

# Employment Costs & New Laws...

“  
**TAXATION  
NUMBER ONE**  
*...greatest fear*

“  
**INFLATION  
FEARS**  
*...remain strong*

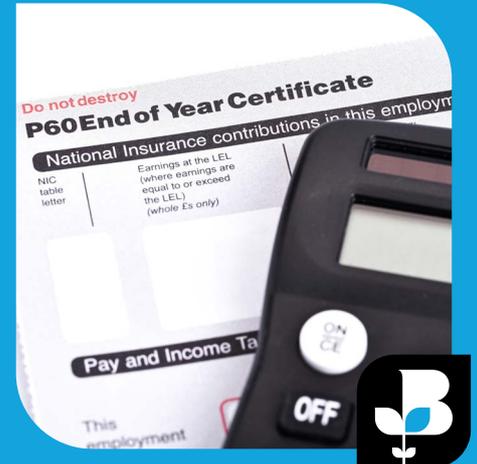
“  
**USA  
TARIFFS**  
*...ongoing issue*

“  
**RECRUITMENT  
ISSUES**  
*...soft skills*

# Employment Costs Burden...

## The cost and legalities of employing worry many!

- Wage rises still crippling businesses
- Changes to employment law a major concern
- Employers nervous to recruit
- Candidates not of the quality needed



## 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.

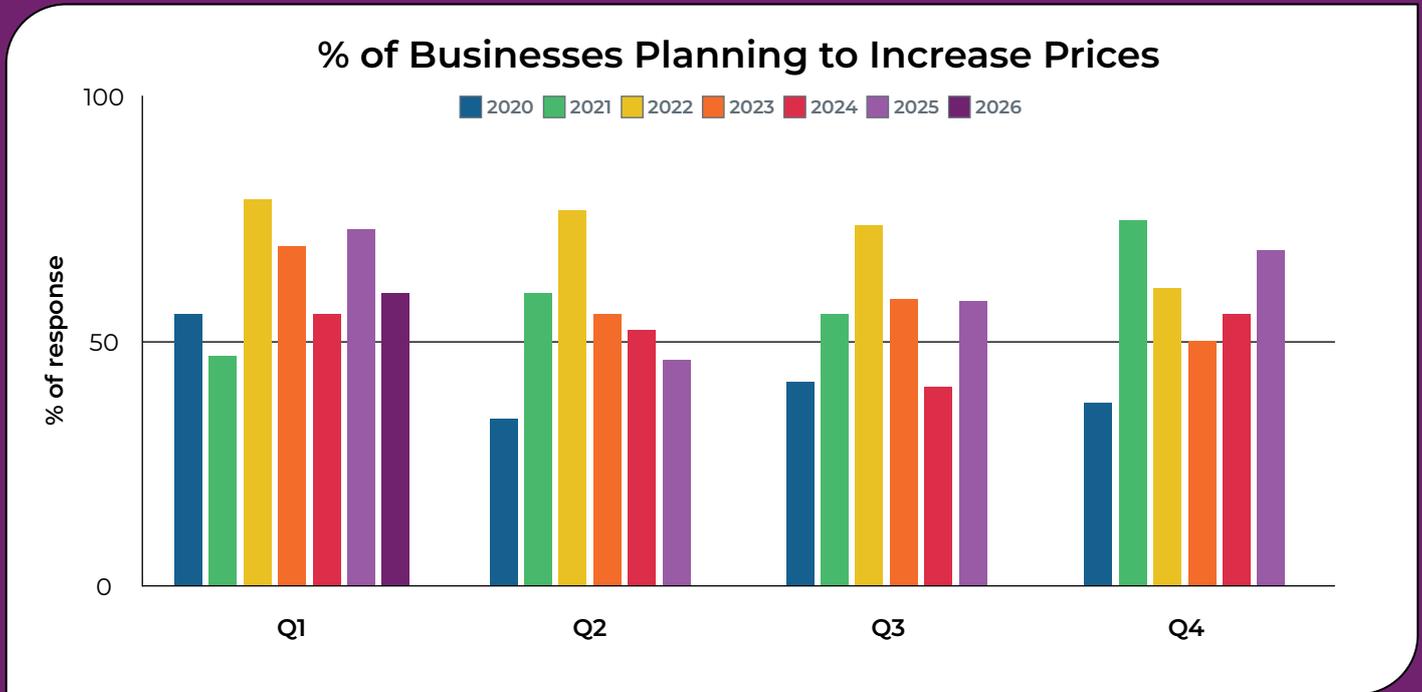
Please note this is only open to businesses in **Shropshire** and **Telford & Wrekin**, and Chamber Membership is not required to take part. Those in neighbouring counties should approach the British Chambers of Commerce to locate their nearest BCC Accredited Chamber.

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.

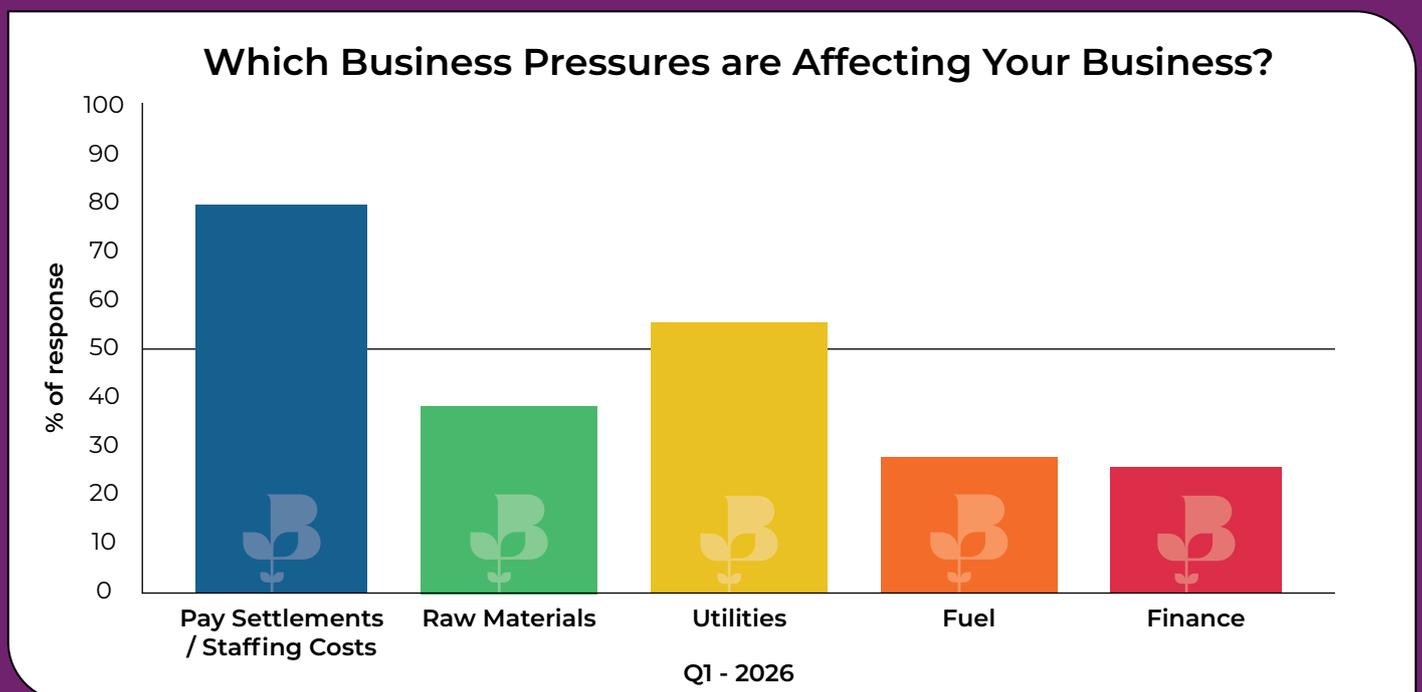
**The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.**

# Headline News...

## Price vs Cost Comparison

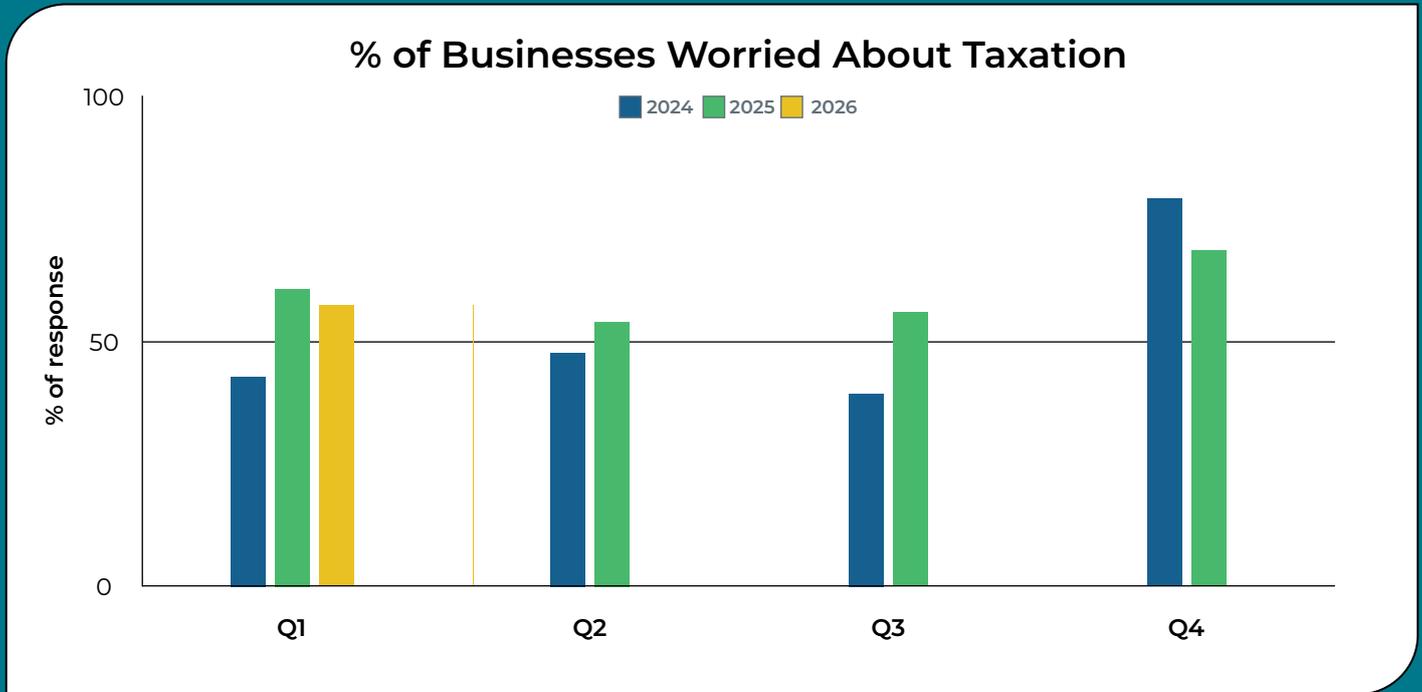


## Business Pressures Affecting YOU

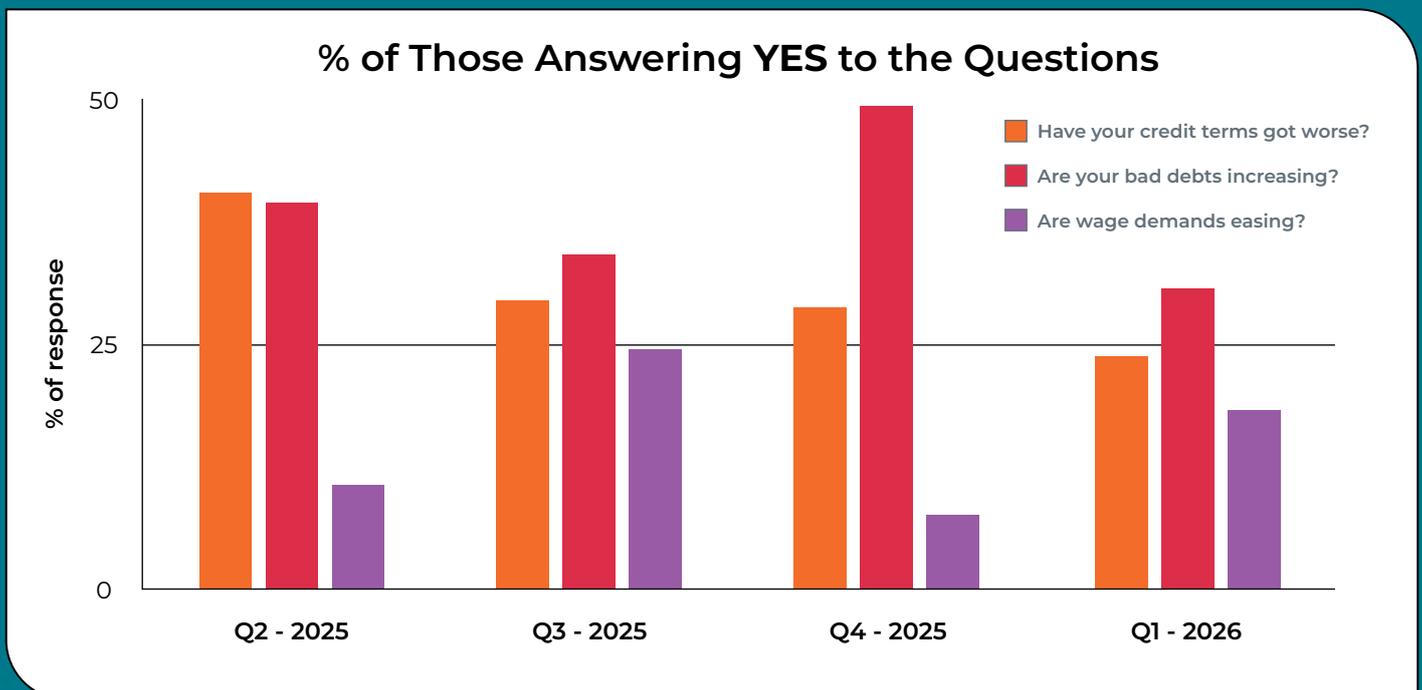


## Headline News...

### Taxation Fears



### Credit Terms, Bad Debts and Wage Demands



**DOMESTIC (UK) SALES**  
**INCREASES**

**UK Sales Past:**

*“Our planned install work is keeping us busy, but new stuff is much slower so far in 2026.”*

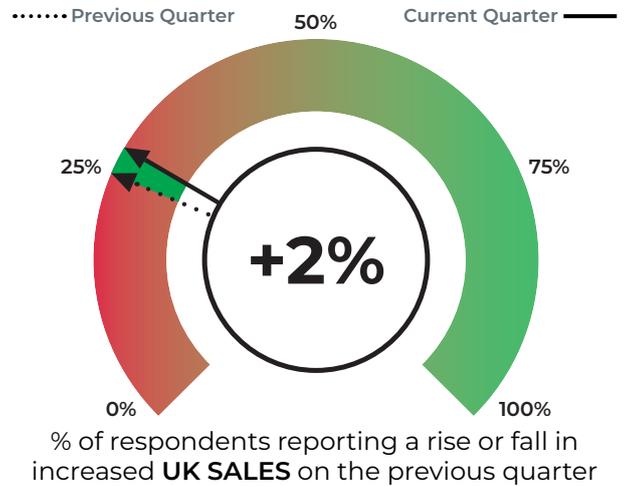
Professional Services Sector

*“High demand for our recruitment services in Jan and Feb not seen at such levels since 2021/22.”*

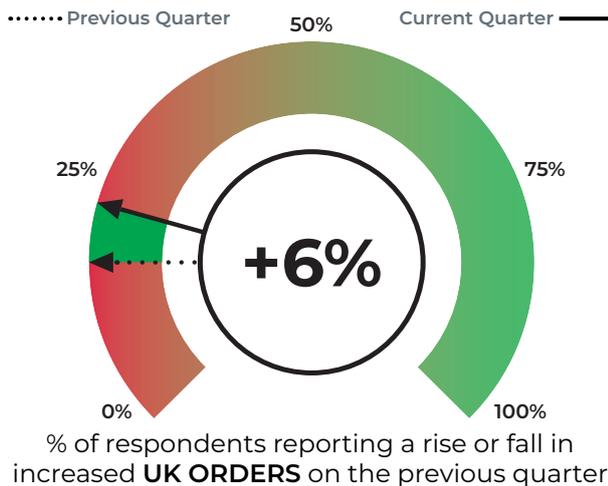
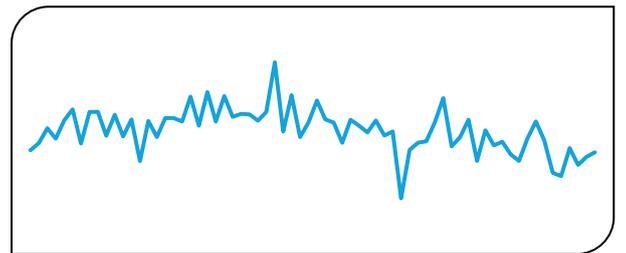
Professional Services Sector

*“We specialise in de-carbonisation, which is a key growth area within construction.”*

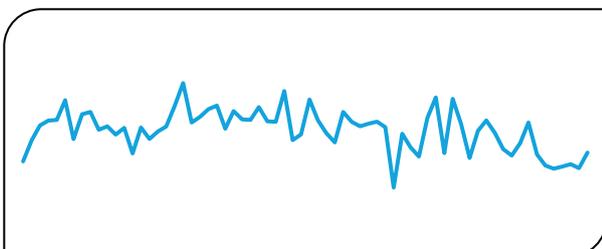
Construction Sector



2009      UK Sales Past      2026



2009      UK Sales Future      2026



**UK Sales Future:**

*“Increased enquiries in January 2026 for counselling/therapeutic services.”*

Health Sector

*“Confidence appears to be waning.”*

Professional Services Sector

*“After a shaky end to 2025, there are tentative signs of optimism in terms of clients being prepared to commit to projects a little further ahead.”*

Marketing Sector

## EXPORT SALES

### INCREASES

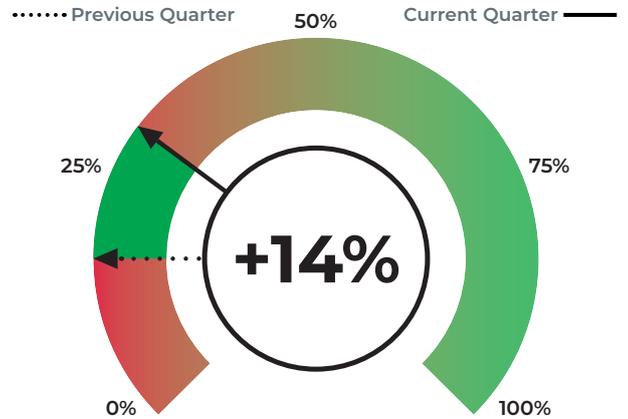
#### Export Sales Past:

*“Brexit and US tariffs, plus the difficulties of shipping to Europe have contributed to a decline in export sales. It is now virtually impossible to send goods to Spain and Czechia.”*

Manufacturing Sector

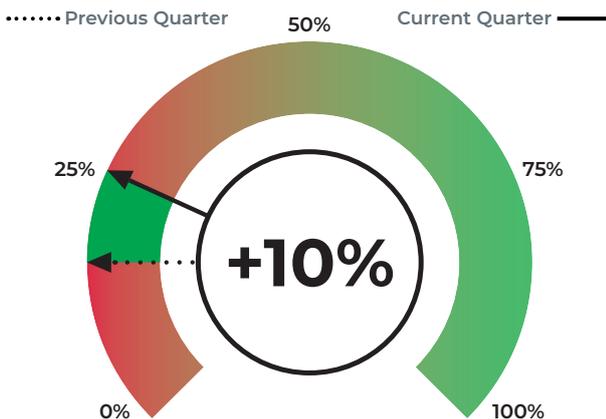
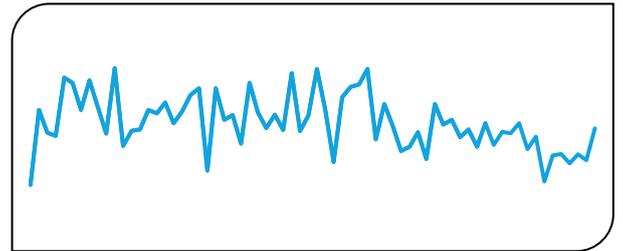
*Changing and uncertain tariff charges from the USA adding to export worries.*

*Slight up-tick in both sales and orders for export.*



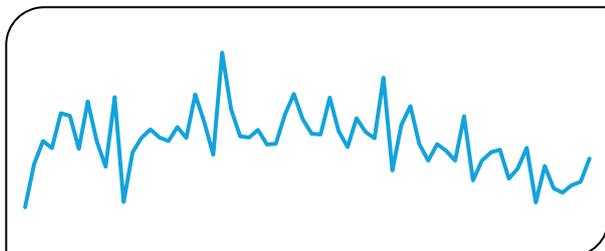
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009      Export Sales Past      2026



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

2009      Export Sales Future      2026



#### Export Sales Future:

*“We have invested in R&D to produce world-leading products. We have also invested large amounts in promotion through advertising and trade shows both in UK and abroad.”*

Manufacturing Sector

*“We have recently won a significant contract with our largest client in the region. We are coming out of a period of flat performance within Europe.”*

Professional Services Sector

# WORKFORCE PAST & FUTURE

## INCREASES

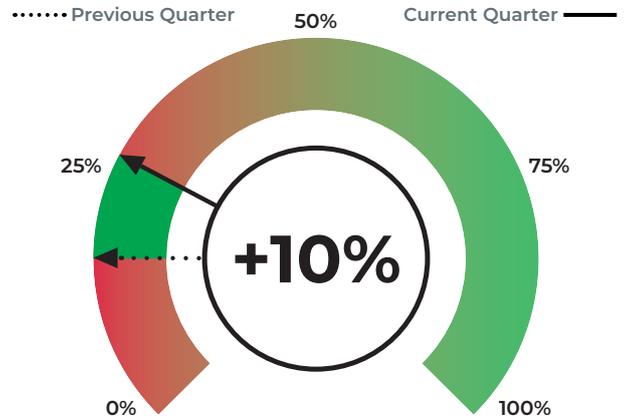
### Workforce Past:

*"I will not be employing anyone due to the Employment Rights Act, minimum wage and increased NI."*

Retail & Wholesale Sector

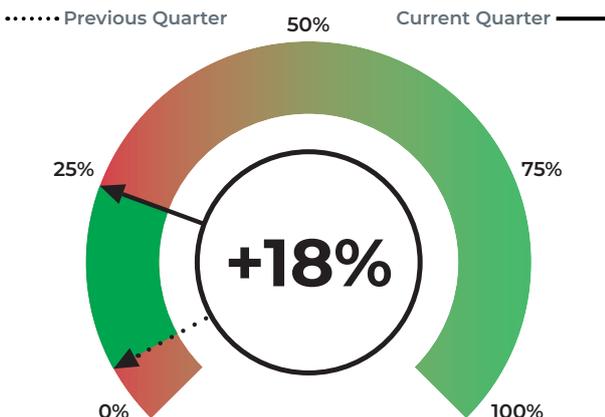
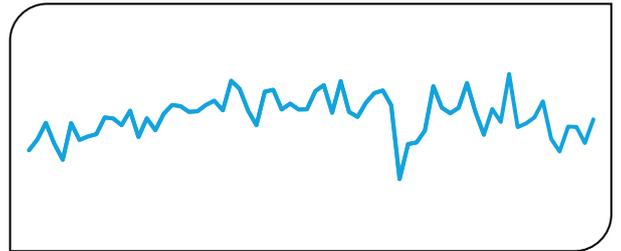
*"Due to ever increasing MLW and the NI calculations for employers, this has meant that our organisation is no longer fully covered under the SME NI relief amounts. We have not recruited when people have retired and have had to make redundancies and now running on a lower staff level than is ideal."*

Service Sector



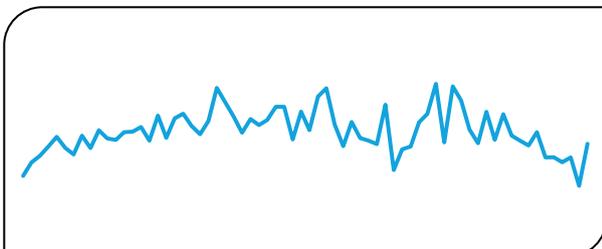
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009      **Workforce Past**      2026



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

2009      **Workforce Future**      2026



### Workforce Future:

*"We have seen limited people leaving through natural wastage, however we did have a trend of persons not wanting to adopt or follow company procedures in relation to unethical, unsafe acts or approach to work in general. This has impacted our number of employed staff and resulted in a number of staff being dismissed in line with HR codes of practice."*

Construction Sector

*"Cannot afford to take on new staff. NI costs are crippling."*

Agricultural Sector

## SKILLS & RECRUITMENT

### Companies Recruiting:

2017 Recruited Faced Difficulties 2026

*“Our continued growth has meant an increase in workforce.”*  
Construction Sector

*“Increased minimum wage prevents us from increasing our workforce.”*  
Manufacturing Sector



### Staff Types:

*“We have looked for a local CAD designer for many months. We are always looking for erectors with a skill in metal sheeting. Welders required at our steel factory is always a challenge.”*  
Construction Sector

*“Technical Sales Force. Person was sat at home doing nothing and did not respond to leads Company provided. Fired in December.”*  
Manufacturing Sector

2017 Part-Time Full-Time Temporary Permanent 2026

### Post Types:

2017 Clerical Professional - Managerial Skilled Manual-Technical Semi-Skilled & Unskilled 2026

*“The cost of skilled staff is becoming ever more difficult and the cost of living crisis is not helping.”*  
Construction Sector

*“Sales staff able to talk B2B - we need people with excellent communication skills, and confident networking abilities.”*  
Marketing Sector

## CASH FLOW INCREASES

### Cash Flow:

*"Cash flow is our biggest challenge."*

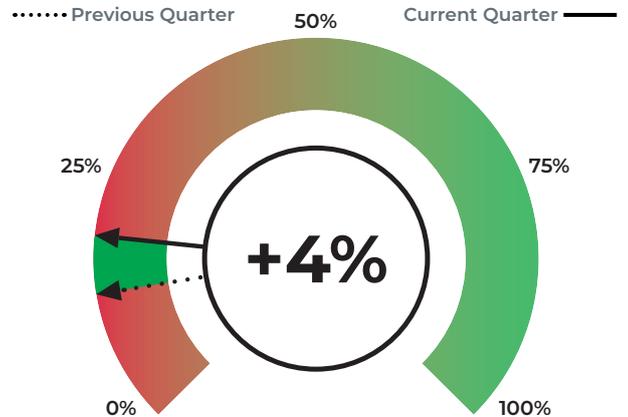
Service Sector

*"Crippling tax burden has impacted cash flow and decreased investment."*

Manufacturing Sector

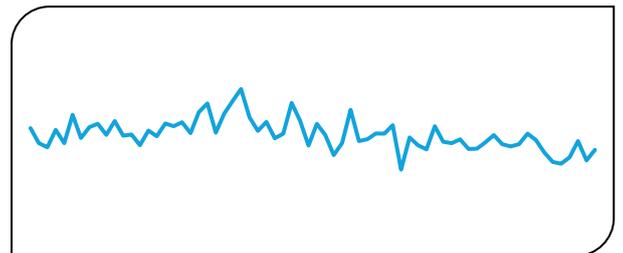
*"Trade still remains a concern and a business rates potential increase in April is also a concern. So, trying to keep spending and any form of investment to a complete minimum."*

Retail & Wholesale Sector

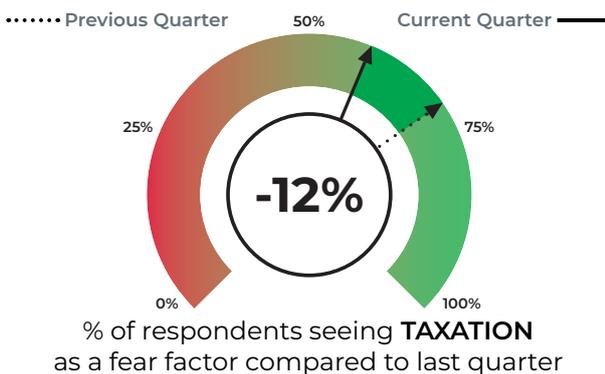
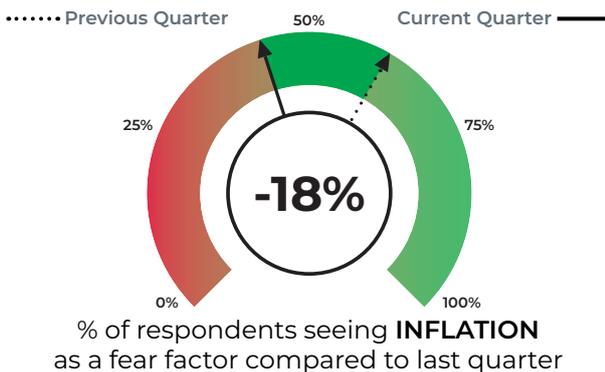


% of respondents reporting a rise or fall in increased **CASH FLOW** on the previous quarter

2009      Cash Flow      2026



## FEAR FACTORS



### Fear Factors:

*"The decisions and policies rolled out under this new Government are starting to bite businesses and domestic budgets. High tax and rates are simply not a way to help positive growth."*

Professional Services Sector

*"Lack of customer confidence in the political and economic landscape; local and national. Lack of strategic creativity in embracing digital skills. Not enough positive messaging. Too much unwillingness to change."*

Service Sector

## INVESTMENT INCREASES

### Plant & Machinery:

*"We've cut back on training and infrastructure, as we are having to absorb a lot of extra costs from suppliers and taxation etc."*

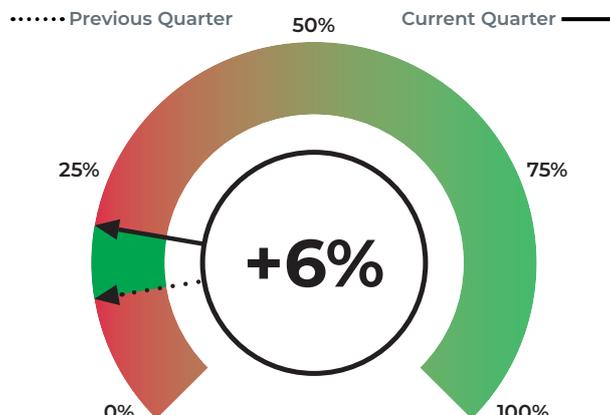
Marketing Sector

*"New machine investment based on promised orders that are now on hold!"*

Manufacturing Sector

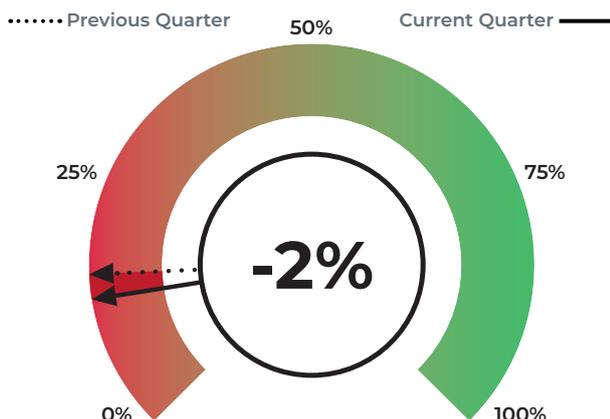
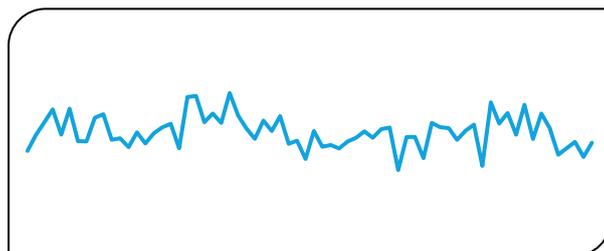
*"The business always invests in plant and equipment in the £10s of thousands each and every year. We have a new metal folder being delivered on Tuesday 03/03/26 at a cost of £120k."*

Construction Sector



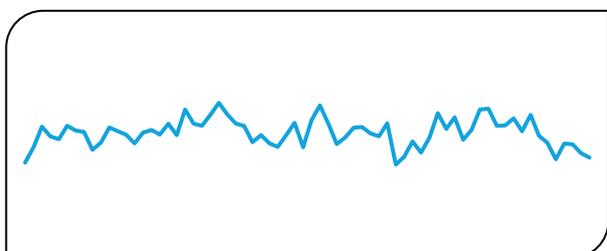
% of respondents reporting a rise or fall in increased **P&M INVESTMENT** on the previous quarter

2009 **Plant & Machinery** 2026



% of respondents reporting a rise or fall in increased **TRAINING INVESTMENT** on the previous quarter

2009 **Training** 2026



### Training:

*"We are committed to investment."*

Construction Sector

*"We have a 4 Phased training system that always supports active CPD for all levels. We have over 200 Certificates that require anniversary / update as routine over a 3 to 5 yearly cycle that covers Plant / Equipment / First Aid / Fire Marshal / Management Skills etc."*

Construction Sector

**CONFIDENCE**  
INCREASES

**Turnover Confidence:**

*“We are tied to the Construction sector and hopefully this will start to grow which will have a positive effect on our business following a tough couple of years.”*

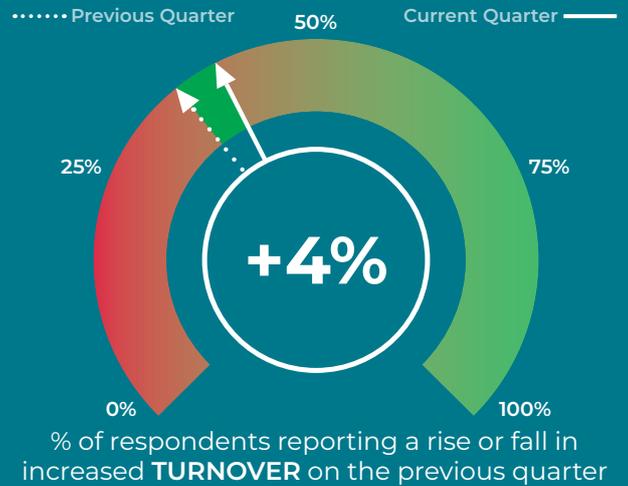
Marketing Sector

*“Our turnover and profitability will increase due to our determined effort to produce new products, access new markets, and embrace new cost effective components whilst also improving quality.”*

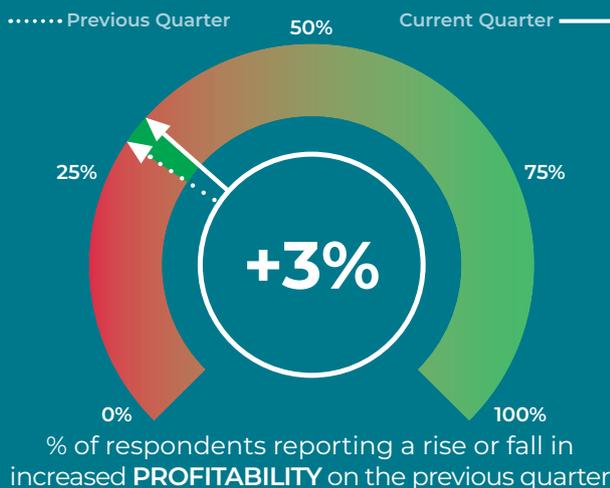
Manufacturing Sector

*“Our sector will grow and we are in a prime position to reap the rewards of that growth.”*

Manufacturing Sector



2009      Turnover      2026



2009      Profitability      2026



**Profitability Confidence:**

*“I think it will remain the same this year and it will be harder work to keep it at the same level. It does seem costs have made things harder for some time and this does have a lag effect, and we’re now seeing the result of this.”*

Professional Services Sector

*“We have little confidence that the volatility in the economy is going to disappear, and that impacts on business confidence.”*

Marketing Sector

*“This Government appears to be driven by crushing growth and small businesses.”*

Agricultural Sector

## CAPACITY | PRICE vs COST

### Capacity:

*“Unless rates and energy costs are controlled, all of us will see worsening conditions.”*

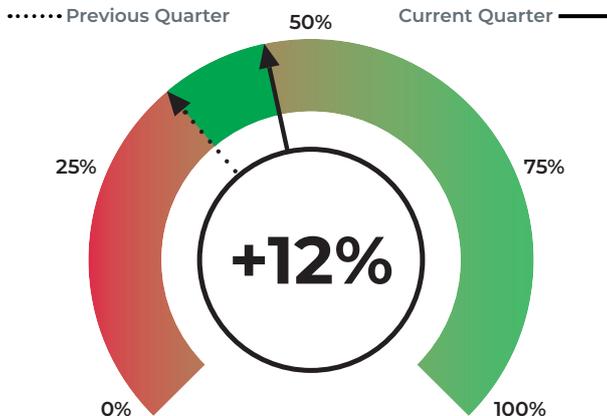
Professional Services Sector

*“The cost of growth. Banks are not providing finance at a suitable rate, making repayments burdensome, and restricting growth plans.”*

Construction Sector

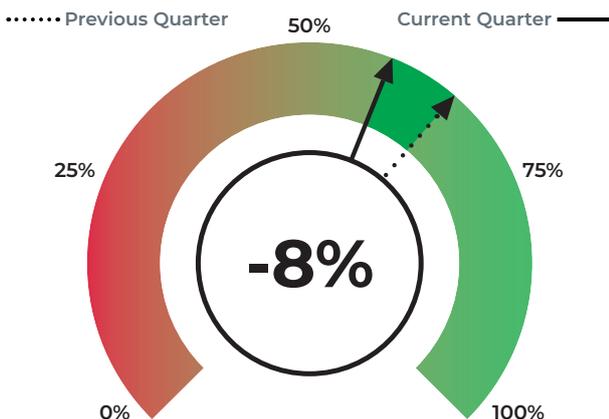
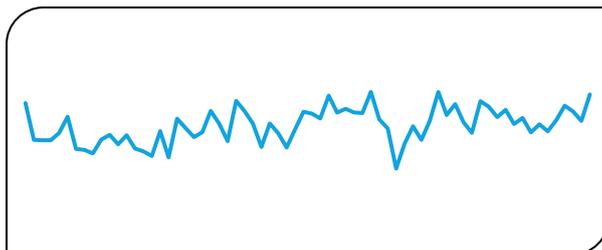
*“Cash flow is squeezed, but we hope to manage this without raising prices in order to command new markets and ensure growth.”*

Manufacturing Sector



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

2009      Full Capacity      2026



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

### Price vs Cost:

*“I’ve already decreased my prices significantly to gain turnover and it hasn’t worked yet.”*

Retail & Wholesale Sector

*“I put up the prices of everything for the start of 2026, so this years prices are now set.”*

Service Sector

*“We can’t pass on the full impact of our extra running costs to our customers for fear of losing them.”*

Marketing Sector



## ADDITIONAL QUESTIONS

### Business Pressures:

1

Have your credit terms got worse?

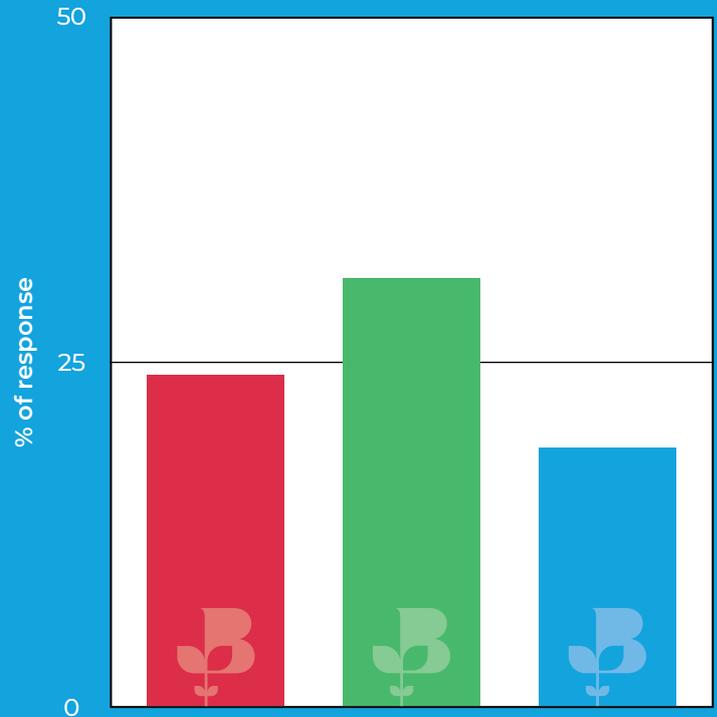
2

Are your bad debts increasing?

3

Are wage demands easing?

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



### Business Pressures:

*“Still pressures are being felt from labour’s first budget. Massive increase in business rates, wage cost increases etc.”*

Retail & Wholesale Sector

*“Increased PAYE costs and Corporation tax are stifling and depressing. There are no Government strategies to help us - it is a myth. We survive despite the Government!!”*

Manufacturing Sector

*“VAT needs to come down and HMRC need to improve on systems allowing the claim back of CIS which is very time consuming and cumbersome.”*

Construction 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)

