



Innovate
UK

The State of Innovation 2025

WHAT LIFE WAS LIKE FOR
INNOVATING BUSINESSES



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A portrait of UK innovation in 2025

FOREWORD

Tom Adeyoola
Executive Chair,
Innovate UK

Innovation improves lives and livelihoods by solving the big, complex challenges of industry, making our planet safer and cleaner, and, crucially, generating the economic growth needed to make all of this possible.

Innovative businesses consistently outperform others. As the UK's innovation agency, our role is to stimulate, accelerate and capitalise on innovation to produce the biggest gains for the UK.

The State of Innovation 2025 report offers insights directly from UK businesses on key aspects of innovation – their recent activities, challenges and plans. Based on an annual survey of over 2,000 businesses, and now with three years of data, this report provides the headline findings for 2025.

These headlines emphasise the unwavering value of innovation to UK firms. Innovative businesses reported an average sales growth far greater (7%) than non-innovators (0.4%) – a consistent pattern over the past three years. We also see the critical role played by 'frontier firms', those at the forefront of innovation in their industries who see greater growth still.

Supporting these ambitious firms is critical as they, in particular, drive the game-changing innovation we need. They also show the greatest demand for finance and support.

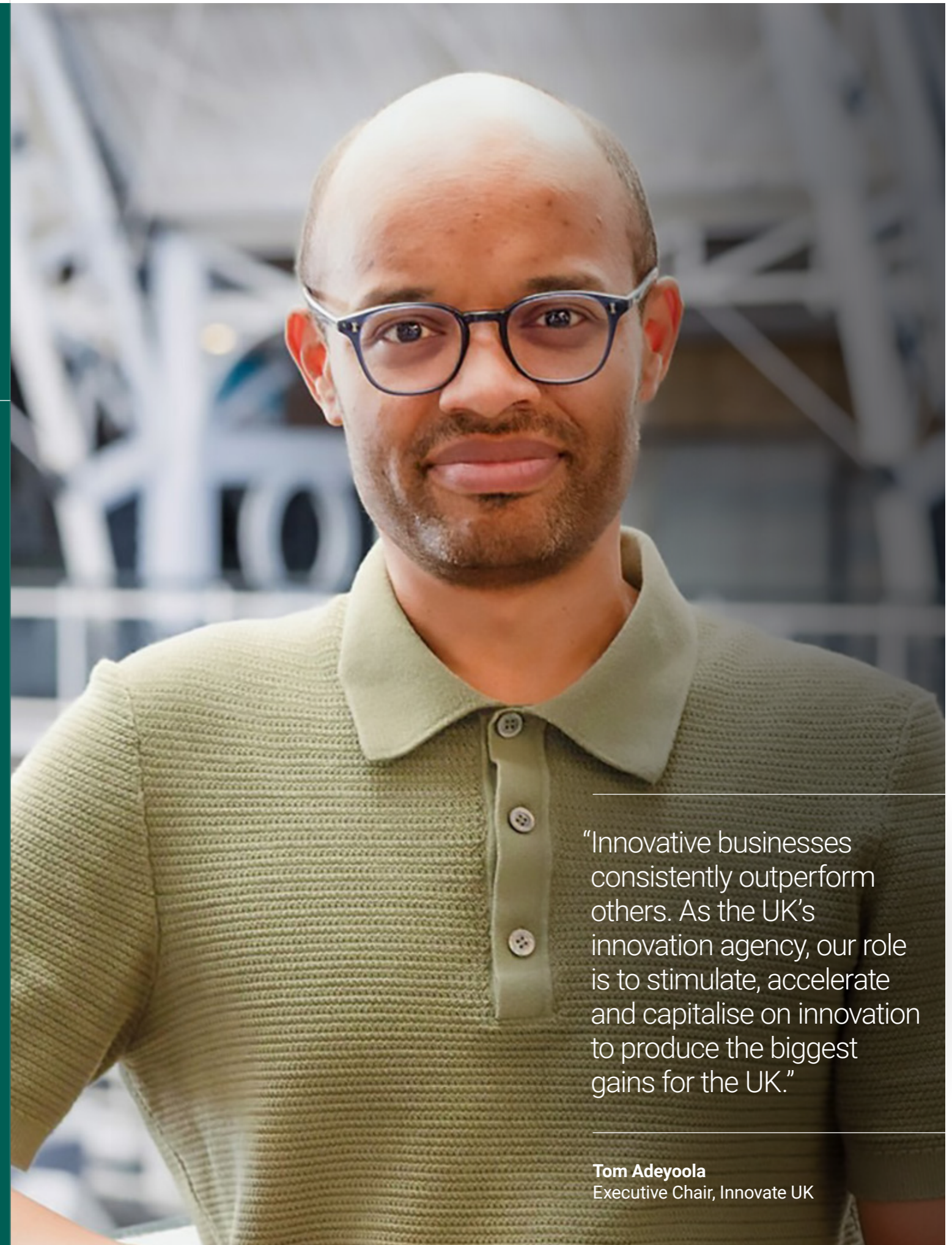
The report also offers reason to be optimistic, with a higher proportion of firms reporting an intention to invest in research and development (R&D) over the next year. At Innovate UK, our job is to help galvanise and support innovators, bridging the gap between innovation and commercialisation, and preparing businesses for onward investment.

Success is about more than money. For innovative businesses to start, scale and stay in the UK, we need 'hooks and anchors': strong procurement routes, talent pipelines and domestic markets to keep companies in the UK. It's also about recognising that ideas, invention, innovations do not happen in silos or regional pockets. The flywheel effect is real: sustained, incremental effort builds momentum over time, making progress easier and faster as the system gains energy.

I am passionate about seeing the UK's abundant ideas transformed into commercial giants. With best-in-class support for commercialisation, the UK will be truly unstoppable.

"Innovative businesses consistently outperform others. As the UK's innovation agency, our role is to stimulate, accelerate and capitalise on innovation to produce the biggest gains for the UK."

Tom Adeyoola
Executive Chair, Innovate UK






Key findings

What's life like for innovating businesses in 2025?

The State of Innovation 2025 report draws on the Innovation State of the Nation Survey – an annual survey of businesses of all sizes from across the UK that asks about key aspects of innovation.

2,000+ businesses of all sizes from across the UK were surveyed.

We encourage you to:

-  Read, share and discuss the report.
-  Support, promote and get involved in innovation.
-  See how Innovate UK could help you at: www.ukri.org/councils/innovate-uk.

Innovation continues to deliver growth.

7%

Innovating businesses reported an average sales growth (+7%) far greater than non-innovators (+0.4%) – a consistent pattern over the past three years.

9%

Frontier firms – those at the forefront of introducing new products and services – saw an even higher average growth in sales (+9%).

Firms report an increased intention to invest over the next year.

51%

of UK businesses plan to invest in research and development in the next 12 months: an increase from 47% in 2024. This proportion is 71% among frontier firms.



The increased investment intention was observed among micro, small, and medium-sized businesses. However, large firms showed a worrying decrease in investment intention.

Stimulating more innovation will help to deliver UK economic growth – frontier firms are key to this.

60%

of UK businesses reported making changes to products or services over the last year: an increase from 56% in 2024 and a return to 2023 levels.

76%

of frontier firms innovated over the last year: an increase of 8% from 2024 (68%).



Supporting frontier firms is critical for growth as they drive novel innovation, have the greatest demand for finance and support, and demonstrate the strongest investment intentions.

Demand for support is rising.



In 2025, businesses reported increased use of external finance for their innovation activities (grants +2%, government loans +6%, bank loans +7% and equity finance +8%).

38%

The proportion of UK businesses seeking external advice rose from 35% in 2024 to 38% in 2025. Frontier firms saw the greatest increase (+12%).

While the most commonly sought advice continues to be related to strategy for business growth, 2025 results saw a rising trend in firms seeking advice on digital technologies (+9%), product/service innovation (+8%), and net zero and reducing environmental impact (+6%).

Business innovation has been held back by a range of barriers. These need to be targeted to unleash innovation.

49%

Half (49%) of innovating businesses reported factors had constrained their innovation activity.

74%

For those innovating firms facing barriers in 2025, lack of bank or equity finance was the most reported challenge (74%).

Introduction

Since our last survey (run in early 2024), UK businesses have faced considerable change: new governments in both the UK and US, a new UK Industrial Strategy and a new set of government missions. There has also been global trade uncertainty, taxation changes and the rise of AI – all of which are factors requiring attention and decision-making.

One unshakable truth remains: UK economic growth is stagnant. Importantly, as recognised by this year's Nobel Prize in Economic Sciences, *innovations are key for ensuring economic growth*.¹ It is therefore essential we understand the state of UK innovation.

This year's Global Innovation Index² saw the UK drop from fifth to sixth position in the global ranking. Whilst disappointing, the results highlight the UK's consistent ability to produce more, and higher-quality, innovation outputs relative to its level of innovation investments. The UK still punches above its weight. However, often the data underlying this league table have a time lag, so it is hard to truly understand the current state of play.

The State of Innovation 2025 report provides insights directly from UK businesses on key aspects of innovation – their activities, challenges and plans.

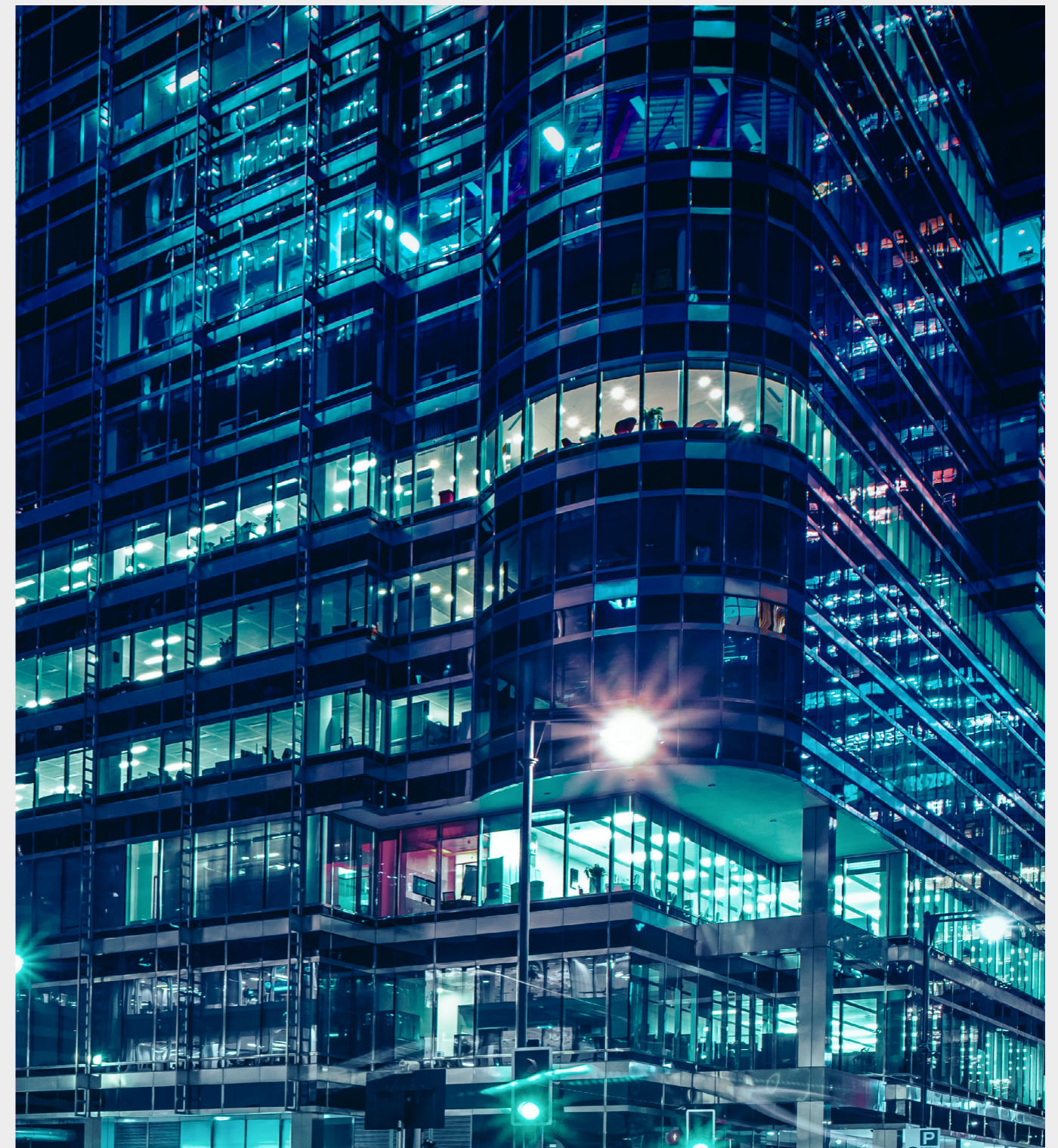
The report draws on the 2025 Innovation State of the Nation Survey (ISNS), carried out

between March and July 2025, with questions primarily focused on innovation over the previous year. Importantly, the data also now allow us to compare against results from 2023 and 2024.

The information captured in the survey was provided by the member of the management team with lead responsibility for aspects of product/service or organisational innovation. The survey included private businesses with more than five employees. It is important to highlight that these businesses were not those who have specifically had support from Innovate UK, but a broader representative sample of UK businesses.

Throughout this report, the results draw on comparisons across firm size bands and firm types (i.e. frontier versus non-frontier firms).^{3,4} This notion helps to compare firms at the forefront of innovation in their industries versus those that are not.

This report presents a summary of the headline UK findings based on what businesses have told us about innovation in 2025. A fuller review of the data from ISNS 2025, including additional regional and sectoral insight, is available in the technical report published by the [Innovation & Research Caucus](#).



¹ www.nobelprize.org/prizes/economic-sciences/2025/summary/

² www.wipo.int/gii-ranking/en/

³ Micro = 5–9 employees, small = 10–49 employees, medium = 50–249 employees, large = 250+ employees.

⁴ To identify frontier firms within the ISNS, respondents were asked 'Thinking about how your firm compares to your main UK competitors, how strongly do you agree that: "We are often the first to introduce innovative products or services?"'. Where a respondent strongly agreed with this statement, they were classified as a 'frontier' company; all other firms were classified as non-frontier. Overall, around a quarter of firms responding to the survey were classified as frontier firms on this basis.

02 |

Innovation activity

Innovation activity

A review of innovation levels

Innovation remains a highly conceptual term. It can be used to represent either an activity ('we are undertaking innovation') or an output from this activity ('we have a new innovation').

60%

of UK businesses reported making changes to products or services within the last year.

For some firms, innovation is linked to new technologies and their application to improve efficiency; others stress the creation of added value for customers, enhancements to profitability, or the strategic value in terms of their position in relation to their competitors.

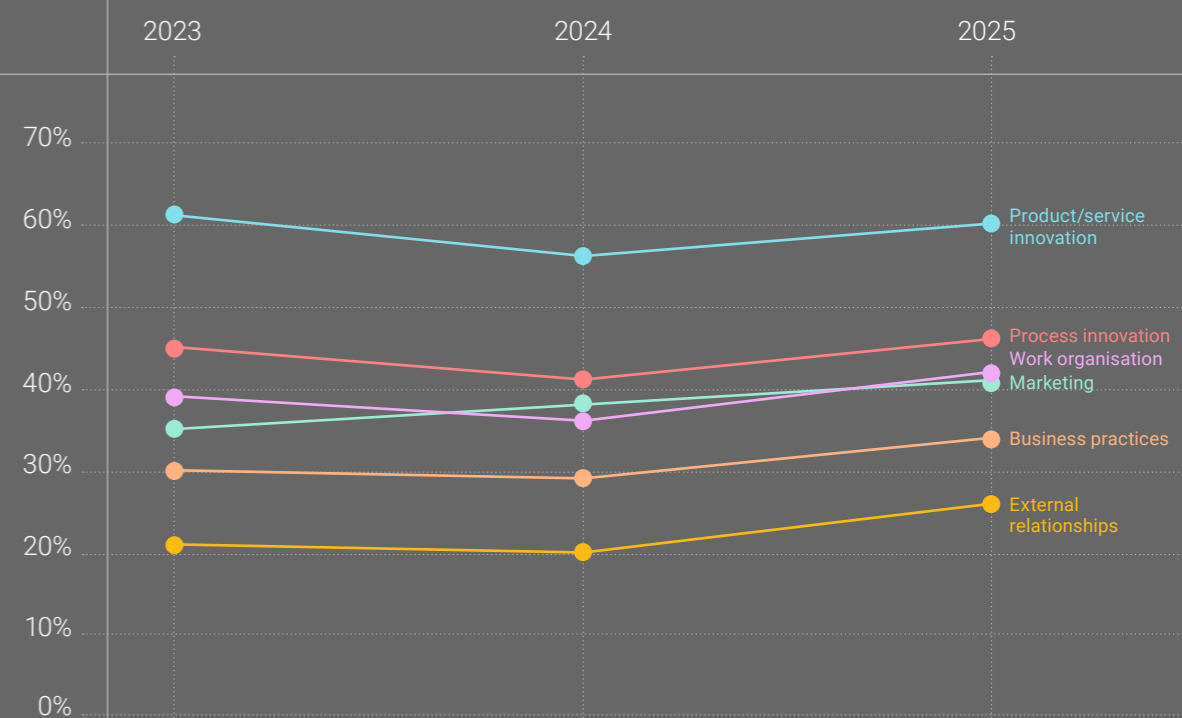
The Organisation for Economic Co-operation and Development's (OECD's) current definition of innovation outlines two main types of innovation: product innovation and process innovation. But, within a business, you might also consider marketing innovation – for example, changing how a product is advertised, priced or packaged. You may also think of organisational innovation, which includes adapting the practices within a business. A good recent example of this would be the shift in many firms towards hybrid working.

Through the ISNS, we explore this range of innovation activity using questions that, rather than asking broadly about 'innovation', adopt more descriptive language about specific changes.

Figure 1 shows the proportions of UK firms engaging in the various types of innovation activity asked about over the last year, comparing data from 2023, 2024 and 2025. We see that product and service-related innovation is consistently the most common type of innovation amongst UK firms. In 2025, 60% of UK businesses reported making changes to products or services – an increase from 56% in 2024 and a return to 2023 levels.

Whilst less common, we see a similar pattern across process and other types of organisational innovation. Marketing-based innovation is the activity that perhaps bucks the trend with a more consistent rise from 35% in 2023 to 41% in 2025. Whilst these results show only a high-level picture, they help to identify where and how firms are prioritising their activities – something that remains consistent over time.

FIGURE 1
Proportion of firms undertaking different types of innovation over the last year



76%
of frontier
firms were
innovating over
the last year.

Beneath these UK figures we do see greater nuance in the data (full breakdowns are available in the associated technical report and data tables from the Innovation & Research Caucus).

For example, looking at the most popular type of innovation – product or service – we saw a 5% increase in the rate of activity among micro and small businesses between 2024 and 2025. Frontier firms were the standout performers, however, with over three-quarters (76%) innovating over the last year: an increase of 8% from 2024 (68%).

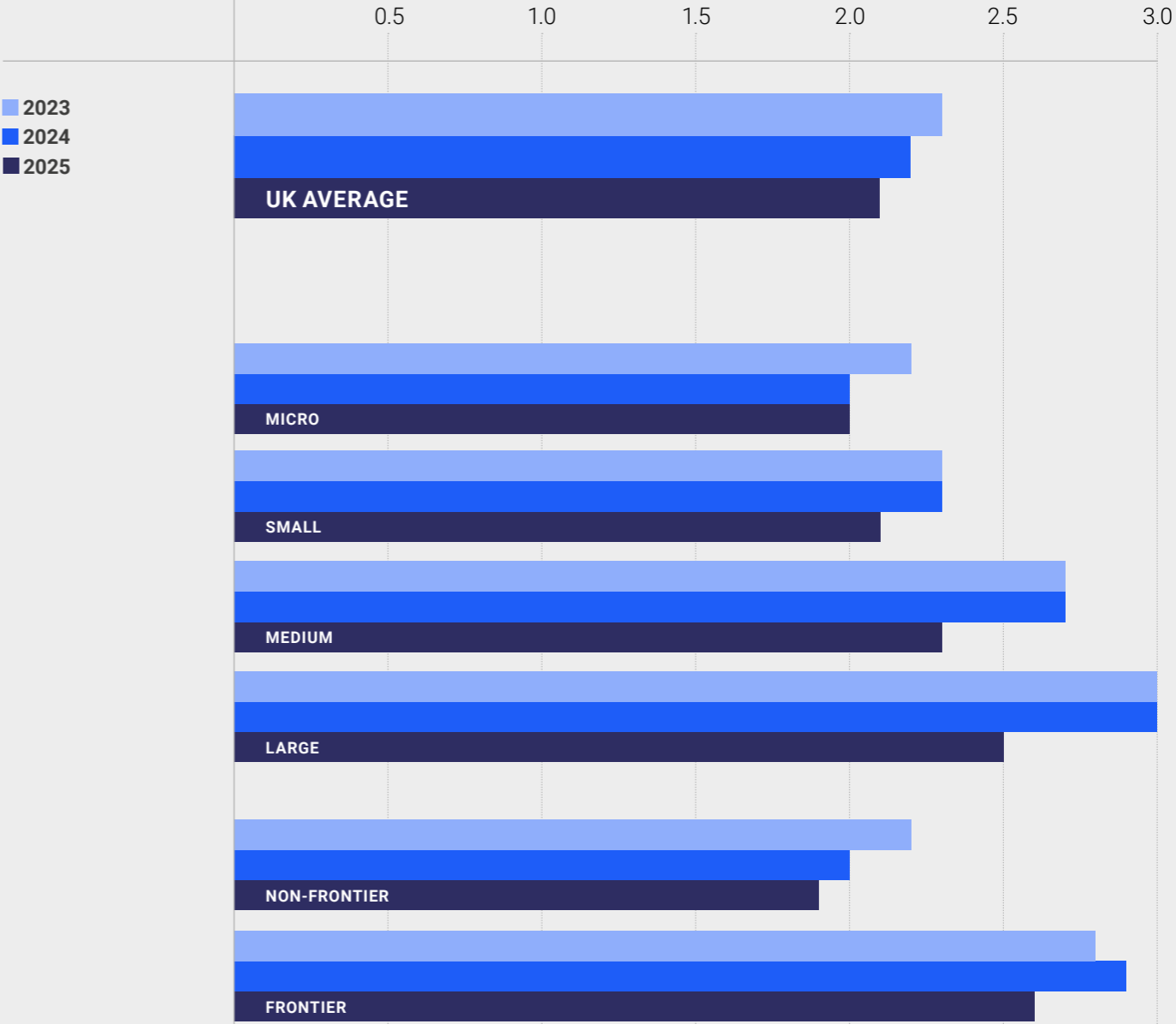
It is also important to understand how novel firms’ innovation activity is. Innovating firms were asked if their product or service changes were new to their firm or new to the market (i.e. introduced before competitors). In 2025, the number of firms reporting innovations that were new to the market increased by 8%, while those reporting innovations that were new to the firm went up by 3%. Micro firms saw the greatest increase in new-to-market innovation, whilst medium-sized and large firms saw the greatest rise in new-to-firm innovations. Frontier firms drove increases across both types of innovation.

Another way of summarising the overall picture of innovation activity within firms is to consider the range of innovation types being undertaken. Here, we consider the six different forms of innovation measured in the ISNS (product/service, process, business practices, work organisation, external relationships and marketing strategies). Firms undertaking no innovation of any type would score a value of 0 and firms that were undertaking all six types of innovation in the past year would score 6.

Overall, the average score has decreased from 2.3 in 2023 to 2.1 in 2025 (see Figure 2). This means that the average firm now engages in fewer types of innovation. This decrease is most notable for large, medium-sized and frontier businesses between 2024 and 2025.

This highlights an interesting dynamic. Whilst we see an increase in the proportion of firms undertaking innovation, we also see firms perhaps concentrating their efforts and resources on fewer types of innovation at once.

FIGURE 2
Average number of types of innovation that firms undertook over the last year



03 |

Innovation outcomes

Innovation outcomes

A look at the impacts of innovating

The sales growth of innovating firms was 7% compared to 0.4% for non-innovating firms over the past year.

We see from Section 1 that innovation remains an important priority for many businesses across the UK. The ISNS also asks businesses about their objectives over the last year and how important their innovation activities have been in achieving these goals.

Figure 3 shows that innovation activities are particularly important to firms in helping to achieve commercial objectives: notably, in *increasing efficiency, increasing sales, increasing profit margins and sustaining cash flows*. Results from the past three years have shown this to be a consistent pattern – with over 80% of firms reporting innovation as important with regard to all four objectives. Results from 2025 also highlight the growing importance of innovation in achieving social and community benefits.

Respondents were additionally asked about their performance over the last year, helping to provide a picture of the context in which they are innovating. When looking at sales growth over the past year, in 2025, firms reported an average sales growth of 4.5% – the lowest figure since the survey began three years ago (2023 = 7%, 2024 = 5%).

We can also look at whether this performance varies for different groups of firms.

FIGURE 3
Proportion of firms rating innovation as 'very important' or 'important' in helping them to achieve their objectives over the last year

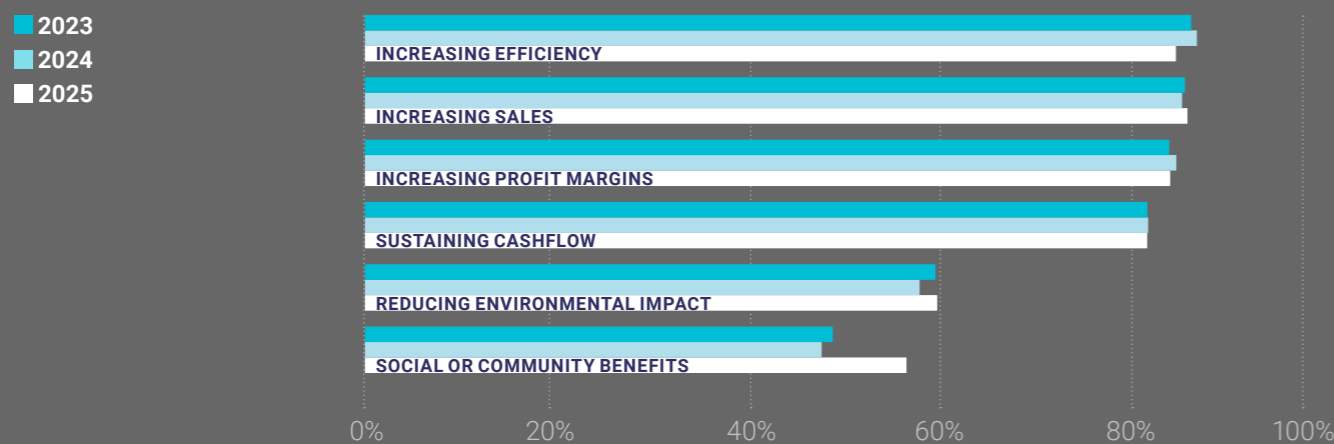


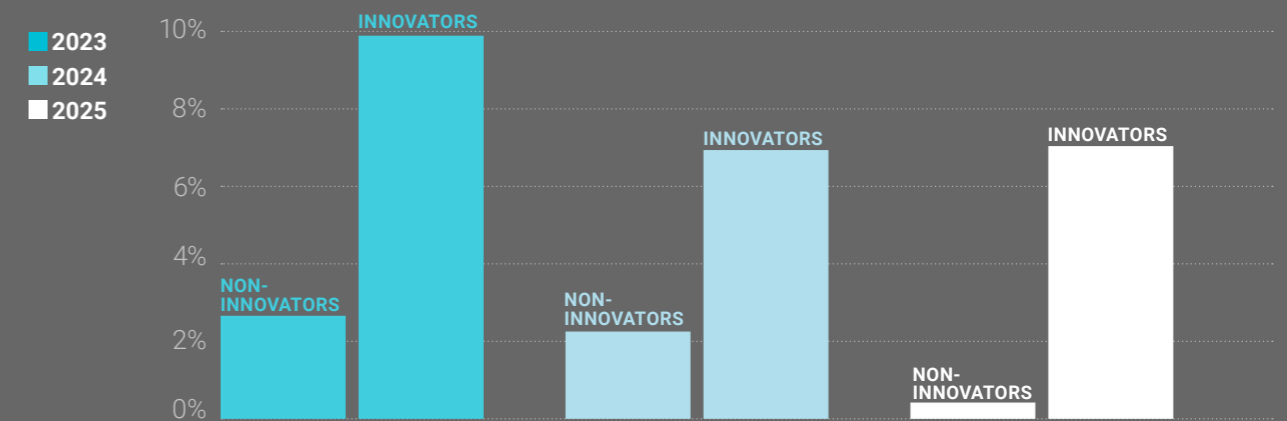
Figure 4 summarises the mean reported sales growth of innovating and non-innovating firms. In 2025, the reported sales growth of innovating firms was 7% compared to 0.4% for non-innovating firms. This is a pattern that has been consistent since 2023, although the difference is more amplified than in previous years.

Generally, this finding suggests a strong association between innovation and higher sales growth. Digging deeper, we see that frontier firms lead the pack, reporting higher sales growth of 9% in 2025 (non-frontier firms = +3%).

Another potential benefit that innovation brings to businesses is the potential to drive efficiency and reduce cost.

To help understand this, one question in the ISNS asked businesses that reported undertaking process innovation over the last 12 months whether or not this had any impact on costs. Among those firms that undertook process innovation in the year prior to the 2025 survey, 63% reported cost savings, 18% reported costs had increased and 17% reported no change in costs. This profile closely reflects those observed in 2023 and 2024. Of the firms that had experienced cost savings from innovating, over half (56%) reported those savings to be of at least 10%.

FIGURE 4
Average sales growth (%) over the last year – innovators versus non-innovators



04 |

Innovation barriers

Innovation barriers

What barriers have been holding innovators back?

It’s clear that innovation drives growth, and, in order to unleash the UK’s untapped innovation potential, it is important to understand what holds firms back or stops them from innovating altogether.

49%
of innovators reported that barriers had constrained their innovation activities in 2025.

Despite the rise in innovation activities reported in 2025, a larger share of innovating firms reported facing challenges. In 2025, 49% of innovators reported that barriers had constrained their innovation activities: an increase from 44% in 2024. Notably, micro businesses experienced a 10% rise in reported barriers from 2024 to 2025. In contrast, large firms saw an 8% decrease, suggesting a growing gap in barriers between firms of different sizes. Medium-sized firms and frontier firms also reported higher levels of barriers in 2025, at 56% and 58% respectively.

For those innovating firms facing barriers in 2025, lack of bank or equity finance was the most reported challenge by three-quarters (74%) of innovating firms. Other factors playing a significant role in constraining innovation in the year prior to the 2025 survey were uncertain demand (50%), regulations and legislation (50%), lack of public funding (45%), lack of other public support such as advice (41%), lack of skills (40%) and lack of internal finance (17%) – see Figure 5.

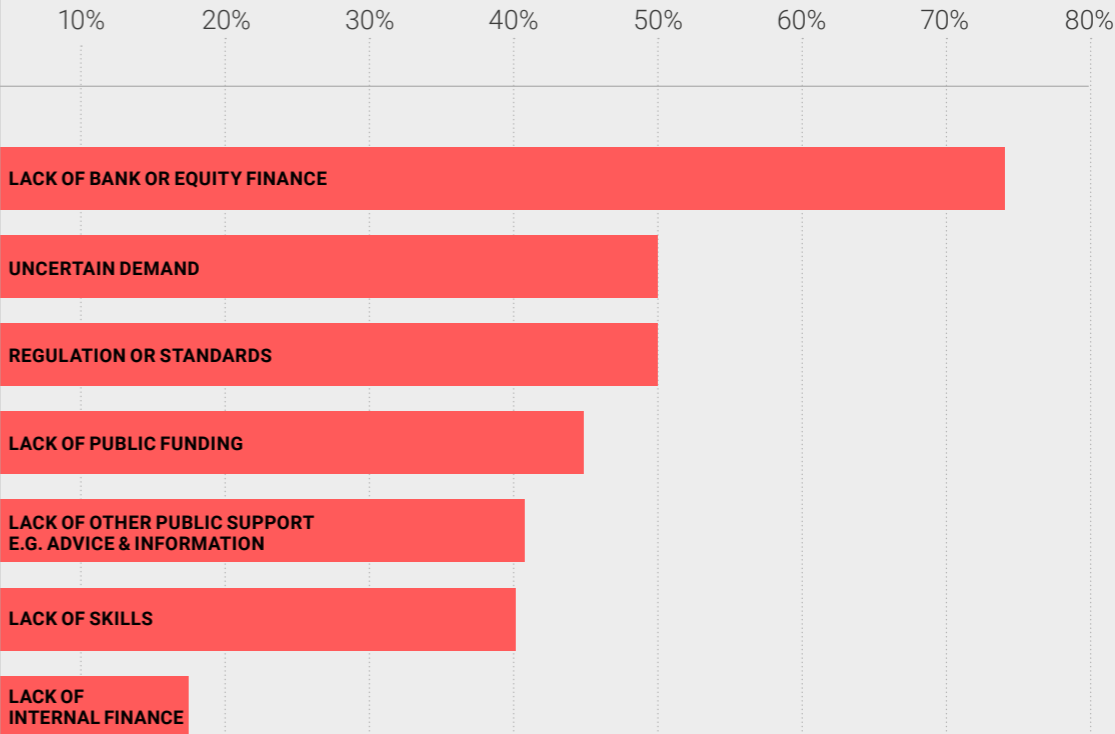
Looking at the barriers faced by different groups of firms responding in 2025, the pattern is varied. For example, while some of these barriers (such as uncertain demand) affect firms relatively

equally, others (including lack of finance) are far more prominent for smaller firms.

The ISNS asks a separate question of firms related to whether or not recruitment challenges hindered their innovation activities. In 2025, 26% of UK businesses reported that recruitment difficulties had hindered their innovation activities, which is down from 32% in 2024. The downward trend was particularly noticeable among micro and frontier firms.

It is also important to understand the reasons why non-innovating firms chose not to innovate in the year prior to the 2025 survey. The most cited reasons were related to already making sufficient profit (47%) and uncertainty over the demand for innovation (43%). Approximately 16% of non-innovating firms faced a shortage of bank or equity finance, 21% reported a lack of public funding and 20% cited issues resulting from the absence of other forms of public support (e.g. advice and information). Supporting those with the desire but without the capacity to innovate is critical for drawing more firms into the innovation ecosystem.

FIGURE 5
Barriers to innovation reported in 2025 – innovating firms



05 |

Innovation enablers

Innovation enablers

How have firms been investing in innovation?

This section explores a range of factors that are critical to facilitating business innovation. We look at investment in research and development (R&D), funding, collaboration, external support and the people behind innovation. Dialling these factors up can unlock innovation, in turn yielding the growth benefits explored earlier.

39%
of UK firms
reported
engaging in
some form of
R&D activity over
the last year.

Investing in R&D and other innovation-related activities is critical to innovation success. Yet we know economic conditions have put significant financial pressure on businesses. In this section, we explore to what extent firms have been investing in innovation.

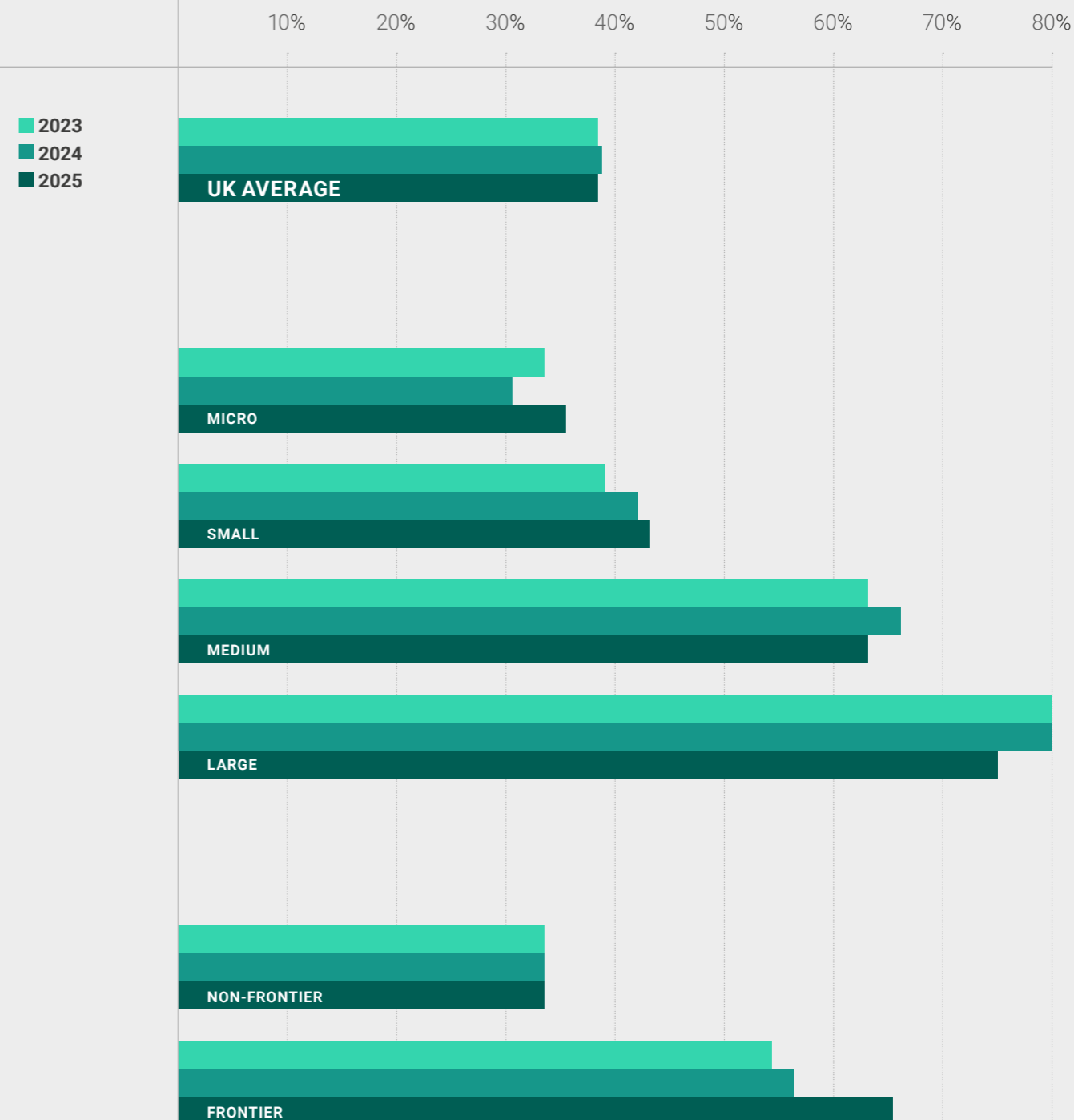
Overall, in 2025, 39% of UK firms reported engaging in some form of R&D activity over the last year, remaining constant since 2023 (see Figure 6). As we have

seen in previous years, generally, the smaller the business the smaller the proportion of firms conducting R&D. Interestingly, however, the proportion of micro businesses investing in R&D rose by 5% from 2024 to 2025, whereas large firms saw a 5% decrease. Despite this, large businesses were still twice as likely as micro businesses to invest in R&D. Frontier firms saw the greatest rise in R&D investment levels between 2024 and 2025 at +9%.



FIGURE 6

Percentage of firms investing in R&D activities over the last year



Innovation enablers

How have firms been investing in innovation?

Firms were then asked about the specific investments they had made towards innovation. These cover a range of activities.

Fifty-four per cent of firms identified that they had purchased machinery, equipment or software within the last year – consistently the most common type of investment in innovation (see Figure 7). Notably, there was a significant drop between the 2024 and 2025 survey results in the proportion of large and medium-sized businesses investing in machinery, equipment and software.

Overall, the proportion of firms investing in patenting or licensing rose by 2% in the year prior to the 2025 survey. Whilst there was a decrease seen in investment levels by larger firms, this was offset by increases amongst both micro and small businesses.

The activities that have seen the greatest change since the question was first asked in 2023 are market-related investments such as market research and new relationships/channels, both of which have risen by over 5% from 2023 to 2025.

This year's survey also saw the introduction of a question about the types of training being invested in. Of the 42% of firms that had invested in innovation training, the most common investment was in specific job-related skills (32%). Compliance-related training (24%), personal development (23%) and industry-recognised qualifications (23%) were also commonly reported types of training. Investment in apprenticeship programmes (14%) and diversity and inclusion training (15%) saw the lowest levels of investment (see Figure 8).

FIGURE 7

Proportion of firms investing in other aspects of innovation over the last year

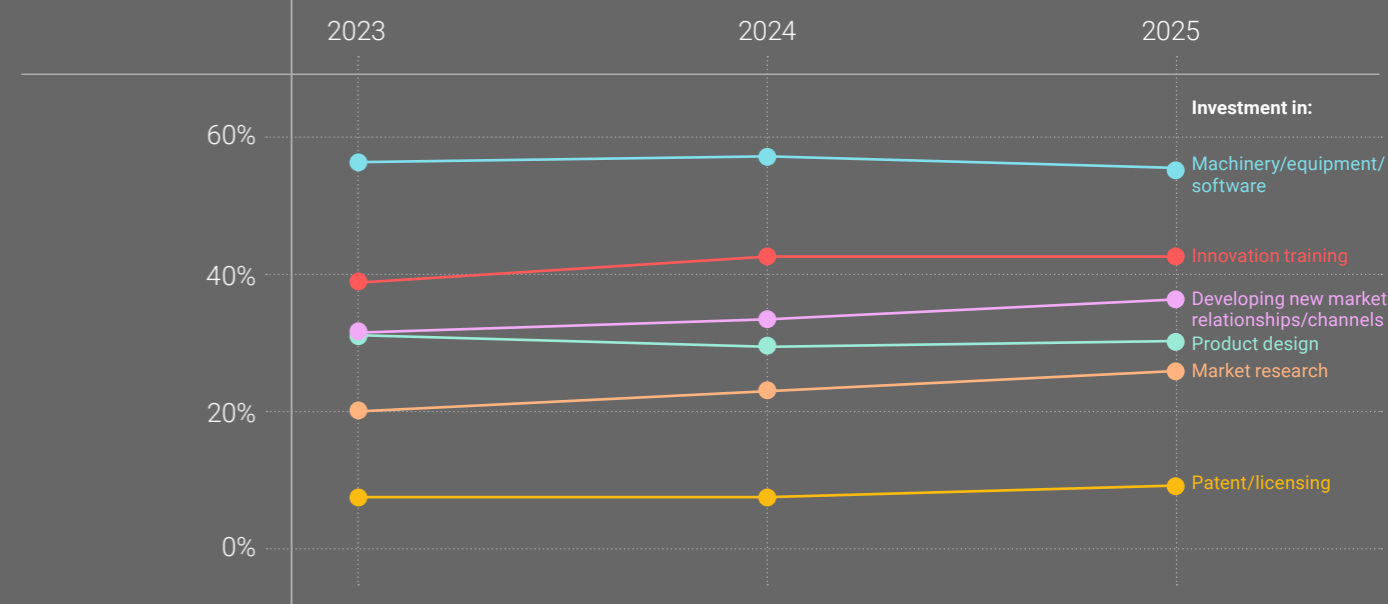
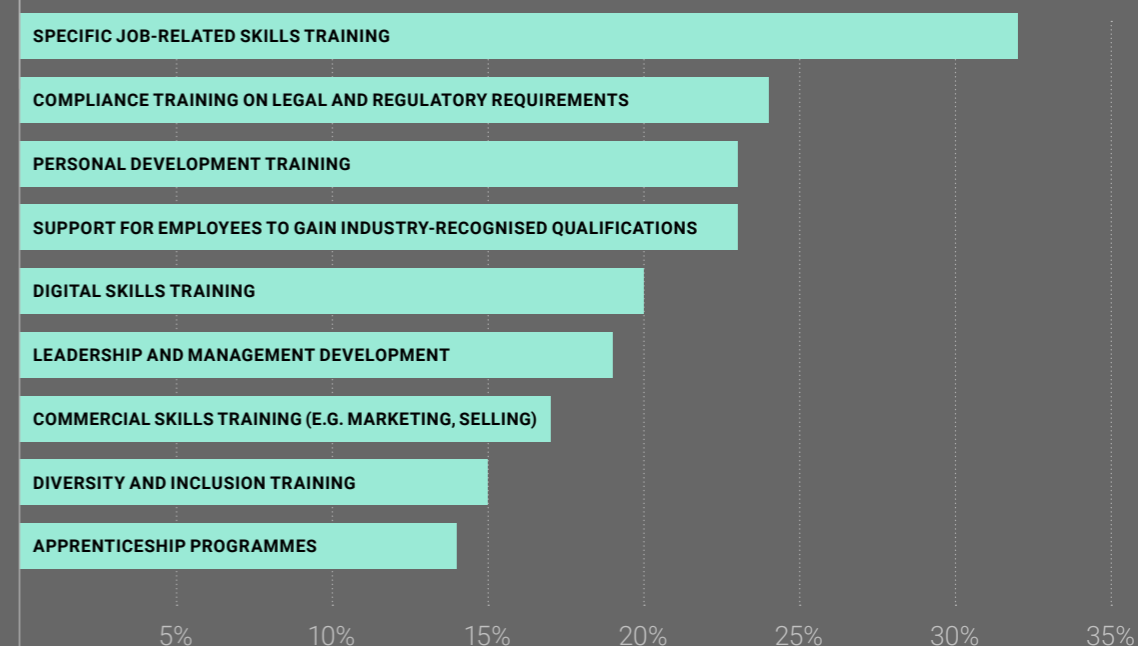


FIGURE 8

Percentage of firms investing in different types of innovation-related training as reported in 2025



Funding

What does innovation funding look like?

As well as knowing how firms are investing in innovation, it is equally important to understand how they are funding this activity, especially if we are to increase innovation levels.

The use of grants, government loans, bank loans and equity finance all rose between 2023 and 2025.

The ISNS found that by far the most common approach to funding research, development and innovation was internal funding by the business – something used by 7 out of 10 innovators. In a similarly consistent pattern, we see that around 1 in 10 use R&D tax credits.

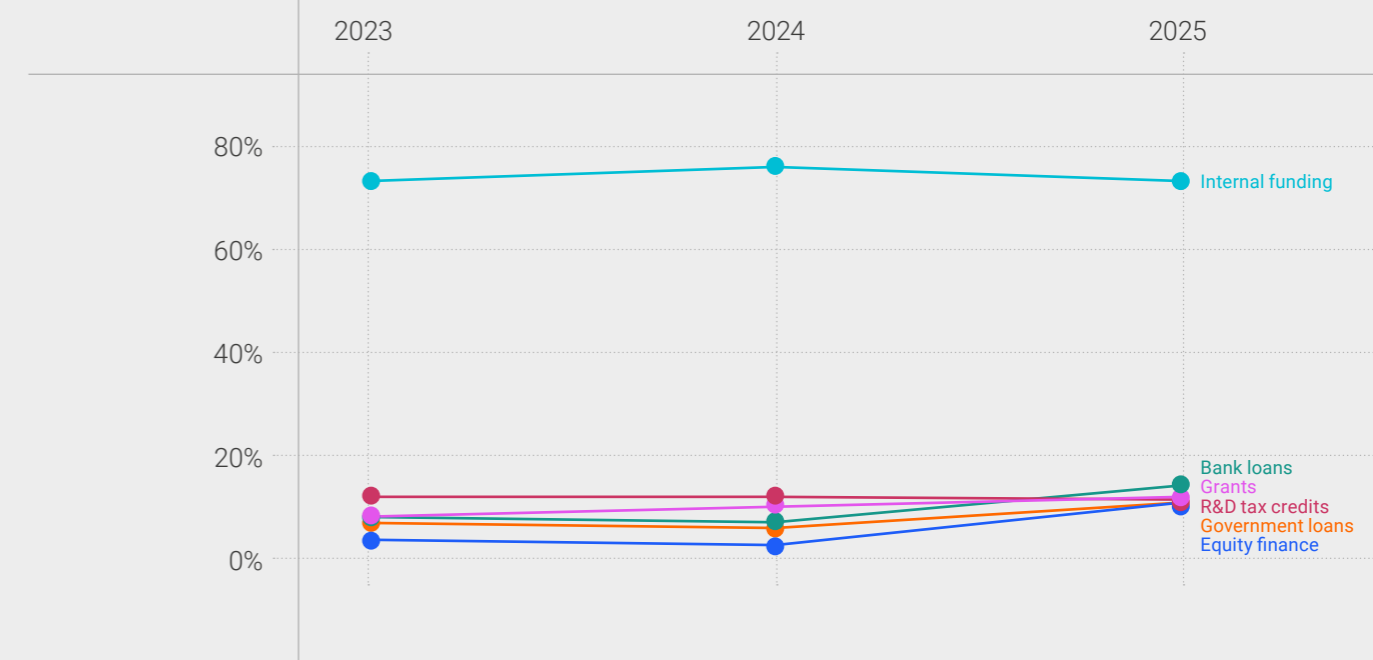
Interestingly, results from 2025 show an increased use of other types of external finance for innovation. Overall, the use of grants, government loans, bank loans and equity finance all rose between 2023 and 2025 – see Figure 9. This rise was driven predominantly by increases among micro and small businesses. Similarly, there looks to be a ramping up of the use of external finance by frontier firms.

Of those firms that had used external finance to fund innovation, an increasing proportion reported that a lack of or limited funding had restricted their innovation activities. In 2025, 34% of firms reported this challenge, rising from 28% in 2024. This rise was greatest for frontier firms (2024 = 27%, 2025 = 42%).

Overall, since 2023, there has been an increase in the proportion of UK firms seeking external finance (see Figure 10). In 2025, 24% of firms reported seeking external funding compared to 21% in 2024. The increase was more pronounced for micro, large and frontier firms.

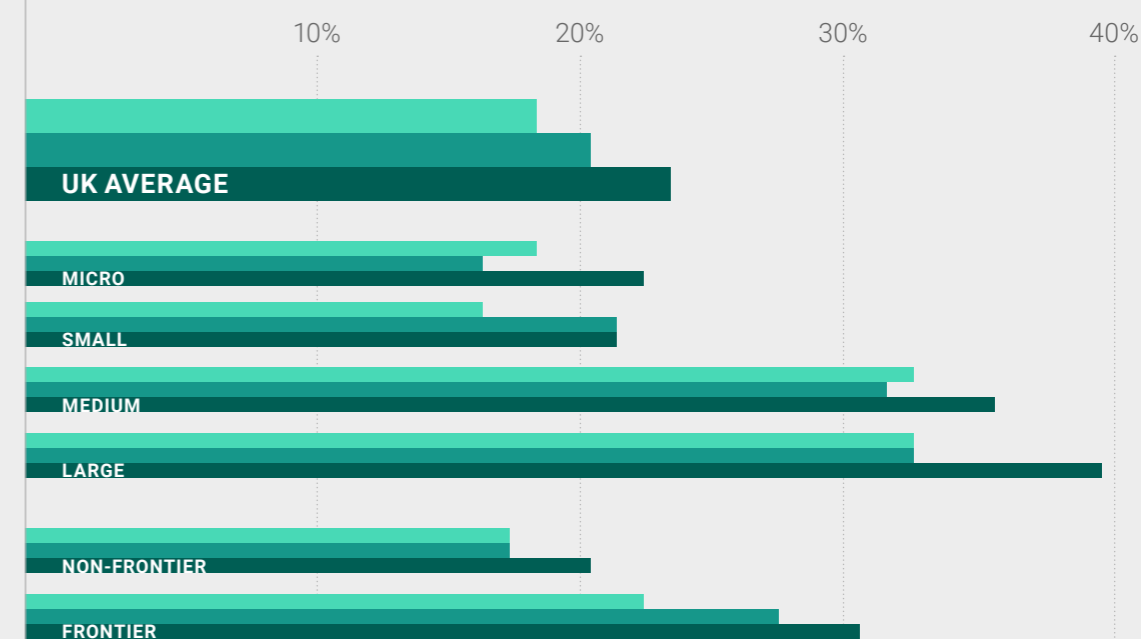
Note: Due to interview restrictions, only half of the survey respondents were asked this question.

FIGURE 9
Percentage of firms using various funding sources for innovation over the last year



■ 2023
■ 2024
■ 2025

FIGURE 10
Percentage of firms seeking external funding over the last year



Note: Due to interview restrictions, only half of the survey respondents were asked this question.

Collaboration

How have firms worked with others to innovate?

We asked firms about their collaboration with external partners for innovation purposes. Whether formal or informal, collaboration can help firms to access new opportunities, reduce risks, share costs, and access new skills and technologies.

42%
reported
collaborating
for innovation
in 2025 – an
increase from
39% in 2024.

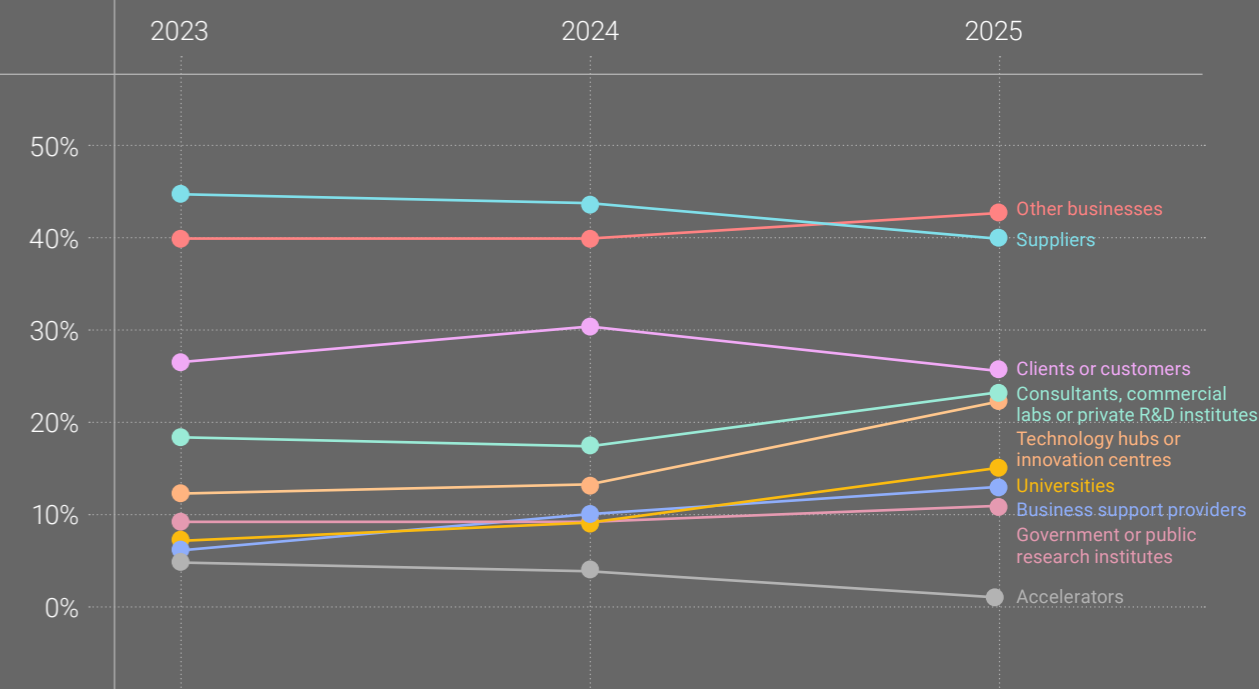
In 2025, overall, 42% reported collaborating with other organisations – an increase from 39% in 2024. Consistent with 2023 and 2024 data, we see that the proportion of collaboration is highest amongst frontier and larger firms.

Figure 11 shows the types of partners firms are using for innovation. The three years of data emphasise the importance of collaboration with suppliers, other businesses, clients and customers. Levels of collaboration with universities, public laboratories and business support providers are consistently lower. However, 2025 results showed a noticeable increase in collaboration with technology hubs (+9%), consultants and commercial labs (+6%), universities (+5%),

business support organisations (+3%) and government or public research institutes (+2%). The use of accelerators as innovation partners has reduced from 5% in 2023 to 1% in 2025. These trends differ by firm size and firm type, showing that collaboration preferences vary across different business contexts.

The ISNS also allows us to consider the breadth of collaboration among firms. Looking at the number of partner types that each firm has collaborated with, we see a rise between 2023 and 2025. Notably, this increase was greatest among micro, small and frontier businesses.

FIGURE 11
Percentage of firms collaborating for innovation with various partners over the last year



Sources of advice

What advice have firms sought for innovation?

A range of innovation and business support measures are available to firms across the UK. Earlier, we looked at firms' use of external funding. Here, we review how firms have used sources of advice, information and technology over the last year.

38%
reported seeking
some form of
external advice
over the past
12 months.

Across the whole sample of UK firms, 38% reported seeking some form of external advice over the past 12 months. This was a slight rise on the 35% reported in both 2023 and 2024. This increased use of external advice was seen across all business sizes and types; however, frontier firms saw the most notable rise from 39% of firms in 2024 to 51% in 2025 (see Figure 12).

Of those that did seek advice over the last year, the most commonly sought advice continued to be for business growth strategy (52% of firms). Interestingly, 2025 results saw a rising trend in firms seeking advice on digital technologies (+9%), product/service innovation (+8%), and net zero and reducing their environmental impact (+6%) – see Figure 13.



FIGURE 12

Percentage of firms seeking external advice over the last year

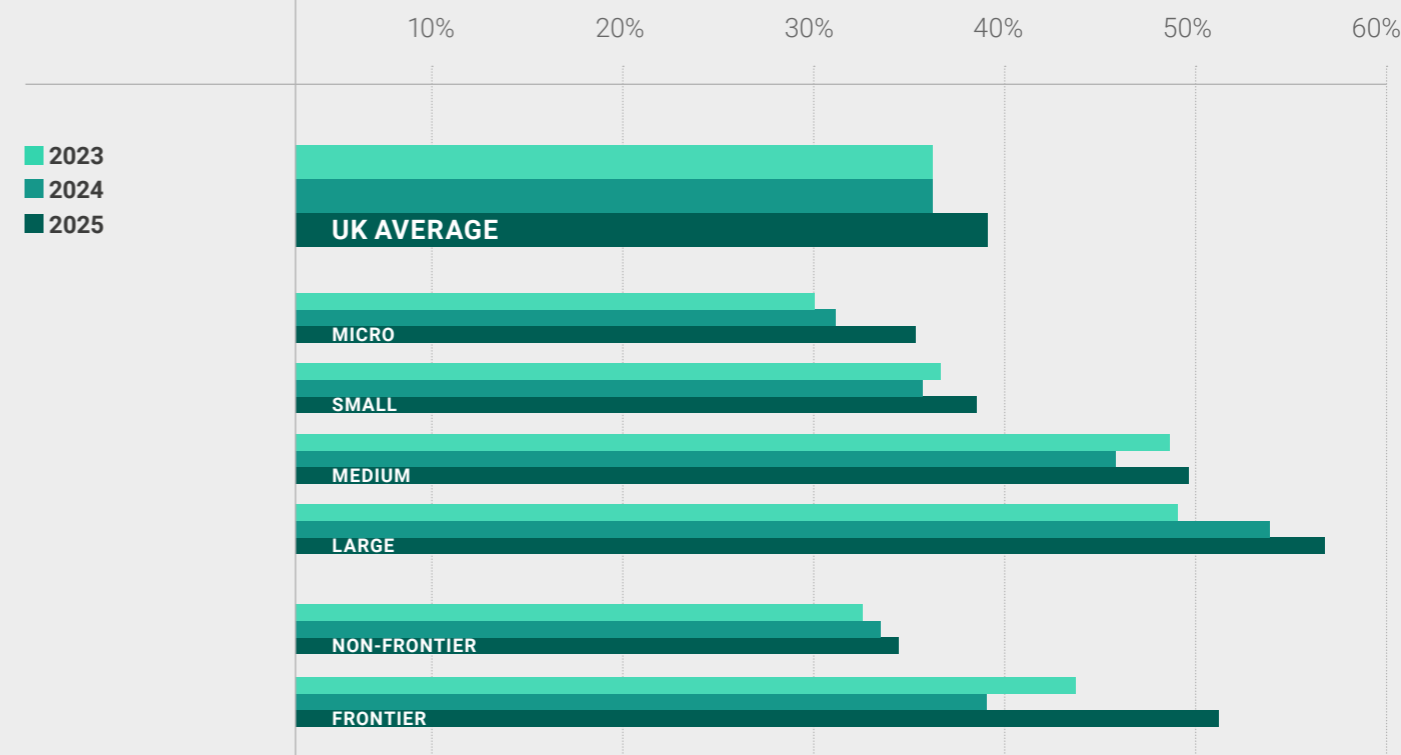
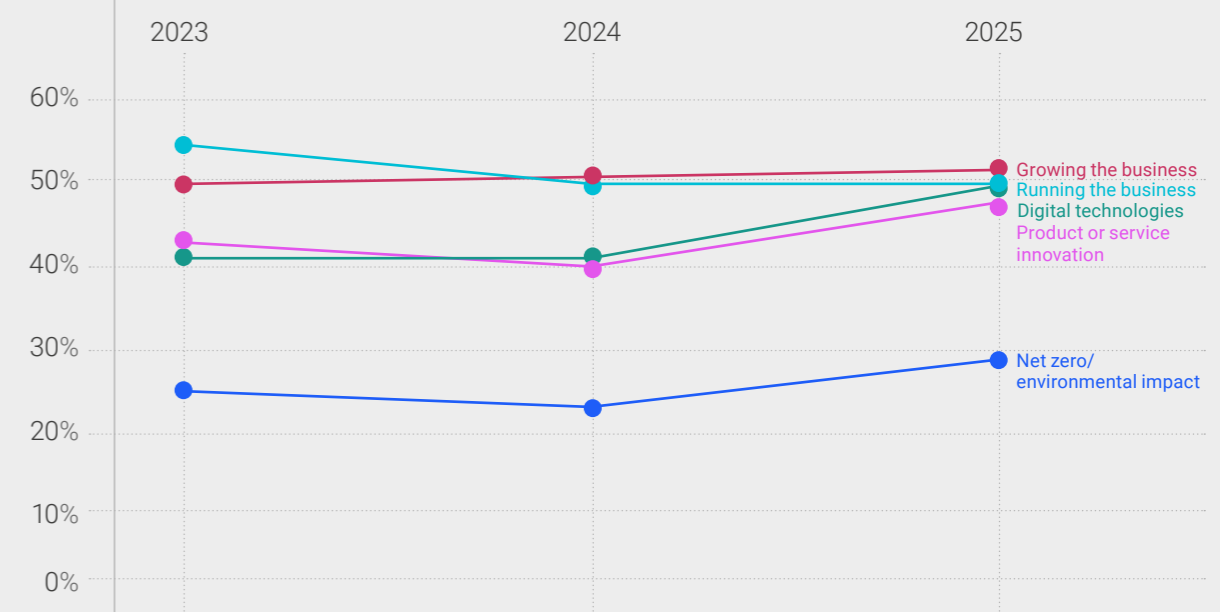


FIGURE 13

Percentage of firms seeking different types of advice over the last year



Innovating firms

Understanding the people who innovate

Innovating firms have consistently reported a higher proportion of leadership diversity than non-innovating firms.

Interest in diversity and its impact on business performance has increased significantly over the past few years. We know that diversity in all its many forms matters, and studies typically suggest that diversity in businesses contributes to enhanced performance and commercial success.^{6,7}

Building on this, the ISNS asks businesses about the size and composition of their innovation teams, with two questions specifically exploring the proportion of women and people from minority ethnic groups in these teams.

The survey results show that in 2025, on average, people from minority ethnic groups accounted for 28% of businesses' innovation teams. Likewise, 43% of the members of these teams across the UK were women. These proportions closely mirror those observed in 2024.

Additional questions focus on representation at the leadership level within firms. Figures 14a and 14b show, respectively, the proportions of firms with women and minority group involvement in leadership roles.

In 2025, 72% of respondent firms had one or more women in leadership roles, and 31% of firms had one or more from a minority ethnic group involved in their leadership. Importantly, the results show that innovating firms have consistently reported a slightly higher proportion of leadership diversity than non-innovating firms.

Analysis from previous waves of the survey found that greater diversity in firm leadership means that firms are more likely to seek business advice, and, when they do, greater diversity results in stronger innovation benefits.⁸

⁶ www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters

⁷ www.enterpriseresearch.ac.uk/publications/leadership-diversity-business-advice-and-firm-level-innovation-outcomes/

⁸ www.enterpriseresearch.ac.uk/publications/leadership-diversity-business-advice-and-firm-level-innovation-outcomes/

FIGURE 14A

Proportion of firms with women involved in leadership roles

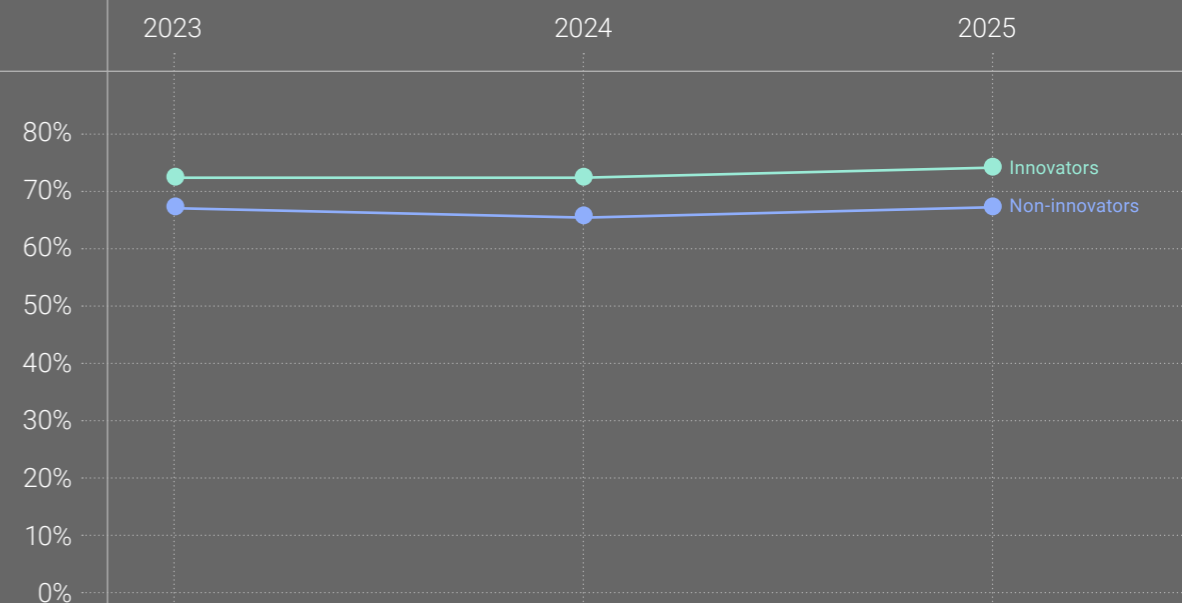
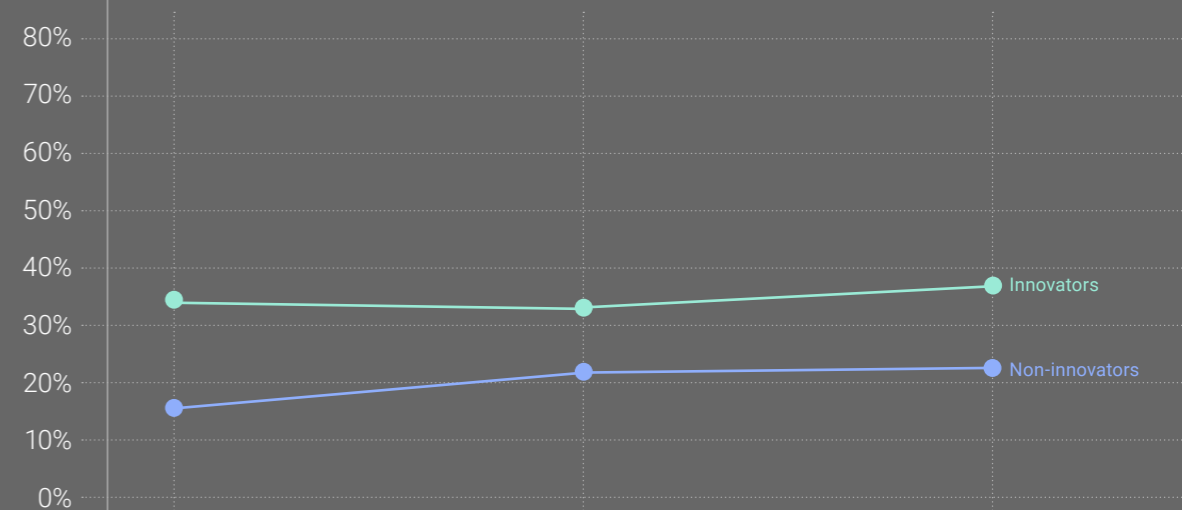


FIGURE 14B

Proportion of firms with those from a minority ethnic group involved in leadership roles



06

Innovation intentions

Investing in future innovation

The year ahead for UK businesses' innovation plans

In this final section, we share what businesses told us about their innovation and investment intentions over the next 12 months. As the survey is repeated in future years, questions about R&D investment intentions will become a key barometer for gauging the outlook of UK firms.

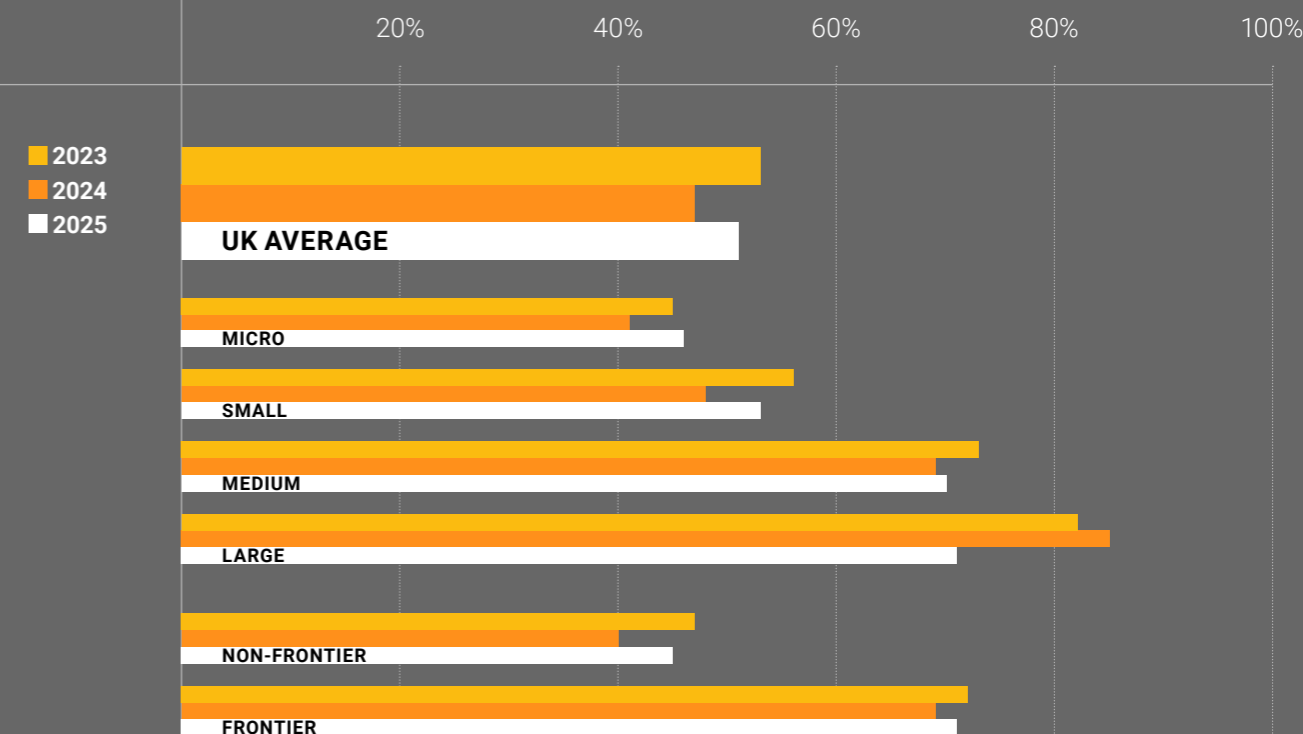
51%
of UK firms
planned to
invest in R&D
over the next
12 months: an
increase from
47% in 2024.

Overall, 51% of UK firms planned to invest in R&D over the next 12 months: an increase from 47% in 2024, and returning to similar levels as noted in 2023 (53%) – see Figure 15.

As in previous years, this proportion is significantly higher among frontier, medium-sized and large firms. The investment intention levels of frontier firms have remained consistent since 2023. And, whilst micro and small businesses showed a 5% increase in investment intention between 2024 and 2025, large firms showed a notable decrease, falling from 85% in 2024 to 71% in 2025.

Among those firms planning R&D investment over the next 12 months, 59% were planning to increase their level of R&D investment, compared with only 3% planning to reduce investment and 35% planning to maintain current levels of R&D investment. Since 2023 there has been a steady increase in the proportion of firms planning to increase their R&D investment (2023 = 50%, 2024 = 57%, 2025 = 59%).

FIGURE 15
Percentage of UK firms planning to invest in R&D over the next 12 months



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Appendix

Methodology

Overview

The ISNSs for 2023, 2024 and 2025 were conducted using a combination of computer-assisted telephone interviewing and an online business-to-business panel.

Within each respondent organisation, a member of the senior management team or a senior decision-maker involved in innovation was sought to be interviewed.

Businesses with five or more employees were in scope for the survey. Organisations were additionally screened to ensure they were not charities, not-for-profit organisations or public-sector organisations.

Fieldwork and sampling

Fieldwork for ISNS 2025 took place between March and July 2025, resulting in 2,020 respondents. Results are compared with similar surveys carried out in 2023 (2,018 firms) and 2024 (2,001 firms).

All surveys include companies from 12 UK nations and regions (Scotland, Wales, Northern Ireland, East Midlands, East of England, London, North East, North West, South East, South West, West Midlands, and Yorkshire and Humber), nine broad industrial sectors (SIC codes: ABDE, C, F, G, H, I, K, JLM and NPQRS) and four firm size bands (5–9, 10–49, 50–249 and 250+ employees).

A stratified sampling approach was used and targets were adopted to ensure a representative spread across sectors, firm size bands and UK regions.

Weighting

Weighting was necessary to provide representative results. Simple population weights based on the population of private-sector businesses were used to do this.

More detail on the full survey methodology is available from the technical report published by the Innovation & Research Caucus.

About the Innovation & Research Caucus

The Innovation & Research Caucus supports the use of robust evidence and insights in UK Research and Innovation's (UKRI's) strategies and investments, as well as undertaking a co-produced programme of research. Caucus members are leading academics from across the social sciences, and other disciplines and sectors, who are engaged in different aspects of the innovation and research system. We connect academic experts, UKRI, Innovate UK and the Economic and Social Research Council by providing research insights to inform policy and practice.

About Innovate UK

Innovate UK drives productivity and economic growth by supporting businesses to develop and realise the potential of new ideas. We connect businesses to the partners, customers and investors that can help them turn ideas into commercially successful products and services and business growth. We fund business and research collaborations to accelerate innovation and drive business investment into R&D. Our support is available to businesses across all economic sectors, value chains and UK regions. Innovate UK is part of UKRI.

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