

Private Capital in Yorkshire and the North East

2025



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Foreword

This report is the first in a series which tell the story of how the private equity and venture capital industry invests in every nation and region of the United Kingdom.

Yorkshire, the Humber and the North East of England are exciting destinations for private capital, whose investment is supporting the development of over 800 businesses in the wider region. These businesses bring real value to local communities through the 230,000 jobs they support.

In 2024 alone, private capital invested £1.33bn in Yorkshire and the Humber and £149m in the North East of England. This level of investment underpins the emergent tech-hubs in cities such as Leeds and Durham, and universities like York, Sunderland and Newcastle that are producing exciting new businesses as spin-outs.

However, while there is much to celebrate about the scope and scale of investment in the region's businesses, it could be even more substantial and close the gap with other parts of the country. Policymakers, regulators, and industry all have a role to play in helping to facilitate greater levels of investment in the region, to ensure that opportunities are not lost. Together we can address the main barriers by closing the scale up gap, boosting access to skills and talent and improving regional infrastructure.

Unless otherwise stated, all data in this report is sourced from the BVCA's [Report on Investment Activity 2024](#) and [Economic contribution of UK private equity and venture capital in 2025](#), produced by EY. I want to express my thanks to all the BVCA membership for providing this data which allows us to detail the impact our industry is making across the UK.

Michael Moore
Chief Executive, BVCA



Employment

Supporting jobs across the UK's nations and regions is a key part of what private capital does to support both the local and national economy.

As of 2025, data shows the real impact of private capital investment with **over 230,000 jobs** supported by the industry in Yorkshire, the Humber and the North East. An increase in the number of businesses backed by private capital has resulted in the employment figure increasing by approximately **29%** when compared with the last data set from 2023. By geographic area this can be broken down into:

North East

Private capital supported over

69,000 jobs

A **27.9% increase** since 2023



Yorkshire and the Humber

Private capital supported over

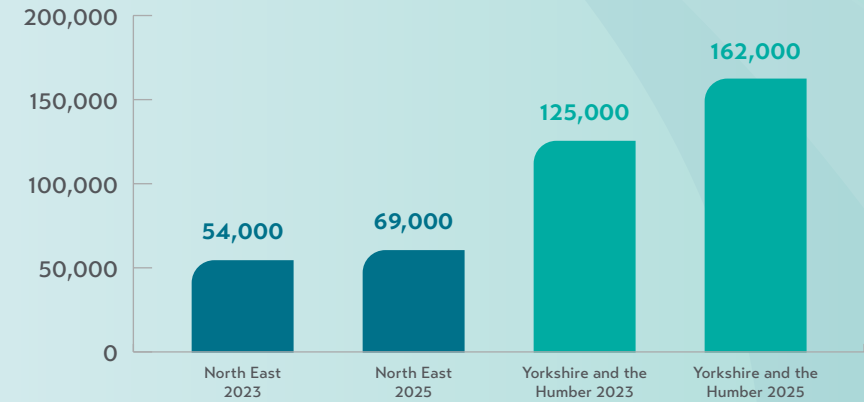
162,000 jobs

A **29.8% increase** since 2023



Employment

(*Figures are rounded)



Private capital's backing of the manufacturing sector has made a significant contribution to employment. In total, **over 27,000 jobs** were supported by private equity and venture capital across the manufacturing sector, which provides a link to the rich industrial heritage of many areas of Yorkshire and the North East.

Employment by Combined Authority:

York and North Yorkshire:
over 26,000

West Yorkshire: over 76,000

Tees Valley: over 12,000

North East: over 46,000

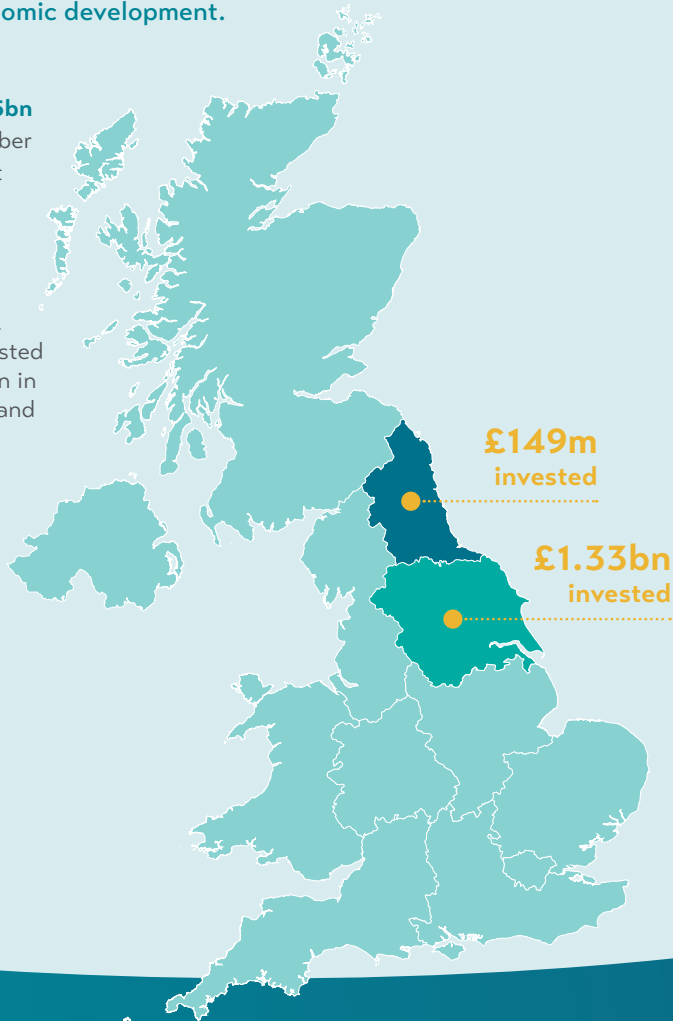


Investment and Economic Contribution

The industry makes long term investments directly into local businesses. Private capital employs an active ownership model which is a hands-on approach that helps drive value creation in portfolio companies through strategic and operational improvements, whilst supporting wider economic development.

In 2024, private capital collectively **invested £1.5bn** into Yorkshire & the Humber (£1.33bn) and North East England (£149m).

The amount invested is substantial but varies significantly year-to-year. In 2023, £2.5bn was invested in these regions – £1.56bn in Yorkshire & the Humber, and £931m in the North East.



As of 2025, data shows how much of an impact private capital has in the economy. £14bn of GDP was generated by private capital backed businesses in Yorkshire, the Humber and the North East. By geographic area this can be broken down into:

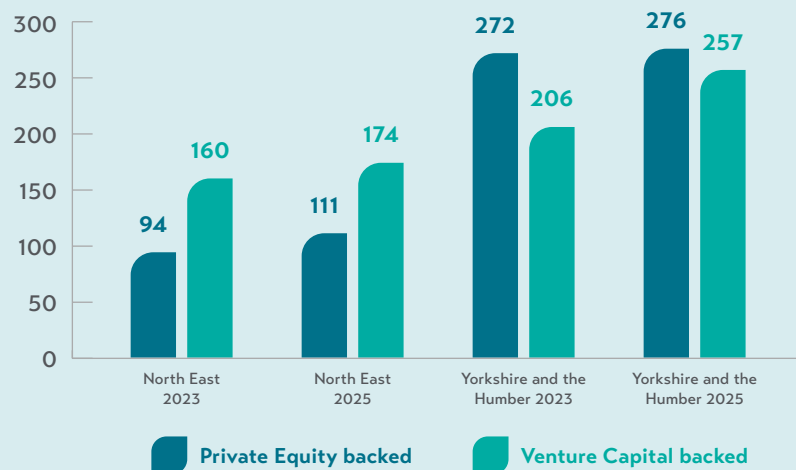


Businesses

Supporting and backing local businesses is the bedrock of what private capital investment does.

It's easy to see why Yorkshire, the Humber and the North East are great places to grow a business. There is a strong presence of healthtech and life sciences start-ups and spin-outs in the North East, alongside agri-tech, bio-engineering and rail engineering businesses across the regions, all of which are driving innovation-led growth through collaboration between universities and investors. Yorkshire has a strong track record in successful businesses in the creative industries, and Leeds has established itself as a leading hub for financial services and is home to the UK's first fintech accelerator outside London. Across the regions there is also a growing interest in how AI can drive productivity and innovation, and at a policy-level there is a focus on ensuring a workforce with the right skills and talent to help businesses thrive.

Companies backed by private capital



Analysis from [Public First](#) estimates that private capital backed businesses increase their productivity by 1.1% per year more than the business population as a whole, highlighting the strong growth potential that private capital brings to the economy. As of 2025, data shows how many businesses are backed by private capital, with 818 companies being supported across the combined regions. By geographic area this can be broken down into:

North East

Private capital supported
285 businesses

PE backed 111 businesses,
which is a +18% change
from 2023

VC backed 174 businesses,
which is a +9% change
from 2023

Yorkshire and the Humber

Private capital supported
533 businesses

PE backed 276 businesses,
which is a +1% change
from 2023

VC backed 257 businesses,
which is a +25% change
from 2023



Case Studies

The impact that private capital plays in Yorkshire, the Humber and the North East is borne out not just in the statistics, but also by the business success stories that been developed across these areas.



Cura Terra

Cura Terra, which means “take care of the Earth” in Latin, is a leading environmental services group based in Sheffield and comprises of four market-leading businesses – Environmental Monitoring Solutions (EMS), Ecus, Enviro Technology Services and Envirocare – which provide a range of environmental consultancy services.

Specialist services include water monitoring, air monitoring, environmental advisory and training services and the group also offers flow survey, atmospheric emission monitoring, and waste management consultancy to enable clients to meet and maintain environmental compliance and to achieve their green credentials. It is a purpose-driven business led by experienced entrepreneur Professor Pete Skipworth.

Palatine Private Equity made an initial investment into Cura Terra in 2022. Subsequently, Cura Terra has undertaken three acquisitions to date, including the global air quality monitoring provider, Enviro Technology Services, and occupational hygiene services provider SI Environmental.



Nova Pangaea Technologies

Nova Pangaea Technologies is a cleantech company that has created a revolutionary process, converting woody waste and agricultural residues into advanced biofuels used to produce Sustainable Aviation Fuel and biocarbons such as biochar for carbon removal. In combination, this creates a net carbon negative process for production of Sustainable Aviation Fuel.

Based at Wilton International, Redcar, UK NPT is now on the cusp of building it's “First of a Kind” commercial scale plant in the North East of England which will be operational by the end of 2027.

The business raised a £5.25m bridge round in Q4 2022 which included follow on investment from Par Equity and the Northern Powerhouse Investment Fund and new investment from Mercia Plc. It then went on to receive a strategic investment from British Airways’ parent company, IAG, in July 2023. Nova Pangaea Technologies is partnered with British Airways and LanzaJet (Project Speedbird) to deliver 100 million litres of Sustainable Aviation Fuel in the UK each year by 2030.

Case Studies

DANCECITY 
DANCE FOR THE NORTH EAST



Dance City

Dance City is an operator of a purpose-built dance-house in the heart of Newcastle where people come to take part, enjoy, experience, and talk about dance; and where professional and aspiring dancers meet, learn and train.

Established for over 30 years, Dance City is the North East's leading development organisation for dance, which exists to lead and support a thriving dance ecology in the region. It presents a regular programme of dance performances from contemporary to ballet, world to breakdance bringing leading North East, British and International dance to Newcastle. It also commissions original new works, which premiere in its theatre.

Every year Dance City works with 8000+ people of all ages in a variety of settings in the North East. The company also offers formal dance training through a Training Academy for talented young people aged 10 through to postgraduates, supporting professional dancers and choreographers.

Dance City are backed by BVCA member Northstar Ventures, who invest in innovative, high growth businesses and social enterprises across the North East. The firm looks to work with mission-based founders trying to solve societal challenges, targeting high growth markets in Healthy Ageing, the Future of Work and Learning, the Future of Place and Climate Tech.

The Investment Ecosystem

The private capital landscape in Yorkshire and the North East has evolved significantly over recent years. This important economic region benefits from a range of stakeholders, which now includes 13 private capital firms headquartered there, playing a vital role in attracting investment into the dynamic business throughout these regions.

While there is successful private capital investment into these areas, the fact remains that investment still disproportionately goes into London and the South East. Redressing this balance will require a range of barriers to be overcome, from increasing support for Government investment vehicles to pensions investment reform and regional decision-making.

Planning and Infrastructure

In order to expand, businesses rely on key infrastructure and logistical links. Planning reform and the development of effective infrastructure are therefore key to enabling business growth. The BVCA recommends that greenfield status should not be a block on building new facilities or developing infrastructure.

Additionally, stronger powers should be given to the National Infrastructure Commission to give a clear roadmap around major projects, opening new possibilities for investment and to facilitate the transfer of interregional skills.



Metro Mayors and Devolution

An effective system of devolution that empowers Metro Mayors are crucial to ensure a local system of resources and policies that boost economic growth. To this end, the BVCA highlights the need for skills development initiatives, which can improve the investment climate and leverage regional strengths in key sectors such as manufacturing and digital technology.

Local Government Pension Schemes (LGPS) and Pensions Reform

The Government's pension reform agenda should open new avenues for investment. The LGPS currently contributes significantly by investing in regional funds, enhancing economic development. The BVCA encourages the Government to ensure that the LGPS is set up to facilitate long-term investment strategies that also prioritise local opportunities, thus increasing the flow of capital to businesses in Yorkshire and the North East, alongside delivering better returns for pension savers.

British Business Bank (BBB)

The British Business Bank has been pivotal in shaping the investment environment. Through initiatives like the Northern Powerhouse Investment Fund (NPIF), the BBB helps bridge the funding gap for local SMEs. The BVCA recommends expanding programs like this to ensure tailored financial support that addresses the specific needs of regional businesses.

University Spin-Outs

The UK's world-class universities have a track record of producing innovative companies. However, their ability to spin out these companies is hindered by complex internal procedures and investor processes. The BVCA recommends increasing proof-of-concept funding and introducing enhanced support measures such as high-quality entrepreneurship training and improved collaboration between academia and investors. These actions would help to overcome commercialisation delays and ensure regional spin-outs receive the necessary support.

Skills and Talent

It is important that businesses across the nations and regions of the UK have access to the skilled workforce they need to generate growth. Therefore, the BVCA recommends that the Apprenticeship Levy should be opened to fund non-apprenticeship programs, focusing on STEM skills to create the domestic workforce needed for the economy of the future. Where there is a skills shortage, British visas for top global talent should be simplified with clear criterion for recruiting talent into portfolio companies that recognise the role of venture capital and growth equity.

Regulatory barriers

It is vital that businesses have the flexibility to innovate and expand without being held back by unnecessary or outdated regulatory barriers. As a result, the BVCA recommends that the Government should conduct a cross-cutting review of regulation in innovative and emerging spaces to enable investor confidence in the regulatory framework of rapidly changing technological spaces and avoid holding back innovation and growth. Where appropriate, UK regulations should be simplified in order to streamline investment opportunities for private capital and make doing business here more attractive to investors.



About the British Private Equity & Venture Capital Association

The British Private Equity & Venture Capital Association (BVCA) is the voice of private capital in the UK.

We have been advocating for the UK's private equity and venture capital industry for 40 years, helping it to uphold its vision and achieve its goals. We actively represent this diverse community of long-term investors, enabling them to speak with one clear and consistent voice to society, including the Government, media and MPs. We connect institutional investors, fund managers, companies, advisers and service providers together, with our membership currently comprising more than 600 businesses from across the private capital ecosystem.

This includes more than 260 private equity and venture capital firms, 100 institutional investors and over 190 professional services firms. The BVCA supports its members to help companies grow and achieve their long-term ambitions, creating value for the country, both economically and socially.

Together we are invested in a better future.

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