

QES REPORT

Q3 2025



A WORD FROM OUR CEO

The latest economic picture for Q3 of 2025 shows continued resilience among businesses across Northamptonshire and Milton Keynes, though key concerns remain.

Our latest Quarterly Economic Survey for Q3 2025 highlights a renewed rise in business pressures, with inflation once again leading as the top concern. Now cited by 79% of respondents—up sharply from 56% in Q2—cost pressures are intensifying across the region.

Taxation has also climbed significantly, with 67% of businesses listing it as a key issue, reflecting ongoing worries about fiscal policy and rising tax burdens. Competitive pressures have surged to 49%, signalling a more challenging trading environment, while concerns around business rates have edged up to 28%.

By contrast, interest rate and exchange rate anxieties have continued to ease, now standing at 18% and 6% respectively. This suggests that while monetary and currency conditions are stabilising, businesses are increasingly focused on domestic cost and policy challenges rather than external economic volatility.

As the Chamber representing businesses across Northamptonshire and Milton Keynes, we remain committed to championing our members. We will continue to raise their concerns with policymakers and ensure the insights from our Quarterly Economic Survey are shared with key stakeholders, helping to shape the support and action our region's businesses need.



LOUISE WALL
CEO



INTRODUCTION

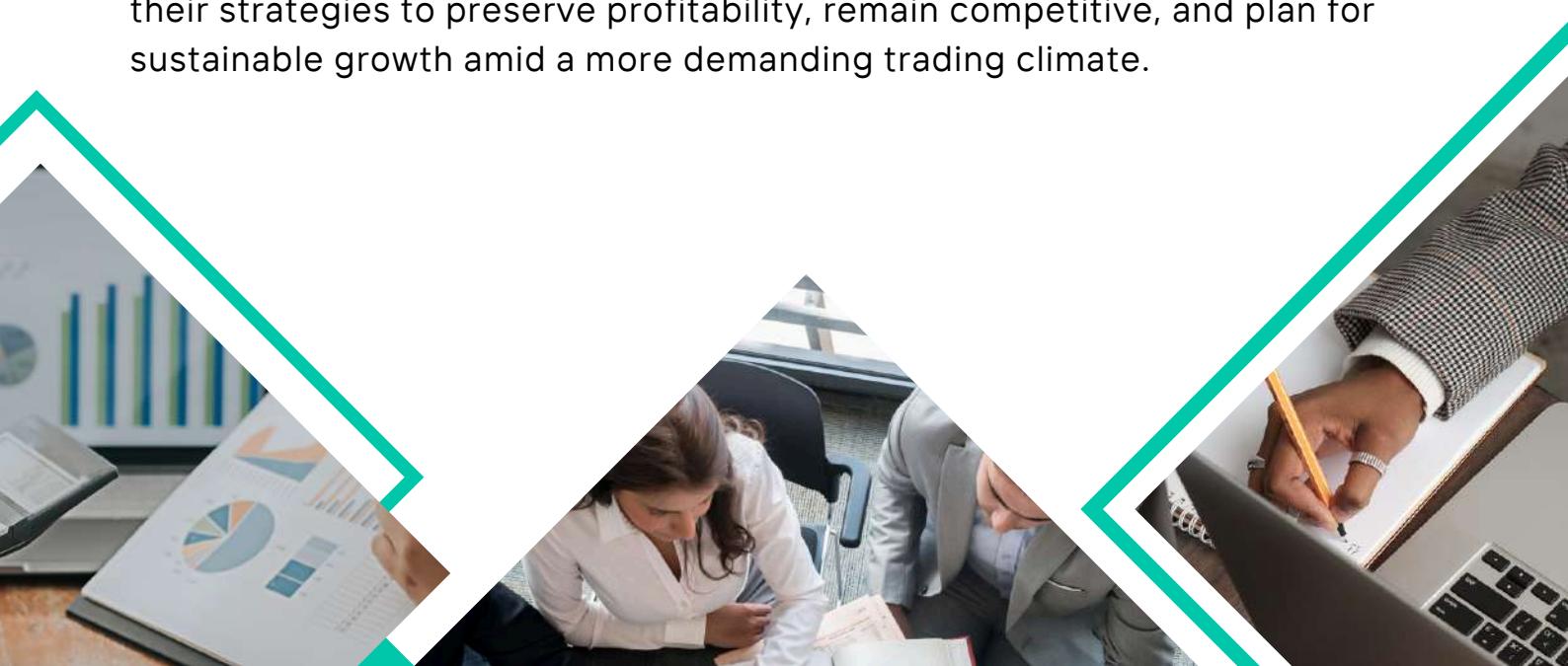
The QES data for Q3 of 2025 indicates a renewed period of cost pressure and intensified competition for businesses across Northamptonshire and Milton Keynes. Inflation has re-emerged as the top concern, with 79% of respondents identifying it as their primary challenge—up sharply from 56% in Q2.

Taxation follows closely at 67%, reflecting the continued impact of fiscal measures introduced over the past year. Competitive pressures have also risen significantly, with 49% of firms now citing competition as a growing issue within their markets.

While concerns over business rates have edged higher to 28%, interest rate and exchange rate anxieties have eased further, now standing at 18% and 6% respectively. This points to a stabilising monetary environment and improved currency confidence, even as domestic cost and policy pressures grow.

The overall picture suggests that businesses are facing a structural shift in focus—from external macroeconomic uncertainty toward managing internal cost burdens and policy-driven challenges.

As inflation and taxation dominate boardroom discussions, firms are adapting their strategies to preserve profitability, remain competitive, and plan for sustainable growth amid a more demanding trading climate.



DOMESTIC ORDERS

UK Sales and Bookings have increased by 15.26% in the Q3 of 2025 with 49.15% reporting UK sales have remained constant. 47.46% of respondents saw an increase in UK Sales compared to 32.2% in the previous quarter suggesting that business confidence is on the increase in Northamptonshire and Milton Keynes.

49.15%

of respondents have reported UK sales have remained constant over the past three months



OVERSEAS ORDERS

Export sales and orders have shown an increase since the opening quarter of 2025, with just 35.38% of respondents reporting an increase in overseas business activity.

Additionally, 47.69% stated that their export sales and orders remained consistent—a decline of 4.69% from the previous quarter. This suggests that businesses have seen a slow down and may have faced difficulties navigating recent tariff changes in international trade.

Concerningly, 11.54% have seen an increase in Export Sales, down by 7.51% on the previous quarter. Despite the modest rise, the trend indicates a positive direction for overseas trade.



BUSINESS CONFIDENCE

49.30% of businesses expect their turnover to improve over the next 12 months. However, this marks a continued decline over the past five consecutive quarters, indicating that rising costs are impacting business performance and confidence remains weaker than in previous periods.

Concerns about inflation peaked at its highest in two years with 83% of firms identifying it as a key issue—compared to from 56% in the previous quarter.

Positively, 48.61% of respondents expect profitability to improve over the next year, a modest increase of 4.86% on the previous quarter. Additionally, 38.89% of firms reported investing in new ways of working to manage costs – an encouraging rise of 2.95%. This suggests that, despite ongoing challenges, some businesses are adapting operations to build resilience and support future growth.

The impact of inflation and tax on the business environment is our main concern, as this impacts our clients.

Professional Services – Northamptonshire

49.30%

of respondents believe their turnover will improve over the next 12 months.

70.83%

of firms report they are currently operating below full capacity.



INVESTMENT & CASHFLOW

67.14%

of respondents have suggested they will not be increasing prices in the next 3 months

Overall, 20.69% of respondents have reported that they are planning to invest more in plant and machinery, a decrease 2.23% from the last quarter, whilst just under 58.62% of respondents have stated that they are planning to work with their existing plant and machinery before considering further investment, decreasing by 1.80% from Q2.

A total of 32.81% of respondents have reported an increase in their cashflow in the third quarter of 2025 with 51.56% of respondents expecting their cashflow to remain constant, increasing by 7.30% from Q2 of 2025 suggesting businesses have focused on external finance or reducing payment terms to see more cash into their business.

Investment in training has also increased from the opening quarter with 25.76% of respondents looking to invest in their existing workforce however 56.06% of respondents have said they aren't looking to invest in training of their current workforce with 18.18% of respondents stating that they are likely to decrease their training plans for the forthcoming quarter.



RECRUITMENT

62.16%

of businesses have not attempted to recruit in the past 3 months.



Since the last quarter, fewer firms have been attempting to recruit. Among those actively recruiting, 43.75% are seeking full-time roles rather than part-time positions.

Of the respondents who successfully recruited in Q3 2025, 62.16% reported difficulties finding suitable candidates, with most challenges arising in skilled/manual roles and professional/managerial positions.

Looking ahead to the next quarter, 63.51% of firms expect their workforce to remain stable—an decrease of 8.36% compared to the previous quarter. Only 5.41% anticipate a decrease in their workforce.

Considering the ongoing pressures of rising employment costs, taxation, and other financial challenges, this stability is a positive sign. It indicates that employers in Northamptonshire and Milton Keynes are focused on retaining and investing in their current workforce despite these challenges.