How non-London agencies are outpacing the capital as public funding gaps are revealed

An ambitious mapping of the UK's entire agency scene reveals London-besting results in the north and south west – and a shocking shortfall in public funding for women-led shops.

Agencies in several regions of the UK are seeing average growth rates higher than in London. Leading the pack is the north east, with an average growth rate of 4.8% versus the capital's 4.2.%.

Particular cities' fortunes are even better: Manchester is seeing a 5.5% average growth rate; Sheffield, 5.3%; Leicester, 5.2%; and Newcastle upon Tyne, 5.1%.

That's according to the 2026 Agency by Agency Atlas. Now in its second year, the 2025 edition shed light on the 25,000 shops, from 'nano-agencies' of one or two people to multinational conglomerates. The number of agencies for 2026 is still around 25,000, with the sector employing 194,000 people in the UK and contributing £18bn in gross value to the economy. This year, the report digs deeper into how those fortunes are distributed.

Growth isn't the overall metric where the capital is not on top, despite generating almost two-thirds of British agencies' total turnover. Measuring economic contribution by 'gross value added per head,' the south west (incorporating hubs like Bristol and Bath) leads the way at £104,276. London lags at £95,515.

A golden age for the south west?

Investor appetite is being felt in those high-growth regions. In the south west, picked out by the Atlas for the highest regional-average productivity rates, there's long been an "over representation of technological talent," meaning that the region was "already ahead of the game" when the wrecking ball of AI and automation hit the industry, says Sammy Mansourpour. He's managing director of AgencyUK, which he co-founded 18 years ago in Bath, and he describes an investor environment that's never been more receptive to the UK's high-growth non-London regions.

“We’re getting approached at least once every couple of weeks for some kind of acquisition or roll-up,” he says. It’s that early-mover tech specialism that Mansourpour credits as top among the factors of such keen investor interest. If the Covid-19 pandemic opened up the world to shops outside of adland’s traditional centers of power, he says, it is rightsizing and automation that have made independent, regional shops so attractive in that new world. “We’re certainly the biggest we’ve ever been in terms of revenue, billings and gross profit, but we’re not the biggest we’ve ever been in terms of staff,” he says. “You need less people to do more work now.”

And recent macrodramas among adland’s biggest players – with several of them laying off thousands of staff and divesting from storied agency brands – play into that dynamic favorably for shops like AgencyUK, he says. “You’ve got clients who are working with organizations that are suddenly disappearing or halving in size, or being rolled up into a more centralized team. They seem quite happy to then go, ‘I don’t really want to be part of this industry-wide restructure and take the pain of that, so I’m going to go and talk to an independent.’ We’ve had more than a handful of brands coming to us with that exact gripe. No one wants to work with organizations or with industries that stink of desperation.”

Likewise, top talent is being released from those shops. “Are we seeing the approaches? Yes. Do we have the vacancies? No.”