

Businesses Feeling Squeezed...

**BUDGET
BLUES**
*...still
strong*

**EMPLOYMENT
RULES**
*...worry
many*

**TAX
RISES**
*...hitting
hard*

**INFLATION
RISE**
*...adding
cost*

Taxation Looms Large...

The November Budget hangs like a black cloud!

- The November Budget is causing worry for many.
- Increased tax ahead is blunting recruitment.
- Coming tax hikes are stalling investment.
- Further employment rules add to the woes.



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:

“Since this new Government has come in our sales have dropped dramatically”

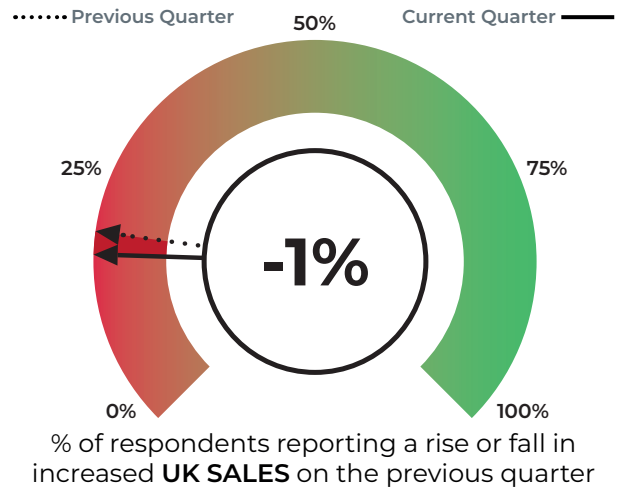
Retail / Wholesale Sector

“Sales are 65% down on last year in the first 2 months of trading.”

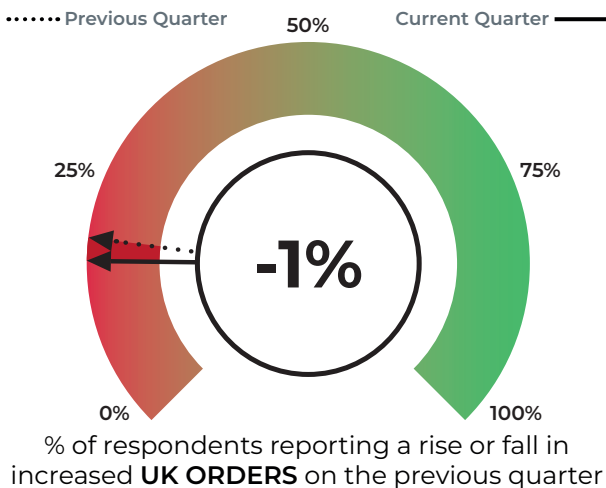
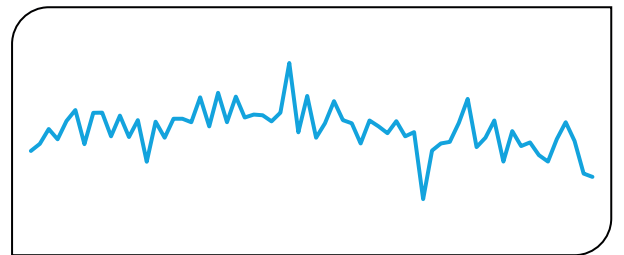
Retail / Wholesale Sector

“Market place is extremely tough with existing customers and supply chains reporting a downturn in demand.”

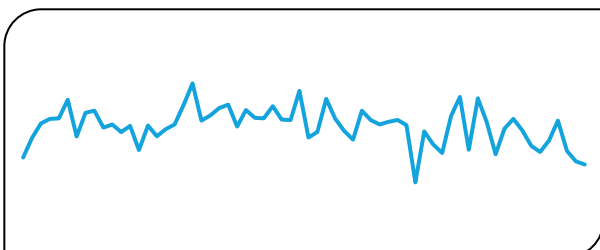
Manufacturing Sector



2009 **UK Sales Past** 2025



2009 **UK Sales Future** 2025



UK Sales Future:

“Customers are cautious of placing orders; the doom and gloom news headlines are scaring them.”

Professional Services Sector

“Orders have declined since the end of 2024. We normally see this after December, but its having a bigger impact this year.”

Retail / Wholesale Sector

“We are seeing increasing traction in the market place especially in the Public Sector.”

Professional Services Sector

EXPORT SALES

INCREASES

Export Sales Past:

"Business with EU is now very difficult and almost non-existent with issues transporting goods abroad and then returning to UK post-exhibition or event."

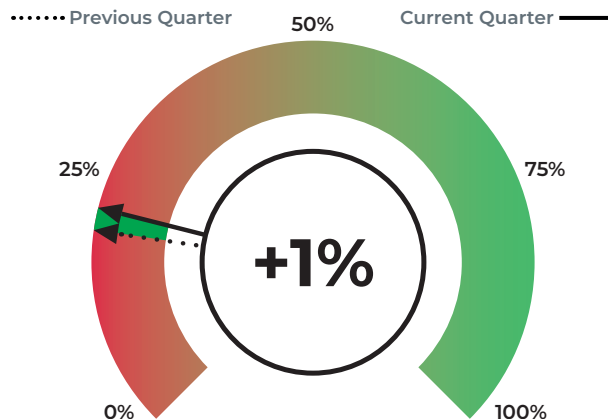
Marketing / Media Sector

"We see a decline in the volume of sales within the UK but we won a European contract which has helped our survival."

Professional Services Sector

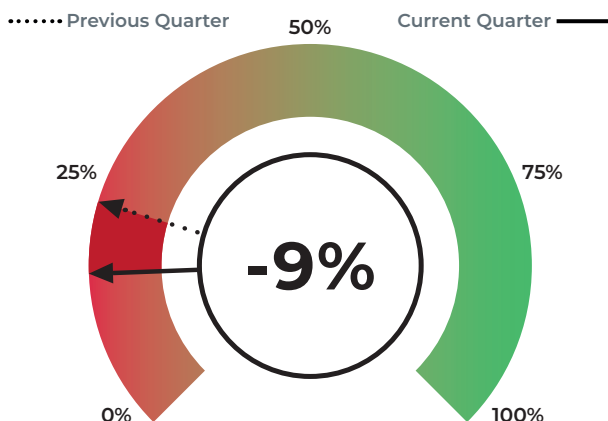
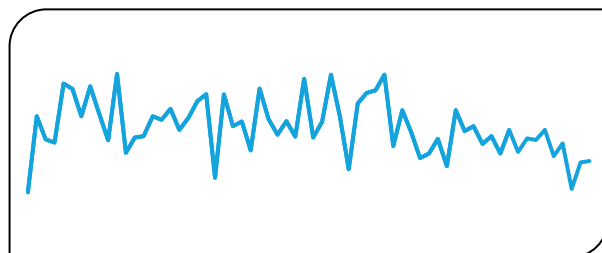
"Global uncertainty, the worry about Trump coming into power, and the political frictions are all helping sales to falter. Stability, not taxes, is what we need."

Manufacturing Sector



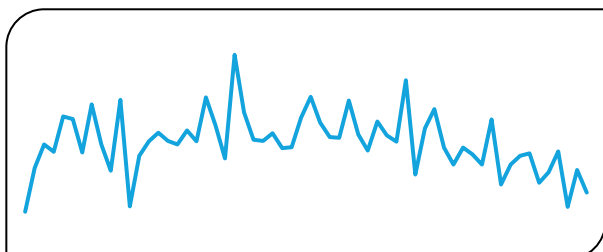
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009 Export Sales Past 2025



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

2009 Export Sales Future 2025



Export Sales Future:

"Export orders continue to be downgraded due to Brexit, but uncertainty following the election of President Trump has further dampened export opportunities."

Manufacturing Sector

"Brexit has never left, this is clear as our exports to the EU have fallen and continue to do so."

Professional Services Sector

"Trump, threat of tariffs, ongoing war situation, all this is adding to the global uncertainty, and add in home grown tax and regulation increases, business is dropping off and everyone is unsure how to progress."

Manufacturing Sector

WORKFORCE PAST & FUTURE

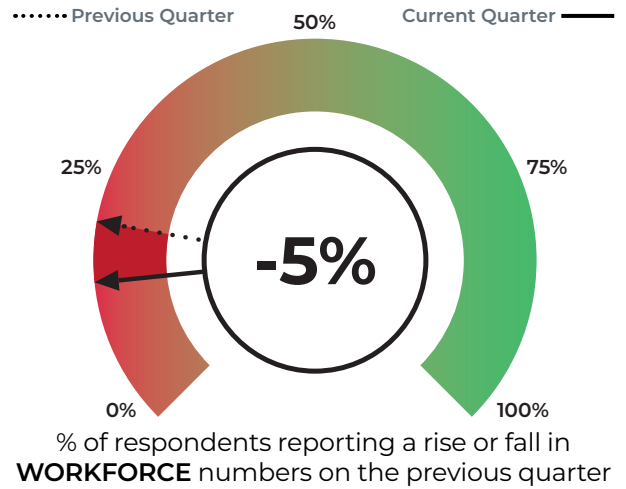
INCREASES

Workforce Past:

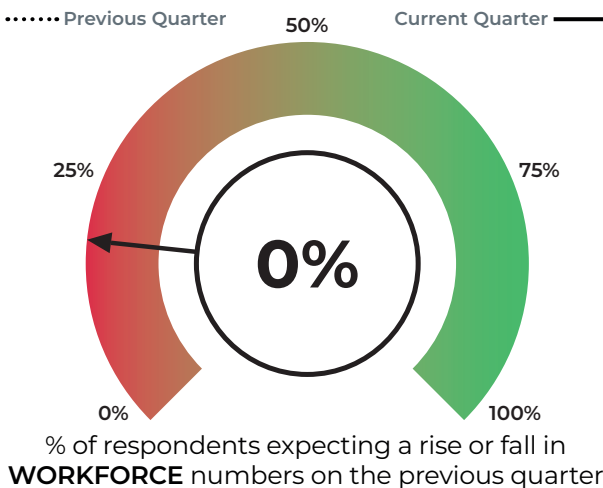
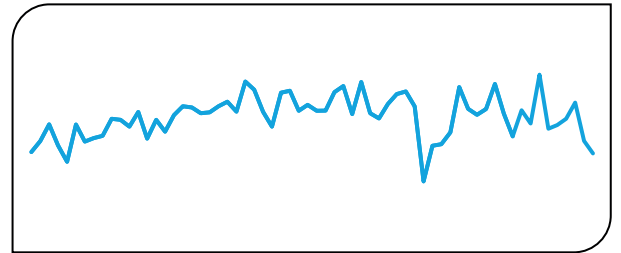
“One colleague has left and we are looking to recruit a replacement.”
Professional Services Sector

“During quieter times in hospitality, staff taken on for Christmas will unfortunately have little or no hours due to lack of footfall at this time of year.”
Hospitality Sector

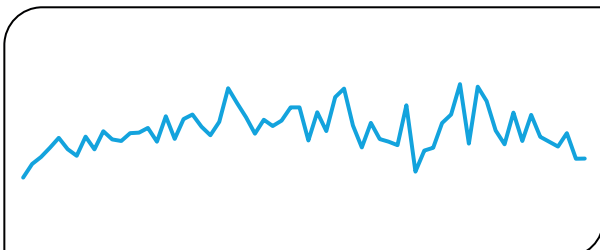
“Increase in staff provision. The charity is increasing service provision, there is a need to employ more staff to support these additional services.”
Third Sector



2009 **Workforce Past** 2025



2009 **Workforce Future** 2025



Workforce Future:

“Changes to Employers NI & significant increase in the Minimum Wage - well above inflation - means that we are likely to reduce staff.”
Agricultural Sector

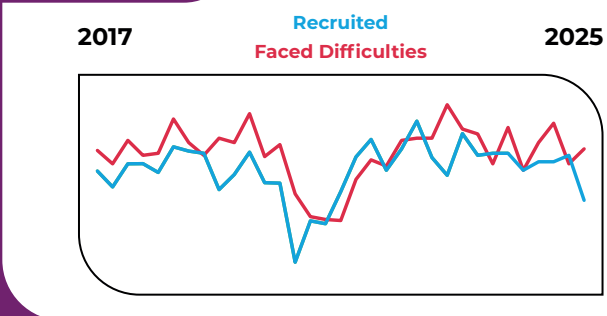
“We employed a new staff member due to his skill set. If sales get lower we will have to decrease the workforce especially those not skilled.”
Retail / Wholesale Sector

“As there is a bigger NHS waiting list, and we are asked to clear it, we will increase work force.”
Public Services Sector

SKILLS & RECRUITMENT

Companies Recruiting:

“NI increases have hit hard and we have had to shelve our plans to employ two additional staff - in fact now considering redundancies to cover NI increases.”
Marketing / Media Sector

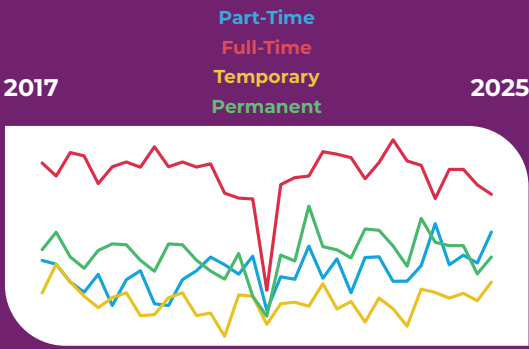


“Business admin roles are hard to fill. People do not want to be full time office based.”
Professional Services Sector

“Overheads are biting. National Insurance contribution rises have made it far less appealing for small businesses to recruit staff. Instead, like us, they’ll go down the sub contractor route to reduce pressure.”
Marketing / Media Sector



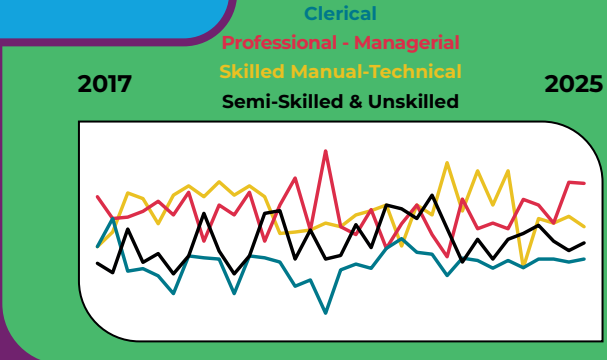
Staff Types:



“We’ve tried to recruit some part time office based staff over the past year, but people want hybrid work which we’re not geared up to offer.”
Professional Services Sector

“Due to minimum wage increases we tried to recruit front of house staff of around 16 years to top up our team for Christmas, unfortunately the Gen Z’s do not have the same work ethic as previous generations!”
Hospitality Sector

Post Types:



“We have no intention to increase headcount due to the current economic outlook and the increased cost due to NI and changing employment legislation. If anything, if business doesn’t improve it could result in cutting headcount.”
Professional Services Sector

“Lecturers with technical expertise and Maths & English teachers are very hard to recruit at the salaries we are able to offer.”
Public Sector

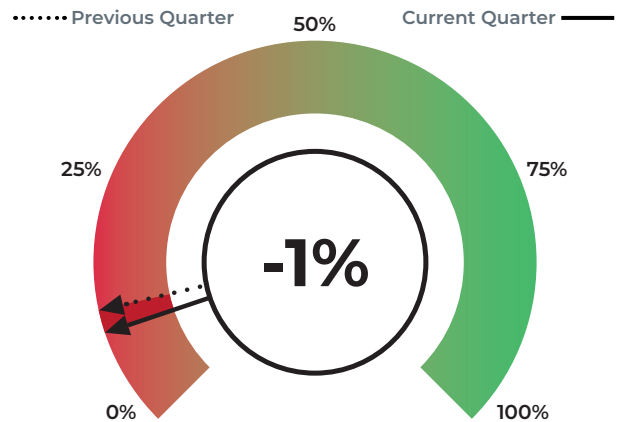
CASH FLOW INCREASES

Cash Flow:

"We sell into the Care Home market and they are reluctant to purchase at the moment due to the increase in Minimum Wage and Employers NI"
Manufacturing Sector

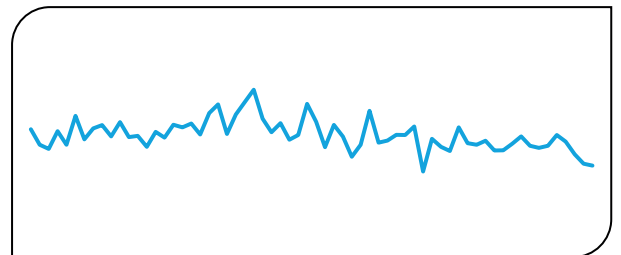
"Borrowing cost remains too high & this coupled with increased Employers NI & Minimum Wage discourages investment & causes cashflow issues."
Agricultural Sector

"Margins are tight, and we are prioritising essential spend."
Professional Services Sector

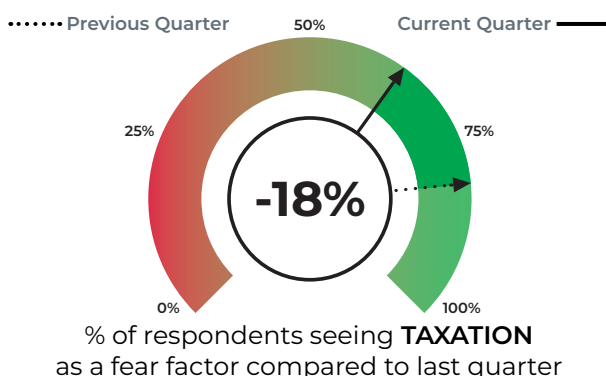
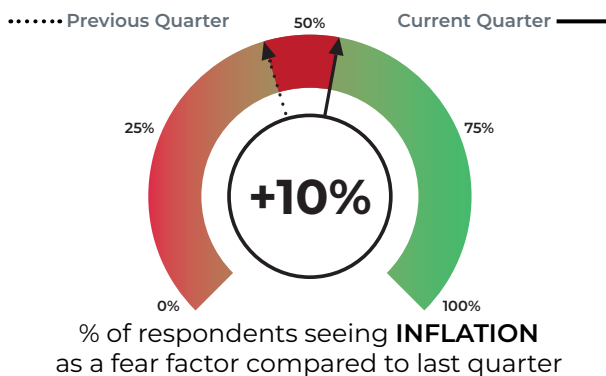


% of respondents reporting a rise or fall in increased **CASH FLOW** on the previous quarter

2009 Cash Flow 2025



FEAR FACTORS



Fear Factors:

"We have no intention to buy more land or expand, we will have enough of a problem if we do not die in the order the government wants us to, we will have to sell off land to pay IHT etc, the profits will not support this payment over 10 years. 1% return on capital is not normal. Whoever wanted to farm to produce food, what a stupid idea! Well 4 generations of us did & we love it but why, what for!"
Agricultural Sector

"Just gone above VAT threshold - this is having a dramatic effect on the business as profits have decreased dramatically due to inflation."
Hospitality Sector

INVESTMENT INCREASES

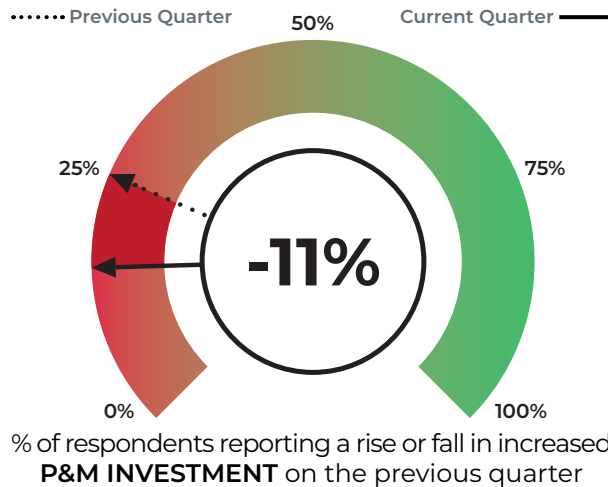
Plant & Machinery:

"We're only able to train and buy machinery when we have won competitive grant-funds. These are small amounts < £50K and are very specific criteria, so not much flexibility for us to navigate our ideal 'critical path'."

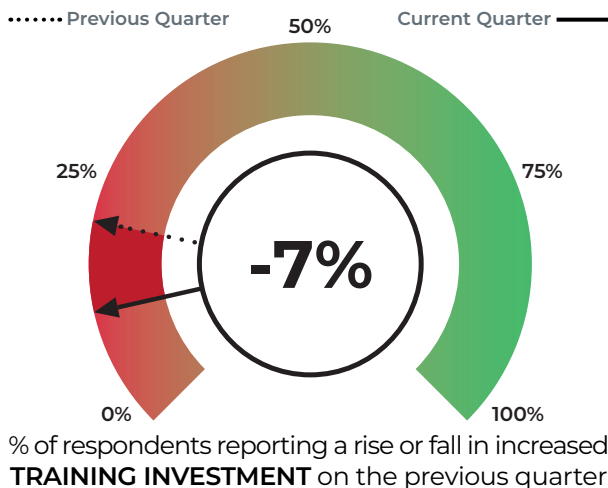
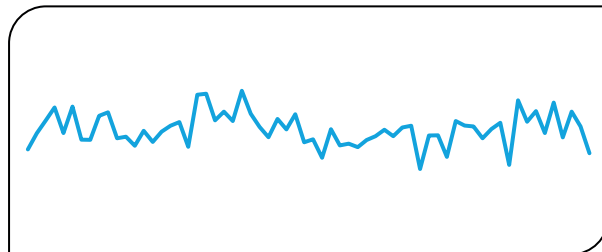
Manufacturing Sector

"Business slowing so using reserves. Shelving plans to invest in new equipment unless there is a grant opportunity to help funding."

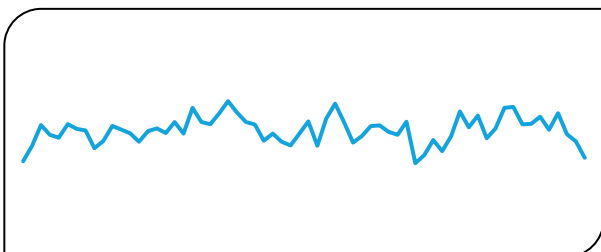
Marketing / Media Sector



2009 **Plant & Machinery** 2025



2009 **Training** 2025



Training:

"Small sized SMEs have stopped using my consulting and coaching as they cannot continue to pay for advice in light of the increased financial burden created by the recent budget."

Professional Services Sector

"We have an apprentice and I feel the training provider is doing the bare minimum and not really adding any value to this apprentice's core learning. We are doing this."

Manufacturing Sector

"England and Wales do not have the same rules for care, so we need trainers that have the skill and understanding for both countries."

Care Sector

CONFIDENCE INCREASES

Turnover Confidence:

"Business confidence is on the floor."

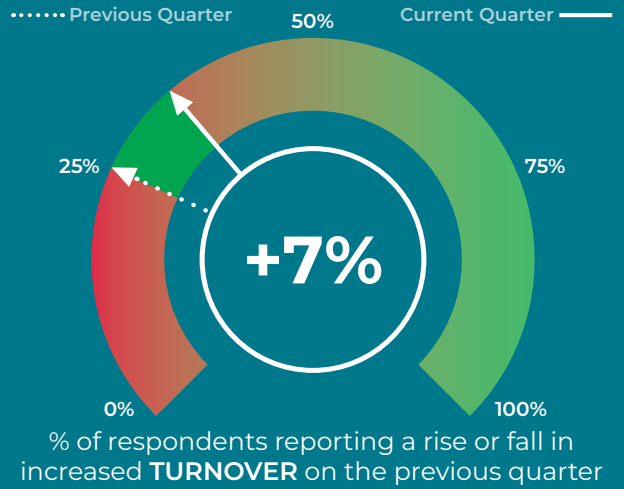
Professional Services Sector

"Business is fairly consistent at the moment, however we have had to offer discounts etc. for future business to keep turnover flowing in order to keep our team in enough guaranteed hours. This means lower margins at a time when ALL our suppliers have put prices up."

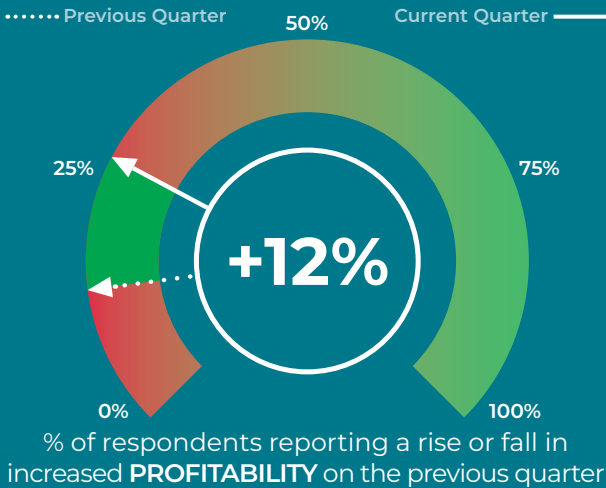
Hospitality Sector

"Finding businesses are paying invoices later which is affecting cash flow."

Services Sector



2009 Turnover 2025



2009 Profitability 2025



Profitability Confidence:

"If this was Game of Thrones, I would say Winter is coming for SME's."

Manufacturing Sector

"Definite slow-down being experienced in UK."

Marketing / Media Sector

"Demand is reducing and clients are hesitant to purchase and will not take risks of losing what they have - one client stated it is like 1964/5 all over again where we had to batten down the hatches."

Professional Services Sector

CAPACITY | PRICE vs COST

Capacity:

“UK Sales / Services - we are having to provide more services for less revenue. On top of that decrease, payments are consistently late too.”

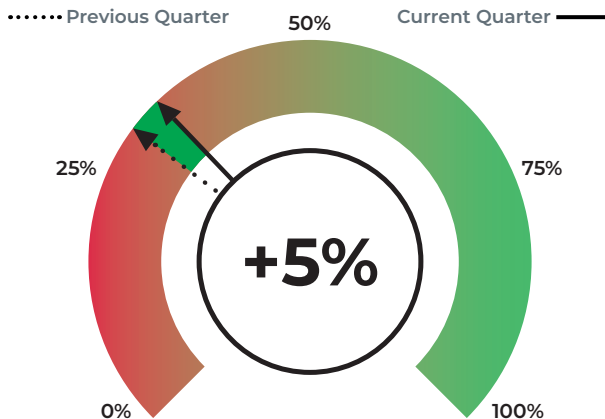
Professional Services Sector

“Without sales its impossible to increase cash flow unless further personal investment.”

Retail / Wholesale Sector

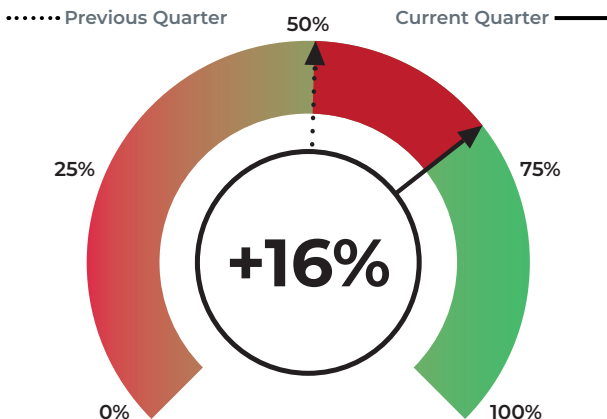
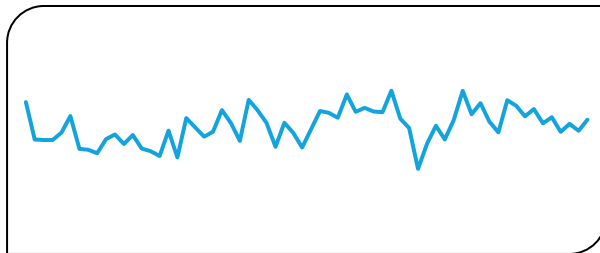
“I am getting rid of staff because of the changes in taxation, reducing our capacity.”

Professional Services Sector



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

2009 Full Capacity 2025



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

Price vs Cost:

“What with business rates, Minimum Wage & Employer PAYE all going up in April, we are not sure how we are going to be able to cope. Customers will not pay higher prices, they will just go to one of our competitors.”

Service Sector

“Stock costs are increasing which is a pressure to uplift pricing to the end user, however also seen a rise in transportation / shipping charges which is difficult to pass on. Energy price pressure for the business is also difficult to pass on to customers.”

Retail / Wholesale Sector

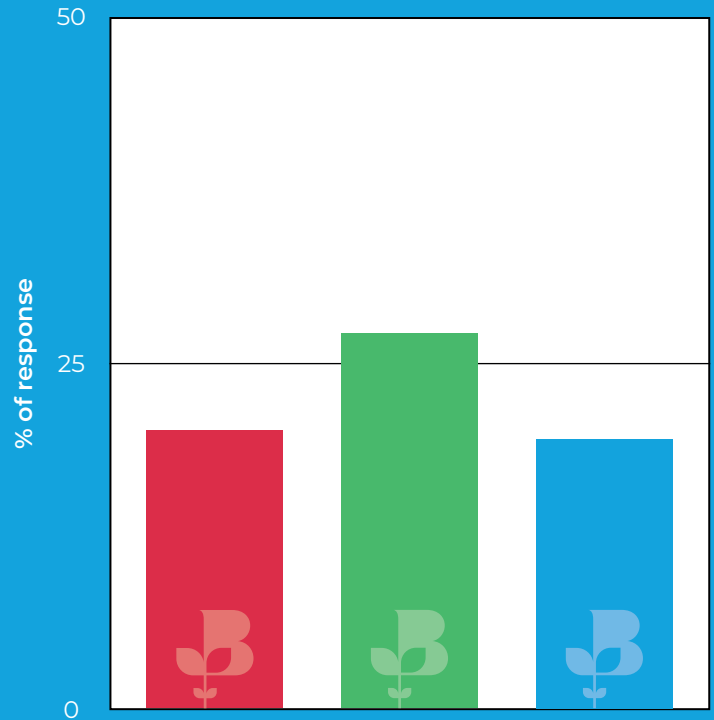


ADDITIONAL QUESTIONS

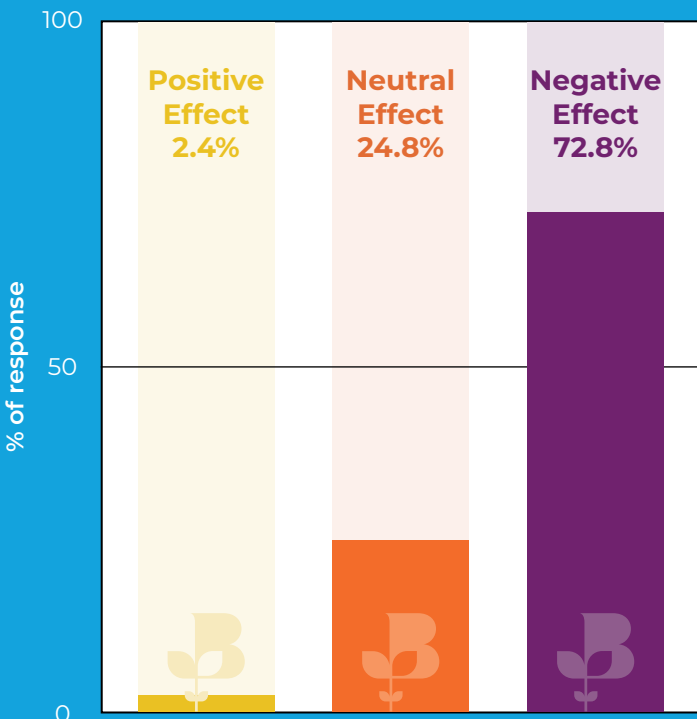
Business Pressures:

- 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:



"Increase in ER NIC's has resulted in a re-focus of capital investment in plant and machinery and also our development strategy. We continue to invest in our people at the expense of other areas of business growth."

Construction Sector

"Many clients are farmers and other business owners who are severely affected by the Budget."

Professional Services Sector

"The Budget triggered a significant increase in our running costs, and damaged confidence in many of our existing and potential customers."

Marketing / Media 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

