Global Launch Pad
Tech North Advocates

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Key Highlights:

1. **Overall Growth and Resilience**:
   - The UK's tech sector has shown significant growth and resilience from 2019 to 2023, despite a challenging funding environment in 2023. The sector saw substantial equity investments and the development of tech hubs across the country, including notable clusters in the North of England.
2. **Regional Analysis**:
   - **North East**: The tech company population grew by 1.72% to 407 companies in 2023. Despite a 4.76% decline in equity investment, grant funding increased by 15.4%, driven largely by a single significant grant to Nova Pangaea Technologies .
   - **North West**: This region has the largest tech company population among northern regions, with 1,261 active companies. However, investment plummeted by 98.5% to £338 million in 2023. The region's strength lies in its numerous universities and academic spinouts, with Manchester and Liverpool being key cities .
   - **Yorkshire and the Humber**: The tech landscape increased by 1.36%, with 737 active companies. It was the only northern region to see a rise in investment, with a 19.9% increase to £201 million. This growth was supported by academic institutions like the University of Leeds and the University of Sheffield .
3. **City-Specific Insights**:
   - **Manchester**: Known for its resilient and innovative tech sector, Manchester experienced substantial investment growth between 2019 and 2022, amassing £635 million. The city benefits from a diverse talent pool, research facilities, and supportive business environment .
   - **Leeds**: The tech sector in Leeds secured £204 million in equity across 173 fundraising events from 2019 to 2023. The city's tech ecosystem is bolstered by government-backed support programs and significant accelerator attendance .
   - **Sheffield**: Sheffield's tech sector saw £128 million in equity investments over 108 deals between 2019 and 2023. The University of Sheffield plays a pivotal role in fostering innovation and entrepreneurship through its spinouts and research centers.
   - **Newcastle upon Tyne**: The city secured £287 million across 156 fundraisings from 2019 to 2023, with Northstar Ventures being a prominent investor. The region's tech ecosystem is supported by Newcastle University and other key institutions .
   - **Liverpool**: Liverpool's tech sector raised £64.8 million in equity investment over 124 fundraisings between 2019 and 2023. Crowdfunding and grants, particularly from Innovate UK, played crucial roles in supporting early-stage companies .

Challenges and Opportunities:

- There are disparities in tech financing availability between London and northern regions, as well as challenges in accessing suitable talent and resources. However, the government's focus on digital skills, R&D tax credits, and tech startup investment initiatives presents significant growth opportunities for the northern tech sector .

The tech sector in the North of England is marked by robust growth and regional specializations, supported by strong academic partnerships and government initiatives. While challenges such as funding disparities and talent shortages persist, the region's tech hubs are well-positioned to drive future innovation and economic growth.

The North East of England is emerging as a significant tech hub, driven by a combination of academic excellence, investment, and innovative companies. The region's tech sector is expanding rapidly, with growth in various specialisms such as AI, fintech, cybersecurity, immersive technology, health, biotech, advanced manufacturing, semiconductors, renewable energy, and data science.

Key Highlights

1. Academic Institutions: Universities like Durham, Newcastle, Northumbria, Teesside, and Sunderland are crucial in producing a skilled workforce and supporting high-impact spinouts. Examples include Low Carbon Materials and AMLo Biosciences, which have gained national and international recognition.
2. Investment Landscape:
    - Northstar Ventures: Focuses on high-growth businesses and social enterprises, with a strong emphasis on sectors like healthy ageing, biotech, and clean tech.
    - Maven Capital Partners: Invested over £30 million into the region since 2017, supporting companies across technology, manufacturing, engineering, and bioscience.
    - Mercia Asset Management: Increased Northern investments by 65% in early 2023, focusing on early-stage innovative startups.
3. Tech Hubs:
    - Newcastle and Gateshead: The most active tech hub, home to established companies like Sage and Ubisoft, and educational institutions driving tech growth. The city has a vibrant startup scene supported by accelerators like Ignite and innovation centres like PROTO.
    - Sunderland: Known for its IoT accelerator and business centres such as the Sunderland Software Centre.
    - Durham: Focused around the student population and university spinouts, with notable companies like Kromek and Atom Bank.
4. Company Spotlights:
    - ZeroLight: Based in Newcastle, provides immersive technology for the automotive industry, working with major global car manufacturers.
    - Kinewell Energy: A clean tech company in North Shields, using AI to optimize offshore wind farms. It has seen significant international growth and partnerships.
5. Challenges and Opportunities:
    - Skills and Talent: The availability of skilled talent is crucial for driving innovation. The region benefits from a high number of quality STEM graduates.
    - Investment and Infrastructure: There are opportunities to further attract tech investment and develop infrastructure to support startups and scale-ups. The upcoming North East Mayoral Combined Authority aims to enhance public-private collaboration and unlock new fiscal incentives.
6. Economic Impact:
    - Employment and Growth: The tech sector is contributing significantly to job creation and economic growth in the region. The digital sector in the North East is growing four times faster than the wider regional economy.

Manchester Overview

Greater Manchester Tech in numbers

£532 million - The amount of funding raised by tech companies in Manchester in 2022, the highest in the country outside of London & the South East | Source: DCMS/Dealroom

1600 - The number of tech startups and scaleups based in Greater Manchester as of 2022 | Source: DCMS

80k - The number of tech vacancies in Manchester between May 2021 and May 2022 | Source: Adzuna

£5 billion - The value of the Greater Manchester digital economy | Source: MIDAS

£905 million - The estimated GVA of the Greater Manchester fintech sector in 2023 | Source: Whitecap Consulting

673% - Increase in VC investment in Greater Manchester over the last five years | Source: Dealroom

658 - Number of active high-growth companies in Manchester as of 2022 | Source: Beauhurst

Number 1 - The rank achieved by Manchester for top tech cities outside of London | Source: CBRE

Key Sectors

Ecommerce
Fintech
AI
Cybersecurity
Medtech
IoT
Gaming

Accelerators and Incubators

Barclays DiSH
Launch@ Salford
Innospace
NatWest Entrepreneur Accelerator
GM Advanced Diagnostics Accelerator
KPMG ScaleUp Programme
Advanced manufacturing
Turing Innovation Catalyst AI Accelerator
Launch @ University of Salford
GM Advanced Diagnostics Accelerator
Zebox Sustainable Innovation Accelerator
UMI - University of Manchester
Health Innovation Manchester
Media City Immersive Technology Innovation Hub
UKRI Innovation Accelerator Programme
Alderley Park Accelerator
GM Health Accelerator
The Sustainable Materials Translational Research Centre
Centre for Digital Innovation

Support Services and Providers

MIDAS
Bruntwood SciTech
Business Growth Hub
Oxford Innovation – Salford, Stockport, Ashton Under Lyne and Bolton
Help to Grow – University of Salford and MMU
University of Manchester Innovation Factory
Enterprise City

Investors

Praeutra Ventures
Manchester Angels
Northern Gritstone
Mercia Asset Management
Maven Capital Partners
Acceleris Capital
GC Angels
BGF
Catapult Venture Managers
Sure Valley Ventures
YFM Equity Partners
Palatine Private Equity
DSW Ventures

Tech Meetups and Groups

Tech North Advocates
Manchester Digital
DTX Manchester Tech Week
Digital Thursday
Tech Leaders of the North West
Digital City Festival
Fintech North
Software Crafters North
PyData Manchester
Her+Data Manchester
AWS User Group North
Blockchain Manchester
DevOps Manchester
Apadmi Tech Events
Manchester Cyber Security Meetup
Agile Manchester

Academia

Manchester Metropolitan University
The University of Manchester
University of Salford
University Academy 92
University of Bolton

Greater Manchester Key Tech Hubs

Once renowned for industry and connectivity owing to its trademark canals, railways and factories, **Manchester** is now one of the UK's leading tech hubs. In 2019 it was named Europe's fastest-growing tech hub, and according to Tech Nation, the city saw a 63% increase in tech investment between 2020 and 2021. The 2022 UK Tech Cities report, published by CBRE, judged Manchester to be the number one regional "tech city".

Today, Manchester is home to a thriving £5bn digital ecosystem, with household names like Google, BooHoo, THG and Microsoft all having a presence in the city. The city's tech sector is diverse, with key strengths spanning AI, data, fintech, ecommerce and payments.

Its strong transport links for both domestic and international travel, coupled with the large number of universities and colleges, mean Manchester can tick important boxes for scaling tech firms. The University of Manchester alone boasts a student population exceeding 44,000, placing it behind only The Open University and University College London in size. In total there are some 116,000 students studying at one of the five universities across Manchester, and the strength of the tech sector is seen as a key reason why over 50% stay in the region after graduation.

In October 2021, PwC stated that it will create up to 1,000 jobs over three years at its new technology hub in Manchester. Meanwhile, in June 2022, commercial property company Bruntwood SciTech revealed it would be opening a £21m tech hub at Manchester Science Park. The city is home to many organisation's focused on enhancing the scalability of tech businesses in the region, which include work by MIDAS, the inward investment promotion agency for Greater Manchester; the North West Fund; Greater Manchester Investment Fund and Business Finance Solutions.

Located seven miles to the south-east of Manchester, the industrial town of **Stockport** has gained traction in recent years as a place to set up and scale a tech business. Rents will typically be cheaper than in Manchester, while the town also boasts strong transport links. The Stockport Business Innovation Centre hosts 50 small businesses, giving them access to workspace and business support. It is soon to be home to three innovation centres, with Stockport Council confirming plans for a new state-of-the-art innovation centre in the heart of Stockport's town centre. The Merseyway Innovation Centre will see 15,000 square feet of flexible serviced office and co-working space and will be managed by Oxford Innovation.

In March 2022, Stockport Council announced its Radically Digital Stockport strategy, which aims to ensure the town "continues to be at the forefront digitally". Its key priorities and outcomes focus on bringing the digitally excluded online, increasing digital skills and digital working practices, providing modern digital infrastructure, boosting the tech sector, and using data to design services around the people who use them. Success stories include the likes of ecommerce platform Shopblocks and Laser Quantum. In May 2023, Kao Data, a specialist high-performance data centre developer and operator, announced plans to invest £350m into a new site in Stockport.

The city of **Salford** is a proverbial stone's throw from neighbouring Manchester. The presence of the Manchester Ship Canal running through Salford put it very much at the heart of the North West's famous cotton, spinning and weaving industry – today, though, the city is a thriving hub for the digital and creative sectors.

Most notably, Salford is home to MediaCityUK, a 200-acre development on the banks of the ship canal, which is home to media heavyweights such as the BBC and ITV, along with a vast number of other production companies, creatives and tech startups. MediaCityUK has played a key part in driving employment in the region's digital creative industries up from 6,000 in 2010 to over 15,000 by 2020.

But Salford's tech scene has more to offer than just media and digital creatives. For example, Vodafone Edge and Home of Skills and Technology (HOST) have partnered to create a state-of-the-art innovation lab to allow the city's software developers to experiment with next-generation cloud technology. Meanwhile, Salford Royal Hospital, part of the Northern Care Alliance NHS Group, has been widely recognised for its innovation in using technology, data and different tools to transform how health and social care are delivered.

The University of Salford plays a big part in ensuring access to tech-skilled workers. Meanwhile, The Greater Manchester Institute of Technology in Salford, a new multi-million-pound education institution, is to welcome its first students in September 2023. Recent success stories include venture capital firm BGF investing £9m into the Salford-based communication software firm Voicescape in April 2023; Salford's Mymanu, which has developed live voice translation earbuds, being included in KPMG's new 12-month scaleup growth programme in Greater Manchester; and Salford being named fourth on SAS's AI-readiness Index, which lists the UK's best-prepared towns and cities for AI innovation.

Rochdale, a town north of Manchester, has established itself as a centre for advanced manufacturing and engineering, attracting large enterprises and small startups alike. Benefitting from easy motorway access to Manchester, Leeds and Liverpool – all of which have international airports – Rochdale appeals to exporters in particular, providing both access to a wide talent pool and the necessary transport links from them to deliver goods.

Indeed, 1.6 million live in the recruitment catchment area of Rochdale, with nine million people able to access the town within a 60-minute drive. Rochdale's Kingsway Business Park has been recognised as one of the UK's most active projects. It is home to Wireless CCTV (WCCTV), a leading equipment-as-a-service provider of re-deployable wireless surveillance products – the company received £30m funding from venture capital firm LDC in 2021.

Two years ago, Rochdale's manufacturing tech centre received £22.6m from the UK Research and Innovation's Strength in Places Fund. The investment will help the creation of the Advanced Machinery and Productivity Institute (AMPI); the funding will go towards a five-year innovation programme, rather than the building of the actual institute itself, which is due to open in late 2024.

The iconic cricket and football grounds have etched the words Old Trafford into the minds of many. But there is a modern, progressive side to **Trafford**, a borough of Greater Manchester, that warrants recognition. In the eight years to 2020, 485 tech startups set up in Trafford, placing it second behind Manchester out of 39 towns and cities across the Northwest in terms of tech-based business creation.

In Greater Manchester, Trafford also has the highest percentage of adults educated to a degree level or equivalent (43% compared to a Northwest average of 30%), ensuring tech firms in the borough have access to a skilled talent pool.

Trafford Park is one of Europe's largest industrial hubs. Spread across nine million square metres, the industrial park is home to over 1,300 businesses and 35,000 employees. It was recently announced that technology giant Siemens has set a target of 2038 for decarbonising Trafford Park at a cost of £1.2bn, with the shift to net-zero expected to attract more tech businesses – particularly in the ESG space – to set up there.

Notable Trafford success stories include health-tech startup NeoPhore, which has raised £21.9m in investment to date; and Raycast, an app for developers to reduce burdensome context switching,

Liverpool Overview

Ecosystem Overview

Key Sectors

Immersive tech
Creative
Health tech
Medtech
Fintech
Edtech
Gaming

Accelerators and Incubators

Baltic Ventures
Lyva Labs
Barclays Eagle Labs

Support services and providers

Growth Platform
LCR Finance Hub
Baltic Creative
Professional Liverpool
Gather
Tech Climbers

Investors

River Capital
William Currie Group
Arete
LCR Angels
Baltic Ventures Angel Syndicate
Kindred
Lyva Labs
Seneca
NPIF / British Business Bank
FW Capital
Deepbridge
DCW Ventures
Nova Capital

Tech Meetups and Groups

Startup Grind
Slush'D
LCR Founders
Dot Net meet up

Academia

University of Liverpool
Liverpool John Moore's University
The Studio School

Liverpool's Key Tech Hubs

The Baltic Triangle sits at the heart of Liverpool's expanding tech sector. Once the site of abandoned factories and warehouses, The Baltic Triangle has undergone a complete transformation in recent years. It is now commonly referred to as Liverpool's version of Shoreditch, the east London area renowned for its startup and tech communities.

The Triangle refers to itself as the "creative, digital and independent district of Liverpool", comprising shops,complementing this with networking events and ongoing improvements from Liverpool City Council.

Baltic Ventures – the £4.1m local government-backed tech accelerator – calls the Triangle its home. The renovated area also hosts The Studio School, which offers digital pathway options like coding, entrepreneurship and creativity. The school collaborates with local businesses to provide internships, mentoring and career advice to potential digital workers. It also operates the Digital Entrepreneurs Network, actively encouraging young people to consider a career in the digital and tech sectors.

Sat in the centre of the city, **Knowledge Quarter** (KQ) Liverpool is a 450-acre urban innovation district, with a focus on research and development. With over £1bn of new developments recently completed or currently underway – and a further £1bn in the pipeline – KQ Liverpool is helping drive innovation and investment in the tech and sciences sectors.

Spanning dozens of buildings and sites, the innovation zone has key partnerships with the University of Liverpool, Liverpool John Moores University, Liverpool School of Tropical Medicine, the Royal Liverpool and Broadgreen University Hospitals NHS Trust, Liverpool City Council, Liverpool City Region Combined Authority, the Hope Street CIC and Liverpool Vision.

Due to its relationships with the region's largest universities, KQ Liverpool is home to many spinout companies. It offers lab space, offices and flexible workspace to both early-stage and established businesses, particularly those operating in science, technology, education or health.

Elida Beauty, a Global Unilever Business Unit for Personal Care products, announced recently that it had signed a 10-year commitment for a space within Liverpool Science Park, which is located in the KQ. At the start of 2023, KQ Liverpool also launched a suite of innovation and growth services for all businesses located within its innovation district. The eight programmes are designed to support businesses at every stage of their growth journey, in addition to inspiring the next generation of innovators.

Sci-Tech Daresbury is a science and innovation campus near the village of Daresbury, which is roughly 20 miles east of Liverpool. Established in 2006, more than 150 startups, scaleups and global giants call Sci-Tech Daresbury home. The campus is managed by a joint venture company comprising of the following partners – property developers Langtree, the Science and Technology Facilities Council (STFC), part of UK Research and Innovation, and Halton Borough Council.

In May 2022, Sci-Tech Daresbury opened its Violet development, which comprises three buildings – V1, V2 and V3 – providing a total of 43,000 sq ft of Grade A office and innovation space. It reached capacity within 12 months of opening.

In March 2023, the Confederation of British Industry (CBI) announced that it was taking up residence on-campus to enjoy closer links to one of the country's fastest-growing science and technology clusters. That same month, Sci-Tech Daresbury submitted £20m plans for two new three-storey buildings: V4 and V5. If built, V4 would offer 23,000 square ft of grade A office space suitable for companies working in the advanced engineering, healthcare, digital tech, and sustainability sectors, while V5 would be larger still, coming in at 60,000 sq ft and boasting a dedicated lab space, as well as a

There are several exciting up-and-coming tech hubs close to Liverpool. St Helens, for instance, is developing a tech ecosystem of its own, benefiting from its proximity to Liverpool and Manchester but – as is the case with many of these emerging hubs – with significantly lower overheads for businesses. St Helens College has its own STEM Centre Technology Campus, helping boost tech talent working in the town. It is also home to Inovus Medical, a scaleup that designs and manufactures surgical training technologies.reas for collaborative working and an accessible roof terrace.

Wirral straddles the line between tech and science and research, while its historic strengths in logistics and manufacturing lend themselves to new tech startups. Wirral is a key location for Unilever's operations, too; Port Sunlight is home to the company's largest European manufacturing site. Wirral is also home to one of Unilever's six global research and development centres, driving innovation in household brands.
Sci-Tech Daresbury's Digital Tech Cluster supports startups and scaleups looking to grow their tech business. It offers a free, comprehensive business support programme, delivered via a series of online and hybrid workshops, with topics including investment readiness, intellectual property, growing a startup team, marketing, exporting, routes-to-market and more.

Birkenhead is also making a name for itself, particularly in the creative and digital industries. Make CIC, a purpose-driven social enterprise that runs vibrant workspaces, has a space in Birkenhead as well as Liverpool and Huyton Village. Similarly, Start-Yard is an exciting creative hub at the centre of Birkenhead's waterfront – it provides office pods, meeting rooms, networking events and facilities for people in the formative stages of their business development.

Runcorn is another hub near Liverpool that has some notable credentials in the tech space. Sci-Tech Daresbury Science Parks Runcorn opened to the business community in 2010. The Heath Business and Technical Park in Runcorn, meanwhile, is home to over 120 businesses and 2,000 employees.

Southport is also on a mission to attract creative and tech firms at new enterprise hubs. Planners gave the go-ahead for the new £1.5m Southport Enterprise Arcade that will create a digital sector hub in the town. It is home to Wyzowl, an animated video production company.

Not only are Liverpool City Region tech companies solving societal challenges faced globally, this young, dynamic and fast-growing tech ecosystem is also impacting the health, education, commerce and entertainment industries. It is home to companies such as Fifty Eight, which is combatting modern slavery and worker exploitation in supply chains; Circada, which is resetting circadian rhythms in healthcare settings to enable better recovery for patients; and Supplywell, supporting the education system to improve efficiencies and workforce wellbeing exemplify our vibrant and forward-thinking companies and those celebrated by the Tech Climbers annual campaign. The city region is home to renowned accelerators and innovative organisations to support these exciting, cutting-edge companies, including:

The social enterprises are supported through patient capital in the form of Kindred, harnessing local entrepreneurialism for social good while the LCR Angel Network is coordinating the early-stage funding landscape that is the lifeblood of tech businesses. A new seed fund is on the horizon to provide the next stage of funding for tech businesses on a pathway to success. The continuation of these new initiatives will help to tip the balance from the huge gulf of investment seen between the north and south of the country.

The growth of the tech ecosystem here is underpinned by public and private investment into digital connectivity through the LCR Connect project. This full-fibre, ultrafast, gigabit- capable network is a gateway to access next-generation future-proofed and cloud-enabled technologies. Exploited especially by both data-intensive healthtech and entertainment sectors, this resilient high-speed connectivity shows a commitment to attracting and growing a future workforce in the tech sector.

In tandem, Liverpool 5G's unique and innovative consortium of public, private and third sector parties with a leading UK 5G technology vendor has created the largest 5G mmWave mesh network in the UK and the second-largest in the world and trialled countless innovative technical products for the benefit of the community.

Businesses create and co-innovate within inspiring, connected, collaborative communities across the Baltic Triangle, Fabric District, Ten Streets, Knowledge Quarter and Sci-Tech Daresbury. New creative clusters forming in Birkenhead, Southport, Huyton and Runcorn cater for further growth.

Four universities in the city region have a population of over 70,000 students – 5,000 specialising in digital or creative courses each year. A vibrant entry-level talent pipeline is fuelled by a strong further education sector with tailored industry-specific courses across the city region in games and animation, TV & film production, digital development and coding, music and content production. The University of Liverpool has one of the top-performing computer sciences departments in the country, ranked fifth in the UK for world-leading research outputs. And, along with Liverpool John Moores University, it offers hyper-applied courses with outstanding industry links – creating fit-for-work graduates with the requisite specialist skills.

This is a city region with the capacity to surprise and excite – culture has fuelled a renaissance of the city region with major cultural events and new ways to reach audiences. Most recently Eurovision, hosted on behalf of Ukraine, gave rise to local partnerships with next-generation digital, gaming, immersive and film technology companies to elevate this global event to the biggest seen yet.

Key figures

£94 Million - The record-high combined amount raised by Liverpool startups in 2022 | Source: Beauhurst

£219 million - Gross value add of Liverpool's fintech sector to the regional economy | Source: Whitecap Consulting

£40k - Median salary for Liverpool tech sector workers, the city's highest paying sector | Source: Liverpool City Region Combined Authority

64% - Percentage of Tech Climber Liverpool 2023 startups that have received funding | Source: Tech Climbers

3rd - Liverpool's rank among the best cities in the UK to launch a startup in 2022 | Source: Startups.co.uk

£500 million - Additional funding granted to the Liverpool City Region Combined Authority from the government to grow the economy | Source: Liverpool City Region Combined Authority

2,21% - Average annual growth rate for the Liverpool economy over the past five years, compared to London's 1.83% | Source: Praeutra Ventures

85 - Number of equity investments made into Liverpool businesses in 2022 | Source: Beauhurst

Helpful Resources

- Northern Powerhouse Partnership: https://www.northernpowerhousepartnership.co.uk/
- Tech UK insights nations and regions hub https://www.techuk.org/shaping-policy/nations-and-regions-hub.html
- Innovate UK: https://www.ukri.org/councils/innovate-uk/
- Department for International Trade: https://www.gov.uk/government/organisations/department-for-international-trade

Contact Information

- Innovate UK Business Growth: https://iuk.ktn-uk.org/programme/global-incubator/
- Northern Powerhouse Investment Fund: https://www.npif.co.uk/
- Tech North: https://technorthhq.com/