

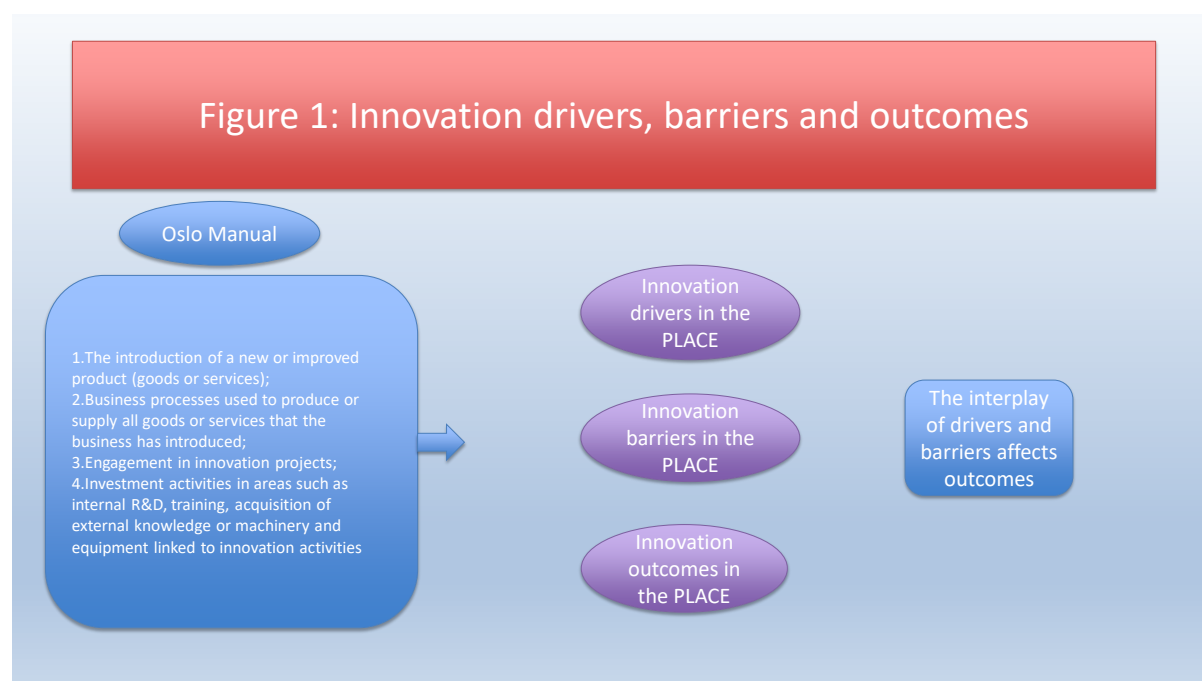
Summary: The innovative capacity of Welsh local authority areas: Introducing an innovation scorecard and some preliminary comparative findings (July 2025)

The report was written by Conor Mockridge, Max Munday and Rick Delbridge

Summary¹

The report² identifies data which helps us to understand the key drivers, barriers and outcomes of innovation in local authority areas of the Welsh economy, presenting these in the form of an Innovation Scorecard. The work was undertaken in response to calls for more granular insights into these issues than are presently available and used to inform policy decisions. Our approach offers the opportunity for comparisons to be made in terms of both inputs and outcomes, but caution should be used in interpreting these as a 'league table'. Our objective is to assist policy makers in developing more informed policy choices and in seeking evidence of the consequences at each of local authority, economic region and national levels. To baseline the data, we introduce a GB local authority average on each measure. Moreover, in our approach we have not been able to capture all aspects of the innovation system or interactive elements of local innovation (for example, innovation linkages between firms, research, or the adoption of key technologies, such as digital).

Figure 1 describes the overall framework. We begin with the definition of innovation activity as found in the Oslo Manual (OECD, 2018). Our approach is first to consider for each local authority area what are the innovation drivers in the local authority area. Put in different terms, what is it that might increase the level of business innovation potentially occurring in the local authority area? Second, there are a series of expected barriers to innovation activity in the present; conversely local authority areas with lower levels of barriers to innovation might perform more strongly. Thirdly, there are expected outcomes from successful innovation processes. It is recognised that there are dynamic connections between innovation drivers, barriers and outcomes. For example, successful outcomes in terms of productivity growth can work to provide the conditions for stronger innovation drivers in the future. Figure 2 reveals more information on the outlined drivers, barriers and outcomes.



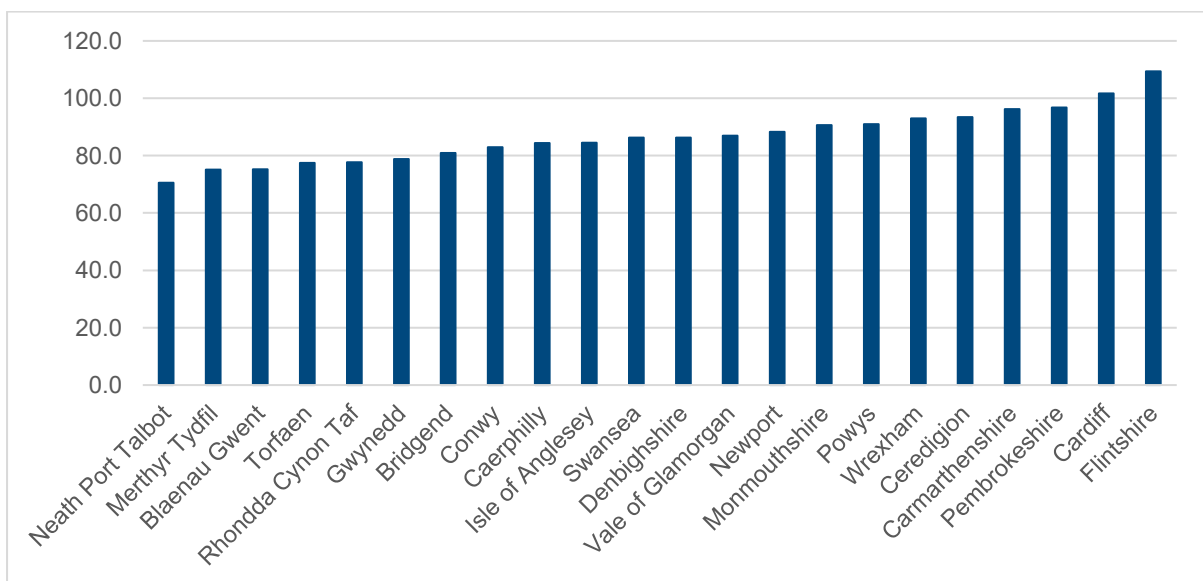
¹ Citation details for the summary: Mockridge, C., Munday, M. & Delbridge, R. (2025) Summary: The innovative capacity of Welsh local authority areas: Introducing an innovation scorecard and some preliminary comparative findings, Cardiff: Cardiff University.

² This report forms part of the Wales Innovation Insights and Productivity Performance (WI2P2) project. This project was supported by Cardiff Capital Region, Welsh Government, and the Wales Forum of the ESRC Productivity Institute.



In 2023, the strongest Welsh local authority on the developed innovation scorecard is Flintshire, but with a strong showing in Cardiff, Carmarthenshire, Ceredigion and Pembrokeshire. Critically in interpreting this and the position of Wales as a nation, none of the local authority areas in Wales are classified as 'Leading' when compared to the overall GB local authority innovation index score. Neath Port Talbot is the poorest performing local authority on the scorecard for Wales, followed by Merthyr Tydfil, Blaenau Gwent, and Torfaen. Twenty of the twenty-two local authorities in Wales reported scores below that of the GB average. On the scorecard there is less evidence of an East-West divide in Wales which is typically seen in investigation of productivity indices alone. Further research would need to examine how far these scorecard claims for these more rural areas can be substantiated.

Figure 3: Innovation Scorecard: Wales LA composite scores relative to the average 2023 snapshot (GB average=100)



The analysis undertaken in this report was very much in the spirit of a pilot exercise. It is accepted that more work needs to be undertaken in terms of data investigation, not least around the availability of finance to innovate, and critically more data which speaks to innovation in the public sector.

While rankings and league tables inevitably prompt comparative assessments and a focus on ‘winners and losers’, the real value in this exercise is in developing novel insight into both the individual and combinations of variables that drive innovation at a local authority level. Benchmarking at such levels of granularity can help interpret current performance and identify areas for further attention, and of potential improvement. It can also motivate renewed or revised policy interventions and encourage learning across different LAs. However, it is also important to recognise that in creating such a scorecard that there are typically trade-offs in terms of data reliability.



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