



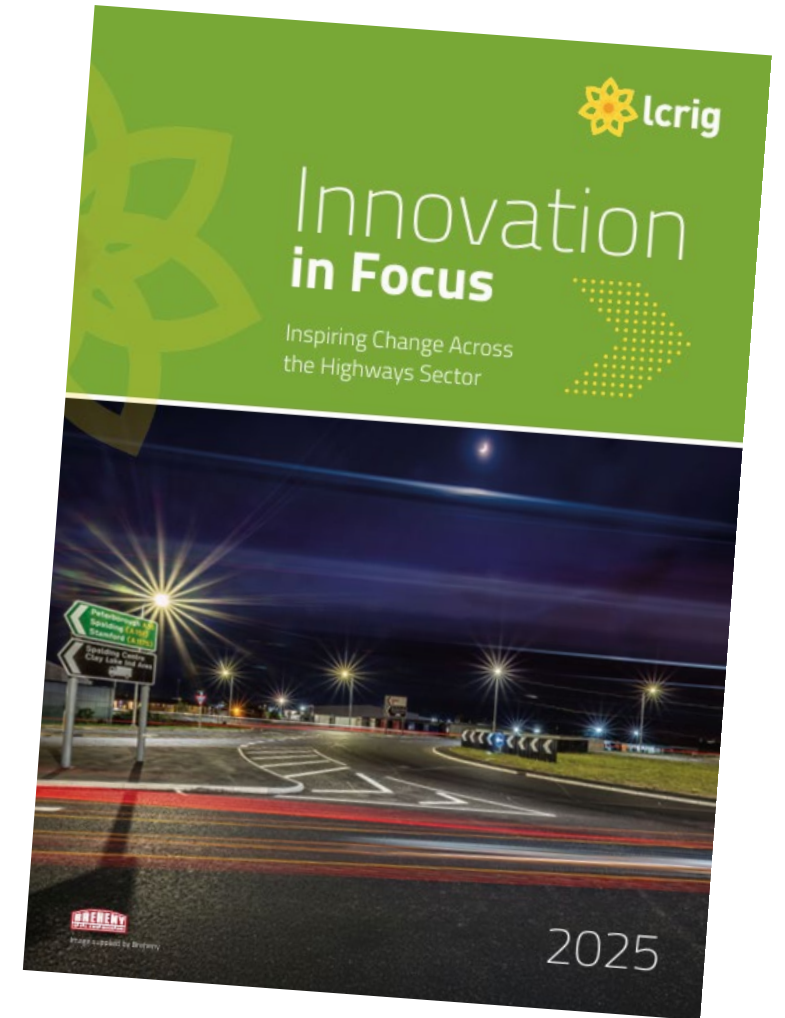
LCRIG Innovation Report 2025

Insights, barriers and road ahead

Built on Innovation. Driven by Collaboration. Strengthened by Skills.

Why we did this report

- Growing demand to understand barriers to innovation
- Voices from local authorities, suppliers, partners
- How can LCRIG support a sector ripe for disruption?



Checks and balances

- Our most ambitious and largest survey to date
- Comparators between supply chain and local authority insights
- Call to action through:
 - Our weekly Insights audience of over 9,000 subscribers
 - LinkedIn posts reaching over 9,000 followers
- Tested emerging technology themes at Innovation Festival 2024 (AI)
- Tested findings with LCRIG Advisory and LCRIG Innovation Board
- Presented findings to each of our regional groups
- Tested initial findings with member drop-ins
- Tested the services and support that LCRIG could provide through recent corporate and local authority member drop-ins (over 200 attendees combined)



A sector constrained by systems, skills and frustration

Local Authorities: Innovation Champions, Constrained by Systems

78%

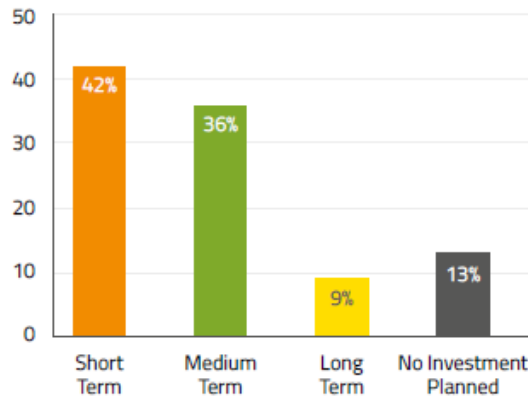
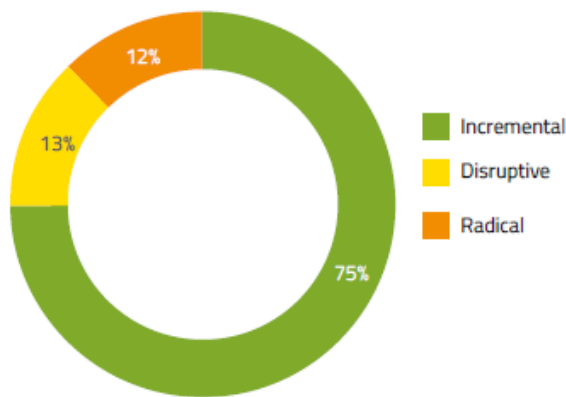
of local authority professionals self-identify as 'Pioneers' or 'Experimenters'.



75%

favour **incremental innovation** due to limited risk appetite and short-term planning cycles.

Figures 3 and 4: Local Authority Approaches to Innovation and Investment Time Frame



Despite personal enthusiasm for innovation, many local authority staff operate within systems that favour caution over transformation. Innovation is often a peripheral activity, encouraged in principle, but poorly resourced in practice.



The most common barriers include **procurement (70%)**, **risk aversion (51%)**, and **skills shortages (48%)**.

A sector constrained by systems, skills and frustration

Supply Chain: Innovation-Ready but Frustrated

76%

of suppliers expect to **increase innovation investment.**



However,

59%

of suppliers feel that local authority funding for innovation is **inadequate.**



81%

felt **risk aversion** affects innovation delivery significantly or moderately.



Most innovation originates through **collaboration (52%)** or **bottom-up initiatives (24%).**

Suppliers want to be part of the solution, but many feel locked out by outdated procurement models and siloed communications. SMEs in particular are disproportionately affected, facing barriers to entry and missed opportunities for co-development.



Key frustrations include **limited access to decision-makers, inconsistent procurement engagement, and the prevalence of short-term thinking.**

Barriers holding us back

- Procurement processes (70% of local authorities)
- Risk aversion and short-termism
- Funding gaps and skills shortages
- Poor knowledge-sharing and evaluation

"We see great innovations in the industry, but a lack of resources and restrictive procurement rules make it nearly impossible to adopt them."



"We're stuck in a loop losing skilled people, unable to replace them and struggling to deliver anything new."

"Routes to procurement and budget are the biggest hurdles to cross."

The paradox

- Innovation reduces costs long-term
- But short-term budgets block adoption
- Councils stuck in 'do what they can, not what they'd like to'
- Limited to incremental change

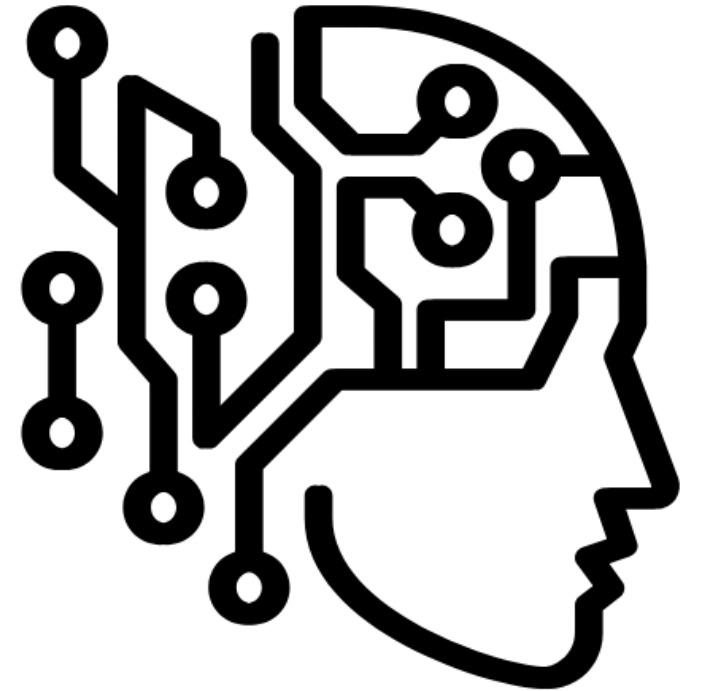


"Most innovative products may cost more initially but save more in the long run. We need to stop judging based on upfront costs alone."

Emerging opportunities

Across both local authorities and suppliers, the top emerging innovation themes are:

- Artificial Intelligence 83%
- Connected Vehicle Data 68%
- Sustainable Materials 62%



What the sector asked for

- Consistent evaluation frameworks
- Accessible trials and shared case studies
- Knowledge sharing
- Clearer business cases and ROI evidence



LCRIG's response

- National Innovation Network
- National Knowledge Network
- Intelligence
- AI Task Groups and Education



The road ahead



Innovation Report





Strictly Highways 2025

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