



RESEARCH REPORT SEPTEMBER 2025

West Yorkshire Business Survey 2025



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Background and method

The purpose of the survey was:

- To provide a snapshot view of business confidence, investment experiences and intentions
- To provide the West Yorkshire Combined Authority with a significant level of detail about the issues currently affecting businesses
- Support in monitoring and reporting progress to Government against its strategic priorities

1,014 interviews overall; 1,000 computer-assisted telephone interviews (CATI), 14 computer-assisted web-based (online) interviews (CAWI) among:

- Private, public and voluntary/community sector
- Organisations with at least one employee
- West Yorkshire districts only
- Targets were set by size, sector and district.

The survey took place in May, June and July 2025 (from 12th May-11th July).

The survey has been conducted regularly since 2015. It was carried out once every two years between 2015 and 2019, with data from 2015 and 2017 comprising of the Leeds City region only, and annually since 2019.

A note on this report

- This report summarises the results of the 2025 West Yorkshire Combined Authority Business Survey, including comparisons over time, and between sub-groups (by size, sector and location), and any statistically significant differences noted at the 95% level of confidence.
- Significant sub-group differences from the total sample are shown by arrows (▼ ▲). Differences from the total are not shown for businesses in the primary sector due to insufficient sample size.
- Significant differences from 2024 are shown either by arrows, as above, or by shading of the relevant cells (e.g. +7%), and are shown as percentage point differences from 2024. Again, differences are not shown for businesses in the primary sector due to insufficient sample sizes.
- All percentages are rounded up or down to whole percentages. Where stacked bars do not sum to 100% this is because 'don't know' responses have not been shown.



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Business performance

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Business performance – summary (1)

- Reported business performance has worsened significantly to the lowest level since 2021 – 29% report improvement over the last 12 months, while 26% report a decline – resulting in the smallest gap between the two since Covid 19 levels.
 - This decline is reflected across business size and broadly across sectors, and is evident across the region.
 - In many sectors, except for distribution, financial intermediation and public services, the proportion reporting improved performance is smaller than that reporting performance has got worse, particularly in manufacturing, where 25% report improved performance and 39% report performance has got worse.
 - The improvements seen in the hotels/catering sector in 2024 have been reversed, with a 33-percentage decrease in the proportion reporting improved performance and a 20-percentage point increase in the proportion reporting that performance has got worse. The picture is similar in construction (21-percentage decrease in reports of improvement) and public services (13-percentage point decrease in reports of improvement).
- Reflecting this negative trend, expectations of improvements in the business climate have declined significantly, from 38% in 2024 to 28% in the latest survey, returning to levels last seen in 2022; almost the same proportion expect it to get worse (26%) as to improve.
 - Medium/larger companies continue to be more likely to expect improvements in the business climate. However, 35% expect it to decline, an increase of over 300% since 2024. This is significantly higher than the proportion of medium/large companies who report performance got worse over the last 12 months (18%).
 - With the exception of manufacturing and transport/storage/comms, pessimism has increased since 2024 across all sectors. While the pattern is similar across the region, the increase in those expecting the business climate to get worse is most pronounced in Kirklees, Calderdale and Leeds. Accordingly, Kirkless and Bradford see the highest proportions of businesses expecting conditions to worsen.

Business performance – summary (2)

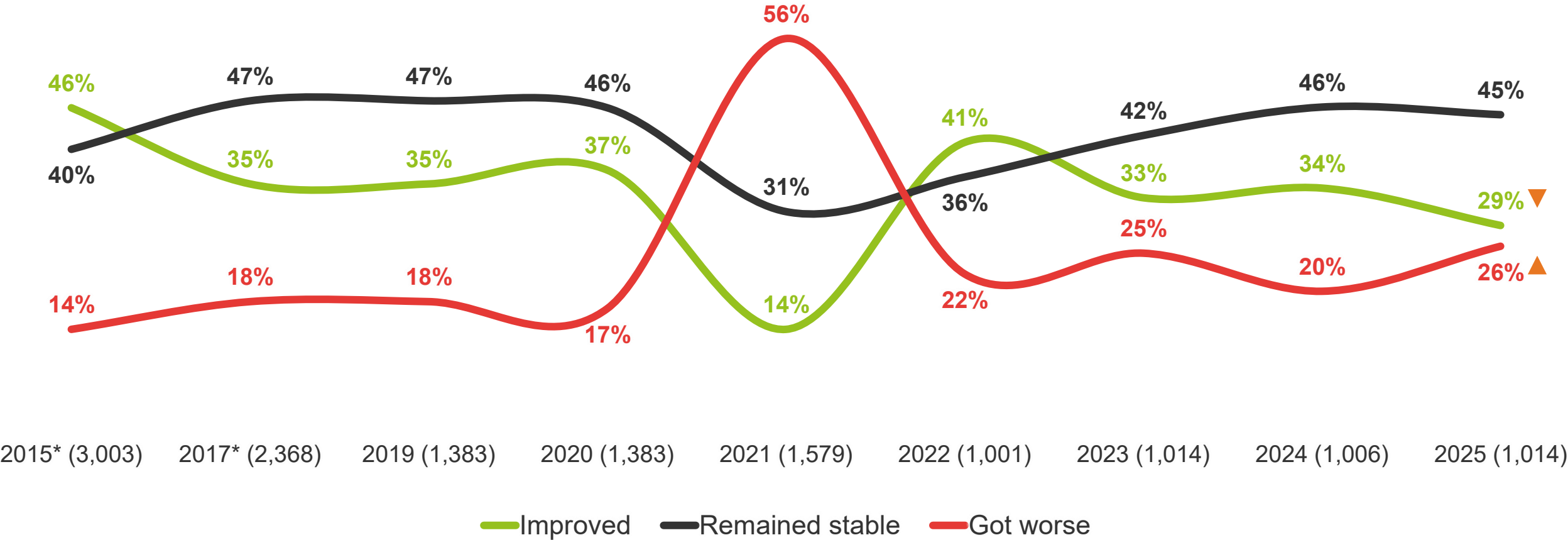
- Stability of the workforce is relatively consistent over time, but an increased proportion of businesses have recorded that staffing levels have declined (an increase of 7% points, to 20%); for the first time since Covid-19, more business report a decreased workforce (20%) than report an increased one (15%).
 - Companies of all sizes have increasingly reported a decline in the workforce, especially medium/larger companies, 26% of which recorded a decline (13% points more than in 2024).
 - In all sectors but distribution, more now report decreases in the workforce than increases. Compared to 2024, the rise in the proportion reporting decreases in their workforce is most marked among the construction (+15% points to 24%), public services (+10% points to 25%) and other services sectors (+11% points to 20%).
- Most businesses continue to expect workforce stability over the next 12 months (68%), with fewer than a quarter (22%) expecting growth. One in ten (9%) expect a reduction in workforce.
 - Compared to 2024, a fall in the proportion expecting increases in their workforce and a rise in the proportion expecting decreases is most marked among medium/large companies – a quarter (25%) expect the workforce to reduce, three times as many as was the case in 2024 (8%).
- Despite an expectation that workforces will decrease, a majority of businesses expect wage bills to increase (63%). Expectations of an increase in wage bills are higher among small businesses (74%) and lower in micro businesses (61%), as seen in previous years.

Business performance – summary (3)

- Following a decrease of 5% points in the proportion of businesses that expect turnover growth, just under half expect growth. Therefore, the uplift in expected turnover seen in 2024 has largely been reversed, and significantly more expect a decrease in the next 12 months (15%) compared to 2024.
 - This proportion is consistent across business size, as medium/large companies have recorded a more pronounced decline in expected growth.
- Over half (57%) of businesses expect prices charged to customers to increase- the results are now more consistent by size than was the case in 2024, when likelihood was greater among larger businesses.
- Investment levels continue to be in line with pre-2021 levels (29% report an increase), although there has been an increase in the proportion reporting a decrease, from 5% in 2024 to 9% in the latest survey.

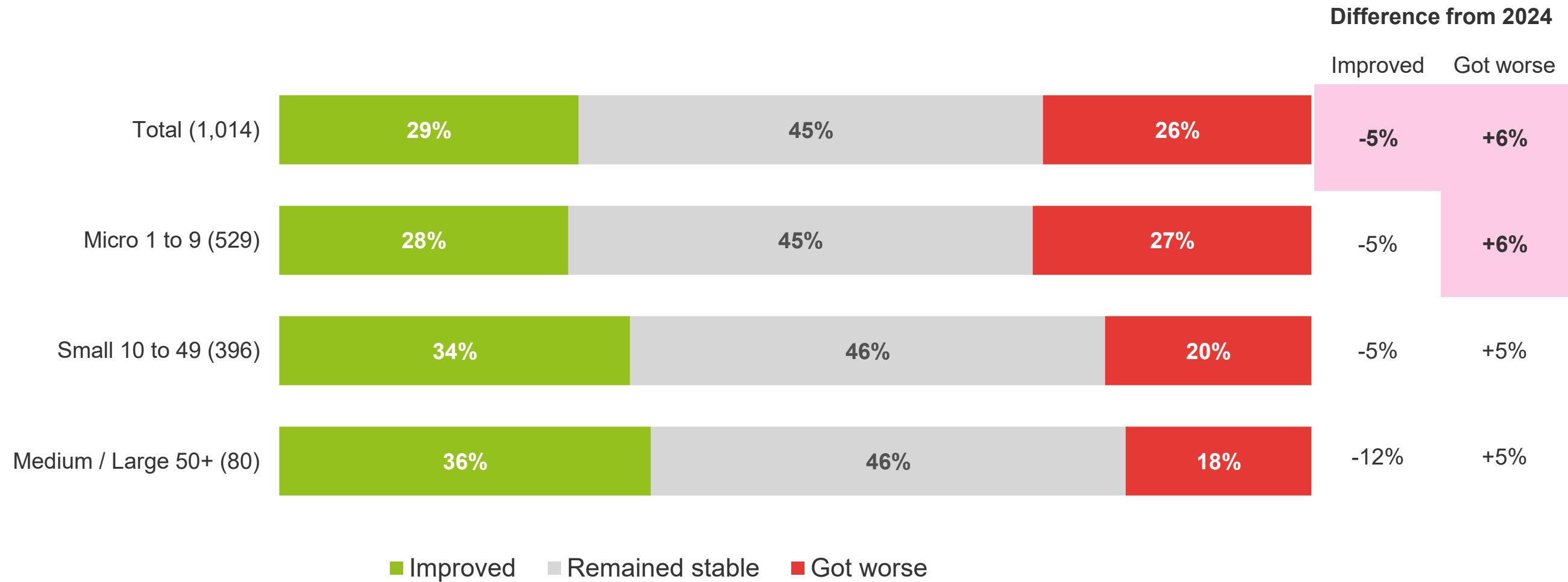
Business performance in past 12 months

The proportion of business that report an improved performance has decreased to the lowest level since 2021, driven by an uplift in businesses that report a worse performance since last year.



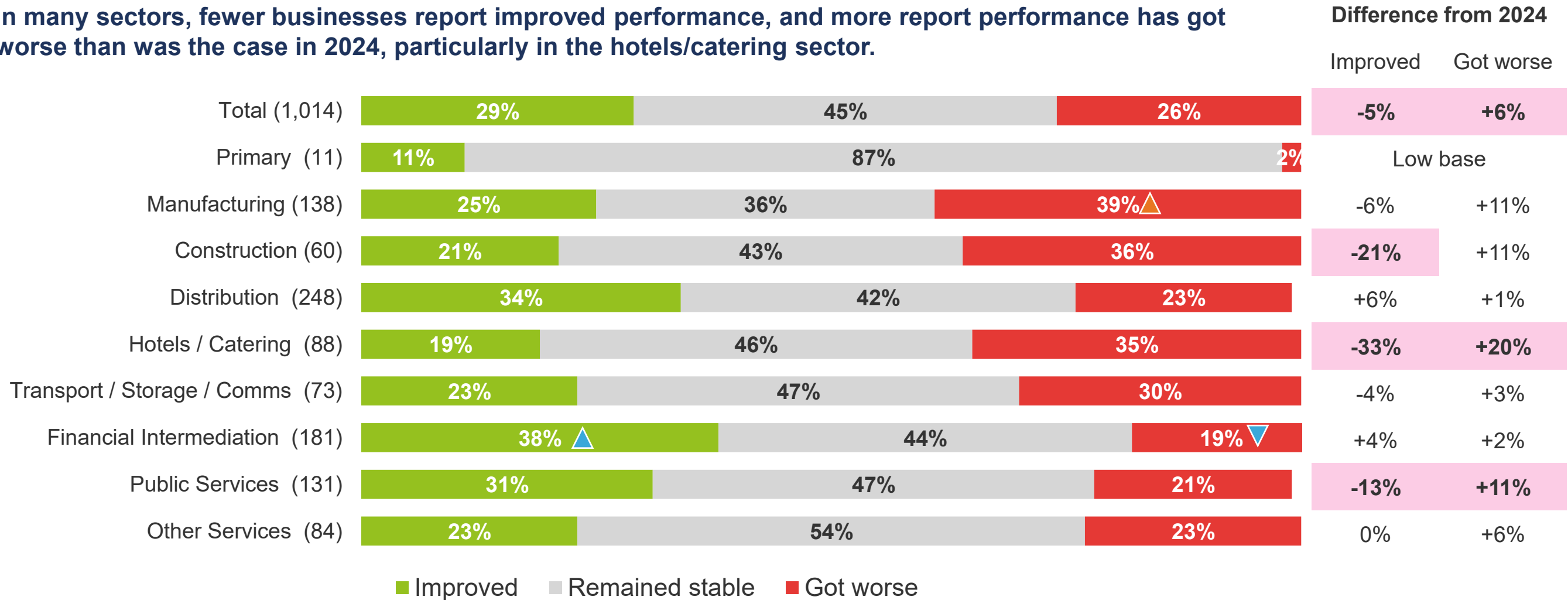
Business performance in past 12 months

A decrease in business performance positivity is observed across all business sizes.



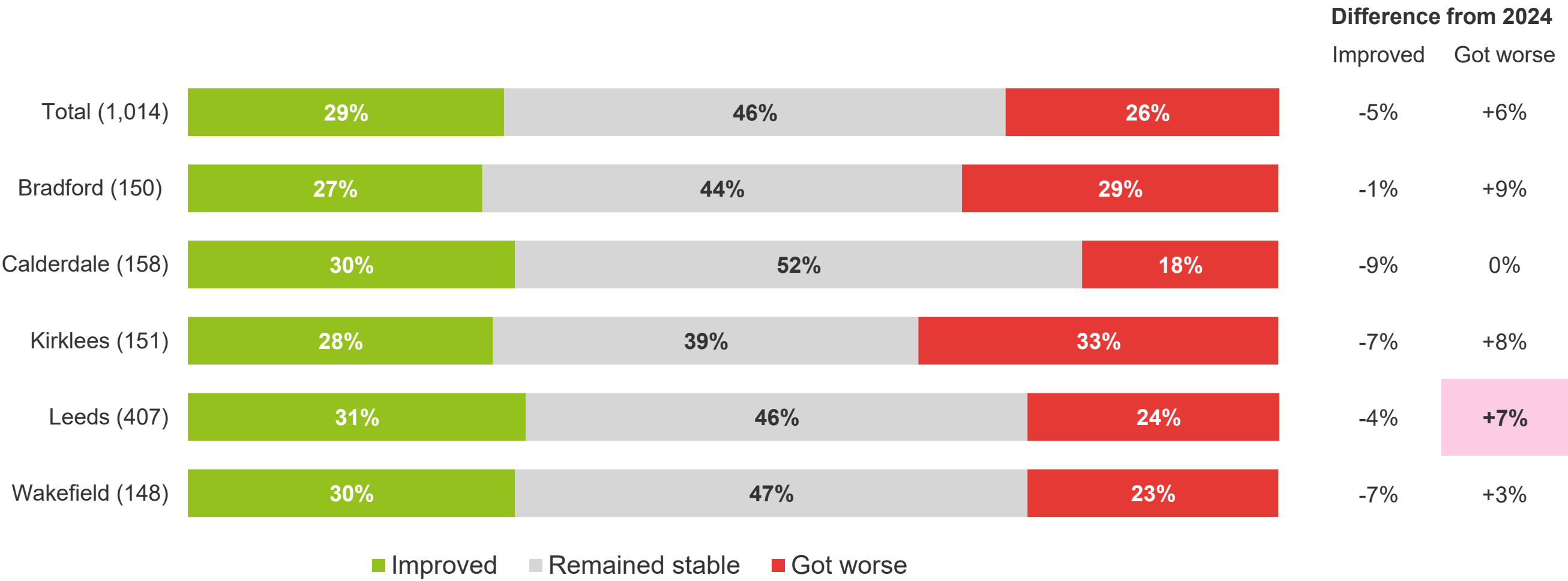
Business performance in past 12 months

In many sectors, fewer businesses report improved performance, and more report performance has got worse than was the case in 2024, particularly in the hotels/catering sector.



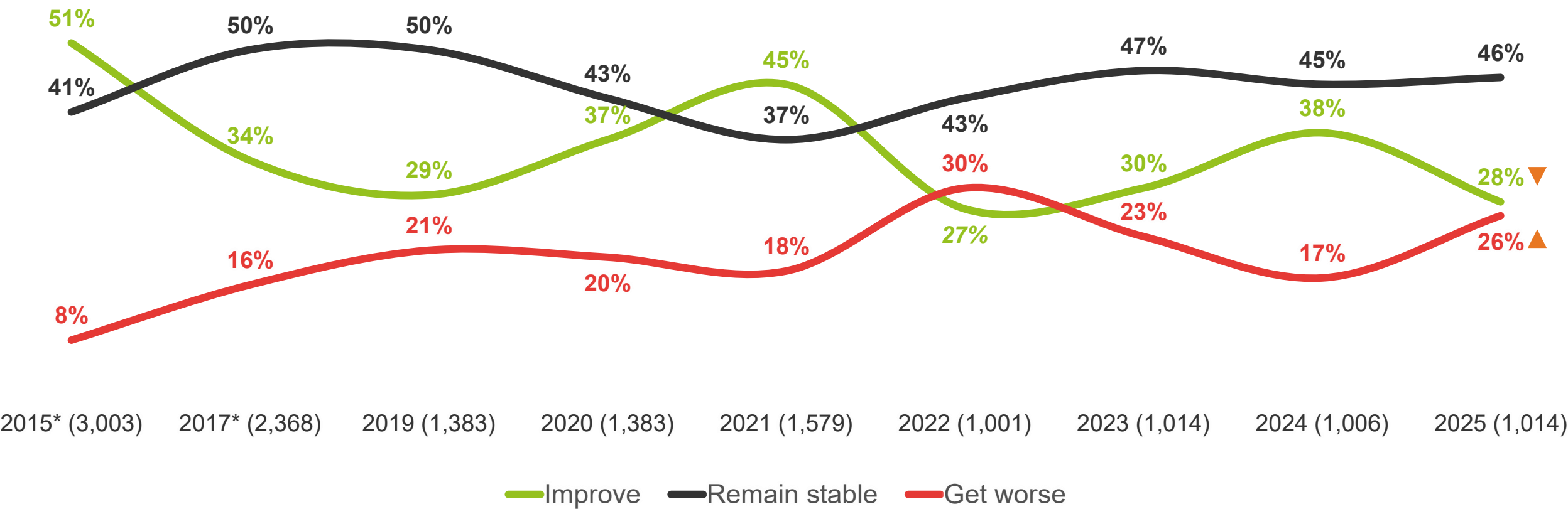
Business performance in past 12 months

The pattern is similar across the region.



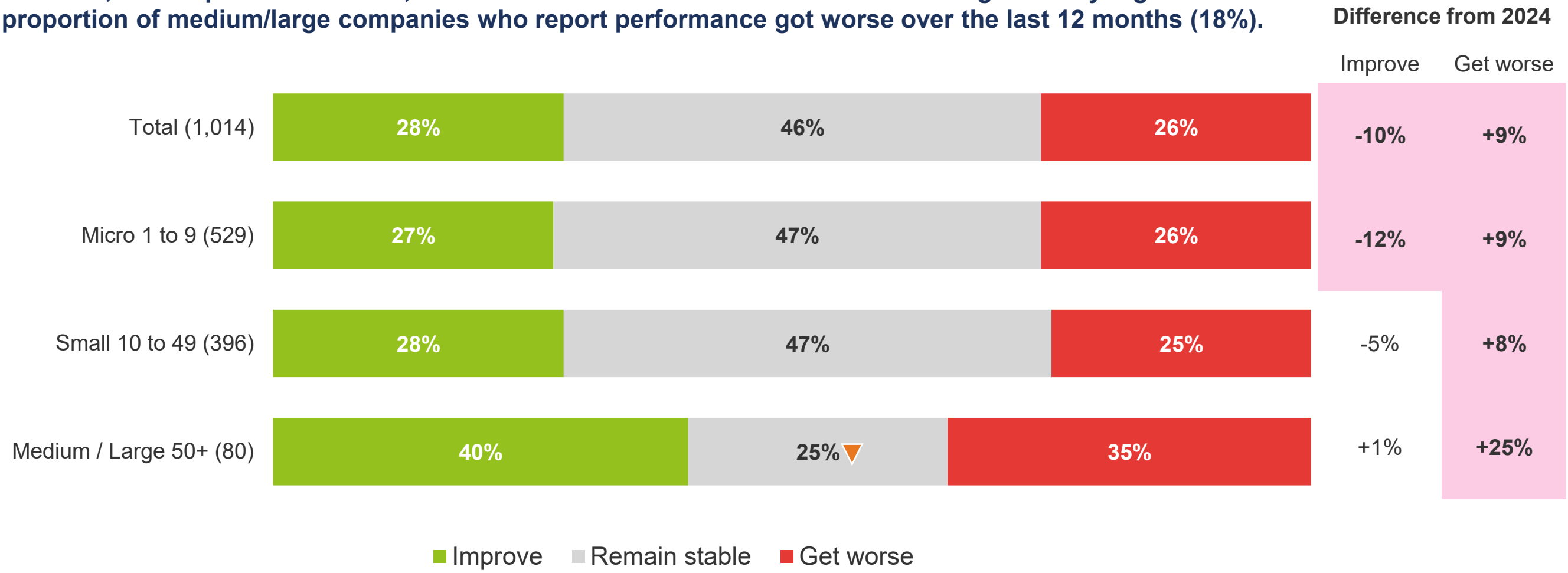
Business climate in next 12 months

Expectations of improvements in the business climate have declined significantly, returning to levels last seen in 2022, with almost the same proportion expecting it to get worse as to improve.



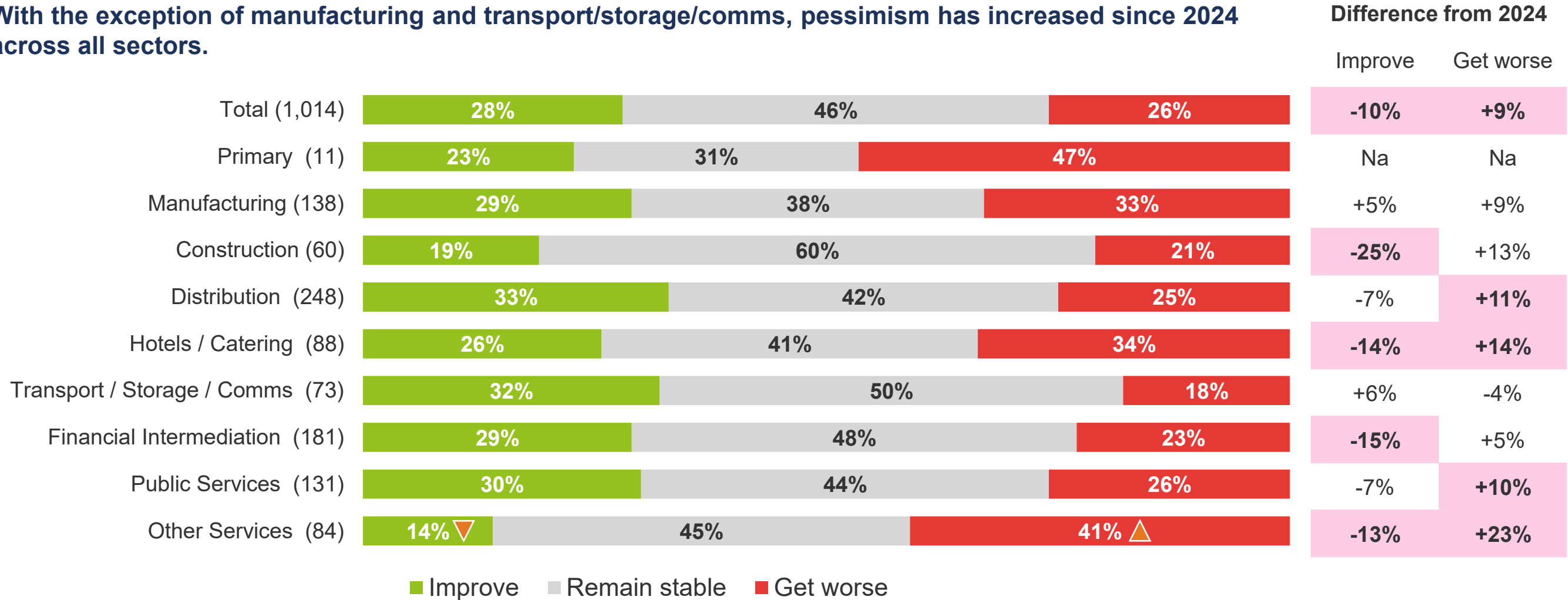
Business climate in next 12 months

Medium/larger companies continue to be more likely to expect improvements in the business climate. However, 35% expect it to decline, an increase of over 300% since 2024. This is significantly higher than the proportion of medium/large companies who report performance got worse over the last 12 months (18%).



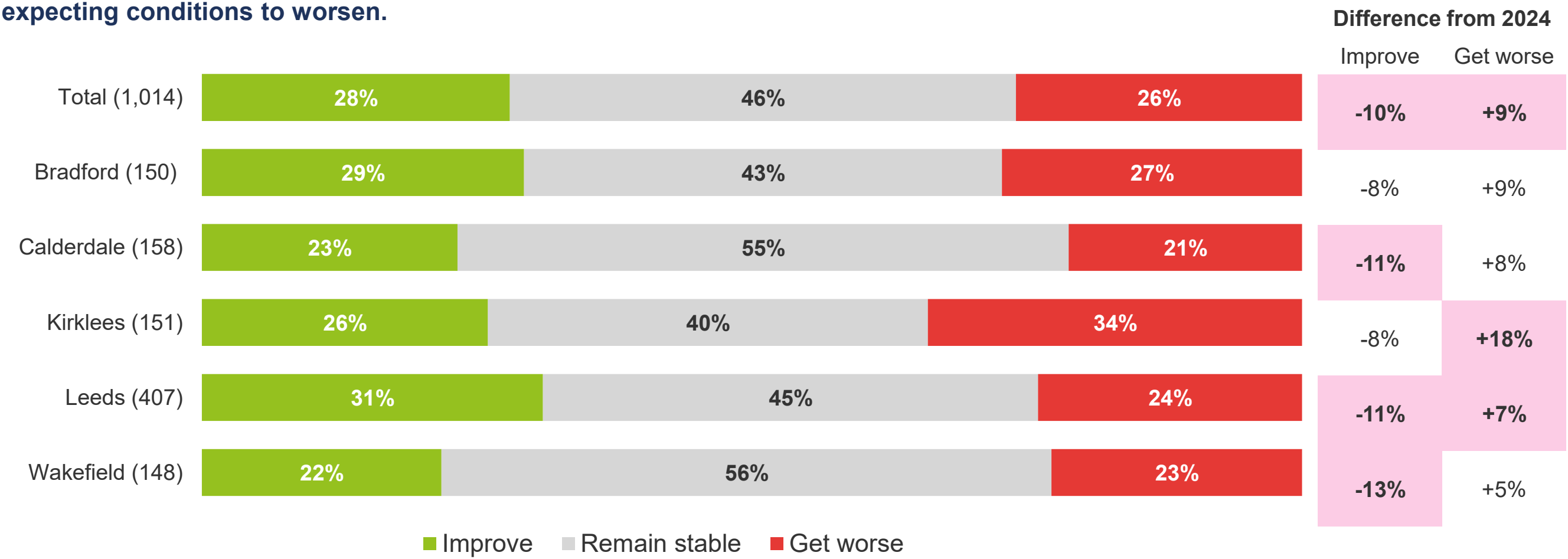
Business climate in next 12 months

With the exception of manufacturing and transport/storage/comms, pessimism has increased since 2024 across all sectors.



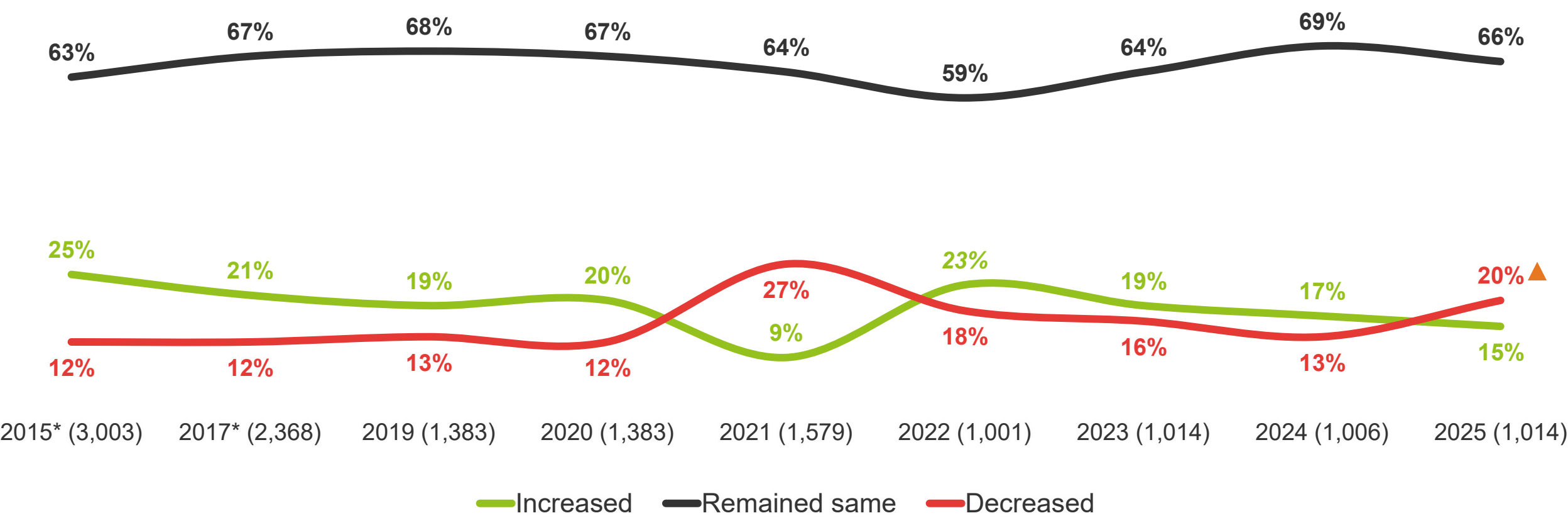
Business climate in next 12 months

While the pattern is similar across the region, the increase in those expecting the business climate to get worse is most pronounced in Kirklees, Calderdale and Leeds. Accordingly, Kirkless and Bradford see the highest proportions of businesses expecting conditions to worsen.



Workforce trends in past 12 months

Stability of the workforce is relatively consistent over time, but an increased proportion of businesses have recorded that staffing levels have declined; for the first time since Covid-19, more business report a decreased workforce than report an increased one.



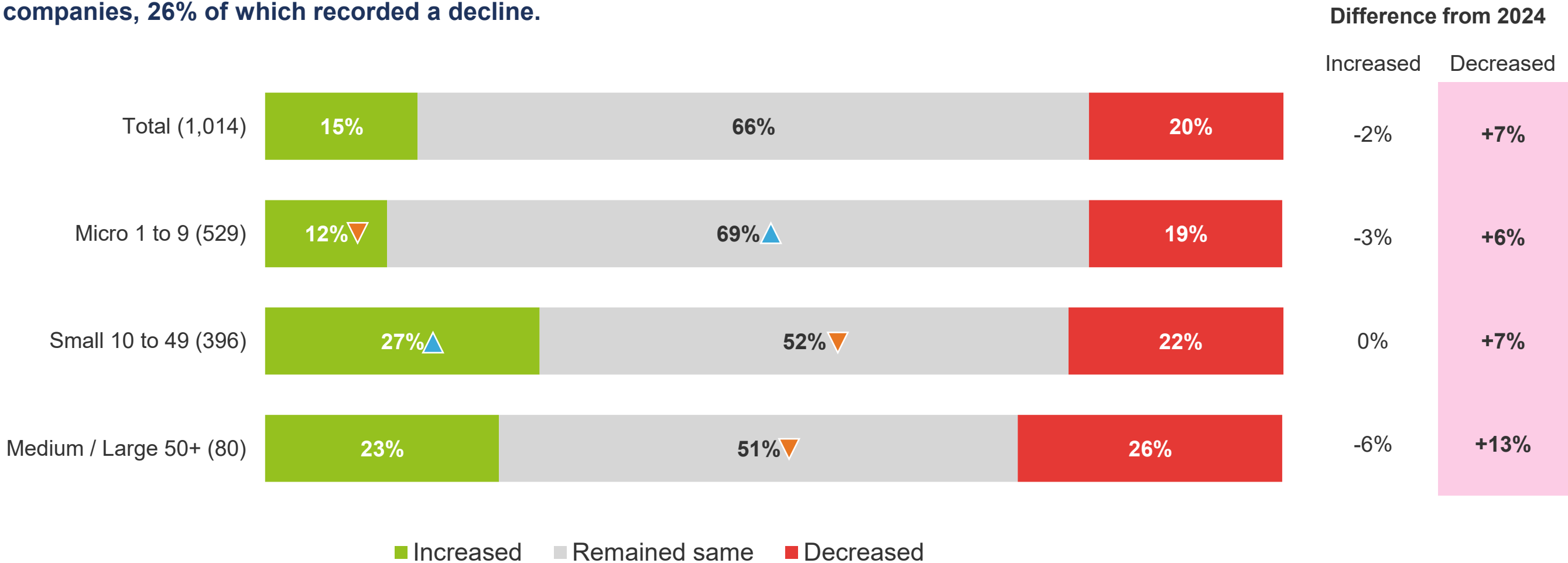
Q6 Over the past 12 months has the number of people employed in your business/organisation increased, decreased or remained the same? All respondents. Unweighted bases shown in brackets

* based on Leeds City region data

Arrows indicate significant variations from 2024 at 95% confidence

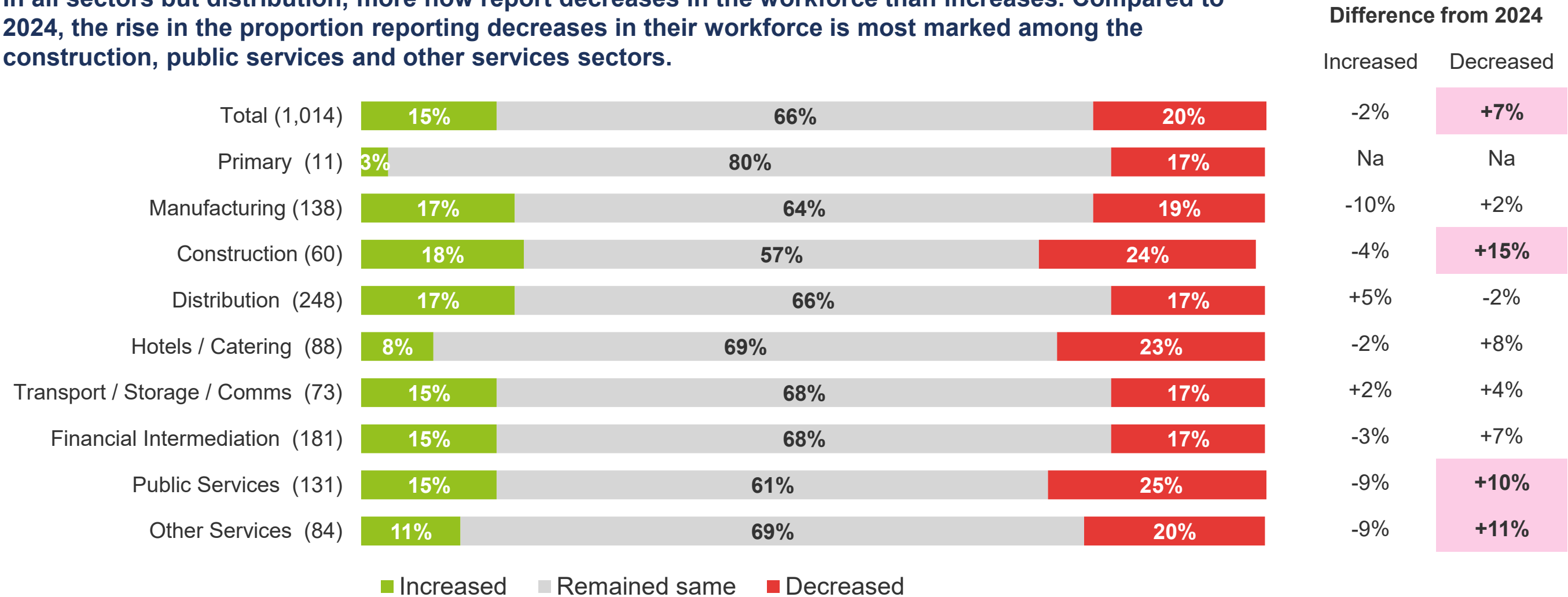
Workforce trends in past 12 months

Companies of all sizes have increasingly reported a decline in the workforce, especially medium/larger companies, 26% of which recorded a decline.



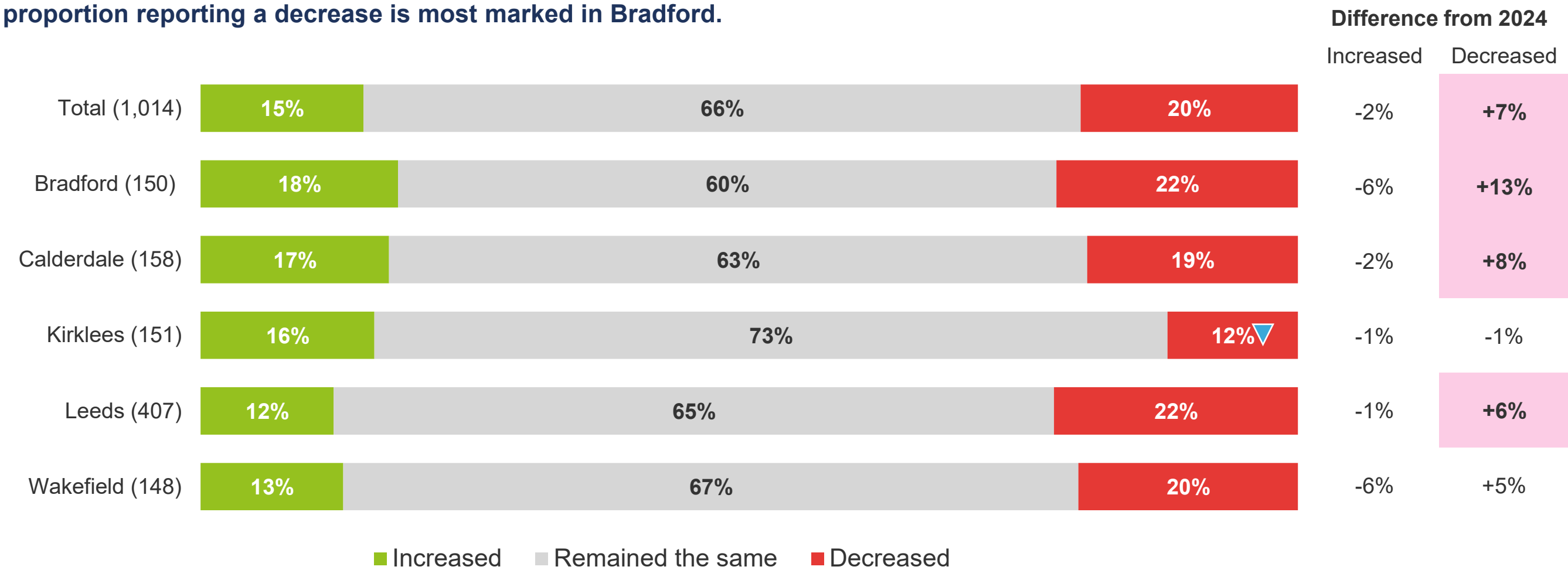
Workforce trends in past 12 months

In all sectors but distribution, more now report decreases in the workforce than increases. Compared to 2024, the rise in the proportion reporting decreases in their workforce is most marked among the construction, public services and other services sectors.



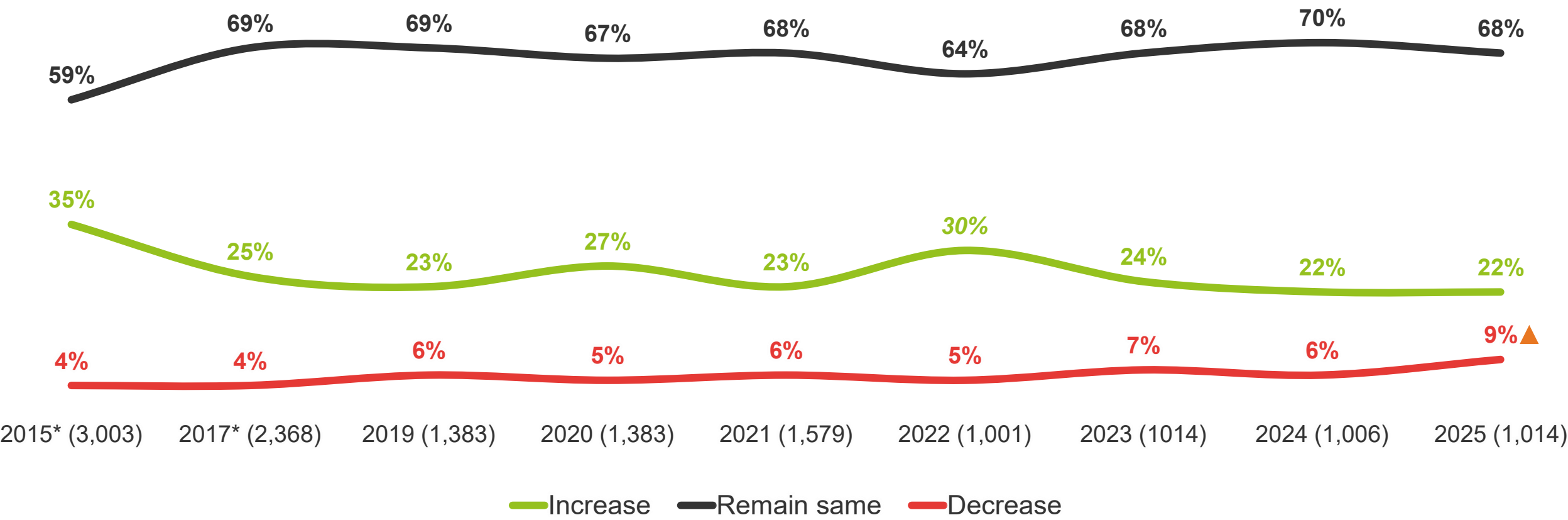
Workforce trends in past 12 months

Businesses in Kirklees are less likely than average to report a decrease in their workforce. The rise since 2024 in the proportion reporting a decrease is most marked in Bradford.



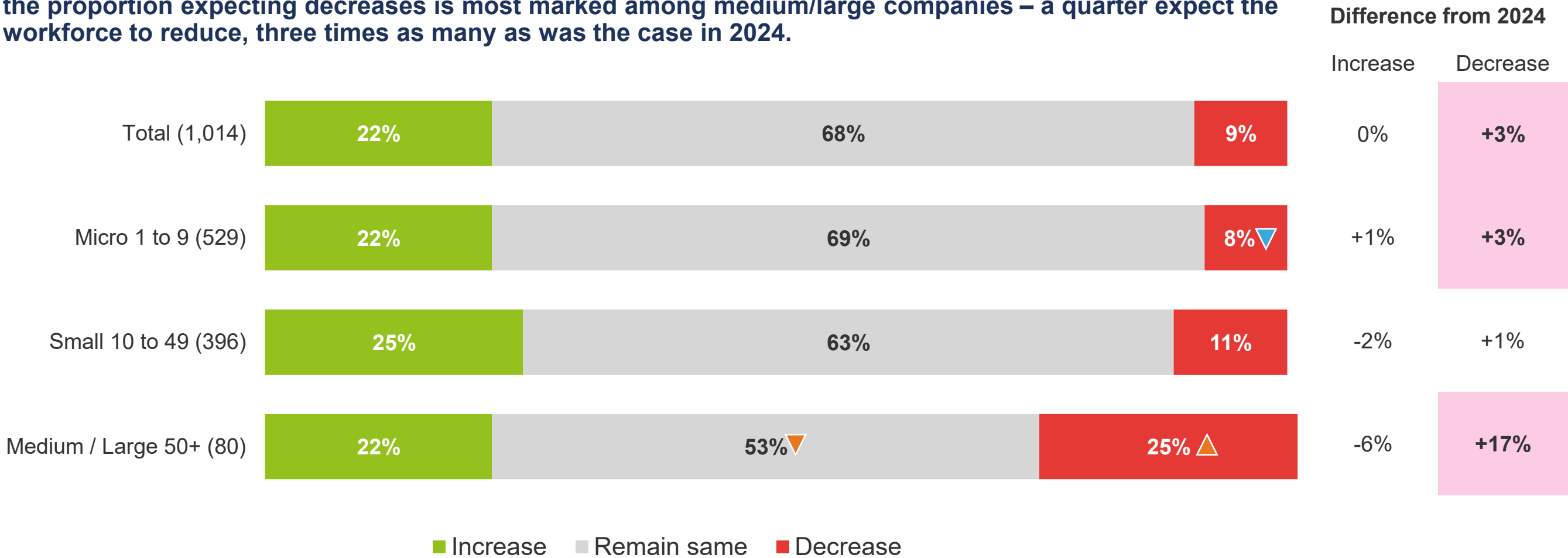
Workforce trends in next 12 months

Most businesses continue to expect workforce stability over the next 12 months, with fewer than a quarter expecting growth. One in ten expect a reduction in workforce.



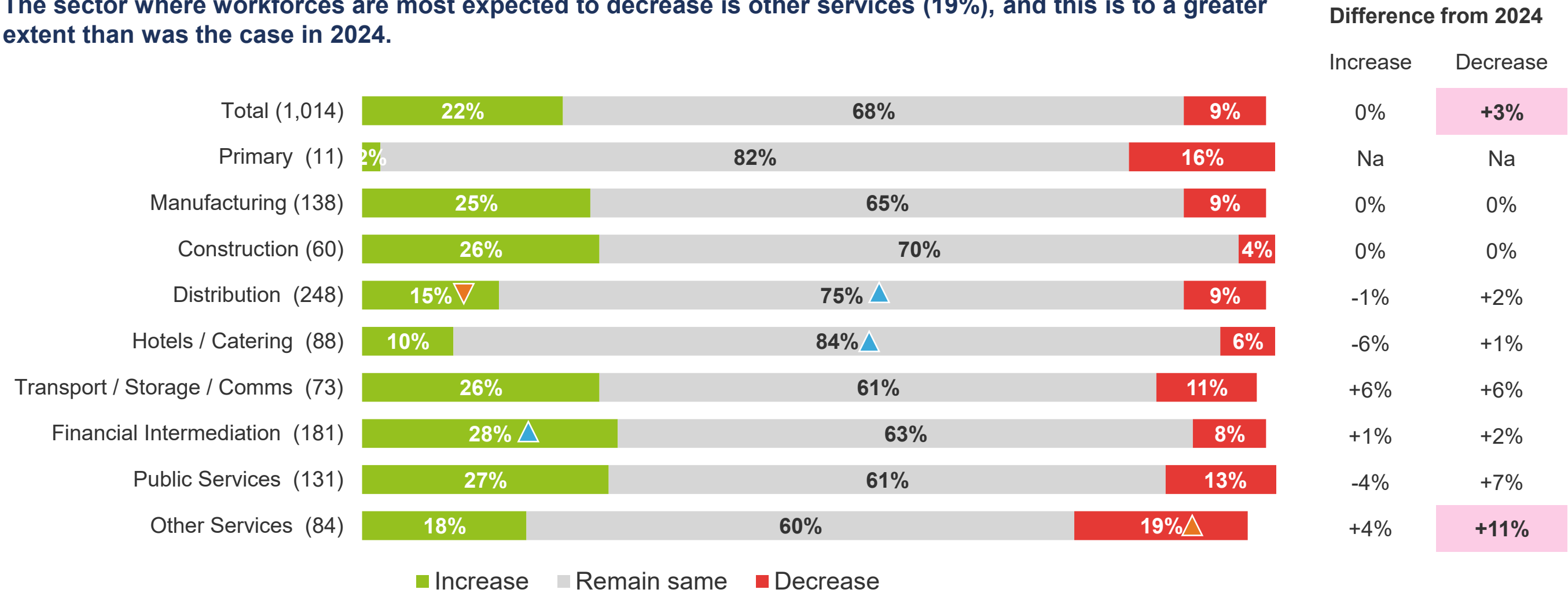
Workforce trends in next 12 months

Compared to 2024, a fall in the proportion expecting increases in their workforce and a corresponding rise in the proportion expecting decreases is most marked among medium/large companies – a quarter expect the workforce to reduce, three times as many as was the case in 2024.



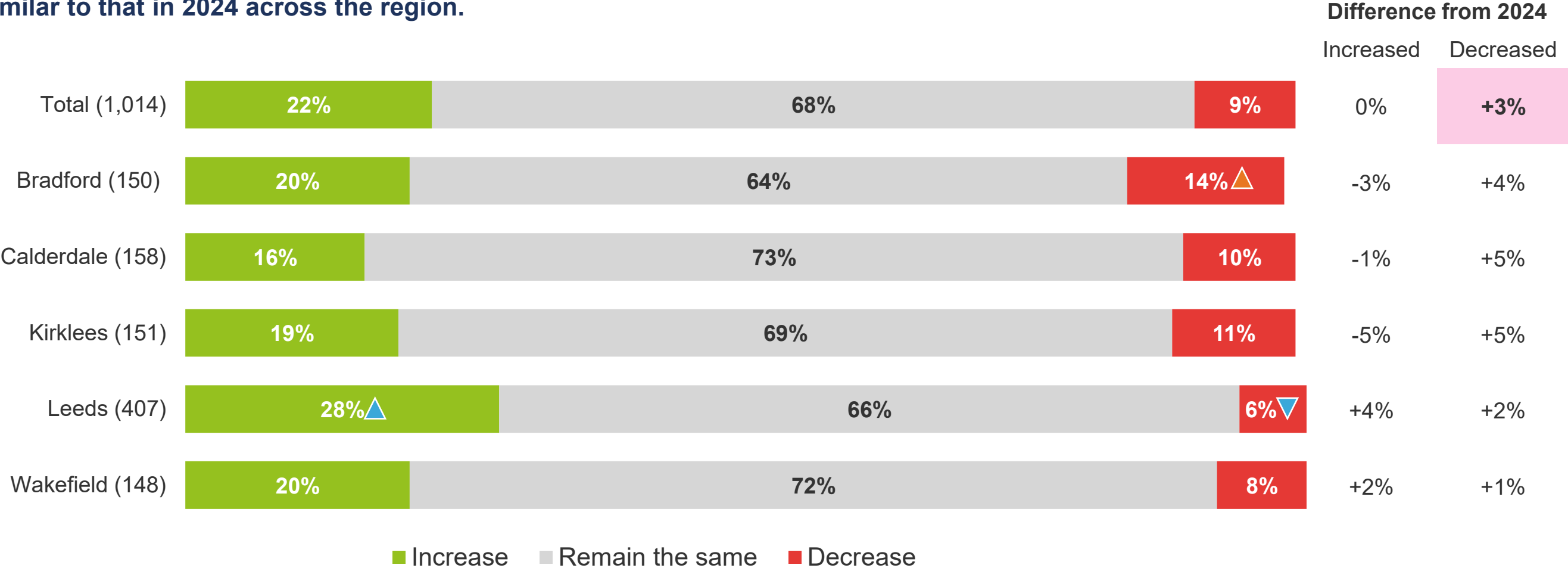
Workforce trends in next 12 months

The sector where workforces are most expected to decrease is other services (19%), and this is to a greater extent than was the case in 2024.



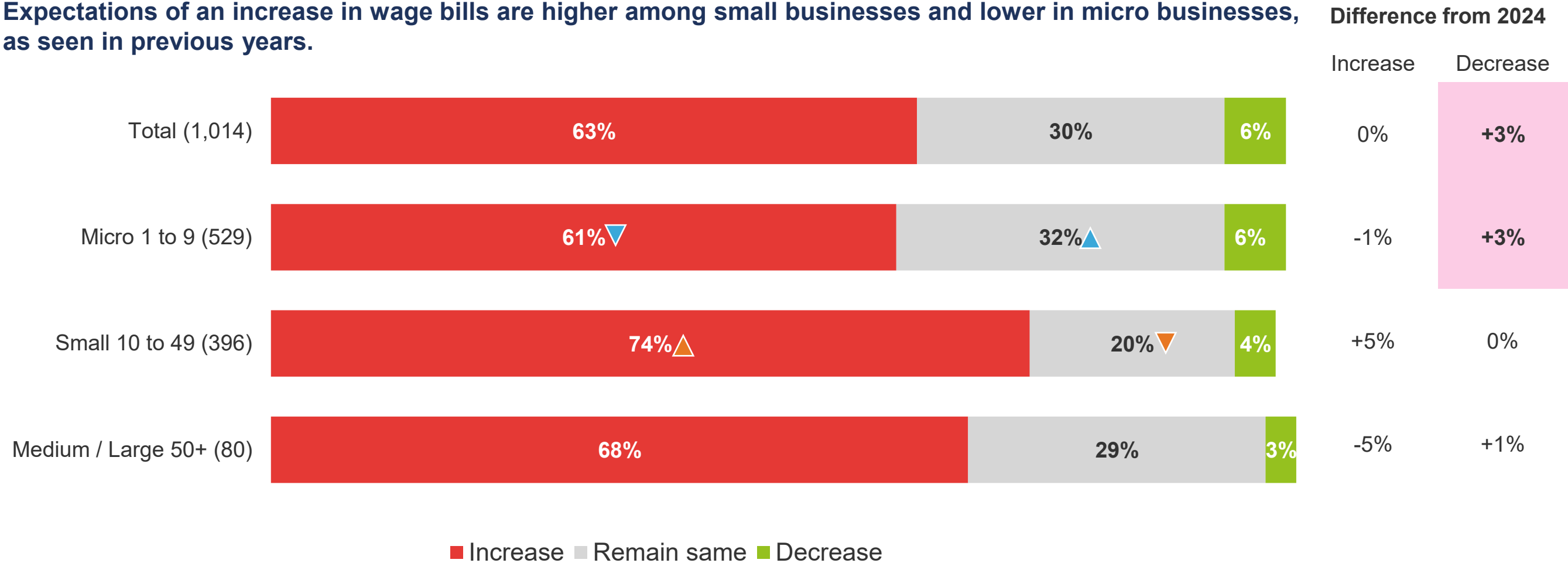
Workforce trends in next 12 months

Expectations of workforce trends in the next 12 months are more positive in Leeds, while the overall picture is similar to that in 2024 across the region.



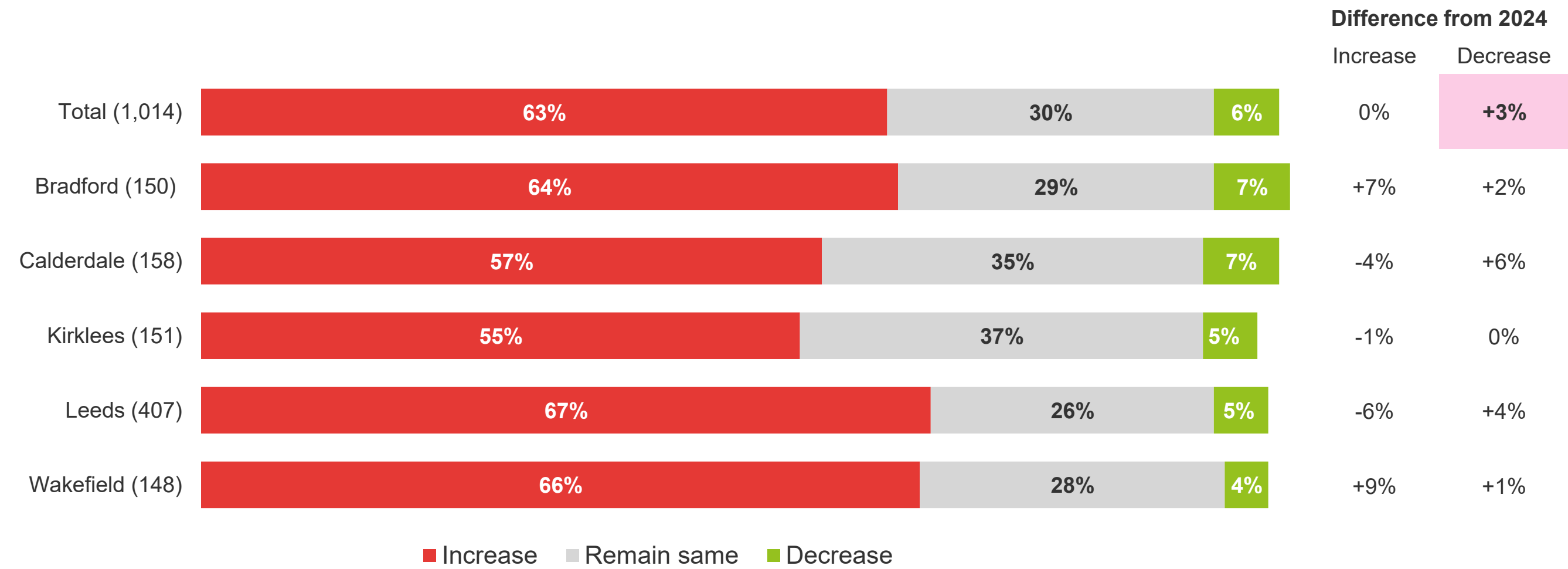
Wage bills over next 12 months

Despite an expectation that workforces will decrease, a majority of businesses expect wage bills to increase. Expectations of an increase in wage bills are higher among small businesses and lower in micro businesses, as seen in previous years.



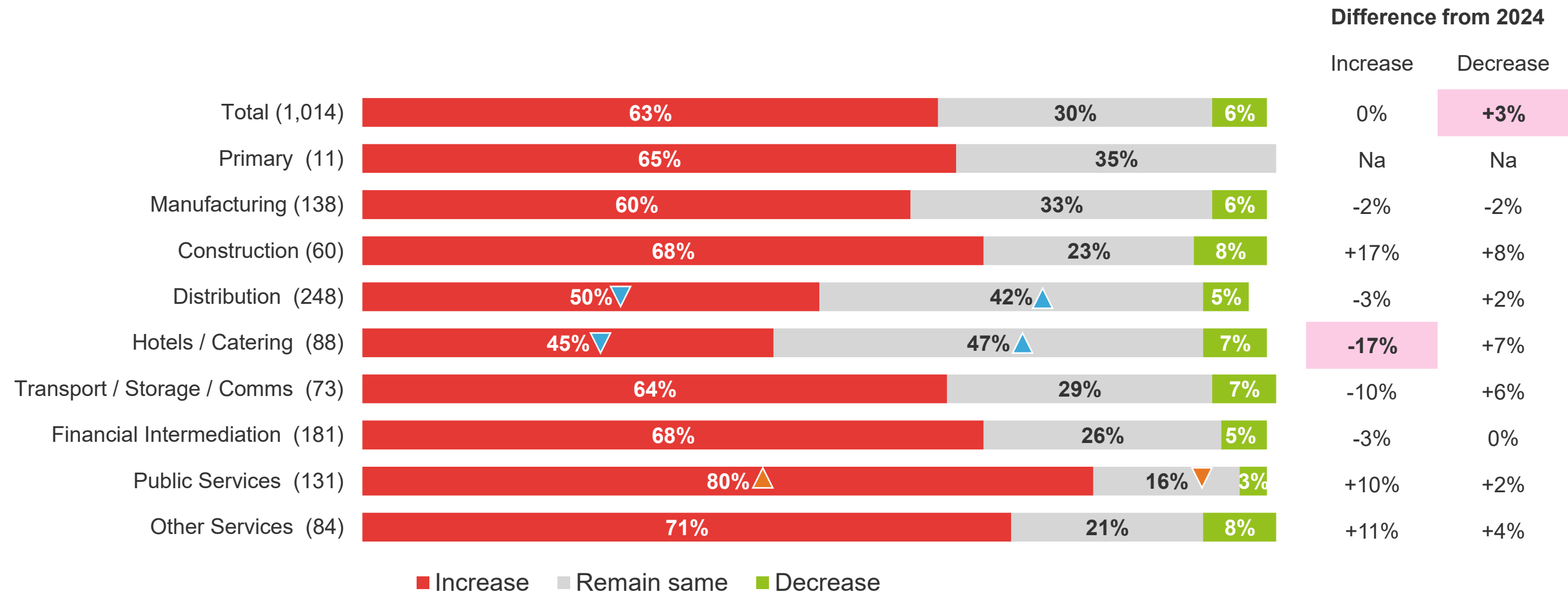
Wage bills over next 12 months

Expectations of increased wage bills are similar across the region.



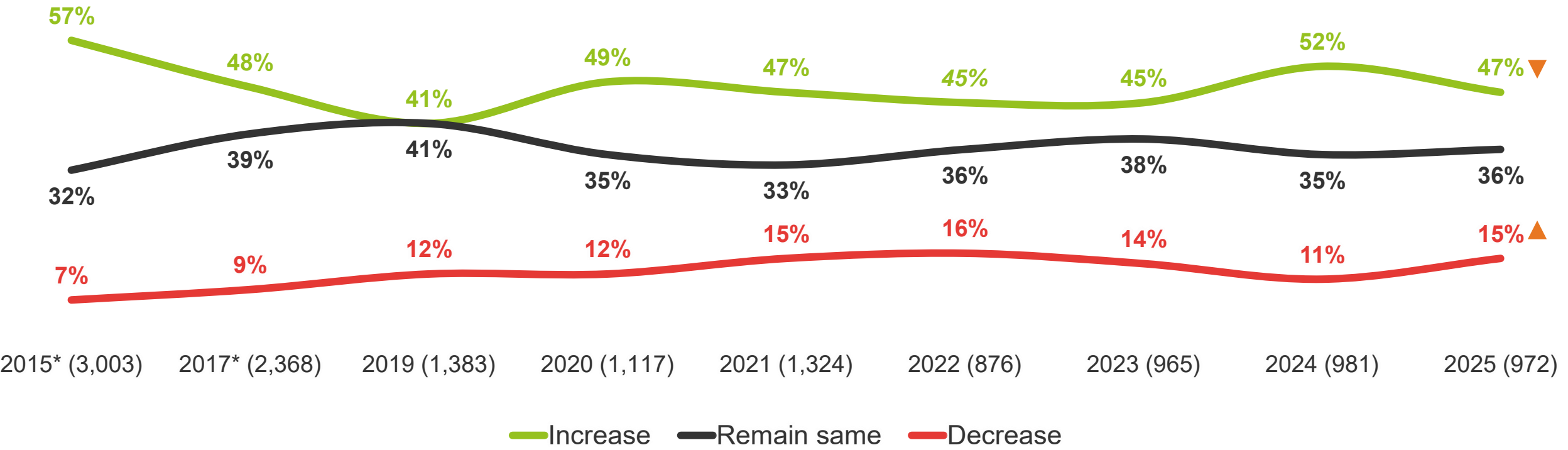
Wage bills over next 12 months

The hotels/catering sector bucks this trend as fewer than half expect the wage bill to increase.



Turnover in next 12 months

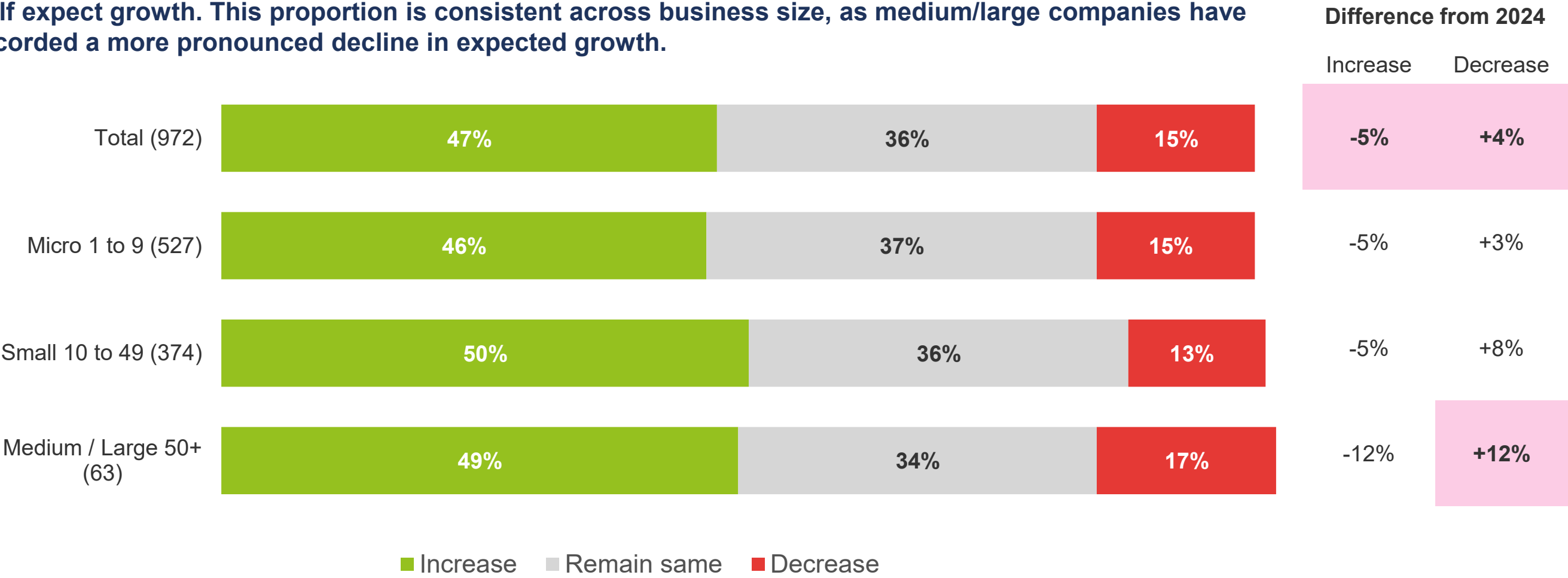
The uplift in expected turnover seen in 2024 has largely been reversed, and significantly more expect a decrease in the next 12 months (15%) compared to 2024.



Q10. Over the next 12 months do you expect your business/organisation turnover to increase, decrease or remain the same? All except public sector. Unweighted bases shown in brackets
* based on Leeds City region data
Arrows indicate significant variations from 2024 at 95% confidence

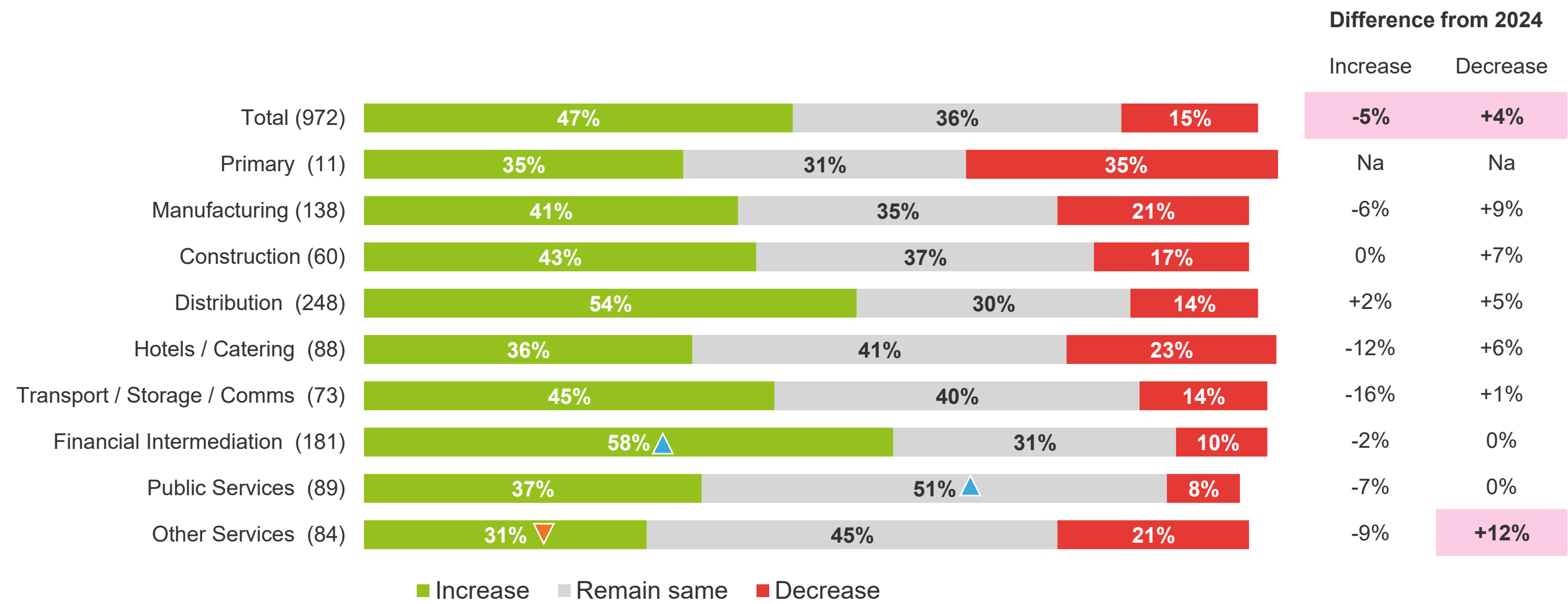
Turnover in next 12 months

Following a decrease of 5% points in the proportion of businesses that expect turnover growth, just under half expect growth. This proportion is consistent across business size, as medium/large companies have recorded a more pronounced decline in expected growth.



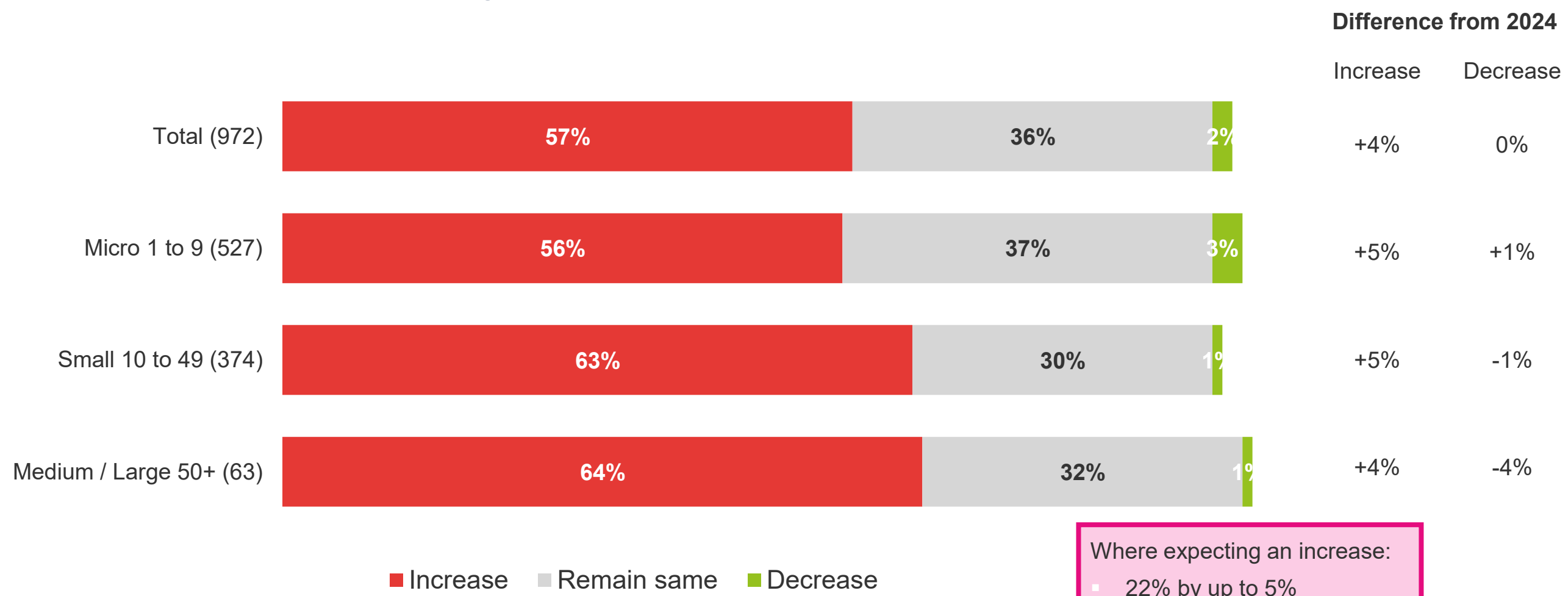
Turnover in next 12 months

An expected increase in turnover is highest among businesses in financial intermediation.



Prices charged to customers over next 12 months

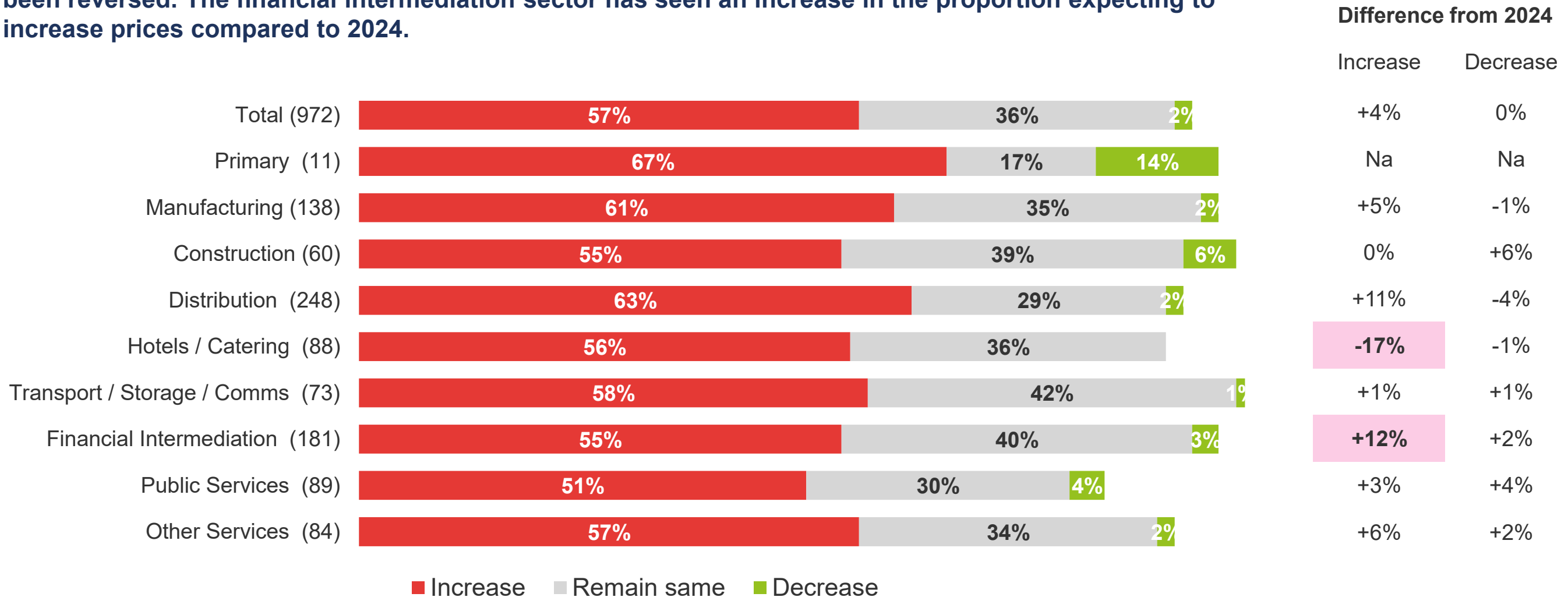
Over half of businesses expect prices charged to customers to increase.



- Where expecting an increase:
- 22% by up to 5%
 - 61% by 5 to 10%
 - 12% by 11% or more
 - 5% did not know

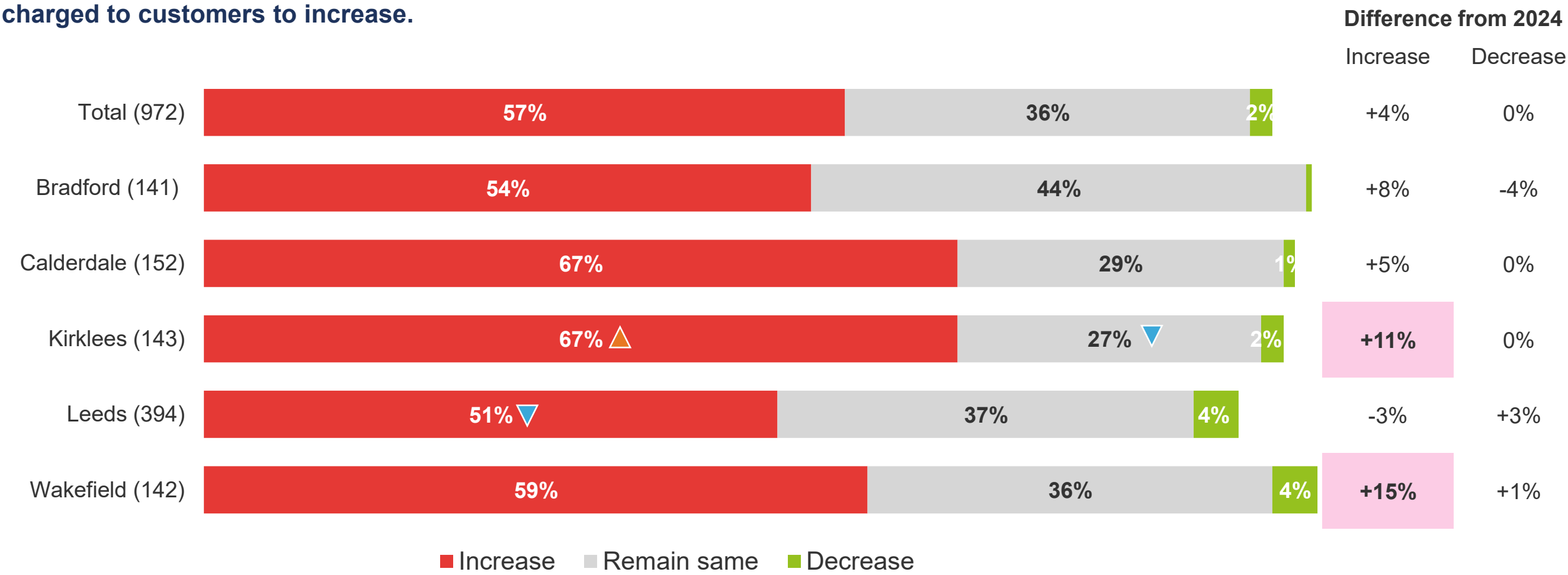
Prices charged to customers over next 12 months

The hotels/catering sector saw an increase in the proportion expecting to charge more in 2024, which has been reversed. The financial intermediation sector has seen an increase in the proportion expecting to increase prices compared to 2024.



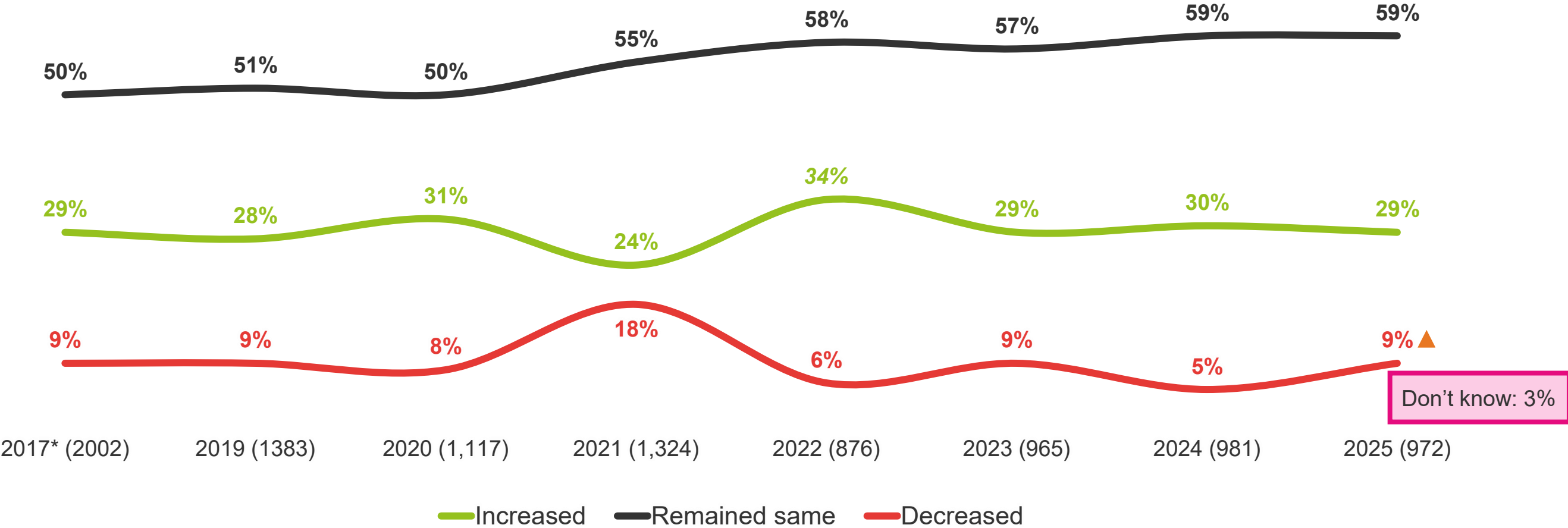
Prices charged to customers over next 12 months

Businesses in Kirklees and Wakefield are especially more likely than they were in 2024 to expect prices charged to customers to increase.



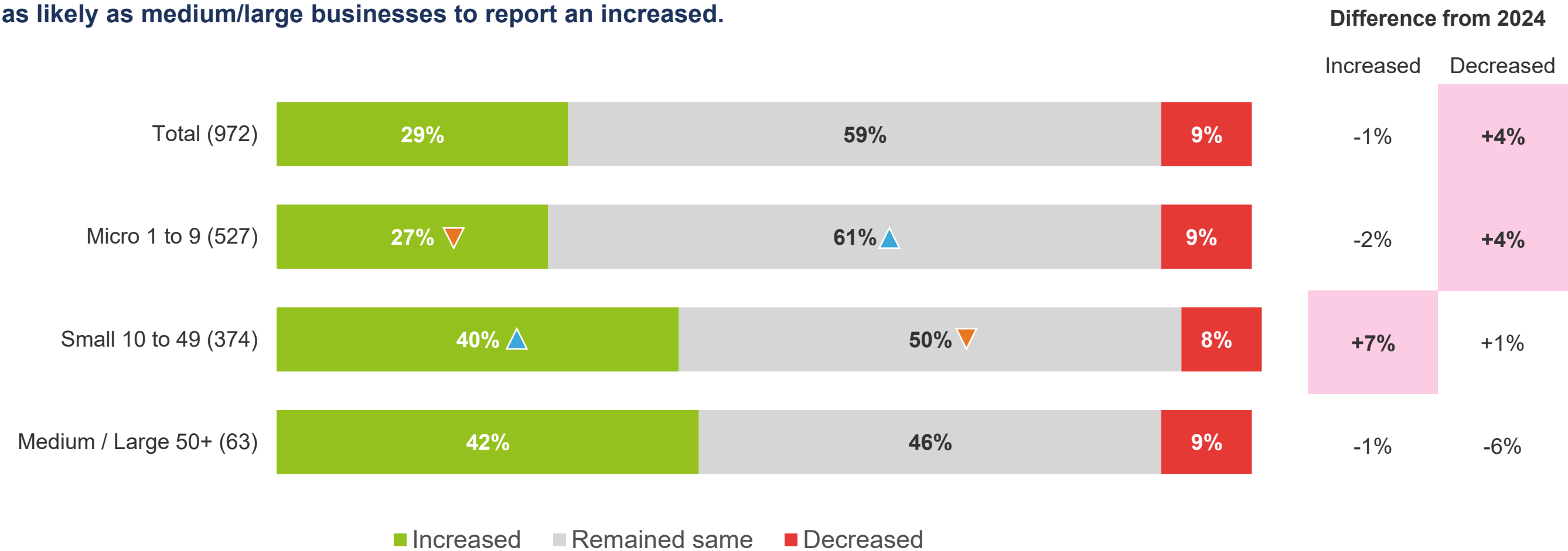
Investment in past 12 months

Investment levels continue to be in line with pre-2021 levels, although there has been a year-on-year increase in the proportion reporting a decrease.



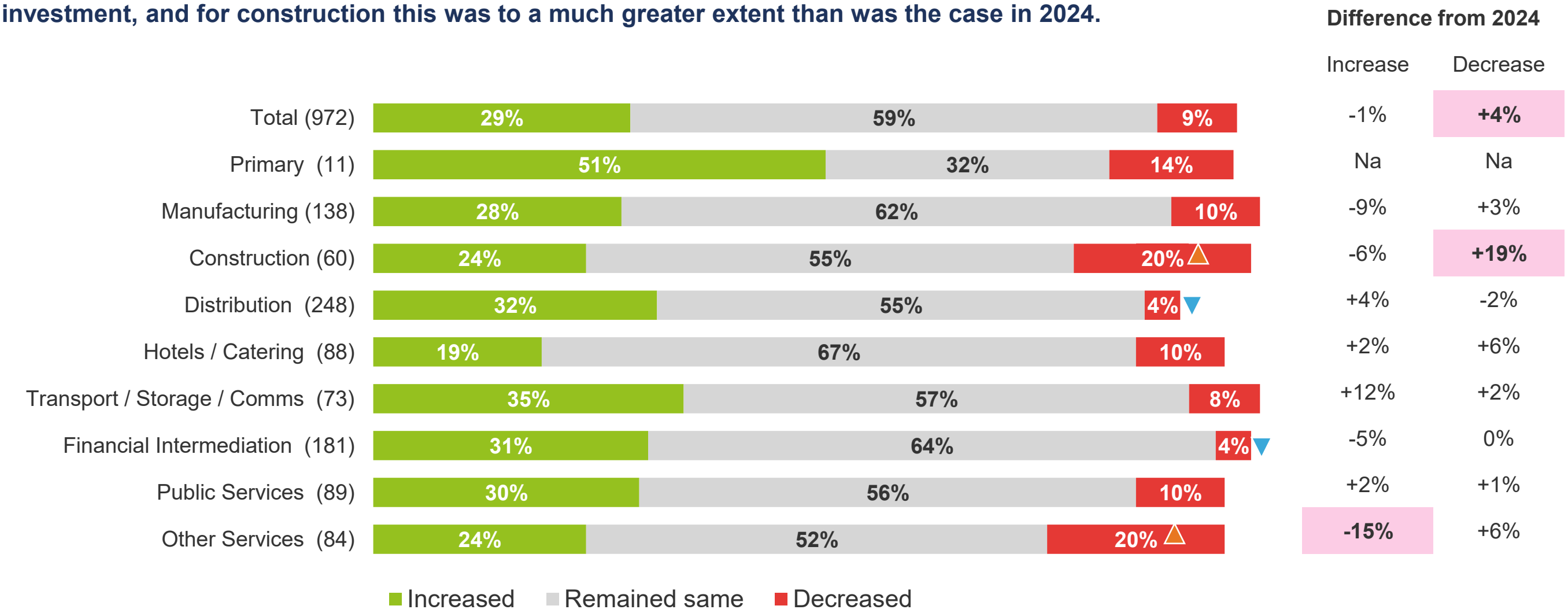
Investment in past 12 months

Following an uplift in the proportion of small businesses who have seen increased investment, they are now as likely as medium/large businesses to report an increased.



Investment in past 12 months

Construction businesses and other services are more likely than other sectors to report a decrease in investment, and for construction this was to a much greater extent than was the case in 2024.



Barriers to growth

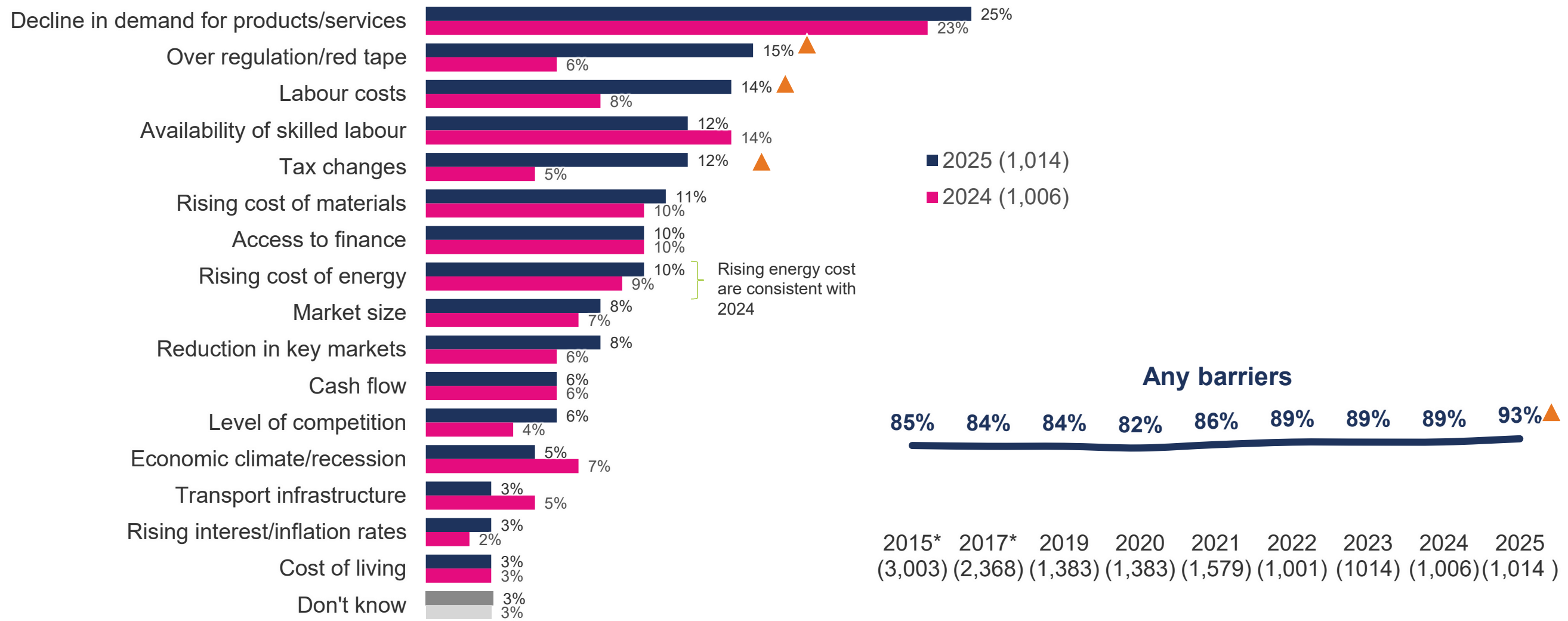


Barriers to growth – summary

- Over nine in ten (93%) identify a barrier to growth, significantly higher than 2024 (89%), and the highest proportion so far recorded.
- A quarter (25%) mention a decline in demand for products/services, 15% say over regulation/red tape, whilst 14% cite labour costs and 12% the availability of skilled labour.
- Mentions of a number of barriers have increased significantly since 2024, namely the barriers: over regulation (indicated by 15%, following an increase of 9% points since last year), labour costs (14%, following an increase of 6% points) and tax changes (12%, following an increase of 7% points). These are now in the five greatest barriers identified.
 - It is noteworthy that that tax changes functioning as a barrier has seen an increase of 7% points following an increase in employer National Insurance contributions in April 2025. This barrier did not come through as one of the three most commonly cited barriers for micro or small business. Only medium and large companies indicated tax changes as one of the three most common barriers. Manufacturing and Financial Intermediation are the only two sectors to cite tax changes as the third greatest barrier facing their business, with all other sectors citing other barriers at higher levels.
 - A decline in demand for products/services is the biggest barrier identified across most sectors, with the exception of medium/large businesses, who cite labour costs, financial intermediation, who cite over regulation/red tape, and public services, who cite access to finance, as the biggest barrier. Small and medium/large businesses also include access to finance among their three biggest barriers.
 - Rising energy costs are among the three biggest barriers identified for hotels/catering, transport/storage/comms, primary and other services, while rising costs of materials are among the three biggest barriers identified for distribution, hotels/catering and primary services.

Barriers to growth in next 3 years

Over nine in ten identify a barrier to growth, the highest proportion so far recorded, with 43% mentioning an economic factor and 18% something related to rising costs. Mentions of over regulation, labour costs and tax changes have increased since 2024.



Barriers to growth in next 3 years

	Biggest barrier	2nd biggest barrier	3rd biggest barrier
Total (1,014)	Decline in demand for products/services	Over regulation/red tape	Labour costs
Micro 1 to 9 (529)	Decline in demand for products/services	Over regulation/red tape	Labour costs
Small 10 to 49 (396)	Decline in demand for products/services	Labour costs	Access to finance
Medium/Large 50+ (80)	Labour costs	Access to finance	Tax changes
Primary (11)	Decline in demand for products/services	Economic climate/recession	Over regulation/red tape/labour costs/rising cost of materials/rising cost of energy
Manufacturing (138)	Decline in demand for products/services	Over regulation/red tape	Tax changes
Construction (60)	Decline in demand for products/services	Over regulation/red tape	Labour costs
Distribution (248)	Decline in demand for products/services	Rising cost of materials	Level of competition
Hotels/Catering (88)	Decline in demand for products/services	Rising cost of materials	Rising cost of energy
Transport/Storage/Comms (73)	Decline in demand for products/services	Labour costs	Rising cost of energy
Financial Intermediation (181)	Over regulation/red tape	Decline in demand for products/services	Tax changes
Public Services (131)	Access to finance	Over regulation/red tape	Availability of skilled labour
Other Services (84)	Decline in demand for products/services	Access to finance	Rising cost of energy

Business support

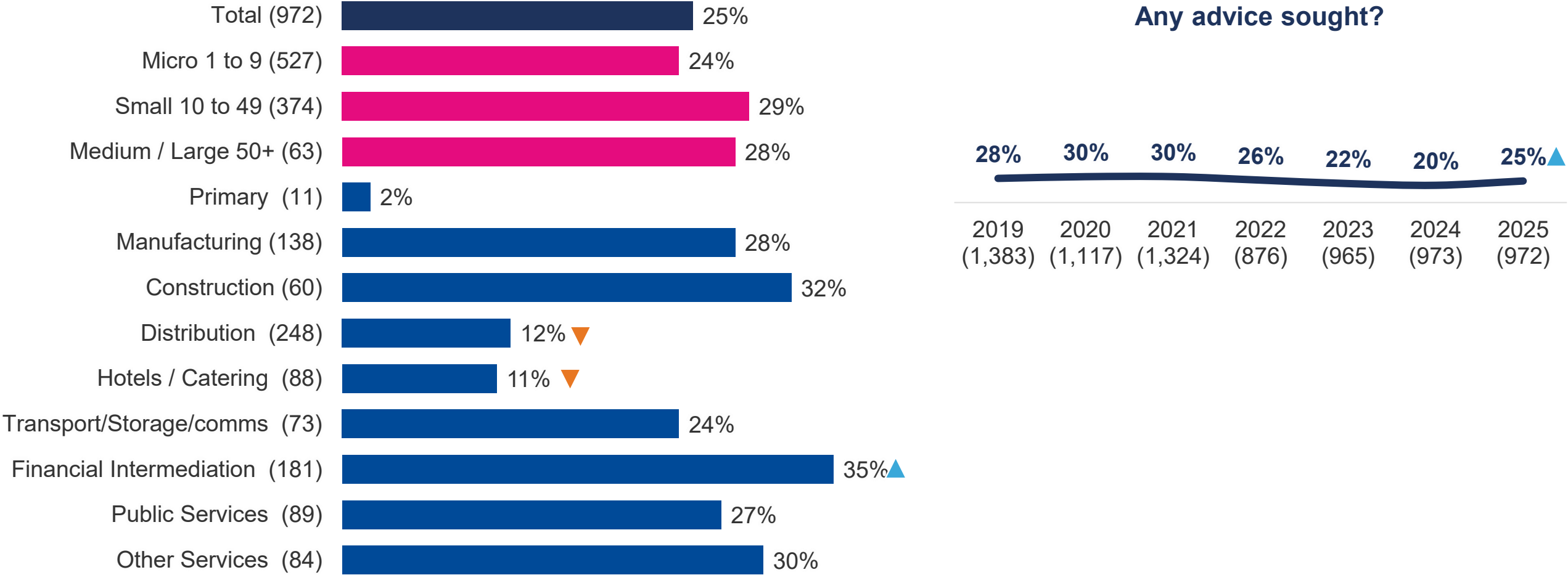


Business support – summary

- The downward trend over recent years in the proportion of organisations seeking advice in the last 12 months has been largely reversed – a quarter report having sought advice, as compared to 20% in 2024.
 - Businesses in distribution (12%) and hotels and catering (11%) are less likely to have sought advice, and those in financial intermediation more likely (35%).
- Close to two in five (38%) report seeking advice on finance/grants, (a response option added this year), 29% marketing, 21% other staffing issues and 19% statutory legislation.
- Accountants (25%) and other businesses (24%) are the most common sources of independent advice.

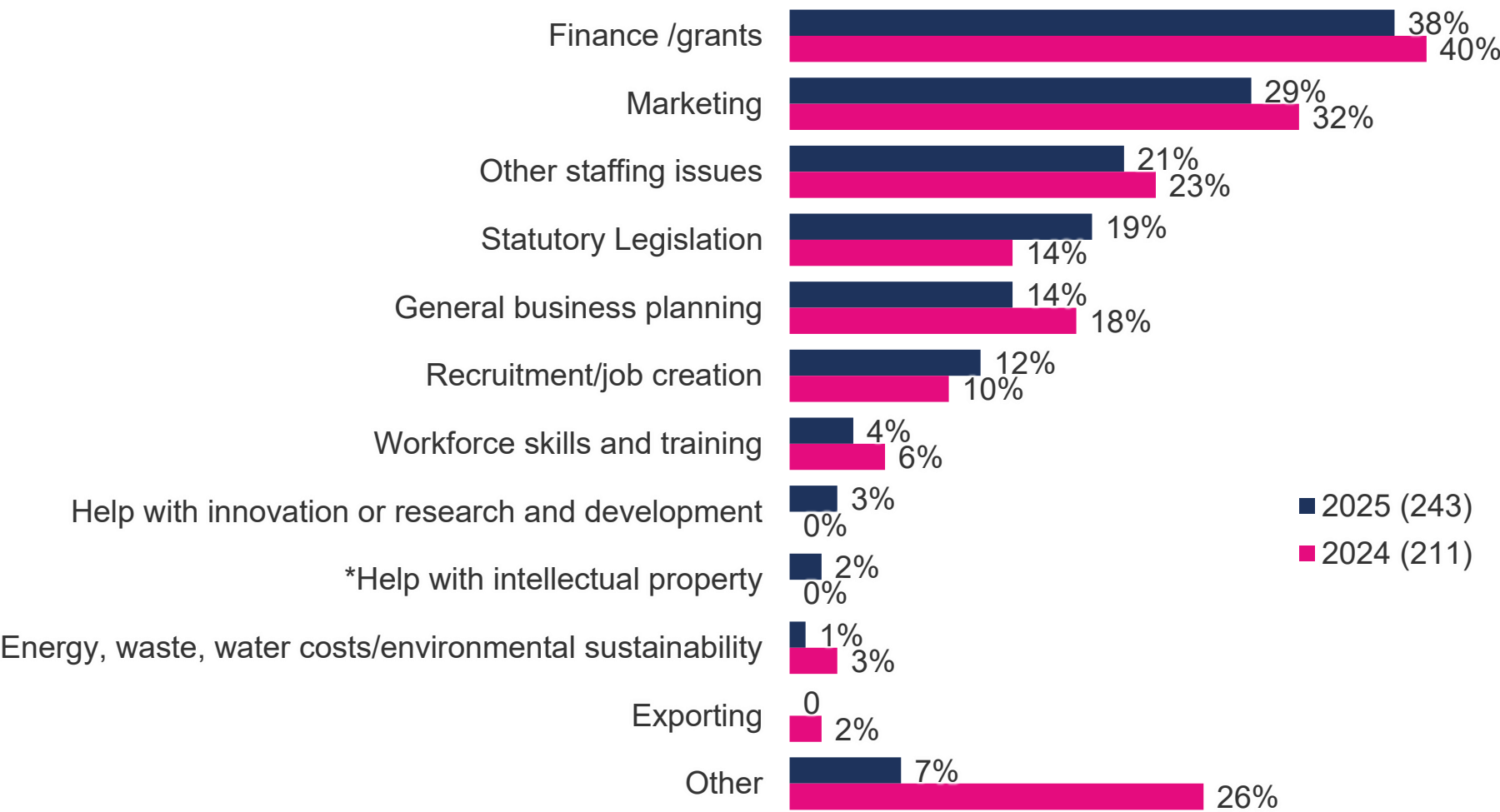
Business support – summary

The downward trend over recent years in the proportion of organisations seeking advice in the last 12 months has been largely reversed. Businesses in distribution and hotels and catering are less likely to have sought advice, and those in financial intermediation more likely.



Types of independent advice sought

Advice on finance/grants remains the type most commonly sought.



*Comparisons with previous years should be treated with caution due to a change in the response options.

Sources of independent advice

Accountants and other businesses are the most common sources of independent advice.



Comparisons with previous years are not possible due to a change in the response options.



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Yorkshire
Combined
Authority

Tracy
Brabin
Mayor of
West Yorkshire

Workforce, skills and training

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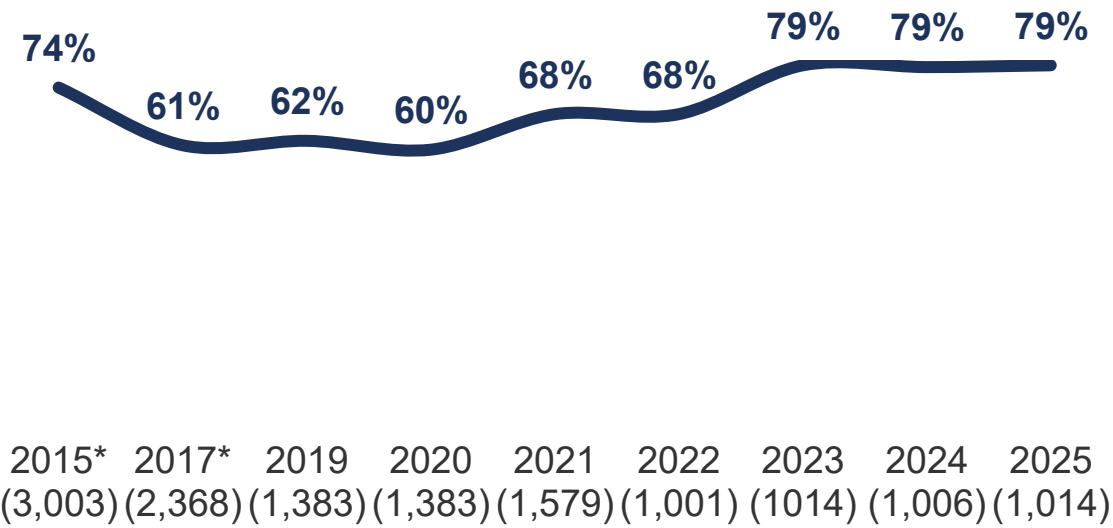
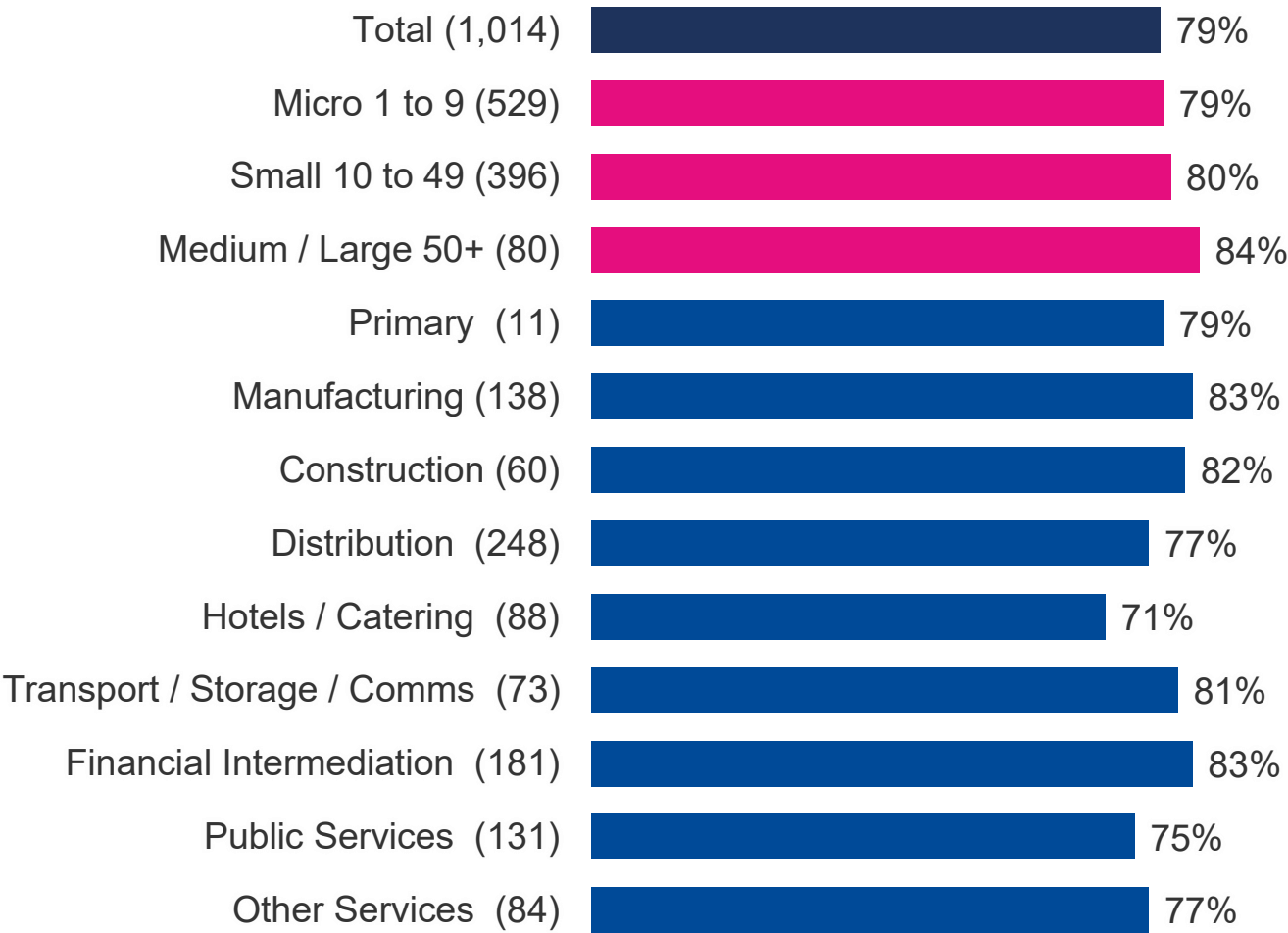


Workforce, skills and training – summary

- The proportion of business with skill gaps remains stable with post-2023 levels, at the highest level recorded following an 11%-point uplift in 2023 to 79%.
 - Sales and marketing (47%) and digital skills (38%) are the most common skills gaps. Overall, the pattern is in line with 2024, with the exception that mentions of sales and marketing have increased from 39% to 47%, mentions of innovation have increased from 17% to 24%, and mentions of science/technology have increased from 16% to 21%, while mentions of green skills have reduced from 27% to 23%.
 - Manufacturing businesses are more likely to mention a range of skills gaps, including technical, specialist or job specific skills (41%), innovation/R&D (37%), science, technology and engineering (33%) and office administration (27%).
- Overall, 24% of businesses reported having vacancies that were hard to fill, a decrease on the 29% who did so in 2024, continuing a declining trend from the peak of 39% in 2022. This proportion remains above pre-pandemic levels.
- Over two in five businesses do not offer any of the listed entry schemes, driven by lower instances of the offer in the private sector and among micro businesses.
- A new question was added in 2025 about hybrid working policies. Two in five (38%) offer hybrid working in some form, most commonly via informal arrangements made between managers and employees (30%). For close to three in five (57%) their work means hybrid working is not generally applicable. One in twenty (5%) do not allow hybrid working.
- Three quarters (76%) of all businesses regard fair work as very important in their working practices, although this is lower in the private sector (74%) than the public (95%) or voluntary/community (92%) sector.

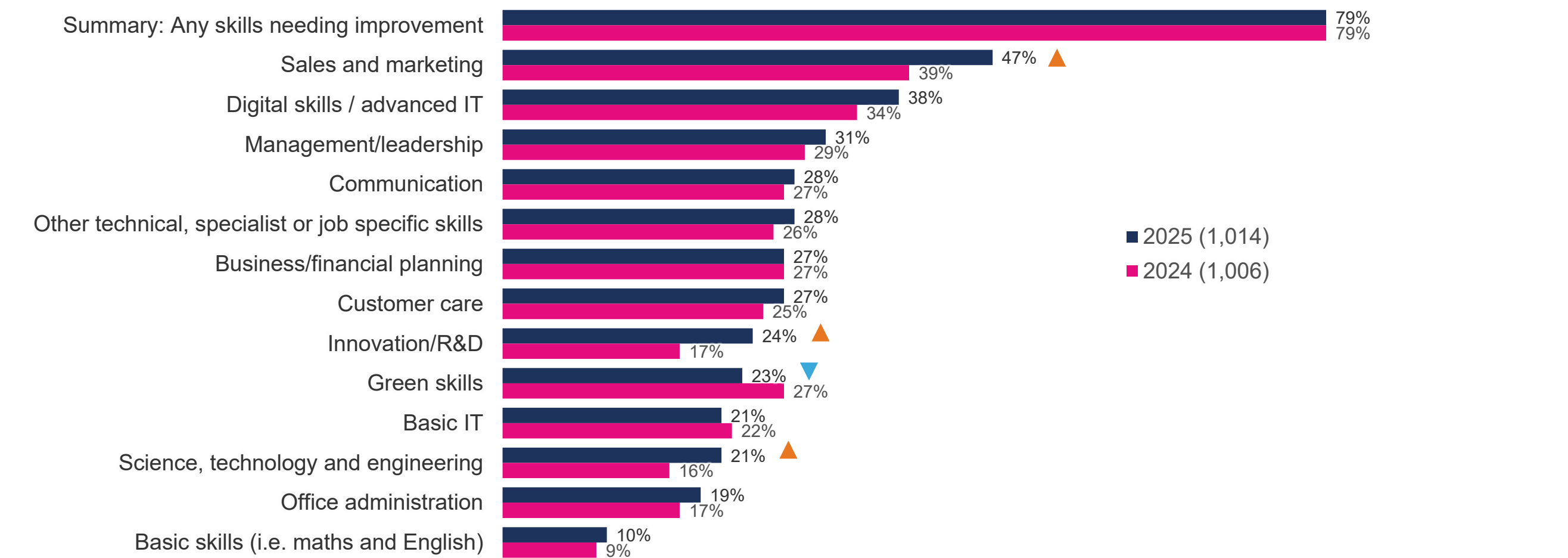
% with any skill gaps in next 12 months

The proportion of business with skill gaps remains stable and at the highest level recorded following the 11% point uplift in 2023.



Types of skills gaps in next 12 months

Sales and marketing and digital skills are the most common skills gaps. Overall, the pattern is in line with 2024, with the exception that mentions of sales and marketing, innovation and science/technology have increased, and mentions of green skills have reduced.

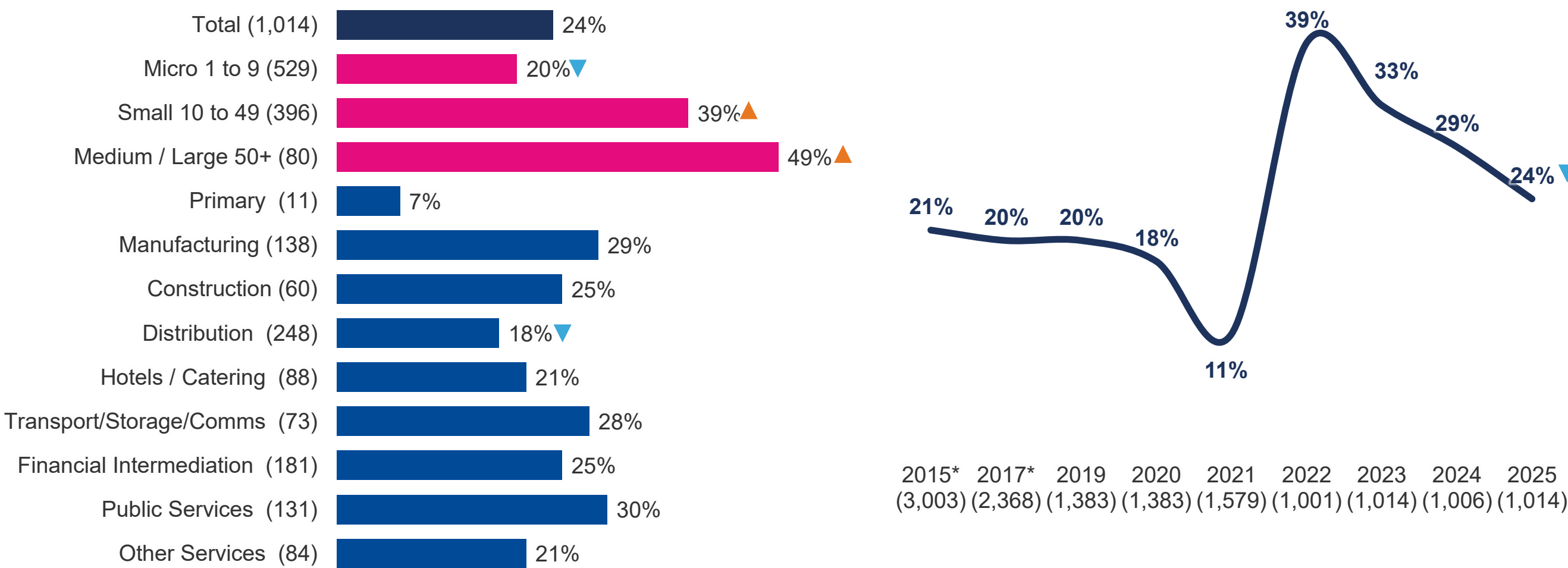


Types of skills gaps in next 12 months

	Total (1,014)	Primary (11)	Manufacturing (138)	Construction (60)	Distribution (248)	Hotels/ Catering (88)	Transport/ Storage/ Comms (73)	Financial Intermediation (181)	Public Services (131)	Other Services (84)
Summary: Any skills needing improvement	79%	79%	83%	82%	77%	71%	81%	83%	75%	77%
Sales and marketing	47%	32%	50%	39%	51%	37%	59%	48%	42%	52%
Digital skills / advanced IT	38%	30%	42%	37%	38%	19%	42%	46%	34%	36%
Management/leadership	31%	17%	25%	30%	38%	27%	35%	31%	24%	33%
Communication	28%	40%	26%	24%	33%	27%	29%	24%	25%	39%
Other technical, specialist or job specific skills	28%	2%	41%	44%	20%	12%	29%	32%	25%	28%
Business/financial planning	27%	17%	29%	23%	27%	22%	34%	24%	30%	42%
Customer care	27%	28%	19%	28%	34%	30%	24%	25%	14%	34%
Innovation/R&D	24%	16%	37%	30%	18%	16%	30%	23%	21%	27%
Green skills	23%	6%	21%	29%	29%	21%	16%	19%	18%	39%
Basic IT	21%	3%	14%	19%	29%	18%	17%	20%	14%	30%
Science, technology and engineering	21%	23%	33%	38%	14%	9%	22%	24%	13%	11%
Office administration	19%	3%	27%	25%	21%	10%	23%	17%	13%	24%
Basic skills (i.e. maths and English)	10%	0%	7%	9%	14%	13%	11%	8%	7%	11%

% with hard to fill vacancies in last year

The proportion of business with hard to fill vacancies has continued to decrease from the 2022 post-pandemic uplift, but close to half of medium/large businesses report having them.



Q22. Did you have any staff vacancies that you found hard to fill, or could not fill, during the last 12 months? All respondents, unweighted bases shown in brackets
* based on Leeds City region data
Arrows indicate significant variations from the total/2024 at 95% confidence

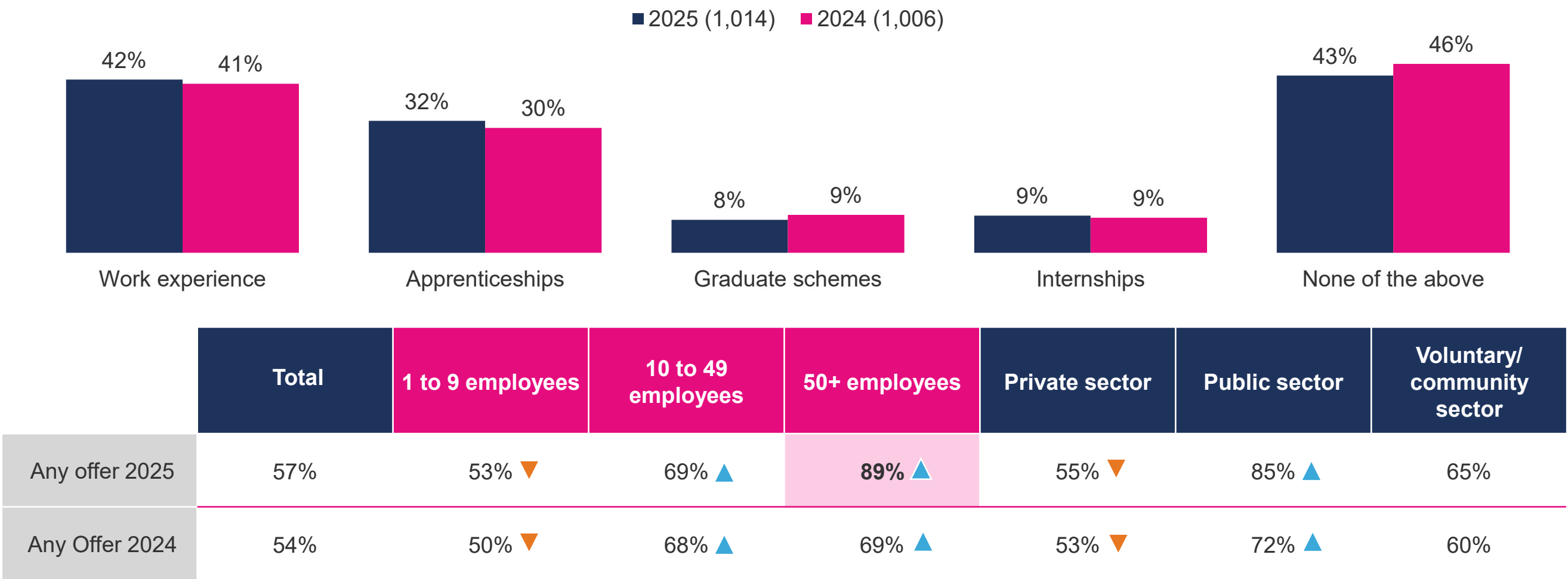
Skills that have been difficult to recruit in last year

The skills reported as most difficult to recruit are technical, specialist or job specific skills.



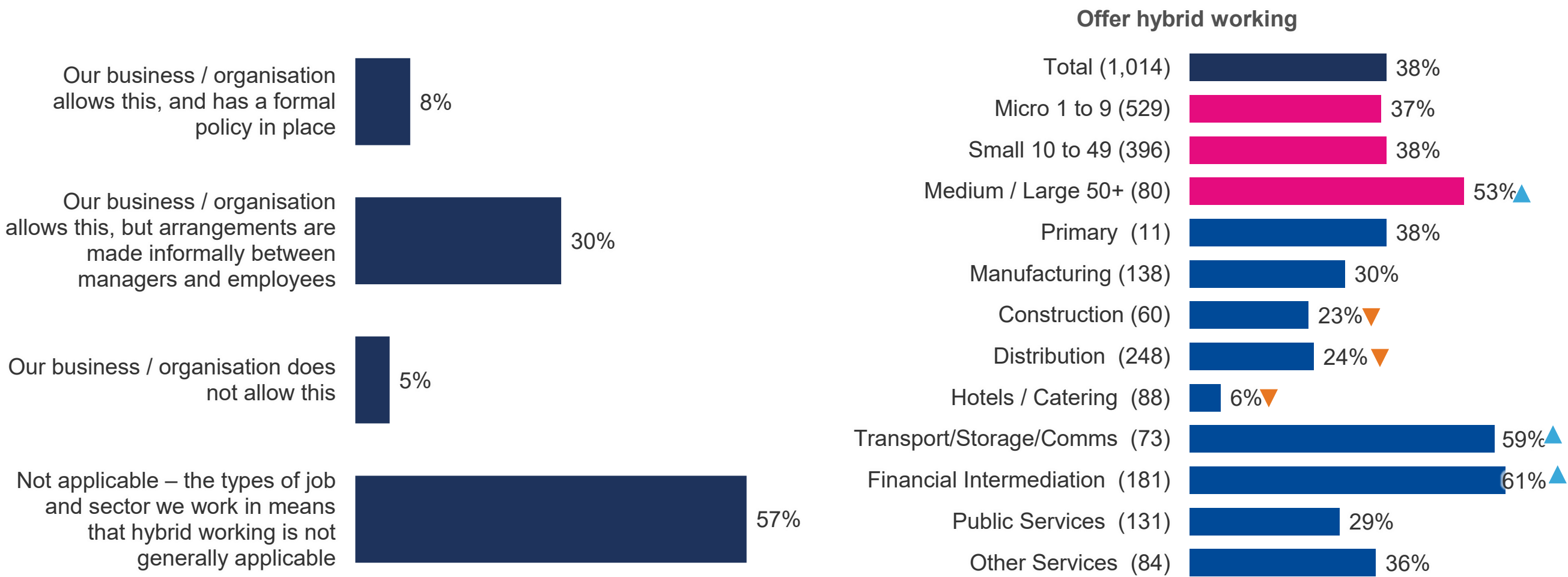
Schemes offered by businesses and organisations

Over two in five businesses do not offer any of the listed entry schemes, driven by lower instances of the offer in the private sector and among micro businesses.



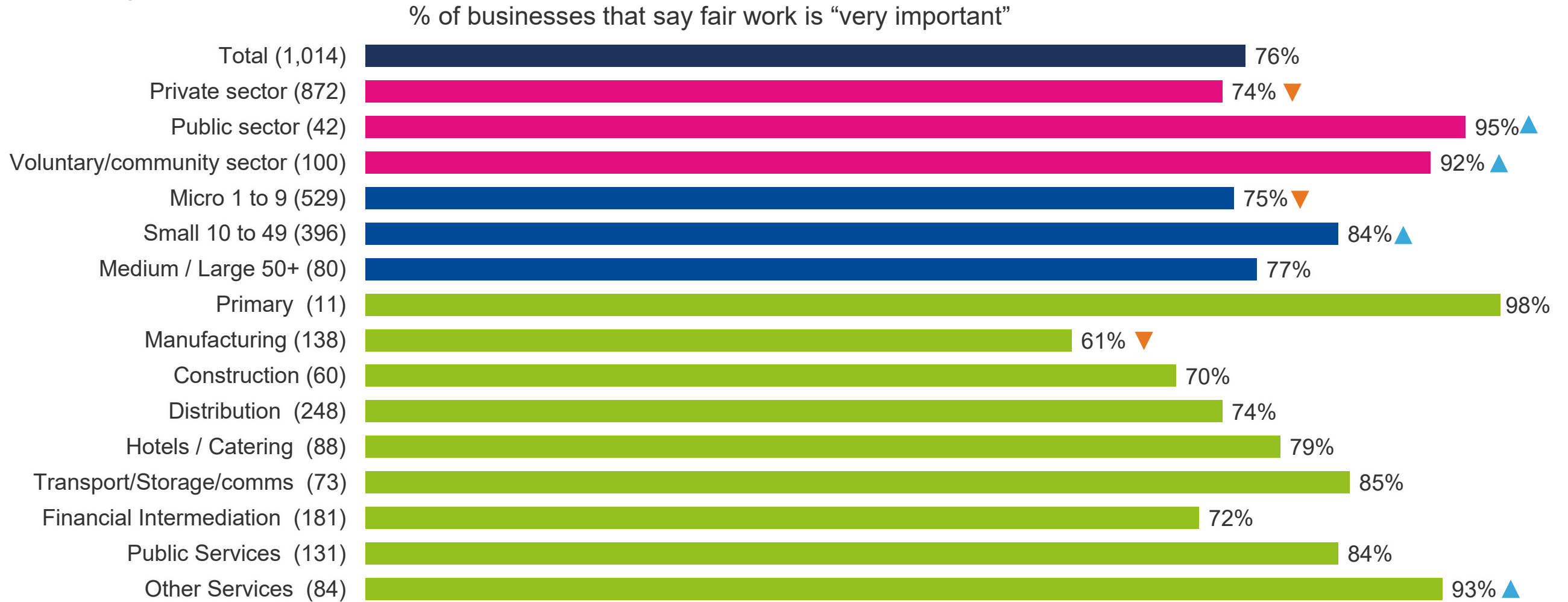
Approach to hybrid working

Two in five businesses allow hybrid working in some form, rising to over half of medium/large businesses, and those in transport/storage/communications and financial intermediation.



Fair work

The majority of all businesses regard fair work as very important in their working practices, although those in manufacturing are less likely to do so.



Q23c. The Authority believes that 'Fair work' includes inclusive practices for recruitment and progression, support for health and wellbeing of staff, a voice for employees in the workplace, good pay and fair and flexible working conditions. How important is fair work to your organisation? All respondents. Unweighted bases shown in brackets
Arrows indicate significant variations from the total at 95% confidence

Customer base and trade destinations

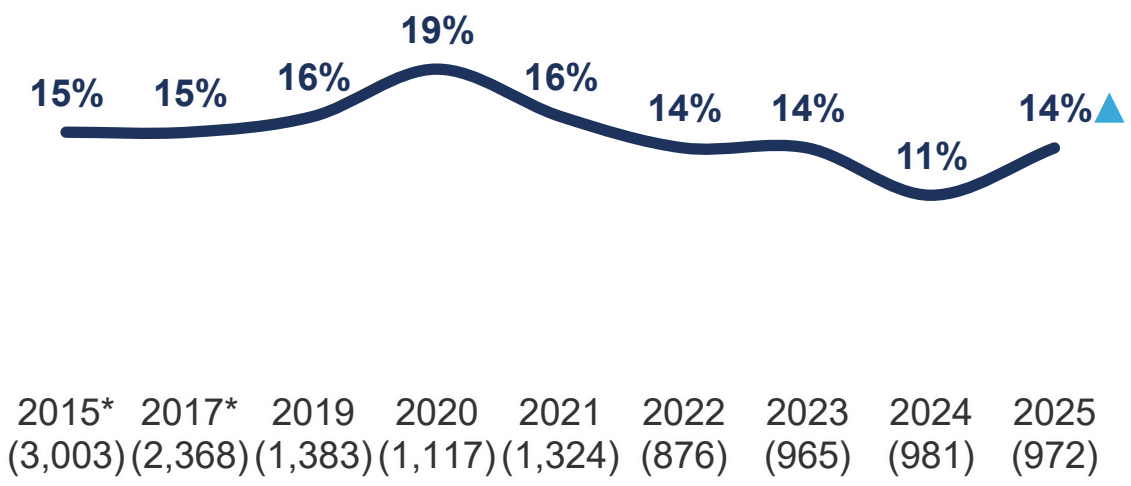
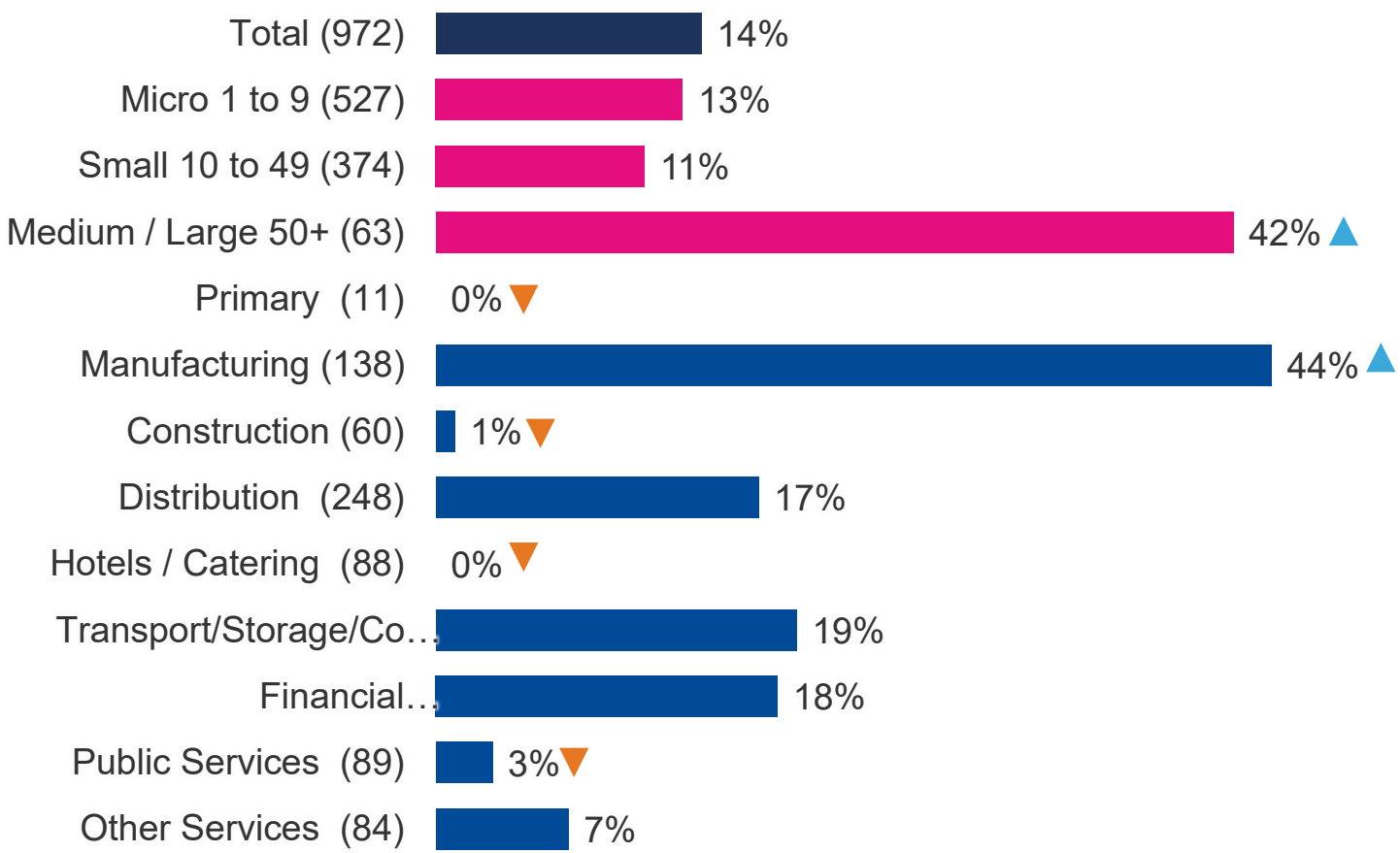


Customer base – summary

- At 14%, the proportion of businesses that export has recovered somewhat from the 2024 level (11%), which was the lowest recorded to date, but has not reached the peak of 19% seen in 2020. The recovery is driven by medium/large businesses, where exporting has increased from 18% in 2024 to 42%.
- Exporting is most prevalent in Bradford, where a quarter (23%) report doing so, more than twice the proportion of Bradford businesses who reported doing so in 2024 (11%).
- Of those who export, just over 4 in 5 (81%) export to EU countries.
- 7% of private/voluntary sector businesses plan to expand their sales into new overseas geographical markets in the next 2 years.
- Among businesses that plan to expand into new markets, just over half (53%) plan to expand into EU countries, and in most cases, this expansion includes Germany, (47% of all businesses that plan to expand to new markets plan to expand in Germany). The USA and India are the next most common markets for planned expansion (among 29% and 15% respectively).

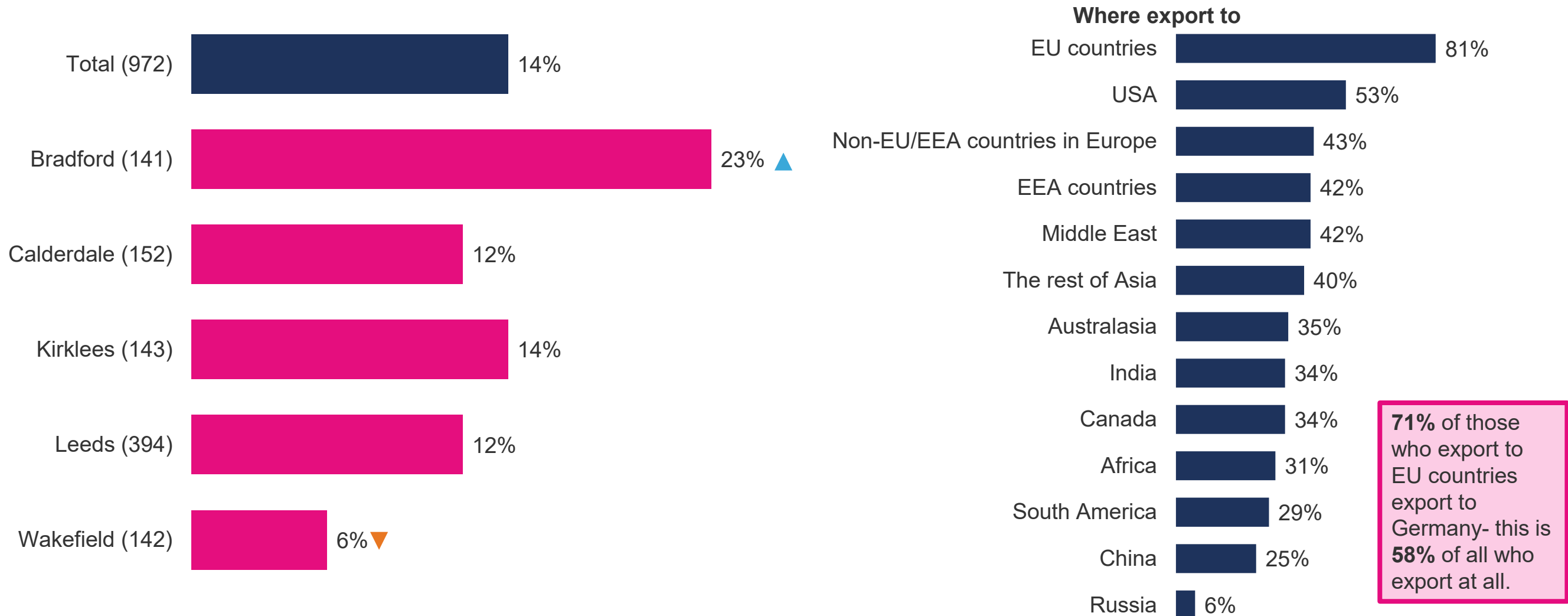
% currently export

The proportion of businesses that export has recovered somewhat from the 2024 level, which was the lowest recorded to date, but this has not reached the peak of 19% seen in 2020. The recovery is driven by medium/large businesses, where exporting has increased from 18% in 2024 to 42%.



% currently export and where export to

Exporting is most prevalent in Bradford, where a quarter report doing so, more than twice the proportion of Bradford businesses who reported doing so in 2024 (11%).



% of sales from specific locations

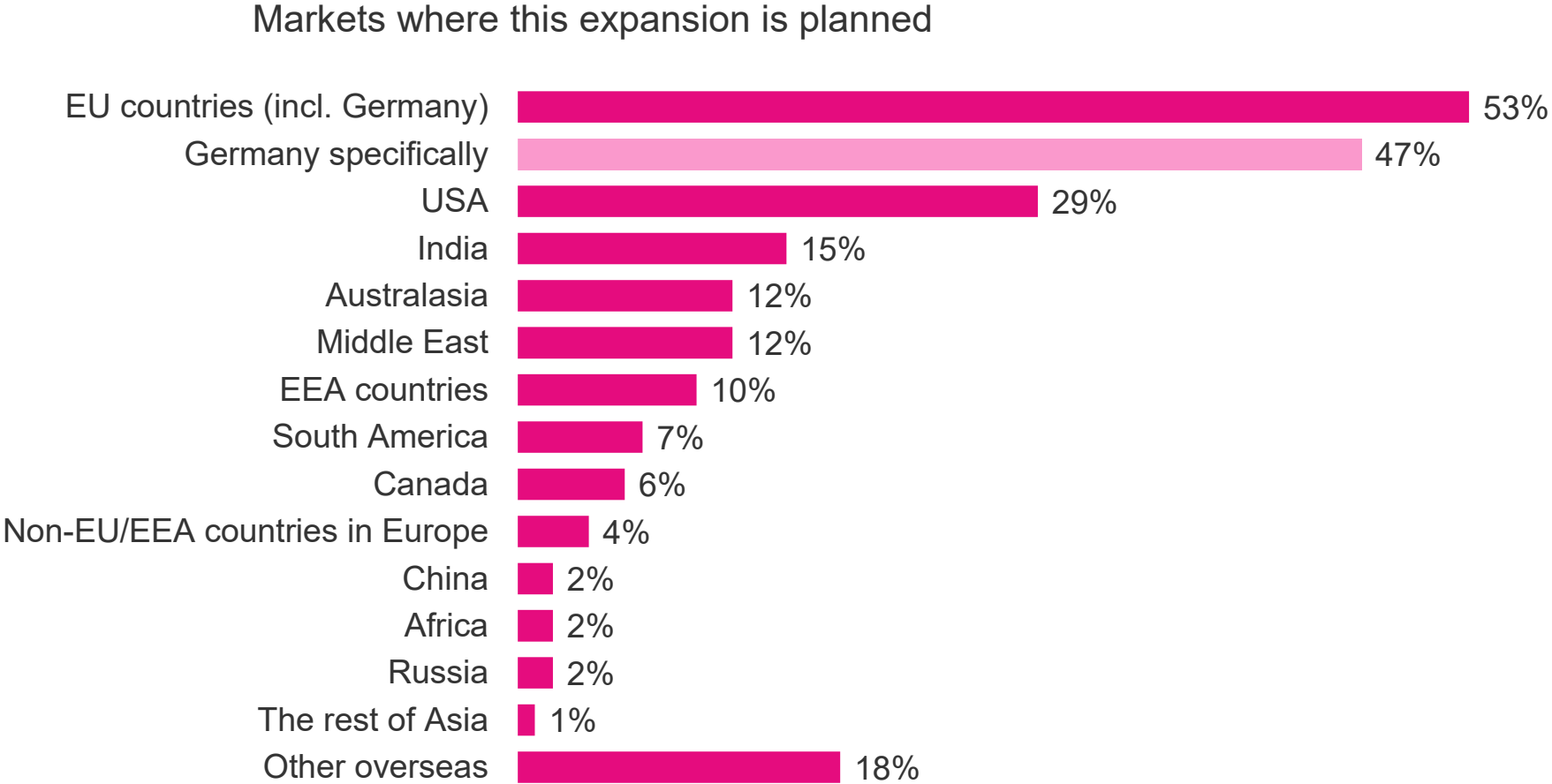
	0%	1-10%	11-25%	26-50%	51-75%	76-99%	100%	Any
Within Yorkshire & Humber	2%	9%	6%	9%	10%	24%	36%	94%
Rest of the UK	87%	2%	2%	4%	2%	3%	0%	12%
The EU	90%	6%	2%	1%	<0.5%	<0.5%	0%	10%

Intention to expand into new overseas markets in the next 2 years

Of the 7% of businesses that plan to expand into new markets, just over half (53%) plan to expand into EU countries, and in most cases, this is expansion includes Germany. The USA and India are the next most common markets for planned expansion.

7%

of private/voluntary
sector businesses
plan to expand their
sales into new
overseas
geographical
markets in the next 2
years.





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R&D / business innovation

 **BMG**
an RSK company

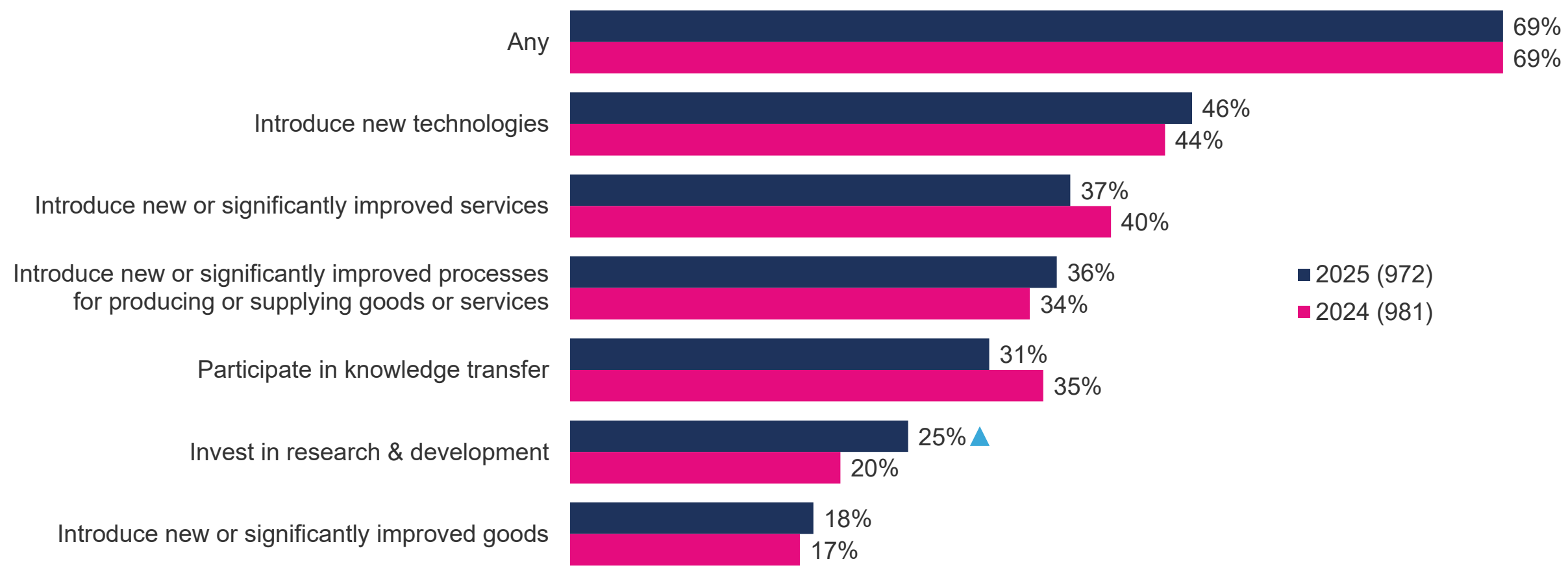


R&D/business innovation – summary

- Reported levels of innovation/R&D are in line with 2024; whilst investment in R&D has increased, it has not changed the overall picture, with R&D investment taken at relatively low levels compared to introduction of new technologies and services.
 - New technologies remain the most common form of innovation across organisation size but are especially common among medium/large businesses.
 - Innovation/R&D is most prevalent in the manufacturing (78%) and financial intermediation sectors (77%), and least prevalent in hotels/catering (53%).
- Collaboration in innovation and R&D is most prevalent in medium/large businesses; it tends to be between companies or through business networks.
- A quarter (24%) believe there are barriers to innovation in the next three years, up on 20% in 2024, and rising to 41% of medium/large businesses.
- Costs are identified as the greatest barriers, with innovation costs cited by 74% and finance costs cited by 71%. Finance costs have increased as a perceived barrier since 2024 (from 61% in 2024).
- Almost one in five (19%) of all businesses have any cyber security certification, and this increases with size to a third (31%) of medium/large businesses.
- The usage of technologies ranges from relatively high (video conferencing, 74%; cloud based computing, 63%) to very low levels (quantum computing, 2%; VR/AR, 5%). There has been an uplift in usage of cyber security technology (by 6% points), 5G (13% points) and AI (11% points).

Innovation/R&D undertaken in past three years

Reported levels of innovation/R&D are in line with 2024; whilst investment in R&D has increased, it has not changed the overall picture, with R&D investment taken at relatively low levels compared to introduction of new technologies and services.



Innovation / R&D undertaken in past three years

New technologies remain the most common form of innovation across organisation size, but are especially common among medium/large businesses.

	Total	Micro 1 to 9 (535)		Small 10 to 49 (371)		Medium/Large 50+ (75)	
	2025 (972)	2024 (535)	2025 (527)	2024 (371)	2025 (374)	2024 (75)	2025 (63)
ANY	69%	67%	66% ▼	77%	77% ▲	95%	87% ▲
Introduce new technologies	46%	41%	44%	52%	48%	79%	78% ▲
Introduce new or significantly improved services	37%	38%	36%	46%	42%	67%	45%
Introduce new or significantly improved processes for producing or supplying goods or services	36%	35%	34% ▼	36%	45% ▲	45%	47%
Participate in knowledge transfer	31%	31%	29% ▼	44%	35%	58%	49% ▲
Invest in research & development	25%	18%	22% ▼	29%	36% ▲	39%	49% ▲
Introduce new or significantly improved goods	18%	16%	17%	20%	22%	34%	22%
ALL	3%	3%	3%	2%	5%	10%	7%

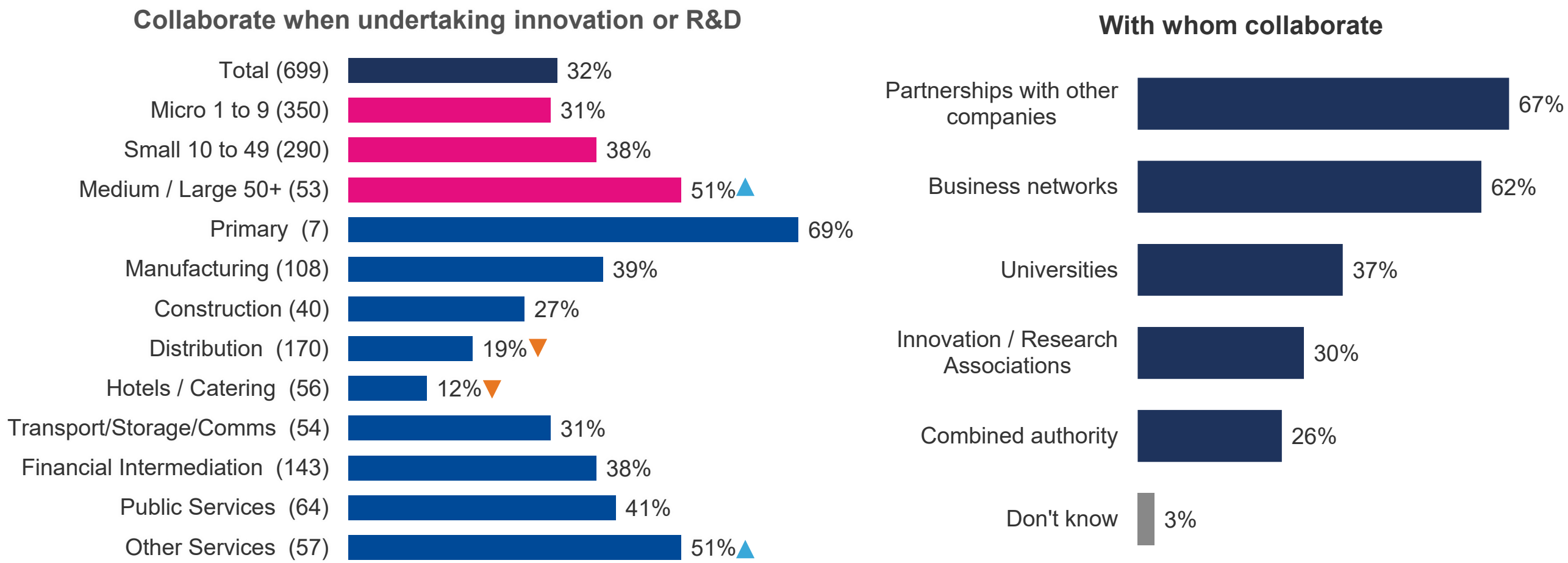
Innovation / R&D undertaken in past three years

Innovation/R&D is most prevalent in the manufacturing and financial intermediation sectors, and least prevalent in hotels/catering.

	Primary (11)	Manufacturing (138)	Construction (60)	Distribution (248)	Hotels/Catering (88)	Transport / Storage / Comms (73)	Financial Intermediation (181)	Public Services (89)	Other Services (84)
ANY	66%	78% ▲	63%	66%	53% ▼	74%	77% ▲	64%	63%
Introduce new technologies	35%	50%	35%	41%	36%	58%	57% ▲	40%	30% ▼
Introduce new or significantly improved services	14%	42%	22% ▼	36%	12% ▼	52% ▲	46% ▲	39%	39%
Participate in knowledge transfer	36%	34%	26%	28%	15% ▼	40%	31%	38%	33%
Introduce new or significantly improved processes for producing or supplying goods or services	35%	54% ▲	28%	33%	18% ▼	41%	47% ▲	25%	27%
Invest in research & development	32%	48% ▲	18%	21%	8% ▼	33%	32% ▲	16%	17%
Introduce new or significantly improved goods	30%	38% ▲	13%	21%	14%	18%	16%	9%	15%
ALL	0%	6%	3%	4%	<0.5%	8% ▲	1%	1%	1%

Collaboration when innovating/undertaking R&D

Collaboration in innovation and R&D is most prevalent in medium/large businesses; it tends to be between companies or through business networks.

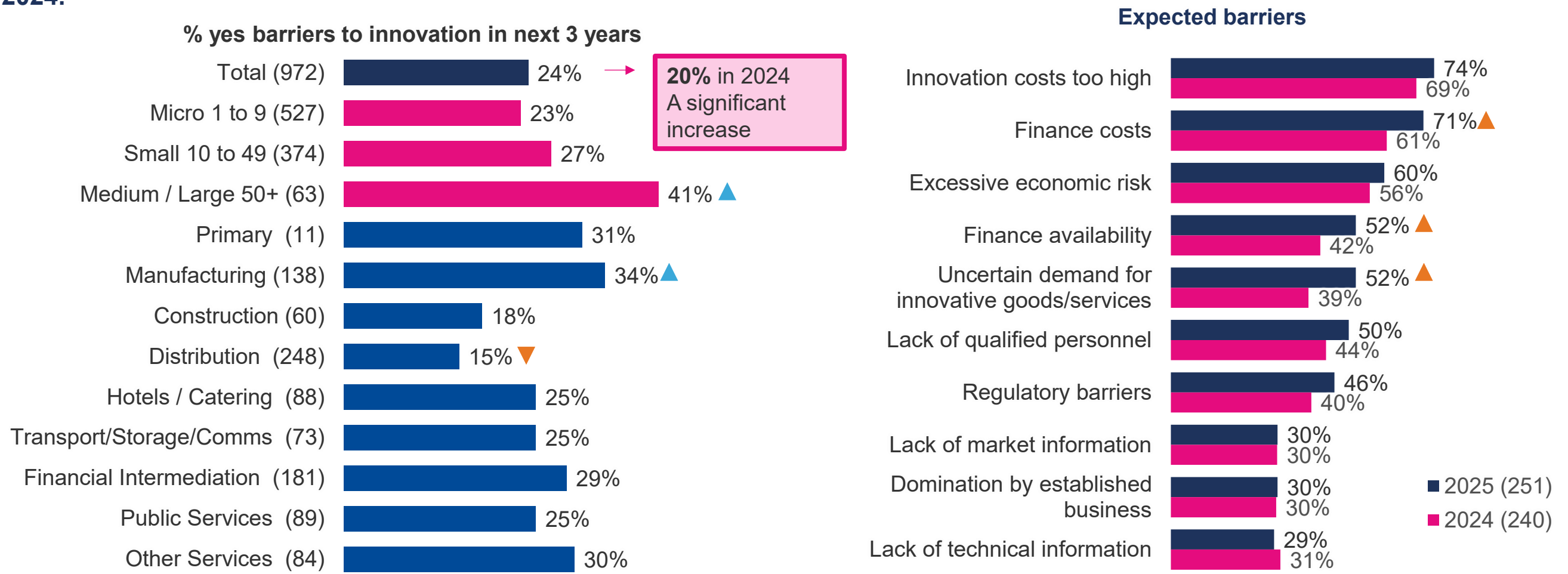


Q31a Does your business organisation collaborate with an external organisation when undertaking innovation or R&D?
All except public sector. Where innovate/undertake R&D. Unweighted bases shown in brackets,
Arrows indicate significant variations from the total at 95% confidence

Q32. Who, if any, of the following do you collaborate with when undertaking innovation or R&D? innovation/R&D,
unweighted base (241)

Barriers to innovation in the next three years

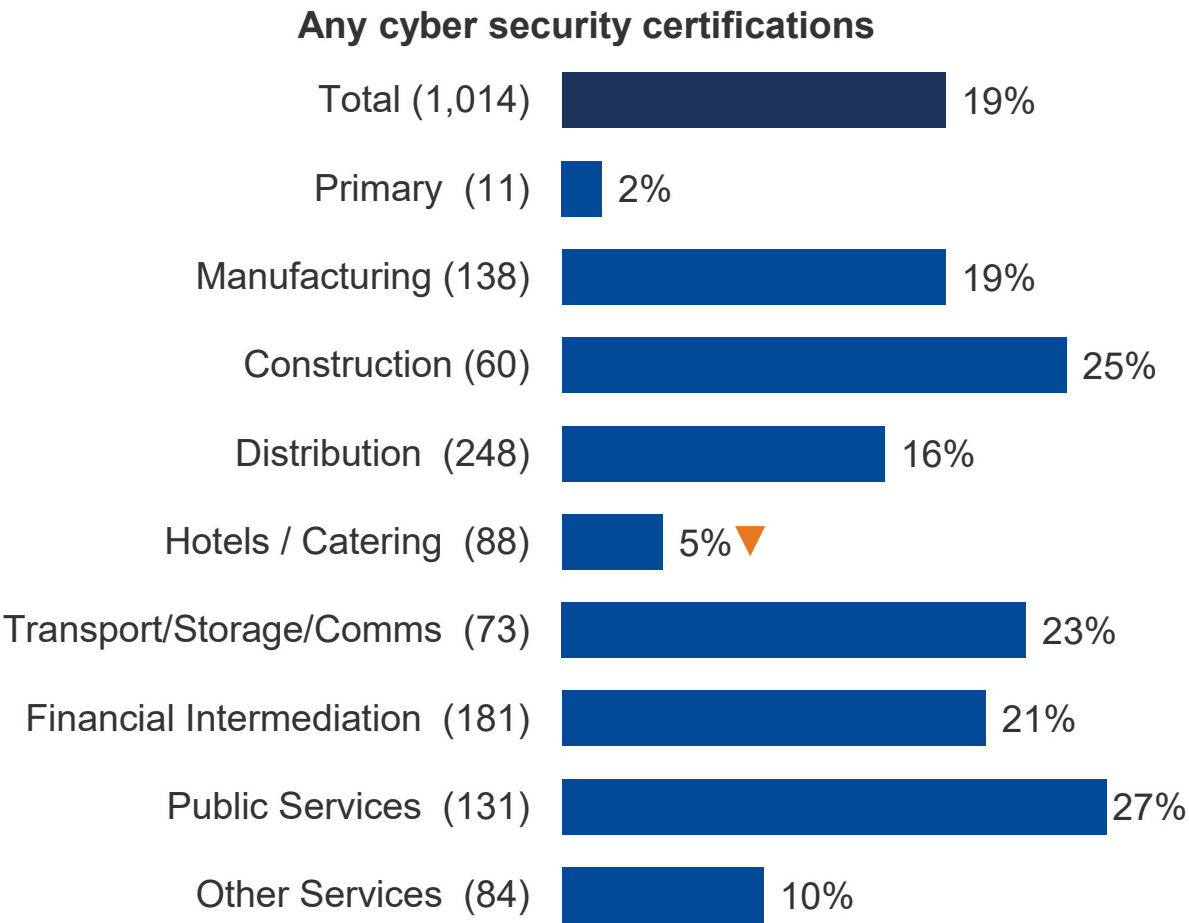
Almost a quarter (24%) believe there are barriers to innovation in the next three years, up on 20% in 2024, and rising to 41% of medium/large businesses. Costs are identified as the greatest barriers, with finance costs increasing as a perceived barrier since 2024.



Cyber security certifications

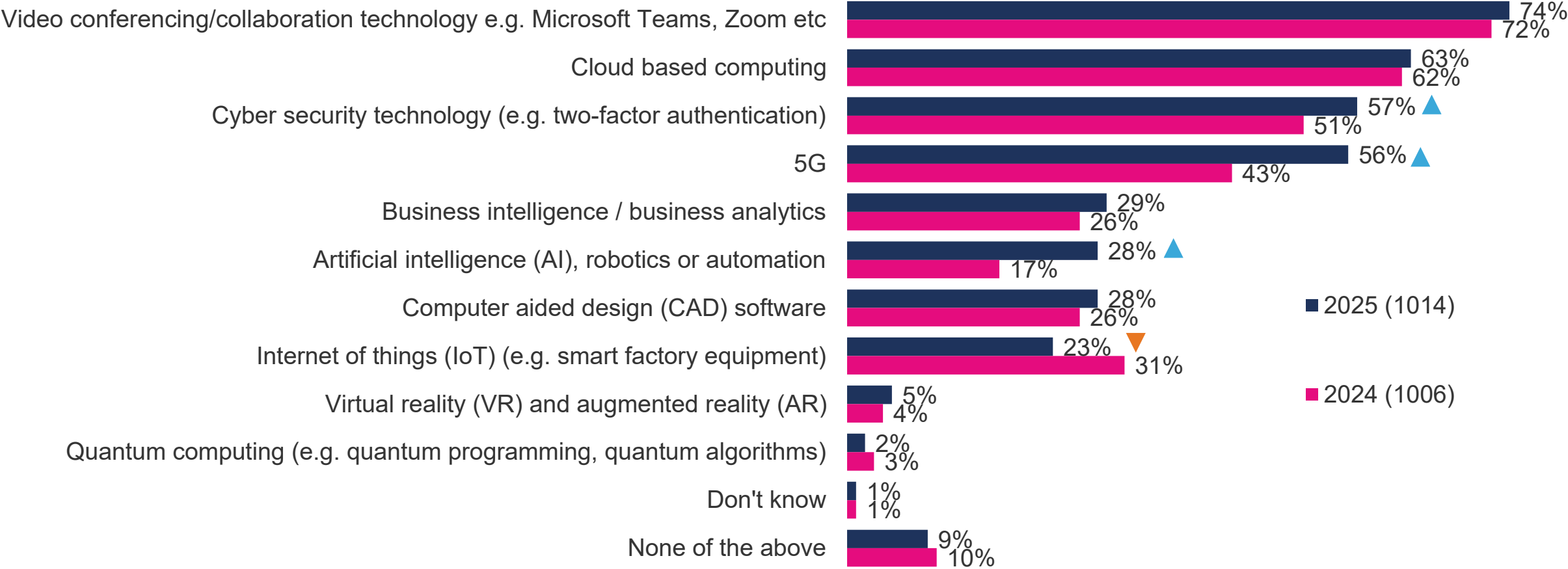
One in five of all businesses have any cyber security certification, and this increases with size to a third of medium/large businesses.

	Total (1,014)	Micro 1 to 9 (529)	Small 10 to 49 (396)	Medium/ Large 50+ (80)
ANY	19%	17% ▼	24%	31%
Cyber Essentials	8%	8%	8%	11%
Cyber Essentials Plus	2%	2%	4%	6%
Another cyber security certificate	10%	8% ▼	14% ▲	21% ▲
Don't know	22%	20% ▼	31% ▲	39% ▲



Technology usage

The usage of technologies ranges from relatively high (video conferencing, 74%; cloud based computing, 63%) to very low levels (quantum computing, 2%; VR/AR, 5%). There has been an uplift in usage of cyber security technology, 5G and AI.



Technology usage

	Total	1 to 9 employees	10 to 49 employees	Net: 50 to 249 Employees	Primary (11)	Manufacturing (138)	Construction (60)	Distribution (248)	Hotels/Catering (88)	Transport / Storage / Comms (73)	Financial Intermediation (181)	Public Services (89)	Other Services (84)
Unweighted Bases	1014	529	396	80	11	138	60	248	88	73	181	131	84
Artificial intelligence (AI), robotics or automation	28%	27%	28%	54%	Low base	30%	23%	17%	4%	42%	42%	32%	20%
Business intelligence / business analytics	29%	27%	34%	56%		25%	15%	31%	33%	34%	37%	23%	24%
Cloud based computing	63%	61%	70%	72%		66%	76%	50%	54%	55%	75%	53%	62%
Computer aided design (CAD) software	28%	26%	30%	45%		56%	36%	26%	14%	18%	31%	19%	16%
Internet of things (IoT) (e.g. smart factory equipment)	23%	22%	30%	24%		29%	29%	25%	11%	28%	23%	18%	18%
Virtual reality (VR) and augmented reality (AR)	5%	4%	7%	19%		6%	1%	4%	*%	6%	7%	8%	6%
Cyber security technology (e.g. two-factor authentication)	57%	54%	70%	81%		51%	52%	59%	42%	54%	66%	62%	48%
Video conferencing/collaboration technology e.g. Microsoft Teams, Zoom etc	74%	70%	87%	98%		70%	73%	69%	39%	76%	87%	79%	72%
5G	56%	56%	54%	72%		49%	81%	47%	36%	62%	65%	56%	42%
Quantum computing (e.g. quantum programming, quantum algorithms)	2%	1%	2%	6%		2%	3%	2%	1%	3%	*%	5%	*%
None of the above	9%	11%	4%	0%		7%	9%	14%	24%	7%	3%	6%	10%

Access to finance

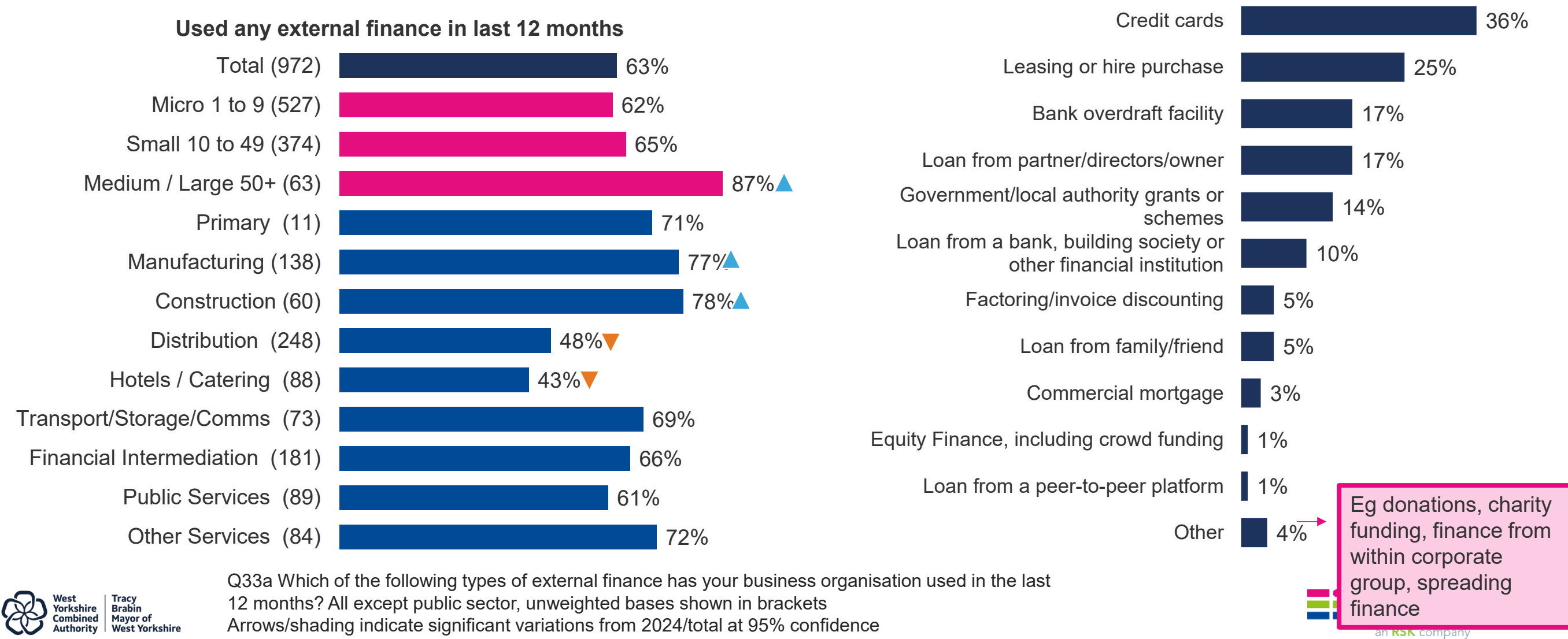


Access to finance – summary

- Close to two in three (63%) businesses have used external finance in the last 12 months, rising to nine in ten (87%) medium/large businesses.
 - External finance sources most commonly used were credit cards (36%) and leasing or hire purchase (25%).
- One in ten businesses (10%) have applied for new sources of finance/credit or renegotiated existing arrangements in the past 12 months, in line with 2024, and thus remaining at the lowest level recorded since the survey began.
- The uses to which it has been put are at lower levels than 2024 in many instances, and more in line with 2023, with cash flow (50%), capital investment (35%) and business expansion (36%) the most common uses.

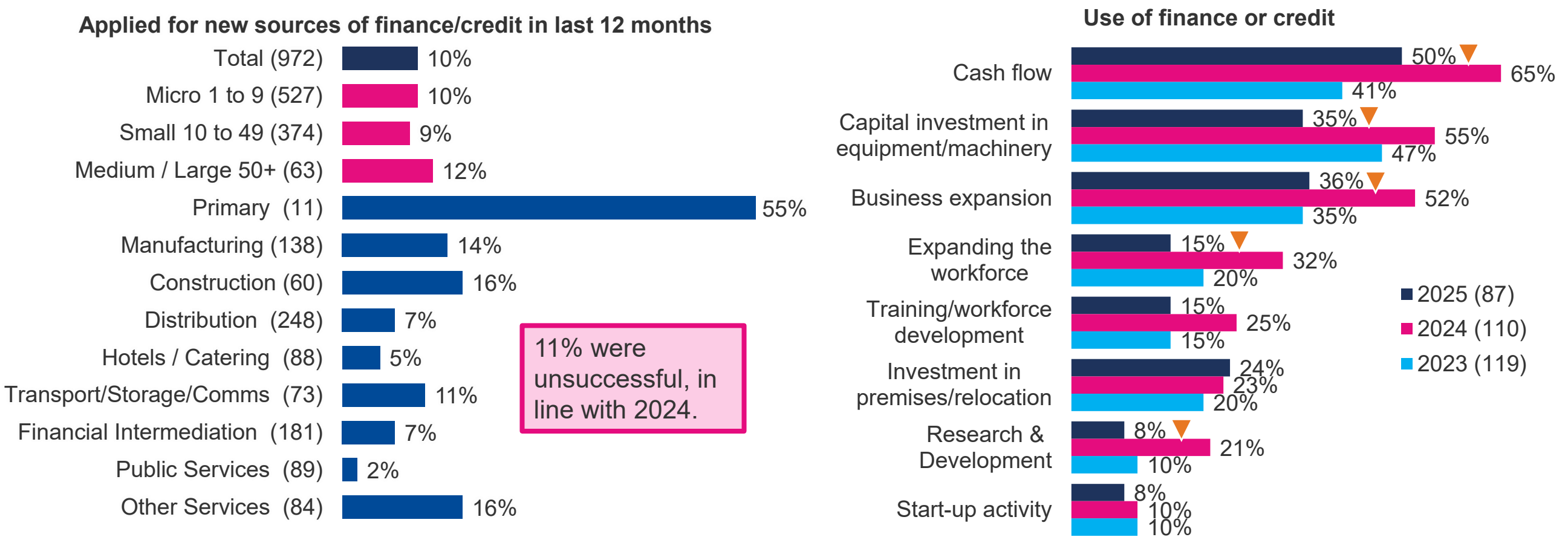
Use of external finance

Close to two in three businesses have used external finance in the last 12 months- rising to nine in ten medium/large businesses- most commonly credit cards and leasing or hire purchase.



Applications for new sources of finance/credit**

One in ten businesses have applied for new sources of finance/credit or renegotiated existing arrangements, most commonly for cash flow. The uses to which it has been put are at lower levels than 2024 in many instances, and more in line with 2023.



Q33. Have you applied for new sources of finance or credit, or renegotiated existing finance or credit for your business/organisation in the past 12 months? Q34 Has the finance or credit your business organisation applied for been to support any of the following? All except public sector. Unweighted bases shown in brackets
Arrows/shading indicate significant variations from 2024 at 95% confidence
**Or renegotiated existing finance or credit.

Environmental improvement

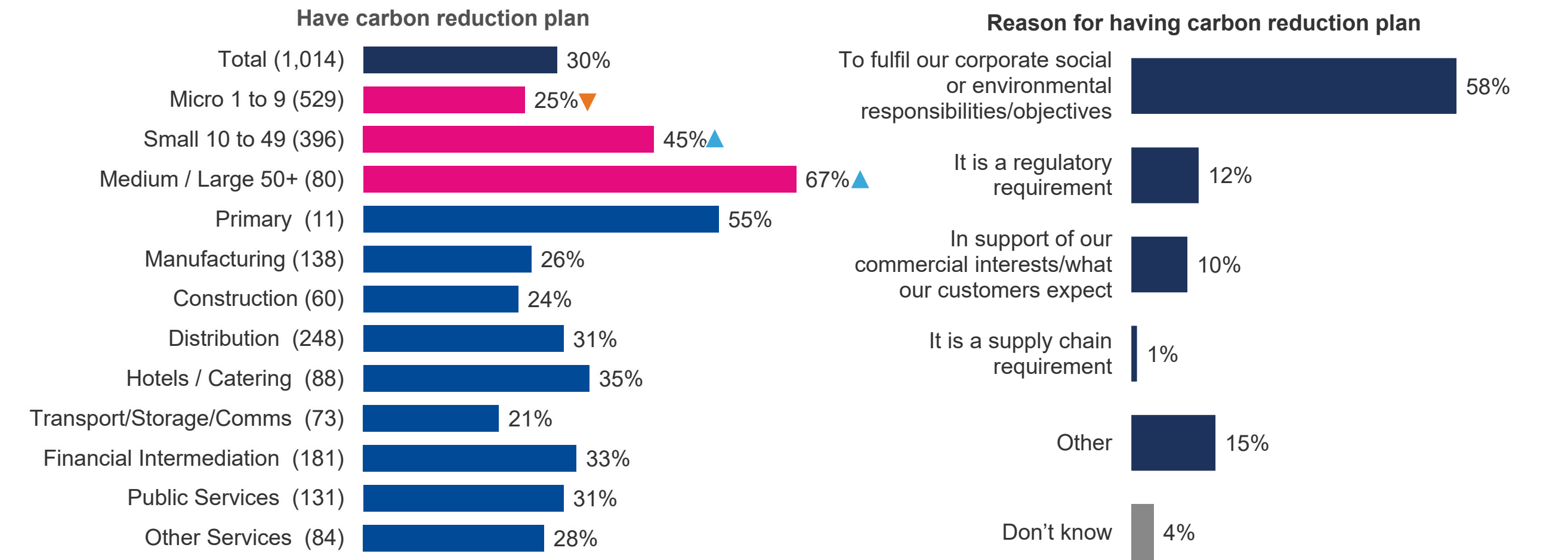


Environmental improvement – summary

- Three in ten (30%) of all businesses have a carbon reduction plan, rising to 67% of medium/large businesses, most commonly to fulfil their corporate social or environmental responsibilities/objectives (58%).

Carbon reduction plans

Three in ten of all businesses have a carbon reduction plan, most commonly to fulfil their corporate social or environmental responsibilities/objectives.



Q49 Does your business organisation have a Carbon Reduction Plan? All respondents. Unweighted bases shown in brackets Q50 What is the main reason why your business/organisation has/had a Carbon Reduction Plan? Where have/had a carbon reduction plan. Unweighted base (441)
Arrows indicate significant variations from total at 95% confidence

Business location

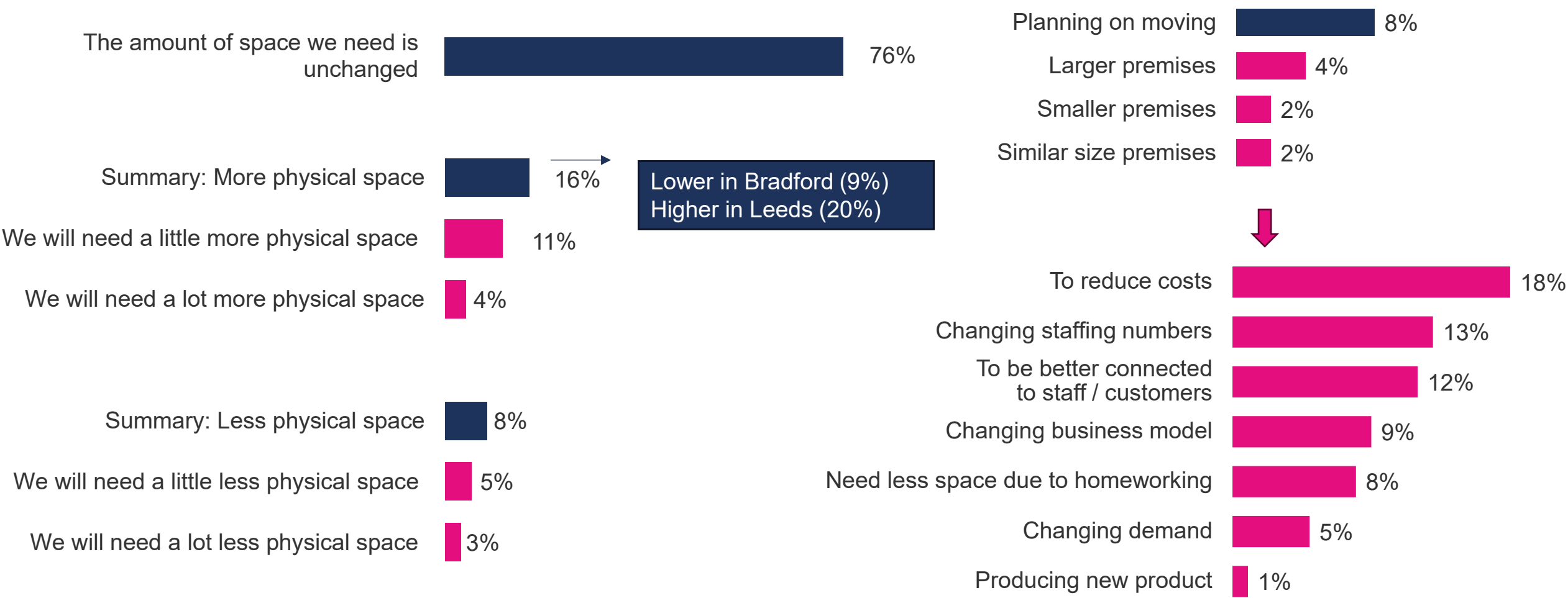


Business location – summary

- Three quarters (76%) of all businesses expect no change in the amount of space needed in the next year, and less than one in ten (8%) expect to move, most commonly to reduce costs (18% of those expecting to move premises).
- As was the case in 2024, views on the quality of local highways and public transport infrastructure are balanced, with 41% satisfied and 37% dissatisfied, and this is largely consistent by size and sector. However dissatisfaction is higher in Calderdale (49%), while satisfaction is higher in Leeds (51%).
- The impacts of issues with transport infrastructure most commonly cited are the difficulty for employees (49%) or customers (47%) to reach their site.
- The condition of roads (73%) and the level of traffic congestion (66%) are identified as in most need of improvement. This mirrors the pattern recorded in 2024, although the proportion citing the condition of the roads has seen a significant decrease from 77% to 73%.
 - Businesses in Leeds identified the need for improvement in road condition and traffic congestion at lower levels than recorded across the region. The condition of the roads was identified as a particular issue in Kirklees (by 81%).

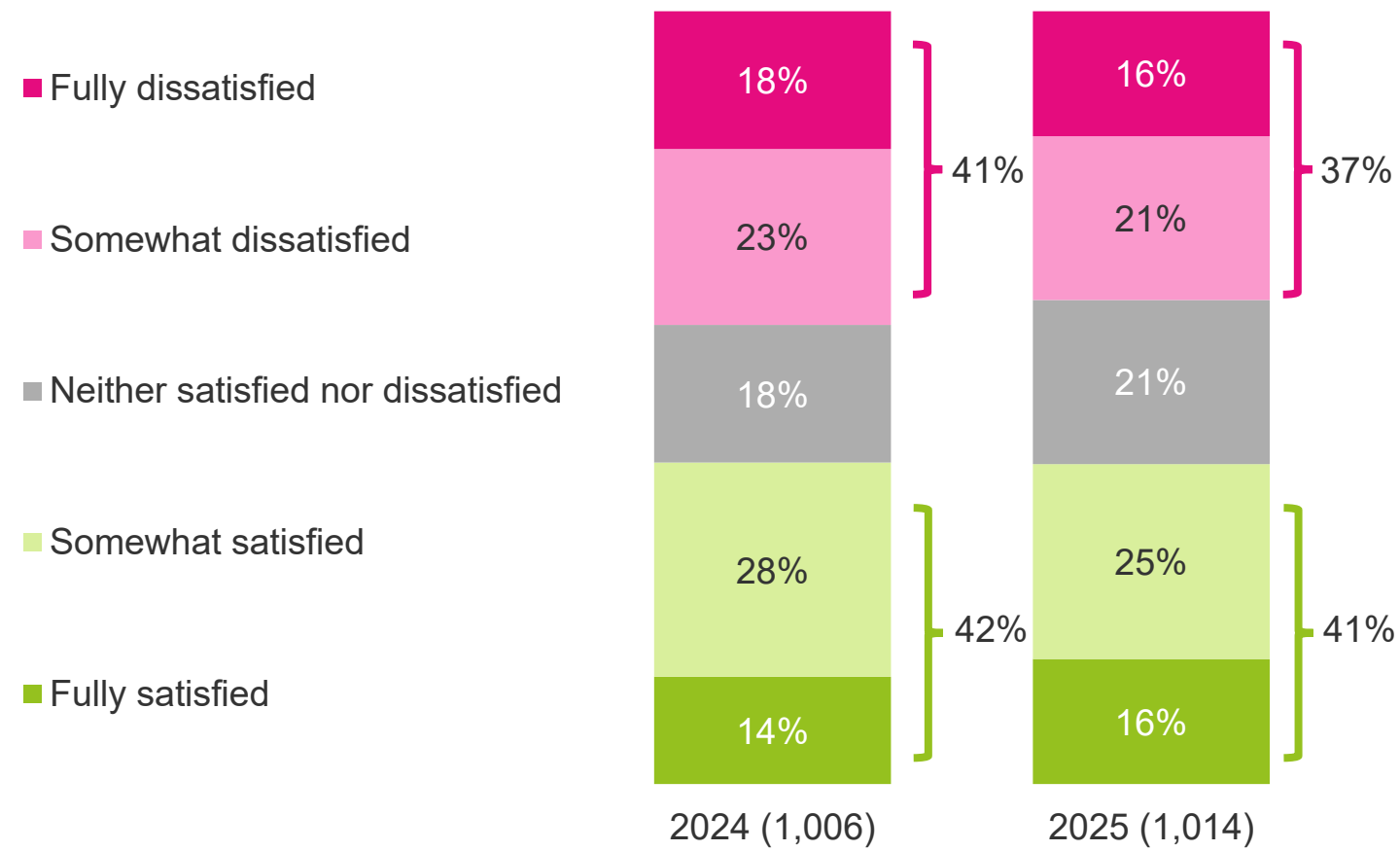
How the amount of physical space needed may change in the next year

Three quarters of all businesses expect no change in the amount of space needed in the next year, and less than one in ten expect to move.



Satisfaction with the quality of local highways and public transport infrastructure

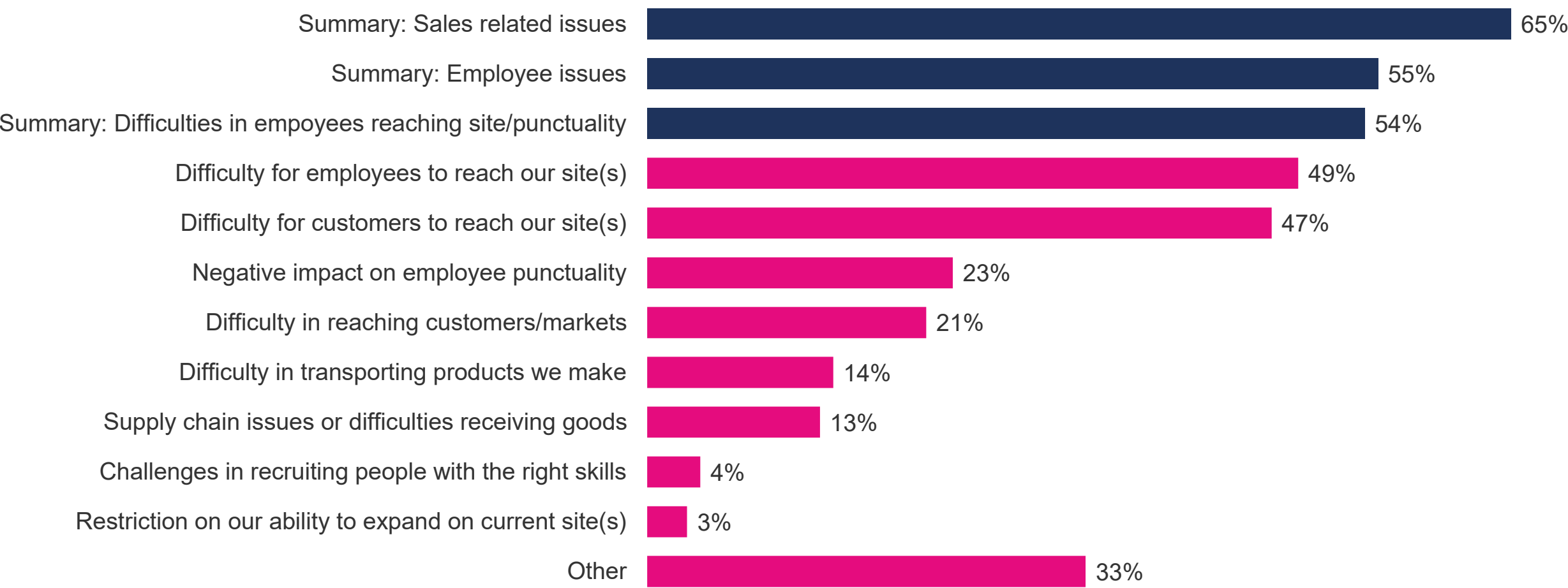
As was the case in 2024, views on the quality of local highways and public transport infrastructure are balanced, and this is largely consistent by size and sector. However dissatisfaction is higher in Calderdale (49%), while satisfaction is higher in Leeds (51%).



	Satisfied	Dissatisfied
Bradford (150)	40%	35%
Calderdale (158)	28% ▾	49% ▴
Kirklees (151)	28% ▾	45%
Leeds (407)	51% ▴	31% ▾
Wakefield (148)	42%	37%

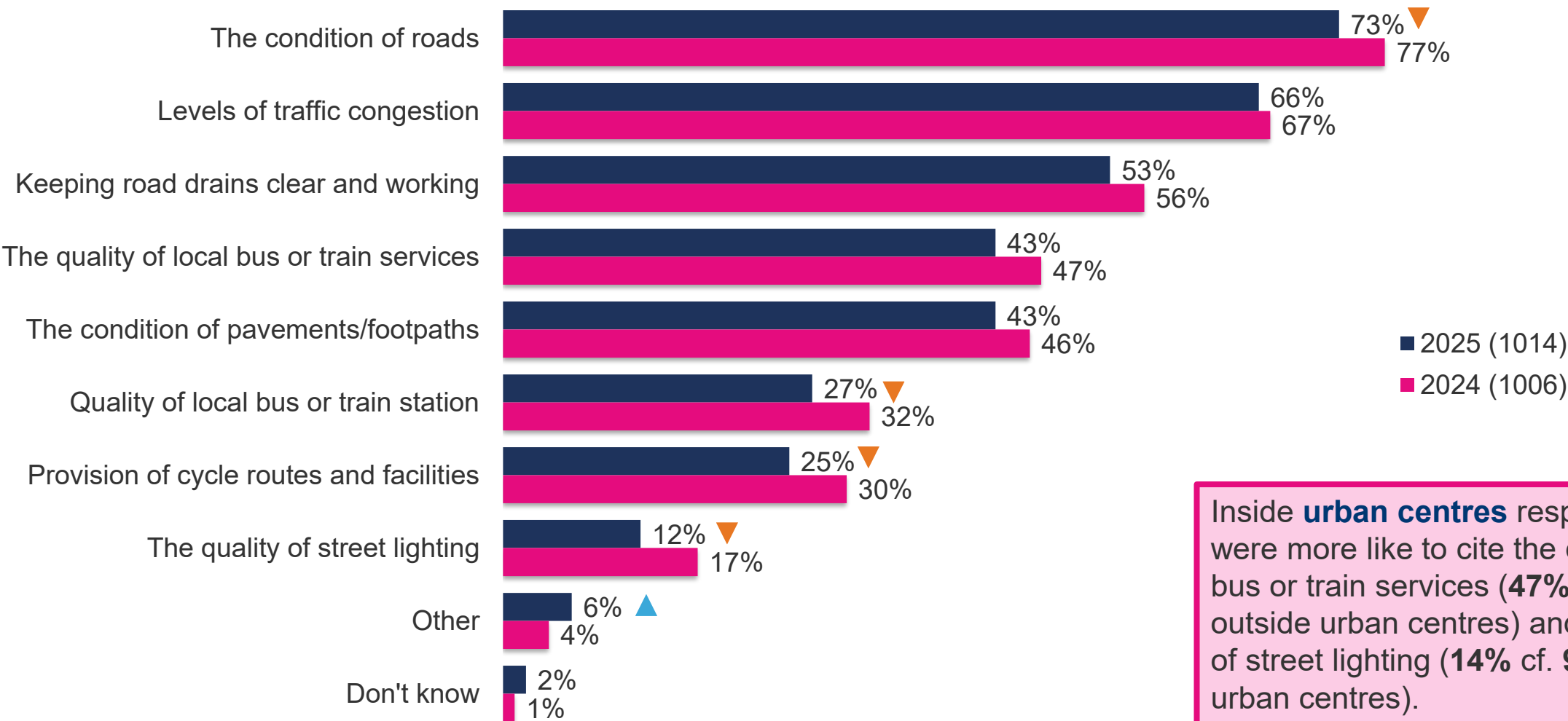
Impact of issues with transport infrastructure

The most common impacts of issues with transport infrastructure are difficulties for employees and customers to reach the site.



Aspects of local highways and public transport infrastructure needing improvement

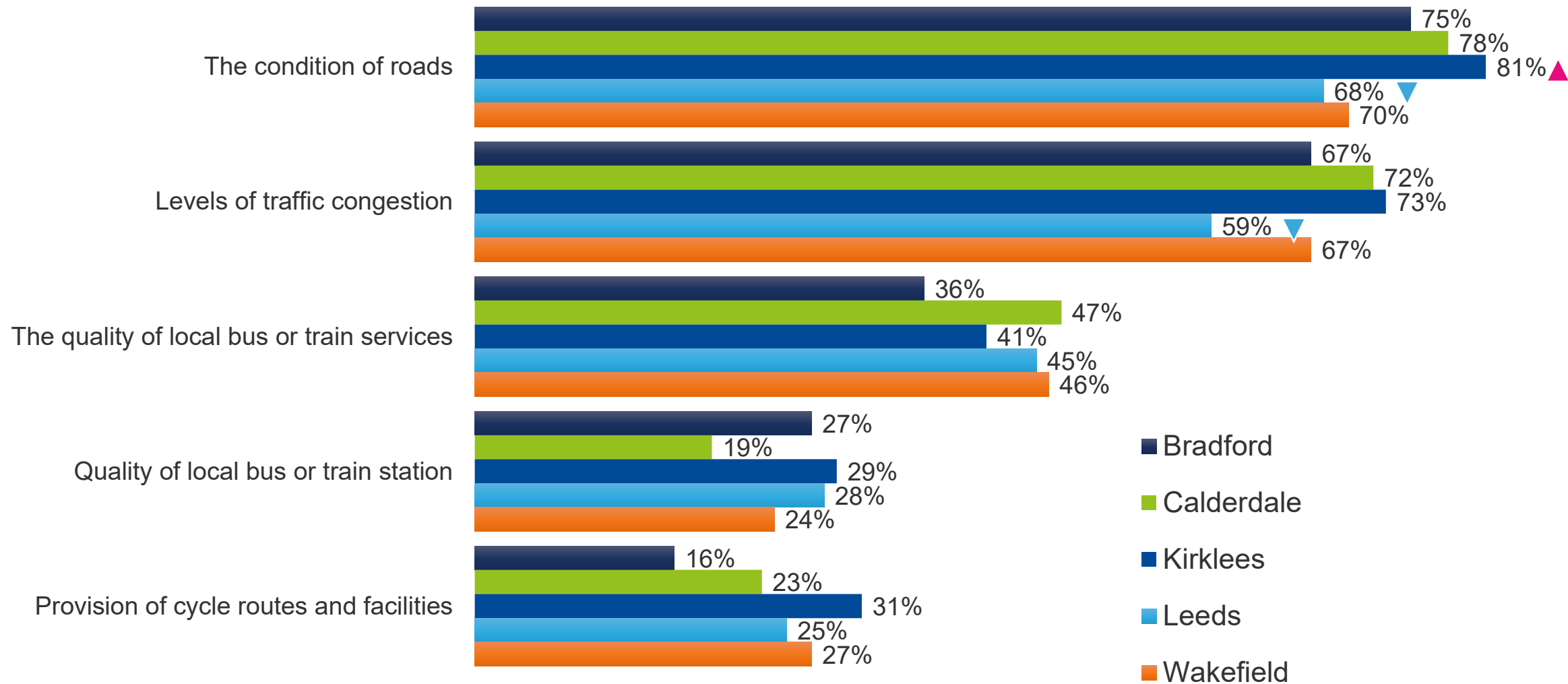
The condition of roads and the level of traffic congestion are identified as in most need of improvement. The overall picture mirrors that of 2024, although there has been a decrease in the proportion for cite the condition of the roads, quality of the local bus or train station, cycle routes and facilities and street lighting.



Inside **urban centres** respondents were more like to cite the quality of local bus or train services (**47%** cf. **38%** outside urban centres) and the quality of street lighting (**14%** cf. **9%** outside urban centres).

Key aspects of local highways and public transport infrastructure needing improvement, by district

Businesses in Leeds identified the need for improvement in road condition and traffic congestion at lower levels than recorded across the region. The condition of the roads was identified as a particular issue in Kirklees (by 81%).





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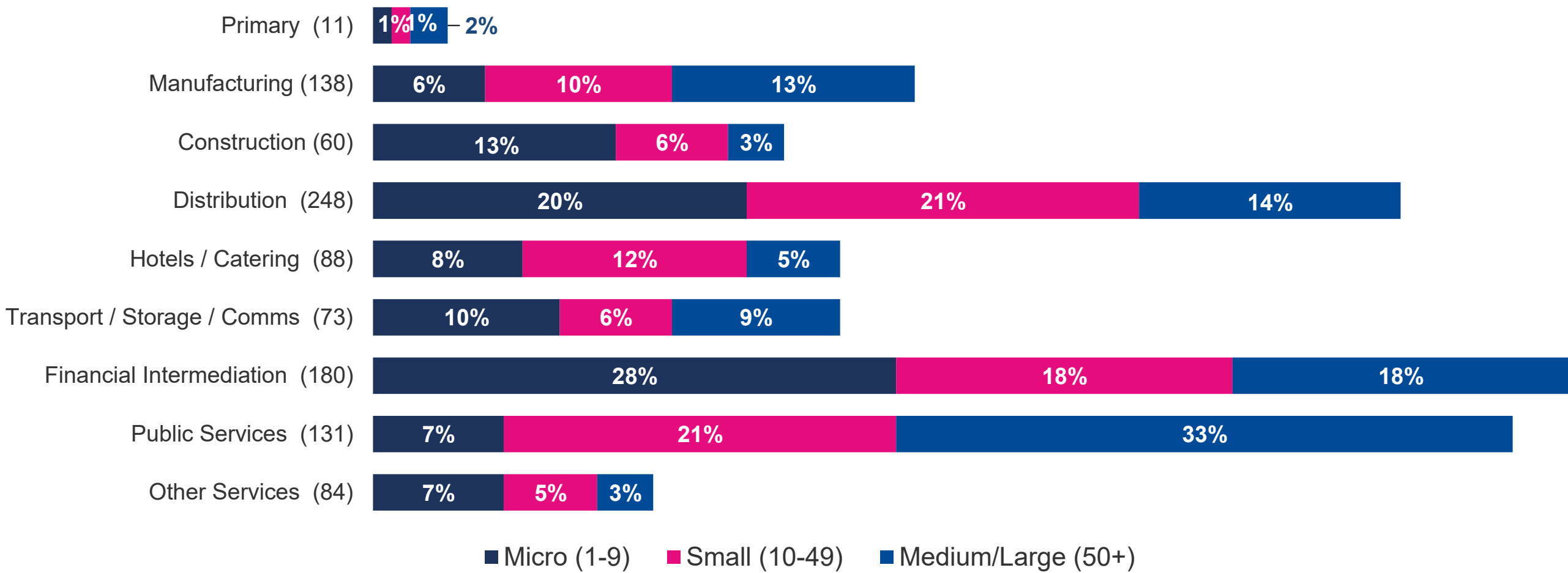
Tracy
Brabin
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West Yorkshire

Profile of businesses

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Profile of the sample by sector and size



90% private sector

2% public sector

8% voluntary/community sector organisation



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