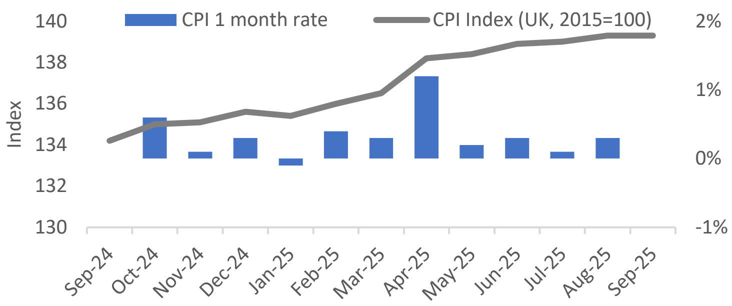
Dudley Monthly Economic Insights, October 2025

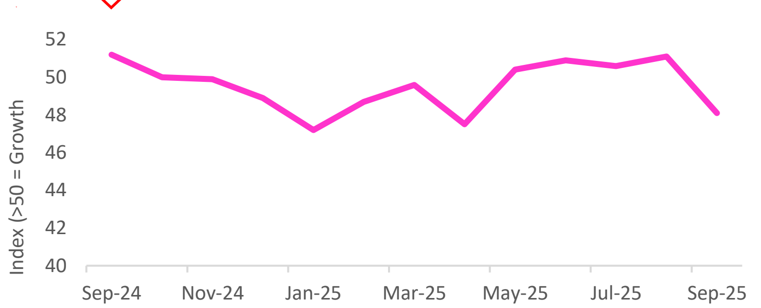
After a bruising first half of the year for the labour market, the competition to get into work continues to intensify, with more people now looking for work at a time when job openings are falling. The West Midlands continues to have the highest unemployment rate in the UK at 6.2%, and even higher at 6.3% in Dudley. Meanwhile the number of job vacancies has fallen for the 39th consecutive period compared with the previous three months – as businesses face a range of "exorbitant" pressures. In Dudley, new deprivation data is out, and, for 2025, 26.1% of LSOAs in top 20% most deprived areas. Of these, 10.8% in top 10% most deprived areas. This comes as the gap to national earnings continues to increase, with residents expecting to earn £3,553 less than the England average.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

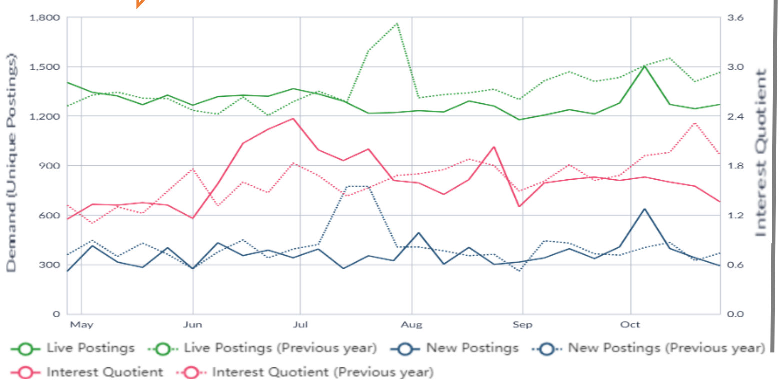


West Midlands Business Activity Index

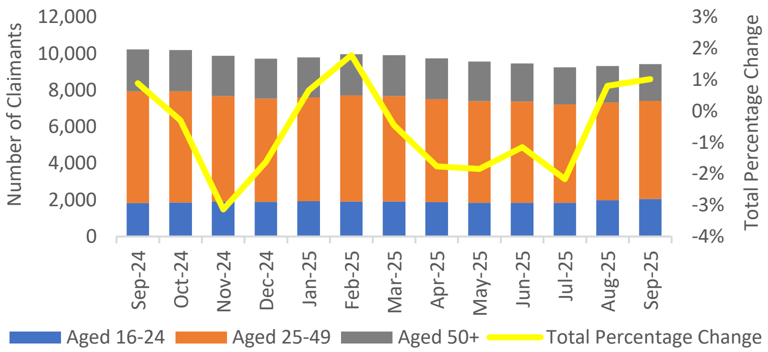


- Utilising a base year of 2015, UK **CPI was 139.3** in September 2025 – **unchanged from the previous month.**
- The West Midlands **Business Activity Index decreased** from 51.1 in August 2025 **to 48.1 in September 2025.**

Dudley Job Demand and Interest Trend

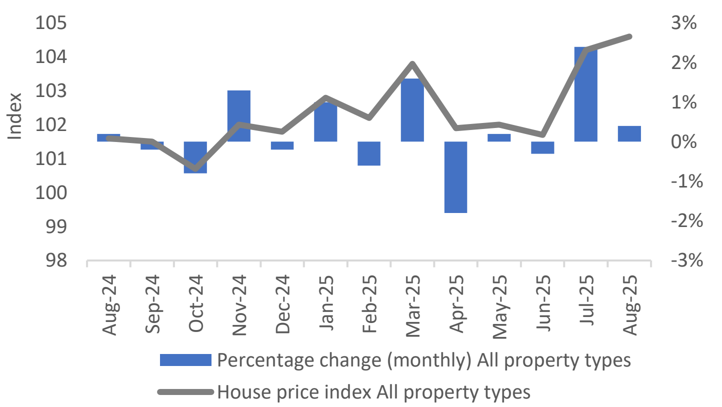


Dudley Claimants

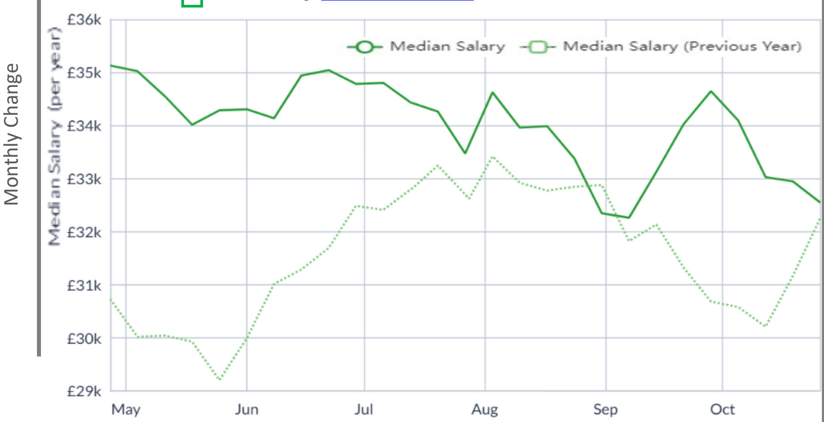


- In the past month: **3,072 job postings (-1.2% YoY), 1,686 new postings (+8.8% YoY)**. 1.6 (high) Interest Quotient.
- In total, **9,420 claimants in September 2025**; **+95 since August 2025**, (-815 since Sep '24).

Dudley House Price Index



Dudley Salary Trend



- Dudley's **House Price Index was 104.6 in August 2025**. The monthly **Index increased by 0.4%.**
- In the past month, on Adzuna: **Median Salary of £33,332 per year**, **+7.1% year-on-year**.

Other Recent Releases

- The Ministry of Housing, Communities and Local Government have released English indices of deprivation 2025. Dudley's findings are:
  - **Rankings** (1 is most deprived) **improved in 2025 compared with 2019** - placed in 103rd, which has improved from 91st in 2019.
  - For 2025, **26.1%** of LSOAs in **top 20% most deprived** areas. Of these, **10.8%** in **top 10%** most deprived areas.

- The ONS Annual Population Survey (APS) has been updated to show data for the year ending June 2025 for **labour market activity**:
  - **Dudley Employment Rate: 75.1%** (since the year ending June 2024 **-1.6 percentage points (pp)**, UK +0.1pp to 75.4%).
  - **Dudley Unemployment Rate: 6.3%** (since the year ending June 2024 **+3.1pp**, UK +0.3pp to 4.1%).

- The ONS have published Business Register and Employment Survey (BRES): provisional results 2024. Dudley's findings are:
  - **106,000 jobs**, a decrease of 5,000 jobs since 2023 (**-4.5%**, England +0.6%).

- Snapshot data from the ONS UK; business activity, size and location publication shows for Dudley as of March 2025:
  - **87.8% of enterprises are micro (UK: 89.1%).**
  - **62.1% of enterprises have a turnover of between £0-£249,999 (UK: 65.3%).**

- The ONS published employee earnings in the UK: 2025. Dudley's findings are:
  - **Gross, annual full-time resident earnings: £35,486**, an increase of 2.0% (UK +4.3%) since 2024. Shortfall of £3,553 to national average (£39,039).
  - **Resident gender pay gap: -2.5% - meaning females earn more than males** (UK: 6.9%). Notably for work-based, higher earnings for females than males in Dudley (-7.7%, UK 6.9%).
  - **Regional low pay: 1.7% paid below National Minimum Wage in the West Midlands** (UK: 1.5%).

- An interactive map by New Horizon Economics allows users to explore **how greenhouse gas emissions per £1 million of economic output (GVA)** varies across UK local authorities between 2015 and 2023. By examining emissions intensity rather than totals, the work highlights the carbon productivity of local economies, offering **a new perspective on regional transition, industrial policy, and Net Zero readiness. For Dudley, total GHG (kt CO_2e) per £1m GVA in 2023 was 0.073.**

- Centre for Ageing Better new analysis shows a post-pandemic slump in volunteering has seen **in excess of one million older people stopping volunteering regularly** in England. This slump equates to **more than 110 million lost formal volunteering hours per year** since the pandemic and the resultant lost economic value per year could be as high as **£4 billion.**

- IPPR's new research reveals that the number of **EHCP needs assessments** conducted by local authorities **has increased by 250% between 2013 and 2024.** Last year alone, 105,240 young people underwent an EHCP needs assessment.

- This report sets out the method through which the Living Wage rates – a voluntary hourly pay rate that is based on what families need to get by – in London and the rest of the UK are calculated by the Resolution Foundation, and overseen by the Living Wage Commission on behalf of the Living Wage Foundation. **The UK Living Wage for 2025-26 is £13.45 and The London Living Wage for 2025-26 is £14.80.**

- The Centre for Social Justice landmark enquiry into absence crisis finds **180,000 extra school leavers at risk of long-term worklessness, with a lifetime cost of £14 billion.**

- The ONS reports that **five years after their first child, women's monthly earnings are down by 42%** (£1,051 per month), with average losses across the five years amounting to £65,000. **Employment also falls sharply, with mothers up to 15 percentage points less likely to be in paid work 18 months after childbirth** – this distance from the labour market compounds with each additional child.

Economy and Business Intelligence

THEME	KEY INSIGHTS
Economic Outlook	• The Budget in November is likely to reveal a **significant deterioration in the outlook for the public finances**, requiring the Government to raise taxes in response. A key reason for this is what the Office for Budget Responsibility will assume about how fast the economy can sustainably grow. • Recent data from the Office for National Statistics (ONS) reveals real gross domestic product (GDP) is estimated to have **grown by 0.3% in the three months to August 2025** compared with the three months to May 2025, a slight increase following growth of 0.2% in the three months to July 2025. Monthly GDP is estimated to have **grown by 0.1% in August 2025**, following a fall of 0.1% in July 2025 (revised down from no growth) and a growth of 0.4% in June 2025. • **In the near term, NIESR expect UK GDP to grow by 0.3% in the third quarter.**

THEME	KEY INSIGHTS

	• **[Lloyds](#) have revised up UK growth predictions reflecting momentum in the first half of the year**, averaging +0.2% over the next four quarters, with end year growth expected to hit 1.4% in 2025, 1.2% in 2026 and 1.5% in 2027.
	• **The UK economy has grown by 0.9% in the first half of 2025, faster than the 0.6% the OBR had expected at the time of its March Economic and Fiscal Outlook**. This compares with growth over the same period of 0.8% in the US and 0.7% in the Euro Area. The IFS expect the second half of the year to show a deceleration as ongoing elevated uncertainty, both global and domestic, weighs on businesses and consumers, as do financial conditions, which have tightened in recent months despite monetary policy having eased. Despite this slowing, **IFS expect real GDP growth for the year as a whole to be 1.4%, up from 1.1% in 2024**.
	• The global economy is adjusting to a landscape reshaped by new policy measures. **Some extremes of higher tariffs were tempered, thanks to subsequent deals and resets**. But the overall environment remains volatile, and temporary factors that supported activity in the first half of 2025, such as front-loading, are fading. As a result, global growth projections in the IMF's latest World Economic Outlook (WEO) are revised upward relative to the April 2025 WEO but continue to mark a downward revision relative to the pre-policy-shift forecasts.
	    ○ **Global growth is projected to slow from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026.**
	    ○ **Projections for the UK are growth to increase from 1.1% in 2024 to 1.3% in 2025, and 1.3% in 2026.**

Trading Environment	• **Cost of living pressures are persisting for workers and their families across the UK as inflation is at its joint highest level since January 2024 at 3.8%**.
	• The **Consumer Prices Index** including owner occupiers' housing costs (CPIH) **rose by 4.1% in the 12 months to September 2025, unchanged from August**. **On a monthly basis, CPIH rose by 0.1% in September 2025**, the same rate as September 2024. **The Consumer Prices Index (CPI) rose by 3.8% in the 12 months to September 2025**, unchanged from August. On a monthly basis, CPI was unchanged in September 2025, as in September 2024.
	• The latest survey from the British Chambers of Commerce shows that **concern about inflation has been rising again and is now the second biggest issue for firms after taxation**. But the two are closely linked: for the past year, businesses have warned the **rise in employer National Insurance Contributions has fed directly into price pressures and weakened investment**.
	    ○ Labour costs continue to be the main cost pressure, cited by 72% of businesses.
	    ○ **Higher energy bills are also a concern**, cited by 50% of firms, with the rise in the energy price cap at the start of October indicative of the sustained pressure. Without action to help firms bring down costs, there is a risk of a repeat of a 2022-style energy shock.
	    ○ **Confidence among business remains flat**, with only 48% of responding firms expecting their turnover to increase over the next 12 months. That compares with 49% in Q2 and 58% before the 2024 Budget. **A fifth (21%) of businesses expect turnover to worsen** and 32% expect no change.
	• The latest **NatWest Purchasing Managers Index (PMI)** reports the **West Midlands Business Activity Index decreased from 51.1 in August 2025 to 48.1 in September 2025**, the first fall in activity since April 2025. The decline was linked to local firms having a lack of work. **The UK Business Activity Index decreased from 53.5 in August 2025 to 50.1 in September 2025**.
	• **The West Midlands Future Business Activity Index decreased from 74.2 in August 2025 to 71.4 in September 2025**, the highest of any region across the UK. Despite some firms being concerned about budgets, subdued client confidence and US tariffs, in general firms remained optimistic due to reports of new product releases and expansion into new markets.
	• **The cyber attack on JLR is estimated to have been the most economically damaging hack in UK history and cost the country around £1.9bn**. Around 5,000 businesses across the country have been hit by the fallout of the attack. This comes as news that UK car production feel to a 70-year low in September.
	• **A snap survey of businesses across the West Midlands has revealed the significant financial and operational challenges facing JLR's supply chain following a major cyber attack**.
	    ○ 77% reported experiencing a **negative impact** as a result of the JLR cyber-attack, with 44% identifying this as 'significant'.
	    ○ Nearly half (45%) reported **significant negative financial impact** including loss of revenue, increased costs and customer payment slowdowns.
	    ○ As businesses struggle to cope, 35% have reduced staff hours or asked staff not to work temporarily, whilst **14% are already making redundancies**. A further 17% are seeking additional finance from banks to help tide their businesses over.

THEME	KEY INSIGHTS
	• More positively, the **Midlands has recorded an increase in the monthly number of start-up businesses with fewer liquidator and administrator appointments**, according to R3, but firms should "remain cautious". Monthly analysis of regional start-up data indicates the West Midlands saw an upturn of 26% to 6,730, the highest since April 2024. • However, there has been a marked **fall in the number of SMEs in the Midlands making research & development tax relief claims**. Accountancy and advisory firm Azets, issued the warning after analysing the latest HMRC figures for 2023-24, with the previous year's data in brackets for comparison. **There were 2,755 [4,145] claims made in the West Midlands with a total cost of £165m [£245m]**; Herefordshire, Worcestershire and Warwickshire made 865 [1,250], Shropshire and Staffordshire 810 [1,195] and **West Midlands 1,085 [1,700]**. Manufacturing led with 1,045 claims [1,465], followed by information & communication at 520 [675] and professional, scientific & technical at 340 [485].

Labour Market	• Estimates for **payrolled employees in the UK decreased by 93,000 (0.3%) between August 2024 and August 2025 but increased by 10,000 (0.0%) between July 2025 and August 2025.**
	• The estimated number of **vacancies in the UK fell by 9,000 (1.3%) on the quarter, to 717,000, in July to September 2025**. This is the 39th consecutive period where vacancy numbers have dropped compared with the previous three months.
	• The British Chambers of Commerce (BCC) latest Quarterly Recruitment Outlook (QRO) shows that **difficulties in finding staff persist despite rising unemployment**.
	    ○ To tackle this issue, the BCC says the upcoming Budget presents a golden opportunity to unlock potential through **targeted investment and incentives**.
	    ○ Just over half of firms (54%) surveyed said they had attempted to recruit in the last three months.
	    ○ Of those firms trying to hire staff, 75% said they experienced difficulties, up slightly from the previous quarter (73%).
	• The Resolution Foundation recently showed that nearly **six-in-ten UK workers experience pay volatility**. **This leads to volatile spending, plus workers quitting high-volatility jobs. Critically, this volatility is not felt equally, with hourly and low-wage workers experiencing much more of it.** Other analysis has recently found that greater volatility is associated with poorer health, irrespective of income level.
	• The UK is lagging other countries, particularly on intermediate skills, and there are persistent inequalities in skills levels between geographic areas and demographic groups. **Achieving world-class skills could boost the economy by £22 billion and save taxpayers £8 billion per year.**

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	• **Britain's car industry faces an existential crisis. High energy costs, Chinese competition and US tariffs threaten a sector that contributes £47 billion in gross value added to the economy in 2023 and supports half a million jobs.** Without decisive action, we risk losing domestic mass car production entirely. In this policy insight, the Green Alliance outline a **comprehensive plan to secure the future of British car manufacturing through the electric vehicle transition**. From immediate interventions to cut energy costs and stimulate demand, to long-term strategies for skills development and R&D investment, they demonstrate how coordinated government action can transform challenges into opportunities and **position Britain as a leader in EV technology.**
Construction	• Construction output **is estimated to have grown by 0.3% in the three months to August 2025. Over the three-month period, new work fell by 0.4%, and repair and maintenance grew by 1.3%.** • **The construction industry is experiencing a skills and labour shortage with thousands more workers needed to help the government meet its house building and infrastructure ambitions.** Older workers can provide a solution to these challenges, but only if employers in the sector fully commit to improving work for people in their 50s and 60s argues the Centre for Ageing Better. • A **£75 million skills package to train more than 12,000 people over the next three years to tackle the region's shortage of construction workers** has been announced by Mayor Richard Parker.
Retail, Hospitality and Tourism	• **Retail sales** volumes (quantity bought) are estimated to have **risen by 0.5%** in September 2025, following an increase of 0.6% in August 2025. • The West Midlands welcomed **101.5 million visitors** in 2024, **six million more** than when it hosted the Birmingham 2022 Commonwealth Games. A record **£14 billion** spent by visitors to the region last year, a **7% increase**. • **Consumers' intentions to cut back are casting a shadow over Golden Quarter spending**, as concerns over the cost of everyday essentials rise.

SECTOR	KEY INSIGHTS
	• [Coventry Cocktail Week](#) returned in September, and figures have revealed it **generated a direct economic impact of £428,580**, with 28 bars, restaurants and pubs taking part across the city centre.
Digital / Tech	• **Grid connection bottlenecks are forcing UK data centre developers to relocate projects.** More than three-quarters of UK data centre developers are exploring alternative sites in other countries, largely because they **fear waiting up to eight years for an electricity grid connection**. • DSIT has also announced a new UK-India Connectivity Centre, which will aim to **transform telecoms with AI, boost telecoms cybersecurity and advance non-terrestrial networks. Backed by an initial £24 million of UK and Indian Government funding**, the Centre will collaborate on research with BT group, Ericsson and Nokia and will be implemented as part of the **UK-India Technology Security Initiative (TSI).** • Minister for Science Lord Vallance said in a speech to that **pension firms should invest more in UK science and tech firms and unveiled a new Innovation Clusters Map to help investors to better identify the companies, sectors and regions to target for investment.**
Transport Technologies and Logistics	• **Plug in hybrids pollute as much as petrol cars,** new research has found**. Analysis of 800,000 European cars found real-world pollution from plug-in hybrids nearly five times greater than lab tests.**
Environmental Technologies	• A UK parliamentary hearing featuring executives from Octopus Energy, EDF and E.On has seen some of Britain's biggest energy suppliers state that the **government's plans to invest in the power system could drive up consumer bills in the coming years.** • Despite strong political attention and public support, **the UK plastics recycling industry is in sharp decline**. 21 recycling facilities have shut down in the past two years. **This threatens a sector with a potential value of £2 billion and the capacity to support 5,000 jobs**, and the closures undermine government ambitions to end the "throwaway society" under its forthcoming Circular Economy Strategy.

NEW ECONOMIC SHOCKS			
COMPANY	LOCATION	SECTOR	DETAIL
Pizza Hut	Dudley	Hospitality	The operator of Pizza Hut UK's restaurants has completed an administration process less than a year after a rescue deal. Pizza Hut has named the nine locations set for closure in the West Midlands region amidst Pizza Hut's UK-wide closures, these include in **Dudley,** Solihull and Coventry.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	LOCATION	SECTOR	DETAIL
Deltron Lifts	Dudley	Manufacturing	**Dudley**-headquartered lift maintenance and repair specialist Deltron Lifts has acquired Newcastle-based Exel Elevator. The deal allows Deltron to expand its geographic footprint and service offering across the North East.
Solarport	Halesowen	Manufacturing	Solarport, a designer and manufacturer of solar mounting systems, has secured a multimillion-pound funding package from HSBC UK to support its investment in a new plant and equipment at the **Halesowen** manufacturing facility, while also providing working capital to enable continued growth. The site will focus on producing solar mounting systems to meet rising demand across domestic and European markets. The investment will create between 15 and 20 jobs.
Woodshire	Stourbridge	Wholesale	**Stourbridge**-based Woodshire, a sustainable timber products company has expanded its operations by taking on new premises within Bradford Estates on the Shropshire-Staffordshire border. The company has moved into three sites on the 12,000-acre landed estate, creating up to 14 new jobs as part of its growth plans.
Vanguard Foundry	Stourbridge	Manufacturing	Vanguard Foundry, a **Stourbridge**-based manufacturer of iron and stainless-steel castings, has secured a £310,000 funding package from Lloyds' Clean Growth Financing Initiative to purchase new machinery to turbocharge the production of complex castings. The new equipment increases production capacity by about 25 per cent, which in turn allows the business to boost overall output by up to 20 per cent.