

QES REPORT

Q4 2025



A WORD FROM OUR CEO

The latest economic picture for Q4 of 2025 shows continued resilience among businesses across Northamptonshire and Milton Keynes, though key concerns remain.

Our latest Quarterly Economic Survey for Q4 2025 highlights a renewed rise in business pressures, with taxation returned. Now cited by 63% of respondents—up sharply from 44% in Q3—cost pressures are intensifying across the region.

Competition rose to the highest it's been since Q1 2024 with a staggering 41% of respondents raising this through the survey.

By contrast, exchange rate anxieties have continued to ease, now standing at just 2% of respondents. 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

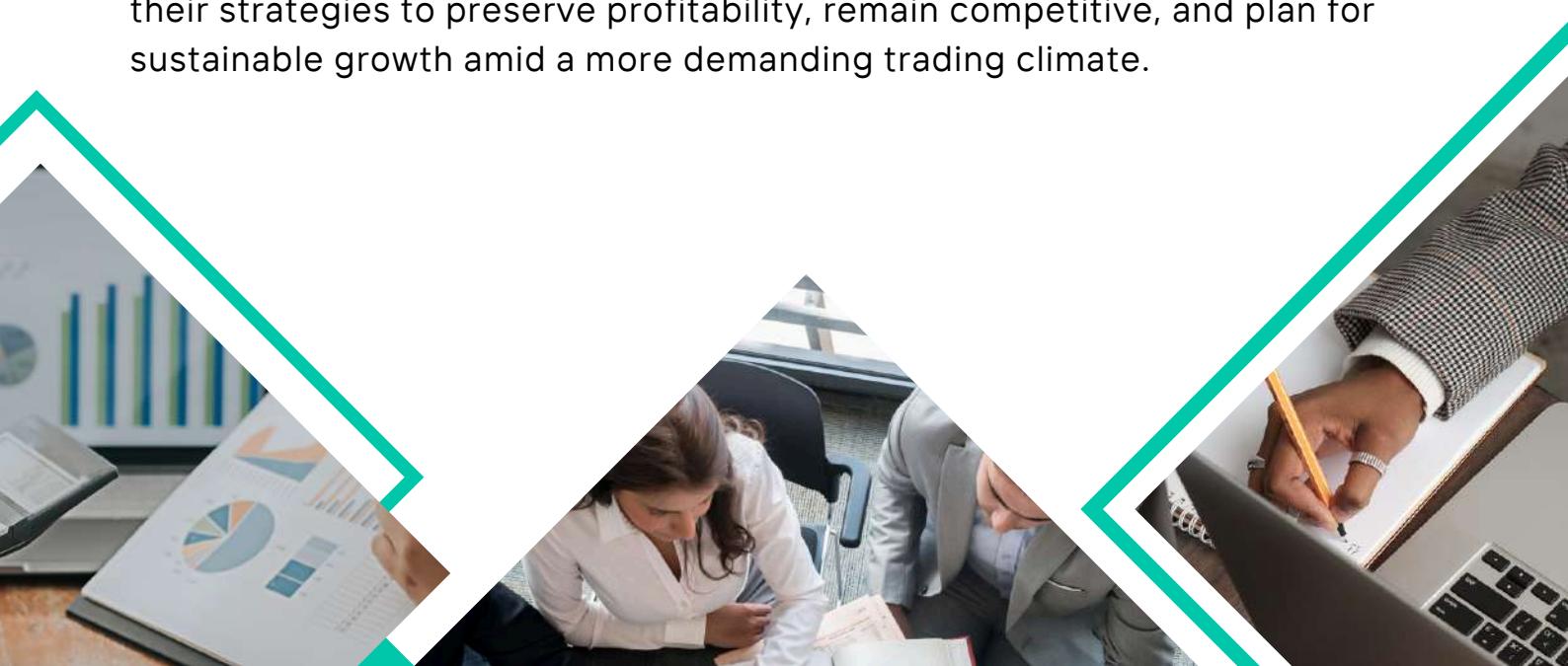
The QES data for Q4 of 2025 indicates a continued renewed period of cost pressure and intensified competition for businesses across Northamptonshire and Milton Keynes. Taxation has re-emerged as the top concern, with 63% of respondents identifying it as their primary challenge—up sharply from 19% in Q3.

Inflation follows closely at 59%, reflecting the continued impact of fiscal measures introduced over the past year. Competitive pressures have also risen significantly, with 41% of firms now citing competition as a growing issue within their markets.

While concerns over business rates have edged higher to 28%, interest rate concerns have also increased to 24% of respondents up from just 11% in Q2 and Q3.

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 taxation and inflation 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 33.38% of respondents reporting an increase in overseas business activity.

Additionally, 33.08% stated that their export sales and orders remained consistent—a decline of 14.39% 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, just 4.35% have seen an increase in Export Sales, down by 7.19% on the previous quarter. This could be down to seasonal trends and hesitation surrounding the budget announcements which took place in the closing end of 2025.



BUSINESS CONFIDENCE

67.27% of businesses expect their turnover to improve over the next 12 months which is a substantial increase on Q3 where 49.30% of respondents reported an expectation.

Taxation returned as the number one business concern for Q4 from respondents closely followed by inflation (59%). There was also a growing concern in an increase in competition with this 41% of respondents reporting this as their third highest concern.

Positively, 44.23% of respondents expect profitability to improve over the next year, which, although this was 4.38% down on last quarter, this is higher than Q1 and Q2 of this year.

Additionally, 52.08% of firms reported that their investment plans for training were to remain constant in the next six months and 59.09% of respondents have reported that their investment plans remain constant for the short-term future.

Budget pressures have affected risk appetite for businesses to try new things.

Marketing, Media, Advertising - Milton Keynes

67.27%

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

63.64%

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

Since our last report, 15.91% of respondents have reported that they are planning to invest more in plant and machinery, a decrease 4.78% from the last quarter, whilst just under 59.09% of respondents have stated that they are planning to work with their existing plant and machinery before considering further investment, decreasing by 0.47% from Q3.

A total of 28% of respondents have reported an increase in their cashflow in the fourth quarter of 2025 with 48% of respondents expecting their cashflow to remain constant, decreasing by 3.56% from Q3 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 27.08% of respondents looking to invest in their existing workforce however 52.08% of respondents have said they aren't looking to invest in training of their current workforce with 20.83% of respondents stating that they are likely to decrease their training plans for the forthcoming quarter.



RECRUITMENT

52.63%

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, 51.28% are seeking full-time roles rather than part-time positions.

Of the respondents who successfully recruited in Q4 2025, 52.63% reported difficulties finding suitable candidates, with most challenges arising in skilled/manual roles and professional/managerial positions.

Looking ahead to the next quarter, 64.91 % of firms expect their workforce to remain stable—an increase of 1.40% compared to the previous quarter. Only 10.53% 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.