[Record year for UK's £8.9bn cyber security sector](#)

- New report shows almost 50,000 people are now employed in UK cyber security
- Number of active cyber security firms in the UK increased 21 per cent on last year
- Sector contributed more than £4bn to the economy, attracting £800m of investment
- Cyber firms have stepped up to help the NHS in the national fight against coronavirus by providing vital technical support

The UK's growing cyber industry attracted record investment last year despite the global pandemic, according to a new government report.

With Covid-19 forcing more business and social activity online, the new figures reveal an increase in the number of cyber security companies and people working for them, as the government continues its drive to build back safer from the pandemic.

The [DCMS Annual Cyber Sector Report](#), which tracks the UK's cyber security industry across a range of indicators between April 2019 and December 2020, reveals a 21 per cent increase in firms operating in the field, bringing the total number to 1,483.

There was a nine per cent rise in employment in the industry with more than 3,800 new full time jobs created, bringing the total number of people working in the sector to 46,683.

The sector is now worth an estimated £8.9 billion, with a record £800 million of investment raised by firms.

Digital Minister Matt Warman will announce the findings at a CyberASAP event today, which gives UK researchers the opportunity to showcase their innovative new cyber security products to potential buyers.

Ahead of the virtual event, Digital Minister Matt Warman said:

> The need for cutting-edge cyber security has never been greater and this resilient sector is growing, diversifying and solidifying its status as a jewel in the UK's tech crown.
>
> With more than 3,800 new jobs created, firms — large and small — are doing vital work keeping people and businesses secure online so we can build back safer from the pandemic.
>
> I am committed to supporting the industry to reach new heights, create more jobs and lead new innovations in this field.

The main findings from the report are:

- Despite the current economic climate, 2020 was a new record year for cyber security investment with UK cyber security businesses raising over £821 million across 73 deals — more than twice that raised in 2019
- The sector's total annual revenue has continued to rise (by 7 per cent), reaching £8.9 billion within the most recent financial year
- The sector contributed more than £4 billion to the economy — up 6 per cent in the last year, with mainly mature firms driving growth
- The majority (65 per cent) of the 46,683 cyber workforce are employed by large firms (250+ employees).

This year's survey also suggests that more than half of firms (54 per cent) are now based outside of London and the South East, with cyber security clusters flourishing across the country in areas such as Scotland, Northern Ireland and North West England.

The most commonly provided cyber security products and services include cyber professional services, threat intelligence, monitoring, detection and analysis. The research highlights particular growth in firms offering solutions for industrial control systems and IoT security, demonstrating the sector's ability to adapt and meet emerging challenges, such as the need to secure smart cities.

The data reveals that while nine in ten companies (89 per cent) felt Covid-19 had impacted their business, many of these firms have quickly adjusted and innovated within the current economic climate.

Despite some firms in the sector feeling the pressure, many have still found the capacity to offer vital technical support to the NHS, and other critical national services, sometimes on a pro-bono basis.

Edinburgh firm Quorum Cyber helped strengthen the cyber defences of the NHS and local councils during the pandemic and created a number of skilled jobs. Meanwhile SureCert, who have offices in London, Edinburgh and Belfast, helped ensure the rapid deployment of hundreds of Covid volunteers through its background check service.

Ian Savage, Founder and CEO of SureCert, said:

> SureCert won one of the TechForce 19 competitions from NHSx in May. This competition provided funding for solutions that could find, background check and deploy hundreds of volunteers to support vulnerable people in communities across Scotland and Northern Ireland. SureCert focused on processing identity, reference and criminal record checks for volunteers, maximising trust during the pandemic.

Federico Charosky, Managing Director of Quorum Cyber, said:

Quorum Cyber have been incredibly lucky to be in a position to help, both directly and indirectly. Whether it was through providing cyber security services to the public and private sector, including delivering Security Operation Centre and Incident Response capabilities to local authorities and the NHS, or by hiring well over 25 people since the beginning of lockdown, including taking three graduate apprentices. Quorum Cyber continues to pursue our mission: we want to help good people win.

While the number of cyber security firms continued to grow despite the pandemic, the government recognises the importance of making sure small and medium-sized scale-ups can continue to access support to grow in the years ahead.

UK startup businesses driving innovation and development have been helped through the coronavirus outbreak with a £1.25 billion government support package and the government has continued to back cyber security startups through programmes such as the LORCA cyber accelerator and the NCSC Accelerator to ensure early stage cyber businesses have the support they need to continue.

The DCMS-funded CyberASAP programme supports the commercialisation of cyber security research from UK universities. Its event today will see a fourth cohort of teams demonstrate their new products to an audience of potential customers, investors and other key figures in the cyber security sector.

Julian David, Chief Executive Officer, techUK said:

Reliable Cyber Security is essential for all organisations as they accelerate digital transformation in the wake of ongoing COVID-19 disruption and the UK industry is responding to that need. This research shows a sector going from strength to strength, with increasing investment in our growing cyber ecosystem and, perhaps most significantly, uptake of the technologies and services keeping UK citizens and business safe.

One key finding is that 54% of cyber companies are now based outside London and the South-East, an encouraging change which will improve cyber resilience across all the nations and regions of the UK, as well as sharing the economic prosperity offered by this fast-growing sector. This regional development is one area which techUK will continue to actively partner with DCMS, through initiatives like Cyber Exchange, as Government and industry continue to strengthen the UK's position as a leading cyber nation.

Notes to Editors:

- The [UK Cyber Security Sectoral Analysis 2021 can be found here](#).

- The Government's £1.9 billion National Cyber Security Strategy is protecting the nation in cyber space and helping to make the UK the safest place to live and work online.

- The Department for Digital, Culture, Media and Sport (DCMS) commissioned Ipsos MORI, in conjunction with Perspective Economics, the Centre for Secure Information Technologies (CSIT) at Queen's University Belfast, and Professor Steven Furnell (University of Plymouth) in January 2020 to undertake this updated analysis of the UK's cyber security sector.

- The study tracks the UK's cyber security industry across a range of indicators between April 2019 and December 2020. This includes economic and financial statistics covering April 2019 – March 2020 (FY19/20), survey data gathered between May and July 2020, and modelling conducted between August and October 2020. Investment data analysis was conducted in January 2021 and captures investment activity for the full year of 2020 (January – December 2020).

- This latest analysis builds upon the baseline UK Cyber Security Sectoral Analysis which used data from 2019 and was published in January 2020. The 2018 report provided a baseline for the number of UK cyber security companies; the cyber security sector's contribution to the UK economy; the number of personnel employed in the cyber security sector; and an overview of the products and services offered by these firms.

- The [Cyber Security Sectoral Analysis 2020 report can be found here](#) and the [first sectoral report from 2018 can be found here](#).

- As part of its levelling up agenda the government is investing heavily in the country's digital skills, R&D capabilities and world-class digital infrastructure to make sure cyber firms have the right environment to succeed.

- The government's Cyber Skills Immediate Impact Fund incentivises organisations to develop cyber security training to boost diversity and attract more people to the profession. Initiatives such as Cyber Discovery, an online game that helps teens learn cyber skills in engaging ways, and the CyberFirst Girls Competition, which inspires school girls to enter the profession, are helping make sure UK businesses have a strong pipeline of diverse talent for years to come.

- In the summer the government announced a £10 million fund to help develop secure future technologies through its Digital Security by Design Challenge. The programme has the potential to prevent hackers from remotely taking control of digital systems such as autonomous cars, personal computers or smart home security systems, meaning people and

online businesses are better protected.

- The UK boasts world-class universities that are pioneering cutting-edge academic research, including 19 which have been recognised as Academic Centres of Excellence in cyber security research. Bristol and London are also home to three Centres for Doctoral Training, funded by the EPSRC Research Council, which are training the next generation of cyber security research leaders.