

# The Top Startup Constituencies in Wales

November 2024

STARTUP  
C\*ALITION

The bottom right corner of the page features several abstract, light green geometric shapes. These include a large, irregular polygon, a smaller triangle, and a few other angular forms, all rendered as thin outlines against the dark teal background.

## About the Startup Coalition

Startup Coalition, formerly the Coalition for a Digital Economy (Coadec), is an independent advocacy group that serves as the policy voice for Britain's technology-led startups and scaleups.

Startup Coalition was founded in 2010 by Mike Butcher, Editor-at-Large of technology news publisher TechCrunch, and Jeff Lynn, Chairman and Co-Founder of online investment platform Seedrs. Startup Coalition works across a broad range of policy areas that matter the most to startups and scaleups: access to talent, access to finance & regulation. We have over 3,500 startups on our mailing list.

Startup Coalition is also represented on the Department for Business and Trade's Smart Data Council and on the Government's Digital Economy Council.

## Acknowledgements

Thank you to Beauhurst for the data that made this report possible. We are also grateful to all the Welsh founders, investors and stakeholders that have fed into our work.

# Introduction

The Welsh tech sector surpassed expectations in 2023. While UK-wide trends showed a dip in investment, Wales saw a 8.7% increase from 2022.<sup>1</sup> Welsh tech continues to punch above its weight in key areas including compound semiconductors, cyber security, fintech, manufacturing, life sciences, renewables, and creative industries.

Welsh startups benefit from an incredibly supportive ecosystem, from co-working spaces and accelerators like Tramshed Tech, Welsh ICE, and Technology Connected, to vertical specific organisations such as Cyber Wales and Fintech Wales. Universities in Wales serve as key drivers of talent and innovation, offering cutting-edge research centres and academic excellence. Many organisations are also driving access to talent and skills, through programmes like the Alacrity Foundation's entrepreneurship course, M-SParc's Skills Academy, and Tramshed Tech's "Soft-Landing" initiative.

As a result, the Welsh startup ecosystem is thriving. The Welsh tech sector contributes around £8.5bn to the economy every year. And the sector is continuing to grow—according to government data, the number of tech enterprises in Wales has grown by 20% over the past five years.<sup>2</sup>

Despite these successes, Welsh tech startups face challenges common to many emerging ecosystems. Access to finance remains a concern. The Development Bank of Wales plays a dominant role in the funding landscape, which is a mixed blessing for Welsh startups. While they have strong government support, many Welsh founders felt that they needed to travel to London for access to wider VC funding. Additionally, Wales' fragmented transport infrastructure poses logistical challenges for founders, and disruptions and delays are a recurring problem.

Access to talent presents another hurdle. Wales struggles to retain its homegrown talent, and faces substantial brain drain to cities in England. While universities are a substantial source of talent, founders tell us they struggle to find graduates with the skills they need. Experiences of founders who have spun out companies from their research at Welsh universities have been mixed, as some cited issues ranging from universities asking for over 50% equity stakes to poor communication and support. Half of the UK's universities are now pledging to take less in equity, but the standards they've adopted still allow them to take 25% of businesses and negotiate terms that continue to put founders on the back foot.<sup>3</sup> Overcoming these hurdles will be crucial for unleashing the full potential of the Welsh startup ecosystem.

Meanwhile, the Welsh Government is doubling down on startups, investing in the development of new tech hubs in areas like Swansea and Carmarthen—a recommendation we made in our 2023 Startup Wales report.<sup>4</sup> Efforts to improve access to broadband and 5G infrastructure are ongoing, although significant gaps remain to be addressed.<sup>5</sup>

While Wales has a devolved government, Westminster continues to play an important role in Welsh politics—to impact the growth and sustainability of the Welsh tech ecosystem—especially in the contexts of funding, digital infrastructure, trade and regulation. The Boundary Commission for Wales made major changes to Wales's Parliamentary constituencies ahead of the 2024 election, and reduced the number of MPs in Wales from 40 to 32. In the most recent election, Labour secured 27 out of 32 seats, with Plaid Cymru securing 4, and the Liberal Democrats 1.<sup>6</sup>

This paper will examine, post boundary change, the top parliamentary constituencies in Wales that are proving to be fertile ground for tech startups, and provide insights into some of the most promising areas for entrepreneurship in Wales. We will zoom in on some of the most exciting areas for tech, with a focus on constituencies with new MPs.

## About the Data

The report looks at the distribution of Startups across Wales. These are young, scalable tech companies, with high potential for growth. The data on national rankings was gathered from Beauhurst in July 2024, looking at the concentration of startups across Wales, broken down by constituency. We used data based on the location of the company's Head Office, based on preliminary boundaries from The Boundary Commission for Wales's 2023 Boundary Review, and only included companies with an active Companies House status. This data includes startups at all stages. Rankings are based on live data and are subject to change.

Beauhurst tracking is based on a number of triggers, including investment, being part of an accelerator programme, being spun out of a university, and others. The companies included in this report have met at least one of the following Beauhurst tracking triggers since 2011. More specific information on Beauhurst's data collection can be found on their website.

Election data was gathered from the UK Parliament.

# The Top 20 Welsh Constituencies

## 1. Cardiff South and Penarth

Labour

Stephen Doughty MP	Total Raised: £376m
Majority: 11,767	Startups / Scaleups: 91

The Cardiff South and Penarth constituency has the most tech startups in any Welsh constituency. Stretching across Cardiff, the constituency includes the bustling City Centre and Cardiff Castle as well as the seaside town of Penarth. It is also home to many of Wales’s fastest growing companies. Cardiff is widely regarded as one of the best places in Wales to found a startup, with its

concentration of financial institutions, government initiatives like the Development Bank of Wales, and a robust startup ecosystem supported by incubators, accelerators, and networking events.

Cardiff South and Penarth Constituency is anchored by Cardiff University, a major source of talent and driver of research and innovation in the city. The University’s impressive track record includes being ranked number 4 in the UK in Octopus Ventures’s 2022 Entrepreneurial Impact Ranking, recognising the high performance of its spinout companies.<sup>7</sup> Cardiff’s startups also have a range of support, from Tramshed Tech’s co-working and business support space to vertical-specific support like the Cyber Innovation Hub (CIH), designed to help grow South Wales’s already strong Cyber sector.<sup>8,9</sup>

The Cardiff South and Penarth Constituency is home to startups including Trakcel, which has developed a data management service that uses biometric data to match patients to specific treatments in large-scale regenerative therapies. It’s one of the fastest growing companies in Wales.<sup>10</sup> Cardiff is also a hub for Fintech, with startups like Sonovate, which develops software for businesses to ensure that contractors and freelancers are paid on time.

## 2. Cardiff North

Labour

Anna McMorris MP	Total Raised: £121m
Majority: 11,207	Startups / Scaleups: 47

## 3. Swansea West

Labour

Torsten Bell MP	Total Raised: £33.6m
Majority: 8,515	Startups / Scaleups: 35

Swansea is a hub for software and data startups, with innovative companies like Hoowla, which develops case management software for law firms, based in the Swansea West constituency. A key driver of tech innovation is Swansea University, which conducts cutting-edge STEM research across fields including Artificial Intelligence and materials manufacturing.<sup>11</sup>

Alongside the University of Wales Trinity Saint David’s Swansea campus, these institutions supply a steady stream of research and tech talent to help the local ecosystem thrive.

Swansea is currently undergoing some significant regeneration projects to bolster its tech scene. A notable initiative is the Swansea City and Waterfront Digital District, which aims to provide state-of-the-art workspaces and support for tech startups. This includes the development of an Innovation Matrix at the University of Wales Trinity Saint David, specifically designed to foster entrepreneurial growth and innovation.<sup>12</sup>

## 4. Neath and Swansea East

Labour

Carolyn Harris MP	Total Raised: £73.5m
Majority: 6,627	Startups / Scaleups: 33

## 5. Newport East

Labour

Jessica Morden MP	Total Raised: £19.6m
Majority: 9,009	Startups / Scaleups: 24

6. (TIE) Cardiff East

**Labour**

Jo Stevens MP	Total Raised: £73.4m
Majority: 9,097	Startups / Scaleups: 23

6. (TIE) Bridgend

**Labour**

Chris Elmore MP	Total Raised: £17.7m
Majority: 8,595	Startups / Scaleups: 23

Situated midway between Cardiff and Swansea, Bridgend enjoys a strategic location in South Wales. The constituency is also home to the popular seaside resort town of Porthcawl, attracting both tourists and entrepreneurs alike. Bridgend boasts a strong manufacturing sector, with major multinational companies such as Sony and NOVOMATIC Gaming with

operations here. The Sony UK Technology Centre in Bridgend stands out as a pivotal player in the constituency's startup ecosystem. It hosts 'The Business Incubation Centre,' a nurturing ground for startups like Thermafy, who are pioneering the use of energy from cloud computing to heat homes.<sup>13,14</sup>

8. (TIE) Cardiff West

**Labour**

Joe Powell MP	Raised in 2023: £8.9m
Majority: 2,903	Startups / Scaleups: 20

According to Beauhurst, 80% of startups headquartered in the Cardiff West constituency work on Application Software. These programmes have a huge range of uses: from applications to support professional industries, like HR and recruitment, customer relationship management (CRM) platforms, and industry-specific administrative support software; to

applications supporting individuals to better manage their money, find the right professionals to making moving house a breeze, or compare the cost of second hand items. The constituency also boasts a number of AI companies that do everything from analysing smart metre readings to managing insurance claims to providing online security protection.

8. (TIE) Caerphilly

**Labour**

Chris Evans MP	Total Raised: £13.6m
Majority: 6,419	Startups / Scaleups: 20

Caerphilly is a suburb of Cardiff, known for its stunning castle and namesake Caerphilly cheese. The constituency is newly represented by MP Chris Evans, who has been listed among Labour Digital's top 40 PPCs for tech,<sup>15</sup> underscoring Caerphilly's strong position in the Welsh digital and tech landscape.

The constituency boasts innovative application software companies like Whickr, which develops a platform for buying and selling horses, and SourceMogul, which finds stock for Amazon traders and resellers.<sup>16,17</sup> Caerphilly has also seen some big exits from companies like Awen Collective, a cyber security software company dedicated to reducing the risks of cyberattacks to Operational Technology (OT), which was acquired by cyber security company Sapphire in 2023.<sup>18</sup>

Caerphilly is home to Welsh ICE (Innovation Centre for Enterprise), a key player in the Welsh startup ecosystem. Welsh ICE provides a coworking space, comprehensive business support including funding for young startups, and a vibrant community for entrepreneurs. This support network is crucial in fostering innovation and helping startups thrive in Caerphilly.

10. (TIE) Alyn and Deeside

Labour

Mark Tami MP	Total Raised: £72.8m
Majority: 8,794	Startups / Scaleups: 16

10. (TIE) Ynys Môn

Plaid Cymru

Llinos Medi MP	Total Raised: £5.09m
Majority: 637	Startups / Scaleups: 16

The Ynys Môn Constituency in North West Wales covers the scenic Isle of Anglesey. Separated from the Welsh mainland by the Menai Strait, the constituency has rugged coastlines, stone-age historical sites, and the town with the longest name in Europe: Llanfairpwllgwyngyllgogerychwyrndrobwlllantysiliogogoch.

Ynys Môn is also a hotspot for ArgiTech and green energy.<sup>19</sup>

The Constituency’s startup scene is buttressed by Bangor University’s Menai Science Park – or M-SParc – Wales’ first dedicated Science Park. M-SParc, which is headquartered on Anglesey, offers impactful programmes that help the local startup ecosystem thrive. One such programme is the Skills Academy, which is a fully funded, five month placement into a tech startup for students and graduates.

In 2021, Bangor University launched an AgriTech cluster at M-SParc, marrying local innovation with Ynys Môn’s rich agricultural heritage.<sup>20</sup> Anglesey also offers a diverse range of opportunities for renewable energy, leading to efforts to put Ynys Môn at the forefront of low carbon energy research, development, and production. Ynni Cymru (or ‘Welsh Energy’), a publicly owned energy company focused on local generation of renewable energy, is also based out of M-SParc, reflecting the area’s integral role in the transition to green energy.<sup>21</sup>

12. (TIE) Pontypridd

Labour

Alex Davies-Jones MP	Total Raised: £10.7m
Majority: 8,402	Startups / Scaleups: 14

12. (TIE) Clwyd North

Labour

Gill German MP	Total Raised: £15.1m
Majority: 1,196	Startups / Scaleups: 14

The Clwyd North constituency in North Wales includes the seaside towns of Abergele, Rhyl, and Colwyn Bay and stretches inward across St Asaph and the historic market town of Denbigh. St Asaph is also home to Wrexham University’s OptIC Technology Centre, which provides specialised support for opto-electronic companies in sectors ranging from health to aerospace.

High growth startups in Clwyd North include Touch Biometrix, who develops fingerprint sensing technology, and Kairos Biotech, which develops biotechnology used to make transplants more accessible.<sup>22,23</sup> A largely rural constituency, Clwyd North also boasts startups tackling some of the biggest challenges facing our environment, such as Plantsea, who develop bioplastics made from seaweed to avoid landfills and tackle pollution in our oceans.<sup>24</sup>

14. Dwyfor Meirionnydd

Plaid Cymru

Liz Saville Roberts MP	Total Raised: £8.59m
Majority: 15,876	Startups / Scaleups: 12

15. (TIE) Monmouthshire

Labour

Catherine Fookes MP	Total Raised: £38.7m
Majority: 3,338	Startups / Scaleups: 11

Monmouthshire sits just east of Newport, on the border with England and not far from Bristol. While many residents commute outside of Monmouthshire for work, the increased popularity of remote and hybrid work has helped Monmouthshire's startup scene flourish.<sup>25</sup> With only 11 tech startups in the constituency, Monmouthshire's high growth companies have raised

an impressive £38.7m in total funding. This burgeoning entrepreneurial spirit is particularly evident in the health tech sector, which is driving significant growth in the constituency.

Leading the charge is IQ Endoscopes, which is developing a disposable endoscope to diagnose gastrointestinal diseases.<sup>26</sup> Afon Technology is making strides with its innovative blood glucose monitoring device for people with diabetes.<sup>27</sup> Additionally, Forth is revolutionising health tracking through biomarker profiling, allowing users to measure and monitor their health and fitness via blood samples sent to their service.<sup>28</sup>

15. (TIE) Wrexham

Labour

Andrew Ranger MP	Total Raised: £7.4m
Majority: 5,948	Startups / Scaleups: 11

Wrexham Constituency's namesake town is known worldwide for its celebrity-owned football team, but that's just one part of its story. Nestled in the heart of North Wales, Wrexham is rapidly emerging as a tech powerhouse of the region.

Wrexham Glyndŵr University is a major driver of the Constituency's startup ecosystem, offering degrees in some of Wales's biggest tech industries like Cyber Security and Game Design.<sup>29</sup> The University also earned a spot in the top 100 UK universities for spin-outs in Octopus Ventures's 2023 Entrepreneurial Impact Report.<sup>30</sup> This recognition underscores Wrexham's role in nurturing groundbreaking ideas, bringing them out of the lab and into the market.

2024 marks a transformative year for Wrexham's tech scene with the groundbreaking of the new £18m Enterprise Engineering and Optics Centre (EEOC) at Wrexham Glyndŵr University. This state-of-the-art facility, funded by the North Wales Growth Deal, promises to be a cornerstone for research and development, fostering advancements in engineering with the aim of supporting the use of low carbon technologies in manufacturing businesses across the region.<sup>31</sup>

Wrexham has also been home to the headquarters of Development Bank of Wales since 2018, reflective of the Constituency's leading role in the region.<sup>32</sup> The Bank is the largest source of funding and support to startups across Wales.<sup>33</sup>



17. (TIE) Bangor Aberconwy

<b>Labour</b>	
Claire Hughes MP	Total Raised: £1.9m
Majority: 4,896	Startups / Scaleups: 10

The entrepreneurial spirit is thriving in the Bangor Aberconwy Parliamentary constituency, fueled by its robust academic and research institutions. Bangor may be one of the UK’s smallest cities, but it has had a huge impact on the Welsh startup ecosystem. Central to this vibrant scene is Bangor University, a key driver of growth in North Wales’s tech landscape. The university

is home to cutting-edge research facilities such as The BioComposites Centre, which pioneers sustainable, bio-based alternatives to synthetic materials, and The Digital Signal Processing Centre of Excellence (DSP Centre), renowned for its world-leading research into advanced communication networks.

Bangor University has been recognised for its commitment to sustainability, ranked in the top 10% of the most sustainable universities worldwide in the QS World University Rankings for Sustainability in 2024. Newly elected MP Claire Hughes also has a background in tech as an entrepreneur and was endorsed as a candidate by Labour Digital.<sup>34</sup>

17. (TIE) Caerfyrddin

<b>Plaid Cymru</b>	
Ann Davies MP	Total Raised: £9.32m
Majority: 4,535	Startups / Scaleups: 10

From its close ties to Arthurian legend to its large population of Welsh speakers, Caerfyrddin—or Carmarthen in English—embodies Welsh culture. Thought to be the oldest town in Wales, Carmarthen boasts some of the nation’s most innovative tech startups, such as AnalysisPro, which specialises in performance analysis services for sports teams, offering

filming, video editing, and analysis software to enhance team performance, and Capabilities, a company focused on software and hardware security.

Yr Egin, a new digital and creative hub at the University of Wales Trinity Saint David, is also located in Carmarthen. Yr Egin offers co-working space and events with a strong emphasis on Welsh culture and language.<sup>35</sup> This hub supports startups like Moilin, which develops language solutions for tourism, events, and education. Moilin has delivered several Welsh-language apps and is pioneering immersive digital experiences in augmented, virtual, and mixed reality.<sup>36</sup>

Additionally, the Carmarthenshire Enterprise Hub provides workspace and support for startups, fostering a vibrant entrepreneurial community in Carmarthen.<sup>37</sup> With its unique blend of rich heritage and cutting-edge innovation, Carmarthen is rapidly becoming a key centre for tech and creative industries in Wales.

17. (TIE) Ceredigion Preseli

<b>Plaid Cymru</b>	
Ben Lake MP	Raised in 2023: £4.76m
Majority: 14,789	Startups / Scaleups: 10

The Ceredigion Preseli Constituency, encompassing many of the picturesque coastal communities along Cardigan Bay in mid-Wales, is a rising start for Welsh innovation and sustainability. At the heart of this dynamic ecosystem is Aberystwyth University’s Aberinnovation, a world-class facility dedicated to research and commercial testing in BioTech and

AgTech.

Since its inception in 2014, Aberinnovation has been a key player in Welsh tech, supporting innovation to address some of the globe’s most pressing challenges—food, water, and energy security.<sup>38</sup> The centre hosts cutting-edge startups like Agxio, which harnesses AI to create solutions in biotech, life sciences, and agricultural science, and Nellie Technologies, known for its groundbreaking biotechnology system designed to capture carbon dioxide from the air.<sup>39,40</sup>

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20. (TIE) Blaenau Gwent and Rhymney

Labour

Nick Smith MP	Total Raised: £16.3m
Majority: 12,183	Startups / Scaleups: 8

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