	LiveWest Energy Efficiency Retrofit Contracts	Construction and Real Estate	£137.2m
Standard Fuel Oils Limited	Oil and Gas	North West	Wigan Metropolitan Borough Council	Liquid Fuels Tender	Industrials, chemicals and mining	£125m
Equal Experts UK Limited	IT services	London	HM Revenue & Customs	Intelligence Outcome-Based IT Services	IT and Telecoms	£122.2m
Waterstones Booksellers Limited	Print Media	London	Ministry of Justice	Legal Publications Print and eBook 2025/26 Call-Offs	Printing services	£87.1m

4 of the top 10 awards were in the IT & TELECOMS SECTOR worth a total of £921.7m and remaining were in HEALTH, LIFE SCIENCES AND SOCIAL SERVICES; ENVIRONMENTAL SERVICES; REPAIR AND MAINTENANCE SERVICES; CONSTRUCTION AND REAL ESTATE; INDUSTRIALS, CHEMICALS AND MINING; AND PRINTING SERVICES

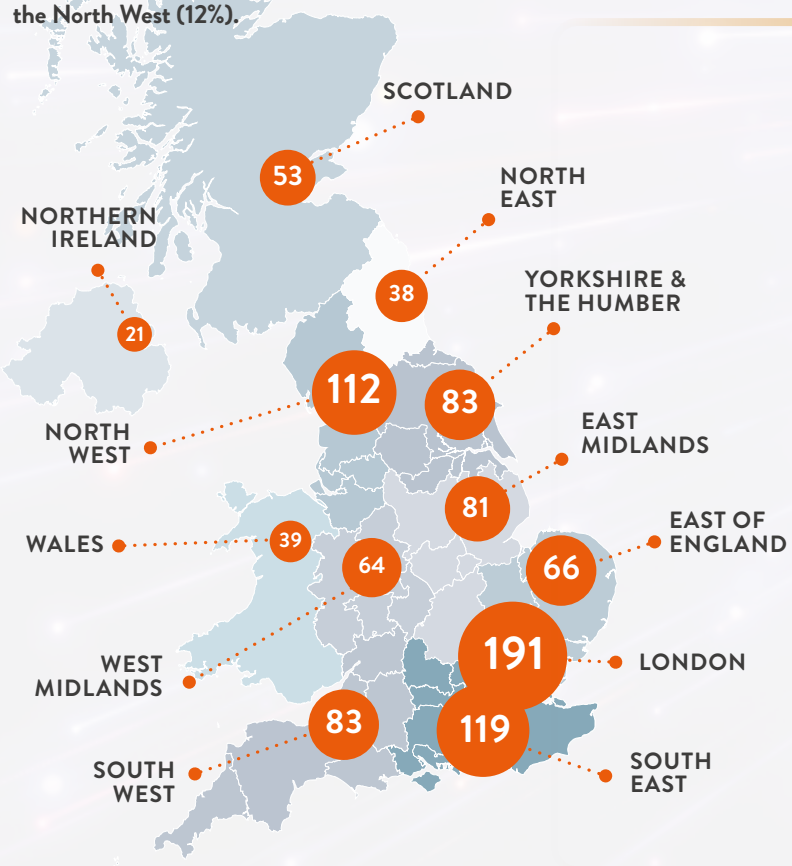
THE BIGGEST CONTRACT IS ISSUED TO **BOXXE GROUP LIMITED which supplies hardware, software, cybersecurity, and managed IT Services to private businesses and the public sector.**

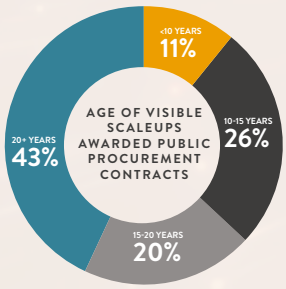
6 out of 10 of the top awards were issued to scaleups OUTSIDE LONDON AND THE SOUTH EAST

7 out of 10 scaling businesses winning public procurement contracts in 2025 were located outside of London and the South East. South East region (13%) received the highest number of contracts outside London followed by the North West (12%).

TOP REGIONS OUTSIDE LONDON

BY TURNOVER	BY EMPLOYMENT	BY INVESTMENT	BY GRANTS WON	BY EXPORTS
South East	South East	East of England	South East	Yorkshire & The Humber
£5.3bn	20,852	£1.2bn	£19m	£499m

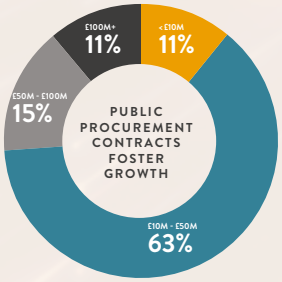




SCALING BUSINESSES ARE MORE LIKELY TO WIN PUBLIC PROCUREMENT CONTRACTS AS THEY MATURE

6 in 10

scaleups awarded procurement contracts in 2025 aged more than 15 years old



MAJORITY OF SCALING BUSINESSES

6 in 10

being awarded procurement contracts in 2025 had turnover between £10-£50m

LEARNINGS FROM INTERNATIONAL COUNTERPARTS

	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 USASpending.gov, which improve transparency and supplier access.	To work with innovative companies, the US uses Other Transaction authority (OTA), including through key agencies such as DARPA. This sits outside the FAR framework and allows federal agencies to engage with non-traditional contractors, particularly in emerging technologies such as AI, clean energy and space. The Small Business Innovation Research programme invests approximately $4bn annually in small firms. In-Q-Tel (IQT) is an established strategic investment organisation, set up by the CIA as an independent not-for-profit, linking public mission needs with venture investment and procurement.	Contracting goals for small businesses include a federal goal of 5% of prime and subcontracting dollars for Small Disadvantaged Businesses. Mentor-Protégé Programmes pair large contractors with small businesses to help develop capabilities. The Prompt Payment Act supports cash-flow stability. San Francisco's Startup in Residence programme pioneered challenge-led engagement; City Innovate, now Authorium, developed this work into a platform serving public agencies.	Programmes such as the Federal Acquisition Institute and Defense Acquisition University ensure that procurement officers are well-trained and equipped to manage complex contracts.
Israel	Digital platforms provide accessible information on procurement opportunities, contract awards and supplier performance to enhance transparency.	Sector-specialised procurement programmes, particularly in defence and cyber security, link procurement with innovation. Pilot programmes and prototype testing form part of the procurement strategy, particularly in high-tech sectors.	Incubators and accelerators support the development of solutions for public-sector challenges and encourage small innovative businesses, with reduced bureaucratic hurdles and targeted support for SMEs.	Close collaboration between government, industry and academia supports innovation-led procurement.
France	Innovative works, supplies and services below €100,000 excluding VAT can be purchased without prior advertising or competition, subject to safeguards.	'Je choisis la French Tech' encourages public bodies and large companies to purchase from startups and scaleups, aiming to double such purchasing by 2027.	Practical guidance supports SME market engagement and participation. PLACE provides electronic interaction between state buyers and suppliers.	National guidance covers needs definition, sourcing, procedure selection, intellectual property and contract delivery.
Canada	The Small Business Procurement Program, launched in July 2026, introduces targeted simplification measures for federal procurement.	Innovative Solutions Canada connects government challenges with SME development, operational testing and potential purchase.	Challenge competitions are open to Canadian SMEs and provide funding to develop and test solutions. ISED will receive C$79.9m over five years from 2026-27 to expand Innovative Solutions Canada, including pilot and scaled procurement contracts.	Central guidance helps departments structure challenges, test innovations and plan commercialisation pathways.
Finland	Supported procurements must involve early engagement with potential suppliers and end users.	Business Finland can fund approximately 50% of a public buyer's eligible costs for planning and preparing innovative procurement.	Funding reduces the financial risk faced by public buyers when creating markets for solutions that do not yet exist at scale.	Business Finland and specialist procurement networks provide advice and practical support to contracting authorities.
Netherlands	PIANOo provides central procedures, tools, model documents and implementation guidance.	The Innovation Impact Challenge uses phased competitions to procure R&D against defined public challenges. Innovation partnerships connect development with purchasing.	Phased procurement lowers initial barriers for SMEs and allows several firms to demonstrate feasibility before progression.	PIANOo helps buyers implement pre-commercial procurement, innovation partnerships and other innovation-oriented procedures.
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 supports scaling and innovative SMEs. General EDG support is currently up to 50% of qualifying costs for SMEs and 30% for non-SMEs; certain specialised programmes provide up to 70%.	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 to public procurement opportunities.	New Zealand's Government Procurement Rules encourage agencies to look for new and innovative solutions and not to over-prescribe technical requirements, giving businesses the opportunity to demonstrate their expertise.	The fifth-edition Government Procurement Rules took effect on 1 December 2025 and further encourage opportunities and economic benefits for New Zealand businesses, including SMEs.	New Zealand Government Procurement provides implementation guidance, account-management support and procurement capability services.
Germany	Public buyers can use pre-commercial procurement, competitive dialogue and innovation partnerships where conventional specifications are unsuitable.	Innovation partnerships can combine solution development and subsequent purchasing within one procedure.	KOINNO helps authorities design procurements that engage innovative businesses and SMEs.	Germany's KOINNO competence centre provides advisory support and professional development for public buyers, integrating sustainability and innovation across procurement functions.
Sweden	Sweden, via its National Open Data Portal, enhances transparency and enables innovation by making public-sector datasets widely accessible.	The National Agency for Public Procurement provides guidance on innovation procurement, including needs-led approaches and the introduction of innovative and viable solutions.	Sweden's public procurement framework uses proportionate qualification requirements to encourage SME participation.	The National Agency for Public Procurement provides structured training, practical guidance and resources to promote sustainable and innovation-friendly procurement across the public sector.
Japan	National and local authorities are being encouraged to use permitted Item 4 negotiated contracts for qualifying startup products and services.	Japan integrates innovation procurement into industrial policy through METI initiatives, transforming procurement into a strategic tool to stimulate innovation, support emerging technologies and drive industrial competitiveness.	The 2026 reforms reduce duplicated expert-review requirements for previously certified solutions.	METI and partner organisations publish procurement examples and provide advice to spread effective startup-procurement practice between local authorities.
Republic of Korea	KONEPS (Korea ON-line E-Procurement System) provides a single digital window covering the public procurement process from tender information and bidding through contracting and payment.	Designated innovative-product and pilot-purchasing routes support commercialisation by innovative SMEs.	The 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.	Central procurement and SME agencies provide supplier guidance and training.

USING UK GOVERNMENT PROCUREMENT TO SUPPORT SCALEUP GROWTH

SCALEUP INSIGHTS



Based upon ScaleUp Institute procurement policy paper submitted to the Government as part of representations ahead of Budget 2026.

The importance and strategy of increasing the UK's domestic purchasing power to support and grow homegrown innovative companies to scale.

This paper discusses the importance and strategy of increasing the UK's domestic purchasing power to support and grow homegrown innovative companies to scale, drawing comparisons with the US and France. It highlights current challenges in procurement culture and processes, and proposes actionable steps to foster a "Back British, Buy British" mindset and ecosystem, alongside fostering growth in every postcode.

The ScaleUp Institute has long evidenced[1] 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 advice provided by that council[2], the Government's the Life Sciences ScaleUp taskforce and Lord Vallance's wider report on appropriate pro-innovation regulation[3]. We also note the work of the CMA in this area with their paper, which we have contributed to.

Deployed strategically, Government Procurement purchasing power can:

- accelerate R&D and commercialisation;
- create "anchor customers" for scaling firms;
- 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 leading international comparators, notably the United States. US instruments such as:

- the Small Business Innovation Research (SBIR) programme;
- Other Transaction Authority (OTA) mechanisms;
- the In-Q-Tel model;
- DARPA's mission-led innovation approach; and
- the Mentor–Protégé programme and city-level innovation initiatives

The US programmes demonstrate how public procurement and innovative programmes surrounding its operation can be used to systematically support innovation, crowd in private capital and build globally competitive innovation driven businesses.

The OTA mechanism, in particular, is the overarching R & D framework that allows all US departments/ federated entities to buy innovatively and outside of the traditional procurement framework/procurement parameters, encouraging therefore innovative R&D procurement. In the US at least 11 additional Federal Agencies utilise OTA arrangements including the Department for Health and Human Services, the Department for Transport and the Department for Energy, alongside DARPA. These departments also make use of key initiatives such as the 'mentor / protege' approach where existing, experienced primes are paired with smaller less experienced companies to build their capabilities [SBA Mentor protege program].

Whilst the UK has introduced some US style initiatives like ARIA (Advanced Research and Innovation Agency) and Commercial X, and Sovereign AI, a wide ranging OTA type framework is not universally in play and should be developed to foster in the UK a R&D public procurement culture in every government department, and region, and as an 'enabling tool' to promote a pro innovation-buy mindset.

An OTA like framework being adopted more broadly would provide a more concrete 'tool' under which the civil service can operate to achieve R&D procurement goals, alongside adopting a 'Prime' Mentor Protege type scheme as part of the Social Value contract to aid smaller scaling companies. Of 240 recently surveyed UK scaling firms, who are being bought from by the US government, 75 percent of which are part of IS8 sectors - 8 in 10 would recommend the adoption of US programmes here.

At present, in the UK of a total £310.6bn of spend and 77,737 of contracts awarded by UK government to business, 44,947 contracts have been awarded to SMEs generally (based upon the 50-249 person definition) whilst only 3,230 of these awards have gone to 950 scaling firms[4]. Whilst the regional picture is strong, with almost seven in ten of the scaling businesses winning public procurement contracts in 2025 located outside London and the South East, Local government remains the most active buyer by volume, awarding 1,489 contracts worth £1.4bn across 529 scaling businesses, the most significant value of awards Of these, older scaling firms are more likely to be bought from, with only 11% of the scaling firms under 10 years old, this evidences that public procurement is not being fully utilised to support early stage innovative scaling firms and reinforces the need for an OTA like framework.

Building upon the above domestic procurement market it is important to recognise that access to markets consistently ranks amongst the top enablers for scaleup growth. Public bodies – central government, agencies, the NHS, local authorities and wider public institutions – can be particularly important in this regard as: early adopters of innovative solutions; and anchor customers that provide validation and long-term demand.

Other countries – including Israel, Singapore, New Zealand, Sweden, Germany, Japan, Estonia and the Republic of Korea – are also implementing sophisticated innovation-oriented procurement approaches, often integrated with industrial policy and SME/scaleup support.

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 sectoral initiatives. But these remain: sub-scale; fragmented; and constrained by traditional procurement frameworks and risk appetites.

1 This evidence has been provided to departments; the Council of Science and Technology which informed various outputs and in our annual procurement indices and reviews listed here: *Procurement Index • Scaling Together Nesta / Sui Corporate Procurement Report • 2017 Annual Review • 2014 Scaleup Report*
2 Letter to the Prime Minister on Delivering National Priorities through public procurement
3 Pro-innovation Regulation of Technologies Review: Digital Technologies
4 Analysis by ScaleUp Institute of Tussell data against our ScaleUp Index 2025 utilising a range of companies house data based on the Beauhurst platform

POLICY RECOMMENDATIONS

Addressing these processes and cultural challenges in the UK needs to take account of the wider importance of Government bandwidth. Government departments are stretched with existing priorities, and solutions need to be built with this in mind. The problem is not just structural, but behavioural. Procurement rules can be tweaked, but UK habits and perceptions (both Government and of UK Plc) must change. Both facets – the formal processes and the informal culture – need attention in our resolution, and the public acknowledgement of targets and goals is a key part of this, and which we seek to address in the recommendations set out below.

The ScaleUp Institute proposes the following package of reforms to evolve a more ambitious, innovation- and scaleup-focused procurement framework.

1 ESTABLISH A UK INNOVATION & SCALEUP PROCUREMENT PROGRAMME WITH UK OTA-LIKE FLEXIBLE CONTRACTING ROUTES

Create a cross-government Innovation & Scaleup Procurement Programme, led jointly by the Cabinet Office and relevant economic departments, to:

- set clear targets for procurement spend with innovative and scaling firms;
- align innovation procurement with industrial strategy, critical technologies and missions (health, net zero, national security, digital, advanced manufacturing);
- provide a common framework for departmental innovation procurement initiatives aligned to the OTA model allowing bespoke contractual arrangements with non-traditional suppliers and consortia;
- provide flexible terms on IP, data, risk-sharing and follow-on procurement;
- accelerate the path from R&D and prototyping into operational deployment.

Key elements should include:

- A multi-year Innovation Procurement Programme with dedicated budget envelopes allocated from existing spend modelled on the US OTA approach.
- A standard phased model (discovery > prototype > deployment) aligned with Contracts for Innovation but significantly scaled up.
- Clear reporting and evaluation requirements to track impact on scaleups, jobs, exports and productivity.
- A clear campaign to 'Buy British' to connect Government ambitions with clear messages, and expectations from the private sector in achieving these goals

2 OPERATIONALISE THE PROCUREMENT CHARTER'S INNOVATION COMMITMENTS THROUGH INCENTIVES AND OBJECTIVES

Ensure that the Government Procurement Charter's emphasis on innovation – including not over-prescribing technical requirements and giving businesses the opportunity to demonstrate expertise – is:

- embedded in departmental commercial strategies and standard documentation;
- reflected in evaluation criteria, rewarding innovative approaches and outcomes;
- supported by clear guidance on proportionality, risk management and competition.

This must include adopting more consistent procurement best practice, ensuring that evaluation criteria for procurement opportunities do not over-prescribe technical requirements and that businesses are given the opportunity to demonstrate expertise appropriately.

3 ENSURE THAT RELATIONSHIP MANAGEMENT / CONCIERGE PROGRAMMES BEING DEVELOPED BY GOVERNMENT FAST TRACK SCALEUPS TO PROCUREMENT/ COLLABORATION OPPORTUNITIES.

Efforts to build a joined up scaleup service within government have the potential to coordinate the connection of UK scaleup companies to procurement opportunities and private sector contracts.

It is essential that we 'follow the customer' and ensure that companies backed by UK R&D support programmes, the British Business Bank, Universities and companies in the wider growth economy are effectively enabled to fully commercialise their innovations and build to scale. This initiative should also matchmake high potential companies with the buyers, and signposting appropriate procurement frameworks suitable for their products and services.

4 BUILD A UK PROCUREMENT ACADEMY FOR INNOVATION AND SCALEUPS AND INTRODUCE A UK MENTOR–PROTÉGÉ PROGRAMME FOR STRATEGIC SUPPLY CHAINS

Establish, or designate, a UK Procurement Academy for Innovation and Scaleups to:

- provide specialist training for procurement professionals on innovation-oriented procurement, working with scaleups and managing risk;
- develop toolkits, model contracts and case studies;
- support communities of practice across central and local government, the NHS and wider public bodies.

Participation could be linked to professional development frameworks and leadership objectives, reinforcing the importance of innovation and scaleup engagement. And should include the development of a national Mentor–Protégé model as we know is already embedded in some private sector offerings. This would initially focus upon:

- defence and security supply chains;
- Transport, aerospace and infrastructure;
- net zero, energy and clean technologies;
- advanced manufacturing and semiconductors.

Core design features:

- Require major primes and framework suppliers to partner with innovative UK scaleups as protégés.
- Embed capability-building and subcontracting commitments into major contracts.
- Use bid evaluation criteria and KPIs to reward effective development and integration of protégé firms.

5 STRENGTHEN CITY AND REGIONAL INNOVATION PROCUREMENT

Support a series of city and combined authority pilots modelled on the San Francisco Entrepreneur In Residence programme and similar initiatives, to:

- match local public service challenges with scaleups and innovative SMEs;
- design time-bound co-development programmes;
- create a pipeline of proven solutions that can be spread across local government and central departments.

This could be supported by:

- A UK wide "Gov Innovate" central platform to record opportunities; provide a database of the innovative solutions of scaling firms already being bought from, regarding where they can be logged and passported / signalled to other regions and central government as 'vetted' to buy from. This can also manage innovation challenges, intellectual property and learnings. This should build upon learnings from the NHS Innovation passporting system and the way in which this integrates with compliance and regulation.
- alignment with innovation clusters, freeports, investment zones and levelling up priorities.

INNOVATION

Scaleups are highly innovative and have significant appetite to grow further through continuously developing and enhancing their products, services and operating methods. They are significant adopters of new technologies and use them to enhance their ability to grow. However they face barriers to commercialise their innovations to access new markets.

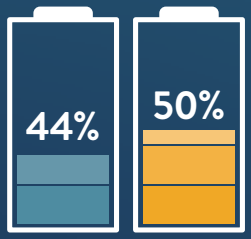
9 IN 10 HAVE UNDERTAKEN AN INNOVATIVE ACTIVITY IN THE LAST THREE YEARS

INNOVATION

APPETITE FOR INNOVATION

Scaleups' appetite to innovate in the coming year remains strong with only three percent describing it as lower than the previous 12 months.

Tech advances are the biggest driver of greater appetite; while staff availability is often a driver of lower appetite.



49%

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.

SUPPORT FOR INNOVATION

Scaleups are seeking a range of support to further their innovative activities.

Smoother funding processes dial up significantly for those in Professional services and Clean Energy. While Digital & Tech scaleups want more fast track opportunities to work with the public sector. Access to flexible infrastructure is a key support for Advanced Manufacturers.

4 IN 10
- Enhanced grant size and structured 'follow on' process

3 IN 10
- Support to access and exploit new technologies
- Facilitated introductions to large corporates or universities to conduct collaborative projects
- Smoother and faster application process for grants/funding for innovation
- Access to flexible infrastructure, equipment and facilities for research/ prototyping
- More opportunities to collaborate with Government (including via public procurement)
- Access to a single point of contact at Innovate UK

COMMERCIALISING INNOVATION

When looking to commercialise their innovations, scaleups are experiencing barriers to bringing these to market. Routes into partners, customers and procurement are felt acutely.

While funding challenges dial up for Advanced Manufacturing and Digital & Tech scaleups, finding the right commercial talent is a particular challenge for Creatives, Clean Energy and Financial Services. Creatives are also concerned about protecting and licensing their intellectual property.

6 IN 10
Access to Customers and Strategic Partners - routes to market

4 IN 10
Access to funding to take innovations to market

3 IN 10
Shortage of commercial / sales talent

3 IN 10
Protecting, licensing or commercialising IP

3 IN 10
Regulatory, certification/ compliance

USE OF TECH

Scaleups are significantly more likely to be using / planning to use advanced technologies than their non-scaling peers.

Sectorally, Digital & Tech scaleups are unsurprisingly the biggest adopters across the board. Advanced Manufacturing and Professional Services are big users of data analytics; with Manufacturers also making use of modelling, simulation and digital twins. Creative industries have the greatest appetite to use quantum technologies. For those outside the IS-8, tech adoption is slightly lower. Current and planned use is:

75% Artificial intelligence

72% Advanced data analytics & data technologies

62% Digital modelling, simulation & digital twins

59% Automation & robotics

57% Immersive technologies

54% Quantum technologies

There are a range of barriers to adoption, notably around Integrating new technology with existing systems or processes and Issues with regulation, standards or legal requirements.

R&D RELIEFS

54% Scaleups would welcome a change to the R&D system to provide funding upfront and then repaid via the the tax system.

Only **7%** of respondents disagree

52% Say it would be an improvement on the current system.

while only **8%** believe it would not

EVOLVING THE SUPPORT

While UK Political Change is highlighted as a leading macroeconomic factor affecting growth, there is positivity about the new UK Government and its announced plans on devolution, business support, talent and growth.

56% SCALEUP LEADERS ARE POSITIVE ABOUT THE NEW UK GOVERNMENT AND ITS PROPOSED PLANS

SCALEUPS ARE SUPPORTIVE OF THE NEW GOVERNMENT'S VISION INCLUDING EDUCATION, INVESTMENT, AND THE DEVOLUTION AGENDA

HELPFULNESS

59% **The UK Scale-up Capital Fund**: Major UK pension providers are exploring establishment of a new UK Scale-up Fund of over £1billion to back the next generation of high-growth British science and technology companies.

49% **Devolution of Planning Power to Mayors**: Mayors will now be able to take over key planning applications which impact on local growth, and direct a council to take it forward or refuse it.

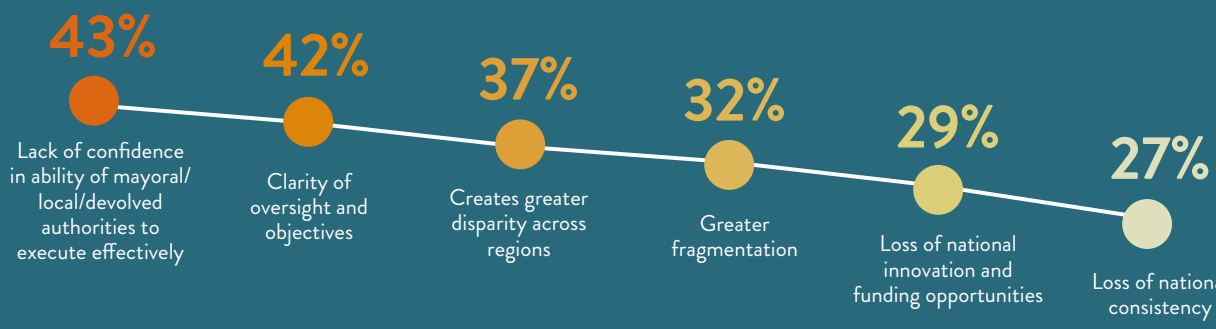
51% **'Devolving by default' Increased fiscal devolution**: through retention of a share of local tax revenues, greater powers for mayors, alignment of public service boundaries devolving and pooling preventative spending.

50% **Devolved Pathways for 14-16 year old education**: building upon the Milburn Review Regional mayors, local leaders, schools, colleges and employers will now work together to shape these routes around local industries and growth sectors.

52% OF SCALEUP LEADERS FEEL THAT THE DEVOLUTION OF POWER WILL BE POSITIVE FOR GROWTH

HOWEVER THEY CAUTION THAT THIS MUST BE WITH CLEAR OBJECTIVES, FRAMEWORKS AND OVERSIGHT

The right skills are needed at a local level to deploy the devolution effectively and not create greater disparities.



DEVELOPING THE GOVERNMENT'S NEW CONCIERGE AND CATALYST SERVICES FOR SCALEUPS

Scaling leaders see innovation, procurement and export markets as priorities for these services:

52% Fast tracking of innovation / procurement opportunities & collaborations

35% Support for going into new markets overseas

30% Fast tracking planning permissions

29% Connection to public & private sector investors

28% Dedicated account manager

27% Opening up data to support innovation

27% Fast track regulatory approvals

26% Fast track of tax credit processes

24% Introductions to university research facilities to work on key R&D

22% Fast track of visa applications

20% Access to NEDs and Mentors

TURNING BREAKTHROUGH IDEAS INTO INDUSTRY GIANTS

SCALEUP INSIGHTS

Rewiring Innovate UK and signals from the portfolio

The UK's future prosperity depends not only on generating new ideas, but on turning them into growing businesses, new industries and economic value. That is why Innovate UK, the UK's innovation agency, is evolving.

As set out in our Prospectus, we are moving from supporting individual innovation projects to supporting innovative businesses in the round and over the long term. Alongside innovation funding, we are strengthening the connections between businesses, investors, customers, corporates, government and local partners so that more innovative firms can start, grow, scale and stay in the UK. Our transition has begun.

These changes reflect a simple reality: innovation alone does not create economic growth. Growth happens when innovative businesses can commercialise, attract investment, build partnerships, access markets and scale.

A key part of our transition is Velocity, Innovate UK's new approach to supporting ambitious businesses. Velocity is designed to provide more tailored, integrated support, helping businesses access funding, expertise, networks, investment and opportunities they need at different stages of growth. It will dovetail into local support, providing a route to national and international success.

WE HAVE A UNIQUE VANTAGE POINT

Every year we work with hundreds of businesses across six Industrial Strategy priority sectors: Advanced Manufacturing, Clean Energy, Creative Industries, Defence, Digital and Technologies, and Life Sciences.

Importantly, we work with individual businesses for national benefit. Viewed individually, these businesses tell stories about technologies, products and markets. Viewed collectively, they reveal something more valuable: signals about where growth is emerging, how technologies are converging, where competitive advantage is developing and how value is being created.

We see innovation both upstream and downstream of commercialisation. Upstream, we see breakthrough ideas emerging from universities, research organisations and entrepreneurial teams. Downstream, we see what happens when those ideas meet customers, investors, supply chains, regulators and global markets.

We see breakthrough ideas and we also see which breakthrough ideas become businesses, which businesses become scale-ups and, increasingly, what enables that journey to happen. Most organisations see one part of the picture. Investors see capital flows. Researchers see scientific advances. Industry bodies see established sectors. Large companies see developments within their own markets and value chains.

Innovate UK sees businesses moving through the whole journey. Because we often work with companies before investors, customers and markets discover them, and because we continue working with many of them as they grow, we are increasingly able to track progress over time and build a richer understanding of how innovation becomes growth.

SIGNALS FROM THE PORTFOLIO

Building long-term relationships with innovative businesses has always been central to Innovate UK's role. What is changing is our ability to connect those relationships, combine them with data and insight, and develop a clearer picture of how innovation becomes growth.

Particularly valuable is the view from the upper end of the portfolio: businesses that have moved beyond the earliest stages of innovation, are demonstrating commercial traction, attracting significant private investment and preparing for their next phase of growth.

Many are raising sizeable investment rounds, entering new markets, building strategic partnerships and establishing positions in global value chains. Collectively, businesses in this cohort have attracted around £10 of private capital for every £1 of Innovate UK support, and more than half are based outside the Greater South East.

"Every year we work with hundreds of businesses across six Industrial Strategy priority sectors: Advanced Manufacturing, Clean Energy, Creative Industries, Defence, Digital and Technologies, and Life Sciences."



These are not necessarily emerging technologies. They are emerging technologies being commercialised in the market.

When we look across these businesses as a cohort, several recurring signals begin to emerge. For example:

- **Resilience is becoming a growth market:** across manufacturing, energy, defence and digital technologies, businesses are turning resilience into commercial opportunity. Critical mineral recovery, energy security, secure communications, cyber resilience and sovereign capability are no longer simply matters of risk management. They are becoming sources of competitive advantage, new markets and export potential. Circular manufacturing, for example, offers both economic and geopolitical value by reducing dependence on fragile global supply chains and creating domestic sources of critical materials.

- **Growth is happening where technologies meet:** Artificial Intelligence is converging with life sciences, manufacturing and defence. Quantum technologies are intersecting with communications, sensing and cyber security. Engineering biology is creating opportunities across healthcare, manufacturing and sustainability. Long-term growth opportunities increasingly depend on the ability to develop and commercialise frontier technologies in tandem, combining capabilities to create entirely new markets and solve previously intractable problems.

- **Viewing sectors and cohorts as constellations:** businesses within a sector do not move in lockstep. While sector cohorts often display common patterns in growth, fundraising and engagement, individual companies follow distinct trajectories. Understanding both the pattern and the variation is essential to providing effective innovation support.

PREPARING FOR WHAT COMES NEXT

Signals are not forecasts. They are observations drawn from businesses already demonstrating commercial momentum and growth potential.

Naturally, this is a fast-moving space, with businesses and industry rapidly responding to technological change, market opportunities and barriers, and geopolitical developments. Yet, they offer an early indication of where technologies are finding routes to market, where new sources of competitive advantage are emerging and where future growth opportunities may lie.

This matters because Innovate UK's role is not simply to support innovation, but to help create the conditions for innovative businesses and markets to flourish. For companies to start locally, scale nationally, succeed internationally.

Our vantage point allows us to identify emerging opportunities, technologies and business models before they become widely visible. By sharing these insights, we can help prepare investors, corporates, policymakers and regulators for what is coming down the track, ensuring that capital, markets and institutions are ready to support the next generation of UK industry.

Taken together, these signals suggest that the UK's next phase of growth is unlikely to be driven by a single technology or sector. Instead, it will be driven by innovative businesses commercialising frontier technologies, creating new markets and building the capabilities on which future industries will depend.

If you're ready to scale, we're ready to back you. Find out more about how Innovate UK is changing: www.ukri.org/councils/innovate-uk

Innovate UK is the UK's innovation agency. It backs deep tech businesses in the UK's priority sectors for national benefit, supporting their journey from startup to scaling business to industry leader. It provides the funding, expert support and connections to help breakthrough ideas reach their potential, improve lives and drive economic growth. Innovate UK is part of UK Research and Innovation.



THE **TALENT, SKILLS AND LEADERSHIP** PERSPECTIVE

Access to talent is a key barrier to growth, experienced at all levels from entry through to the executive team. Scaleup leaders are focused on retaining their existing talent with 8 in 10 saying this is vital to future growth, while also seeking to attract skills from both the UK and overseas. There is positivity about evolving plans to build the talent pipeline but more needs to be done to enable these businesses to achieve their ambitions.

44%

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

THE NATIONAL MISSION ON WORK EXPERIENCE & THE EDUCATION SYSTEM

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.

When working with schools and colleges scaleups want clearer accreditation of digital skills and better careers guidance



5 IN 10
SAY DEVOLVED PATHWAYS FOR 14-16 YEAR OLD EDUCATION WILL BE HELPFUL TO THEIR BUSINESS

4 IN 10
SCALING BUSINESSES OFFER WORK EXPERIENCE & INTERNSHIPS

The New government has announced devolved pathways for 14-16 year olds education. Building upon the Milburn review regional mayors, local leaders, schools, colleges and employers will now work together to shape routes into local industries and growth sectors. Awareness of this scheme remains low with only 1 in 3 scaleup leaders having heard of it, however there is broad positivity that it will be helpful in creating new pathways for talent with 5 in 10 stating this view. To make this work effectively scaleups would like:

4 IN 10
ABILITY TO OFFER WORK EXPERIENCE IN A MORE FLEXIBLE FORMAT (E.G. TASTER DAYS, SHORTER OR MULTIPLE PLACEMENTS, GROUP VISITS OR VIRTUAL/HYBRID OPTIONS)

3 IN 10
- SIMPLER WAY TO SIGN UP AND BE MATCHED WITH LOCAL SCHOOLS
- CLEARER LINK TO OUR FUTURE RECRUITMENT, E.G. APPRENTICESHIPS OR T LEVELS
- FINANCIAL SUPPORT TOWARDS STAFF TIME AND OTHER COSTS

Universities and business schools also have a role to play in developing the talent pipeline and providing lifelong learning support as well as opening up access to their facilities and academic thought leaders.

9 IN 10 SCALING BUSINESS LEADERS WOULD BE WILLING TO PAY TO ACCESS UNIVERSITY SUPPORT, IF IT MET THEIR TALENT AND GROWTH NEEDS

From Higher Education Institutions, Scaleup leaders would like:



GROWTH & SKILLS LEVY

Scaleup leaders would like to see improvements in the way in which the levy scheme operates, this sentiment is particularly strong among those currently offering apprenticeships where they are seeking increased flexibility in what roles can be supported and simplification of the processes.

Changes that would most improve the Growth & Skills Levy

- **31%** Increase flexibility on which staff/roles are eligible
- **27%** Improve clarity and communication about what the levy covers
- **26%** Better alignment with sector-specific skills needs
- **26%** Simplify the application/administration process
- **25%** Allow a greater share of levy funds to be spent on non-apprenticeship training
- **25%** Increase the overall funding cap/levy allowance
- **25%** Re-introduction of support for Level 7 Apprenticeship (equivalent to Masters degrees)
- **24%** Reduce the minimum duration requirements for apprenticeships
- **20%** Allow unspent levy funds to be transferred to supply chain/smaller businesses

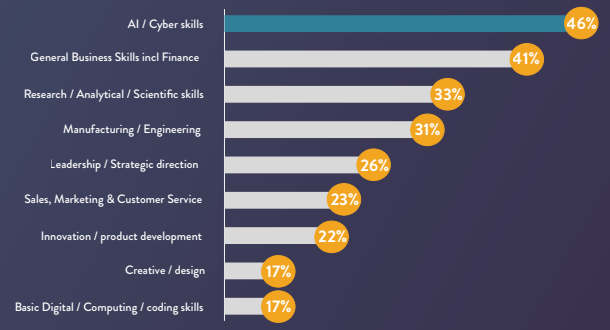
4 IN 10
SCALEUPS CURRENTLY OFFER APPRENTICESHIPS

5 IN 10
SCALEUP LEADERS THINK THAT THE APPRENTICESHIP PROCESS, OPERATING AS PART OF THE GROWTH & SKILLS LEVY, IS WORKING WELL FOR THEIR BUSINESS

SKILLS GAPS AND RECRUITMENT CHALLENGES

4 IN 10
SCALEUPS HAVE A BOARD

WORKFORCE SKILLS GAPS



AI / Cyber skills is the top skill gap for all scaleups, it is particularly important for Digital and Tech scaleups (58%).

53% Life Science scaleups claim General business skills incl Finance as critical skill gap whereas Manufacturing / Engineering skills are crucial for Advanced Manufacturing (43%) and Creative industries (39%).

Regionally, North East (72%) and East Midlands (61%) scaleups claim AI / Cyber skills as their top skill gap - higher than overall scaleup population.

BOARD / SENIOR MANAGEMENT SKILLS DESIRED BY SCALEUPS

AI adoption / Digital transformation	33%
Innovation / Product development	26%
Strategy development	26%
Sales / Business development	24%
HR / talent / Culture management	22%
Finance / Fundraising	21%
Brand building / Marketing / Communications	21%
Compliance / Risk management	18%

At senior levels AI adoption and digital transformation is a key need for scaleups particularly among Life Sciences (55%) and Digital and Tech firms (43%).

Finance and Fundraising is the biggest skills need for Financial Services (42%) and dials up for Creatives (30%)

Innovation / product development is the biggest need for Creatives (37%) and dials up for Life Sciences (36%)

DEVELOPING THE WORKFORCE

8 IN 10
SAY THAT RETAINING EXISTING STAFF IS VITAL TO FUTURE GROWTH

WITH 6 IN 10
SEEKING TO ADOPT AI AND NEW TECHNOLOGIES TO ENABLE WORKFORCE DEVELOPMENT AND GROWTH

INVESTMENT IN TRAINING & DEVELOPMENT

44% Plan to increase training budgets compared to last year

44% Plan to invest the same as last year

Only 4% don't have a specified training budget

While Profitability and financial performance is the biggest factor for most sectors, Technological advances (eg use of AI) is the biggest factor influencing training budget for Digital and Tech (5 in 10) and Creative (4 in 10) scaleups.

TRAINING BUDGET DRIVERS

Business profitability and financial performance	34%
Technological advances	32%
Alignment with business growth strategy	31%
Availability of external funding/financial incentives	27%
Shifting market demand / competitive pressures	26%

SCALEUP LEADERS WANT TO USE A RANGE OF OPTIONS TO ENHANCE TALENT ATTRACTION AND RETENTION

4 IN 10
- Access to work entry schemes and workforce transition programmes
- Greater access to financial incentives

3 IN 10
- Guidance/toolkits on workforce well-being, flexible working, and HR best practices
- More flexible or modular training options
- Customised training tailored specifically to our business needs
- A simplified, less complex national skills and qualifications system
- Better data/insights on future skills trends in our sector
- Better alignment between local graduates/ education providers and our industry

6 IN 10
SCALING LEADERS FEEL THE UK IS ATTRACTIVE AS A PLACE TO RECRUIT AND BASE INTERNATIONAL SPECIALIST TALENT



SCALEUP BUSINESSES ARE USING INTERNATIONAL TALENT WITH HALF SAYING ATTRACTING TALENT FROM OVERSEAS IS IMPORTANT TO FUTURE GROWTH, HOWEVER THEY WOULD LIKE TO SEE CHANGES IN THE WAY THE VISA SYSTEM WORKS.

Faster processing / approval time	39%	Reduce costs to apply for a visa	32%
Make the visa system easier to understand	37%	Visas should cover a wider range of roles	32%
Fast tracking of family/dependents as well	35%	Visa salary thresholds should be lower	28%

The cost of applying for a visa is highlighted as a particular challenge for those scaling businesses in Northern Ireland, the North East and South West. While those in London, Yorkshire and the North East would like a wider range of roles to be covered. In the East of England the complexity of the system is highlighted as the biggest area for improvement.

PEER NETWORKS UPDATE

Peer-to-peer support continues to play an important role in helping scaleup leaders share experiences, build confidence and navigate the challenges of business growth.

Since 2021, Innovate UK Business Growth and the ScaleUp Institute have supported peer networks across the UK, bringing together business leaders to exchange insights, address common challenges and learn from one another in a trusted and confidential environment.



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.

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

STRENGTHENING INTERNATIONAL COLLABORATION

The Canada-UK Biomanufacturing Scaling Peer Group

Government of Canada / Gouvernement du Canada

Innovate UK

National Research Council Canada / Conseil national de recherches Canada

In 2026, the ScaleUp Institute, working with Innovate UK, the National Research Council of Canada (NRC) and Innovation, Science and Economic Development Canada (ISED), launched the Canada-UK Biomanufacturing Scaling Peer Group, bringing together 12 scaling life sciences businesses from across the two countries to share experiences, address common growth challenges and explore opportunities for international collaboration.

This activity forms part of the wider Canada-UK Biomanufacturing Collaboration, a joint commitment between the UK and Canadian Governments, established to strengthen bilateral cooperation, drive economic growth and develop the sector.



It also culminates from a 3 year stint the ScaleUp Institute (SUI) played as the first international member of the NRC-IRAP Advisory Board, sharing scaling challenges and good practice insights.

The peer group includes founders and CEOS of scaling firms working across biotechnology, advanced therapeutics, cell and gene therapies, drug discovery, bioprocessing and biomanufacturing. These individuals meet virtually every 6 weeks supported by a seasoned SUI peer chair, independent to the group, where facilitated discussions tackle key topics driven by the group, including leadership and people management challenges being faced, and ways to develop collaborations and exploit market opportunities.

In addition, the programme has hosted two in-person international visits in order to deepen relationships between the group members and foster opportunities from academia, industry and investors in each ecosystem.









The group undertook its first in-person visit to Toronto, Ottawa and Montreal in June 2026, engaging with organisations including the University of Toronto, CCRM, Ottawa Hospital Research Institute, McGill University and the NRC's Biologics Manufacturing Centre.

The visit provided opportunities to explore Canada's life sciences ecosystem, exchange knowledge and identify areas for future research, commercial and investment collaboration.

This was followed by a reciprocal UK visit in October 2026, welcoming Canadian businesses to London, Stevenage and Cambridge. The programme connected participants with leading organisations across the UK's life sciences and innovation ecosystem, including Imperial College London and Scale Space, BioIndustry Association, Pioneer Group, Stevenage Bioscience Catalyst, Cell and Gene Therapy Catapult, Babraham Research Campus, QMUL Bioenterprises Innovation Centre, UCL, and London Stock Exchange

It included a showcase event at Canada House where each business was able to highlight its next phase of growth, and support it was looking for from the international ecosystem.



The experience has reinforced the value of trusted peer-to-peer relationships and international collaboration in helping business leaders navigate complex growth challenges. Tangibly we have seen the company leaders participating:

- become more ambitious about international expansion plans because of the positive challenge received in the peer group;
- address delicate Board matters, sensitively, as a direct result of practical guidance received from peers;
- accelerate of restructuring and growth plans as companies look at what has (and hasn't) worked for others

The exploration of new partnerships and investors is already underway from the visits and has reinforced the importance of stronger connections between academia, industry, investors and government to accelerate commercialisation, strengthen manufacturing capabilities and support businesses from scientific discovery through to international growth.

By combining structured peer learning with international market engagement, the programme provides opportunities for businesses to gain fresh perspectives, insights and real business opportunities.

As the Canada-UK group continues into 2027, the insights gained from this initiative, alongside the experience of the UK peer networks will help inform future approaches to connecting scaleup leaders, strengthening business leadership and supporting the growth of ambitious businesses across the UK and internationally.

NATIONAL BUSINESS MENTORING COUNCIL

The National Business Mentoring Council is co-chaired with the Association of Business Mentors and the ScaleUp Institute and this year published the inaugural UK Business Mentoring: State of the Nation report on National Mentoring Day (27th October 2026).

In just over a year since the Council has been established, it is delighted to have seen a number of initiatives launched or evolved including: the launch of MentorsMe, the promotion of mentoring through the Government's Business Growth Service, and the continuation of its flagship national business support programme Help to Grow: Management Course.

Mentoring matters to business and can "open doors":

- More than two in five small business owners (43%) and circa 5 in 10 scaling firms have worked with a mentor at some point in their lifetime.
- Businesses who use a mentor consistently cite the impact in providing confidence, better decisions, navigating hard moments and access to networks/opportunities they wouldn't otherwise reach.
- However, 4 in 10 who do not have a mentor - and want one – cite it is difficult to source one as they do not know how/where to find one with relevant expertise; and/or that matches their specific needs.

Mentoring matters in Policy:

- In response to this demand and need as part of the Government's Backing your Business: Our Plan for Small and Medium Sized Businesses, the private sector led National Business Mentoring Council (NBMC) was established to bring more cohesion to the mentoring landscape and its accessibility and to provide better insight into the current landscape and opportunities.
- In the first year of the National Business Mentoring Council we have seen the launch of MentorsMe; engagement and focus on mentoring through the Business Growth Service, the continuation of Help to Grow: Management Course programme and established initiatives flourish, and evolve, including greater collaboration amongst council members.

This inaugural report on National Mentoring Day (27th October 2026) seeks to celebrate and highlight the breadth of UK business mentoring and the opportunities ahead.

Key takeaways are:

The UK formal business mentoring landscape is Vibrant, Diverse, Nationwide and enabling Growth:

- This report is focussed on mapping the identifiable formal network of mentoring that exists for UK businesses and shines a light on the circa 227 entities offering 241 mentoring initiatives spanning provision by commercial, university, charity, industry association, corporate and public entities at local, regional, and devolved level providing mentoring support to established business owners, founders and aspiring entrepreneurs;
- principally offered on a dedicated one to one basis over a sustained period of time;
- with varying forms of mentoring options available to business from those that are paid for; membership based, or in the main, as this report highlights, offered free of charge at 'point of use' having been subsidised (80%) / backed by private and public funding;
- with some very specialist mentoring groups available for women, disabled; neurodiverse; ethnic minority and young entrepreneurs;
- and evolving digital models seeking to make mentoring even more accessible to all;
- with a priority focus on helping start ups, and established business owners to tackle issues and grow.

BUT uptake is a fraction of UK business and it's still a challenging market to navigate, connect to and measure/ assess:

- around 840,000 businesses, over the past 5 to 10 years, have been mentored through known programmes - a fraction of the ~5.5m UK SMEs;
- it is clear that it is still a difficult and fragmented landscape to navigate given its many disparate players;
- and the mentoring community and profession still needs to ever more articulate, evidence, accredit and promote its offering to business and keep assessing and evolving its model of operation to fit business evolving needs and models.

THE IMPACT OF BUSINESS MENTORING

72% stated mentoring improved mental health & confidence

65% of leaders felt mentoring directly boosted their revenues

64% reported a direct positive boost to their profits

63% experienced notable growth in their headcount

OWNERS WITH A MENTOR HAVE HIGHER GROWTH EXPECTATIONS VS THOSE WITHOUT

53% vs 36% expect to take on staff in the year ahead

47% vs 43% expect to expand their business

UK BUSINESS MENTORING: THE STATE OF THE NATION

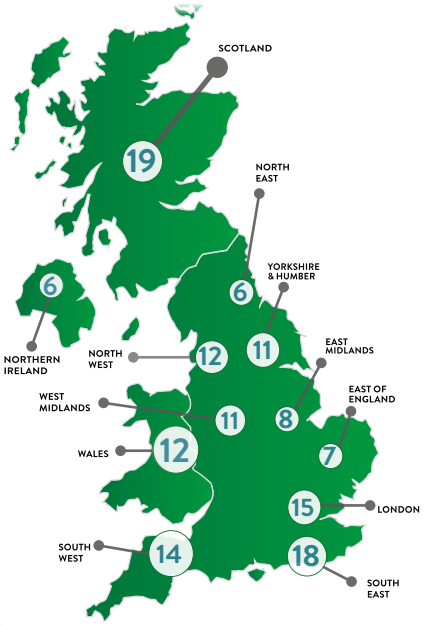
The National Business Mentoring Council's (NBMC) inaugural report, published for National Mentoring Day (27th October 2026), explores the current state of business mentoring across the UK.



MENTORING IN EVERY POSTCODE

The UK benefits from an expansive and vibrant business mentoring landscape. This diverse coverage spans every corner of the UK, delivering tailored local guidance alongside nationwide schemes. Public and private sector investment enables most support to be offered free to business owners at the point of delivery.

241	88	30,310	843,653
Active Programmes	Programmes offering UK-wide access	Active Mentors	Businesses Mentored



84%
Free to the business user

53%
of programmes offer standalone dedicated mentoring

40%
offer mentoring as part of a leadership programme

SUPPORTING ENTREPRENEURS AND ESTABLISHED CEOS THROUGH THE JOURNEY

The business mentor community has mentors in all corners of business life – from start up, scaleup and executive experience through to specialists in specific areas of business, be it finance, HR, marketing, strategy, export, technology. Every walk of business life has a mentor to support the journey.

Mentoring services at different stages of business growth

10

INSPIRATION

Young people & aspiring founders, e.g. Young Enterprise, King's Trust, Groundwork, Media Trust

5

PRE-START

Idea to launch e.g. Hatch Launchpad, BEGIN (female founders), Hatch Disabled Launchpad

77

START-UP

Early Growth e.g. Start Up Loans, British Library BIPC, Digital Catapult, Barclays Eagle Labs

126

GROWING & STAYING AHEAD

Established SMEs, e.g. Help to Grow: Management, Santander Breakthrough, Goldman Sachs 10KSB, Tech Nation Upscale, Tech Nation Future Fifty, Tech for Good, The Productivity Programme

SPECIALIST MENTORING FOR SECTORS AND DIVERSITY

Those offering specialist sector services

Health
NHS Clinical Entrepreneur

Finance
ICAEW, Innovate Finance / FinTech

Manufacturing
Made Smarter (UKRI)

Tech & Digital
Barclays Eagle Labs, TechScaler, LawTech UK

Engineering
RAEng Enterprise Hub, IMechE

Exporters
IOE&IT (The Chartered Institute of Export & International Trade)

Food & Agriculture
AHDB AgriFood, Foodbuy

Social Enterprise
School for Social Entrepreneurs, UnLtd, Co-operatives UK

CleanTech
Sustainable Ventures, Tech Nation Climate

Screen & Creative
ScreenSkills, Media Trust, British Fashion Council

Craft and Maker
Craft Council Hothouse

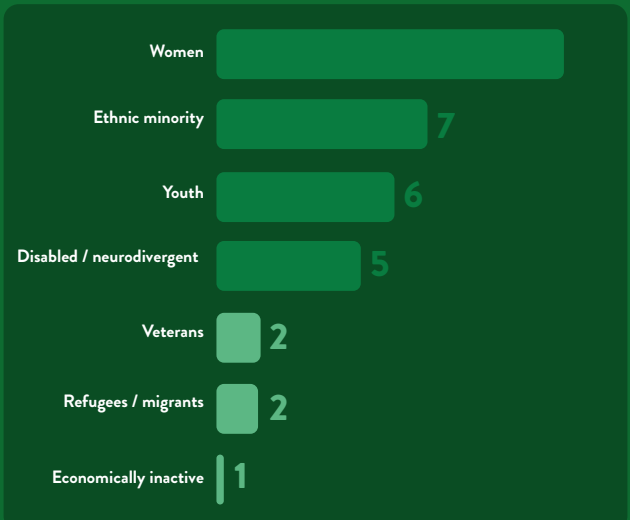
Construction
CIOB Construction Mentoring

With 1 in 6 programmes built for under served business leaders

Dedicated programmes for diverse entrepreneurs represent just 14% of all UK mentoring provision, and targeted support plays a vital role for specific communities. The imperative is ensuring that all mentoring is inherently inclusive, accessible, and equipped to serve founders from all backgrounds.

34
programmes built for a particular group

Programmes built for each group



THE FINANCE PERSPECTIVE

38% SCALEUPS SAY ACCESS TO FINANCE IS AMONG THEIR TOP BARRIERS TO GROWTH

Access to Growth Capital

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 more than they did 12 months ago, particularly around innovation. 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. They are positive about Government plans to develop a UK Scale-up Capital Fund with 6 in 10 feeling this will be helpful to their business and also regarding the wider market changes being made to bridge the growth capital gap which they expect will increase the availability of funding.

- **71%** Use external finance
- **86%** Use or plan to use a tax scheme
- **48%** Perceive most funding to be in London / South East
- **50%** Are planning to invest more in the next 12 months than they did last year
- **56%** Are confident that activities to bridge the growth capital gap will reach them
- **59%** Feel that the government's UK Scale-up Capital Fund will be helpful to their business
- **61%** Are aware of changes made to the capital markets (e.g. Pisces and Listing Reforms)

SOURCES OF FINANCE

USING OR PLANNING TO USE



MAIN BARRIERS FOR FINDING THE RIGHT INVESTOR

- **4 IN 10**
  - Finding the right investor
  - Terms and conditions associated with the funding
- **3 IN 10**
  - Scale of funds willing to be invested
  - Lack of wider support provided alongside any funding
  - Risk appetite of investors
- **2 IN 10**
  - Lack of personal/organisational connections with investors/investor networks
  - Short termism | Unable to find funders willing to act as a lead investor | Lack of guidance on approaching funding
  - Lack of specialist sector fund(s)

PLANS FOR INVESTMENT

50% of scaleups are planning to invest more in the next 12 months than they did last year

with **36%** investing the same amount

Plans for investment in the business

- 40% Research and development
- 37% Capital expenditure (e.g. machinery and equipment)
- 37% Changes to product / service design and/or offerings
- 34% Infrastructure / premises
- 31% International expansion
- 18% Acquisition of another business

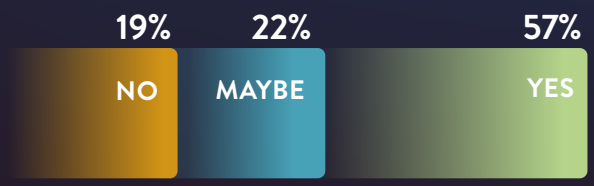
This dials up significantly for Life Sciences (71%) and Digital & Tech (64%) both planning to invest more.

Scaleups consistently state R&D as their investment priority followed by Capital expenditure. In 2026, **4 in 10** say they plan to invest in Innovation or 'Changes to product / service design and/or offering' compared to **3 in 10** in 2025.

Advanced Manufacturing is focused on investment in capital assets and infrastructure. While Life Science and Digital & Tech are also investing in international expansion.

REFERRAL PATHWAYS

Scaleups would value a referral process between equity providers.

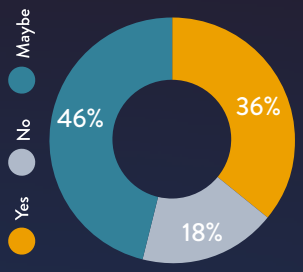


Those in the North East and West Midlands are most keen to see a referral process. It also rates highly for those in Life Sciences, the Creative Industries and Digital & Tech sectors.

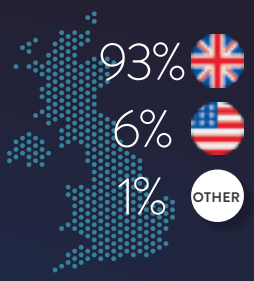
LISTING ON THE PUBLIC MARKET

4 in 10 are considering a public listing; almost all of them (93%) would consider UK as their top choice for location of listing.

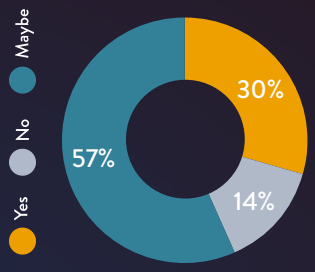
Would you consider a public listing on a stock exchange?



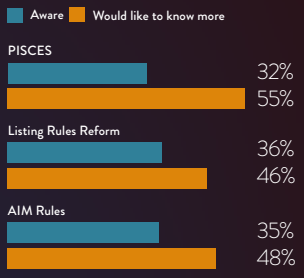
Where would you consider listing?



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



When considering recent finance reforms, 61% of the scaleups are aware of at least one of the following, with many keen to find out more about them.



Scaleups in IS-8 sectors are more likely to consider listing, with except of professional services firms, than peers across the wider economy. While those in the North East and South West are less likely to see listing as an option for them, they would value flexible platforms to access the public market though.

TO CONNECT INVESTMENT BETTER SCALEUPS WOULD VALUE

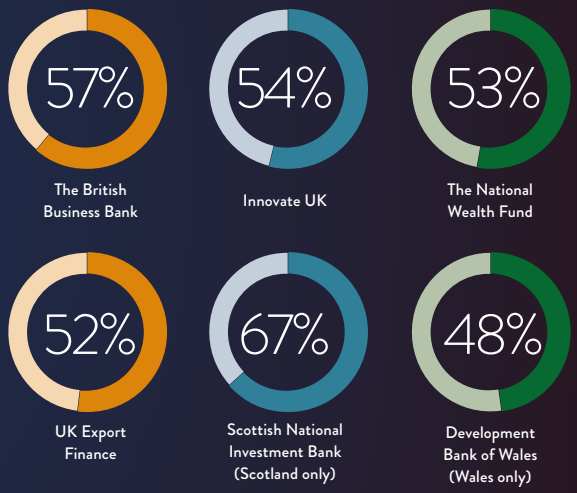
	OUT OF 10
Briefings for businesses & investors on sectors & trends	
Proactive connection to innovation and funding opportunities	
Greater knowledge of you as a business	
"Meet the investor" and other events showcasing your business	
Access to relationship managers	
Access to finance mentors and peers	
Increased regional presence of the British Business Bank	

Relationship management dials up for those in Wales, while scaleups in the West Midlands would most value proactive connections and Scottish firms want investors to have greater knowledge about them as businesses.

For scaleups who have yet to raise equity, awareness is an issue and they would like investors to have greater knowledge about their businesses.

PUBLIC FINANCE INSTITUTIONS

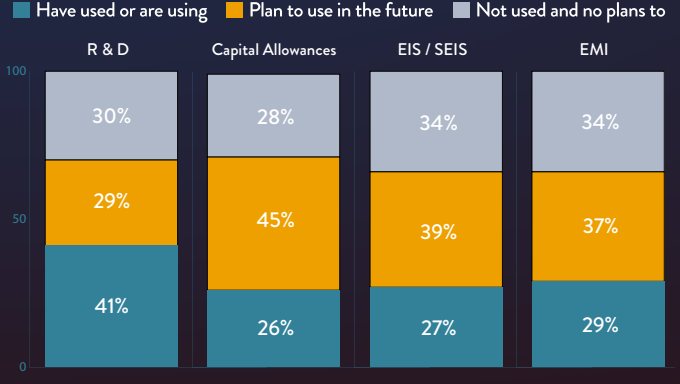
5 in 10 are also aware of the government's plan to develop a UK Scale-up Capital Fund with 6 in 10 saying this will be helpful to their business. Scaleups are also positive about the role these public entities play in their local area/sector.



And they see options for expanding their proactive support via referral mechanisms to other funding opportunities in the private sector and within the public finance ecosystem as well as to public procurement opportunities.

TAX SCHEMES

5 in 10 scaleups say it is important to have consistency and stability in the Government's approach to tax schemes.



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

Commitment from Government to continue offering these schemes beyond current time periods	40%
Making schemes easier to understand/apply for	38%
Increased awareness of schemes	35%
Faster claim processing/settlement	32%
If it was recommended by a trusted source (accountant, lawyer etc)	29%

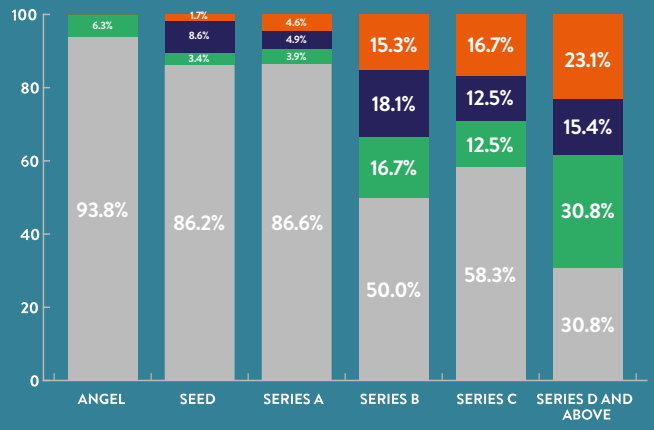
The vast majority of scaleup leaders believe that the changes made to EMI, and EIS and VCT schemes will be helpful to their businesses. With 4 in 10 saying they will be very helpful and 5 in 10 saying it will be moderately or slightly helpful.

While, 5 in 10 believe that the changes to the rules on Income Tax relief for those investing in VCTs will impact the willingness of people to invest.

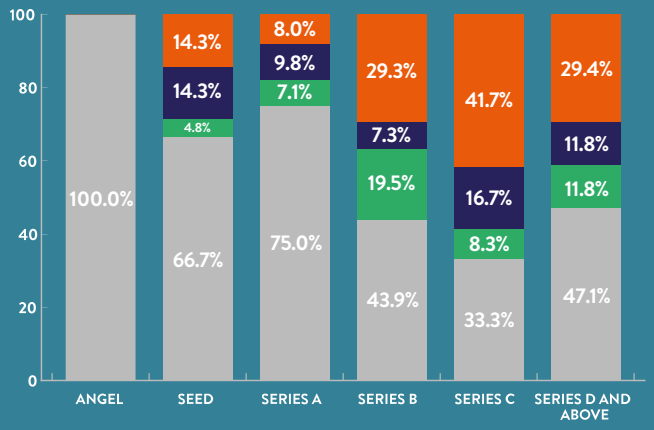
INVESTORS BY NATIONALITY AT FUNDING STAGES

UNITED KINGDOM | UNITED STATES | EU | REST OF THE WORLD

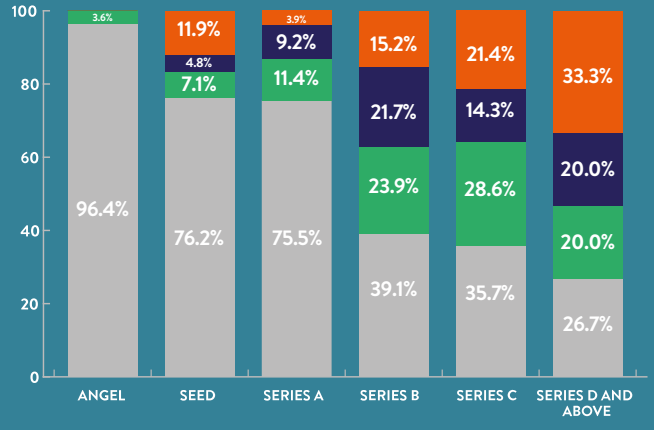
ADVANCED MANUFACTURING



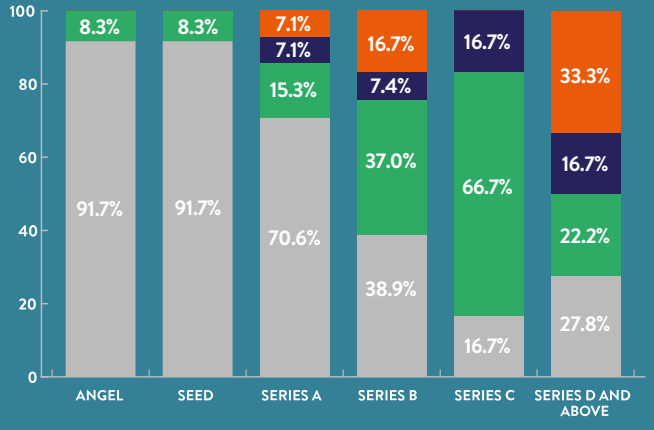
CLEAN ENERGY



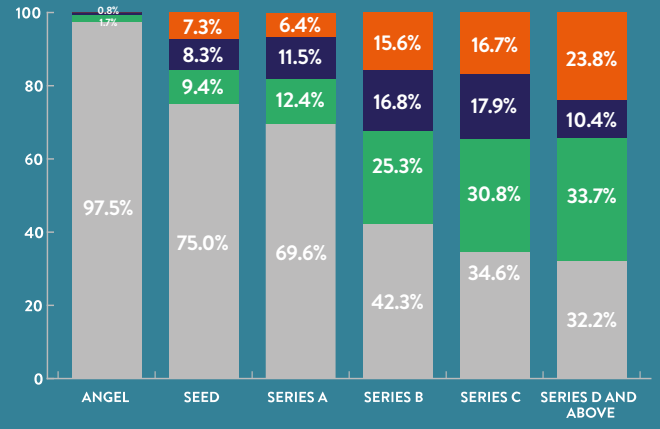
CREATIVE INDUSTRIES



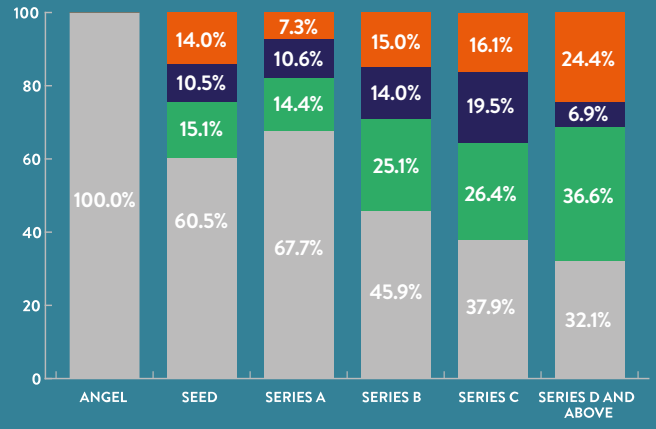
DEFENCE



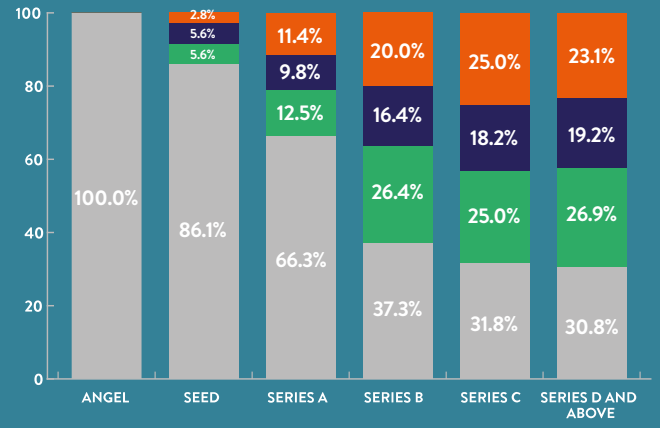
DIGITAL AND TECHNOLOGIES



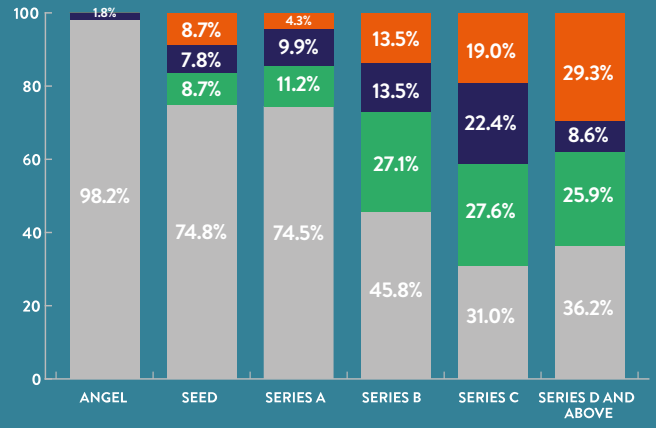
FINANCIAL SERVICES



LIFE SCIENCES



PROFESSIONAL SERVICES



SCALING GRANT RECIPIENTS ARE CROWDING IN PRIVATE INVESTMENT

(ANALYSIS UNDERTAKEN IN Q1 2026)

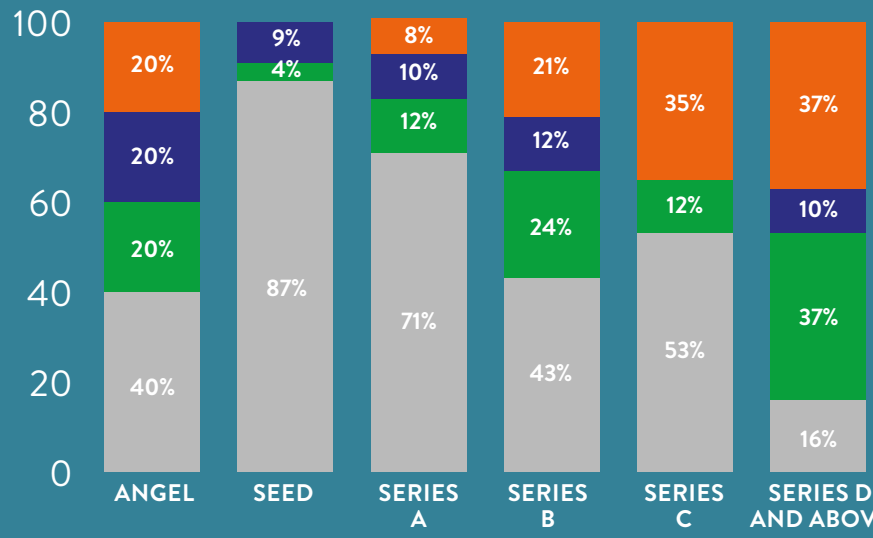
UKRI Innovate UK

PRIVATE SECTOR
£9.6BN

LEVERAGE MULTIPLE
24X

AVERAGE DEAL SIZE
£10.3M

THE PATTERN OF PRIVATE FUNDRAISING OF INNOVATE UK SCALING GRANT RECIPIENTS THAT HAVE RAISED INVESTMENT REFLECTS SIGNIFICANT INTERNATIONAL ENGAGEMENT WITH THESE BUSINESSES



Based on 138 visible scaling businesses with publicly available fundraising information | Source: SUI analysis of Beauhurst and Dealroom data

GROWTH IS BACK ON THE MARKET

SCALEUP INSIGHTS

LONDON IS AN INTERNATIONAL LURE FOR LISTING SCALEUPS

For founders globally weighing up the next funding round, factors such as market reforms, an international investor base, and immense soft power, make a public listing in London worth serious consideration - starting at a smaller size than most entrepreneurs expect.

Two tech firms floated on AIM within days of each other in October 2026, together illustrating how effectively the UK's growth market is fuelling scaling businesses. The first was Cambridge-based cyber security firm Chaleit Holdings, which raised just over £2 million in a listing that gave it a £11.2 million market cap. This helped its founder sell £1 million of his own shares while retaining about 65% of the business, and powered the firm up to expand. A week later, Singapore-based Roundhouse AI joined AIM, raising £1.6 million at a £14 million valuation, with retail investors taking a meaningful share which is cementing its data reputation expertise in artificial intelligence.

Both firms had public markets in their growth plans from the start, explains Marcus Stuttard, Head of AIM and Primary Markets at the London Stock Exchange "and they're not the first businesses of that size on AIM - more firms are seeing the benefits of listing on this purpose-built market." Quantum Base Holdings, which floated on AIM with an initial market capitalisation of £15 million last year, was another tech joiner. A spin-out from Lancaster University, Quantum makes atomic-level quantum ID tags to create uncopyable anti-counterfeiting tracking markers readable by standard smartphones; it too built listing into its early growth strategy.

A MARKET WITH MOMENTUM

The London Stock Exchange flags over 20 companies that have used AIM's new capital access window, a short trading suspension that enables companies to fundraise from a broad range of investors. It was introduced when the revised AIM Rules (which also scrapped the working capital statement and allowed dual-class shares) took effect in August 2026. A string of other relatively small tech IPOs are in the pipeline too. "The tone feels different from six months ago," Stuttard confirms. "AIM conversations, particularly, are developing apace." With 53% of the growth capital raised in the whole of Europe in the last 10 years being on AIM, the market has very clear benefits for scaling founders.

Its mix is broader than tech: also in October, Cornish Metals used the new capital access window to find a broader range of investors to raise £135m in order to reopen a mine in Cornwall. "There's also significant interest from defence firms, unsurprisingly given ongoing global geopolitical instability," Stuttard adds, "as well as from biotechs, such as Coiled Therapeutics, which develops next-generation medicines for hard-to-treat cancers, and joined AIM this year. Meanwhile, we have consumer brands like Mulberry and Fever-Tree too - there is not an industry sector or subsector that is not represented on AIM, which is a testament to generalist and specialist investors alike backing the market."

It's perhaps unsurprising that AIM is shrugging off general investor malaise: it was designed for founder and management-led growth companies. Part of its appeal lies in the ability to sell shares and raise new money in the same transaction, at IPO and afterwards. About a third of AIM's companies are international, with tax reliefs for incoming and existing shareholders, including venture capital trusts, deepening the investor pool.

That's not to brush off the headlines about the small number of UK firms that have listed abroad. Betting firm Flutter, fintech Wise and plumbing supplier Ferguson have listed in the US. "The narrative of doom and gloom doesn't reflect the reality" he says. "UK markets have faced the same headwinds that have affected most global economies and stock markets in recent years. However, scale-ups face a different set of factors to larger firms - as we're seeing with AIM's current growth."

Overseas alternatives can have their own drawbacks. "To be a visible mainstream company in the US, you probably have to be valued over $10 billion now," Stuttard adds, pointing out that "US investors are, in the main, mandated to only invest in US stocks". Since 2014, only 21 UK companies, raising at least $100 million, have listed in the US. Of those, 13 have now delisted, only 4 are trading above their IPO price, while the rest are, on average, trading down by 71%. "Listing in the US can also be significantly more expensive, with the demands of quarterly reporting, and the risk of litigation being significant considerations for management teams."

“UK investors must wake up to the opportunities that exist in this country, which will otherwise be taken from under their noses by overseas buyers”

MARCUS STUTTARD
HEAD OF AIM AND PRIMARY MARKETS, THE LONDON STOCK EXCHANGE

LONDON STOCK EXCHANGE
An LSEG Business

NOT JUST FOR THE VERY LARGE

A major obstacle to listing, Stuttard says, is perception. “Private companies sometimes shy away from the idea of IPO because they think they are too small, or are the wrong type of business, or sometimes don’t understand the listing process.”

The reality is that AIM-quoted firms stretch from £10 million market caps up to over a billion; the average is around £100 million. The route is usually weighed against three others: paying for growth via debt and grants, taking a trade investor, or raising venture or private equity money.

“The preparation and execution needed for an IPO is not too different to a private equity transaction,” Stuttard reports. “But the benefits include access to long-term capital, including a substantial pool of international investment, gains in profile and credibility, along with the governance discipline that preparing for listing brings, and a knowledgeable, institutional investor base that does not seek board seats or to interfere in the day-to-day running of the business.” Speed is a further advantage. A private fundraise may take three to six months, but a follow-on raise on AIM can be completed in as little as three weeks, because existing investors already know the company.

Readiness for public markets will depend on the firm, but typically makes sense after a Series B or C round, or for a company that has grown without outside capital. The fees of a UK listing on average include advisory costs of roughly £600,000 to £1 million, plus 3-4% commission on funds raised.

A ROUTE TO LIQUIDITY WITHOUT LISTING

The Main Market and AIM listing rules have been dramatically overhauled over the past few years to “remove friction and therefore cost”, Stuttard says, to now offer simpler admission, quicker fundraising and lighter reporting. Governance is now “more about explain, rather than comply”, so companies can adopt bespoke pay structures tailored to their individual needs and circumstances.

The new Private Securities Market (PSM) also now offers private companies and their existing investors liquidity through public market infrastructure, without the need for a listing. It allows companies to select how frequently they want their shares to be traded – for example twice a year- but to stay private in between those periods, with no prospectus and no continuous reporting. This option can give liquidity for early investors, offer a more transparent market for shareholders, implement employee share sales, and help family-owned businesses sell down stakes. Three of the five auctions so far “have provided employees with liquidity”, Stuttard says. When HR tech entrepreneur Dan Callaghan’s Veremark successfully completed a £6.5 million employee and early investor secondary share sale in October on the PSM - existing shares changed hands, with no new money for the company.

THE HONEST PART

Stuttard is clear that there’s still a lot of work to do in making the case for public market raises. “It comes down to capital and culture,” he adds. “Capital is moving in the right direction – for example with the British Business Bank allocating at pace, and more money reaching third-party fund managers. But we need more UK investors to back more UK companies.” Pension fund investment is the next key area of focus, alongside retail participation.

But culture is a more complex puzzle. UK investors must “wake up to the opportunities that exist in this country, which will otherwise be taken from under their noses by overseas buyers,” Stuttard adds. “We are in danger of becoming an incubator for everybody else - but the potential here is vast, and there’s so much opportunity for growth.”

WHAT SCALING BUSINESSES SHOULD WEIGH

For a founder deciding on the next round, the choice is wider than IPO or nothing. Debt and grants fund growth without giving up equity; a trade investor may bring strategic backing, and venture or private equity money provide capital alongside a close partner. A listing sits alongside these, offering a deep international investor pool and backers who, Stuttard points out, do not seek board seats or interfere in running the business. The PSM adds another option, giving employees and early investors liquidity without a listing at all.

The question, then, is not whether a company is big enough but whether public capital suits it at its current stage. Preparation pays off either way: a business that readies itself for an IPO, with sound governance and systems, is “positioned for pretty much anything”, Stuttard asserts, including a private round or a sale. That is why The London Stock Exchange’s team is deliberately neutral on the outcome. “We’re becoming genuinely agnostic as to whether a company remains private or is public,” he says. “You’re not making a commitment by coming and having a conversation with us, but it can help with learning more about the options ahead.”

2026 UPDATE

SCALING INVESTMENT
INSTITUTIONAL FUNDS BACKING UK SCALING FIRMS

UK pension funds – Mansion House Accord signatories

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 businesses and major infrastructure projects. This year's analysis identifies **74 scaling firms** directly backed by signatories, up from **69 in last year's review**, an increase of 7%. Together, these firms have raised £9.88bn from all UK and international investors, up from £6.4bn (an increase of 54%), with UK pension funds participating in 111 rounds worth £4.38bn, up from 100 rounds worth £3.5bn (increases of 11% and 25% respectively).

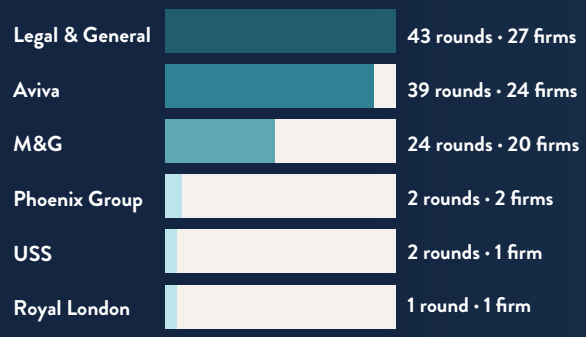
74
UK scaling firms backed

6 of 17
signatories investing directly

£9.88bn
raised from all UK and international investors

£4.38bn
In rounds with UK pension fund participation across 111 rounds

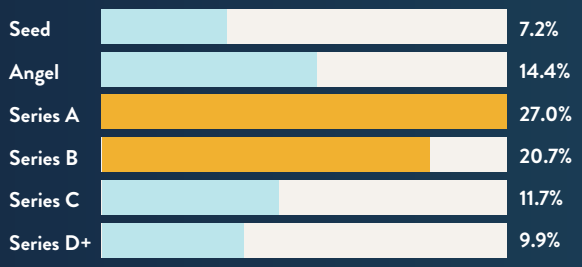
MANSION HOUSE SIGNATORIES [1]



USS: Universities Superannuation Scheme

FUNDING STAGES

Activity peaks at Series A, stays strong at Series B, then drops off.

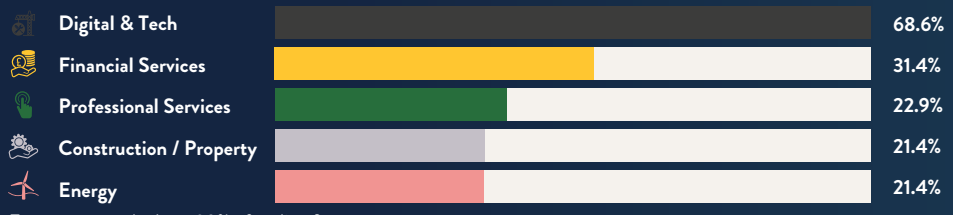


Share of pension fund rounds, scaling firms

46% of rounds are £10m–£70m, from £700k to £530m

TOP SECTORS

67 of 74 scaling firms are in IS-8 sectors



Top sectors, each above 20% of scaling firms

LOCALITY

56.3% based outside London



Share of scaling firms with a known region.

BUSINESS PROFILE

7.9 Years
AVERAGE AGE WHEN RAISED INVESTMENT FROM A UK PENSION FUND

49%
REPORT TURNOVER

93%
PRE-PROFIT

Note: Scaling firms include companies that have met the scaleup threshold at some point, including those in the ScaleUp Indexes 2018–2025 and scaleups identified by Datacity. Cohorts overlap, with 12 companies backed by more than one fund. Funds shown by short names. Differences from last year's review largely reflect expanded coverage of funds and businesses rather than changes in investment activity.

1. Mansion House Accord signatories are: Aegon UK, Aon, Aviva, Cushon, Legal & General, LifeSight, M&G, Marsh, Nest, now:pensions, Royal London, Smart Pension, Phoenix Group, the People's Pension, SEI, TPT Retirement Solutions and the Universities Superannuation Scheme (USS)

International sovereign wealth & pension funds

This year's analysis identifies **79 scaling firms backed by 22 international Sovereign Wealth and Pension Funds**, comprising 12 Sovereign Wealth Funds and 10 International Pension Funds. This is up from **52 scaling firms backed by 14 funds** in last year's review, increases of 52% and 57% respectively. Together, these firms have raised **£35.2bn from UK and international investors**, up from £24.4bn last year. International Sovereign Wealth and Pension Funds participated in **18% of funding rounds, worth £21.9bn**, compared with £13.6bn last year. The increase reflects the broader coverage of funds and businesses in this year's analysis and provides a stronger picture of the role international institutional capital is playing in supporting UK scaling businesses.

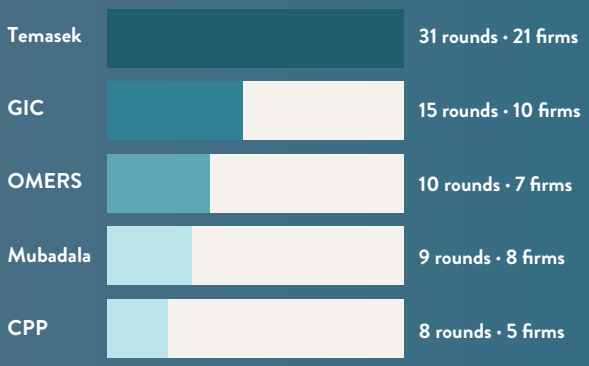
79
UK scaling firms backed

22
International funds:
12 sovereign wealth, 10 pension

£35.2bn
raised from all UK and international investors

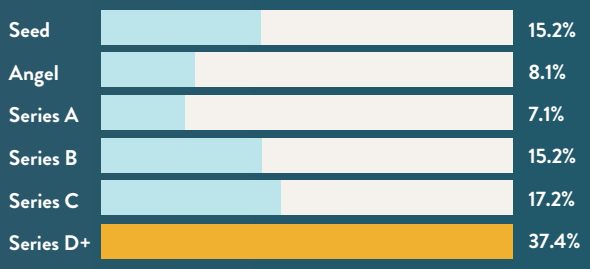
£21.9bn
In 107 rounds with international fund participation

MOST ACTIVE FUNDS [2]



FUNDING STAGES

Activity is concentrated at later stages, led by Series D and above.



Share of rounds, scaling firms

44% of rounds exceed £100m, ranging from £1.49m to £1.82bn

TOP SECTORS

75 of 79 scaling firms are in IS-8 sectors



Top sectors, each above 10% of scaling firms

LOCALITY

30.8% based outside London



Share of scaling firms with a known region.

BUSINESS PROFILE

7.7 Years
AVERAGE AGE WHEN RAISED INVESTMENT FROM AN INTERNATIONAL SW/P FUND.

65%
REPORTING TURNOVER

81%
PRE-PROFIT

2. Funds analysed: Temasek and Government of Singapore Investment Corporation (GIC); CPP Investments, OMERS, Ontario Teachers' Pension Plan, Public Sector Pension Investment Board, British Columbia Investment Management Corporation, Healthcare of Ontario Pension Plan and Teachers' Venture Growth (Canada); Abu Dhabi Investment Authority, Mubadala Investment Company, Qatar Investment Authority, Public Investment Fund, SALIC and Surj Sports Investment (Middle East); Bpifrance (France); Ireland Strategic Investment Fund; Khazanah Nasional (Malaysia); Future Fund (Australia); Sixth Swedish National Pension Fund; State of Wisconsin Investment Board and Ohio Public Employees Retirement System (US).

CAPITAL IS WILLING BUT THE PLUMBING NEEDS FIXING

SCALEUP INSIGHTS

A roundtable perspective from May 2026: a snapshot of the Debate, which continues to evolve.

Britain has world-leading companies, an internationally-renowned research base and, finally, pension pools with targeted funds to invest in this country's assets. But the connective tissue between them is lacking. The ScaleUp Institute, with People's Partnership hosted by the London Stock Exchange, in May 2026 brought together senior leaders from across the investment ecosystem to ask: how can more capital be efficiently deployed to scaling firms?

The combination of the Mansion House Accord, the Leeds reforms, pension consolidation, the value for money review and now Long-Term Asset Funds, means there's real momentum towards backing the vast potential located in British firms and assets. This is starting to happen, as we've seen with the recent announcement of the UK ScaleUp Fund; the British Growth Partnership, Future Growth Capital and Standard Life's Future Opportunities strategy, which aims to allocate 25% in private assets over a 5 to 10-year period. This ambition is backed by the desires of British savers: a 2024 poll by New Financial found that the public believes 41% of their pension is invested in UK companies or the UK stock market – 10 times the current level of investment. Moreover, 72% back government action to encourage more domestic investment through pensions.

But there's a difference between available capital, new initiatives and actual funds deployed into scaleups. The roundtable participants flagged that the obstacle is not appetite to invest, but fragmented routes to market, too few investable vehicles of sufficient scale, uneven in-house capability across pension schemes, and a long lag between a strategic commitment and the practical ability to act on it. This is not a problem for pension funds alone, nor for Government to singularly tackle; capital, pipeline, information and governance all need to fit together.

BLOCKED AT HOME, FLOWING ABROAD

The cost of inaction compounds. Many UK scaleups lean heavily on overseas investors once rounds pass £50 million. When that happens, the UK exports more than ownership and returns; it also loses long-term economic benefits and strategically important technologies, some with a national security dimension.

THE FIRST OBSTRUCTION: WE HAVE NOT DEFINED WHAT WE ARE BUYING

Several institutions made clear they want deployment into high-potential growth capital, at scale. VentureLink is live and valued, but the group wanted more: a clear definition of a scaleup asset class, a simple index of the largest UK scaleup capital players, and credible, updated evidence on risk-adjusted returns.

THE SECOND BLOCKAGE: THE ECONOMICS NEED TO FIT THE CUSTOMER

Scaleup and venture investing is higher-risk, higher-fee and more operationally intensive than infrastructure, the asset class where pension capital has so far moved most easily. DC schemes operate in a market where cost is currently king, and standard venture fee terms are not workable with that framework.

The group discussed how Government could help tilt the balance, with initiatives like first-loss capital, guarantees, underwriting downside risk, tax incentives and support for incentive fee structures. The British Business Bank's Enterprise Capital Funds were cited as examples of well-designed public capital that align with incentives and crowd in private money. There was much interest in exploring 'first-loss' options. A more ambitious thought also emerged: that public support might focus less on protecting the downside and more on amplifying the upside if there was a scale rating of the best-performing managers.

THE THIRD CLOG: THERE NEEDS TO BE A VEHICLE AT SCALE

In infrastructure, asset owners already have a blueprint, but that's not the case with venture and growth. Participants wanted to focus on more innovation in blended structures that might combine primary fund investments, co-investment, follow-on capital, direct investment capability and open-ended compounding, to unlock backing for scaleups.

It was acknowledged that the structure will not be uniform. Asset owners point out that policy-makers need to recognise that pension schemes are not a homogeneous group. Some providers at the roundtable are already deployed through Long Term Asset Funds (LTAFs); others need broader platforms. DB (defined benefit) and DC (defined contribution) requirements differ too.

But key players said they had little or even no appetite for direct investment. They want aggregated vehicles with a focus on scaleup growth capital, led by aligned management. There was significant interest in asset-owner-led or jointly owned managers in the mould of Australia's IFM Investors, and in the new European ScaleUp fund, which has since

been emulated here. The difficulties are practical ones - authorisation, governance, regulation and operational set-up, all while remaining evergreen and commercially viable - rather than ideological disagreement.

Importantly, the UK has done this before, and quickly. The BGF was stood up with £2.5 billion at launch in just six to eight months, including regulatory approvals, because industry, government and regulators were aligned, senior leaders engaged directly, and a concentrated taskforce period drove delivery.

That pointed to a credible route in the room: If several asset owners each committed a small portion of their Mansion House allocations, working with existing growth fund managers, a significant fund/s could be assembled. Investment managers expressed interest in collaborating on a joint investment approach, that included the British Business Bank. For DC managers in particular, a scaled vehicle investing at the established scaleup stage is far more attractive than a patchwork of venture options.

THE FOURTH BARRIER: A MARKET THAT COAGULATES OVER COSTS

Pension providers operate in an ecosystem that is obsessed with cost. Some investment groups believed advisers and HR procurement processes prioritise headline fees ahead of investment performance or long-term value, creating a cultural bias against UK private markets, even where net returns may be attractive. Trustees and boards are not required in their oversight duties to ensure any allocation to UK private markets. This is a coordination problem, which the Mansion House Accord and Sterling 20 go some way to addressing, but various new levers were discussed. These include executive incentives tied to private markets allocation and performance, such as seen elsewhere in the world.

SEEING THE OPPORTUNITIES: THE INFORMATION GAP

There's a knowledge gap between investors and the scaling entrepreneurial ecosystem: organisations such as Innovate UK, UKRI and the British Business Bank could collaborate more deeply to break down barriers on emerging sectors and technologies. Some feel pension schemes, trustees and advisers lack familiarity with scaleup managers and the wider innovation community. The group identified a practical fix: draw on the knowledge of UKRI, Innovate UK and academia to fill the UK's 'analyst gaps', with a more structured role for all public finance institutions.

OVERSEAS CAPITAL HAS SPOTTED OUR POTENTIAL

American, Canadian and Australian investors, plus sovereign wealth funds and international venture firms, already see UK scaleups as attractive, and are actively hunting amongst angels and syndicates. But these are mostly DB and sovereign wealth funds, with very different structures from UK DC schemes; any vehicle or incentives established to boost UK scaleup backing by pension funds must reflect that difference.

Participants were clear that international capital in the UK is a positive. The ambition is a deeper domestic pool alongside global capital, rather than an alternative source. The group also acknowledged that a substantial scaleup sovereign wealth fund for strategically-important industries merited further consideration.

> **"Many UK scaleups lean heavily on overseas investors once rounds pass £50 million"**

FROM ROUNDTABLE TO TO-DO LIST

Discussion concluded with practical homework to help institutional investors, government, regulators and enterprise stakeholders bolster the allocation of funds to UK scaleups.

1. **DEFINE THE ASSET CLASS AND COORDINATE INFORMATION.** Work still needs to be done on defining a scaleup asset class, with evidence on risk-adjusted returns and a simple list of the largest at-scale UK growth capital players. London Stock Exchange Group and SUI will work with UKRI, Innovate UK, government, the City of London Corporation and the British Business Bank on simpler market intelligence, a stronger analyst pool and vehicles such as Konfer and the Science and Tech venture capital programme.

2. **BUILD A DEDICATED UK SCALE-UP FUND: SINCE THE ROUNDTABLE THE UK SCALEUP FUND HAS BEEN ANNOUNCED.** This aligns with aspirations from those present to enable Chief Investment Officers to explore a substantial vehicle. Participants at the roundtable suggested for this to be modelled on BGF and the European approach, weighing blended finance, first-loss, guarantees, tax incentives and a scaleup sovereign fund, while asset owners keep pursuing one-to-one collaborations and coordinate with the Office for Investment and the City of London Corporation to avoid duplication.

3. **SHIFT FROM COST TO VALUE.** Work will continue on value for money, employers, advisers, trustees and procurement so that long-term value, including exposure to UK growth, can be properly assessed.

The priority is credible routes into UK venture and scaleup capital that investors can get behind, built on clearer definitions, better data, appropriate incentives and coordinated leadership from government and industry. Many in the room believe the market is nearing a tipping point: Mansion House signatories are actively seeking partners and structures, and asset owners will move from infrastructure and real estate into venture and scaleup as their capability matures.

But 'over time' is not a plan. The 2030 horizon is approaching, and the UK has an opportunity to become the global leader in letting ordinary savers share in long-term growth and innovation. The money exists; the companies are ready, and the public backs it. Now, it needs the will to build the route between them.

EXEMPLAR AREAS IN 2026

DRIVING UK ECONOMIC GROWTH THROUGH SCALEUP ECOSYSTEMS



LOCAL SCALEUP SUPPORT AVAILABLE ON SUI WEBSITE



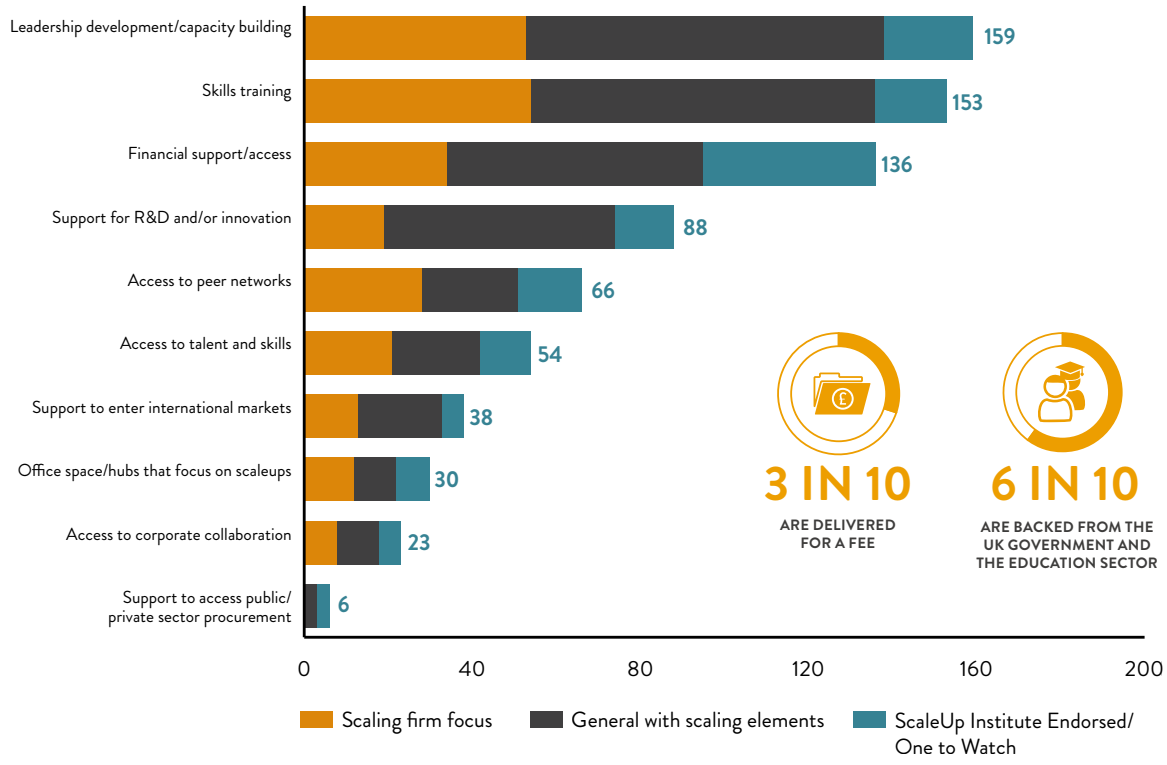
SCALEUP SUPPORT

NATIONAL & LOCAL PROGRAMMES

The ScaleUp Institute's latest mapping suggests that there are over 300 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: 320

SUI ENDORSED ONE TO WATCH	SCALING FIRM FOCUS	GENERAL WITH SCALING ELEMENTS
87	99	134



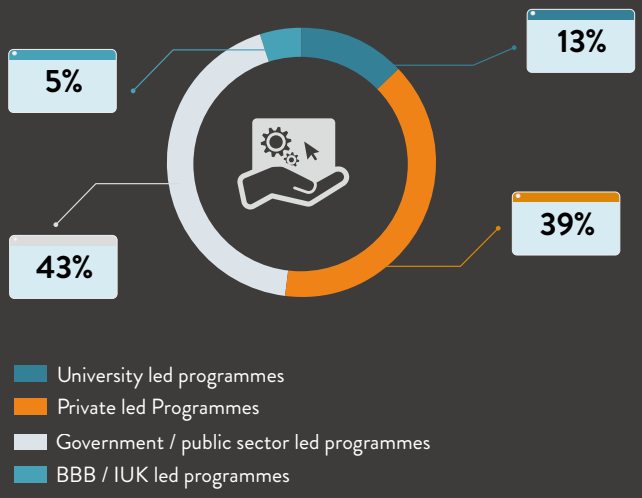
3 IN 10 ARE DELIVERED FOR A FEE

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.**



SCALEUP SUPPORT FINDER



LEADING PROGRAMMES

Talent and Skills

DebateMate · F4S · mitacs · BARCLAYS | LifeSkills · Google Digital Garage · The CAREERS & ENTERPRISE COMPANY · aspiration digital

ONE TO WATCH: digitalboost

Leadership

MIT | VMS · VISTAGE · 10,000 small businesses · scaleup SCOTLAND · Stanford Seed · BizSmart · Entrepreneurship Forum · UK Innovation and Business Growth · HORIZON 37 · helm · Enterprise Singapore · University of Strathclyde Glasgow · Edge Hill University · Royal Academy of Engineering · endeavor

ONE TO WATCH: GM Business Growth Hub · GATHER + BEYOND · Scale X

Markets

SHARING IN GROWTH Results driven. Results proven. · GRAND SCALE · KPMG · GROW LONDON

ONE TO WATCH: Intralink · MATCH MAKER VENTURES

Finance

Foresight · Molten · minerva business angels · Scottish Enterprise · sep · Amadeus Capital Partners · BERINGEA · Newable · BGF · Livingbridge · Accel · Banc · MAVEN · frog · crowdcube · Archangels · passion capital · PARTECH · ENVESTORS · mercia asset management · British Business Bank · le groupe · LDC · NatWest · NORTON · MMC · Republic · G/ · INSIGHT PARTNERS · Cambridge Innovation Capital · WealthClub · CAMBRIDGE ANGELS · Balderton · Index Ventures · 8VC EIGHT ROADS

Infrastructure

Interface · ENGINE SHED · Alderley Park · SCALE SPACE · Babraham Research Campus · RIEm · Brunel · CAMBRIDGE AHEAD · BARCLAYS Eagle Labs · SETsquared · CATALYST · FCA · NatWest · MaRS

ONE TO WATCH: HUB71 · CATAPULT

NEW CASE STUDIES

INTERNATIONAL



SCALEUP STORIES 2026

AMBITION, INNOVATION AND THE DRIVE TO SCALE

Across the UK, ambitious entrepreneurs are transforming industries, developing innovative products and services, creating employment and pursuing opportunities in domestic and international markets. Their stories demonstrate the determination, resilience and leadership required to turn ideas into successful scaling businesses.

This year's ScaleUp Stories explore the different pathways to growth, from securing investment and building leadership capability to embracing innovation, expanding internationally and balancing commercial ambition with wider responsibilities. While their journeys differ, they share a commitment to building successful, sustainable businesses.

ACCESS TO FINANCE: INVESTING IN AMBITION

Securing the right investment at the right time is essential to scaling successfully. For **Skin + Me**, founder James Mishreki recognised that building a personalised skincare business required substantial upfront investment in technology, infrastructure and expertise. The company brought together dermatologists, scientists, engineers and brand specialists to develop its digital healthcare platform.

"Raising over £8 million before launching enabled us to build for scale from day one and not make compromises which other startups may have had to make," explains Mishreki.

For **LYMA** founder Lucy Goff, securing finance proved more challenging. After struggling to attract investors to her luxury wellness proposition, she remortgaged her home to fund the initial production run. The products sold out within two weeks, demonstrating strong consumer demand. The business subsequently secured £2 million in investment from Pembroke VCT to support its continued growth.

Electric Twin founder Alex Cooper also highlights the importance of building a strong team, demonstrating a product's potential and developing investor relationships early to secure funding.

INNOVATION: CREATING NEW OPPORTUNITIES

Innovation continues to drive growth across sectors, with scaling businesses challenging established approaches and responding to changing customer needs.

LYMA has built an international luxury wellness business through the development of premium supplements and beauty technology. Founder Lucy Goff navigated manufacturing challenges, established relationships with leading retailers and expanded into the US market. The business is now developing new products and exploring further international opportunities.

Meanwhile, **Seep** founder Laura Harnett recognised an opportunity to rethink everyday cleaning products through sustainable alternatives, demonstrating that innovation can transform even the most established consumer markets.

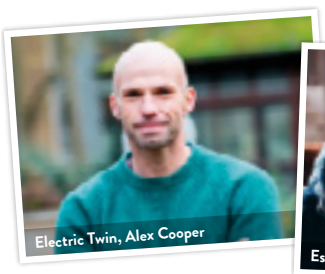
LEADERSHIP AND TALENT: BUILDING FOR GROWTH

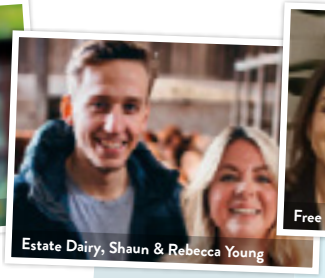
As businesses scale, leadership approaches, organisational structures and the capabilities of their teams must evolve.

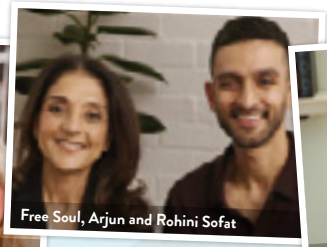
For **Jude**, founder Peony Li recognised the importance of investing in experienced people, infrastructure and technology as the business expanded. Moving from founder-led decision-making towards greater functional ownership has been central to adapting the organisation for its next stage of growth.

Tevin Tobun, founder of **GV Group**, similarly emphasises the importance of maintaining agility as businesses scale. Drawing on his experience growing GV Group and developing logistics platform Routd, he advocates empowering teams to make decisions, experiment and respond quickly to changing circumstances.

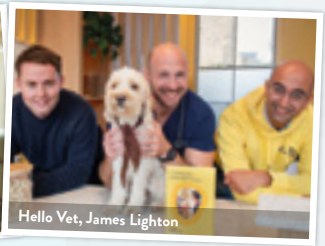
"Move fast, but with focus. Define clear priorities, set short feedback loops, and use data to steer every turn," advises Tobun.


Electric Twin, Alex Cooper


Estate Dairy, Shaun & Rebecca Young


Free Soul, Arjun and Rohini Sofat


Froot Pops, Ana Martins


Hello Vet, James Lighton



Their experiences demonstrate that successful scaling requires not only ambition but also the leadership skills, organisational capability and adaptability to sustain growth.

ACCESS TO MARKETS: EXPANDING INTERNATIONALLY

Entering new markets creates significant opportunities for scaling businesses, but requires careful planning, strong partnerships and an understanding of local customers.

For **Laundryheap**, founded by Deyan Dimitrov, acquisitions have been central to international expansion. The on-demand laundry and dry-cleaning business has acquired established competitors to enter new markets, gaining access to existing customer relationships, operational expertise and local knowledge.

Dimitrov emphasises the importance of assessing customer loyalty and retaining experienced employees when considering acquisitions.

"One of the most valuable things in a business is often kept in the heads of its team: relationships with key accounts, what customers expect from their product or service, and how the market works in practice."

Other businesses are pursuing different routes to market. **Free Soul**, founded by Arjun and Rohini Sofat, has expanded its women's health and wellness brand through major UK retail partnerships. Rather than prioritising international expansion, the founders see significant opportunities for continued growth in the domestic market, demonstrating the potential of strong distribution networks and customer relationships.

PURPOSE AND RESILIENCE: CREATING LONG-TERM VALUE

Sustainable growth requires businesses to navigate challenges, build trusted relationships and balance commercial success with wider responsibilities.

For **Froot Pops**, founder Ana Martins has embedded ethical sourcing and waste reduction into the business model, developing long-term partnerships with farming communities that support both reliable supply and sustainable practices.

"Reducing waste is good for the planet and good for margins," she explains.

The Estate Dairy, founded by Shaun and Rebecca Young, demonstrates the importance of persistence, strong customer relationships and measured growth in building a successful business. From its beginnings supplying independent coffee shops, the company has developed relationships with leading hospitality businesses, while maintaining a focus on quality, sustainable expansion and long-term partnerships.

For **Stripe & Stare,** founder Katie Lopes has highlighted the particular challenges women entrepreneurs face when scaling, including accessing investment and developing the commercial capabilities needed to sustain growth.

Together, these experiences demonstrate the importance of resilience, adaptability and a long-term approach to building successful businesses.

LOOKING AHEAD

The experiences of these entrepreneurs reflect the diversity, innovation and ambition of the UK's scaleup economy. From consumer brands and technology platforms to businesses transforming traditional industries, scaleups are creating opportunities, developing talent and contributing to economic growth.

Their stories also reinforce the importance of an environment that enables ambitious businesses to access appropriate finance, skilled people, new markets and the expertise needed to grow. Supporting businesses to overcome these barriers will be essential to unlocking their full potential and strengthening the UK's long-term competitiveness.

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

MAJOR POLICY MILESTONES 2014–26



2014

SCALEUP INSTITUTE

FOUNDING OF SUI

2015

Innovate UK

BRITISH BUSINESS BANK

SCALE UP

British Business Investments

10 DOWNING STREET

Ministry of Housing, Communities & Local Government

2016



SCALEUP MINISTER

Department for Business, Energy & Industrial Strategy



INDUSTRIAL STRATEGY



HM Treasury

PATIENT CAPITAL REVIEW

Banc

FOUNDED

2017

Department for International Trade

EXPORT STRATEGY

Crown Commercial Service

PROCUREMENT

British Patient Capital

Innovate UK

SCALEUP PROGRAMME

2018



SCALEUP MINISTER

Cabinet Office

DECA PROJECT

Department for Culture Media & Sport

CREATIVE SCALEUP PROGRAMME

2019

10 DOWNING STREET



HM Treasury

FCA FINANCIAL CONDUCT AUTHORITY

The Scottish National Investment Bank

FOUNDED

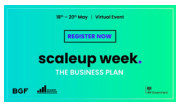
2020

HM Treasury









seis Enterprise Investment Scheme



2021



INVESTMENT ZONE



Correspondence
Letter to the Prime Minister on delivering national priorities through public procurement December 2022 (HTML)





UK Investment Research Review



2022

HM Treasury

Department for Business & Trade

Long-term Investment for Technology and Science (LIFTS) initiative

News story
Chancellor's Mansion House Reforms to boost typical pension by over £1,000 a year



CAPITAL MARKET INDUSTRY TASKFORCE

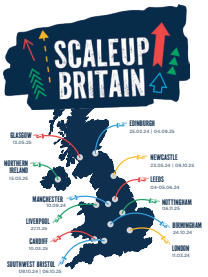
LONDON STOCK EXCHANGE
An LSEG Business

HORIZON EUROPE

bvca
Invested in a better future

VENTURE CAPITAL INVESTMENT COMPACT

2023



Floww

BRITISH GROWTH PARTNERSHIP

Science and Technology Venture Capital Fellowship

PISCES

INVEST IN WOMEN TASKFORCE



2024

First ever Entrepreneurship Advisor appointed to the Treasury

Entrepreneurship in the UK: Start. Scale. Stay.
Prospectus

LEEDS REFORM

aegon AON AVIVA cushon L&G Sight MARSH nest now: pensions Standard Life LONDON LGPS Smart Pension people's tpt USS

MANSION HOUSE ACCORD



UK TRADE STRATEGY



SMALL BUSINESS STRATEGY



INDUSTRIAL STRATEGY



10 POINT PLAN FOR SCALEUP GROWTH

2025

SCALE UK CONNECT
Backing ambition. Unlocking growth.

£1BN UK SCALEUP FUND

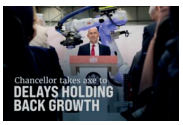
PM TALENT REFORM

PRIVATE SECURITIES MARKET

FCA FINANCIAL CONDUCT AUTHORITY

BANK OF ENGLAND PRUDENTIAL REGULATION AUTHORITY

FCA–PRA SCALE-UP UNIT



NORTHERN 500 INITIATIVE.

UKRI Innovate UK
velocity

British Business Bank

NEW NATIONS AND REGIONS FUNDS

BUDGET 2026
BREATHING SPACE FOR TODAY
FRESH HOPE FOR THE FUTURE

Entrepreneurship in the UK: Start. Scale. Stay.
Prospectus

2026

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.



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