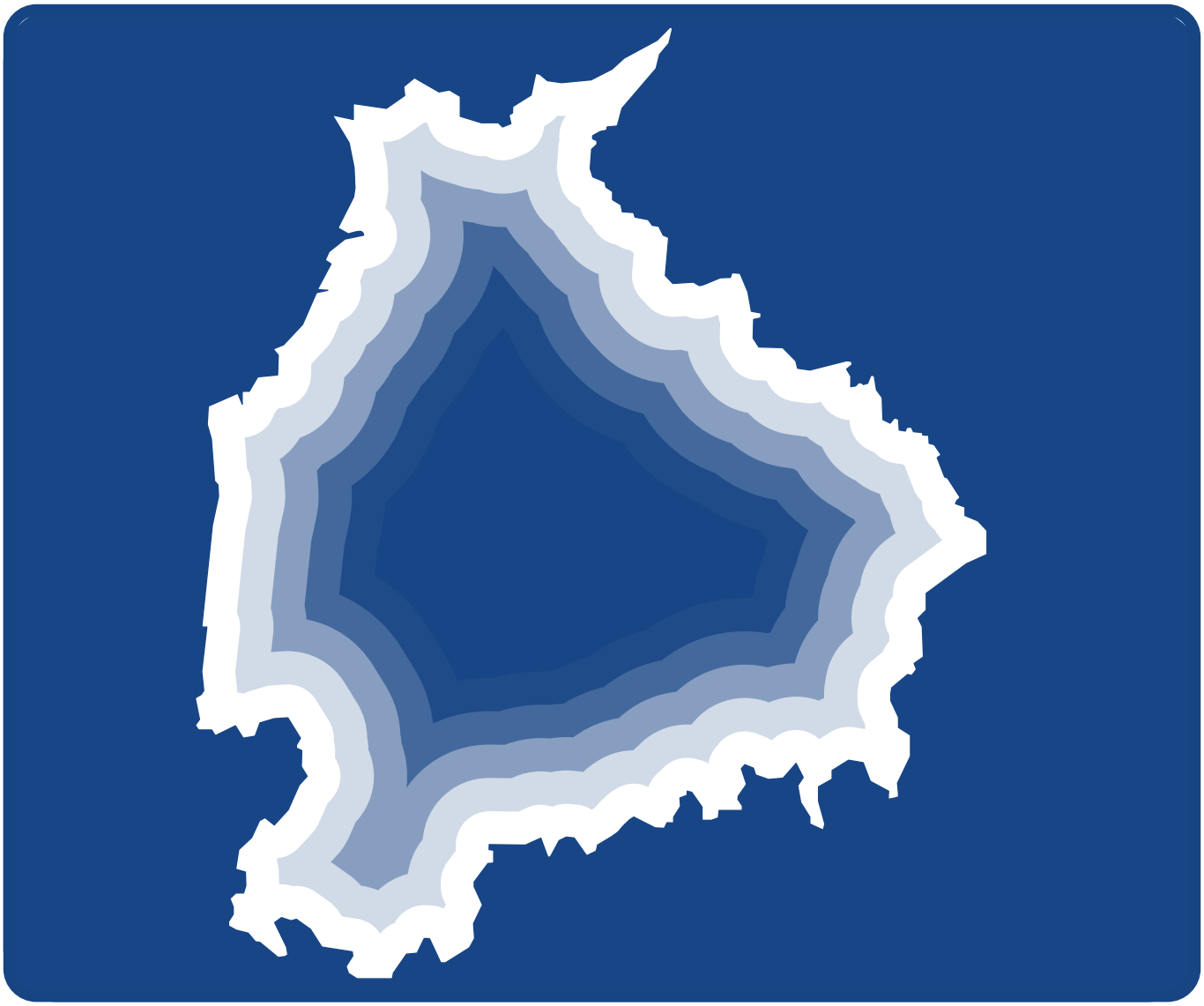


State of Innovation in Lancashire

February 2025 Snapshot

Lancashire County Council

Innovate Lancashire

fhunded

Contents

0. Introduction

Over the past five years, investment patterns across Lancashire have remained relatively stable, especially at the early and scaleup stages. The county has seen a steady flow of venture capital, suggesting a degree of investor confidence that is further reinforced by government-backed initiatives. By examining the volume and types of funding secured, this report illustrates how Lancashire's investment profile compares with neighboring regions and highlights the potential for greater capital inflows.

An in-depth look at Lancashire's sectoral composition offers a clearer picture of the industries spearheading its innovation efforts. Low-carbon technologies, digital defence, and MedTech enterprises are among those that exhibit strong growth potential, while advanced manufacturing continues to form a substantial part of the local economy. Tracking the performance of these sectors helps identify where strategic interventions, collaborations, and resource allocation could yield the highest impact.

An examination of spin-outs reveals how effectively universities and local research institutions are commercialising intellectual property. These ventures serve as indicators of Lancashire's capacity for translating academic findings into market-ready solutions and attracting higher levels of investment. The progress of such spin-outs underscores the importance of maintaining an environment conducive to research-intensive entrepreneurship.

The county's institutional ecosystem and R&D landscape also inform its capacity to sustain and expand its innovation output. Lancashire's universities, colleges, and dedicated research centers contribute to talent development, project collaboration, and long-term competitiveness. Their engagement with local businesses - ranging from joint R&D initiatives to skills training - forms the backbone of Lancashire's capacity to foster and retain high-growth enterprises.

Lastly, the report addresses cost-of-living and salary indicators, providing context for Lancashire's appeal to skilled professionals and tech workers. While earnings in the county may differ from those in larger metropolitan areas, comparatively lower living expenses help maintain a favourable salary-to-cost ratio. This balance can act as a magnet for both established firms and startups seeking a competitive edge in retaining talent.

By presenting these findings and analyses, the report aims to guide policymakers, investors, and local stakeholders in making informed decisions about resource allocation, policy direction, and collaborative ventures. It identifies areas in which Lancashire already excels, while drawing attention to opportunities that, if seized, can further reinforce the county's role as a resilient and forward-looking hub of innovation.

1. Executive Summary

Lancashire's innovation ecosystem is gaining momentum, supported by a steady - yet only partly realised - flow of external investment and a host of promising new ventures. Over the last five years, equity investment into early-stage and scale-up businesses has held relatively constant, reflecting the county's ability to attract and retain venture capital. However, total investment volumes still trail behind neighbouring metropolitan areas; closing that gap is a priority if Lancashire is to solidify its position in the UK's innovation landscape.

Key drivers for Lancashire's upward trajectory include its well-documented strength in advanced manufacturing - responsible for around 15% of local gross value added (GVA) - and the rapid development of digital defence, MedTech, and low-carbon technologies. These sectors are not only evident in the region's economic makeup but are also conspicuous in recent spin-out activity. Across the county's universities, 16 academic spinouts have emerged, raising £36 million in equity and an additional £4.9 million in grant funding. Successful ventures such as LiNa Energy (over £16 million in equity investment) and Fuuse (more than £13 million) speak to Lancashire's growing capacity to commercialise cutting-edge research.

Collaboration between local universities and businesses has been essential to these achievements. The University of Central Lancashire's Engineering Innovation Centre provides advanced prototyping and testing, while Lancaster University contributes research excellence in cybersecurity and materials science. Indeed, Lancashire's higher education institutions collectively delivered over 219,000 days of continuing professional development in 2023 alone - an indicator of the county's commitment to upskilling its workforce and nurturing innovation through real-world application of R&D.

Cost-effectiveness further enhances Lancashire's appeal. The county clocks a ratio of 1.80 when looking at average net monthly salary versus monthly living costs. In practical terms, this enables mid-level tech professionals to enjoy a significantly higher quality of life than they would in more expensive hubs. Such affordability eases talent attraction and retention, an ever-relevant concern for growing businesses.

In my own work with universities, investors, ventures, corporates, and government stakeholders, I have witnessed firsthand how robust data and intelligence can propel effective ecosystem-building. Drawing on my experiences in data and research - most keenly felt with Tech Nation - and through contributions to initiatives like TechLeap's State of Dutch Tech report, and ecosystem platform development in Ethiopia, Rwanda and Kenya over the last year, it has become clear that evidence-based decision-making and well-structured resource allocation are crucial to both venture support and long-term regional development. By pinpointing market gaps, harnessing relevant data, and aligning with institutional strengths, Lancashire can adopt this model of informed action, ensuring future growth is guided by concrete insights rather than assumptions.

Dr. George Windsor

Moving forward, efforts to scale up individual funding rounds, strengthen investor networks, and harness larger national and international capital pools will be critical. The county's established industrial pedigree, reinforced by emerging innovation clusters, points to strong long-term potential. By aligning government-backed initiatives, institutional support, and private investment more coherently, Lancashire stands ready to convert its steady momentum into a robust, future-focused ecosystem where new ideas can flourish and established ventures can scale to meet global demand.

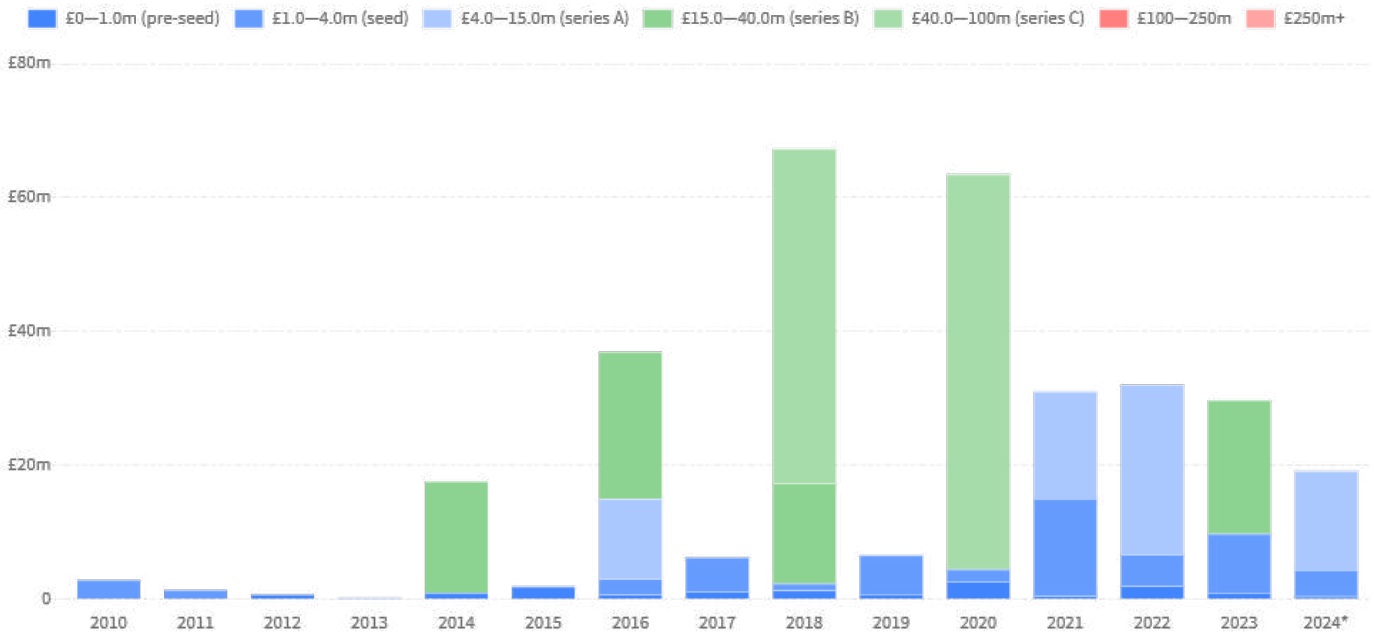
2. Equity / VC Investment Landscape

Investment in Lancashire

Equity investment in Lancashire has demonstrated relative stability over the past five years, particularly within early-stage and scale-up businesses. This trend reflects a growing investor confidence in the region's entrepreneurial ecosystem, driven by innovation-led ventures and an increasingly diverse business landscape. However, as with broader UK markets, investment patterns have been influenced by macroeconomic factors, shaping the flow of capital into the region.

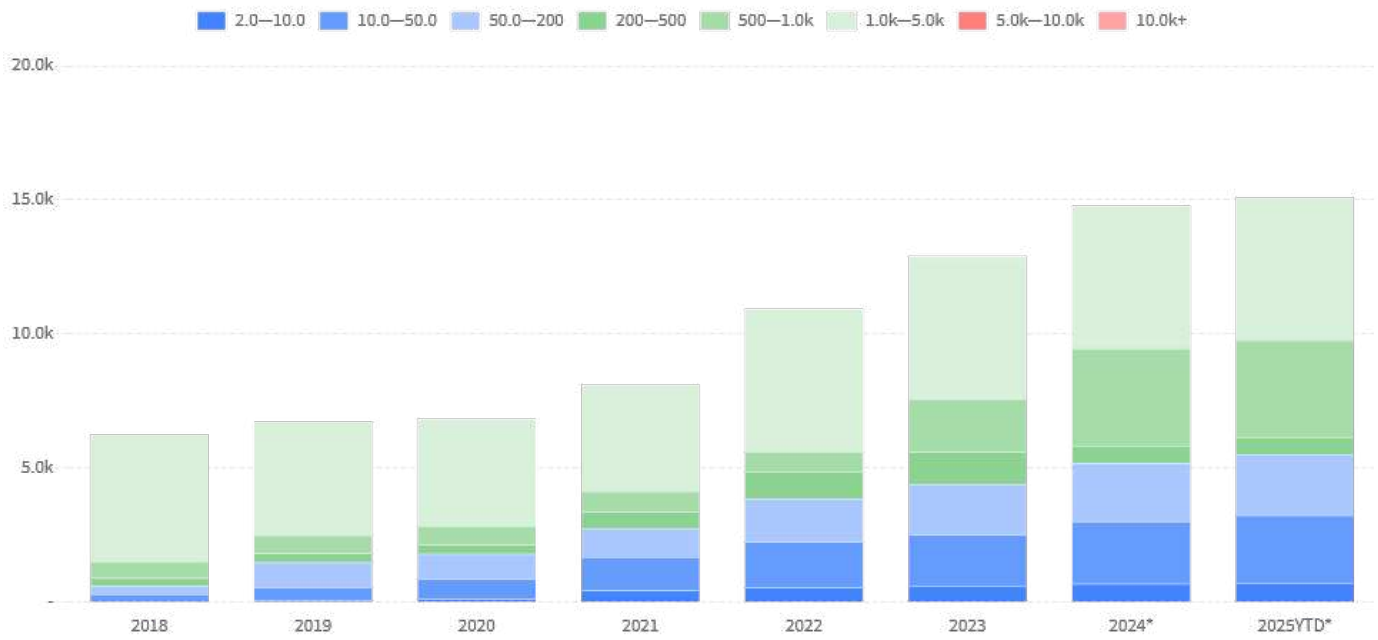
Venture capital (VC) investment in Lancashire has played a pivotal role in driving economic expansion, with realised funding levels contributing to business growth, job creation, and enhanced productivity. The influx of capital has strengthened Lancashire's reputation as a high-growth enterprise hub, attracting both domestic and international investors. Despite external market pressures, the region continues to present compelling opportunities, supported by strong government-backed initiatives and local funding mechanisms that reinforce its long-term investment potential.

Figure 1: Lancashire VC Investment from 2010-2024



Source:
Dealroom.co, 2024

Figure 2: Employees by team size 2018-2024

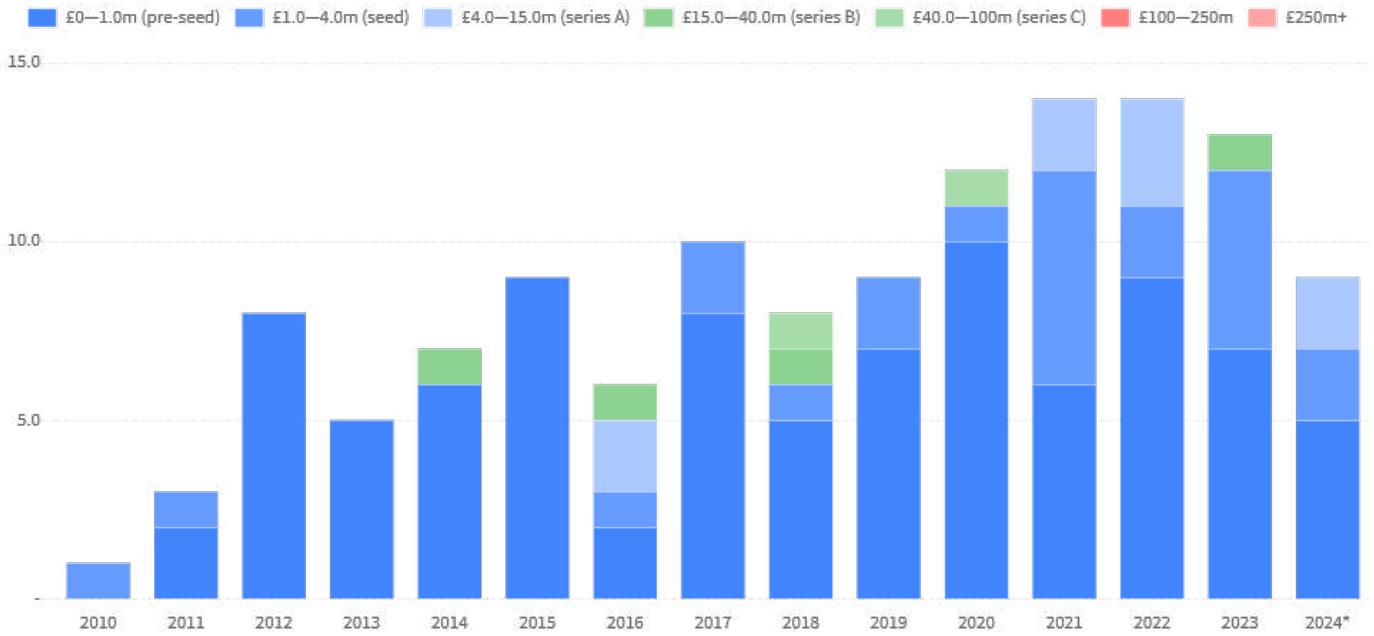


Source:
Dealroom.co, 2024

Figure 1 illustrates the resilience of Lancashire's VC equity investment, showcasing the region's ability to attract funding even amidst economic fluctuations. The data, sourced from Dealroom.co, relies on publicly available information, meaning some undisclosed investments may not be reflected in the visual representation.

Examining Lancashire's deal flow trends, as shown in Figure 3, reveals a sustained influx of investment activity. This consistent deal flow highlights an increasing investor awareness and confidence in Lancashire's innovative and scalable businesses. The persistence of investment rounds suggests that Lancashire is now firmly recognised as a viable destination for venture capital, underpinned by a dynamic innovation ecosystem that supports long-term business viability and growth.

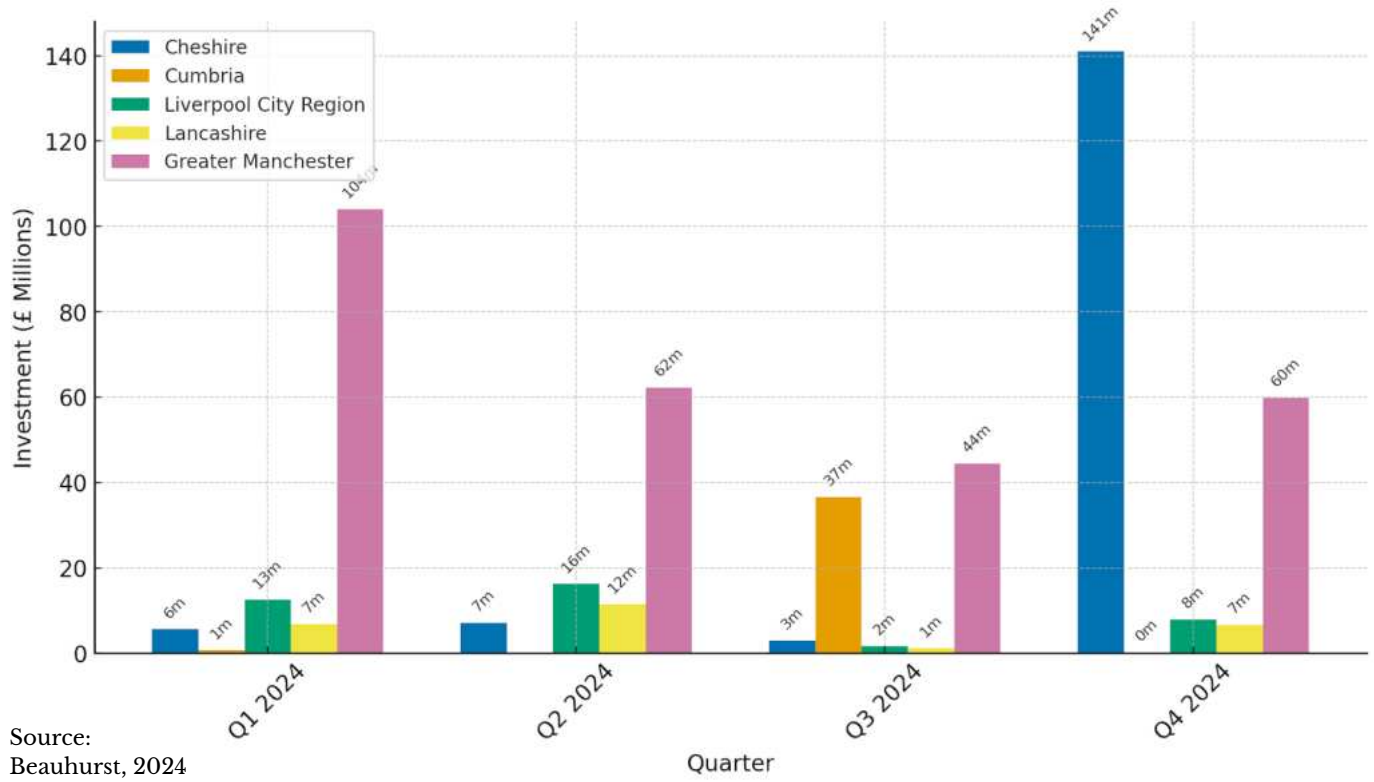
Figure 3: Lancashire VC Investment by number of rounds



Source:
Dealroom.co, 2024

North-West Regional Comparison

Figure 4: North West Regional Equity comparison, (Q1 2024 - Q4 2024)



Source:
Beauhurst, 2024

Lancashire is poised to strengthen its role within the North West's thriving investment ecosystem, leveraging its growing innovation clusters initiatives such as fhunded to attract higher levels of early-stage equity investment. While the region has demonstrated consistent deal flow, particularly within the early-stage and scale-up business demographics, it still lags behind Greater Manchester in terms of total investment volume as is indicated in Figure 4.

An analysis of quarterly investment data reveals that Lancashire has maintained a steady stream of investment rounds, highlighting the region's ability to attract investor interest. Notably, investment levels in Q2 and Q4 of 2024 indicate a potential seasonal pattern.. Despite this positive trajectory, average deal sizes remain lower compared to Greater Manchester, which continues to dominate early-stage investment in the North West.

When compared to Liverpool City Region and Cumbria, Lancashire has shown greater consistency in its equity investment inflows, reinforcing its potential as an emerging hub for high-growth enterprises.

Opportunities for Lancashire's Investment Growth

To tap into the North West's thriving investment ecosystem, Lancashire must capitalise on its strengths in advanced manufacturing, digital innovation, and university spinouts. The launch of initiatives such as fhunded offers a crucial opportunity to support high-potential businesses, attract venture capital, and enhance the region's innovation profile. Key areas of focus for Lancashire's investment strategy should include:

1. **Scaling up investment rounds –** While Lancashire has successfully maintained a steady deal flow, increasing the average investment per deal will be critical in fostering high-growth businesses and driving regional economic expansion.

2. **Investor engagement and visibility –** Increasing Lancashire's presence within the venture capital and private equity space will be essential in securing larger funding rounds. Proactive engagement with investors and the development of co-investment incentives can help drive long-term capital inflows.

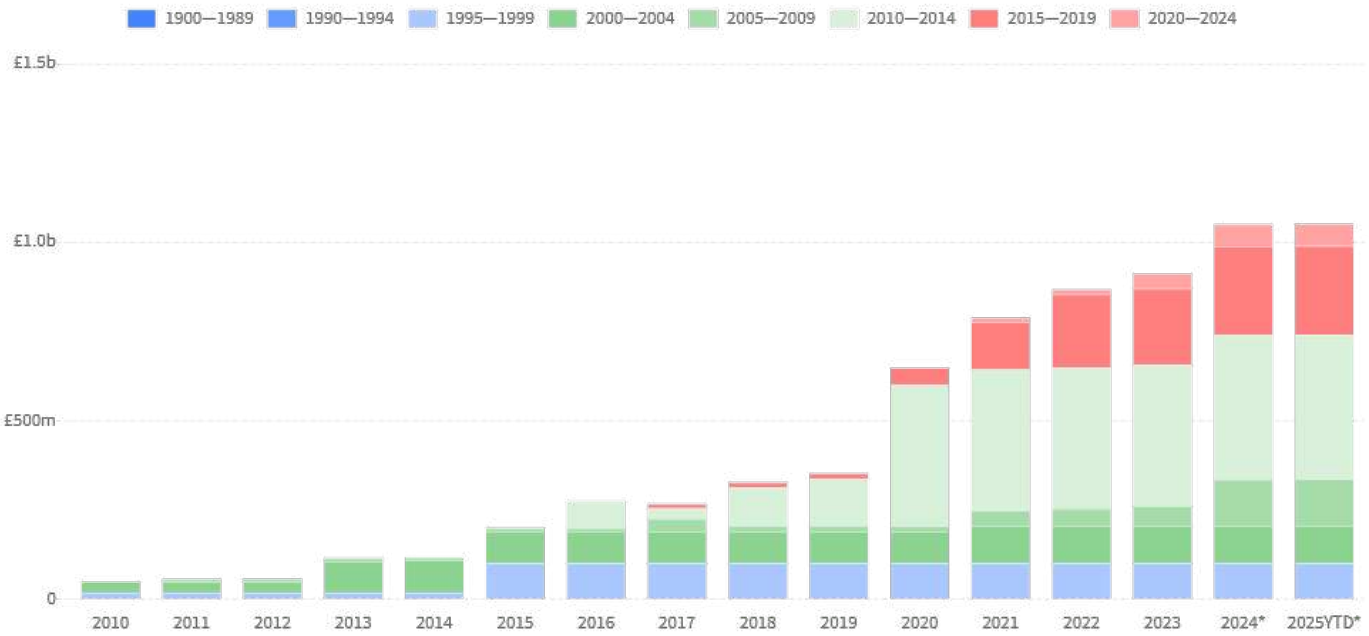
3. **Leveraging Public and Private Sector Collaboration –** Initiatives such as fhunded can play a pivotal role in mobilising investment into Lancashire-based startups, fostering collaboration between government, private equity firms, and institutional investors.

3. Sectors

Lancashire is home to a number of high-potential sectors emerging as key drivers of innovation and economic expansion. Four industries, in particular, are demonstrating significant potential for the region: Low Carbon Technologies, CleanTech, Cybersecurity & Digital Defence, and MedTech.

A key indicator of Lancashire's innovation strength is the estimated valuation of its emerging companies, which provides a quantifiable measure of the region's growth trajectory. Using insights from Dealroom and Beauhurst, mapping the valuations of its most promising startups and scale-ups. This valuation chart offers a compelling snapshot of the economic impact and investment potential within these high-growth sectors, reinforcing Lancashire's role as a thriving hub for innovation-led prosperity.

Figure 5: Enterprise value of startup and scaleup ecosystem by Launch Year



Source:
Dealroom.co, 2024

Lancashire's innovation and investment ecosystem is evolving at pace, driven by a diverse mix of high-growth industries, research-driven enterprises, and cutting-edge technological advancements. With a £39bn regional economy, the county is home to some of the UK's most promising scale-ups, spinouts, and specialist clusters, spanning advanced manufacturing, cyber and digital defence, low-carbon technologies, and CleanTech.

This sector mapping provides an insight into the key industries shaping Lancashire's future, the companies leading the charge, and the strategic investments positioning the region as a hub for sustainable and digital innovation. In this section, we will explore the leading companies driving excellence within these sectors and examine how their integration into Lancashire's Innovation and Investment Ecosystem will accelerate their growth, enhance collaboration, and strengthen the region's reputation as a hub for cutting-edge advancements.

Industrial Technology & Future Manufacturing

Lancashire's advanced manufacturing capabilities serve as a critical pillar of the UK's industrial strength, with a strong aerospace, automotive, and engineering base. The sector is at the forefront of a transition towards digitalisation, automation, and decarbonisation, opening up new investment and collaboration opportunities across the region.

Key Industry Drivers & Assets

· BAE Systems anchors Lancashire's position as a world leader in defence manufacturing, contributing to the UK's second-highest concentration of manufacturing activity.

· The region supports 600+ aerospace, automotive, and engineering businesses, with innovation hubs such as:
  - AMRC North West (Samlesbury) – a state-of-the-art advanced manufacturing R&D facility.
  - Engineering Innovation Centre (Preston) – supporting next-generation engineering and industrial advancements.

· North West Aerospace Alliance's (NWAA) Watchtower II Programme is accelerating aerospace innovation and supply chain growth.

Cyber & Digital Defence

Lancashire is emerging as a national powerhouse for cybersecurity and digital defence, aligning with the UK government's mission to make the country the safest place in the world to live and work online. The establishment of the National Cyber Force HQ is set to be a transformational investment, catalysing growth in cybersecurity, digital resilience, and advanced data protection.

Key Industry Drivers & Assets

· The National Cyber Force HQ will create thousands of jobs and drive inward investment into defensive and offensive cyber capabilities.

· Lancaster University is the only UK university with triple accreditation in cybersecurity and leads NWCyberCom, a £1.2m initiative commercialising cyber research.

· University of Central Lancashire (UCLan) and Lancaster University offer extensive B2B cyber support programmes to accelerate business cybersecurity capabilities.

· Lancashire is at the heart of the North West Cyber Corridor, a regional cyber-investment zone linking GCHQ's Manchester hub, the NCF headquarters, and Lancaster University.

Emerging Trends & Opportunities:

· Growth in cyber solutions for critical infrastructure, including nuclear, defence, and national security.

· Increased demand for AI-driven cybersecurity tools.

· Scaling of commercial cyber applications for SMEs and high-growth sectors.

Energy, Utilities & CleanTech

Lancashire is establishing itself as a leader in low-carbon energy solutions, with world-class nuclear, renewables, and CleanTech assets. The county is home to over 40,000 energy professionals and a highly skilled workforce driving innovations in net-zero technologies, nuclear advancements, and sustainable data infrastructure.

Key Industry Drivers & Assets

· Westinghouse's Springfield nuclear fuel facility supplies over 30% of the UK's low-carbon electricity.

· EDF's Heysham 1 & 2 power stations have recently had their lifetimes extended, securing Lancashire's role in the UK's nuclear energy future.

· Blackpool's upcoming low-carbon data centre cluster, leveraging renewable energy and liquid cooling technologies, will revolutionise data storage sustainability.

· Westinghouse's SMR technology was recently shortlisted for the final phase of Great British Nuclear's next-generation reactor programme.

Emerging Trends & Opportunities:

· Increased investment in Small Modular Reactors (SMRs).

· Development of carbon capture and hydrogen storage solutions.

· Expansion of Lancashire's CleanTech and net-zero infrastructure.

4. Companies Insight

LiNa Energy (CleanTech & Energy Storage)

LiNa Energy designs and manufactures low-cost, solid-state, sodium ion battery technology which can be used in a range of applications, such as stationary and automotive energy storage. They are a spinout from Lancaster University and have attended multiple accelerators, received major grants from Innovate UK and raised equity.

Grants: 6 grants with a value of £3.5 million
Fundraising: 9 rounds valuing £16.3 million
Date of latest raise: 2.01.2025
Stage: Venture

Fuuse (Enterprise Software, EV Charging)

Fuuse develops a platform allowing users to monitor and control their EV charging points, with features including payment management, remote maintenance and energy optimisation. Fuuse has attended multiple accelerators including Tech Nations Upscale programme, as well as acquiring a Bristol based EV support business in 2024.

Grants: 17 Grants with a value of £2.02 million
Fundraising: 4 rounds valuing £13 million
Date of latest raise: 5.06.2024
Stage: Venture

QuInAs Technology (ElecTech, Semiconductor Technology)

QuInAs develops a novel computer memory and storage technology named UltraRAM. They have attended international accelerators and won major semiconductor competitions, whilst on the path to receiving investment. They are a spinout of Lancaster University.

Grants: 1 grant with a value of £296k
Stage: Seed

CCI Photonics (MedTech)

CCI Photonics develops spectroscopy technology that aims to use artificial intelligence to detect microbes. They have attended multiple accelerators in the North West of the UK, including the cohort investment programme Praeseed, delivered by Praetura Ventures, through which they have raised an exciting equity round. They are currently attending Lyva Labs in Liverpool and looking to grow with more investment.

Grants: 1 grant with a value of £299k
Fundraising: 1 round with a value of £400k through a combination of NPIF II investment and iCURE Innovate UK grant funding
Date of latest raise: 9.12.2024
Stage: Seed

Herdvision (AgSenze) (Application Software, AgriTech)

Herdvision develops wearable technology for the agricultural industry with the aim of monitoring livestock and crops.

Grants: 11 grants with a value of £1.23 million
Fundraising: 5 rounds with a value of £5.19 million
Date of latest raise: 21.9.2023
Stage: Venture

Vibe group (Application software, event management)

Vibe Group has developed an application for reselling second hand tickets. Vibe group has had made multiple major fundraisings for their product to grow their business and invest into R&D.

Fundraising: 5 total raises with a value of £12.2 million
Date of latest raise: 1.11.2024
Stage: Venture

Inspired Energy (Energy consultancy)

Inspired PLC provides market-leading commercial energy and sustainability advisory services to help our clients achieve net-zero and thrive in the future low carbon global economy. Inspired has acquired multiple firms and raised significant investment.

Fundraising: 1 round with a value of £21.7 million
Date of latest raise: 7.1.2025
Stage: Established

AluSiD (Eco-manufacturing, Advanced Manufacturing)

AluSiD develops technology to produce tiles and construction surfaces from recycled materials. AluSiD has won environmental accolades, secured patents for their technologies and raised grant, equity and debt finance. AluSiD is also a spinout of the University of Central Lancashire.

Grants: 1 grant with a value of £53.8k
Fundraising: 6 rounds with a value of £4.4 million
Date of latest raise: 22.1.2024
Stage: Venture

Quantum Base (Cyber Security, Quantum technologies)

Quantum Base develops online security technology using quantum mechanics, bolstering anti-counterfeit product security. They are a spinout of Lancaster University and have received multiple equity investments.

Grants: 1 grant with a value of £206k
Fundraising: 7 rounds with a value of £2.74 million
Date of latest raise: 18.7.2024
Stage: Venture

Spin-outs

Spinouts are a critical indicator of a region's innovation strength, representing the successful commercialisation of cutting-edge research and intellectual property (IP). Emerging from universities, research institutions, and corporate R&D, these ventures transform academic breakthroughs into high-growth businesses, particularly in deep-tech, life sciences, and advanced manufacturing. Regions with strong spinout activity not only foster high-value job creation but also attract venture capital, corporate partnerships, and government-backed funding, reinforcing their reputation as hubs for breakthrough innovation.

Lancashire's spinout ecosystem signals one of burgeoning ambition, with a growing number of research-driven ventures emerging from the region's academic institutions. The region has produced 16 academic spinouts, collectively raising £36 million in equity investment and securing an additional £4.9 million in grant funding. These figures highlight the increasing ability of Lancashire's universities to commercialise intellectual property, translating scientific breakthroughs into high-growth businesses.

5. Institutional Ecosystem

Early-stage Funding & Finance support networks

· Boost: Access to Finance

Delivered by Lancashire County Council, Boost: Access to Finance is aimed at ambitious businesses looking to grow. The service includes a team of finance specialists with extensive knowledge of public and private sector funding channels, and experience across debt, equity and alternative funding options.

· fhunded

fhunded is a Lancashire County Council initiative which supports the county's early-stage finance and funding community. Through curated in-person events, it brings founders and funders together and helps to kickstart conversations. A vast majority of equity raised in Lancashire throughout 2024 was generated through connections made via the initiative.

· Rosebud Finance

Established for over 35 years, Rosebud Provides loans for early-stage and growing businesses of between £25k and £100k. It also offers hands-on support to help drive growth, including business strategy, planning and guidance around different funding options (including potential co-funding pathways).

Business support networks

· Innovate Lancashire

Innovate Lancashire is a Lancashire County Council initiative focused on accelerating innovation-led business growth across the county. It helps to connect, align and showcase the county's innovation strengths, strategic investments, and investment opportunities.

· Lancashire Digital Hub (LDH)

Funded by Lancashire County Council's *Innovate Lancashire* programme and Barclays Eagle Labs, Lancashire's Digital Hub (LDH) helps to strengthen relationships between different technology clusters across Lancashire. Through a dynamic programme of free and frequent events, it also connects early-stage businesses and scale-ups together with key tech influencers and policymakers with Lancashire's wider business community. Other LDH workstreams include enabling founders to navigate issues like investment readiness, business development, and compliance.

· RedCAT Lancashire

RedCAT (the Lancashire Centre for Alternative Technologies) is a not-for-profit organisation which helps early-stage and growing businesses in the low carbon space access financial and R&D support. It also drives the accelerated commercialisation of low carbon technologies being developed by Lancashire SMEs. It also hosts regular peer-to-peer events as part of the RedCAT Network programme.

· Boost: Lancashire's Business Growth Hub

Lancashire County Council's Boost service offer funded business support for Lancashire businesses looking to start and scale. It hosts a wide range of programmes, workshops and masterclasses – both physical and digital – which can help educate and equip founders with the knowledge and skills needed to grow their business.

Coworking, growth and collaboration spaces

Quality coworking spaces are vital components of innovation ecosystems, fostering key connections and nurturing communities centred on innovation and investment. These spaces facilitate the exchange of insights across diverse expertise and skills as well providing flexible, grow-on space to burgeoning startup and scaleup businesses.

· Fraser House Hub (Lancaster)

Fraser House Hub, located in Lancaster and funded by Lancashire County Council, has been at the centre of significant innovation activity in the region. The hub is rooted in its goal of improving space to grow for tech and digital businesses in the region and develop a strong and well embedded community. A recent coworking survey conducted by Innovate Lancashire revealed that 81% of members have collaborated with one or more members, with 61% indicating they collaborate on a weekly basis.

· Society1 (Preston)

Society1 is an independently run coworking space in the heart of Preston. It is not sector specific and provides comfortable, professional office and flexible desk space for a range of business types. Society1 has also developed a community and events network of their own to enable better networking and organizational meetups, especially around tech and culture.

· OneCoWork (Preston)

OneCoWork is a coworking space for individuals, teams and businesses to operate from. With over 500 desks available it is designed for growth and workplace community development. It offers great amenities including space for private events, multiple meeting rooms and conferring facilities.

· Strawberry Fields Digital Hub (Chorley)

Strawberry Fields Digital Hub is a high-tech business centre for digital and creative businesses. The Hub also hosts regular networking sessions and hosts a range of innovation and tech focused events looking to improve capabilities for early-stage and startup companies in-and-around the Chorley area.

· The Landmark (Burnley)

The Landmark in Burnley is home to Lancashire's Barclays Eagle Lab, which provides support to early-stage businesses, particularly those focused on tech and innovation. The space also provides coworking facilities and meeting rooms and is capable of hosting large events.

· Health Innovation Campus (Lancaster University)

The Health Innovation Campus (HIC) at Lancaster University has four key aims. To provide community for businesses and academics. To host events focused on health innovation and care activity from around the university, as well as external partner organisations and communities. To provide support to a range of different organisations and groups, including charities and third-sector organisations. Finally, to provide space for business collaboration and community, and allow room for growth within the campus.

· Centre for SME & Enterprise Development (Preston, University of Central Lancashire)

The Centre for SME & Enterprise Development at the University of Central Lancashire is designed to respond to the needs of the SME community to stimulate growth, innovation and enterprise. It provides a gateway for SMEs to reach out to internationally recognised research centres, also enabling engagement with students and graduates and space for SMEs to collaborate effectively.

6. R&D

Lancashire's research and development (R&D) landscape exists within the broader context of the North West region, which has historically performed strongly in science, technology and innovation. According to the Office for National Statistics (ONS) Business Enterprise Research and Development (BERD) survey, the North West as a whole spent over £4.6 billion on R&D in 2021, equating to around 11% of the UK's total business expenditure on R&D. While these figures cover a wide geographic area - including Greater Manchester, Cheshire, Merseyside and Cumbria - Lancashire is acknowledged as a key contributor due to its established capabilities in advanced manufacturing, aerospace and engineering.

Although ONS data is not always broken down at the county level, the Lancashire Enterprise Partnership (LEP) routinely reports on local innovation activities, indicating that Lancashire is home to over 2,000 businesses involved in R&D. These range from multinational corporations to smaller firms supplying highly specialised products and services. Lancashire's established strengths in high-value manufacturing, aerospace engineering and, increasingly, digital technology thus sustain steady levels of investment in innovation.

Sectoral composition and key drivers

Advanced manufacturing

Lancashire's manufacturing pedigree stretches back to the Industrial Revolution, and modern advanced manufacturing remains central to its economy. According to the LEP, manufacturing (including advanced manufacturing) accounts for around 15% of Lancashire's gross value added (GVA), outstripping the national average and highlighting the sector's strategic importance.

Firms in advanced manufacturing invest significantly in R&D, whether to refine production processes, introduce Industry 4.0 technologies or design new products for global markets. Sub-sectors such as automotive components, precision engineering and materials science thrive in Lancashire, often collaborating with local universities to gain expertise in robotics, additive manufacturing and digital simulation. These university-industry partnerships form a robust pipeline of innovation, ensuring that advanced manufacturing remains one of Lancashire's most R&D-intensive domains.

Aerospace and defence

Aerospace stands out as another vital driver of Lancashire's R&D ecosystem. The county is host to a major concentration of aerospace facilities, illustrated by BAE Systems' operations at Warton and Samlesbury, where design, development and testing of military aircraft take place. These major sites anchor a wider network of small and medium-sized enterprises (SMEs) providing aerostructures, avionics and specialised engineering services.

Aerospace is consistently among the highest R&D-spending industries in the UK, and Lancashire's aerospace cluster is no exception. Frequent investments in next-generation aircraft technologies - such as digital twinning, unmanned aerial vehicles (UAVs) and sustainable aviation solutions - bolster the region's overall R&D levels. Additionally, these investments boost engineering and technical skill sets, creating employment opportunities that filter through the county's supply chains.

Digital tech

While Lancashire's industrial heritage is closely tied to manufacturing and aerospace, digital technologies have emerged as a rapidly expanding area of R&D activity. Recent initiatives, such as the Lancashire Digital Skills Partnership, underscore the county's ambition to build a dynamic digital sector capable of driving economic growth.

Clusters of software developers, data analysts, cybersecurity experts and immersive technology specialists are growing in both urban centres like Preston and more rural areas supported by improved broadband infrastructure. Innovate UK grants have helped local firms integrate Internet of Things (IoT) systems, advanced robotics and artificial intelligence (AI) into their manufacturing processes, often through knowledge transfer partnerships (KTPs) with regional universities. This synergy ensures that research breakthroughs are swiftly channelled into commercial innovation.

Academic research and university collaboration

University of Central Lancashire (UCLan)

Lancashire's universities play a critical role in maintaining and expanding the county's R&D activity, through both fundamental research and practical, collaborative projects. The University of Central Lancashire (UCLan), based in Preston, reported approximately £16 million in research income during the 2020/21 academic year (according to data from the Higher Education Statistics Agency, HESA). Although not all of this funding is necessarily focused on projects within Lancashire, a substantial portion supports local industrial priorities in engineering, digital media and health innovation.

A shining example is The University of Central Lancashire's Engineering Innovation Centre, which offers advanced prototyping and testing facilities for collaborative research with industry partners. Recent joint ventures include virtual reality (VR) product design and drone technology for infrastructure maintenance - work frequently co-funded by Innovate UK and supported by LEP initiatives. Through these endeavours, the university fosters a continuous exchange of expertise and resources between academic researchers and local businesses.

Lancaster University

Lancaster University, situated in the south of the county, is a leading research-intensive institution. HESA data shows that it secured over £70 million in research grants and contracts in 2020/21. While its research has an international reach, it also makes a profound impact on Lancashire's innovation ecosystem, especially in data science, cybersecurity, materials chemistry and environmental sustainability.

For example, Lancaster's Materials Science Institute works closely with local manufacturers to develop innovative coatings and composite materials, while the university's Cyber Security Research Centre collaborates with SMEs in the county to improve digital resilience. These partnerships epitomise how academic research can accelerate commercial innovation and help upskill Lancashire's workforce.

Edge Hill University and other institutions

Edge Hill University, located in Ormskirk, contributes to regional R&D primarily through its work in health, education and the digital transformation of public services. Although its research portfolio is smaller than that of The University of Central Lancashire or Lancaster University, Edge Hill's collaborations with NHS trusts and local authorities spur innovations in healthcare management and mental health provision.

Beyond these primary institutions, Lancashire benefits from a broader network of research centres, further education colleges and specialist training bodies. For instance, Blackpool and The Fylde College has devised technical programmes that align with aerospace and engineering sector requirements, ensuring a robust supply of appropriately skilled graduates for local employers.

7. Cost of living and salaries

This section provides an overview of living costs in Lancashire - focusing on its key urban centres Blackpool, Blackburn, Preston, and Lancaster - alongside tech-salary data to illustrate the cost-effectiveness of living and working in Lancashire. Where relevant, it also benchmarks Lancashire against other UK counties and major conurbations to highlight the region's competitive advantages.

· London (ratio ~1.21) has the highest average salaries but also very high living costs, leading to a lower cost-effectiveness.

· Blackburn (ratio ~1.87), while smaller in population (~120,000), offers very low living costs and decent tech salaries, making it stand out on the affordability spectrum.

· Other Lancashire cities - Blackpool, Preston, Lancaster, and Burnley - also feature relatively high ratios (1.70+), indicating that for mid-level tech professionals, monthly take-home pay can go further than in most large metropolitan areas.

· Many large northern cities (e.g., Bradford, Kingston upon Hull, Bolton, Wigan) report relatively strong ratios (1.70+), suggesting the North can be attractive from a cost-of-living standpoint - if sufficient tech roles are available.

· Southeastern commuter towns (e.g., Slough, St Albans, High Wycombe) generally have higher living costs but also somewhat higher tech pay; their ratios hover in the 1.60–1.70 range.

County comparison

Below is a comparison of Lancashire with four other counties known for their tech presence or proximity to major tech hubs. The values shown are averages across each county's principal towns and cities.

County	Average Monthly Cost of Living	Avg. Monthly Net Salary (Tech)	Cost-Effectiveness Ratio
Lancashire	£ 1,250	£ 2,250	1.80
Great Manchester	£ 1,700	£ 2,700	1.59
Merseyside	£ 1,500	£ 2,500	1.67
West Yorkshire	£ 1,550	£ 2,600	1.68
West Midlands	£ 1,600	£ 2,600	1.63

· Lancashire's cost-effectiveness ratio (1.80) surpasses that of Greater Manchester, Merseyside, West Yorkshire, and the West Midlands.

· These data suggest Lancashire offers a compelling combination of lower living costs and competitive tech salaries, particularly suited to mid-level roles.

· Businesses and professionals weighing location decisions may find that Lancashire provides a better cost-to-salary balance than many more crowded and expensive urban areas.

High-demand and high-employment tech roles (UK-wide)

When considering Lancashire's potential for tech growth, it is useful to understand both the most in-demand roles (as indicated by active job postings) and the largest tech workforces (roles with the highest number of professionals employed). Below are two categories, followed by approximate UK-wide statistics on employment and vacancies.

Top roles in tech by employer demand

Role	Approx. number of roles (UK)	Approx. vacancies (UK)
Software Engineer / Developer	450,000 – 500,000	20,000 – 25,000
Data Scientist	50,000 – 60,000	4,000 – 5,000
DevOps Engineer	30,000 – 40,000	3,000 – 4,000
Data Analyst	100,000 – 120,000	6,000 – 7,000
Product Manager	40,000 – 50,000	3,000 – 4,000

Notes: Number of Roles: Estimates of professionals actively employed in that capacity (across seniority levels). Number of Vacancies: Reflects active job postings on major UK job boards in Q1 2024; the actual figure can be higher if niche platforms and unadvertised roles are included.

Top Roles in tech by number of people employed

Role	Approx. number of roles (UK)	Approx. vacancies (UK)
Software Engineer / Developer	450,000 – 500,000	20,000 – 25,000
IT Support / Help Desk	150,000 – 180,000	8,000 – 10,000
Data Analyst	100,000 – 120,000	6,000 – 7,000
Quality Assurance (QA) Engineer	50,000 – 70,000	2,000 – 3,000
UI/UX Designer	40,000 – 60,000	2,000 – 3,000

· Software Engineer / Developer roles dominate both lists, confirming their high demand and large overall workforce.

· Data Analyst positions rank high in total employment and appear strongly in new vacancies, indicating continuous demand.

· IT Support / Help Desk is a substantial segment of the tech workforce, crucial to business continuity yet sometimes overshadowed in discussions of high-profile tech roles.

Salary ranges by tech role (UK-wide)

Below are UK-wide mid-level gross annual salaries and estimated net monthly take-home figures. While Lancashire salaries may be somewhat lower than in London or Manchester, the substantially lower living costs in Lancashire help maintain a high cost-effectiveness ratio.

Role	Typical Gross Annual Salary (GBP)	Approx. Net Monthly (GBP)
Software Engineer	40,000 – 60,000	2,100 – 3,150
Data Scientist	45,000 – 65,000	2,400 – 3,400
DevOps Engineer	45,000 – 65,000	2,400 – 3,400
Product Manager	50,000 – 70,000	2,700 – 3,700
Data Analyst	30,000 – 45,000	1,700 – 2,500
IT Support / Help Desk	22,000 – 32,000	1,400 – 1,900
QA Engineer	30,000 – 40,000	1,700 – 2,300
UI/UX Designer	35,000 – 50,000	2,000 – 2,700

The competitive edge for Lancashire

So, from a financial standpoint, Lancashire stands out as a cost-effective region for mid-level tech professionals, combining moderate salaries with significantly lower living costs. At both the city and county levels, Lancashire's net salary-to-cost-of-living ratio compares favourably to more expensive tech clusters, while ongoing local development and robust educational institutions further enhance its appeal.

This unique mix of affordability, competitive pay, and quality of life positions Lancashire as a highly attractive option for tech businesses and professionals seeking a balanced ecosystem in which to live, work, and innovate.

Putting all these factors together reveals a compelling case for tech professionals and employers considering Lancashire:

1. Lower Living Costs

- Blackburn, Blackpool, Preston, and Lancaster generally have significantly lower housing and day-to-day expenses than larger metropolitan hubs.

2. Competitive Salaries for Mid-Level Roles

- While absolute salaries in London or Manchester might be higher, the net pay gap often does not compensate for much higher housing and transport costs in those cities.

3. Potential for Growth

- Lancashire's ongoing investment in innovation hubs, co-working spaces, and local universities (e.g., UCLan in Preston, Lancaster University) fosters tech entrepreneurship and high-quality talent pipelines.

4. Quality of Life

- Beyond strictly financial metrics, Lancashire provides urban amenities alongside a strong cultural heritage and proximity to natural landscapes, aiding both talent attraction and retention.

8. Data

· Equity/VC Investment:
  - Dealroom.co, Beauhurst Impact, ONS (up-to 2024)

· Company Insights:
  - Beauhurst Impact (up-to beginning of February 2025)

· R&D and Universities:
  - HESA Open Data and Analysis

· Cost of Living:
  - Numbeo (Q4 2023 data)

· Salary Data:
  - Glassdoor, Indeed, CWJobs, and LinkedIn job postings (late 2023 / early 2024)

· Tech Employment and Vacancy Numbers:
  - Tech Nation Report (pre-2024 editions) for broad digital tech employment
  - Office for National Statistics (ONS) data on “Information and Communication” sector employment
  - Indeed, Glassdoor, Reed, LinkedIn job postings (vacancy approximations), cross-referenced in Q1 2024
  - Company career pages for large employers in the UK tech sector.

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3. Your input is invaluable. If you notice something missing, you have the power to query the information and contribute so as to validate all outstanding information.

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