

The Budget puts Pressure on *Businesses*



“
**BUDGET
FALLOUT**
*...adding
pressure*

“
**SALARY
COSTS**
*...still
difficult*

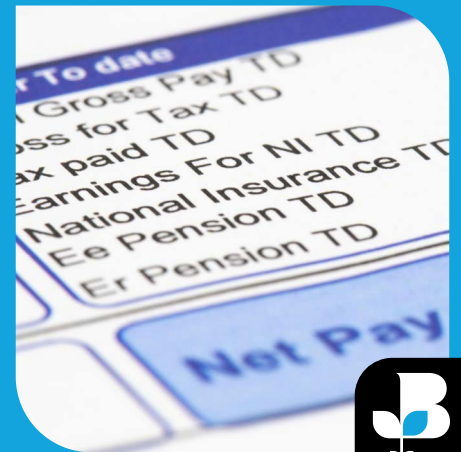
“
**INFLATION
RISES**
*...worries
some*

“
**TAXATION
RISES**
*...fear
factor*

Budget Fallout...

Was this a business bashing Budget, our results say **YES!**

- Workers were told that the pound in their pocket is safe, not so say business.
- Increased NI and minimum wage alone have prompted businesses to warn of redundancies.
- Collective retailers are writing to Government to warn of what is ahead.
- Farmers, vital to the Shropshire economy, have spoken on the dangers of the new inheritance tax rules.



We want to hear your views...

Each quarter Shropshire Chamber takes part in the British Chambers of Commerce national economic survey. In this report, you will see the results for Shropshire, trending from as far back as 2009. If you and your company would like to take part in these surveys, please contact policy@shropshire-chamber.co.uk giving your name, company name and the email to which invitations should be sent.

Please note this is only open to businesses in **Shropshire** and **Telford & Wrekin**, and Chamber Membership is not required to take part. Those in neighbouring counties should approach the British Chambers of Commerce to locate their nearest BCC Accredited Chamber.

This survey is open to businesses from all sectors including public sector and the third sector. The survey is open to any size of business from micro's, who employ no staff, to the very largest businesses. The data is used both locally and nationally to lobby those in power on the main topics of concern. The national survey is highly respected and is used by Central Government and the Bank of England to understand the economic situation and pressures facing businesses in the UK.

The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.

DOMESTIC (UK) SALES
INCREASES

UK Sales Past:

"We have just about managed to maintain volume, but price achieved has dropped in order to encourage the sales."

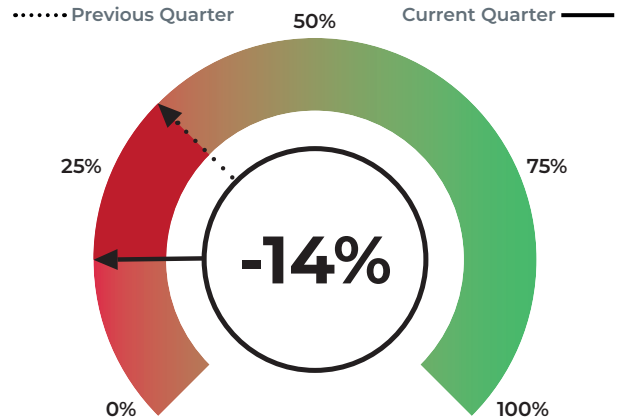
Hospitality Sector

"The run up to the budget saw a huge decrease in enquiries and new business."

Professional Services Sector

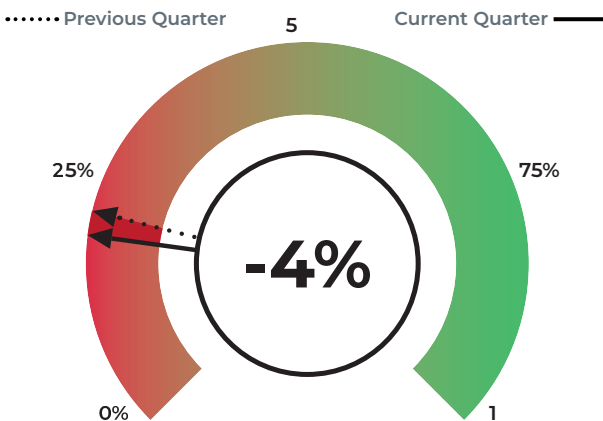
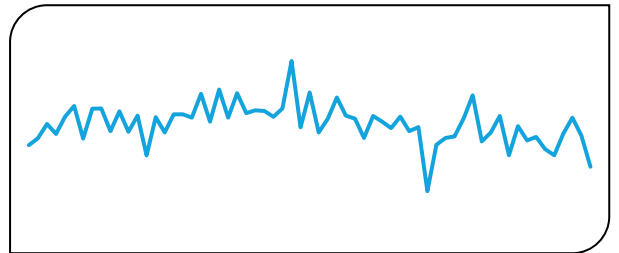
"Sales have seen a decline during 2024."

Retail / Wholesale Sector



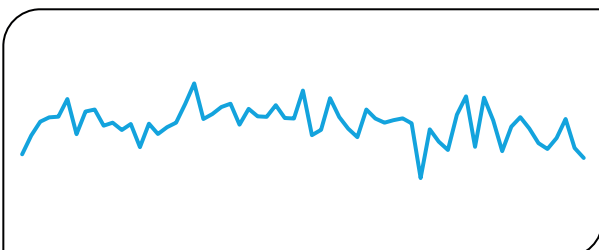
% of respondents reporting a rise or fall in increased **UK SALES** on the previous quarter

2009 **UK Sales Past** 2024



% of respondents reporting a rise or fall in increased **UK ORDERS** on the previous quarter

2009 **UK Sales Future** 2024



UK Sales Future:

"Future orders have slowed with the worry over increased costs etc."

Professional Services Sector

"UK sales up, but exports down."

Retail / Wholesale Sector

"Quarter Four considerably down year on year with a general slow down on bookings across all areas of the business."

Hospitality Sector

EXPORT SALES INCREASES

Export Sales Past:

"Decline in export sales and orders is growing."

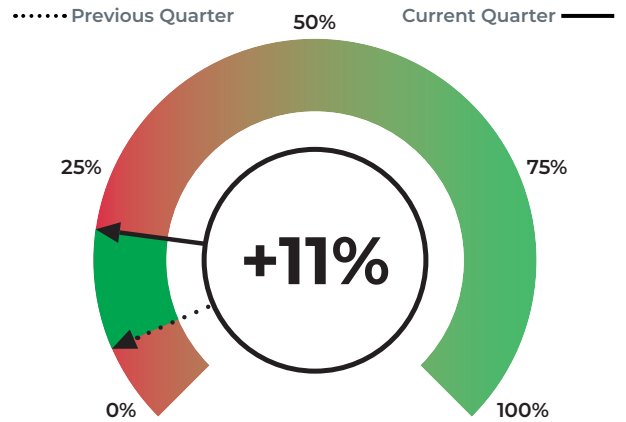
Retail / Wholesale Sector

"Exports have remained constant, but from a lower base."

Manufacturing Sector

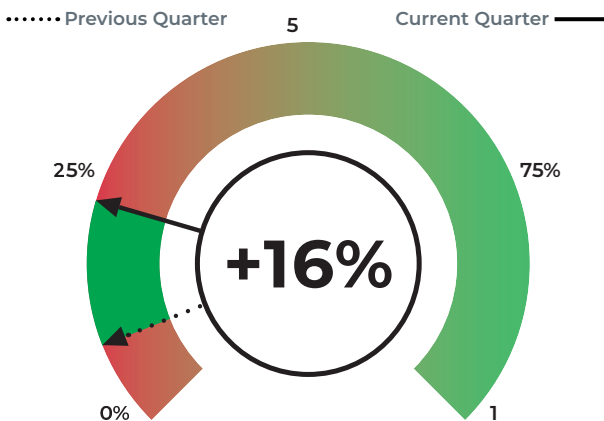
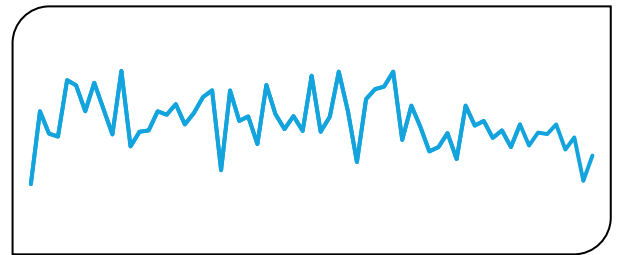
"We have seen a decrease in our sales and future order book."

Manufacturing Sector



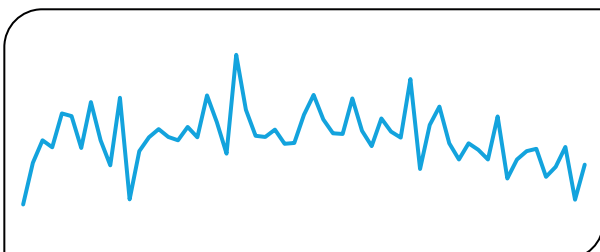
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009 Export Sales Past 2024



% of respondents reporting a rise or fall in increased **EXPORT ORDERS** on the previous quarter

2009 Export Sales Future 2024



Export Sales Future:

"Export to EU is the reason for decline. Continued difficulty in adhering to local tax rules for each country."

Retail / Wholesale Sector

"Export orders have slightly increased, but sales over the quarter were static."

Construction Sector

"We have seen some increase in export future orders."

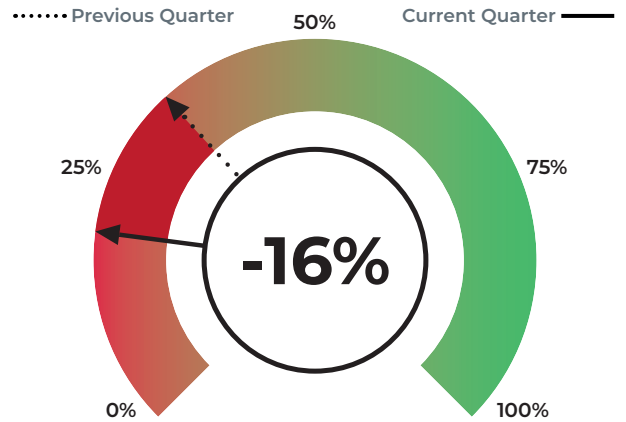
Professional Services Sector

WORKFORCE PAST & FUTURE
INCREASES

Workforce Past:

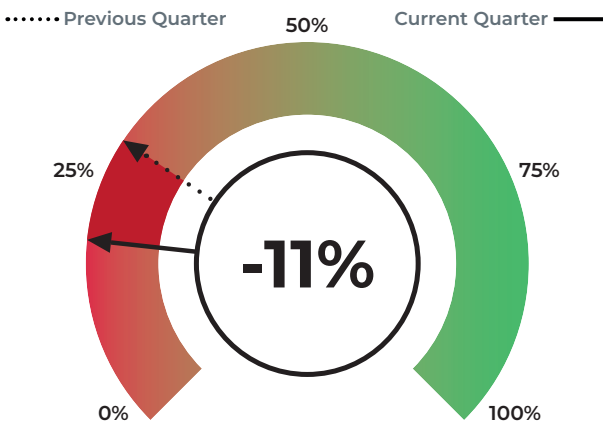
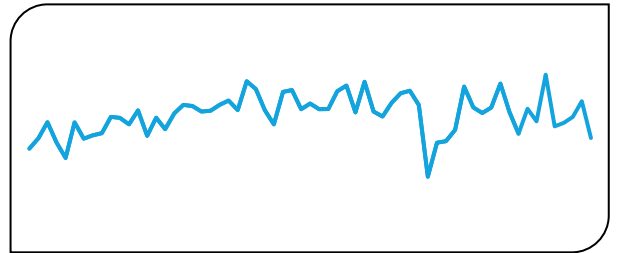
“Job flow has slowed down since Labour announced the new Employment Rights Bill and further slowed down following the Budget.”
Professional Services Sector

“Before the Employment Rights Bill and the Budget we were going to increase the headcount, but we have put that on hold due to the uncertainty and extra Employer cost implications from the ERB and Budget which has impacted us and our clients.”
Professional Services Sector



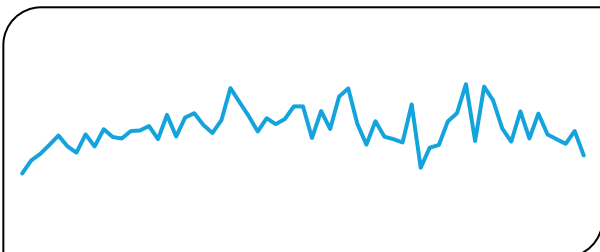
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009 **Workforce Past** 2024



% of respondents expecting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009 **Workforce Future** 2024



Workforce Future:

“New employment law changes and increases to NI and minimum wage is a huge worry and strain on recruitment and growth.”
Professional Services Sector

“Due to the huge increases in National Insurance contributions, amongst other challenges holding up investments into growth and innovation, we are likely to be making redundancies.”
Construction Sector

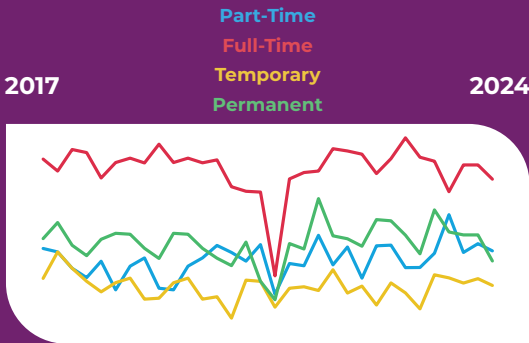
SKILLS & RECRUITMENT

Companies Recruiting:

2017 Recruited Faced Difficulties 2024

“The changes to NMW and Employer NIC means that we will have to do make do with less employees to survive the huge increase in the cost of employing people.”
Hospitality Sector

“We have replaced a team member recently and we hope that the housing sector will increase our need to employ new sales members.”
Manufacturing Sector



Staff Types:

“Legal and Accounting professionals are particularly difficult to find.”
Professional Services Sector

“We are competing with industry and wage inflation to attract engineers into the training sector, along with public sector competitors such as colleges who can offer packages of 60 days holiday per annum and 28% pension contributions.”
Professional Services Sector

Post Types:

2017 Clerical Professional - Managerial Skilled Manual-Technical Semi-Skilled & Unskilled 2024

“General skill levels across all of the technical trades are at a poor level. It is increasingly difficult to identify suitable staff, as pass rates increase through colleges and assessment centres. With the absence of personnel from Europe now, we are struggling to have a wide selection of good standards.”
Construction Sector

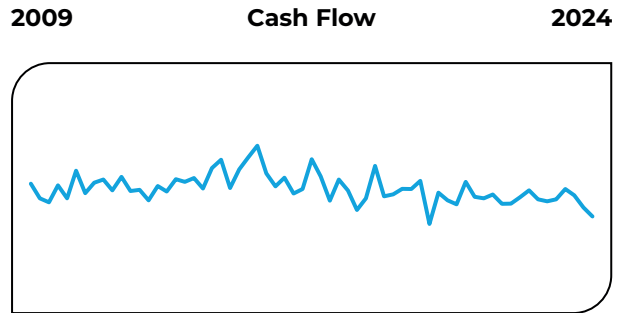
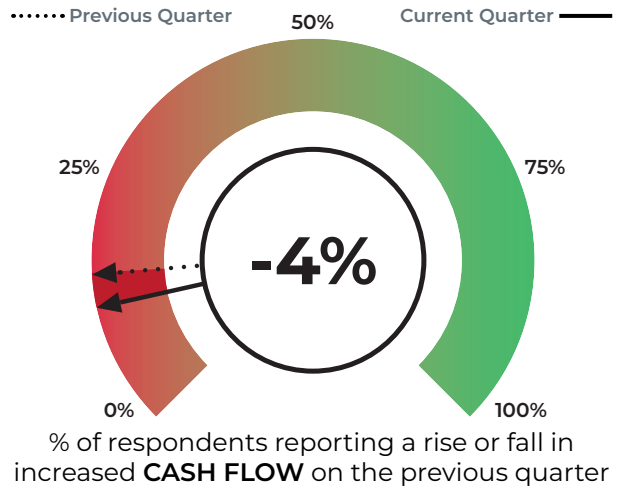
CASH FLOW
INCREASES

Cash Flow:

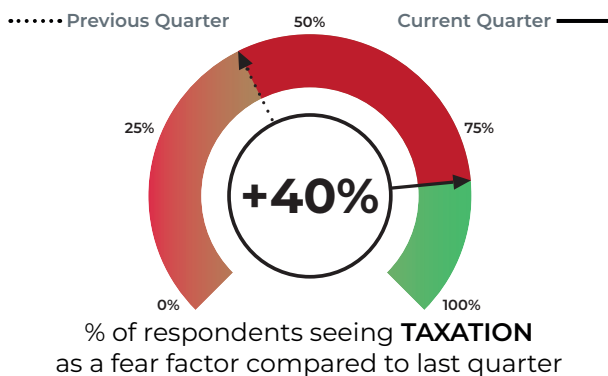
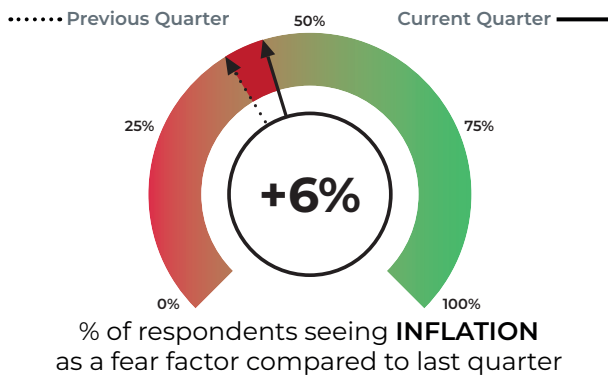
“Some customers are having to be chased to pay their bills much harder than at any time in the past 10 years.”
Marketing / Media Sector

“The cost of our services will remain flat. The cost of the ‘raw materials’, in our case Insurance, will increase.”
Professional Services Sector

“Payment terms are being exceeded more often than earlier in the year. We took the decision to use invoice factoring to smooth this out, but it comes at a cost.”
Professional Services Sector



FEAR FACTORS



Fear Factors:

“Too much tax pressures have been put onto the Employers and their businesses.”
Retail / Wholesale Sector

“All indicators are for a continued decline in both turnover and profitability. Increasing costs cannot be absorbed. If we increase prices, we lose sales.”
Retail / Wholesale Sector

“Our NI cost approx £16k up. The minimum wage, although all our staff are above this level, they are asking for the same percentage rise 6%, difficult to increase our prices as our customers are struggling.”
Construction Sector

INVESTMENT INCREASES

Plant & Machinery:

"We bought new equipment including a robot, to increase productivity."

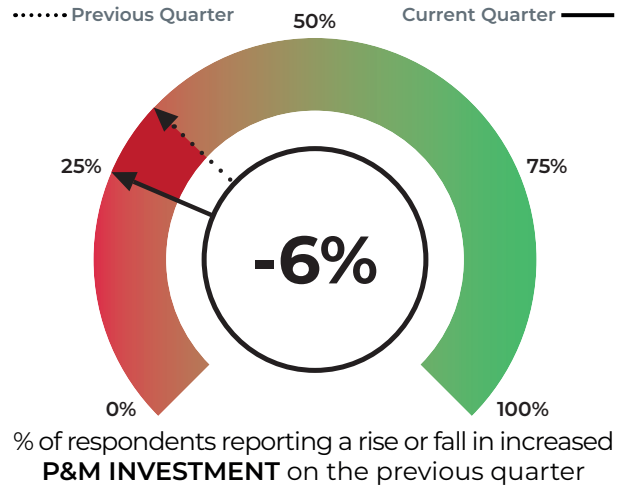
Construction Sector

"We are increasing our spend on plant and machinery."

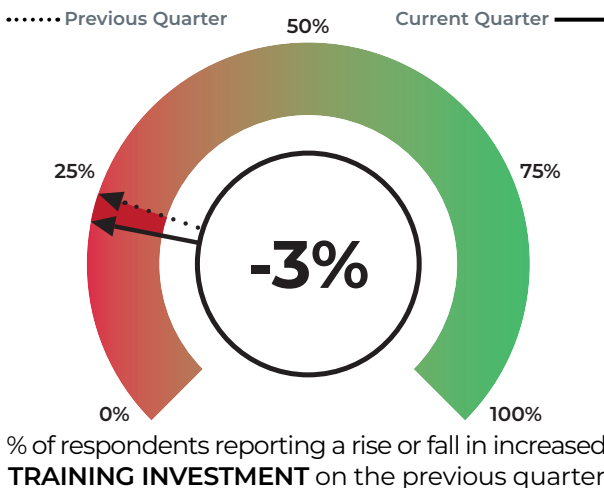
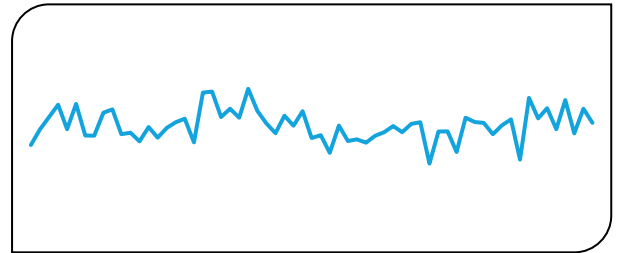
Retail / Wholesale Sector

"We are always looking at replacing existing plant, and we have invested in apprenticeship programmes."

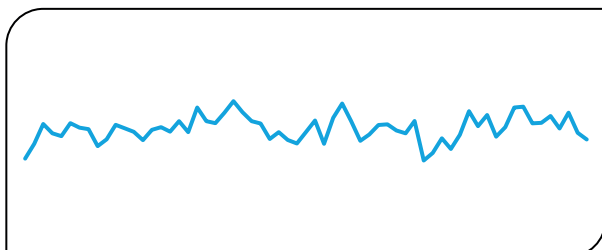
Manufacturing Sector



2009 **Plant & Machinery** 2024



2009 **Training** 2024



Training:

"We have been in business for nearly 20 years. The current economic climate is the worst we have experienced, we are in survival mode. There is no additional income to allow for investment in the business and very little incentive for us to do so even if there were."

Hospitality Sector

"Future training has been put on hold due to the extra employer costs following the Budget."

Professional Services Sector

CONFIDENCE
INCREASES

Turnover Confidence:

“Whilst we expect turnover to increase, margins are being squeezed, costs are rising, particularly employment costs.”

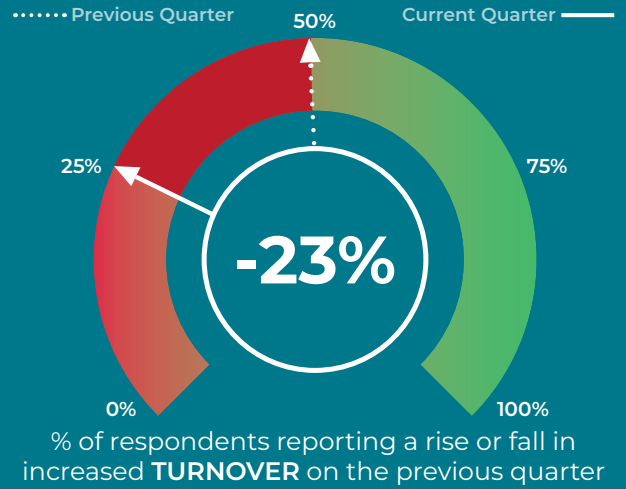
Professional Services Sector

“We have a strong business and expect to be able to keep our sales constant or just below current figures. Prices will need to be increased so we expect turnover to remain the same even if we lose custom.”

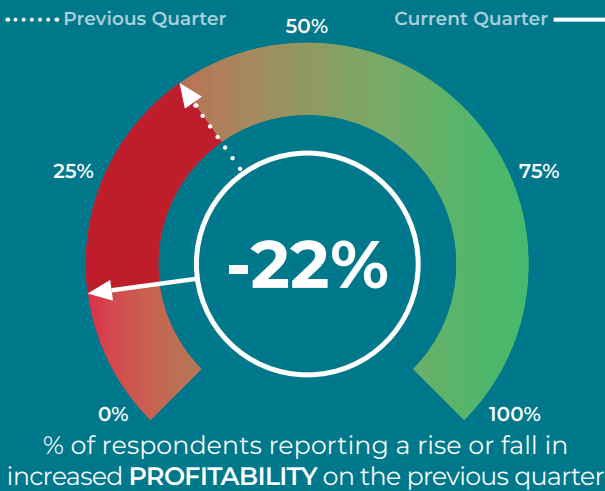
Hospitality Sector

“We may have to consider reducing our workforce and this will impact turnover.”

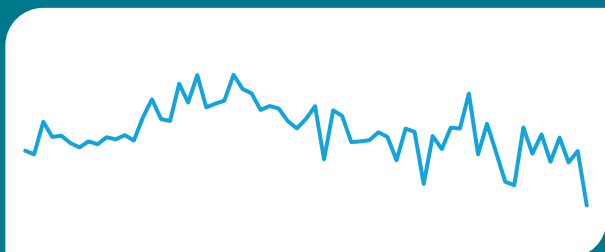
Retail / Wholesale Sector



2009 Turnover 2024



2009 Profitability 2024



Profitability Confidence:

“It’s a very competitive market, all prices are falling, to stay in the game.”

Retail/Wholesale Sector

“More taxes to pay, wages, energy and rent costs all increase annually, but we are still in a competitive market, so our charge out rates can’t keep up.”

Professional Services Sector

“We expect to have to cut our margins even further to counter the huge increase in our wage bill.”

Hospitality Sector

CAPACITY | PRICE vs COST

Capacity:

“Cannot work to full capacity unless we can afford to employ enough staff.”

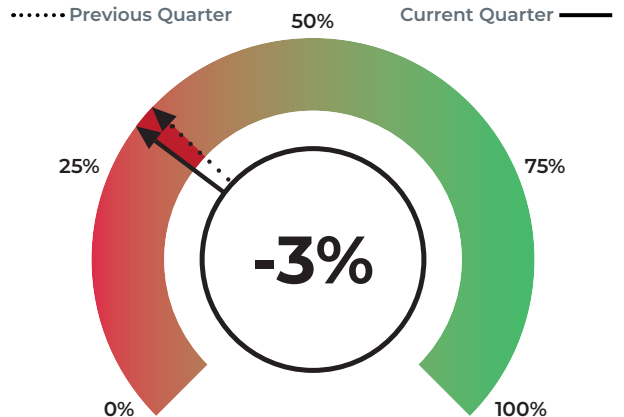
Manufacturing Sector

“A shortage of highly skilled coders and digital staff is holding us back.”

Professional Services Sector

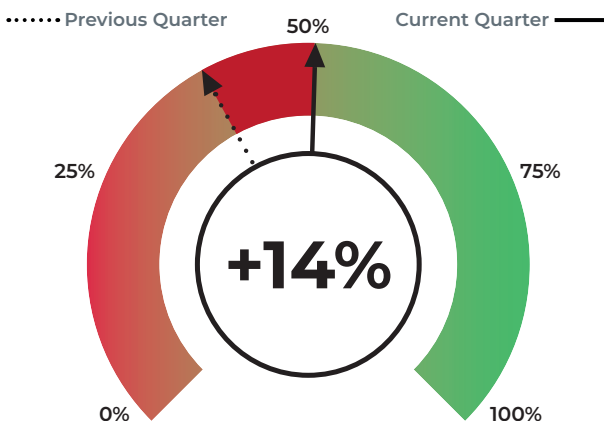
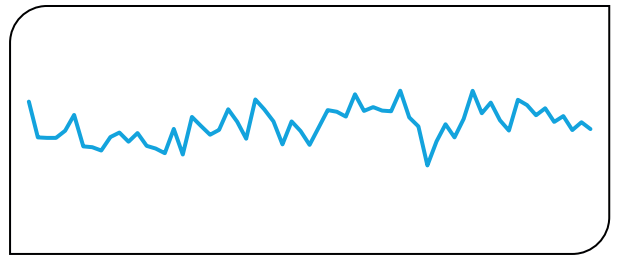
“Two people have retired. We may take on staff in the New Year depending on how promising business is looking.”

Consumer Service Sector



% of respondents reporting a rise or fall in **FULL CAPACITY WORKING** on the previous quarter

2009 Full Capacity 2024



% of respondents expecting to **INCREASE PRICES** compared to the previous quarter

Price vs Cost:

“People simply haven’t money to spend or waste, everyone is worrying over spending badly.”

Retail / Wholesale Sector

“Ideally we would pass on the extra cost we will incur following the Budget, but we are trying to absorb it as we know our clients have also been impacted by the Budget.”

Professional Services Sector

“Our prices will be going up by 10% if we can.”

Professional Services Sector

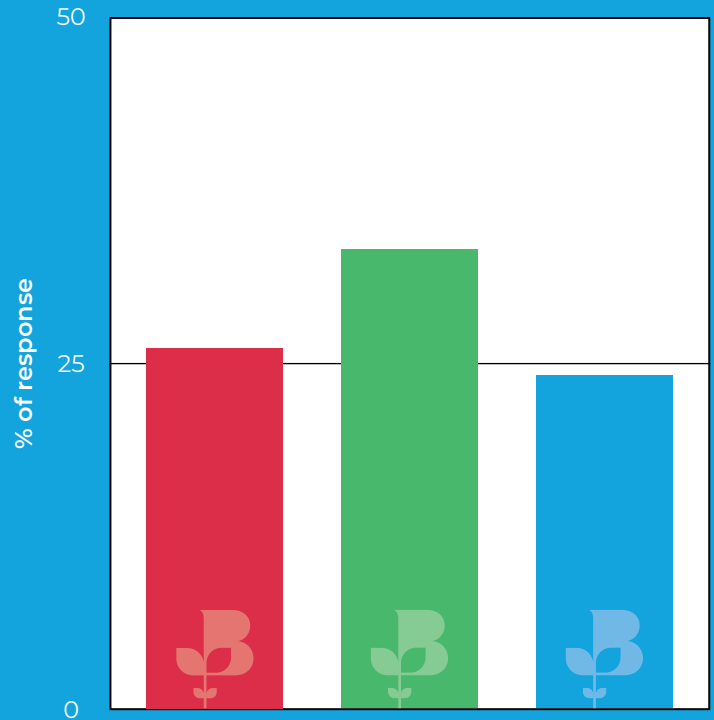


ADDITIONAL QUESTIONS

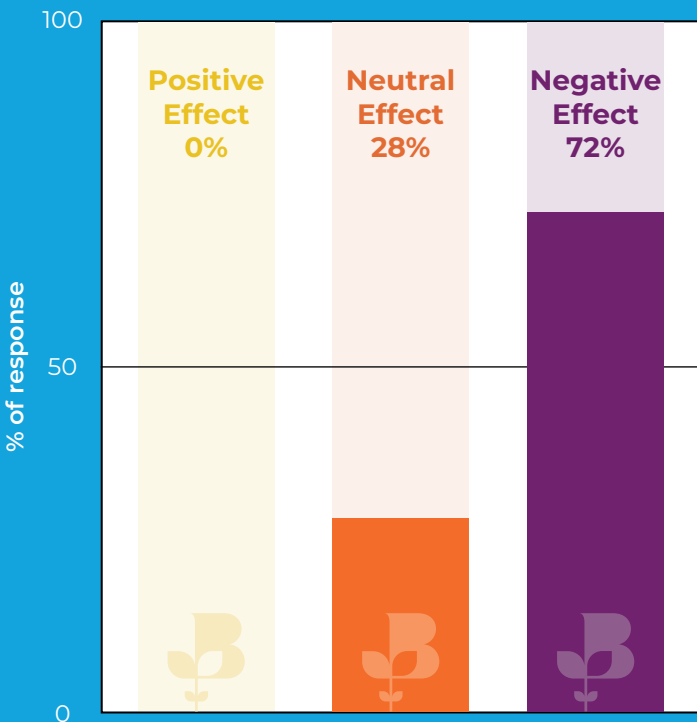
Business Pressures:

- 1 Have your credit terms got worse?
- 2 Are your bad debts increasing?
- 3 Are wage demands easing?

Graph shows the % of those who said YES to each question



Has the Budget had a...



Budget Blues:



“Suppliers are getting more aggressive in demanding payment on the due date, rather than allowing for the monthly payment of bills (with some invoices being beyond terms and some earlier), this is costing more in terms of administration as we are having to make supplier payments several times a month, rather than once.

Our bad debts have increased slightly, but we fully expect a number of businesses to cease trading after the Christmas period, so we are planning our credit terms accordingly.”

Hospitality Sector

your voice MATTERS!

The greater the voice, the greater the influence we can have to support you

- ✓ Confidential
- ✓ Highly Respected
- ✓ Informs Government

Contact us
TODAY!

Contact policy@shropshire-chamber.co.uk
today to have your name
added to the Chamber
survey invite list

About the QES

The **Quarterly Economic Survey (QES)** is the flagship economic survey from the **British Chambers of Commerce**. **Shropshire Chamber** is responsible for the collection of data, for the survey, in both Shropshire and Telford & Wrekin. The data gives Shropshire Chamber vital economic indicators, facts which are used to lobby, inform Chamber strategy, as well as to support the local business community.

The national collated data, the largest and most highly respected survey of its type, is used to inform and lobby Government departments, assist the Bank of England, and inform a wide variety of other relevant bodies and economists. The survey happens four times per year.

Every Single Business Voice Matters!

The greater the voice, the greater the influence we can have to support you and your business. **All businesses from Shropshire / Telford & Wrekin are welcome**, Chamber member or not, sole trader to multinational. It is anonymous to ensure you can speak freely.

If you would like to discuss partnering with us for the next **Quarterly Economic Survey**, please contact **Ruth Ross** on:
r.ross@shropshire-chamber.co.uk

