

# Pressure Cooker Climate...

“  
**TAXATION  
FEARS**  
*...what is ahead*

“  
**INFLATION  
LEVELS**  
*...will it rise*

“  
**STAFF  
COSTS**  
*...never ending*

“  
**EMPLOYMENT  
LAWS**  
*...all change*

# Business Costs...

## Inflation and staff costs create a storm...

- Wage demands still strong.
- Employment Law changes worrying.
- Tariffs affecting all - directly or indirectly.
- Inflation pushing up all business costs.



## 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](mailto: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:**

*“What we are finding is that it is hard to get people to pay on time at the moment.”*

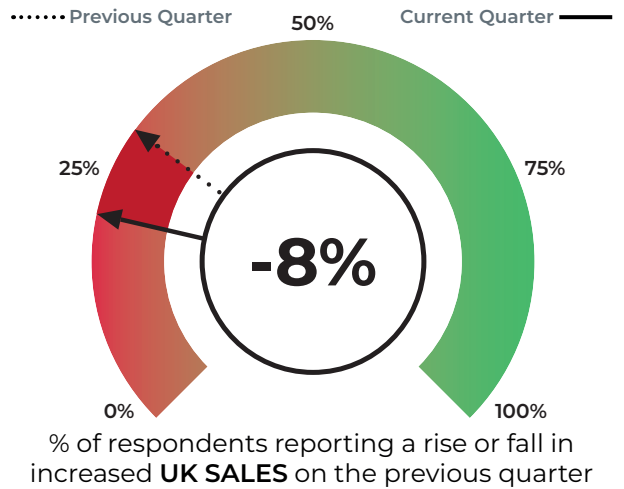
Retail / Wholesale Sector

*“We are seeing growth in the UK Public Sector which is our main focus in Telford.”*

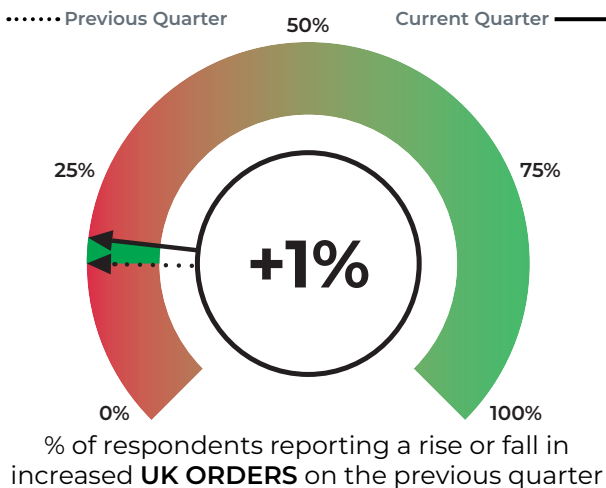
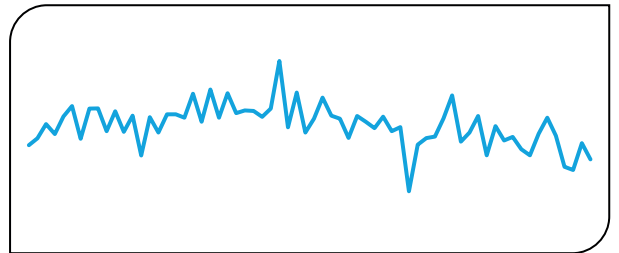
Professional Services Sector

*“Order book generally down. I believe customers are not spending their cash due to the current business climate.”*

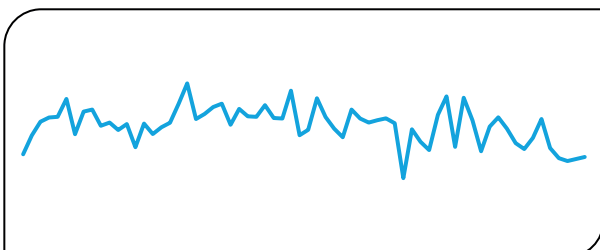
Professional Services Sector



**2009**      **UK Sales Past**      **2025**



**2009**      **UK Sales Future**      **2025**



**UK Sales Future:**

*“Orders to domestic customers have fallen by 15% - 20%.”*

Manufacturing Sector

*“Entered a new market so unable to predict sales.”*

Professional Services Sector

*“Sales are still significantly down on 2 years ago, orders are being placed later.”*

Transport / Logistics Sector

## EXPORT SALES

### INCREASES

#### Export Sales Past:

*"The usual negative unsupportive UK attitude towards fellow UK manufacturers has decreased. Foreign interest towards us has conversely increased."*

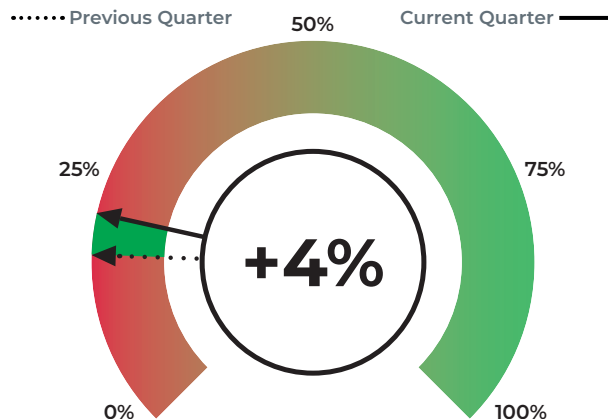
Manufacturing Sector

*"We're working hard to fill the gap in our UK sales with export sales."*

Manufacturing Sector

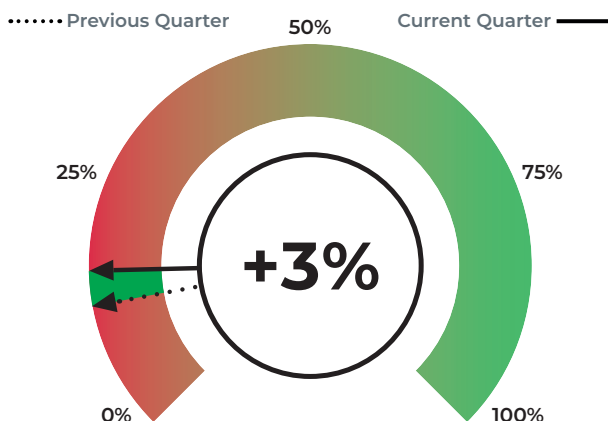
*"We quote for export but no longer get the orders from those quotes."*

Retail / Wholesale Sector



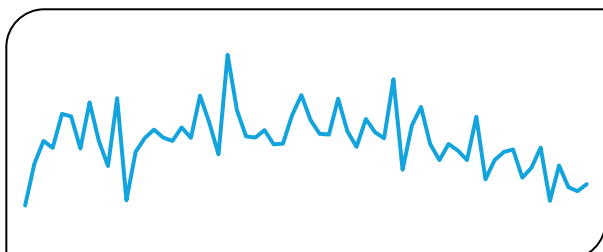
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

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:

*"We have lost UK contracts to Indian companies who have joined up with large UK companies, and it is killing small UK companies slowly, as they have full support from these large companies and from our Government. Most of the services business is going offshore to avoid the UK Employee Tax burden. It's a tough time, when banks and interest rates are not supporting small service companies as they are attacked by Indian companies."*

Professional Services Sector

*29% saw a drop in export orders this quarter.*

# WORKFORCE PAST & FUTURE

## INCREASES

### Workforce Past:

*"I have had to let one member of staff go due to increases in National Insurance and minimum wage increases."*

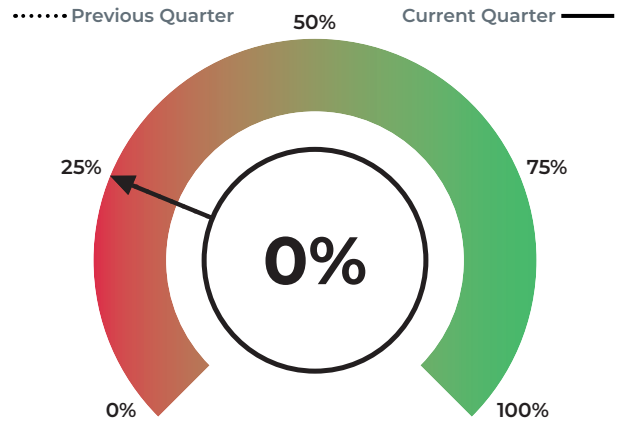
Retail / Wholesale Sector

*"We have made some significant changes to our company structure, including recruitment of a number of new roles, as part of our long term investment in the company's development."*

Manufacturing Sector

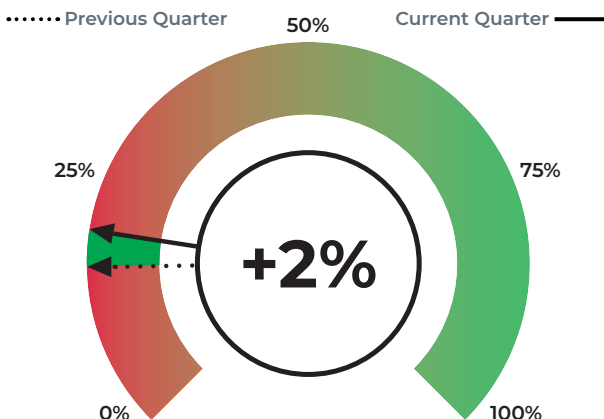
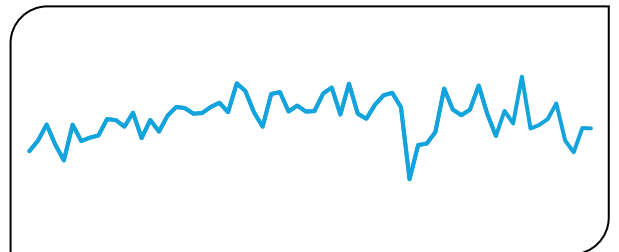
*"Sales are down but costs of employing staff has increased!"*

Manufacturing Sector



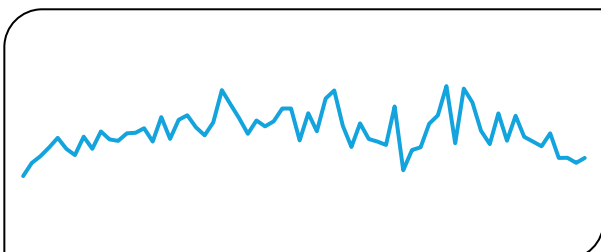
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009      **Workforce Past**      2025



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

2009      **Workforce Future**      2025



### Workforce Future:

*"The massive additional strain imposed on us by the increase in National Insurance means we are having to do more with less in terms of staff. The next department under threat is product development which is sad for the future of the business."*

Manufacturing Sector

*"We are in a position where ideally we would like to recruit, but instability is making us reluctant."*

Marketing / Media Sector

*"Due to the current economic climate and Government changes, we are unlikely to take on apprenticeships in the next few years."*

Construction Sector

## SKILLS & RECRUITMENT

### Companies Recruiting:

2017 Recruited Faced Difficulties 2025

*“We have added five apprentices to our team and are looking to add another two apprentices or trainees in professional roles.”*  
Construction Sector

*“As a recruitment agency, we are seeing a distinct lack of job flow, and it’s apparent that there are more redundancies and restructuring activities happening across the Midlands. This is being seen across the SME & PLC community.”*  
Professional Services Sector

*“Made redundancies for the first time since the banking crisis over 10 years ago.”*  
Marketing / Media Sector



### Staff Types:

2017 Part-Time Full-Time Temporary Permanent 2025

*“Graduates have applied for skilled technical jobs. Graduates are inexperienced in basic life skills and expect top level salary for zero experience.”*  
Manufacturing Sector

*“Struggle to recruit passenger transport drivers, and also passenger transport vehicle mechanics. Ongoing problem for a number of years.”*  
Transport / Logistics Sector

### Post Types:

2017 Clerical Professional - Managerial Skilled Manual-Technical Semi-Skilled & Unskilled 2025

*“It is a competitive market place and wage rises are needed in order to attract the best talent, which causes cost issues.”*  
Transport / Logistics Sector

*“We face ongoing difficulties recruiting skilled staff who are available to work full-time. Many of the individuals with the right training and qualifications are absorbed into larger organisations such as the NHS, leaving a very limited pool for small businesses.”*  
Service Sector

## CASH FLOW INCREASES

### Cash Flow:

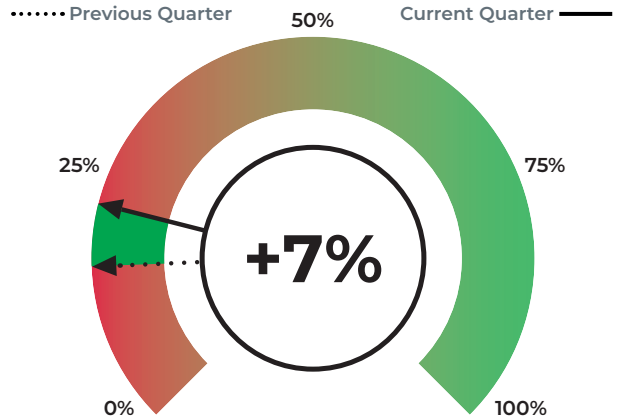
*“Cash flow is decreasing due to costs in tax, National Insurance, VAT and Corporation Tax.”*

Retail / Wholesale Sector

*“Again, instability and lack of confidence in business has meant we have put a hold on certain investments and expenses.”*

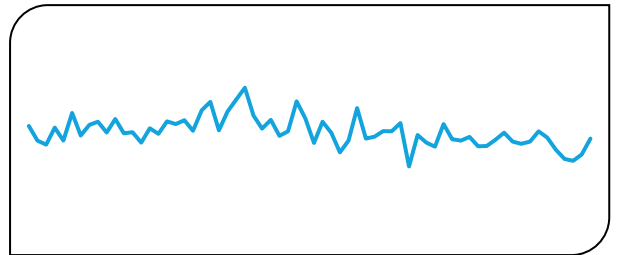
Marketing / Media Sector

*This quarter saw more stability in cash flow with 46% seeing no change, negative or positive, in their cash flow position.*

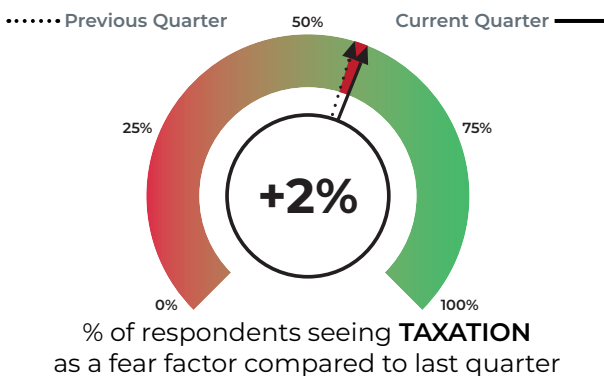
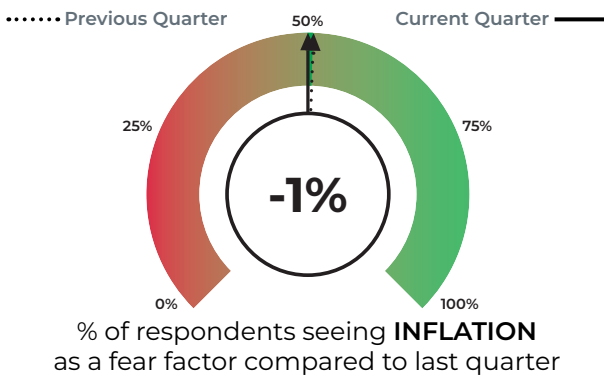


% of respondents reporting a rise or fall in increased **CASH FLOW** on the previous quarter

2009 **Cash Flow** 2025



## FEAR FACTORS



### Fear Factors:

*“The policies of the new Government are severely denting the forward plans for many of my UK customers.”*

Retail / Wholesale Sector

*“Wage demands these days seem to have nothing to do with actual performance at work, or the company’s ability to pay, and much more to do with a pronounced sense of entitlement.”*

Manufacturing Sector

*“There is now no confidence when it comes to growth. We are seeing more redundancies and people struggling to find work.”*

Professional Services Sector

## INVESTMENT INCREASES

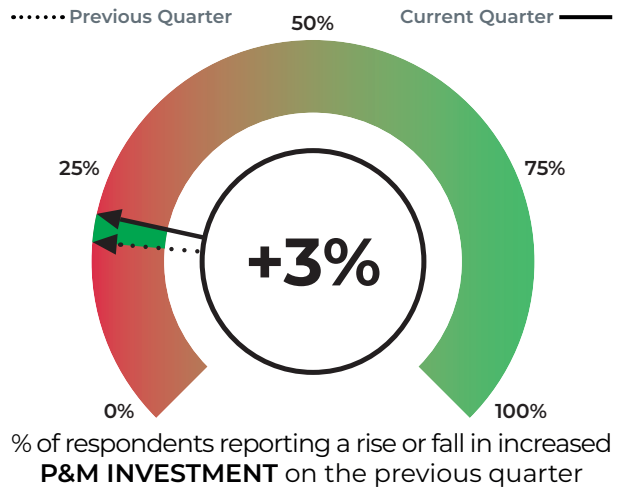
### Plant & Machinery:

*"Cash flow pressures and the high cost of employment have limited our ability to invest in plant and machinery. Instead, we have been forced to prioritise investment in software solutions to improve efficiency and reduce reliance on additional staff. While this is necessary for survival, it underlines how difficult it is for small businesses to expand when employment costs are so high and larger organisations are able to absorb talent and resources more easily."*

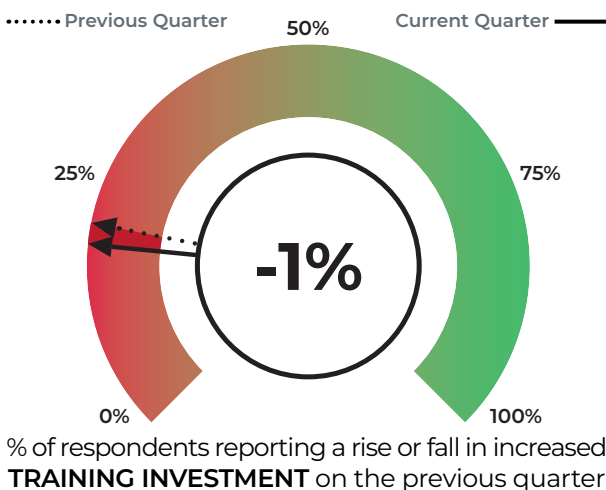
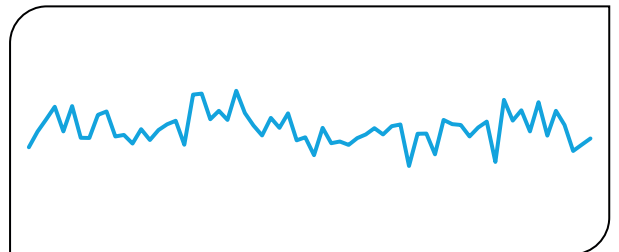
Service Sector

*"Again, instability and lack of confidence in business has meant we have put a hold on certain investments and expenses."*

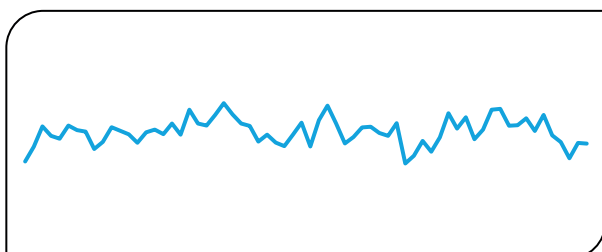
Marketing / Media Sector



2009      Plant & Machinery      2025



2009      Training      2025



### Training:

*"Companies cutting back, priorities changing, cost of training only ridiculously high, people offering training they are not qualified to deliver. AI being a major issue. They are not training, they are regurgitating information they find themselves through ChatGPT etc. etc. and delivery 'information sharing'."*

Professional Services Sector

*"We are committed to providing training as a benefit, as we know our ability to increase pay is limited. We utilise connections and networks to source free or low cost training. We have also made use of the levy fund for a Masters for a member of staff."*

Public Sector

## CONFIDENCE INCREASES

### Turnover Confidence:

*“Confidence is low due to many factors including: Tenants are not paying their rents. Government measures - NI, Employment Legislation, Renters Rights Bill, Energy Performance rules (our properties are Listed Buildings), bureaucracy and inefficiency within the Civil Service of all sorts and Utility Companies.”*

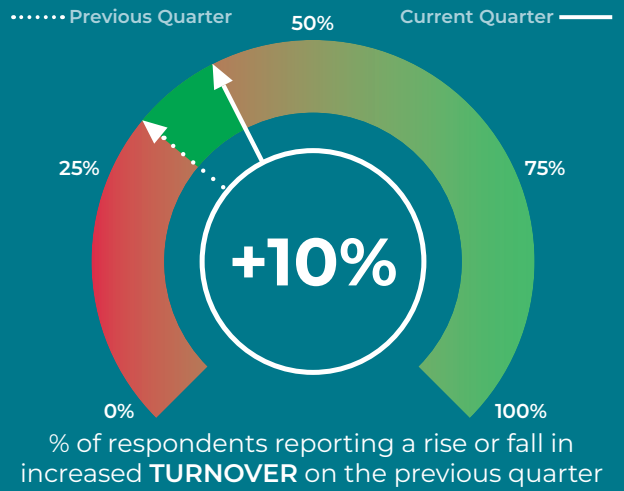
Professional Services Sector

*“Absorbing inflationary pressures to maintain margins has been increasingly difficult in the last 3 years.”*

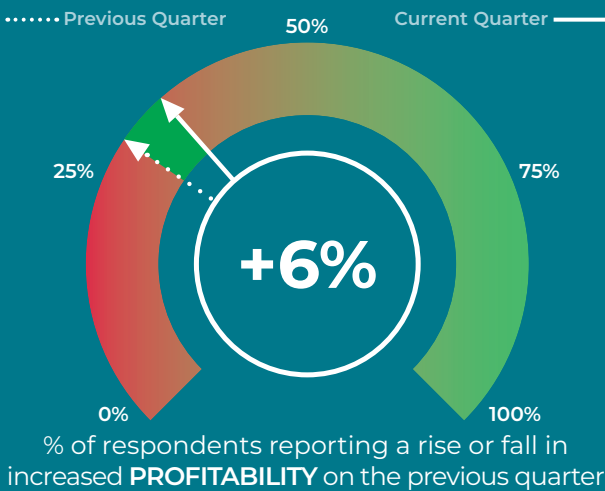
Manufacturing Sector

*“Turnover down significantly already this year compared with last.”*

Marketing / Media Sector



2009      Turnover      2025



2009      Profitability      2025



### Profitability Confidence:

*“Everything is going up, but we are unable to put our prices up in line with this or we will price ourselves out of the market.”*

Hospitality Sector

*“Costs are continually increasing and consumer confidence is low as they struggle with their own costs.”*

Service Sector

*“Without sustained support for small business, there is only one direction turnover and profitability will go. We cannot keep absorbing increases from all sides.”*

Retail / Wholesale Sector

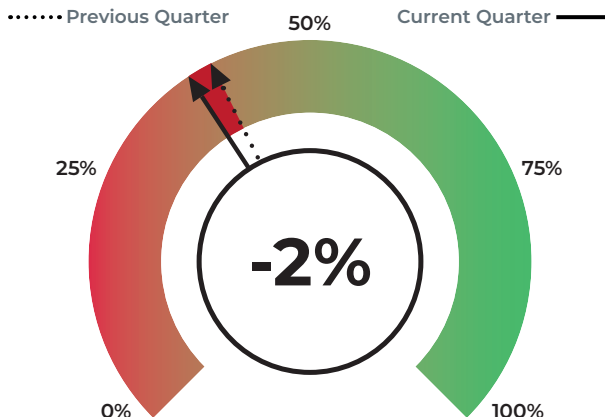
## CAPACITY | PRICE vs COST

### Capacity:

*"We are seeing constant rises in raw materials, and the unpredictability of the pound and tax has made many customers nervous of large forward orders. So we have capacity."*

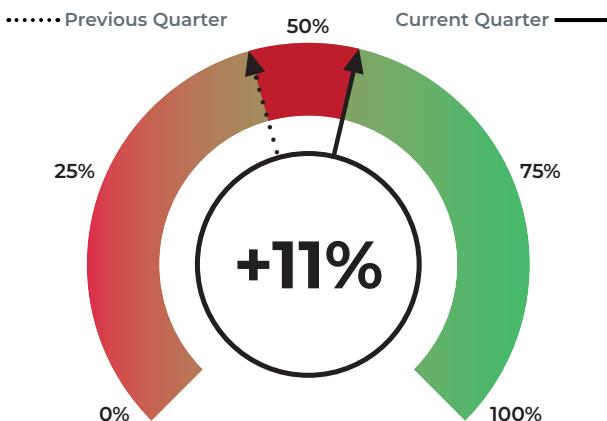
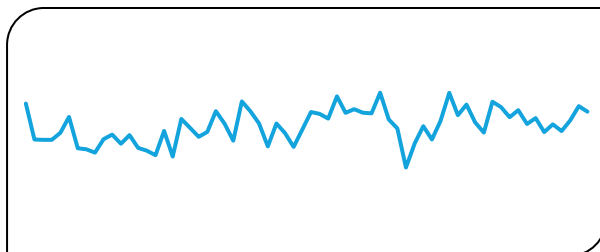
Retail / Wholesale Sector

*Only 38% said they are working to full capacity, which though low, is an improvement on Q3 2024 which was 32% before the Budget, but with much speculation in the press worrying clients and hampering orders.*



% 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:

*"Due to increased costs, but also because we did not increase rents during Covid or the aftermath, we are now putting up our prices."*

Professional Services Sector

*"The impact of energy and operating costs are now being reflected in the wholesale prices we are paying for goods and services."*

Retail / Wholesale Sector

*"We cannot remain competitive if we increase prices."*

Services Sector

## ADDITIONAL QUESTIONS

### Business Pressures:

1

Have your credit terms got worse?

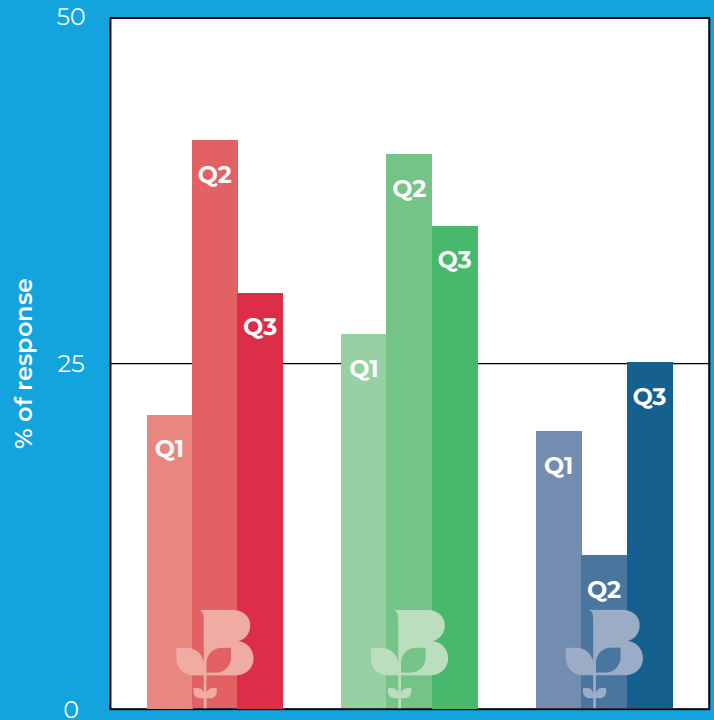
2

Are your bad debts increasing?

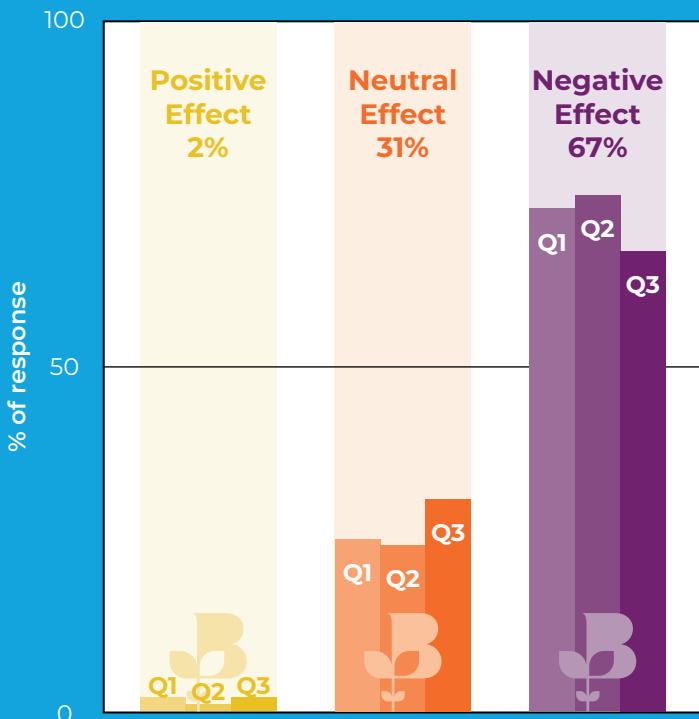
3

Are wage demands easing?

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



### Has the Budget had a...



### Budget Blues:



*"Staff costs are the real issue, what appears as £15 per hour is actually more like £40 when you factor everything in!"*

Consumer Service Sector

*"Increasingly we are having to cover overheads relating to consultancy work on ever-expanding compliance and regulatory requirements. Another growing cost we are facing is subscription fees for public sector procurement portals."*

Manufacturing Sector

*"Taxation of small SME's is a worry."*

Professional Services 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](mailto: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](mailto:r.ross@shropshire-chamber.co.uk)

