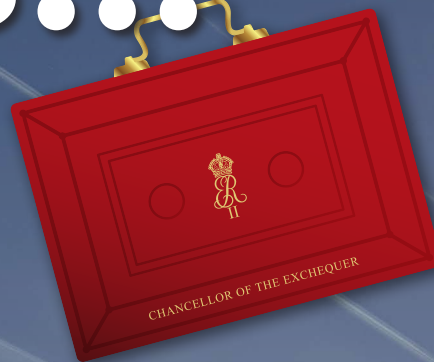


Red Box Blues...



**BUDGET
FEARS**
...hitting hard

**STAFF
COSTS**
...continued burden

**LESS
JOBS**
...cutting back

**BACKDOOR
TAXES**
...sneaking in

Budget Gloom...

Government leaks bring fear to businesses...

- The 2024 budget piled on staffing cost pressures
- Business costs still outpacing turnover
- Wage demands show no sign of easing
- Slow payments to businesses growing



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.

The Budget Special...

“
Business owners are
“workers” too, and
probably work more
hours for a lower
hourly rate than
most! May consider
selling up or moving
company abroad.

Manufacturing Sector



Budget Blues:



“The Budget on 26/11/2025 is causing alarm in the market, so activity is falling through the floor.”

Professional Services Sector

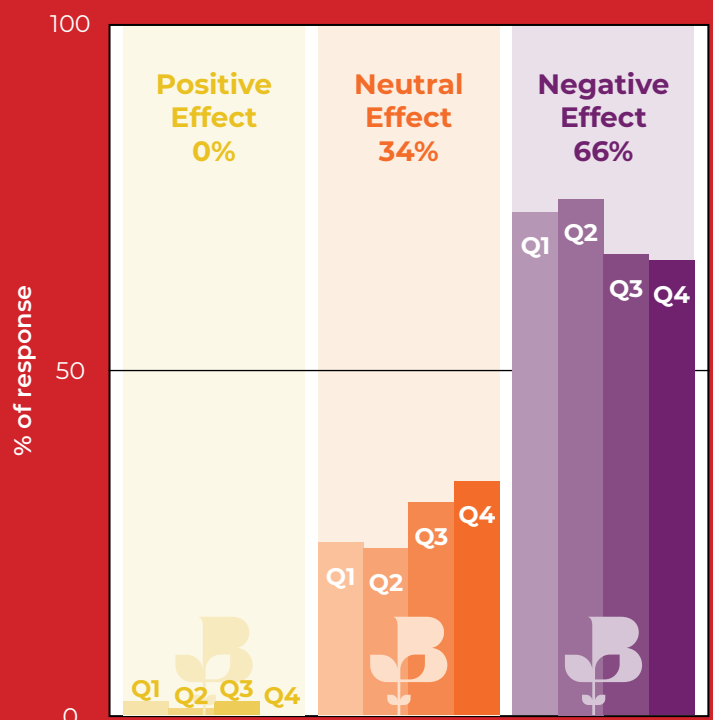
“Isn’t everyone waiting for the Budget uncertainty to end?”

Retail / Wholesale Sector

“Seen consumers become more wary of spending in the last month due to the Budget looming. Especially with cost of living still an issue and no end in sight. Pretty confident that the Government will hit innocent workers and small businesses with more pressure yet again.”

Retail / Wholesale Sector

Has the 2024 Budget had a...



The Budget Special

Budget Blues:

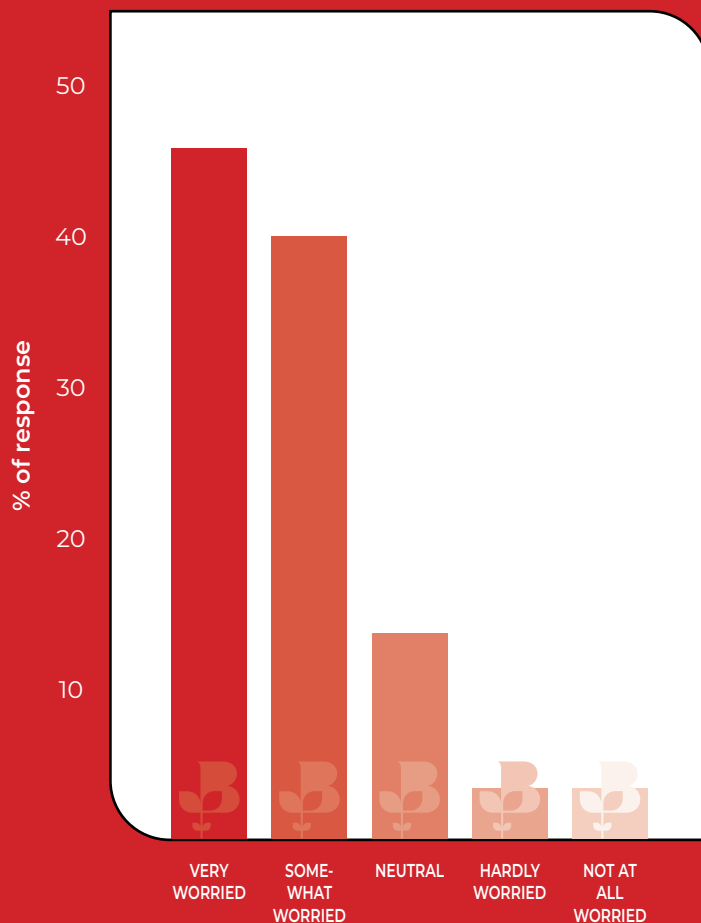


"The looming budget is draining confidence from even the most positive individual/ business owner."

Professional Services Sector

"Since the Government changeover, there has not been one positive to give consumers relief or businesses additional headroom to generate wealth to support employees, resulting in a continued depression in confidence and personal stability."

Professional Services Sector



Budget Blues:



"Need to expand to bigger premises but concerns regarding business rates are a big worry. Additional dividend tax feels like taking all the risks to establish and run a business are really not worth it. The Government does not value business in any way and are paying lip service on pledges to grow the economy."

Manufacturing Sector

"In the 2025 budget there was nothing to support business or the economy. Reducing earnings reduces what people spend. It's quite simple really."

Manufacturing Sector

DOMESTIC (UK) SALES INCREASES

UK Sales Past:

"The value of individual orders has increased, mainly driven by materials cost increases rather than labour."

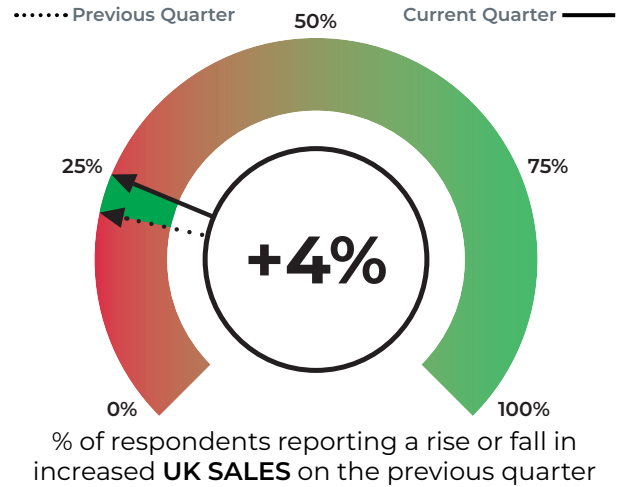
Construction / Engineering Sector

"We have diversified our offering to be able to expand operations, which has led to an increase in sales."

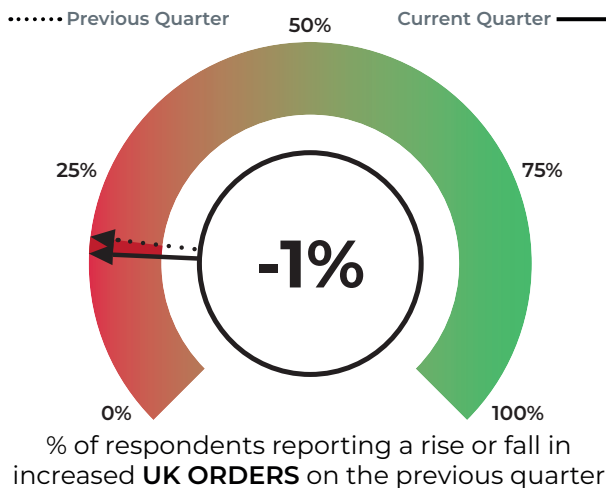
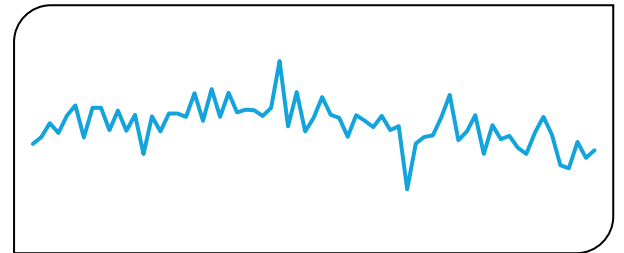
Professional Services Sector

"We are seeing fewer enquiries for new work due to overall uncertainty and Governmental trust issues."

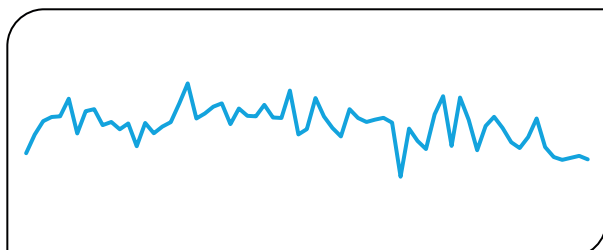
Professional Services Sector



2009 UK Sales Past 2025



2009 UK Sales Future 2025



UK Sales Future:

"Sales value and volume remains the same, but customers are booking work later. Last year we were booked 8 weeks in advance, this year it is 2-4 weeks in advance, sometimes less."

Construction / Engineering Sector

"At the moment everything is paused whilst we wait for the Budget. This is the 2nd year running Government have done this."

Professional Services Sector

EXPORT SALES

INCREASES

Export Sales Past:

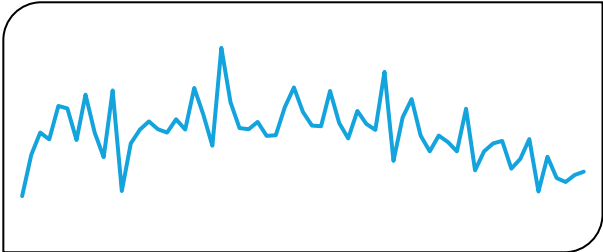
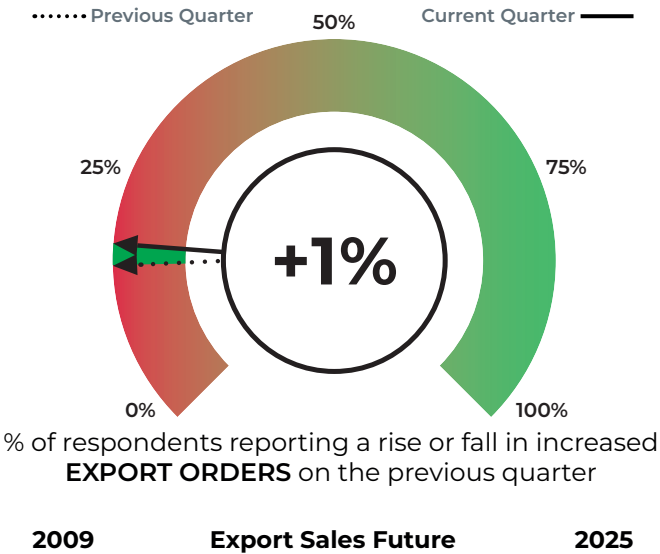
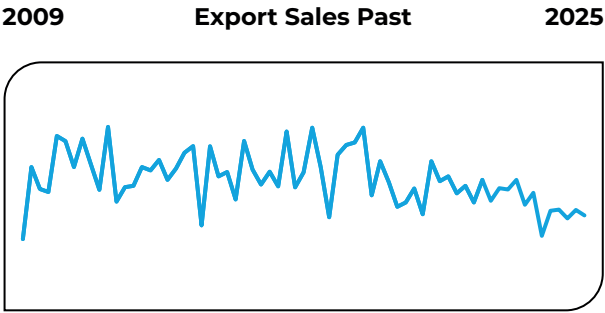
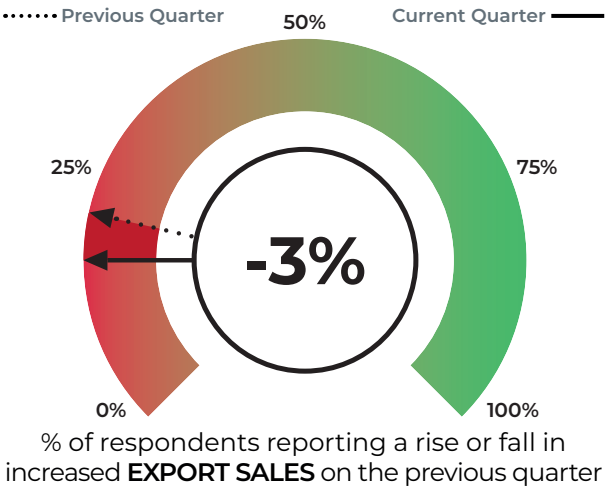
"Still struggling with B2C exports to EU post Brexit."

Manufacturing Sector

"We don't actively look for export opportunities, however, the number of enquiries has decreased."

Manufacturing Sector

Brexit is still casting a shadow over exports, with tariffs and customs declarations hindering growth.



Export Sales Future:

"Issues relating to Brexit continue to be the biggest blocker. The cost of sending samples overseas is horrendous."

Manufacturing Sector

"We currently don't carry out business outside of the UK. This will hopefully change as we're looking to trade in the US."

Logistics Sector

Only 5% saw increased sales, and only 5% expect increased orders for export.

WORKFORCE PAST & FUTURE INCREASES

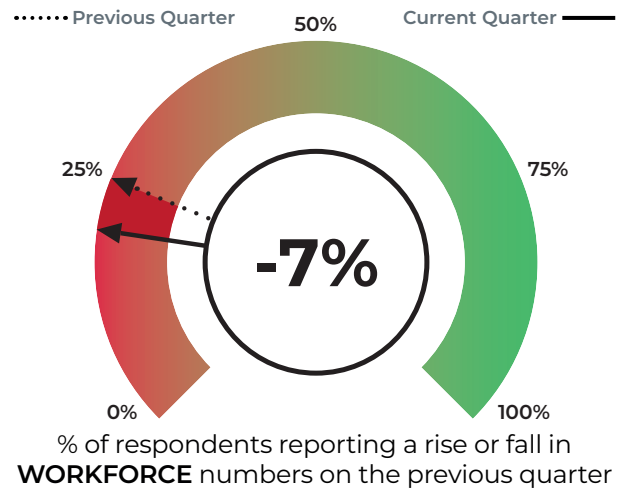
Workforce Past:

"Recruitment is very much on hold despite the fact we would like to increase our workforce with other specialist skills to help increase our offering and secure the future of the business."

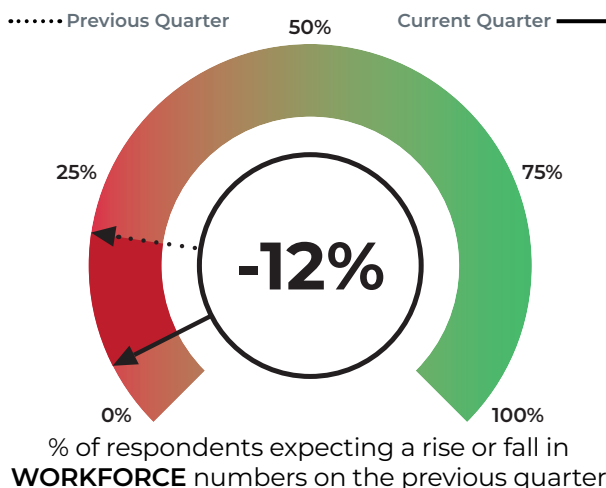
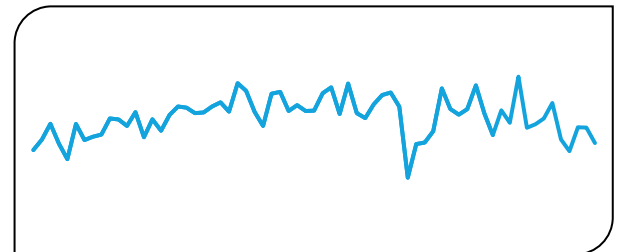
Marketing & Media Sector

"Because of the costs in the UK, and the difficulty for micro businesses to employ in order to generate the necessary revenue to continue to provide employment, an overseas experienced Virtual Assistant was deemed as our most secure option - our preference is to provide local opportunity, but the economic scenario does not enable us to do so."

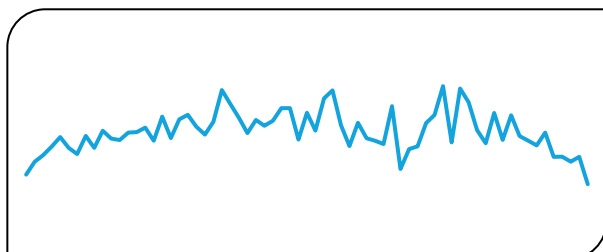
Professional Services Sector



2009 **Workforce Past** 2025



2009 **Workforce Future** 2025



Workforce Future:

"I am laying off 2 staff, it is not viable to have non skilled staff on £27K a year. I have also had to give the other members of staff huge pay rises to keep them."

Retail / Wholesale Sector

"Our plans to increase workforce by 25-33% placed on hold due to the need to ring-fence resources as a contingency against economic stagnation and taxation concerns."

Professional Services Sector

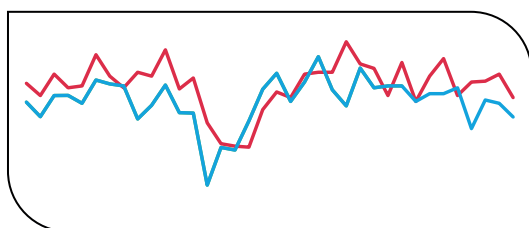
"We might have been looking to take on another person this year, but the Government imposed too many extra costs on business."

Marketing & Media Sector

SKILLS & RECRUITMENT

Companies Recruiting:

2017 Recruited Faced Difficulties 2025



“Due to a decrease in business by around 20%, if this carries on into the new year we will be looking to lay off staff.”

Construction Sector

“Employee NI impacts on us and our clients, so less work coming through. The Budget on 26/11 causing alarm in the market, so activity is falling through the floor.”

Professional Services Sector

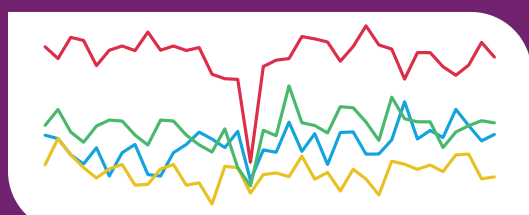
“In last months, 2 staff have resigned. We are looking to reduce further and may have to consider compulsory redundancy.”

Retail / Wholesale Sector



Staff Types:

2017 Part-Time Full-Time Temporary Permanent 2025



“We have an aging workforce, remote and rural manufacturing sites, and have very little young blood coming in or even on the horizon.”

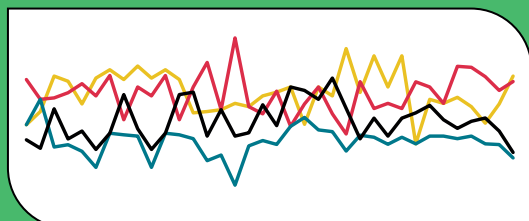
Construction Sector

“We are finding it harder and harder to employ staff who are hungry, humble and smart.”

Professional Services Sector

Post Types:

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



“Recruitment worked a lot better this time than around 6 months ago when it was a lot harder.”

Hospitality Sector

“We tried to take an apprentice on, this was challenging due to the lack of productivity of an apprentice and the minimum wage we had to pay.”

Logistics Sector

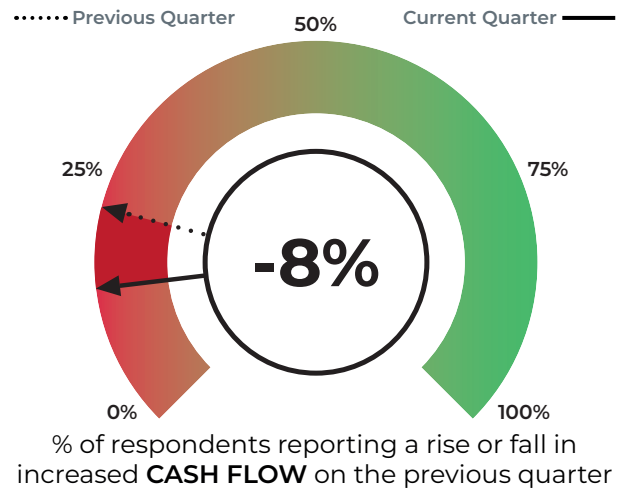
CASH FLOW INCREASES

Cash Flow:

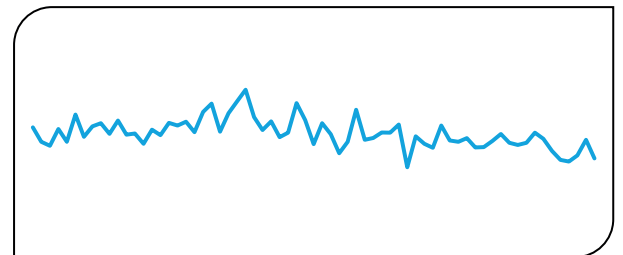
"All expenditure has been halted other than immediate stock materials."
Retail / Wholesale Sector

"Late payments are at their worst level for 10 years. It's not that people don't pay - it's just that we have to spend many hours chasing."
Marketing & Media Sector

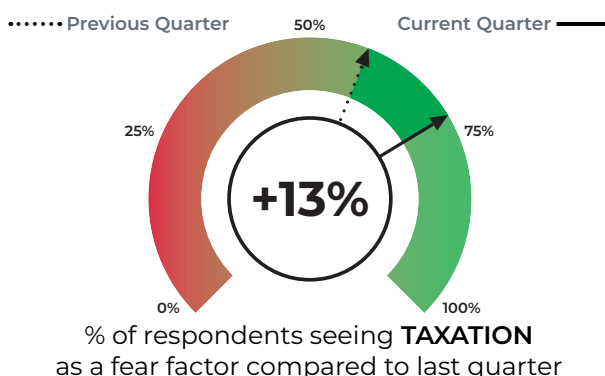
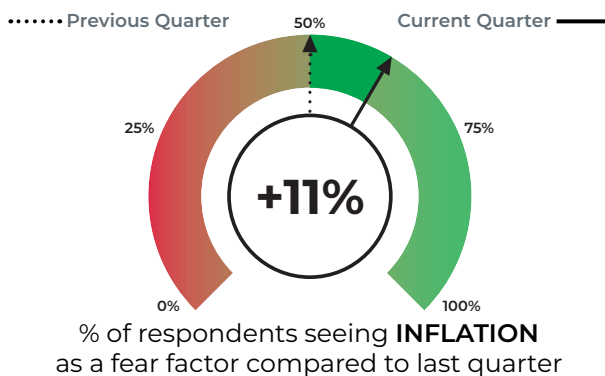
"In the current climate we decided to remain consistent and keep our overheads low."
Logistics Sector



2009 Cash Flow 2025



FEAR FACTORS



Fear Factors:

"As I've said, we feel as though we are being hunted by the Government and surely it's not meant to feel like this?"
Retail / Wholesale Sector

"No confidence in measures taken to boost the economy. Everything points to the situation getting much worse. Everyone is having more money taken from every aspect."
Retail / Wholesale Sector

"Demands on private sector due to increase in raw materials, wages, energy and at a time of tight margins."
Construction Sector

INVESTMENT

INCREASES

Plant & Machinery:

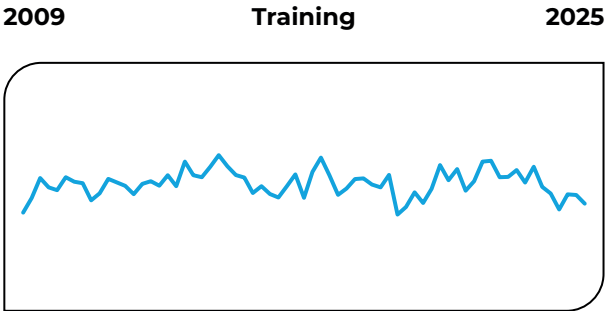
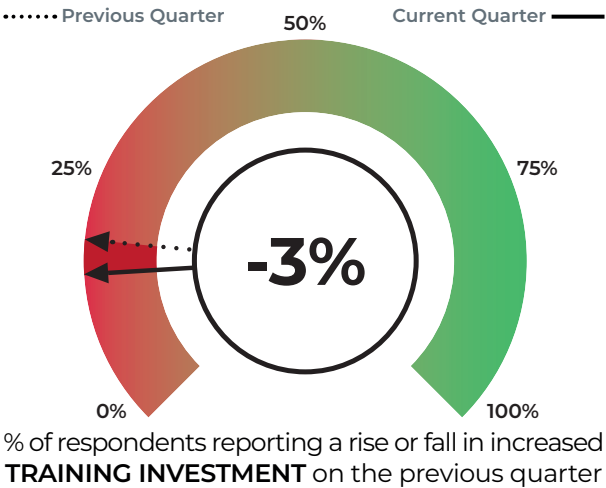
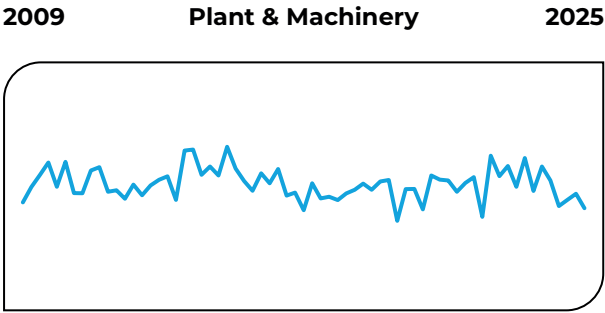
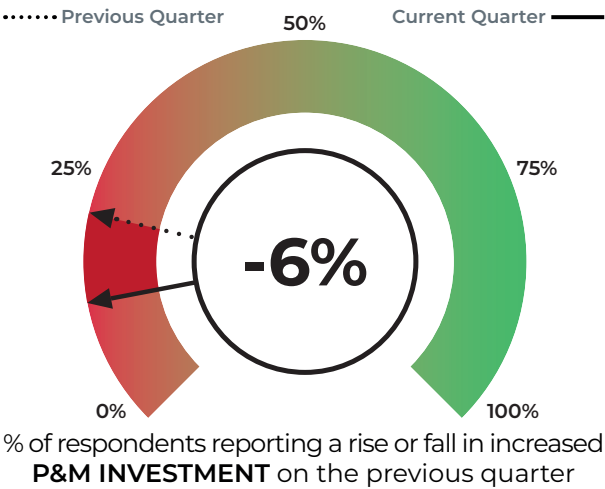
“Government actions have caused a massive amount of hesitation from companies who need to invest. The need or requirement remains, however uncertainties remain.”

Construction Sector

“There is no appetite to invest due to massively reduced business forecast due to the current Government choices.”

Manufacturing Sector

Only 13% plan to increase their investments in plant and machinery.



Training:

“Our training goes in phases dictated by regulation. The decrease in training has not been a budget decision, we are not due to complete any regulatory CPD training this year.”

Construction Sector

“We keep paying for people to gain driving PSV qualifications with no guarantee they will pass or work for us long term after we have invested in them.”

Logistics Sector

Only 15% of interviewees stated that they would increase their spend on training.

CONFIDENCE INCREASES

Turnover Confidence:

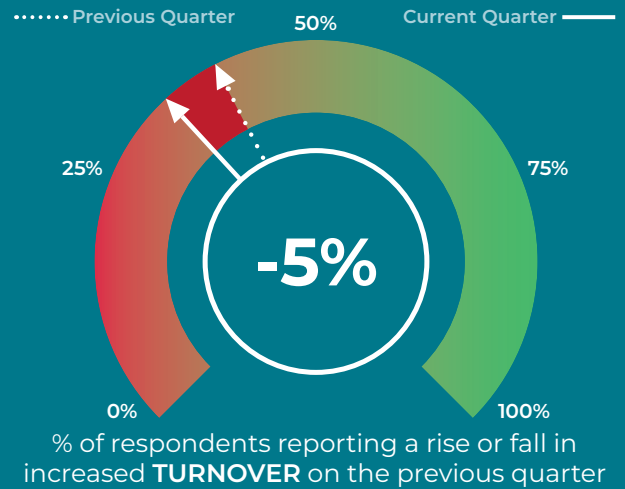
"The Government has destroyed any kind of proactive approach to the economy - they are totally inept."

Manufacturing Sector

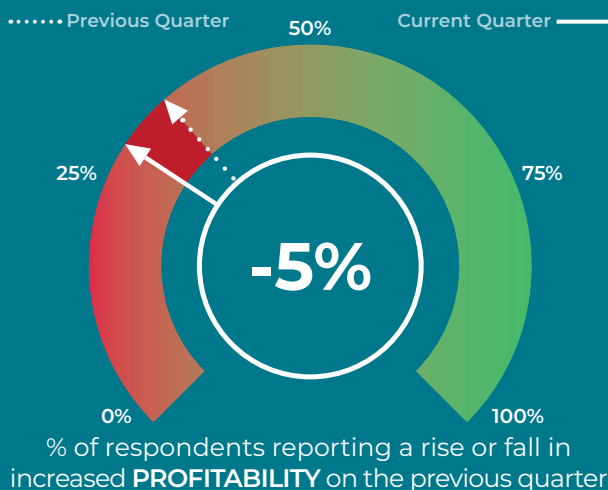
"The cost of the systems and services I use to support my service delivery to clients is increasing, but revenue is not. Clients are also wanting more for less, as their budgets are squeezed."

Professional Services Sector

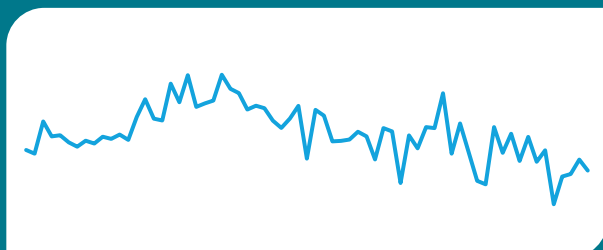
39% of businesses felt turnover would improve in the next twelve months, which is still lower than pre-Covid.



2009 Turnover 2025



2009 Profitability 2025



Profitability Confidence:

"Our diversification in service offering should enable us to grow both our turnover and profitability."

Professional Services Sector

"We are trying our hardest in the background to streamline costs without impacting the finished product. But inevitably, the price of manufacture is expected to increase due to NI wage increases, raw material and energy prices."

Manufacturing Sector

28% of businesses interviewed felt that their profitability would increase.

CAPACITY | PRICE vs COST

Capacity:

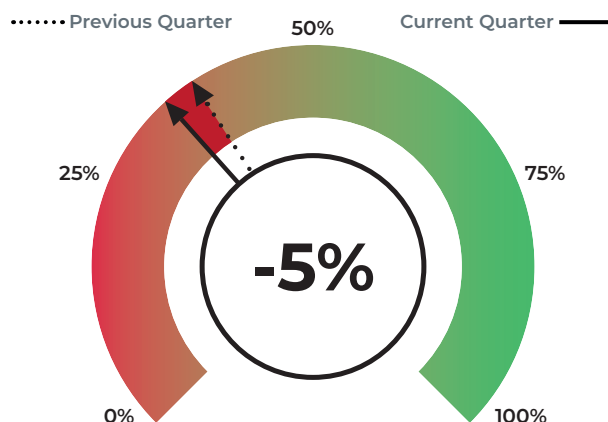
"We have started to look at utilising social media more. We need to be seen more in order to attract more customers to reach our capacity."

Land-based Sector

"Capacity levels really depends on what the Budget brings and how our clients react."

Professional Services Sector

33% are working to capacity, which is in line or better than pre-Covid, but this could be impacted by staff being laid off.

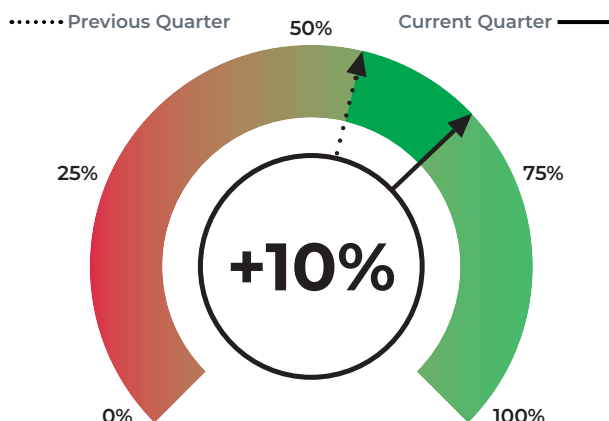
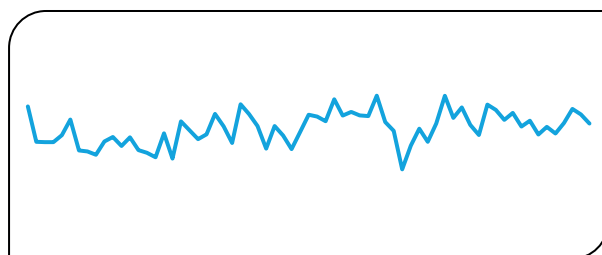


% of respondents reporting a rise or fall in **FULL CAPACITY WORKING** on the previous quarter

2009

Full Capacity

2025



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

Price vs Cost:

"Need to cover additional costs including warranty increases and inflation costs."

Logistics Sector

"We have to increase to cover increases in materials and labour. This usually results in reduced sales."

Retail / Wholesale Sector

"We have avoided price increases for years BUT the impact of spirit duty and NI are too much to bear, so prices will have to increase soon."

Manufacturing Sector



ADDITIONAL QUESTIONS

Business Pressures:

1

Have your credit terms got worse?

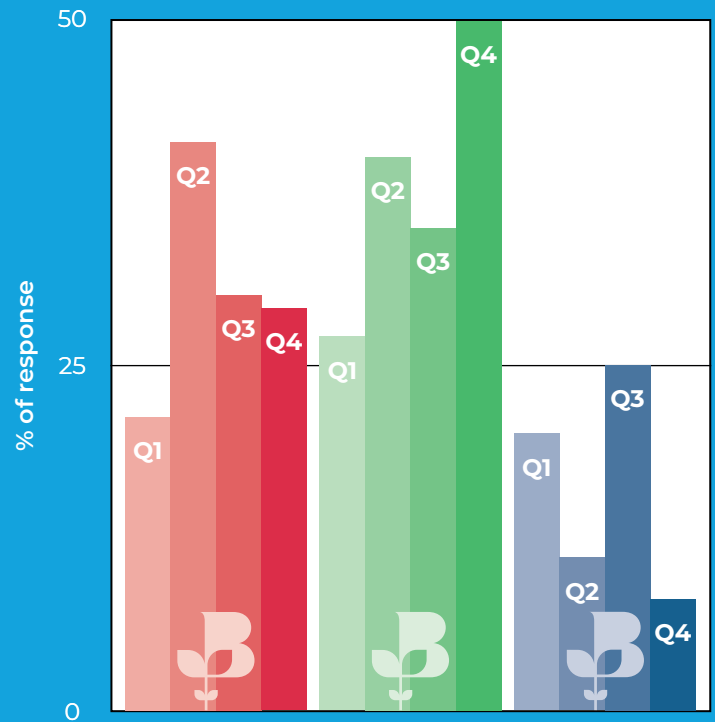
2

Are your bad debts increasing?

3

Are wage demands easing?

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



Business Pressures:

"Cost of living is impacting customer spending. Customers are currently less likely to commission preventative maintenance unless required as T&Cs to manufacturers warranty."

Construction Sector

"We're coming to the end of our small business rates relief, so that will impact us. Inflation is hitting cost of goods hard, so as mentioned, we're not getting any economies of scale, the fact we can order in higher volumes now, means we either get quoted the same or in most cases, a worse price due to increasing prices."

Manufacturing 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

