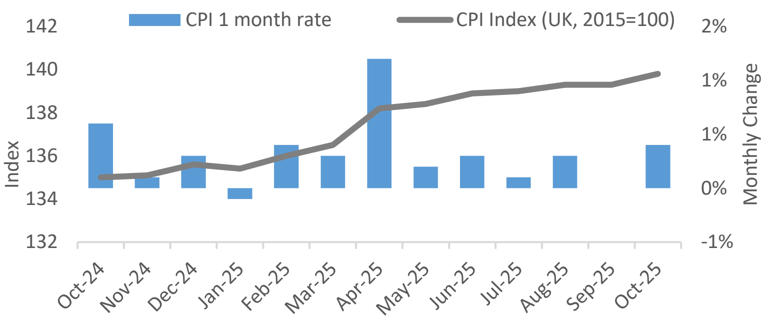
Sandwell Monthly Economic Insights, November 2025

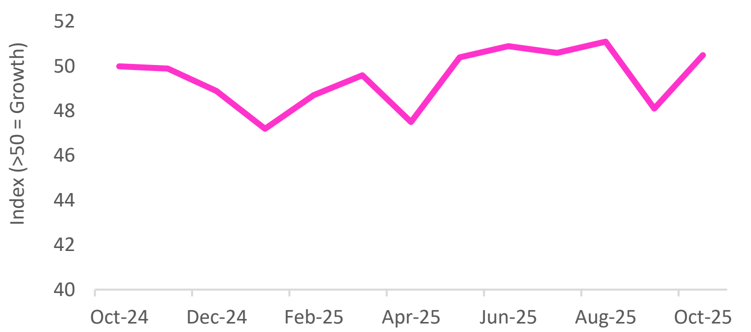
Despite subdued national output, monthly GDP fell 0.1% in September, the OBR and major forecasters have upgraded UK growth to around 1.5% in 2025. Inflation remains elevated and productivity forecasts have been cut again, signalling structural challenges. For the Midlands, the economic picture is shaped by industrial resilience and policy support. The West Midlands business activity returned to expansion in October, and the region recorded the country's strongest rise in equity investment, up 152%, contrasting with London's decline. The new £902m Local Growth Fund and British Industrial Competitiveness Scheme are expected to support Sandwell manufacturers facing high energy costs, especially following JLR-related supply chain disruption earlier this year. However, weak small-business sentiment and uncertainty remains.

Monthly Monitoring Indicators

UK Consumer Price Index (CPI)

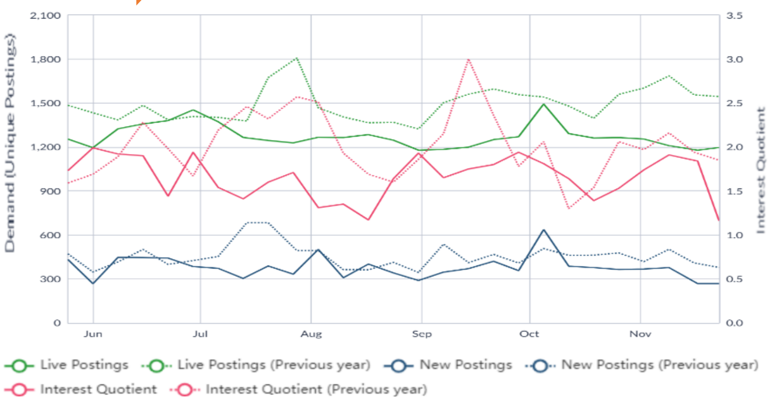


West Midlands Business Activity Index

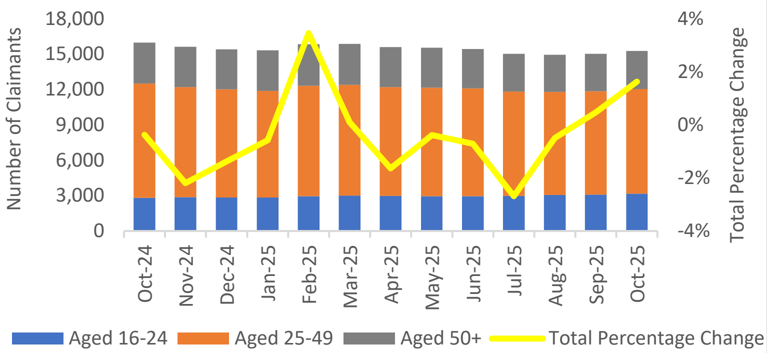


- Utilising a base year of 2015, UK **CPI was 139.8** in October 2025, an **increase of 0.4% from the previous month.**
- The West Midlands **Business Activity Index increased** from 48.1 in September 2025 **to 50.5 in October 2025.**

Sandwell Job Demand and Interest Trend

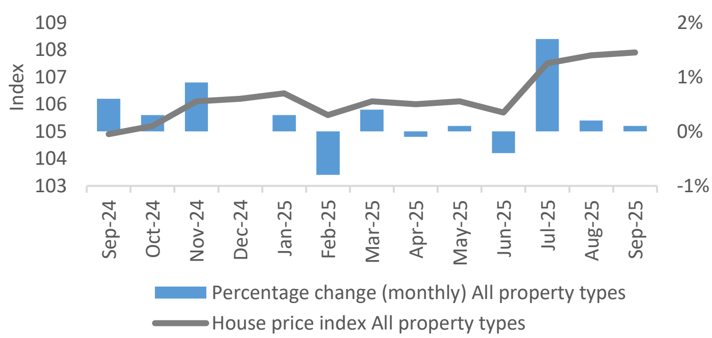


Sandwell Claimants

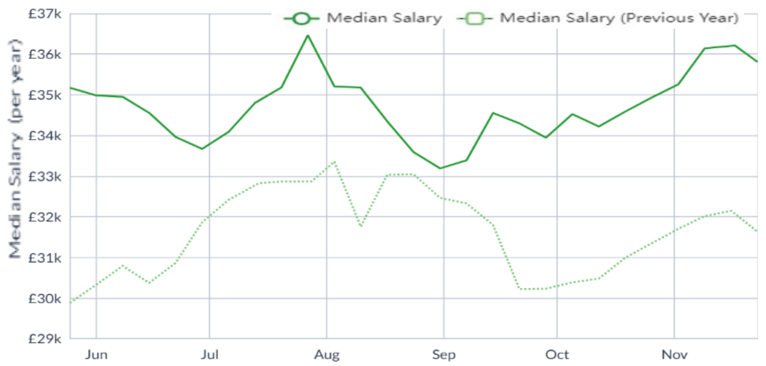


- In the past month: **2,767 job postings (-19.5% YoY), 1,389 new postings (-7.4% YoY)**. 1.6 (high) Interest Quotient.
- In total, **15,260 claimants in October 2025**; **+245 since September 2025**, (-715 since Oct '24).

Sandwell House Price Index



Sandwell Salary Trend



- Sandwell's **House Price Index was 107.9 in September 2025**. The monthly **Index increased by 0.1%**.
- In the past month, on Adzuna: **Median Salary of £35,158, +13.8% year on year**.

Other Recent Releases

- The Office for National Statistics (ONS) have updated annual business demography figures to include up to 2024. Sandwell's findings are:
  - **1,655 enterprise births**, an increase of 115 (**+7.5%**, UK +0.4%) since 2023
  - **1,280 enterprise deaths**, a decrease of 235 (**-15.5%**, UK -9.5%) since 2023
  - **11,495 active enterprises**, an increase of 30 (**+0.3%**, UK -0.4%) since 2023
  - **50 high growth enterprises,** unchanged (UK +4.2%) since 2023
  - Of the **1,515 births in 2019, 36.6% (555) were still active after five years** (UK 38.4%).

- Also, the ONS have published the more experimental, up-to-date quarterly business births and deaths at a local level, now up to Q3 2025. Sandwell's findings are:
  - **405 business births in Q3 2025** (**+8.0%**, UK -6.5% since Q2 2025).
    - **Q3 2024 – Q3 2025 Change: Sandwell -3.6%**, UK -3.9%.
  - **320 business deaths in Q3 2025** (**+3.2%**, UK -14.4% since Q2 2025).
    - **Q3 2024 – Q3 2025 Change: Sandwell +16.4%**, UK -1.9%.

- **The ScaleUp Institute Annual Review 2025** highlights all areas saw an increase in number of scaleups and pipeline businesses in 2023. **After London, Scotland and Wales, areas such as West Midlands, Greater Manchester and West Yorkshire saw most growth in absolute number of scaleups.** However, more work is required to reduce regional disparities in all areas. **The West Midlands Metropolitan area had 740 total scaling pipeline business and 1,445 scale-ups.**

- The GoZero Index designed by The Young Foundation, maps at a low geography **how ready different places across England are for the transition to a fair and equitable net zero future.**

- The Lloyds Essential Digital Skills 2025 report highlights that for the West Midlands region **that 93% of adults (18+) have life essential digital skills** (England: 93%). This stands at 87% for those achieving the foundation level, above the England average of 85%. Lloyds also released a wider-geography report on the 2025 Consumer Digital Index – The Generative AI Edition.

- techUK's Local Digital Index 2025 shows the UK digital economy employs 1.7m people worth, contributes £101bn each year and has a growth rate of 8.9% per year on average**. The Index provides some local insights on investment & R&D, skills, infrastructure and procurement.**

- The Social Mobility Commission's report, Regional Insights: Creating fairer chances across the regions, **calls for more powers to be granted to devolved administrations to help tackle the UK's social mobility problem.** The report draws on best practice examples gathered through conversations with local residents, employers, educators, Combined Authority officials and others across different parts of the United Kingdom throughout 2025.

- The Employer Skills Survey 2024 which was recently released by Department for Education asked questions about r**ecruitment difficulties and skills lacking from applicants, skills lacking from existing employees, engagement with schemes to nurture the skills pipeline and apprenticeships, the nature and scale of training, including employers' monetary investment, anticipated needs for skill development in the next 12 months and engagement with artificial intelligence.**

- WPI Economics published workforce planning for clean heat. The report shows how the heat pump sector has a vital role to play in supporting the Government to achieve its national missions. Heat pumps are central to decarbonising the UK's built environment. **The West Midlands is home to 8,500 heat pump jobs with an expected growth rate of 3.1% in 2025-2030.**

- The Learning and Work Institute - the Adult Participation in Learning Survey 2025 shows **adult participation in learning has fallen over the last 12 months,** though remains above pandemic levels. **The headline rate of participation has dropped by 10 percentage points**, with 42% adults reporting taking part in learning in the last three years, down from 52% in 2024. **However, this remains above the record low of 33% recorded in 2019**. Just one in five adults (21%) are currently engaged in learning of any kind, down from 30% in 2024.

Economy and Business Intelligence

THEME	KEY INSIGHTS

Economic Outlook	• Chancellor Rachel Reeves has delivered her second **Budget**, outlining plans for taxes, public services, infrastructure, business support, and social measures, alongside updated forecasts from the Office for Budget Responsibility (OBR).
	• Recent data from the Office for National Statistics (ONS) reveals **in the three months to September 2025**, compared with the three months to June 2025: **real gross domestic product (GDP) grew by 0.1%**, following growth of 0.2% in the three months to August 2025 (revised down from growth of 0.3%). In the month to September 2025: **monthly GDP is estimated to have fallen by 0.1%**, following no growth in August 2025 (revised down from a growth of 0.1%) and an unrevised fall of 0.1% in July 2025.
	• **Economic and fiscal outlook from the Office of Budget Responsibility**:
	  ○ **Real GDP is forecast to grow by 1.5% on average in 2025, which is 0.5pp (percentage points) faster than in the March Economic Outlook**.
	  ○ The central forecast for the underlying rate of productivity growth in the medium term was **reduced by 0.3pp to 1.0%**. The UK's productivity performance has **undershot** forecasts, despite several substantial downgrades since 2010, as a significant rebound from recent negative shocks has not materialised.
	  ○ **Inflation is expected to stay higher for longer due to greater domestically generated inflation and higher food prices**. In this forecast, higher food and services prices push CPI inflation up to 3.5% in 2025 and 2.5% in 2026, respectively 0.2 and 0.4pp higher than the March forecast.
	• **The Autumn Budget comes at a pivotal moment for the UK economy**. Growth has held up better than expected, inflation is expected to ease, and interest rates are likely to begin falling next year. Yet the combination of high public debt, elevated borrowing costs, and unfavourable debt dynamics make this a critical moment for the Chancellor.
	  ○ NIESR's Autumn Economic Outlook **projects GDP growth of 1.7% in 2025 and 1.5% in 2026, down from 1.8% in 2024 for advanced economies.**
	  ○ For the **UK**, NIESR forecast annual GDP growth of **1.5% in 2025, slightly above its long-run trend of 1.25%, before easing to 1.2% in 2026 and 2027.**
	• The EY ITEM Club Autumn Forecast expects:
	  ○ **GDP: Upgraded UK economic growth of 1.5% in 2025, with GDP growth forecast to fall to 0.9% in 2026, before recovering to 1.3% in 2027 and settling at 1.4% from 2028**.
	  ○ **Business investment: Forecast to grow by 0.8% in 2026**, an upgrade from the flat growth predicted in July.
	  ○ **Inflation: To average 3.4% in 2025**. Whilst interest rates are forecast to be held steady in November, the likelihood of a December cut has increased.

Trading Environment	• The **Consumer Prices Index** including owner occupiers' housing costs (CPIH) **rose by 3.8% in the 12 months to October 2025**, down from 4.1% in September. On a monthly basis, **CPIH rose by 0.4% in October 2025**, compared with a rise of 0.6% in October 2024. **The Consumer Prices Index (CPI) rose by 3.6%** in the 12 months to October 2025, down from 3.8% in September. On a monthly basis, **CPI rose by 0.4%** in October 2025, compared with a rise of 0.6% in October 2024. • The latest NatWest Purchasing Managers Index (PMI) reports the **West Midlands Business Activity Index increased from 48.1 in September 2025 to 50.5 in October 2025**, signalling output growth following a brief decline in September. Where output increases were noted, firms cited better demand for products and services. **The UK Business Activity Index increased from 50.1 in September 2025 to 52.2 in October 2025.** • **The West Midlands Future Business Activity Index increased from 71.4 in September 2025 to 72.1 in October 2025**, the third highest region across the UK. The increase in positive sentiment was due to new product offerings, expansions into new markets and a projected upturn in sales. • The FSB Small Business Index indicates a pessimistic end to 2025, with the **Index falling to -58.1 in Q3 2025, down from -44.1 in Q2 2025. The outlook for employment is grim**, just 6% of businesses said they planned to increase their employee numbers in the next 3 months, while 20% would make cuts. Having previously experienced an improvement in business sentiment between Q1 2025 and Q2 2025, **the West Midlands saw a significant drop this quarter of -30.2 points.** Small businesses in the West Midlands may have suffered negative knock-on effects from the cyberattacks facing Jaguar Land Rover, which resulted in major disruptions to supply chains and production. • The Black Country Chamber of Commerce has welcomed a **£900 million boost for the Midlands** in the Budget, but warned business confidence in the region remained fragile. The new **Local Growth Fund, worth £902 million** over four years for mayoral regions including ours, shows the government recognises the potential of our area. The Chamber welcomed the **British Industrial Competitiveness Scheme, which will help cut electricity costs for more than 7,000 manufacturers** at a time when soaring energy bills are hampering our ability to trade on the world stage.

THEME	KEY INSIGHTS
	• Responding to the Chancellor's Budget statement, The British Chamber of Commerce says business will welcome **support for youth employment, stamp duty relief, protection for capital spending, a reduction in business rates multipliers** and some **investment tax breaks**. They will be worried about salary sacrifice changes, mandatory wage increases, and retention of the energy profits levy, which will **maintain cost pressures**. British Chamber of Commerce research shows that **labour costs remain the biggest cost pressure for SMEs, cited by 72% of businesses in Q3**. There's a limit to how much additional cost employers can bear without something having to give. • This comes as the **Midlands has recorded a sharp rise in the amount of insolvency-related activity**. There were **268 cases of insolvency-related activity in the West Midlands in October, a 13% rise on the previous month**. • **£38.6 billion has been allocated to UKRI over the next five years**, £14 billion will support curiosity-driven research. The remainder will be directed towards applied research, impact and capability-building: £8 billion for R&D aligned to national priorities, £7 billion to help businesses scale, and £7 billion to strengthen the UK's research and innovation system. • This comes at a pivotal moment. **Britain's business R&D engine is losing momentum — private investment fell by 6.3% in real terms between 2021 and 2023**, equating to roughly **£3.4 billion less** spent on business-led R&D. In contrast, **Korea (+12.5%)**, **Japan (+8.5%)** and **Spain (+17%)** all saw significant growth, with an **OECD average growth of +7.2%.** • A survey of 2,000 UK firms and interviews with industry leaders reveals that the **UK is stuck in a loop: low growth curbs R&D; lower R&D curbs growth**. Firms face tight finance and fragmented, short-term support and funding schemes. The solution is coordinated, predictable delivery that restores confidence and crowds private investment back in. **The economic stakes are high: even a modest 0.1pp fall in R&D intensity could cost the UK economy around £10 billion mostly in lost productivity.** • Historically, and from what we've seen so far in this year's data, London commands the lion's share of equity investment, both in number and value of deals. Other regions receive proportionately lower levels of investment by comparison. Q3 2025 appears to show **investment spread more evenly across the UK**. **The West Midland's increase of 152% sits in contrast to a 28% reduction in the total value of equity invested into London's companies.** Beauhurst analysis reveals that London took 54% of the UK's total value of investment raised in Q3 2025, down from 67% of the nation's total in the Q2. **UK investment is down by more than a third (35%) between Q2 and Q3 2025, dropping from £6.84b to £4.45b.** • CBRE's newly published European Flex Market Update 2025 shows **average occupancy rates in Birmingham are now 84%**, an historic high, compared to 73% in Manchester.

Labour Market	• Estimates for **payrolled employees in the UK decreased by 180,000 (0.6%) between October 2024 and October 2025 and decreased by 32,000 (0.1%) between September 2025 and October 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 latest labour market data from the ONS reveals:
	    ○ The UK **employment** rate for people aged 16 to 64 years was estimated at **75.0%** in July to September 2025.
	    ○ The UK **unemployment** rate for people aged 16 years and over was estimated at **5.0%** in July to September 2025.
	    ○ The UK **economic inactivity** rate for people aged 16 to 64 years was estimated at **21.0%** in July to September 2025.
	• An amendment to the **Employment Rights Bill** has brought relief to firms. The Coventry and Warwickshire Chamber of Commerce said agreeing a **six-month qualifying period for unfair dismissal rather than on day one was a sensible approach**. The Chamber, alongside other business organisations across the UK, campaigned for the amendment following consultation with members. There was real concern that having day one rights for unfair dismissal was going to have a negative effect on businesses looking to hire – it would feel like too big a risk, especially when the cost of employment has risen so starkly in recent years.
	• A new report from the Sutton Trust on social mobility and higher education finds **university is still the dominant route to higher earnings for those from less advantaged backgrounds.** A UK graduate who is the first in their family to attend university has a 32% chance of becoming a top earner, compared to 12% of their peers from similar backgrounds who don't have a degree.
	• This comes as the Social Mobility Foundation reveals their Aspiring Professionals Programme can **boost earnings for young people from lower socioeconomic backgrounds by £5,000** 10-years after completion.

Economy and Business Intelligence – By Sector

SECTOR	KEY INSIGHTS
Manufacturing and Engineering	• In the Budget, the Chancellor reaffirmed her commitment to **increase defence spending to 2.6% of GDP** by April. This comes as research reveals 66% of the public wants a stronger military (up from 53% in 2015). • **Manufacturing output volumes fell sharply** in the three months to November according to the CBI Industrial Trends Survey. • **Car production fell 23.8%** compared to last October, said the Society of Motor Manufacturers and Traders (SMMT).
Construction	• Construction output **is estimated to have grown by 0.1% in Quarter 3 (July to Sept) 2025 compared with Quarter 2 (Apr to June) 2025; new work decreased by 0.2%, while repair and maintenance grew by 0.6%.** • To build 1.5 million homes, upgrade the existing housing stock, and begin work on a new generation of national infrastructure, the **construction industry will need to recruit hundreds of thousands of new entrants.** Building 1.5 million new homes alone, a manifesto commitment, will require an **additional 161,000 workers** – rising to over **239,000** once factoring in wider projected demand by 2030. Some forecasters put the true figure at **one million**.
Retail, Hospitality and Tourism	• **The quantity of goods bought (volume) in retail sales is estimated to have risen by 1.1%** in the three months to October 2025 compared with the three months to July 2025. **Retail sales volumes are estimated to have fallen by 1.1% in October 2025**, following an increase of 0.7% in September 2025 (revised up from a 0.5% rise. • **PwC's Retail Outlook expects UK consumers to spend £6.4 billion on Black Friday - up 1.5% on last year -** even though fewer people plan to take part. With eight in ten purchases expected to be online, Black Friday remains a key moment for retailers to drive sales and show resilience. • PwC's Hotels Forecast 2025 – 2026 reveals **demand remains resilient, driven by international visitors, events, and steady domestic travel**. Supply growth in the UK regions is relatively limited, which should provide a degree of pricing power across some markets. **Yet this will not be a rising tide for all**. Operating cost increases, shifting consumer expectations, and selective new supply hotspots will create winners and losers. • Additional powers for mayoral authorities to raise **tourism taxes** announced in the Autumn Budget will need careful implementation to offset any inflationary impact, warns the Greater Birmingham Chamber of Commerce.

Digital / Tech	• As **Cyber Security Awareness Month** comes to a close, UK business leaders have revealed their plans to increase investment in cybersecurity and artificial intelligence (AI) over the next 12 months, according to PwC's 2026 Global Digital Trust Insights survey.
	  ○ **Over eight-in-ten (85%) UK businesses say their cyber budget will increase in 2026**, as organisations continue to evolve to address an expanding set of digital threats.
	  ○ **69% of UK businesses report their cyber risk investment strategy will change** over the next 12 months in response to the current geopolitical landscape.
	• 61% of businesses cite **AI upskilling** as part of their agenda for the next 12 months.

Transport Technologies and Logistics	• PwC comments on the Budget announcement on the freeze of rail fares, noting that **freezing rail fares provides immediate, visible support to passengers at a time when affordability remains a barrier to public transport use.** From a network perspective, however, **fare revenue is still a key pillar of rail's funding model.** To make this sustainable, and to give Great British Railways the best possible start, the sector will need clarity on how the treasury intends to bridge the funding gap while also modernising infrastructure, improving punctuality and accelerating digital transformation. The opportunity now is to treat this as a catalyst for wider reform rather than a standalone intervention.
Environmental Technologies	• Carbon Brief have published the key outcomes agreed at the **UN climate talks in Belém**. The COP30 summit was a reality check on just how much global consensus has broken down over what to do about climate change.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL**
The Workstore	Cradley Heath	Various	An industrial site in **Cradley Heath** has been completely refurbished with the launch of The Workstore. The site has undergone a significant £250,000 transformation and now offers over 120 state-of-the-art storage units ranging from 20 to 150 square feet, along with 14 workshop units equipped with power and network access.

NEW INVESTMENT, DEALS AND OPPORTUNITIES			
COMPANY	**LOCATION**	**SECTOR**	**DETAIL**
Rem3dy Health	Smethwick	Healthtech	Healthtech scale-up Rem3dy Health, based in **Smethwick**, has received £900,000 from the Amsterdam-based Borski Fund, which specialises in backing high-growth, women-led ventures, alongside a further £500,000 investment from Future Planet Capital Regional. Together, the £1.4m injection will accelerate global expansion and R&D for the company's personalised nutrition brand, Nourished.
Langley Compass Group	West Bromwich	Technology	Payment and technology services provider Langley Compass Group, headquartered in **West Bromwich,** has acquired a membership organisation for independently-owned hospitality businesses to extend its support for the industry. LSG Purchasing is based in High Wycombe and its network comprises more than 3,500 members and 20-plus vetted suppliers.