

West Midlands

Quarterly Economic Impact Monitor

CITY
REDI

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This monitor aims to pull together information across regional partners to understand local economic developments and disseminate local research. Where possible it will utilise all forms of quantitative and qualitative intelligence. However, we urge caution in the use of the contents as this is an emerging data and policy.

International instability, uncertainty and protectionism continued to impact not just the global economy but the UK economy, with current and future business activity in decline as a result of reduced confidence in consumer markets globally. Prices continue to rise nationally, with consumer price inflation CPI rising 3.8% in the year to September 2025.

Global Trends

- The International Monetary Fund has noted that whilst global growth projections have been revised upwards, global growth remains on a downwards trajectory. The global economic environment remains volatile, with prolonged uncertainty, greater protectionism and labour supply shocks contributing to reduced growth.

National Trends

- The Consumer Prices Index (CPI) rose by 3.8% in the 12 months to September 2025, unchanged from August. Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 3.5% in the 12 months to September 2025, down from 3.6% in the 12 months to August; the CPI goods annual rate rose slightly from 2.8% to 2.9%, while the CPI services annual rate was unchanged in September, at 4.7%.
- Producer input prices rose by 0.8% in the year to September 2025, up from a rise of 0.2% in the year to August 2025. Producer output (factory gate) prices rose by 3.4% in the year to September 2025, up from a rise of 3.1% in the year to August 2025.
- Around 1 in 6 (17%) of trading businesses reported that their turnover had increased in September 2025 compared with the previous calendar month, up 6 percentage points from August 2025. Economic uncertainty remained the most reported challenge affecting turnover for trading businesses in early October 2025 at 28%.

Regional Trends and Commentary

- *Inclusive Growth in the West Midlands:* The WMCA has published a report that provides guidance for stakeholders across the WMCA to enable a collective effort in achieving inclusive and sustainable local economic growth.
- *Town and Gown: The role of universities in city economies:* Research from Centre for Cities has found that Coventry University has helped to regenerate the city of Coventry. In Coventry, the expansion of its universities has helped young people drive three-quarters if the increase in city centre living over the past two decades. Investment in student housing has also spurred wider private investment.
- *Geographically concentrating or spreading public funding?:* Research from the University of Birmingham explores whether UK public funding should be geographically concentrated or spread. It finds that the geographical concentration or spreading of funding each has advantages and disadvantages, as funding allocation approaches. Both can be used to address rationales for policy interventions based on market failures and efficiencies as well as social and spatial equity.

Labour Market

- For the three months ending August 2025, the West Midlands Region employment rate (aged 16 – 64 years) was 73.2%.

- For the three months ending August 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 6.2%, which has increased by 0.5pp since the previous quarter and 1.9pp higher when compared to the previous year.
- For the three months ending August 2025, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.7%, a decrease of 0.7pp from the previous quarter and a decrease of 1.1 pp when compared to the previous year.

UK Business

- The snapshot from March 2025 shows there were 92,565 enterprises in the WMCA area, an increase of 0.7% (+625 enterprises) compared to the March 2024 snapshot, the increase in the UK was 0.4% in the same period.
- The 2025 snapshot data shows that the WMCA had a higher proportion than the UK in 3 of the 5 turnover bands; the only turnover band with a lower proportion compared to the UK was the £0-£249,999 banding (64.4% vs 65.3%).
- 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 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.

Subnational Foreign Direct Investment

- In 2023, the West Midlands had an outward FDI position of £129.3bn, an annual increase of 17.0% (+£18.8bn) compared to a national decrease of 0.2%. The West Midlands region had the fourth highest outward FDI position across the UK.

Gross Domestic Expenditure on Research and Development

- In 2023, businesses in the West Midlands region spent nearly £5.6bn on R&D - accounting for 7.7% of UK R&D expenditure. Compared to the previous year, R&D expenditure in the West Midlands increased by £744m (+15.4%, UK: +4.3%), the highest percentage increase across the UK and the second highest in real terms (behind London).

WMCA Gross Disposable Household Income

- The WMCA area total GDHI increased from nearly £51.7bn in 2022 to £56.3bn in 2023. This equated to a 9.1% (+£4.7bn) annual increase which was behind the UK growth rate of 9.5%.
- In 2023, GDHI per head in the WMCA area was £18,900. This was an annual increase of 7.9% (+£1,381); the UK increase was 8.4%.

Housing Purchase Affordability

- In the Financial Year Ending (FYE) 2024, the median house price to annual disposable household income affordability ratio was 6.76 in the West Midlands, lower than the average of 7.89 in England.
- In the year ending March 2025, the median house price (existing dwellings) in the West Midlands region was £245,000, so lower than the median house price across England at £295,000.

Global, National and Regional Outlook

Alice Pugh, City-REDI

Global

International Monetary Fund- World Economic Outlook

In the latest release of the IMF's world economic outlook the following key summary points were highlighted:

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 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 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026, with advanced economies growing around 1.5 percent and emerging market and developing economies just above 4 percent. Inflation is projected to continue to decline globally, though with variation across countries: above target in the United States—with risks tilted to the upside—and subdued elsewhere.

Risks are tilted to the downside. Prolonged uncertainty, more protectionism, and labour supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability.

Policymakers are urged to restore confidence through credible, transparent, and sustainable policies. Trade diplomacy should be paired with macroeconomic adjustment. Fiscal buffers should be rebuilt. Central bank independence should be preserved. Efforts on structural reforms should be redoubled.

Read the [full report here](#).

National

Economic activity and social change in the UK

In the ONS's latest release on Economic Activity and Social Change in the UK, the [key findings](#) highlighted are:

- Consumer spending increased slightly with seasonally adjusted Revolut debit card spending and average Direct Debit transaction amounts both increasing by 1% compared with the previous month, whilst the total Direct Debit failure rate fell by 1% (Revolut, Vocalink, and Pay.UK).
- The number of firms reporting increased turnover was 3% higher than those reporting decreased turnover; the services sector had a net 4% of firms reporting an increase in turnover compared with August 2025 (HM Revenue and Customs Value Added Tax returns).
- Labour market indicators show a mixed picture with increases in both the number of new online job adverts and the number of potential redundancies compared with August 2025; both also increased when compared with September 2024 (Textkernel, Insolvency Service HR1 forms).
- The System Average Price (SAP) of gas remained broadly unchanged, compared with August 2025, at 2.716 pence per kilowatt hour (p/kWh), while the System Price of electricity decreased by 9% to 6.484p/kWh (National Gas Transmission, Elexon).
- Seasonally adjusted transport indicators were stable compared with August 2025; the number of UK flights remained broadly unchanged while the number of ship visits to major UK ports increased by 1% (EUROCONTROL, exactEarth).
- The seasonally adjusted number of Energy Performance Building Certificates (EPCs) lodged for new dwellings across England and Wales increased by 6% compared with August 2025 and increased by 5% when compared with September 2024 (Ministry of Housing, Communities and Local Government).

Consumer price inflation

In the ONS's latest release on Consumer price inflation, the [key findings](#) highlighted were:

- 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 in 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.
- Transport made the largest upward contribution to the monthly change in both CPIH and CPI annual rates; recreation and culture, and food and non-alcoholic beverages made the largest offsetting downward contributions.
- Core CPIH (CPIH excluding energy, food, alcohol and tobacco) rose by 3.9% in the 12 months to September 2025, down from 4.0% in the 12 months to August; the CPIH goods annual rate rose slightly from 2.8% to 2.9%, while the CPIH services annual rate was unchanged in September, at 4.9%.
- Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 3.5% in the 12 months to September 2025, down from 3.6% in the 12 months to August; the CPI goods annual rate rose slightly from 2.8% to 2.9%, while the CPI services annual rate was unchanged in September, at 4.7%.

Business insights and impact on the UK economy

In the ONS's latest release on Business insights and impact on the UK economy, the [key findings](#) highlighted were:

- Around 1 in 6 (17%) of trading businesses reported that their turnover had increased in September 2025 compared with the previous calendar month, up 6 percentage points from August 2025 but at a similar level to July 2025; 25% reported their turnover had decreased, down 4 percentage points from August but similar to the 4 months prior.
- 14% of trading businesses expected their turnover to increase in November 2025, down 2 points compared to expectations for October 2025 but broadly stable compared with November 2024; conversely, 20% of trading businesses reported that they expect their turnover to decrease in November 2025, up 4 percentage points compared to expectations for October 2025 and November 2024.
- Economic uncertainty remained the most reported challenge affecting turnover for trading businesses in early October 2025 at 28%, followed by competition (20%), which rose 4 percentage points from August 2025; for businesses with 10 or more employees, the most reported challenge was cost of labour (33%), although this has fallen 8 percentage points since peaking in early April.
- 22% of trading businesses reported an increase in the prices of goods or services bought in September 2025 when compared with the previous month, while 8% reported an increase in the prices of goods or services sold; although both are broadly stable with August, these proportions have fallen 10 and 5 percentage points, respectively, since April.
- In early October 2025, 18% of businesses with 10 or more employees reported that they were experiencing worker shortages; this has been broadly stable since early September 2024.
- When asked in early October 2025, 20% of trading businesses expected their performance to increase over the next 12 months; while this percentage is 3 percentage points higher than September 2025, it has trended downwards since January 2024 (26%).

Producer price inflation, UK

In the ONS's latest release on Producer Price Inflation UK, the [key findings](#) were highlighted:

- Producer input prices rose by 0.8% in the year to September 2025, up from a rise of 0.2% in the year to August 2025.
- Producer output (factory gate) prices rose by 3.4% in the year to September 2025, up from a rise of 3.1% in the year to August 2025.
- On a monthly basis, producer input prices fell by 0.1% and producer output (factory gate) prices showed no movement in September 2025.
- Services producer prices rose by 2.1% in the year to Quarter 3 (July to Sept) 2025, compared with a rise of 1.7% in the year to Quarter 2 (April to June).
- On a quarterly basis, services producer prices rose by 0.9% in Quarter 3 2025.

Regional

Inclusive Growth in the West Midlands

The Research, Intelligence and Inclusive Growth team at the West Midlands Combined Authority has published a [report](#) that provides guidance on for stakeholder across the WMCA to enable a collective effort in achieving inclusive and sustainable local economic growth. The report outlines the enablers and tensions influencing each of the eight inclusive growth fundamentals and the interconnections between these fundamentals, identifying the opportunities for collaboration and innovative actions across sectors and communities.

The report can be found [here](#).

Town and Gown: The role of universities in city economies

Research from Centre for Cities have found that Coventry University has helped to regenerate the city of Coventry. In Coventry, the expansion of the its universities has helped young people drive three-quarters if the increase in city centre living over the past two decades. Investment in student housing has also spurred wider private investment. However, retaining graduates requires more than a university presence – it depends on broader investment in local economies.

The report can be found [here](#).

Geographically concentrating or spreading public funding?

Research from the University of Birmingham explores whether UK public funding should be geographically concentrated or spread. It finds that the geographical concentration or spreading of funding each have advantages and disadvantages, as funding allocation approaches and both can be used to address rationales for policy interventions based on market failures and efficiencies as well as social and spatial equity.

The report can be found [here](#).

City-REDI Research

This section sets out research outputs and blogs that have been produced by City-REDI in recent months.

Blog	Undercounting Women's Work: The Hidden Reality of Multiple Jobholding
Author	Darja Reuschke, City-REDI
	The ADR UK multiple employment project, headed by City-REDI's Dr Darja Reuschke, reveals that official employment figures underestimate women's contribution to the UK labour market. By failing to account for multiple jobholding — especially common among women — the data risks misleading policymakers, employers, and economists. Link to publication
Blog	Exploring Emerging and Future Opportunities in the West Midlands Combined Authority Region
Author	Fumi Kitagawa, City-REDI
	The West Midlands Combined Authority (WMCA) has published "West Midlands Futures – Exploring Emerging and Future Opportunities in the West Midlands Combined Authority Region", a study completed by the Economic Intelligence Unit (EIU) and City-REDI team. Link to publication
Blog	From Tick Box to Toolbox: Rethinking the Green Book
Author	Rebecca Riley, City-REDI
	Professor Rebecca Riley looks at the UK Treasury's Green Book guidance, arguing that while it's a valuable decision-making tool, it's often misused or misunderstood, leading to poor public investment outcomes and calling for better training and cultural change. Link to publication
Blog	From Challenge to Change: How Social Impact is revitalising Ladywood's economic viability
Author	Michele Wilby, CEO of Colmore BID
	Ladywood, one of Birmingham's most socioeconomically challenged wards, is undergoing a quiet transformation. This blog by Michele Wilby, CEO of Colmore Business District (BID), explores the current economic state of Birmingham with a spotlight on Ladywood, highlighting how targeted social impact initiatives, especially those focused on youth, are creating new pathways to opportunity and prosperity. The UK's second-largest city is at a pivotal moment. According to the State of the City 2025 report, Birmingham is navigating a complex economic landscape shaped by post-pandemic recovery, rising living costs, and a growing diverse population. While the city shows signs of resilience and innovation, disparities remain stark – particularly in inner-city wards like Ladywood. Link to publication
Blog	Geographic Inequalities in an Era of Unequal Devolution
Author	Charlotte Hoole, City-REDI

The UK has historically failed to learn important lessons from European countries on spatial rebalancing. It has recently acknowledged the need for effective local institutions and a long-term national strategy, but its asymmetric approach is unlikely to reduce geographic inequality.

[Link to publication](#)

Blog	Rebalancing the map: How Improved Public Funding Allocation in England Could Help Tackle Geographical Inequalities
Author	Charlotte Hoole, City-REDI
	England's economic and social landscape is deeply uneven. From productivity and income to health and education, stark geographical inequalities persist – and in many cases, are worsening. Despite years of policy attention, the UK's highly centralised governance and fragmented funding systems have failed to deliver meaningful change. But what if public funding was allocated in a way so that every place across England had a better chance at growth and renewal? Research led by the University of Birmingham draws on extensive evidence, international case studies, and citizen engagement to offer a roadmap for reforming public funding allocation to reduce geographical inequalities in England. Link to publication

Blog	The National Movement Around Measuring Civic Impact
Author	Katrina Kelly, University of Bath
	Katrina Kelly from the University of Bath has been working with the National Civic Impact Accelerator, National Coordinating Centre for Public Engagement and City-REDI about measuring and demonstrating civic activity. In this blog, Katrina shares her thoughts on the national movement around measuring civic impact and calls for civic professionals across higher education to share good practice, common challenges and potential solutions. Reflecting on the University of Bath's recently published Economic Impact Assessment, Katrina has written a new blog about Expanding our Impact Assessment to reflect civic and environmental contributions. Link to publication

Blog	Facing up to the Foundational Economy
Author	Anne Green, City-REDI
	Economic growth is the primary mission of the current UK government, with more people in good jobs, higher living standards and productivity growth. Yet traditional economic development approaches have been questioned in academic and policy debates about how inclusive and sustainable economic performance can be achieved across the UK. A recent paper in Regional Studies provides a critical and comparative assessment of five leading agendas that have been positioned as alternative and progressive policy responses to urban economic change: inclusive growth; the wellbeing economy; community wealth building; doughnut economics; and the foundational economy.

[Link to publication](#)

Blog	Mapping the UK's Solar PV Supply Chain: An Analysis of Public Procurement Contracts
Author	Annum Rafique, City-REDI
	In this blog, Annum Rafique examines the UK's solar PV procurement landscape, highlighting how strong SME participation and regional diversity have positioned the sector to support the Government's 45-47 GW target outlined in the 2025 Solar Roadmap. This blog is part of ongoing work with the Innovation Procurement Empowerment Centre (IPEC), which seeks to position procurement as a strategic lever for fostering innovation and accelerating the UK's transition to net zero. Link to publication

Blog	Ozzy Osbourne's £28 Million Parting Gift to the West Midlands
Author	Matt Lyons, City-REDI
	On the 22nd of July 2025 Birmingham lost one of its most iconic sons. Ozzy Osbourne, The Prince of Darkness and Godfather of heavy metal passed away at 76. But what he leaves behind is more than just the music, he leaves a lasting cultural and economic impact on his hometown and beyond. Ozzy was a proud Brummie and his legacy can be seen across the city. When you step off a train at New Street station you are greeted by Ozzy the Bull named for the legend himself after 2,000 names were put forward. Black Sabbath and Ozzy are credited as inventing the heavy metal genre when they started out playing in The Crown Pub on Station Street in Birmingham. As regional economists from the University of Birmingham we thought we would do our bit to honour Ozzy's legacy by estimating the economic impact of his last gig, The Back to the Beginning benefit concert at Villa Park, Aston on the 5th July 2025. Link to publication

Blog	Can West Midlandsers Afford to Live Solo? A Local Take on the Carrie Bradshaw Index
Author	Matt Lyons, City-REDI
	In September 2025, The Economist updated the Carrie Bradshaw Index, a playful yet insightful measure of housing affordability for solo renters across 100 U.S. cities. Named after the iconic character from Sex and the City, the index compares median incomes to the cost of renting a one-bedroom apartment, essentially asking: where can you afford to live alone? Inspired by this, we've developed a West Midlands version of the Carrie Bradshaw Index, applying the same principle: local authority median household income divided by annual one-bedroom rental costs and then converted into an index whereby a score of 1.0 means rent is affordable at 30% of incomes. A score of 1.0 and above means 1-beds are affordable in the area with higher scores indicating greater affordability for solo living. Conversely, scores of below 1.0 indicate solo living is unaffordable with lower score indicating lower affordability. Link to publication

Labour Market and Claimant Headline Figures: Released 14th October 2025

The Economic Intelligence Unit

Regional Labour Market¹ –

Please note: Estimates from January to March 2025 include the full effect of recent improvements in Labour Force Survey (LFS) data collection and sampling methods introduced from January 2024; however, estimates may be subject to the effect of further ongoing improvements. An increased amount of volatility will remain in the estimates from mid-year 2023 and throughout 2024, so ONS would advise caution when interpreting change involving those periods. ONS recommend using the LFS estimates as part of our suite of labour market indicators, alongside Workforce Jobs, Claimant Count and Pay As You Earn Real Time Information (PAYE RTI) estimates. LFS estimates are weighted to 2022 mid-year population estimates for periods from January to March 2019; headline UK seasonally adjusted series before this have been modelled, but other series have a discontinuity at this point.

- For the three months ending August 2025, the West Midlands Region employment rate (aged 16 – 64 years) was 73.2%. Since the three months ending May 2025, the employment rate remained unchanged. When compared to the same period in the previous year, the employment rate decreased by 0.6 percentage points (pp). The UK employment rate was 75.1%, a decrease of 0.2pp when compared to the previous quarter but an increase of 0.1pp when compared to the previous year. The highest employment rate within the UK for the three months ending August 2025 was in the South West with 79.5% and the lowest in the North East with 68.8%, the West Midlands ranked fifth lowest.
- For the three months ending August 2025, the West Midlands Region unemployment rate (aged 16 years and over) was 6.2%, which has increased by 0.5pp since the previous quarter and 1.9pp higher when compared to the previous year. The UK unemployment rate was 4.8%, a 0.2pp increase from the previous quarter and a 0.7pp increase when compared to the previous year. The highest unemployment rate in the UK for the three months ending August 2025 was the West Midlands, followed by London with 6.0% and then the lowest was in Northern Ireland with 2.6%.
- For the three months ending August 2025, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.7%, a decrease of 0.7pp from the previous quarter and a decrease of 1.1 pp when compared to the previous year. The UK economic inactivity rate was 21.0%, unchanged from the previous quarter and a 0.7pp decrease from the previous year. The highest economic inactivity rate in the UK for the three months ending August 2025 was the Northern Ireland with 26.9% with the lowest in the South West with 17.5%, the West Midlands ranked sixth lowest.

Summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, June to August 2025

	Employment rate (%) aged 16 to 64 years	PP Change on March to May 2025	Unemployment rate (%) aged 16 years and over	PP Change on March to May 2025	Inactivity rate (%) aged 16 to 64 years	PP Change on March to May 2025
UK	75.1	-0.2	4.8	0.2	21.0	0.0
Great Britain	75.2	-0.2	4.9	0.1	20.9	0.0
England	75.5	0.0	5.0	0.1	20.5	-0.1
North East	68.8	0.3	5.7	1.3	26.6	-1.6
North West	73.3	-0.1	5.1	0.2	22.7	0.0
Yorkshire and The Humber	72.3	0.2	5.2	0.3	23.7	-0.4
East Midlands	75.6	1.3	4.4	-0.5	20.8	-1.1
West Midlands	73.2	0.0	6.2	0.5	21.7	-0.7

¹ Source: Office for National Statistics (ONS), Labour market in the regions of the UK: October 2025 (official statistics in development)

East	78.2	-0.4	4.9	0.1	17.8	0.5
London	74.8	-0.1	6.0	-0.1	20.3	0.3
South East	78.9	-0.1	3.9	0.0	17.8	0.1
South West	79.5	-1.0	3.6	0.3	17.5	0.7
Wales	71.2	-1.5	4.9	0.5	25.0	1.1
Scotland	74.3	-0.6	3.9	0.2	22.7	0.4
Northern Ireland	71.2	-0.9	2.6	0.5	26.9	0.5

Source: Labour Force Survey from the Office for National Statistics

- For payrolled employees², when comparing September 2025 with the same period last year, the UK overall decreased by 0.3% and regional changes ranged from a 1.0% increase in Northern Ireland (the only area to increase) to a 0.7% decrease in London. The West Midlands decreased by 0.3%.

Annual Population Survey – Labour Market: year ending June 2025³

- Overall, for the WMCA area, the economic activity rate was 75.1% in the year ending June 2025, an increase of 1.0 percentage points (pp) since the year ending June 2024. The UK economic activity rate was 78.7% and increased by 0.4pp. When compared to the year ending June 2020, the WMCA was 0.2pp lower which matched the UK-wide decrease.
- In the year ending June 2025, the WMCA was third lowest Combined Authority⁴ for economic activity. West of England Combined Authority was the highest at 83.1% down to the North East Combined Authority at 73.5%.
- The WMCA area employment rate was 70.1% in the year ending June 2025, this was an increase of 0.4pp since the year ending June 2024. While the UK employment rate increased by 0.1pp to 75.4%. When compared to the year ending June 2020, the WMCA was 0.1pp higher compared to a decrease of 0.4pp UK-wide.
- In the year ending June 2025, the WMCA was the lowest Combined Authority for employment rate. West of England Combined Authority was the highest at 79.8% down to the second lowest which was the North East Combined Authority at 70.2%.
- The WMCA area economic inactivity rate was 24.9% in the year ending June 2025, a decrease of 1.0pp since the year ending June 2024. The UK economic inactivity rate decreased by 0.4pp to 21.3%. When compared to the year ending June 2020, the WMCA was 0.2pp higher which matched the UK-wide growth rate.
- In the year ending June 2025, the WMCA was third highest Combined Authority for economic inactivity. West of England Combined Authority was the lowest at 16.9% up to the highest which was the North East Combined Authority at 26.5%.
- Since the year ending June 2024, the WMCA area modelled unemployment⁵ rate has increased by 0.9pp to 6.7% in the year ending June 2025. England's modelled unemployment rate increased by 0.3pp to 4.1% in the year ending June 2025. When compared to the year ending June 2020, the WMCA rate decreased by 0.1pp compared to an increase of 0.1pp for England-wide.

² Payrolled employees figures for September 2025 should be treated as provisional estimates and are likely to be revised when more data are received next month.

³ ONS, Annual Population Survey (APS), released October 2025.

⁴ Combined Authorities as of May 2025.

⁵ ONS, APS – model-based estimates of unemployment, released October 2025. The model-based estimate improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise, for example; has a smaller confidence interval. The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes. Modelled unemployment rate is based on all people aged 16+ without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. Please note: The APS and model-based unemployment data for the periods from June 2023 to July 2024 until January to December 2024 have been corrected as the result of an adjustment to the APS weights. The issue was identified during a recent review of the weighting method in preparation for the forthcoming reweighting of the survey and is related to the application of the non-response adjustment for boost cases, which was previously restricted up to March 2024 data. This has led to corrections to the weights for the three affected periods. Applying the corrections at this point, rather than at the point of reweighting, ensures the impact on estimates remains small. This issue does not impact any LFS estimates.

- In the year ending June 2025, the WMCA was the highest Combined Authority for unemployment. York & North Yorkshire Combined Authority was the lowest at 1.6% up to the second highest which was Hull & East Yorkshire Combined Authority at 5.5%.

Claimant Count⁶

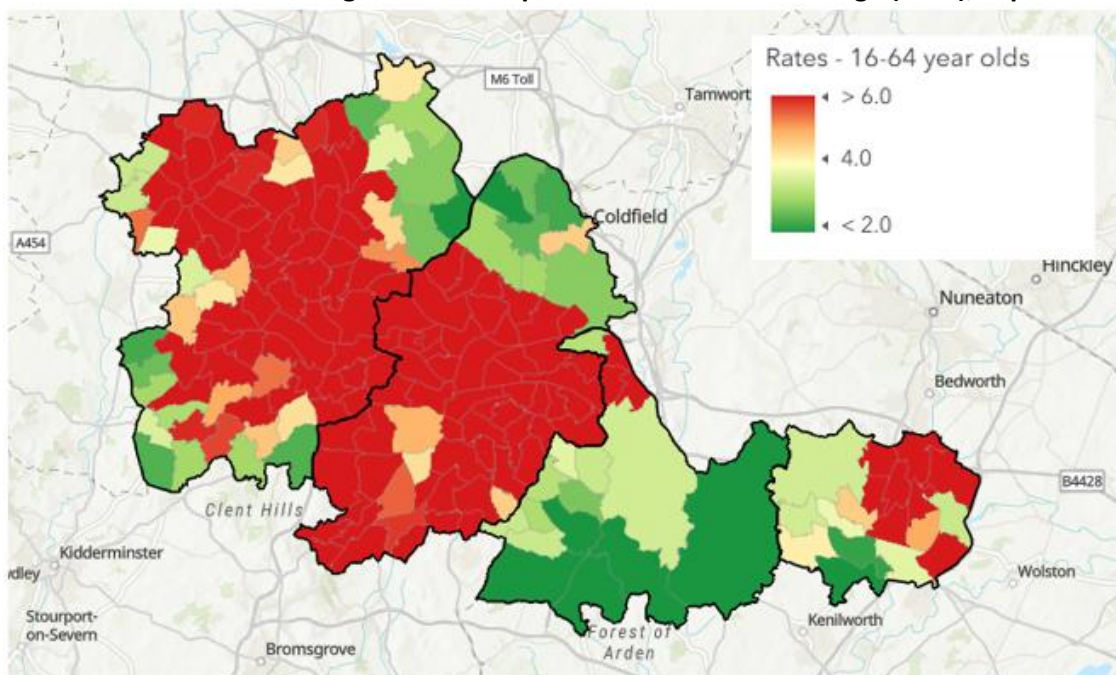
All Claimants Summary

- There were 144,355 claimants in the WMCA area in September 2025. Since August 2025, there has been an increase of 1.7% (+2,465) claimants in the WMCA area, while the UK increased by 2.1%. When compared to September 2024 claimants have decreased by 3.3% (-4,860) in the WMCA area, with the UK decreasing by 4.0%. When compared to September 2020, claimants have decreased by 15.5% (-26,555) in the WMCA area, with the UK decreasing by 36.1%.
- Overall, for the WMCA the number of claimants as a proportion of residents aged 16-64 years old was 7.7% compared to 4.0% for the UK in September 2025. Across the Combined Authorities, the WMCA had the highest rates, West Yorkshire was the second highest at 5.1% down to 1.9% for York & North Yorkshire.

Youth Claimant (Aged 18-24) Summary

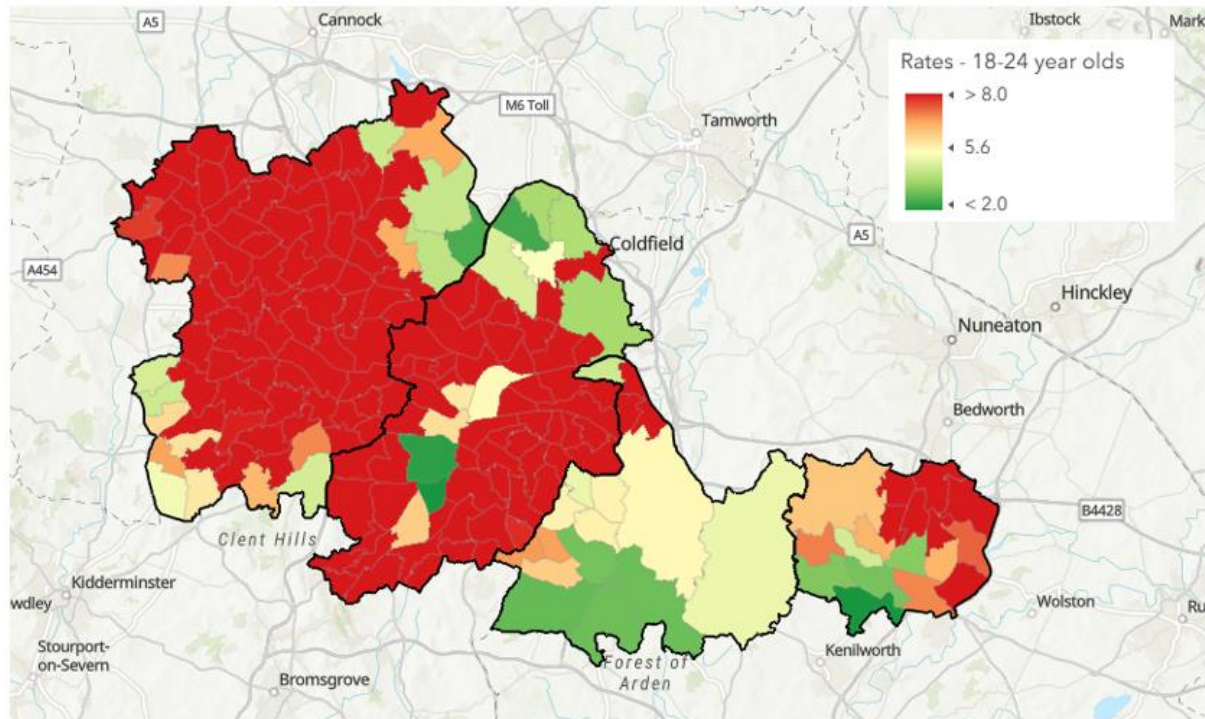
- There were 29,035 youth claimants in the WMCA area in September 2025. Since August 2025, there has been an increase of 2.1% (+610) youth claimants in the WMCA area, the UK increased by 2.7%. When compared to September 2024, youth claimants have increased by 11.6% (+3,010) in the WMCA area, with the UK increasing by 10.2%. When compared to September 2020, youth claimants have decreased by 16.7% (-5,835) in the WMCA area, with the UK decreasing by 38.8%.
- Overall, for the WMCA the number of claimants as a proportion of residents aged 18-24 years old was 9.7% compared to 5.6% for the UK in September 2025. Across the Combined Authorities, the WMCA had the highest rates, Tees Valley was the second highest at 8.1% down to 2.6% for York & North Yorkshire.

WMCA ward claimant rates for those aged 16-64 compared to the national average (4.0%), September 2025:



⁶ Source: ONS/DWP, Claimant Count, October 2025. Please note, when new data is released, the previous month is also revised. Rates are based off mid-2023 population estimates.

WMCA ward claimant rates for those aged 18-24 compared to the national average (5.6%), September 2025:



UK Business: Activity, Size and Location - September 2025⁷

The Economic Intelligence Unit

The UK Business: activity, size and location dataset released in September 2025 provides a snapshot of the Business Demography (from Inter-Departmental Business Register, IDBR) dataset from March 2025 and provides a breakdown by broad sector, turnover and employment size band. The fuller Business Demography is released in November each year which provides the total number of active enterprises in each location, alongside side enterprise births, deaths, high growth and survival rates.

The following briefing is based on enterprises as opposed to local units⁸.

- The snapshot from March 2025 shows there were 92,565 enterprises in the WMCA area, an increase of 0.7% (+625 enterprises) compared to the March 2024 snapshot, the UK increased by 0.4% in the same period.
- At a regional level, the latest annual change shows that Northern Ireland had the largest percentage increase in enterprises (+1.5%), while the East Midlands had the largest percentage decrease (-0.6%). The West Midlands region overall remained the same between 2024-2025.
- Across the 7 local authorities in the WMCA area, 4 local authorities saw annual increases. Sandwell had the largest percentage increase of 2.0% (+195) to total 10,140 while Birmingham saw the largest number increase in enterprises of 565 (+1.5%) to total 37,810. Coventry had the largest decrease by 1.5% (-145) to a total of 9,830 enterprises.

The 2024 and 2025 snapshot for the number of enterprises and the change by local authority within the WMCA area and UK.

	2024	2025	Number Change	Percentage Change
Birmingham	37,245	37,810	565	1.5%
Coventry	9,975	9,830	-145	-1.5%
Dudley	9,895	10,000	105	1.1%
Sandwell	9,945	10,140	195	2.0%
Solihull	8,355	8,270	-85	-1.0%
Walsall	8,320	8,385	65	0.8%
Wolverhampton	8,205	8,130	-75	-0.9%
WMCA	91,940	92,565	625	0.7%
United Kingdom	2,724,770	2,734,615	9,845	0.4%

Employment by Size Band

- For the WMCA area, 88.7% (82,060) of enterprises employed between 0-9 employees, below the UK average of 89.1% in 2025. In both the 2024 and 2025 snapshot the proportion of total enterprises employing 0-9 employees remained the same in both the WMCA and UK. The number of WMCA enterprises employing 0-9 employees increased by 0.7% (+540), exceeding the increase across the UK of 0.4%.
- For the WMCA area, the percentage of enterprises that employed 10-49 people was above the UK level (9.2% vs 8.8%), with the proportion of total enterprises remaining the same as the previous year in the WMCA and decreasing by 0.1pp in the UK. The number of enterprises that employed 10-49 people increased by 0.8% (+65), while this remained the same for the UK.
- 1.6% of enterprises employed 50 to 249 people in the WMCA area, matching the UK proportion. This has remained the same proportion for the WMCA and the UK since the 2024 snapshot. The number of enterprises that employed

⁷ Office for National Statistics (ONS): [UK Business: activity, size and location: 2025](#) - released September 2025.

⁸ ONS state that an enterprise can be thought as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units that has a certain degree of autonomy within an enterprise group. A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as *workplace*.

50-249 people has increased by 0.7% (+10) in the WMCA area since the 2024 snapshot, while the UK increased by 1.3%.

- The proportion of enterprises that employed over 250 people in the WMCA area was 0.5% in the 2025 snapshot, above the UK-wide proportion of 0.4%. These have remained the same proportions for both the WMCA and UK since the 2024 snapshot. The number of enterprises that employed over 250 people in the WMCA increased by 2.2% (+10) since the previous year compared to a 1.2% increase across the UK.

The March 2025 snapshot of employment by size band for the WMCA and UK-wide:

	WMCA		UK	
	Number	Proportion	Number	Proportion
Micro (0 to 9)	82,060	88.7%	2,437,850	89.1%
Small (10 to 49)	8,520	9.2%	241,185	8.8%
Medium-sized (50 to 249)	1,525	1.6%	44,165	1.6%
Large (250+)	460	0.5%	11,415	0.4%
Total	92,565	100.0%	2,734,615	100.0%

Turnover Band

- The 2025 snapshot data shows that the WMCA had a higher proportion than the UK in 3 of the 5 turnover bands, the only turnover band with a lower proportion compared to the UK was the £0-£249,999 banding (64.4% vs 65.3%). The £50m+ turnover band had equal proportions for the WMCA area and the UK (0.4%).
- Reflecting UK trends, the £0-£249,999 turnover band was the only one to decrease when compared to the 2024 snapshot. There was an annual decrease in the proportion by 1.2pp (-675 enterprises) for the WMCA area, while the UK decreased by 0.8pp.

The March 2025 snapshot of employment by turnover band for the WMCA and UK-wide:

	WMCA		UK	
	Number	Percent	Number	Percent
£0 - £249,999	59,620	64.4%	1,786,215	65.3%
£250,000 - £999,999	21,955	23.7%	634,280	23.2%
£1m - £4.99m	8,075	8.7%	232,800	8.5%
£5m - £49.99m	2,505	2.7%	70,300	2.6%
£50m+	405	0.4%	11,020	0.4%
Total	92,560	100.0%	2,734,615	100.0%

Enterprises by Broad Industry Group

- Snapshot 2025 data shows out of 17 broad industry groups, the WMCA has 9 industries above the UK proportion (shown in green in the table below).
- The industry group with the most enterprises in the WMCA area was construction accounting for 12.7% (11,710) of total enterprises - below the UK proportion of 14.1%. This was followed by professional, scientific & technical with 11,100 enterprises accounting for 12.0% of WMCA enterprises compared to 15.3% nationally.
- The industry group with the highest relative strength in the WMCA area in was transport & storage, accounting for 3.4 percentage points more of total enterprises in the WMCA area than nationally (7.6% compared to 4.2% nationally).

WMCA and UK enterprises by broad industry group:

	WMCA		UK	
	2025	% of total	2025	% of total
Agriculture, forestry & fishing	305	0.3%	140,835	5.2%
Production	6,415	6.9%	147,035	5.4%
Construction	11,710	12.7%	384,830	14.1%
Motor trades	3,655	3.9%	82,860	3.0%

Wholesale	4,545	4.9%	100,720	3.7%
Retail	10,015	10.8%	212,900	7.8%
Transport & Storage (inc postal)	7,035	7.6%	114,385	4.2%
Accommodation & food services	5,965	6.4%	176,690	6.5%
Information & communication	4,635	5.0%	187,695	6.9%
Finance & insurance	1,440	1.6%	56,490	2.1%
Property	4,440	4.8%	122,310	4.5%
Professional, scientific & technical	11,100	12.0%	419,565	15.3%
Business administration & support services	8,075	8.7%	222,060	8.1%
Public administration & defence	40	0.0%	7,960	0.3%
Education	1,770	1.9%	49,090	1.8%
Health	5,720	6.2%	117,235	4.3%
Arts, entertainment, recreation & other services	5,695	6.2%	191,955	7.0%
Total	92,560	100.0%	2,734,615	100.0%

Trends in enterprises by broad industry group

- Snapshot 2025 data shows that compared to the previous year, 10 of the 17 broad industry groups increased in the number of enterprises in the WMCA area. The industry with the largest percentage increase was property increasing by 5.7% (+240) to 4,440 enterprises in 2025 – this sector increased by 3.7% across the UK in the latest annual period. The largest annual percentage decrease in enterprises was in public administration & defence, decreasing by 11.1% (-5) to 40 enterprises in 2025 – this was against national trends where total enterprises increased by 1.5% since 2024.
- Compared to the 2022 snapshot, 8 of the 17 broad industry groups increased in the number of enterprises in the WMCA area. The industry with the largest percentage increase was property increasing by 16.8% (+640) to 4,440 enterprises in 2025 – this sector increased by 10.5% across the UK in the last 3 years. The largest 3-year percentage decrease in enterprises was in transport & storage, decreasing by 19.7% (-1,730) to 7,035 enterprises in 2025 – this exceeded the national decrease of 17.2% since 2022.
- Compared to the 2020 snapshot, 11 of the 17 broad industry groups increased in the number of enterprises in the WMCA area. The industry with the largest percentage increase was property increasing by 34.7% (+1,145) to 4,440 enterprises in 2025 – this sector increased by 19.5% across the UK in the last 5 years. The largest 5-year percentage decrease in enterprises was in business administration & support services, decreasing by 24.2% (-2,575) to 8,075 enterprises in 2025 – this exceeded the national decrease of 5.8% since 2020.

WMCA and UK changes in enterprises by broad industry group

	Annual Change		3 -year Change		5-year Change	
	WMCA	UK	WMCA	UK	WMCA	UK
Agriculture, forestry & fishing	-6.2%	-0.3%	-3.2%	-1.2%	-3.2%	-5.4%
Production	-1.3%	-0.8%	-6.5%	-4.8%	-6.8%	-3.7%
Construction	2.2%	1.2%	1.6%	2.6%	13.7%	9.6%
Motor trades	3.0%	1.5%	4.9%	2.1%	14.4%	7.7%
Wholesale	0.9%	-1.2%	-1.0%	-7.1%	0.4%	-0.6%
Retail	0.4%	-0.8%	1.4%	-5.1%	16.0%	2.0%
Transport & Storage (inc postal)	-3.9%	-2.1%	-19.7%	-17.2%	2.6%	-7.1%
Accommodation & food services	1.6%	1.8%	-3.9%	0.9%	11.8%	9.3%
Information & communication	-1.5%	0.0%	-5.6%	-4.3%	-18.9%	-16.9%
Finance & insurance	-1.4%	-3.9%	-6.5%	-6.5%	-10.0%	-8.9%
Property	5.7%	3.7%	16.8%	10.5%	34.7%	19.5%
Professional, scientific & technical	1.2%	0.5%	-3.1%	-2.6%	-11.1%	-10.3%
Business administration & support services	-3.4%	-2.0%	-0.5%	-3.0%	-24.2%	-5.8%
Public administration & defence	-11.1%	1.5%	14.3%	2.4%	14.3%	3.8%

Education	2.9%	2.3%	6.6%	5.0%	15.3%	9.1%
Health	4.2%	3.0%	16.0%	10.4%	20.9%	13.5%
Arts, entertainment, recreation & other services	3.8%	2.0%	6.3%	6.2%	12.2%	9.2%
Total	0.7%	0.4%	-0.9%	-1.2%	1.5%	-0.5%

NatWest UK Regional Growth Tracker⁹ - October 2025 release: West Midlands Region Focus

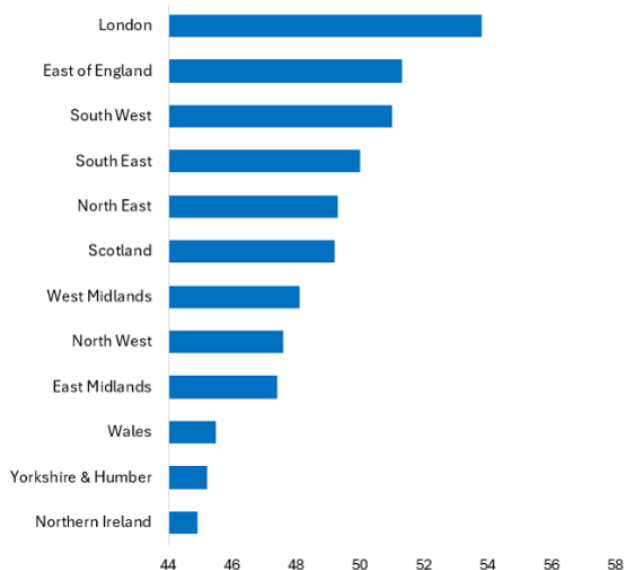
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Business Activity Index

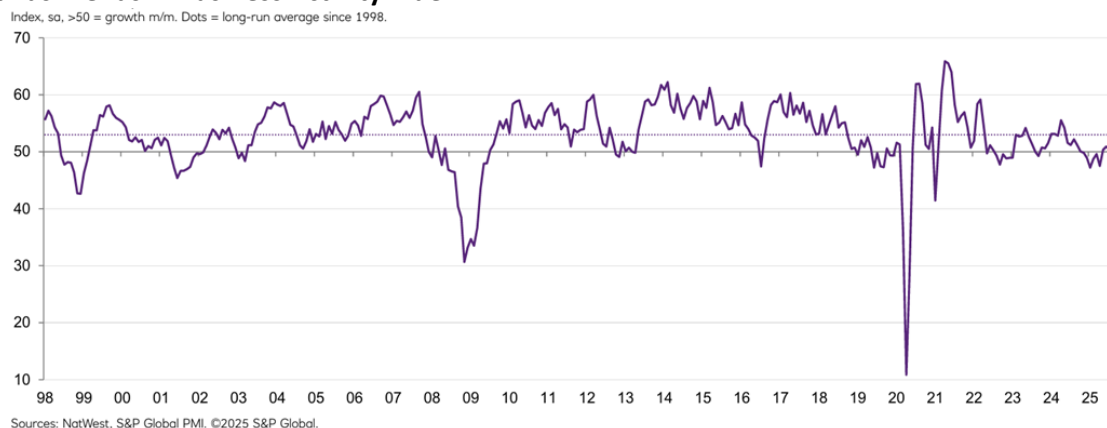
The West Midlands Business Activity Index decreased from 51.1 in August 2025 to 48.1 in September 2025, the first fall in activity since April 2025. The decline was linked to local firms having a lack of work.

The UK Business Activity Index decreased from 53.5 in August 2025 to 50.1 in September 2025.

Business Activity Index by Region, September 2025:



West Midlands Trends in Business Activity Index:

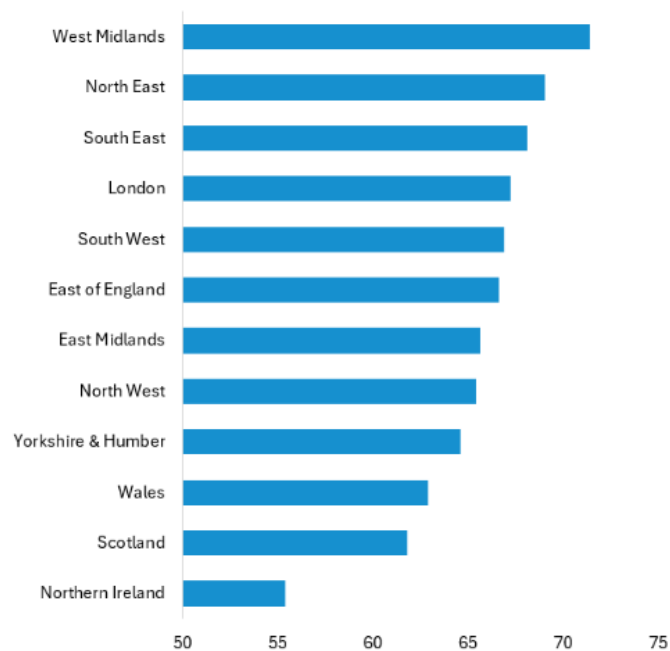


Future Business Activity Index

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.

Future Business Activity Index by Region, September 2025:

⁹Source: NatWest UK regional growth tracker report for September 2025, released October 2025. Please note, the seasonally adjusted indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease.

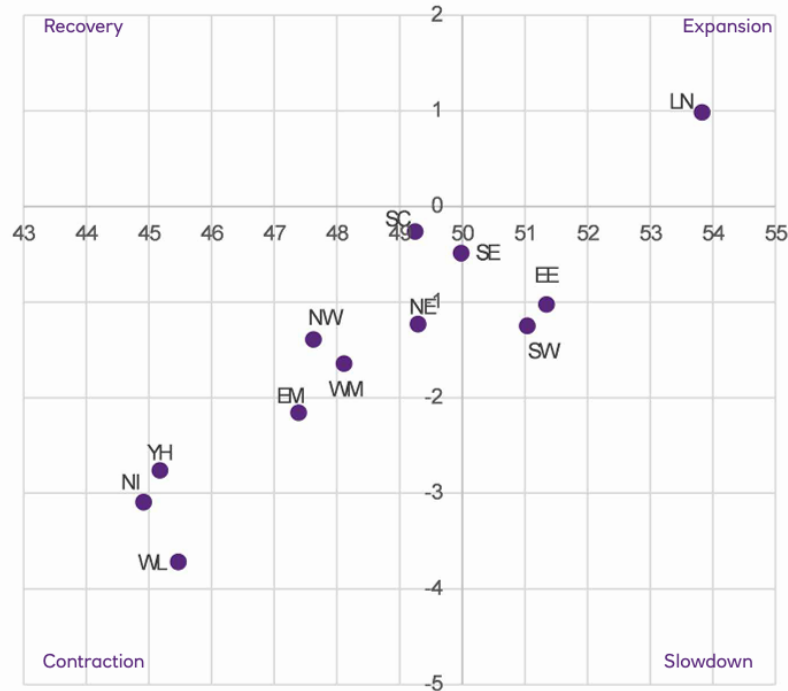


Business Cycle

In a typical business cycle, regions will move through four phases – expansion, slowdown, contraction and recovery. In September 2025, the West Midlands entered contraction meaning the region is contracting and at a faster rate than the trend over the past six months.

Business Cycle by Region, September 2025:

X axis = Business Activity Index, sa, >50 = growth m/m, Sep '25 Y axis = Change in Index compared with six-month average



Sources: NatWest, S&P Global PMI. ©2025 S&P Global.

LN London EE East of England NW North West SC Scotland
SE South East EM East Midlands NE North East WL Wales
SW South West WM West Midlands YH Yorkshire & Humber NI Northern Ireland

Business Capacity

The West Midlands Employment Index decreased from 45.5 in August 2025 to 44.2 in September 2025, a twentieth consecutive month of declines in private sector employment.

The West Midlands Outstanding Business Index decreased from 44.3 in August 2025 to 44.1 in September 2025, with outstanding business volumes decreasing for thirty-four consecutive months.

Inflation

The West Midlands Input Prices Index increased from 61.6 in August 2025 to 61.8 in September 2025. Firms noted greater outlays on beverages, electronic components, energy, food, labour, metals and transportation.

The West Midlands Prices Charged Index decreased from 56.0 in August 2025 to 54.6 September 2025. Some firms raised prices in response to greater expenses, while others refrained from doing so amid market pressures.

Subnational Foreign Direct Investment (FDI) Inward and Outward Positions¹⁰ - West Midlands Focus

The Economic Intelligence Unit

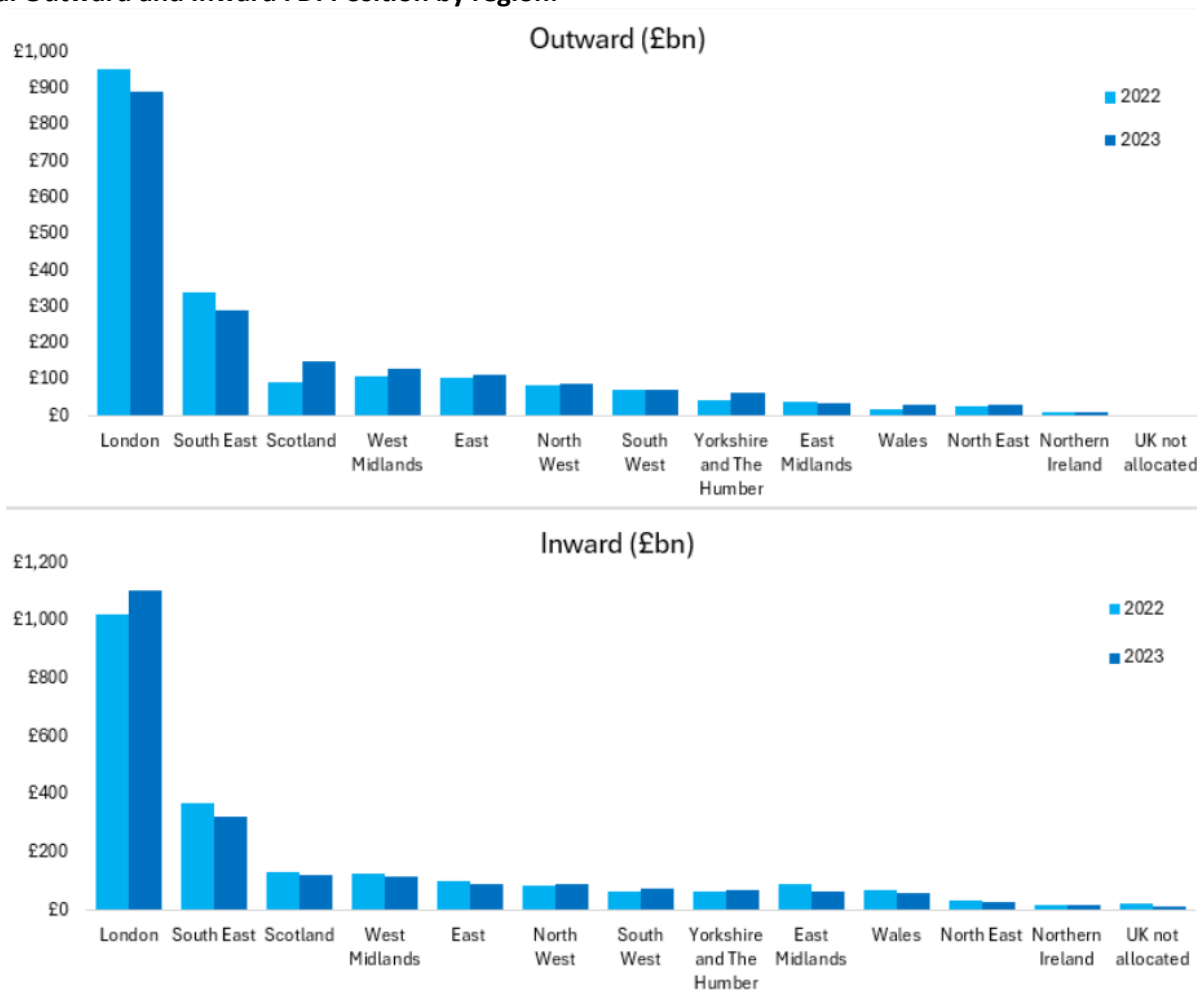
The FDI position is the financial balance sheet value of the stock of UK companies, which includes buildings, property, and equipment. FDI positions are effectively the stock of investment held at a point in time.

Regional FDI

In 2023, the West Midlands had an outward FDI position of £129.3bn, an annual increase of 17.0% (+£18.8bn) compared to an national decrease of 0.2%. The West Midlands region had the fourth highest outward FDI position across the UK.

In 2023, the West Midlands had an inward FDI position of £118.5bn, an annual decrease of 5.9% (-£7.4bn) compared to a national decrease of 0.7%. The West Midlands region had the fourth highest inward FDI position across the UK.

Regional Outward and Inward FDI Position by region:

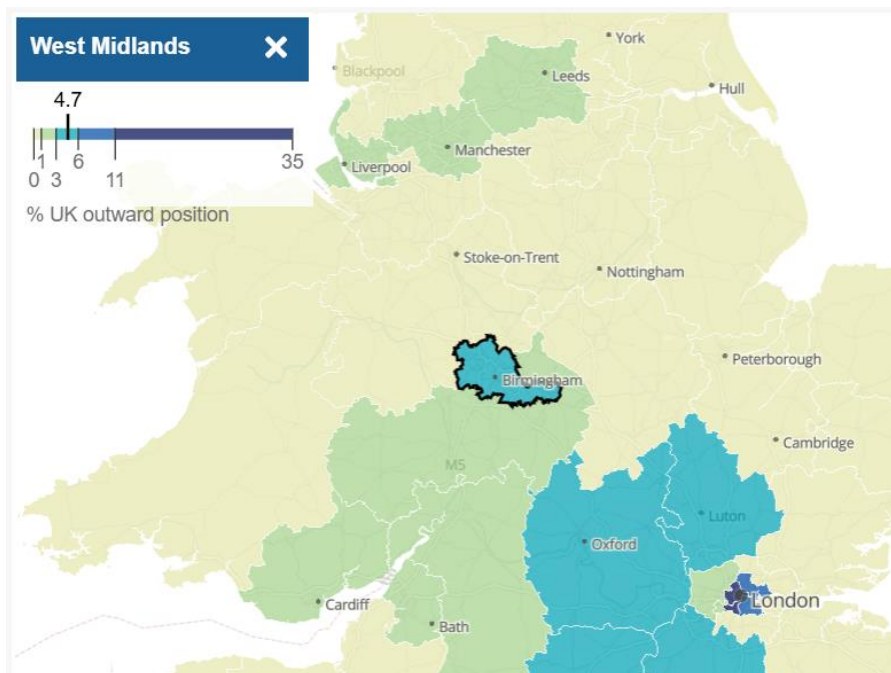


Subregional Outward FDI Positions

In 2023, the West Midlands (ITL2) had the fifth largest outward FDI position of all the ITL2 regions across the UK. The West Midlands (ITL2) area had an outward FDI position of £89.0bn, an increase of 21.3% (+£15.6bn) compared to the previous year (UK: -0.2%).

West Midlands (ITL2) Outward FDI Position:

¹⁰ ONS, Foreign direct investment, experimental UK subnational estimate: 2023 – released October 2025

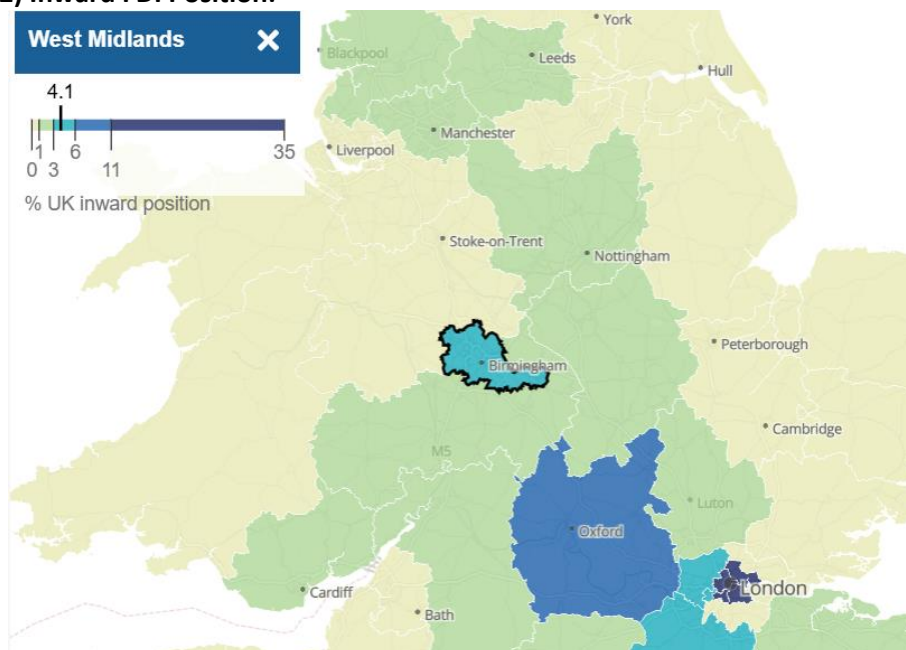


Source: Foreign Direct Investment Survey from the Office for National Statistics

Subregional inward FDI positions

In 2023, the West Midlands (ITL2) had the fourth largest inward FDI position of all the ITL2 regions across the UK. The West Midlands (ITL2) area had an inward FDI position of £90.2bn, an increase of 1.6% (+£1.4bn) compared to the previous year (UK: -0.7%).

West Midlands (ITL2) Inward FDI Position:



Source: Foreign Direct Investment Survey from the Office for National Statistics

FDI by Industry Group

In 2023, the industry group with the largest inward FDI position in the West Midlands (ITL2) was manufacturing, accounting for 51.8% of inward FDI. This was also the case for the West Midlands region accounting for 50.8% - this industry exceeded the national percentage of 14.5%.

Industry groups with relative position strength locally are shown in green in the table:

Inward FDI Position

	West Midlands (ITL2)		West Midlands (ITL1)		UK	
	2023 (£m)	% of total	2023 (£m)	% of total	2023 (£m)	% of total
Mining and quarrying	£243	0.3%	£312	0.3%	£31,275	1.4%
Manufacturing	£46,716	51.8%	£62,474	50.8%	£315,757	14.5%
Wholesale, Transportation and storage	£17,236	19.1%	£22,277	18.1%	£260,156	11.9%
Information and Communication	£3,187	3.5%	£4,054	3.3%	£212,523	9.8%
Financial and Insurance	£10,860	12.0%	£13,349	10.9%	£629,481	28.9%
Professional and Support	£6,130	6.8%	£8,249	6.7%	£379,312	17.4%
Other	£5,052	5.6%	£11,066	9.0%	£328,392	15.1%
All industries	£90,211	100.0%	£122,933	100.0%	£2,178,568	100.0%

Outward FDI Position

	West Midlands (ITL2)		West Midlands (ITL1)		UK	
	2023 (£m)	% of total	2023 (£m)	% of total	2023 (£m)	% of total
Mining and quarrying	-	-	-	-	£220,780	11.6%
Manufacturing	£21,872	24.6%	£23,372	18.1%	£320,514	16.9%
Wholesale, Transportation and storage	£3,242	3.6%	£5,170	4.0%	£99,166	5.2%
Information and Communication	£4,012	4.5%	£11,565	8.9%	£136,422	7.2%
Financial and Insurance	£17,114	19.2%	£28,923	22.4%	£494,806	26.0%
Professional and Support	£1,928	2.2%	£3,210	2.5%	£153,768	8.1%
Other	£6,369	7.2%	£16,673	12.9%	£146,401	7.7%
All industries	£89,032	100.0%	£129,258	100.0%	£1,900,778	100.0%

FDI by Continent

In 2023, the continent with the largest inward FDI position in the West Midlands (ITL2) was North America, accounting for 46.8% of the total (UK: 33.2%). For the West Midlands region the continent with the largest position was the EU at 36.5% of the total (UK: 34.8%). The EU had the largest outward FDI position in 2023 for the West Midlands ITL1 and ITL2 areas (52.0% and 52.2% respectively).

Continents with relative position strength locally are shown in green in the table:

Inward FDI Position

	West Midlands (ITL2)		West Midlands (ITL1)		UK	
	2023 (£m)	% of total	2023 (£m)	% of total	2023 (£m)	% of total
Africa, Australasia and Rest of World	£1,900	2.1%	£3,406	2.8%	£75,680	3.5%
Asia	£5,637	6.2%	£9,949	8.1%	£177,942	8.2%
Central and South Americas	£2,807	3.1%	£8,318	6.8%	£143,157	6.6%
EU Europe	£34,038	37.7%	£44,886	36.5%	£758,137	34.8%
Non-EU Europe	£3,637	4.0%	£11,841	9.6%	£301,235	13.8%
North Americas	£42,191	46.8%	£44,532	36.2%	£722,417	33.2%
World total	£90,211	100.0%	£122,933	100.0%	£2,178,568	100.0%

Outward FDI Position

	West Midlands (ITL2)		West Midlands (ITL1)		UK	
	2023 (£m)	% of total	2023 (£m)	% of total	2023 (£m)	% of total
Africa, Australasia and Rest of World	£1,946	2.2%	£2,845	2.2%	£97,531	5.1%
Asia	£6,730	7.6%	£10,168	7.9%	£205,103	10.8%
Central and South Americas	£3,697	4.2%	£4,430	3.4%	£92,022	4.8%
EU Europe	£46,427	52.1%	£67,175	52.0%	£808,675	42.5%
Non-EU Europe	£5,772	6.5%	£6,944	5.4%	£145,996	7.7%
North Americas	£24,460	27.5%	£37,695	29.2%	£551,451	29.0%
World total	£89,032	100.0%	£129,258	100.0%	£1,900,778	100.0%

Gross Domestic Expenditure on Research and Development (R&D)¹¹

The Economic Intelligence Unit

UK Headlines

Expenditure on research and development (R&D) performed in the UK amounted to £72.6 billion in 2023, an increase of £3.0 billion (in current prices), since 2022 and £14.3 billion since 2018, which is the first comparable period available.

The business sector accounted for the largest share of R&D expenditure, at £50.0 billion (69% of the UK total); followed by the higher education sector, at £17.1 billion (24% of the UK total).

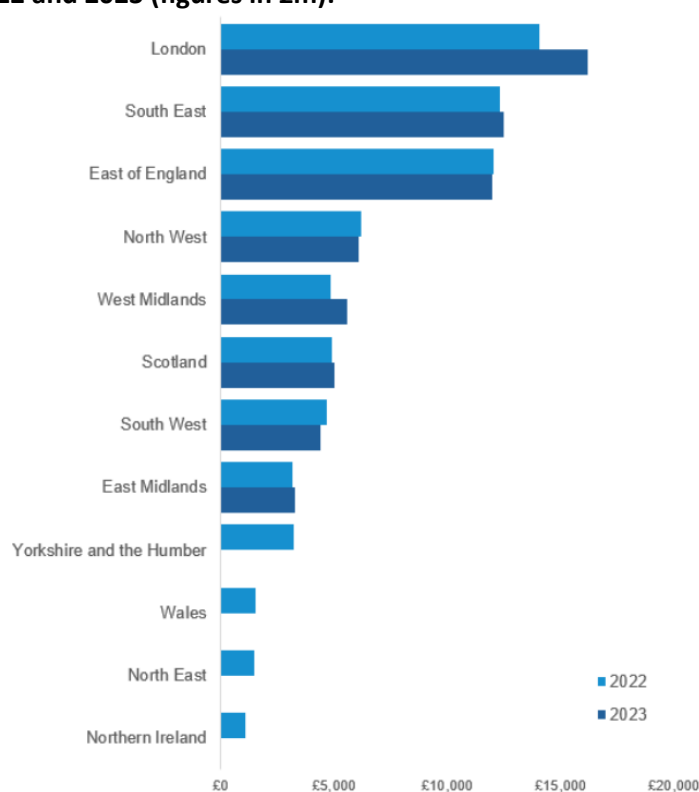
The government sector, including UK Research and Innovation, performed £4.3 billion of R&D (6% of the UK total); the private non-profit sector performed the least, at £1.1 billion (2% of the UK total).

Regional R&D Expenditure

In 2023, businesses in the West Midlands region spent nearly £5.6bn on R&D - accounting for 7.7% of UK R&D expenditure.

Compared to the previous year, R&D expenditure in the West Midlands increased by £744m (+15.4%, UK: +4.3%), the highest percentage increase across the UK and the second highest in real terms (behind London).

Regional expenditure for 2022 and 2023 (figures in £m):



R&D Expenditure by Investment Area

In 2023, £4.4bn was invested by business enterprises in the West Midlands, accounting for 79.2% of all R&D expenditure in the region (higher than the national average of 68.9% of expenditure).

¹¹ ONS, Gross Domestic Expenditure on Research and Development, UK: 2023 – released August 2025. Research and development performed in the UK and funding for R&D, received by businesses, higher education, government, UK Research and Innovation, and private non-profit organisations. Based on the ONS latest available measure of gross domestic product (GDP), which does not yet incorporate the latest R&D methodology, total UK R&D expenditure represented 2.64% of GDP in 2023, falling slightly from 2.69% in 2022. This decrease is related to changes in the level of GDP rather than R&D.

Annual percentage changes in R&D expenditure in higher education (+8.5%) and business enterprises (+17.4%) exceeded the national average (+5.3% and +2.9% respectively).

West Midlands and the UK expenditure by investment area, 2023:

Country or region	West Midlands			United Kingdom		
	Expenditure (£m)	Annual Change in Expenditure (£)	% of total	Expenditure (£m)	Annual Change in Expenditure (£)	% of total
Government & UKRI	£98	12.6%	1.8%	£4,318	18.8%	6.0%
Higher education	£1,055	8.5%	18.9%	£17,133	5.3%	23.6%
Business enterprise	£4,424	17.4%	79.2%	£49,973	2.9%	68.9%
Private non-profit	£7	-41.7%	0.1%	£1,130	7.7%	1.6%
Total	£5,584	15.4%	100.0%	£72,555	4.3%	100.0%

WMCA Gross Disposable Household Income, 2023 – Released 10th September 2025¹²

The Economic Intelligence Unit

Definition

Gross disposable household income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits. GDHI is a concept that is seen to reflect the “material welfare” of the household sector. It should be noted that these estimates relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. GDHI per head are estimates of values for each person, not each household.

GDHI estimates are produced in current prices (which include the effects of inflation).

Analysis will cover the fifteen currently agreed combined authorities, twelve of which match ITL2 subregions, and the other three are included as city and enterprise regions (CER).

Total Gross Disposable Household Income (GDHI)

- The WMCA area total GDHI increased from nearly £51.7bn in 2022 to £56.3bn in 2023. This equated to a 9.1% (+£4.7bn) annual increase which was behind the UK growth rate of 9.5%. When compared to 2018, the WMCA total GDHI increased by 25.7% (+£11.5bn), the UK increased by 25.3%.
- Within the WMCA, there was annual growth across all of the seven local authorities, with above national growth seen in Solihull (+10.2%). When compared to five years ago, four areas were above the national average growth – Birmingham (+26.9%), Coventry (+26.0%), Sandwell (+26.4%) and Wolverhampton (+27.7%).

Trends in Total GDHI in the WMCA and UK-Wide (figures in £m):

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Birmingham	£16,823	£17,496	£17,747	£18,388	£19,617	£21,353	8.8%	26.9%
Solihull	£4,744	£4,918	£4,842	£4,989	£5,323	£5,867	10.2%	23.7%
Coventry	£5,455	£5,624	£5,692	£5,913	£6,299	£6,874	9.1%	26.0%
Dudley	£5,092	£5,250	£5,321	£5,440	£5,766	£6,285	9.0%	23.4%
Sandwell	£4,555	£4,739	£4,844	£4,975	£5,293	£5,756	8.7%	26.4%
Walsall	£4,263	£4,349	£4,417	£4,573	£4,813	£5,255	9.2%	23.3%
Wolverhampton	£3,878	£4,024	£4,110	£4,284	£4,543	£4,951	9.0%	27.7%
WMCA	£44,811	£46,400	£46,974	£48,562	£51,655	£56,340	9.1%	25.7%
UK	£1,352,697	£1,400,237	£1,400,084	£1,455,388	£1,548,544	£1,695,436	9.5%	25.3%

- In 2023, out of the fifteen Combined Authorities, the WMCA had the second highest GDHI, behind Greater Manchester Combined Authority (£61.4bn) down to Hull & East Yorkshire with the lowest (£12.9bn). In terms of the latest annual percentage change, the WMCA had the lowest growth rates, followed closely by Greater Lincolnshire (+9.2%), up to York & North Yorkshire (+10.5%).

Trends in Total GDHI in Combined Authorities and UK-Wide (figures in £m):

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Cambridgeshire & Peterborough	£17,996	£18,709	£18,739	£19,452	£20,742	£22,850	10.2%	27.0%
Devon & Torbay (CER)	£17,931	£18,680	£18,967	£19,872	£21,315	£23,537	10.4%	31.3%
East Midlands	£37,616	£39,141	£39,652	£40,933	£43,529	£47,747	9.7%	26.9%
Greater Lincolnshire (CER)	£18,759	£19,490	£19,763	£20,382	£21,649	£23,635	9.2%	26.0%
Greater Manchester	£47,681	£49,780	£50,508	£52,308	£55,997	£61,370	9.6%	28.7%

¹² Source: Office for National Statistics (ONS): Regional Gross Disposable Household Income, UK: 1997 to 2023 – released September 2025.

Hull & East Yorkshire (CER)	£10,272	£10,590	£10,755	£11,117	£11,810	£12,923	9.4%	25.8%
Lancashire	£25,669	£26,633	£27,002	£27,944	£29,615	£32,603	10.1%	27.0%
Liverpool City Region	£25,904	£26,872	£27,246	£27,974	£29,617	£32,406	9.4%	25.1%
North East	£32,411	£33,591	£33,983	£35,035	£36,986	£40,550	9.6%	25.1%
South Yorkshire	£22,207	£22,900	£23,247	£23,965	£25,465	£27,853	9.4%	25.4%
Tees Valley	£10,804	£11,225	£11,409	£11,715	£12,416	£13,615	9.7%	26.0%
WMCA	£44,811	£46,400	£46,974	£48,562	£51,655	£56,340	9.1%	25.7%
West of England	£19,410	£20,186	£20,141	£21,044	£22,739	£24,995	9.9%	28.8%
West Yorkshire	£38,526	£40,116	£40,641	£41,827	£44,523	£48,697	9.4%	26.4%
York & North Yorkshire	£17,133	£17,700	£17,624	£18,432	£19,564	£21,626	10.5%	26.2%
UK	£1,352,697	£1,400,237	£1,400,084	£1,455,388	£1,548,544	£1,695,436	9.5%	25.3%

WMCA Components of Total GDHI

In 2023, the WMCA area balance of primary incomes¹³ totalled £63.5bn, the balance of secondary incomes¹⁴ totalled negative £7.2bn, leading to total GDHI of £56.3bn. The balance of secondary income has grown for three consecutive years.

Breakdown of GDHI components from 2018 to 2023 for the WMCA area (figures in £m):

Transaction	2018	2019	2020	2021	2022	2023
Operating surplus	£4,719	£4,927	£4,885	£5,193	£5,783	£6,845
Mixed income	£3,999	£4,394	£4,488	£4,767	£5,180	£5,479
Compensation of employees	£35,387	£36,681	£36,785	£38,595	£41,577	£45,244
Property income, received	£6,292	£6,144	£4,855	£5,817	£7,324	£8,546
<i>Primary resources total</i>	£50,397	£52,147	£51,012	£54,372	£59,864	£66,113
Property income, paid	£928	£820	£561	£664	£1,326	£2,565
<i>Primary uses total</i>	£928	£820	£561	£664	£1,326	£2,565
<i>Balance of primary incomes</i>	£49,469	£51,327	£50,451	£53,708	£58,538	£63,548
Imputed social contributions/Social benefits received	£13,932	£14,181	£15,305	£15,643	£16,186	£17,772
Other current transfers, received	£1,196	£1,163	£1,171	£1,061	£1,425	£1,381
<i>Secondary resources total</i>	£15,128	£15,344	£16,475	£16,704	£17,611	£19,152
Current taxes on income, wealth etc	£6,522	£6,662	£6,602	£7,364	£8,267	£9,354
Social contributions/Social benefits paid	£11,632	£11,963	£11,751	£12,861	£14,573	£15,268
Other current transfers, paid	£1,633	£1,646	£1,600	£1,625	£1,655	£1,739
<i>Secondary uses total</i>	£19,787	£20,272	£19,953	£21,850	£24,495	£26,360
<i>Balance of secondary income</i>	-£4,659	-£4,927	-£3,477	-£5,146	-£6,884	-£7,208
Gross Disposable Income	£44,811	£46,400	£46,974	£48,562	£51,655	£56,340

GDHI per Head

- In 2023, GDHI per head in the WMCA area was £18,900. This was an annual increase of 7.9% (+£1,381), the UK increased by 8.4%. When compared to 2018, GDHI per head has increased by 22.6% (+£3,486) while for the UK there was an increase of 21.7%.
- In 2023, the WMCA area had a gap of £5,936 to the UK GDHI per head figure (£24,836).
- Within the WMCA, there was an annual increase in all of the local authorities, with growth above the national average in Solihull (+9.7%) and with Dudley matching the national average. When compared to five years ago, Birmingham, Sandwell and Wolverhampton had above national average growth (+24.7%, +22.5% and +23.0% respectively) In 2023, GDHI per head in Solihull was above the national average (by £1,979).
- Across all ITL3 areas, the 10 local areas with the lowest GDHI per head were all in the Midlands or the north of England. The ITL3 area with the lowest GDHI per head was Leicester at £16,067. For the Midlands, Sandwell was

¹³ The allocation of primary income account for the household sector reflects incomes and outgoings arising as part of the production process or through the ownership of assets required for production. Balance of primary income = primary resources less primary uses.

¹⁴ The secondary distribution of income account reflects money transferred to, or from, households unrelated to a productive activity. This includes government redistribution of primary income and traces the various transfers that occur subsequent to the allocation of primary income. Balance of secondary income = secondary resources less secondary uses.

2nd lowest, Nottingham (£16,823) was 3rd lowest, Stoke-on-Trent (£17,626) was 6th lowest, Wolverhampton was 8th lowest, Walsall was 9th lowest and Birmingham was 10th lowest.

Trends in GDHI per Head in the WMCA and UK-Wide:

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Birmingham	£14,679	£15,205	£15,450	£16,083	£16,996	£18,312	7.7%	24.7%
Solihull	£22,076	£22,734	£22,371	£23,023	£24,444	£26,815	9.7%	21.5%
Coventry	£15,913	£16,361	£16,514	£17,182	£17,851	£19,057	6.8%	19.8%
Dudley	£15,864	£16,299	£16,498	£16,812	£17,746	£19,238	8.4%	21.3%
Sandwell	£13,517	£13,930	£14,188	£14,551	£15,360	£16,562	7.8%	22.5%
Walsall	£15,066	£15,281	£15,521	£16,081	£16,816	£18,199	8.2%	20.8%
Wolverhampton	£14,776	£15,272	£15,621	£16,210	£16,958	£18,174	7.2%	23.0%
WMCA	£15,414	£15,884	£16,079	£16,641	£17,519	£18,900	7.9%	22.6%
UK	£20,407	£21,016	£20,978	£21,729	£22,907	£24,836	8.4%	21.7%

- In 2023, out of the fifteen Combined Authorities, the WMCA came lowest, with Tees Valley the second lowest at £19,480 up to York & North Yorkshire which were the highest at £25,918. In terms of the latest annual percentage change, the WMCA had the lowest growth rates, followed by South Yorkshire (+8.1%), up to York & North Yorkshire (+9.7%).

Trends in GDHI per Head in Combined Authorities and UK-Wide:

	2018	2019	2020	2021	2022	2023	Annual Change	Five Year Change
Cambridgeshire & Peterborough	£20,527	£21,220	£21,174	£21,680	£22,851	£24,862	8.8%	21.1%
Devon and Torbay (CER)	£19,323	£19,972	£20,189	£20,832	£22,077	£24,192	9.6%	25.2%
East Midlands	£17,204	£17,832	£18,042	£18,572	£19,524	£21,205	8.6%	23.3%
Greater Lincolnshire (CER)	£17,272	£17,889	£18,116	£18,587	£19,615	£21,269	8.4%	23.1%
Greater Manchester	£16,885	£17,479	£17,684	£18,229	£19,236	£20,813	8.2%	23.3%
Hull and East Yorkshire (CER)	£16,967	£17,426	£17,670	£18,235	£19,204	£20,774	8.2%	22.4%
Lancashire	£17,074	£17,593	£17,761	£18,238	£19,089	£20,761	8.8%	21.6%
Liverpool City Region	£16,810	£17,380	£17,621	£18,021	£18,862	£20,431	8.3%	21.5%
North East	£16,571	£17,120	£17,312	£17,792	£18,558	£20,149	8.6%	21.6%
South Yorkshire	£16,179	£16,662	£16,931	£17,432	£18,315	£19,795	8.1%	22.3%
Tees Valley	£16,041	£16,638	£16,916	£17,270	£18,018	£19,480	8.1%	21.4%
WMCA	£15,414	£15,884	£16,079	£16,641	£17,519	£18,900	7.9%	22.6%
West of England	£20,687	£21,369	£21,178	£22,045	£23,444	£25,446	8.5%	23.0%
West Yorkshire	£16,567	£17,145	£17,320	£17,796	£18,731	£20,272	8.2%	22.4%
York & North Yorkshire	£21,109	£21,730	£21,676	£22,465	£23,628	£25,918	9.7%	22.8%
UK	£20,407	£21,016	£20,978	£21,729	£22,907	£24,836	8.4%	21.7%

Housing Purchase Affordability

The Economic Intelligence Unit

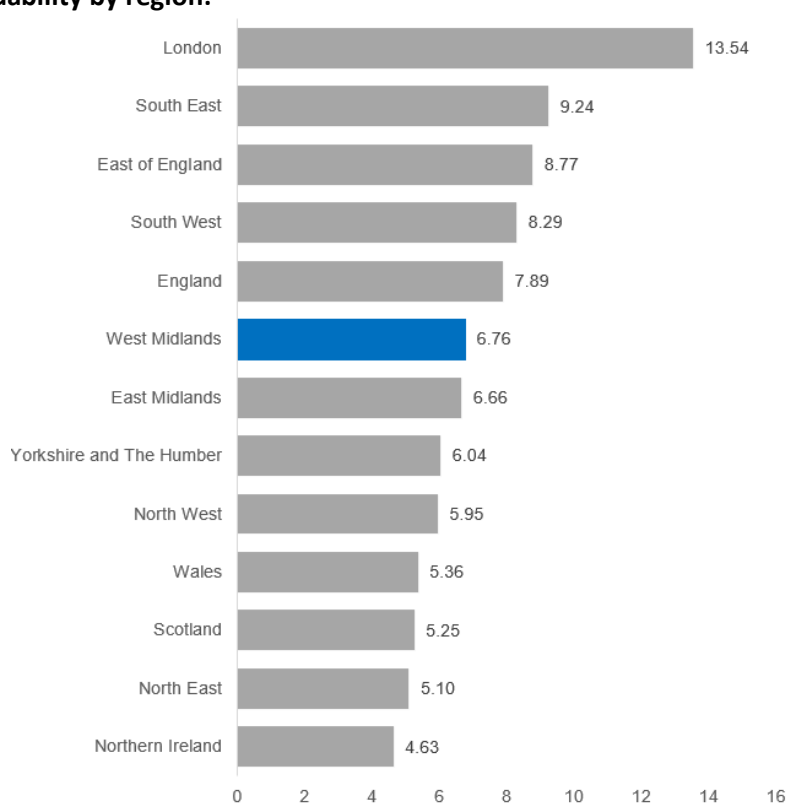
This release differs from the usual ONS annual [housing affordability in England and Wales bulletin](#), which remains the official source to use for local housing policy and needs assessment; this release focuses on household income instead of individual earnings, providing a UK-wide picture of a households rather than individuals' ability to buy a home at different income levels.

Regional Housing Purchase Affordability

In the Financial Year Ending (FYE) 2024, the median house price to annual disposable household income affordability ratio was 6.76 in the West Midlands, lower than the average of 7.89 in England.

Since FYE 2023, this has decreased in the West Midlands by 1.2 (from 7.96), the largest decrease of any region across the UK.

Housing Purchase Affordability by region:

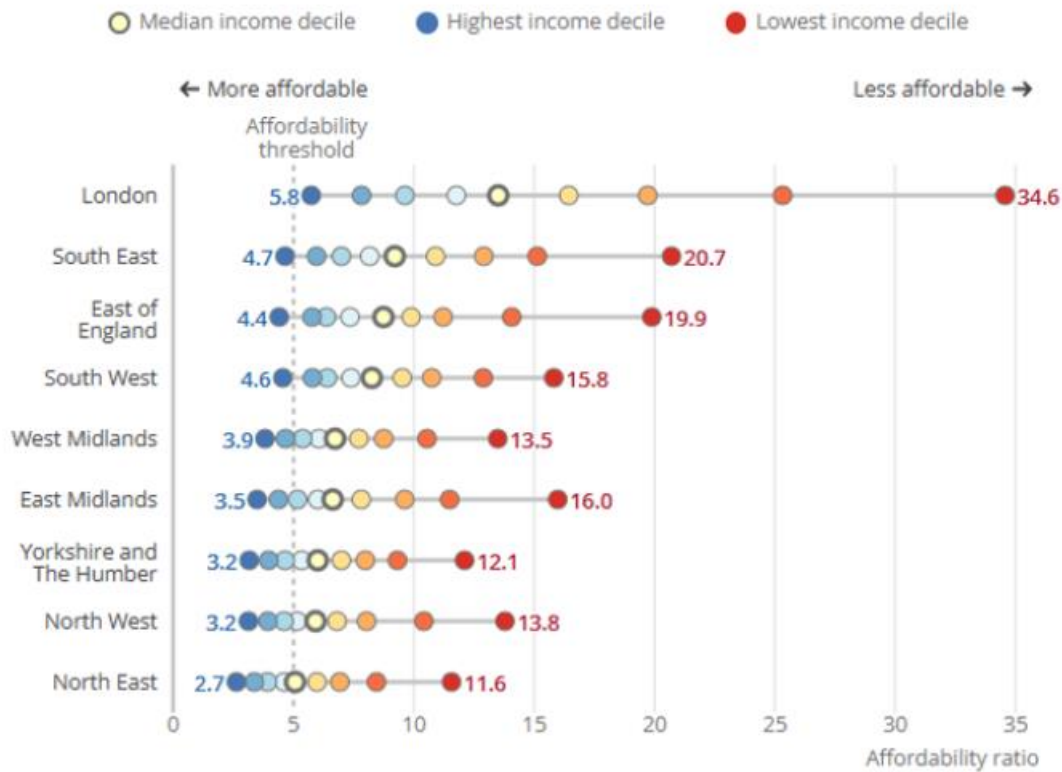


Regional Housing Purchase Affordability by Income Decile

In the West Midlands region, an average prices home was equivalent to 3.9 years of a 90th percentile income in 2024, while it was equivalent of 13.5 years of a 10th percentile income.

In the West Midlands, an average home was affordable (less than five times income) for the highest two income deciles (20%).

Housing affordability ratio for average household income and average house prices by region, financial year ending (FYE) 2024

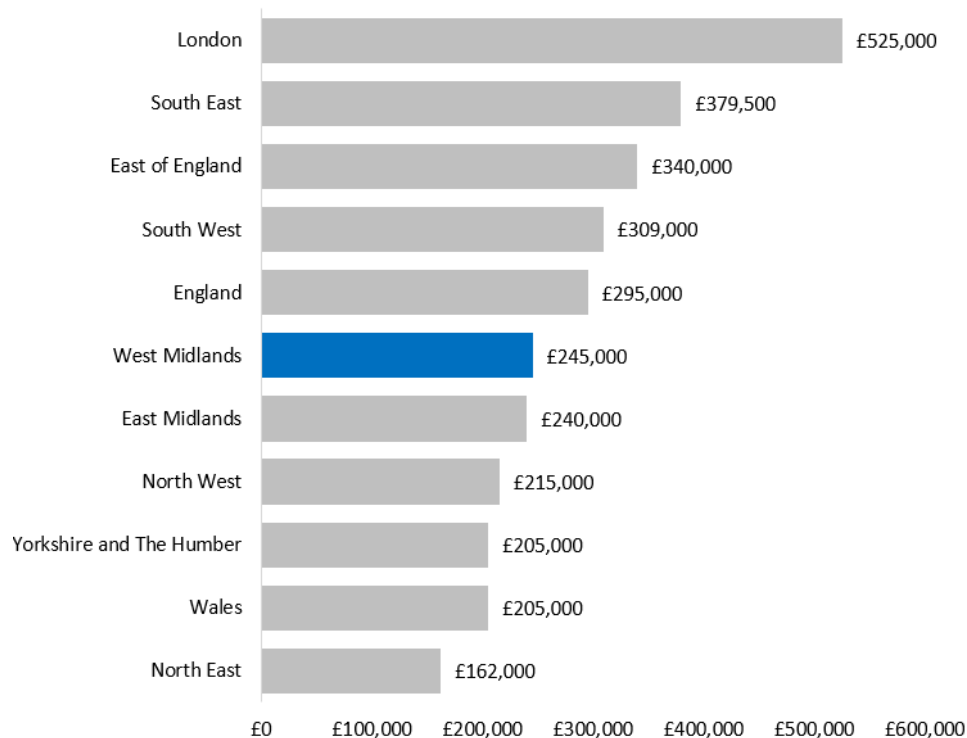


Source: Housing Purchase Affordability, UK, from the Office for National Statistics

Median House Prices

In the year ending March 2025, the median house price (existing dwellings) in the West Midlands region was £245,000, lower than the median house price across England at £295,000.

Median House Prices by Region:



Affordable Housing Supply: Completions

In 2023-24, there were 777 new affordable housing completions in the Black Country. Of these, 81.6% (634) of these were for affordable rent. In the West Midlands region, 39.2% of new affordable housing completions were for affordable rent England: 39.0%), the most of any type reflecting national trends.

Shared Ownership was the second highest new affordable housing completion type in the Black Country (14.2%) and nationally (32.5%), while Social Rent was the second highest in the West Midlands region (28.8%).

Affordable housing supply completions:

	Black Country		West Midlands region		England	
	2023-24	% of total	2023-24	% of total	2023-24	% of total
Social Rent	33	4.2%	1,844	28.8%	10,153	15.9%
London Affordable Rent	-	0.0%	-	0.0%	3,916	6.1%
Affordable Rent	634	81.6%	2,516	39.2%	24,871	39.0%
Intermediate Rent	-	0.0%	41	0.6%	2,346	3.7%
Shared Ownership	110	14.2%	1,786	27.8%	20,702	32.5%
Affordable Home Ownership	-	0.0%	144	2.2%	1,141	1.8%
First Homes	-	0.0%	82	1.3%	614	1.0%
Total	777	100.0%	6,413	100.0%	63,743	100.0%

ONS economic activity and social change in the UK, real-time indicators

The Economic Intelligence Unit

On the 23rd October 2025, the Office for National Statistics (ONS) released 'economic activity and social change in the UK, real-time indicators' statistical bulletin. These statistics are early experimental data and analysis on the UK economy and society. These faster indicators are created using rapid response surveys, novel data sources, and experimental methods.

ONS also provides on a monthly basis (at the time of writing, the latest was from the 17th October 2025) social insights on daily life and events from the Opinions and Lifestyle Survey (OPN).

Consumer Spending

Data from Revolut, Vocalink and Pay.UK shows consumer spending increased slightly with seasonally adjusted Revolut debit card spending and average Direct Debit transaction amounts both increasing by 1% compared with the previous month, whilst the total Direct Debit failure rate fell by 1%.

System Price of Electricity and System Average Price of Gas

The National Gas Transmission, Elexon report the System Price of electricity decreased by 9% to an average price of 6.484p/kWh in September 2025, when compared with August 2025, and decreased by 16% when compared with September 2024, which had a monthly average price of 7.760p/kWh. The System Average Price of gas remained broadly unchanged in September 2025, compared with August 2025 but decreased by 9% when compared with September 2024, which had a monthly average price of 2.984p/kWh.

Value Added Tax Flash Estimates

Data from HMRC Value Added Tax returns shows the number of firms reporting increased turnover was 3% higher than those reporting decreased turnover; the services sector had a net 4% of firms reporting an increase in turnover compared with August 2025.

Advanced Notification of Potential Redundancies

Insolvency Service HR1 forms data shows the number of potential redundancies increased by 23% in September 2025, compared with August 2025. The number of employers proposing redundancies increased by 29% in the same period. The number of potential redundancies increased by 18%, and the number of employers proposing redundancies increased by 14%, when compared with the equivalent month of 2024.

Energy Performance Building Certificates

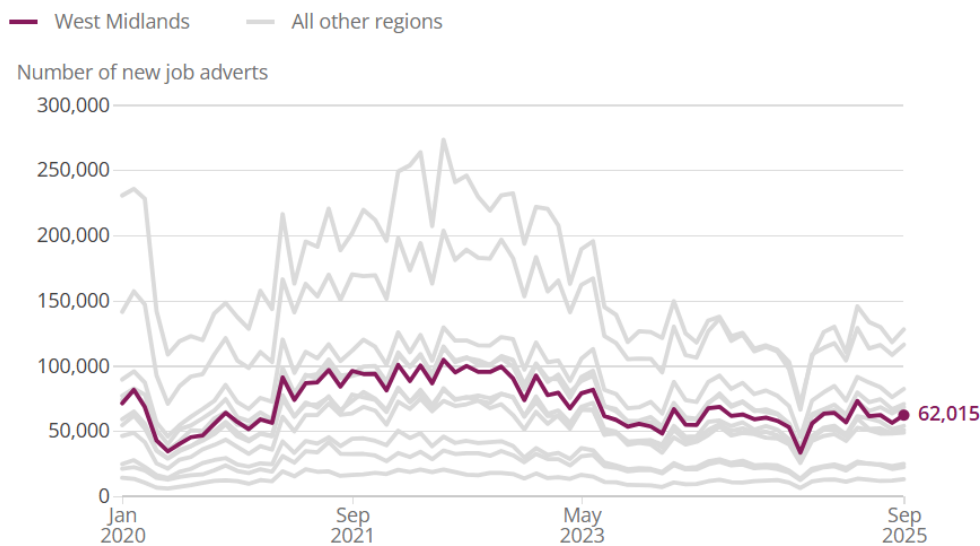
Data from Ministry of Housing, Communities and Local Government shows the seasonally adjusted number of Energy Performance Building Certificates (EPCs) lodged for new dwellings across England and Wales increased by 6% compared with August 2025 and increased by 5% when compared with September 2024.

Textkernal New Online Job Adverts

When compared with September 2024, the number of new online job adverts increased in 11 of the 12 regions, with only Yorkshire and The Humber remaining broadly unchanged. The number of new online job adverts increased by 11% in London and by 9% in the South West, Northern Ireland, and Scotland, over the same period.

The number of new online job adverts increased in all 12 regions (includes UK countries and English regions) in September 2025 compared with August 2025. The three largest increases were seen in the West Midlands, Northern Ireland, and London, rising by 11%, 9%, and 8%, respectively.

Volume of new adverts, West Midlands Region, January 2020 to September 2025, non-seasonally adjusted:



Source: Textkernel

Business Insights and Conditions Survey

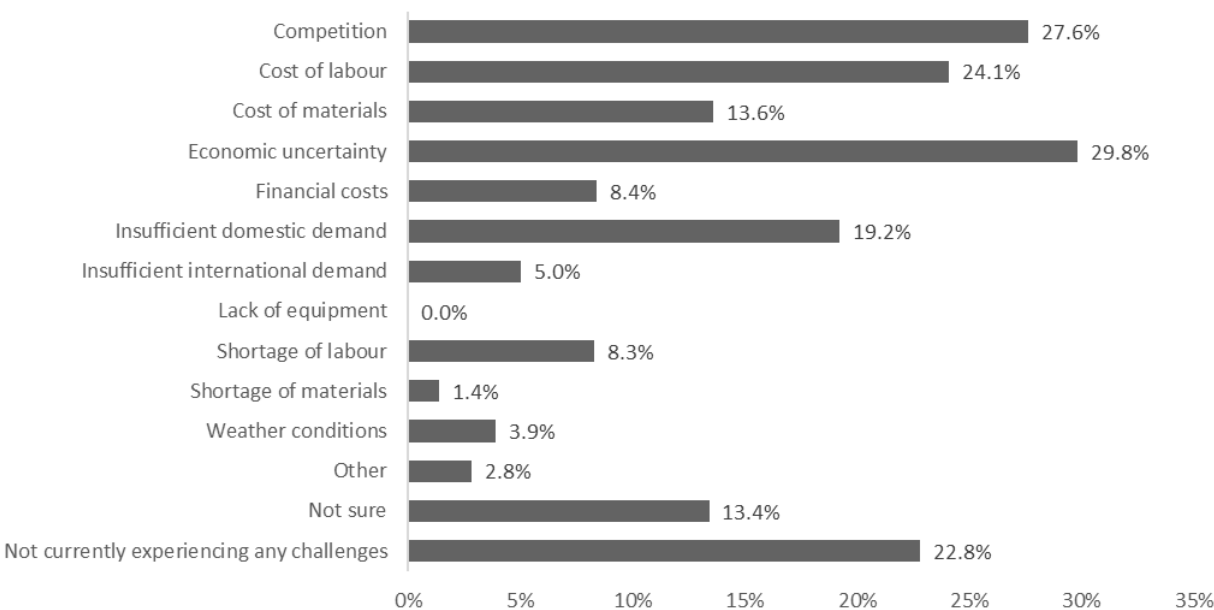
The final results from Wave 142 of the Business Insights and Conditions Survey (BICS) based off the 5,149 businesses surveyed across the West Midlands that businesses have a presence in with a response rate of 29.8% (1,535) and 3,148 businesses that are head quartered in the West Midlands, with a response rate of 26.7% (842). Please note, the survey reference period was 1st to 30th September 2025 with a survey live period of 6th to 19th October 2025. Also, the data used is unweighted for regions and response levels can be low so the following results should be treated with caution when evaluating impacts. Due to weighted data being available for the UK a comparison has not been included.

Financial Performance

37.6% of responding West Midlands businesses reported that turnover in September 2025 had increased when compared to the previous calendar month. 33.4% of West Midlands businesses reported turnover had stayed the same. However, 22.0% had reported that turnover had decreased.

29.8% of West Midlands businesses reported economic uncertainty was impacting turnover.

Challenges (if any) impacting West Midlands business’s turnover:



24.3% of West Midlands businesses expect turnover to increase in November 2025. 48.4% reported expectations of turnover to stay the same. 15.2% of West Midlands business's expect turnover decrease in November 2025.

Demand for Goods and Services

21.4% of responding West Midlands businesses reported that domestic demand for goods and services in September 2025 when compared to the previous month had increased. 45.4% reported the domestic demand had stayed the same and 14.6% of West Midlands businesses reported the domestic demand for goods and services had decreased.

7.0% of West Midlands businesses reported that international demand for goods and services in September 2025 when compared to the previous month had increased. 22.5% reported the international demand had stayed the same and 5.5% of West Midlands businesses reported the international demand for goods and services had decreased.

Prices

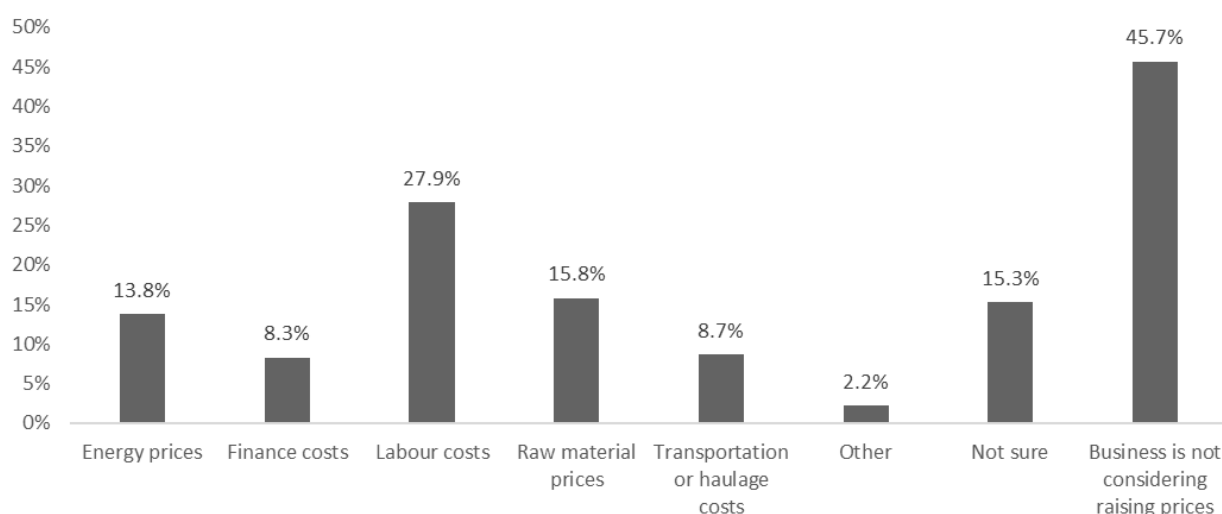
13.4% of responding West Midlands businesses reported the prices of goods and services brought in September 2025 when compared with the previous month had increased. 66.8% reported the prices had stayed the same and 1.4% reported a decrease.

6.9% of West Midlands businesses reported the prices of goods and services sold in September 2025 when compared with the previous month had increased. 75.0% reported the prices had stayed the same and 2.2% reported a decrease.

9.5% of West Midlands businesses expect the prices of goods and services sold in November 2025 will increase, 70.2% expect prices to stay the same and 1.7% expect a decrease.

27.9% of West Midlands businesses reported that labour costs would be a factor for raising prices in November 2025.

Factors (if any), causing West Midlands businesses to consider raising prices in November 2025:



Capital Expenditure

16.4% of responding West Midlands businesses expect capital expenditure to increase between October and December 2025. While 36.9% expect it to stay the same and 11.8% to decrease.

Plant and Machinery

43.4% of responding West Midlands businesses invested in plant and machinery between July and September 2025. With 40.7% of West Midlands businesses using the full expensing capital allowance on qualifying plant and machinery investment over this period.

Supply Chains

79.4% of responding West Midlands businesses reported to being able to get the materials, goods or services needed from within the UK in September 2025. A further 3.9% were able to get the materials, goods or services needed from

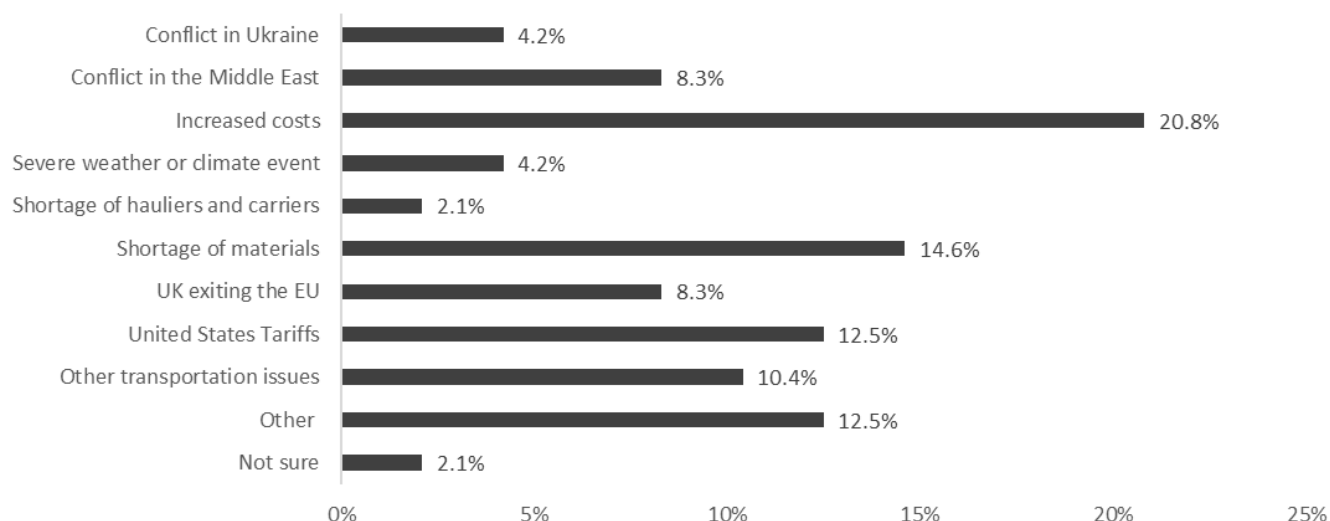
within the UK but had to change suppliers or find alternative solutions. While 3.0% were not able to get the materials, goods or services needed.

Global Supply Disruption

3.1% of responding West Midlands businesses reported global supply chain disruption in September 2025. While 60.7% reported no disruption.

20.8% of West Midlands businesses reported the main reason for global supply disruption was due to increased costs.

Main reason for global supply chain disruption for West Midlands businesses:



Trade

25.7% of responding West Midlands businesses both exported and imported in September 2025. With 4.1% which exported only and 14.1% imported only. While 47.0% of West Midlands businesses did not export or import in September 2025.

Number of Employees

13.9% of responding West Midlands businesses expect the number of employees to increase in November 2025. 65.9% expect the number of employees to stay the same and 9.2% expect a decrease.

Worker Shortages

14.6% of responding West Midlands businesses reported to experiencing a shortage of workers whereas 70.5% reported no shortages.

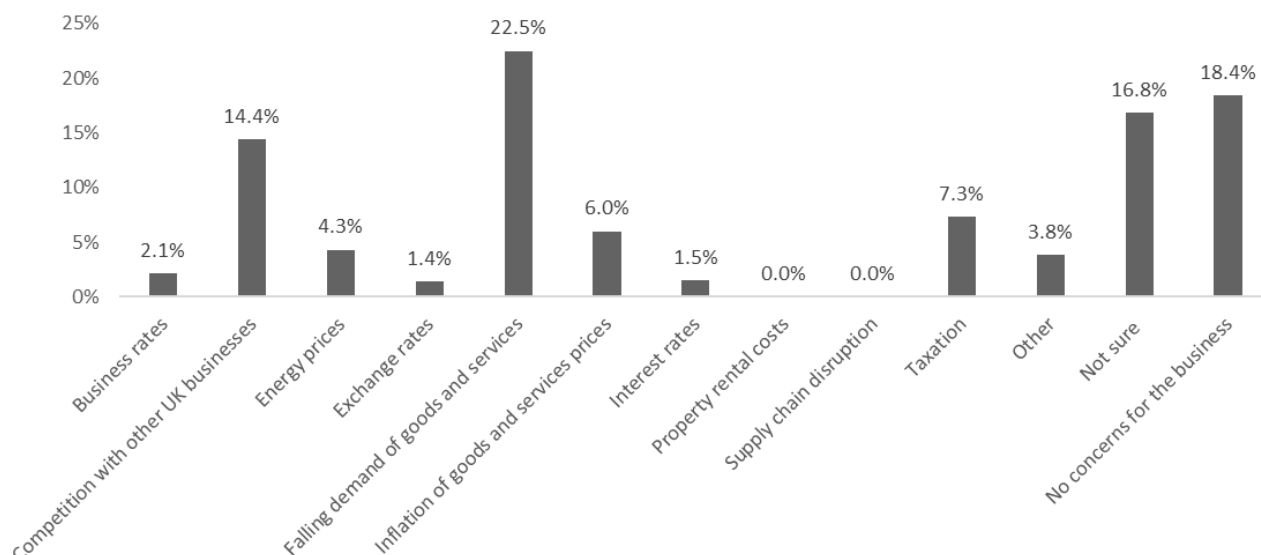
Recruitment Difficulties

15.3% of responding West Midlands businesses reported experiencing difficulties in recruiting employees in September 2025, whereas 58.0% experienced no difficulties in recruiting.

Main Concern for Business

22.5% of responding West Midlands businesses reported the main concern in November 2025 will be a falling demand of goods and services.

The main concern (if any) for West Midlands businesses in November 2025:



Overall Performance

30.2% of responding West Midlands businesses reported that overall performance in September 2025 increased when compared to the same month in 2024. 37.9% of West Midlands businesses reported that performance had stayed the same and 20.5% reported that performance had decreased.

Over the next 12 months, 38.3% of West Midlands businesses expect that performance will increase, 36.4% expect performance will stay the same and 8.8% expect performance will decrease.

Public Opinions and Social Trends Headlines

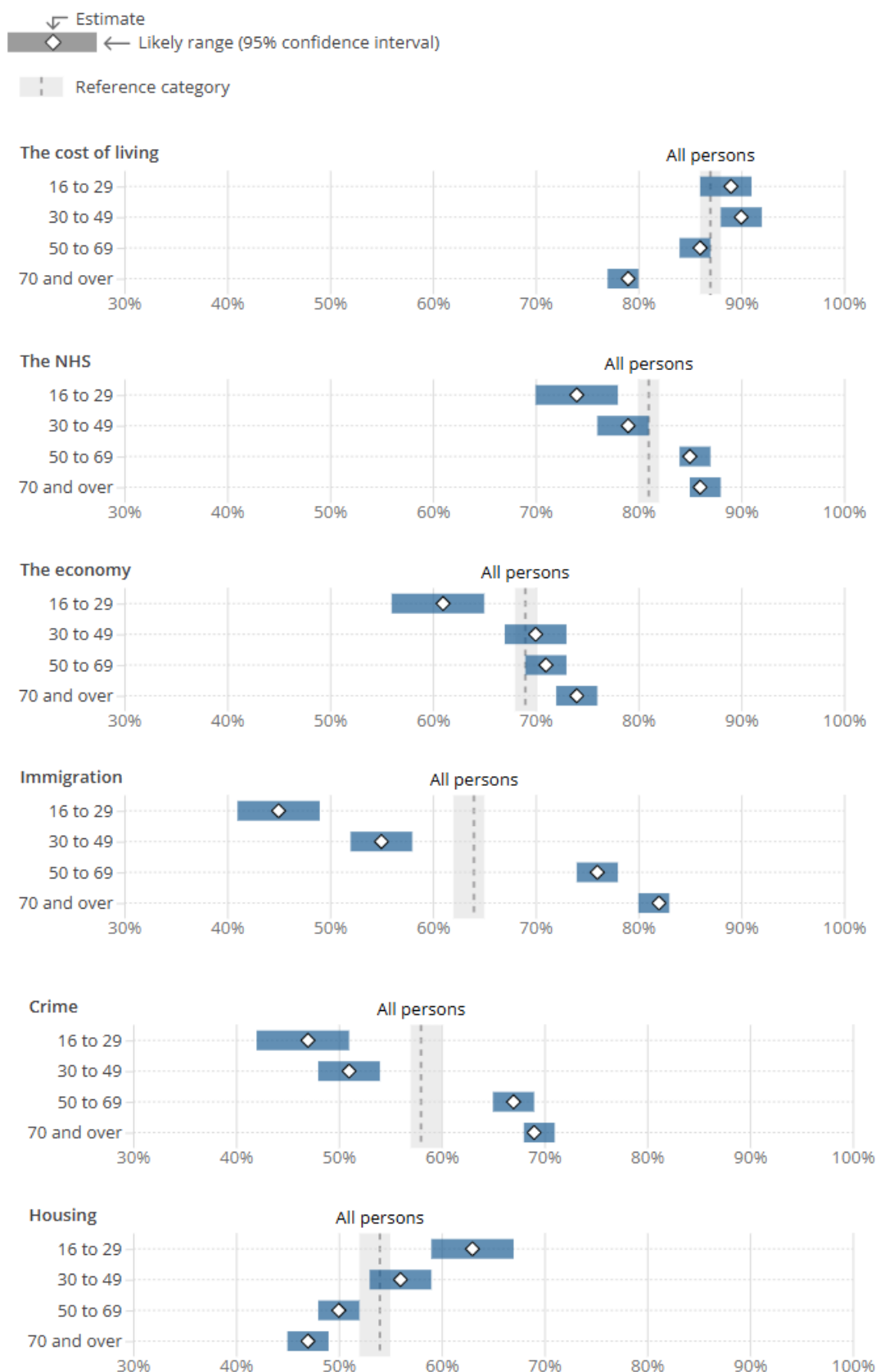
Estimates are based on data collected (from adults in Great Britain) between 3rd to 28th September 2025.

Important Issues Facing the UK

The most commonly reported issues were the cost of living (88%), the NHS (80%), the economy (69%), immigration (64%), crime (57%) and housing (54%).

The ONS examined what different groups of the population thought were important issues, using data from the period 2nd July to 28th September 2025. The cost of living, the NHS and the economy continue to be the most commonly reported issues by adults; immigration has also become more frequently reported recently. The cost of living was more likely to be reported as an important issue by renters (91%), parents of a dependent child (91%), those aged 16 to 29 (89%) and 30 to 49 years (90%), and women (89%). The NHS was more frequently reported as an important issue by women (86%) and older adults (86% among those aged 70 years and over). The economy was more frequently reported as an important issue by adults with a degree (73%) and those who reported being employed or self-employed (70%) or retired (73%). Older age groups (82% for those aged 70 years and over), retired adults (82%), adults without a qualification (76%), and adults who own their home outright (74%) were most likely to report immigration as an important issue.

Proportion of adults reporting each important issue by age, Great Britain, 2 July to 28 September 2025:



Source: Opinions and Lifestyle Survey from the Office for National Statistics

Headlines

SECTOR	KEY INSIGHTS
Cross Sector	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. 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.

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	○ 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 fell to a 70-year low in September 2025. • 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. • 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.

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	- 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. 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 have been recalculated 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. The London Living Wage for 2025-26 is £14.80. - 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.
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. 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.

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	- 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
Oxbridge Ltd	Birmingham	Education	Unsecured creditors are set to lose out following the collapse of a Birmingham -based home learning company due to its "substantial level of debt". Forvis Mazars LLP were appointed as administrators of Oxbridge Ltd, which traded as Oxbridge Home Learning. The business ceased trading following significant cash flow pressures and 11 staff redundancies.
Pizza Hut	West Midlands	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 .
Jaguar Land Rover	West Midlands	Automotive	The cyber attack which brought production lines at car maker Jaguar Land Rover (JLR) to a standstill for more than six weeks (including in Solihull and Castle Bromwich in the West Midlands) is estimated to have wreaked £1.9bn of financial damage. It is estimated that around 200,000 staff in JLR's supply chain could have been affected when orders stopped after production lines were halted.
Jhoots	West Midlands	Healthcare / Retail	22 businesses related to Walsall -based Jhoots have filed notices of intention to appoint administrators. SNJ Health and 21 separate pharmacy businesses have sought court protection from creditors.

New Investment, Deals and Opportunities

COMPANY	LOCATION	SECTOR	DETAIL
Birmingham +Airport	Birmingham	Travel	Birmingham Airport has committed to a £300m investment over the next four years with passenger numbers expected to reach approximately 17 million by 2029. Major projects in the making include further retail and hospitality offerings over the next three years including a multimillion-pound refurbishment from WDF, alongside three new food and beverage outlets in the departure lounge. Outside of the terminal, there will be significant spend on the airfield, including reconstructing parts of the taxiways, new stands, lighting replacement and runway works totalling £40m. Birmingham Airport has also announced a further £3.8m in its assisted travel service with the introduction of a fleet of new purpose-built ambulifts.
The Home Hospital	Birmingham	Healthcare / Technology	A virtual hospital platform which is led by a team of serial entrepreneurs, clinicians and technologists is crowdfunding to support the next phase of its growth. The Home Hospital has raised £610,964 from 166 investors on Republic Europe. The Birmingham -based company currently has more than 20 consultant specialist doctors practising with the platform, with more than 100 concurrent patients subscribed to its plans.
Hayward Wright / Wharfside Accountancy Services	Birmingham	Financial Services	Full-service accountancy and advisory firm Hayward Wright has expanded into Birmingham city centre with a significant acquisition. Wharfside Accountancy Services will retain its office on Bridge Street, with all clients transferring to Hayward Wright.
Woodbourne Group	Birmingham	Various	The Birmingham Knowledge Quarter - a £4bn innovation district - has taken a significant step forward with the signing of a new partnership. Promotor Woodbourne Group has started working with global real estate investment manager Hines. It could see up to £400m invested into the project. B-KQ covers 519 acres and, subject to planning approval, will provide 6.2 million sq ft of commercial space focused on life sciences, artificial intelligence, digital health and advanced manufacturing.
DSW Ventures	Birmingham	Finance	DSW Ventures - the early-stage venture capital arm of Dow Schofield Watts - has opened a Birmingham office to increase its investment activity across the Midlands.
Mobico Group	Birmingham	Transport	Mobico Group, the Birmingham -based transport giant behind the National Express brand, has secured a contract in Saudi Arabia with a total value of €500m revenue. The contract includes the operation of 156 vehicles, 126 of which will be electric, serving Qiddiya, a new city on the outskirts of Riyadh. Qiddiya is one of Saudi Arabia's key strategic projects and is expected to become the largest entertainment destination in the country.
Love Finance	Birmingham	Finance	Birmingham -based lender Love Finance has secured £45m in its first debt financing deal, giving the company the capacity to grow its loan book and provide faster funding to UK SMEs. The package includes a £35m revolving credit facility from lender Paragon Bank, and a £10m medium-term note programme from LGB Capital Markets. The deal allows the

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			business to lend directly from its own book for the first time, speeding up decision-making and widening access to capital.
Atos	Birmingham / Solihull	Technology	Atos has revealed plans for a £10m investment in the Midlands through two flagship technology centres that will act as a national hub for a wider network of facilities across the UK. Atos' new Sovereign Orchestration Hub in Birmingham and Digital Agentic Centre in Nottingham are designed to create jobs, boost local innovation and provide British businesses with AI-enabled infrastructure. The Birmingham hub will provide advanced monitoring and management services from a purpose-built, sustainable facility at Birmingham Business Park .
Various	Birmingham / Coventry	Visitor Economy	A £20 million fund will be distributed across museums in England to ensure they remain open. The grants also aim to strengthen the museums' ability to attract tourists and employers to regions across the country, ensuring they remain fit for the future. Included in this funding is Culture Coventry (£384,390) and Birmingham Museums Trust (£994,742).
Aurrigo	Coventry	Manufacturing	Coventry -based Aurrigo International has launched a new autonomous transport vehicle at Canada's largest technology park. The company's Auto-Shuttle Mk2 will operate along a 4.5km route at Kanata Business Park in Ottawa.
Voltacon Energy Systems	Coventry	Manufacturing	Voltacon Energy Systems, a Coventry -based renewable energy and lighting manufacturer, has secured an international defence contract to supply thousands of custom-designed lights for the flagship aircraft carrier of the French Navy. The company has been awarded a £100,000 contract by the French Ministry of Armed Forces for the Charles de Gaulle warship.
FireAngel	Coventry	Manufacturing / Safety	FireAngel, a fire safety technology company, is creating a new European headquarters at an office building in the heart of Coventry . Recently acquired by Ningbo-based Siterwell Electronics Company, FireAngel made the decision to remain in Coventry to retain its workforce.
E.ON	Coventry	Energy	Coventry -based E.ON UK has signed an agreement to invest in an Australian tech scale-up. Amber is Australia's largest residential solar and battery automation product with more than 40 per cent of the domestic market. The £2.5m investment is designed to support E.ON Next's commitment to making energy more affordable.
Eurofit Group	Coventry	Automotive	European tyre-wheel assembly specialist Eurofit Group has selected Prologis Park Coventry for its inaugural UK facility, leasing the newly refurbished 105,000 sq ft DC105 unit. The move marks a milestone for Eurofit as it expands into the UK market and allows the company to be closer to its automotive partners.
Vanguard Foundry	Dudley	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

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			turn allows the business to boost overall output by up to 20 per cent.
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	Dudley	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	Dudley	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.
Freshways	Sandwell	Food & Drink	Freshways will operate from a new milk and dairy processing factory in West Bromwich - a £25m investment that is set to create 200 jobs in the West Midlands . Freshways will pasteurise and package almost 900 million pints of fresh milk a year from the West Bromwich facility.
Latham's	Sandwell	Wholesale	Latham's has opened its 30,000 sq ft, state-of-the-art warehouse in Tividale . The new facility will boost logistics, enhance stock handling, and support growth in the steel security-door market.
Metal Assemblies / Aston Business School	Sandwell / Birmingham	Automotive	In a UK-first for the automotive supply chain, Aston Business School is teaming up with West Bromwich manufacturer Metal Assemblies Ltd to calculate and report the carbon cost of every metal component used in car production, tackling one of the industry's biggest sustainability challenges. It is hoped the Knowledge Transfer Partnership will transform how vehicle parts are made and regulated, setting a new standard for transparency and low-carbon manufacturing across Europe.
JMG Group	Solihull	Business Services	JMG Group has acquired a trio of insurance brokerages in Solihull , Kendal and Edinburgh. Yorkshire-headquartered JMG has brought Solihull's Boston Insurance Brokers, Kendal's Hayton Insurance Brokers and Edinburgh-based Gateway Insurance Services into the group.
TVS Motor	Solihull	Advanced Manufacturing / Technology	It was confirmed that 64 Indian companies are set to invest over £1 billion into the UK, a move which is set to create 6,900 jobs across the UK. Included in the detail is a raft of various tech investments including £250 million from advanced manufacturing company TVS Motor to invest in Solihull to expand its Norton Motorcycles operations and develop next-generation electric vehicles, creating 300 high-quality jobs

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ISS UK	Solihull	Management	ISS UK, a facilities manager, has signed a new 10-year lease on 8,782 sq ft of newly refurbished office space at 3160 Park Square, Birmingham Business Park in Solihull .
Kasdon Group	Walsall	Manufacturing	A deal worth more than £34m has been struck for an electronics contract manufacturer with a strong position in the defence sector. NOTE has signed an agreement to acquire Kasdon Group, which operates from a facility in Willenhall and employs approximately 50 people.
Rockhopper Rescue & Recovery	Wolverhampton	Automotive	A roadside assistance and vehicle recovery company based in Wolverhampton has secured a five-figure funding package to expand its operations. Rockhopper Rescue & Recovery has expanded its fleet of roadside recovery vehicles and recruited an additional two members of staff following a £50,000 investment from ART Business Loans.
Task Consumer Products	Wolverhampton	Manufacturing	Wolverhampton -based Task Consumer Products, a manufacturer of household paper products, has secured a £22m funding package from HSBC UK to support the purchase of a more than 180,000 sq ft site to expand its capabilities.
Geepas UK	Wolverhampton	Retail / Wholesale	Geepas UK has unveiled its £10m headquarters and distribution centre in Wolverhampton . The 115,708 sq ft facility was launched with a ribbon-cutting ceremony attended by company leadership, partners, and the Geepas UK team. Part of Western International Group, a Dubai-based global conglomerate, Geepas is the flagship brand across electronics, home appliances, and personal care.
Phenna Group / Aquatech	Wolverhampton	Environmental Services	Phenna Group has acquired Wolverhampton -based Aquatech, a business specialising in water hygiene, water testing and legionella risk assessments. Aquatech provides compliance and testing services to housing associations, facilities management companies, food and drink manufacturers, universities, hotels, local councils and Ministry of Defence sites. Its work spans water treatment, hygiene inspection and analysis, air hygiene and ventilation testing, and legionella risk assessments.
School of Coding & AI	Wolverhampton / Birmingham	Technology / Education	A West Midlands company that provides digital skills training has unveiled new £2.5 million state-of-the-art facilities in Birmingham aimed at increasing accessibility and inclusiveness in higher education. For the start of the new academic year, School of Coding & AI has transformed the disused upper floor of its Birmingham campus into a showcase of AI and technology innovation. The facility includes AI labs, an interactive AI avatar, game design facilities, a podcast room, an in-house research centre and computing classrooms

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

For any queries please contact the lead Authors:

Alice Pugh A.Pugh@Bham.ac.uk

Rebecca Riley R.Riley@Bham.ac.uk

Delma Dwight Delma.Dwight@theeu.org

Anne Green A.E.Green.1@bham.ac.uk



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