The UK Scaleup Report 2026

Growth under pressure

Contents

Short on time?

Here's a quick summary:

- **Scaleup growth is stagnant:** The number of scaleups in the UK has been continuing to fall since a peak of 129,080 in 2023.
- **A decline across the UK:** Only England experienced a small rise in scaleups over the past year, with Wales, Scotland, and Northern Ireland all experiencing a drop.
- **London remains the UK's scaleup capital, while regional hubs gain momentum:** London has the highest concentration of scaleups in the UK and was the only region to see growth in 2025, while cities such as Manchester, Leeds, Winchester and Cambridge continue to demonstrate strong scaleup activity.

Introduction

The UK's scaleup landscape is shrinking.

We built Vestd to help companies grow and share success with the people who help build it, so when the numbers show fewer businesses making it that far, it matters to us.

Rising costs and geopolitical uncertainty have taken their toll. The number of scaleups has declined for the past few years, with only England managing a small rise, while Wales, Scotland, and Northern Ireland all saw numbers drop.

London remains the UK's scaleup capital, the only region to grow in 2025. But it's encouraging to see hubs like Manchester, Leeds, Winchester, and Cambridge punching above their weight.

Fewer businesses scaling means fewer jobs, less regional investment, and a less dynamic entrepreneurial landscape.

There are practical steps business owners can take, from securing the right investment to bringing in the right people and getting their ownership structure right from the start.

That's exactly where Vestd comes in. For now, though, take a look at what we found. It's a sobering picture, but there's hope in it too.

Ifty Nasir
Founder & CEO of Vestd

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What counts as a scaleup? Typically, it's a business with between 20 and 249 employees, one that's moved beyond early-stage growth and is actively scaling its operations, but hasn't yet reached enterprise size.

Now, while the number of scaleups in the UK has grown by 6.32% since 2017, reaching 128,760 in 2025, the UK's scaleup pipeline has effectively ground to a halt over the past few years.

In 2025 alone, there has been a 0.16% decline in the number of scaleups, continuing a downward trend since its peak in 2023, highlighting concerns that the UK's ability to produce high-growth businesses may be weakening over time.

This challenge is also being felt by founders, with a 2026 survey finding that only 14% say the UK is an easy place to scale businesses.

While the number of businesses reaching scaleup status has yet to surpass its 2023 peak of 129,080, the total number of businesses operating in the UK has continued to grow in the same period, rising from 2,726,830 in 2023 to 2,734,620 in 2025.

The real challenge, then, seems to be helping more businesses cross that threshold into scaleup status.
The issue is a growing concern, with a stark report by the House of Lords Science and Technology Committee stating the UK's failure to scale up is causing the economy to "bleed to death", with the committee's chair, Robert Mair, warning that the long-standing issue has hit "crisis point".

Scaleups play a vital role in the UK economy, contributing a reported £2.19 trillion last year alone. If the downward trend continues, the knock-on effects could be significant, putting future jobs and economic growth at risk.

With so much riding on scaleup growth, it's worth looking at where the decline is being felt most.

National decline

Over the past year, three out of the four nations within the United Kingdom have experienced a decline in the number of scaleups, highlighting the widespread impact of the challenging economic environment on business growth across the UK.

England remained the only nation to have a rise in scaleups over the last year, though it was a marginal growth of 0.01%. Wales had a 0.33% fall in 2025 and was the only nation to continuously see a decline in scaleups over the last eight years.

Scotland saw a further decline of 0.85% in the last year, although Glasgow City had a 1.63% increase in the last year, retaining its status as the hotspot for Scottish scaleups. Northern Ireland had a greater fall than all three other nations combined, decreasing by 3.33% in 2025, despite seeing strong growth in 2024 at 2.32%.

Scaleup numbers by nation (2023–2025)

Location	Scaleup Count (2025)	Scaleup Count (2024)	Scaleup Count (2023)
United Kingdom	128,760	129,960	129,080
England	111,845	111,830	111,690
Scotland	8,720	8,795	8,965
Wales	4,750	4,585	4,760
Northern Ireland	3,625	3,750	3,665

Drilling down into England's regions tells an even more interesting story...

Regional trends

It's perhaps no surprise that London, long the UK's business and investment hub, continues to lead the way.

Our data shows it not only has the highest concentration of scaleups in England, but was also the only region to grow in the last year, with scaleup numbers rising by 1.73%, a sign that momentum remained far more resilient in the capital. Locally, the City of London stood out, with scaleup numbers climbing 5.20% in 2025 to reach 1,680.

London may set the pace, but it's not the only place worth watching. Smaller cities and regional challengers are proving they can compete.

Scaleup numbers by UK city (2023–2025)

While Manchester has the highest concentration of scaleups in the North West, it experienced a 0.75% drop in 2025. Comparatively, Liverpool and Stockport saw a 1.28% and 0.91% increase, respectively.

Winchester came out on top not just for the South East, but for the wider UK in 2025, at 7.08%, with an even more positive increase of 47.56% since 2017, outperforming nearby locations such as Oxford and Milton Keynes.

Despite not being within the top three cities for the highest number of scaleups in the East of England, the historic technology and innovation hub saw a 6.25% increase in the number of scaleups in 2025.

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A clear sign that other cities are stepping out of London's shadow.

Location	Scaleup Count (2025)	Scaleup Count (2024)	Scaleup Count (2023)
London	23,255	22,860	22,315
South East	18,395	18,440	18,460
North West	13,635	13,665	13,770
East of England	12,225	12,255	12,360
South West	11,310	11,425	11,470
West Midlands	10,245	10,330	10,325
Yorkshire & the Humber	9,850	9,885	9,930
East Midlands	8,930	8,970	9,010
North East	4,000	4,000	4,050

Looking ahead

The data raises as many questions as it answers, but a few patterns are worth watching over the next 12 months.

- **The plateau could deepen before it improves:** Scaleup numbers have fallen for three consecutive years since their 2023 peak, even as overall business numbers keep growing. That gap looks structural, not temporary, and without a shift in funding conditions or cost pressures, it may widen before it closes.
- **Regional devolution of scaleup activity looks set to continue:** Winchester's rise, Cambridge's momentum, and gains in Liverpool and Stockport all point to growth becoming less London-centric. With Andy Burnham now in Downing Street, bringing a track record from Greater Manchester of championing SME growth and regional innovation, that shift could gain further backing at a national level.
- **Nations outside England face a longer road back:** Wales's decline has continued for eight straight years, and Northern Ireland swung from growth in 2024 to a sharp fall in 2025. These aren't one-off dips, and without targeted support, the gap with England looks likely to persist.

All that remains to say is watch this space.

Methodology

To analyse the UK scaleup landscape, Vestd analysed Office for National Statistics (ONS) business population data covering 2017 to 2025. Our focus was on businesses classified as scaleups, defined as those with 20 to 249 employees.

We compared figures on a national, regional, and local scale to provide a comprehensive view of how scaleup numbers differentiate across the UK and to analyse where growth is concentrated.

All figures are based on the latest available ONS data.

All data is correct as of July 2026.

Fund it. Grow it. Share it.

Supporting you at every stage

Scaling a business takes more than ambition. It takes the right capital, the right people, and the right structure to bring them all together.

Where Vestd comes in:

- Accessing the right funding at the right stage gives you the capital to invest in recruitment, product development, and expansion. InVestd Raise helps you manage the practical side of it, from EIS applications to share issuance and investment documentation.
- As you grow, so does the need for good governance. Vestd keeps your cap table accurate and audit-ready, syncs directly with Companies House, and gives investors and shareholders a clear, confident view of ownership, all backed by FCA regulation and ISO 27001 certification.
- Equity incentives such as EMI or growth shares let you compete for and retain talent, rewarding them with a stake in the business's future success, without putting pressure on cash flow. And if you're already running a scheme elsewhere, switching over is straightforward.

The businesses that scale successfully are the ones that get these foundations right. Vestd helps you build them. Book your demo today.

Free consultation

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