

# Election Pros & Cons



**CAPITAL GAINS TAX**  
...worrying businesses

**SKILLS SHORTAGES**  
...still prevail

**DOMESTIC SALES**  
...slowing down

**CONFIDENCE GROWS**  
...slight improvement

## New Government...

**For some businesses it is seen as a step forward to stability, for others a worrying time with impending tax rises.**

**Though promises have been made by the new Government not to raise VAT, NI or Income Tax, many are worried they will be hit hard by other tax rises such as Capital Gains Tax.**

The next budget, at the end of October, will allow businesses to understand the severity of any rises and how this will affect their business and the economy in general.

**“Tax rises may lead to disinvestment or low investment**

Reduced investment will lead to a slower pace in the use of new technology & training, and will mean finance may be harder to acquire.



## 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:

*"There has been a general lack of confidence with the business community so projects are either postponed or reduced in scope and value."*

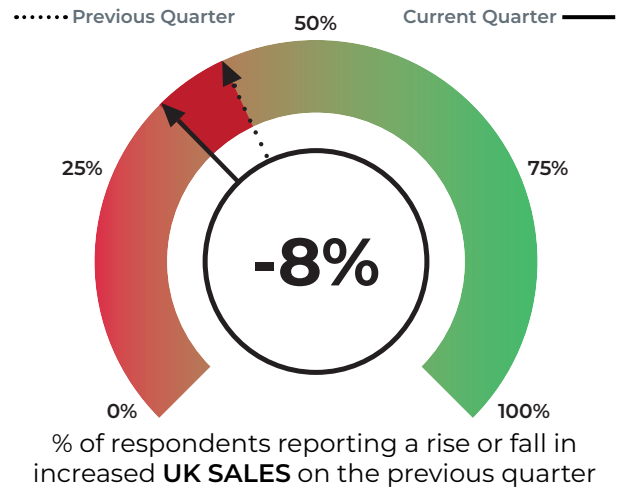
Marketing / Media Sector

*"It has been a very difficult year for retail sales, the high seems to be well and truly over. The weather has not helped either."*

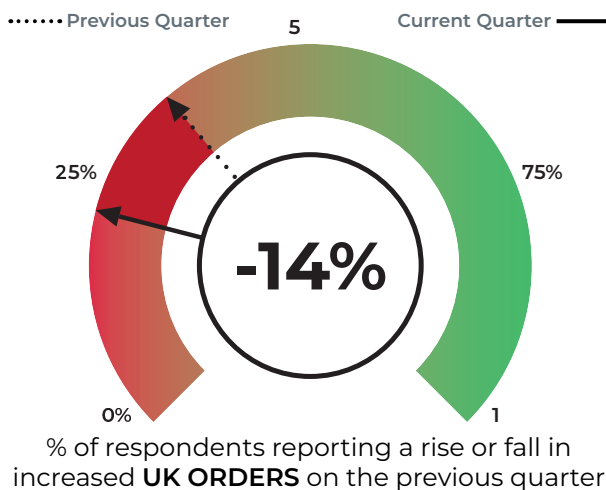
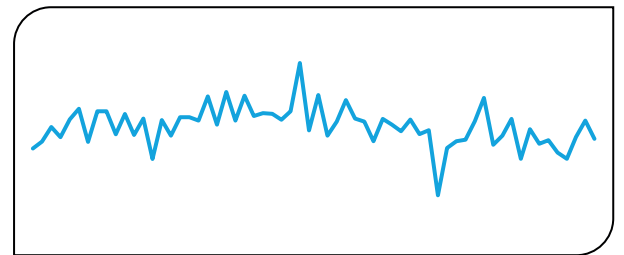
Retail / Wholesale Sector

*"We expect to see 25% growth in the next 12 months."*

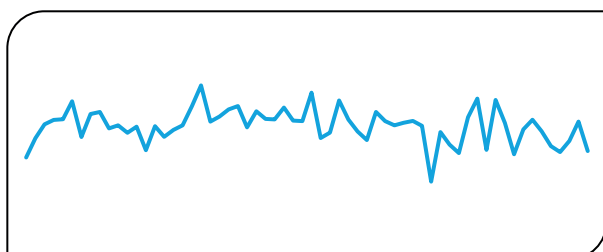
Professional Services Sector



2009 UK Sales Past 2024



2009 UK Sales Future 2024



### UK Sales Future:

*"Prices have gone up and customers don't want to pay so much. So it's getting quieter."*

Manufacturing Sector

*"Despite the cautiously optimistic economic indicators, many companies are still reluctant to commit to long-term marketing spend."*

Marketing / Media Sector

*50% said there was no change in forward expectations for orders.*



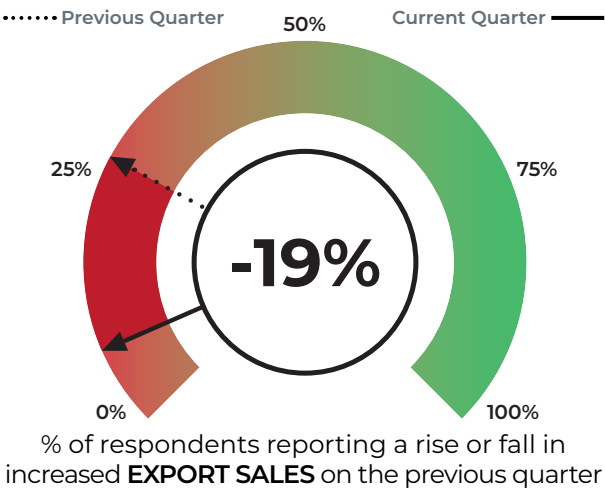
EXPORT SALES  
INCREASES

Export Sales Past:

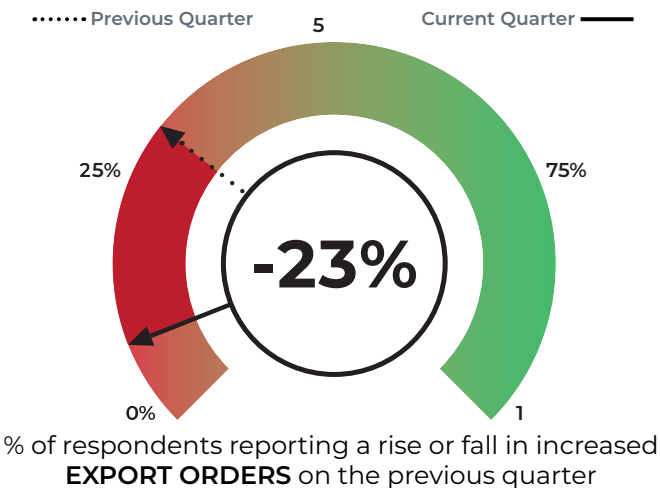
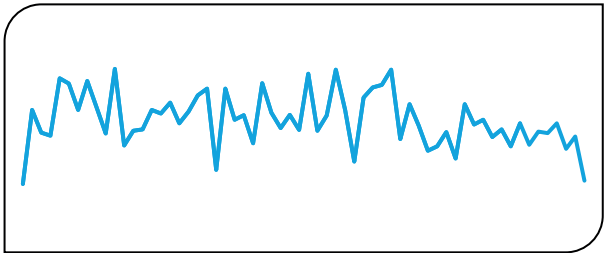
*“Many customers in the UK and Overseas are still trying to get back to pre-Covid levels of trading and turnover, so things are not back where they were, but are progressing slowly.”*  
Retail / Wholesale Sector

*“General drop in demand for all products & services we offer both in the UK and Overseas.”*  
Service Sector

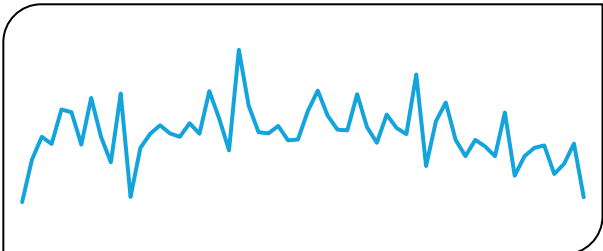
36% saw a drop in their sales in the past three months.



2009 Export Sales Past 2024



2009 Export Sales Future 2024



Export Sales Future:

*“Very difficult to do business now with Europe. Lots of regulations and red tape.”*  
Marketing / Media Sector

*“Brexit is still hampering selling to Europe. We hope it will get better under the new Government.”*  
Manufacturing Sector

37% feel that the next three months will see a drop in their export orders.

## WORKFORCE PAST & FUTURE INCREASES

### Workforce Past:

*"We have reduced head count by 2 and will lose another 2 by Christmas this year. Increased pay costs with a downturn in sales has caused this."*

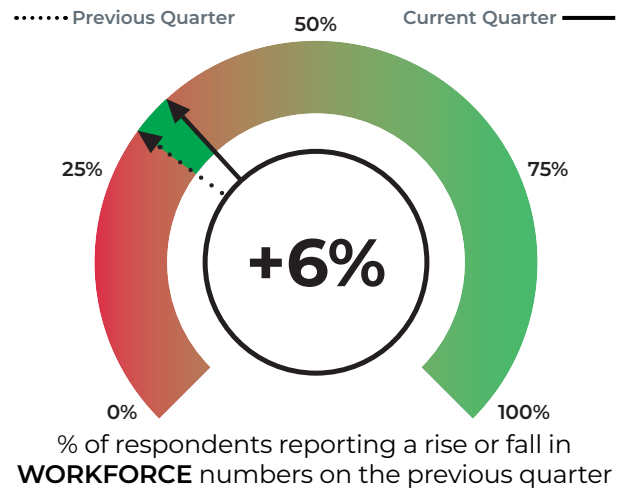
Manufacturing Sector

*"We simply no longer can afford staff, so we are going backwards."*

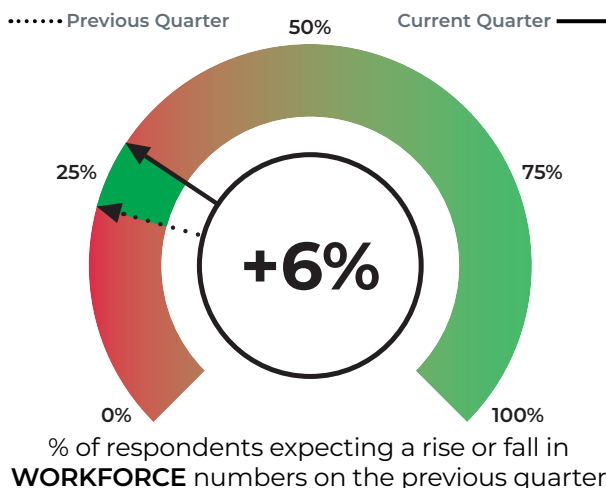
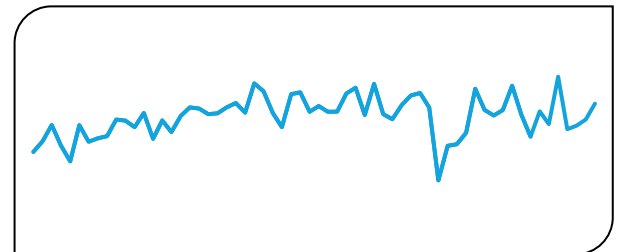
Manufacturing Sector

*"Have recruited due to busy beginning of 2024, but now seeing a slow down."*

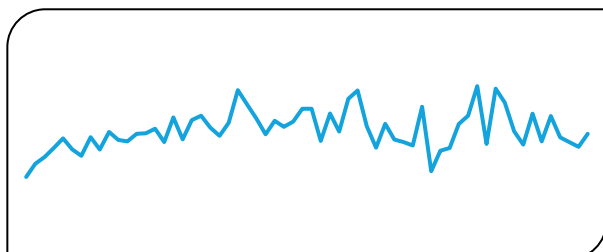
Marketing / Media Sector



2009      **Workforce Past**      2024



2009      **Workforce Future**      2024



### Workforce Future:

*"We are not replacing staff leaving while demand is low for our services."*

Service Sector

*"Due to severe budget cuts we will shed not gain staff."*

Public Sector

*"Workforce - we are looking to increase our workforce by 60 to 100 in the next 12 months."*

Professional Services Sector

## SKILLS & RECRUITMENT

### Companies Recruiting:



**“To teach needed skills we need teaching staff for Maths, English, Digital, Electrical...”**

Public Sector

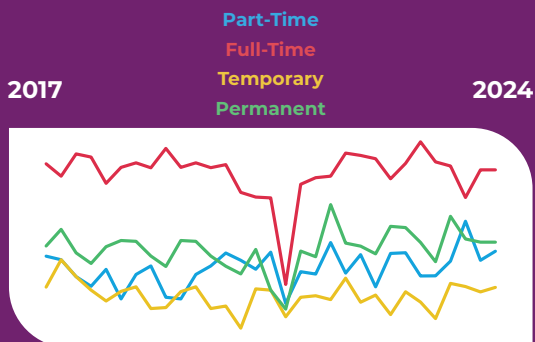
**“Tried to recruit through apprentice scheme on 4 occasions with assistance of college. Most people did not turn up. One turned up but fell asleep. Ultimately successfully recruited using noticeboard and Facebook. Recruitment agencies also provide no suitable applicants.”**

Manufacturing Sector

**83% still had difficulty finding the right candidate with the right skills, experience or work ethic.**



### Staff Types:



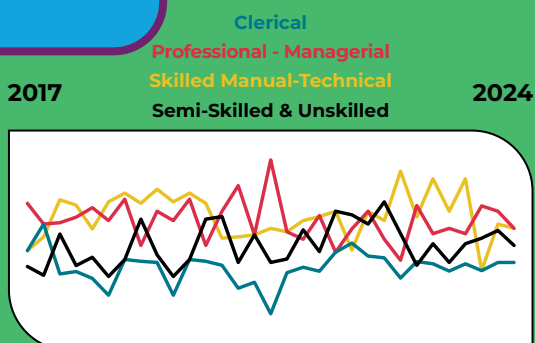
**“Finding reliable, experienced part-time sales people is tough. Jobs would typically suit older, more experienced staff - but how do you reach them?”**

Marketing / Media Sector

**“Auditors, accountants, solicitors and those with book keeping experience are hard to find.”**

Professional Services Sector

### Post Types:



**“Engineers are still in such short supply. It is hindering our and other businesses.”**

Manufacturing Sector

**“We need those who can drive, but the wages are low due to our funding so they cannot afford a car. It’s catch 22.”**

Health / Care Sector

## CASH FLOW INCREASES

### Cash Flow:

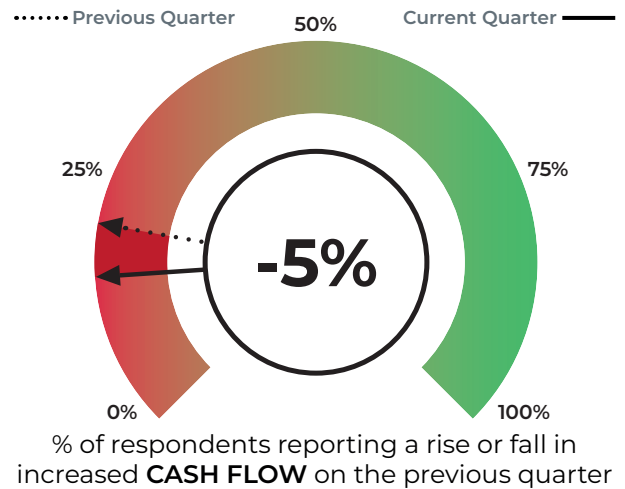
*"Late payers are having a negative effect on our business, we are not alone."*

Retail / Wholesale Sector

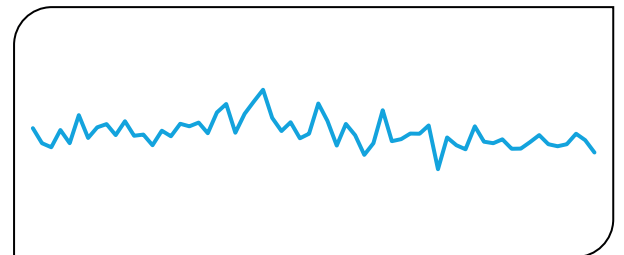
*"Government backed loans or grants are just not available even though they are advertised. We want to expand but can't get funding because we don't have a guarantor or own property."*

Hospitality / Tourism Sector

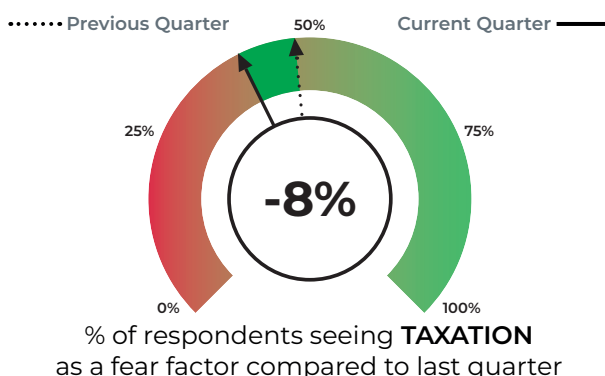
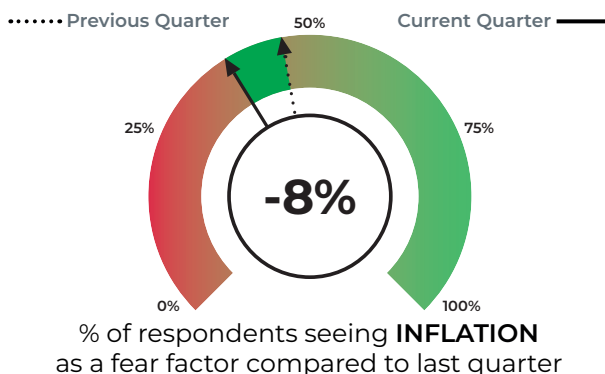
*Cash flow is holding steady for over 50% of respondents.*



2009      Cash Flow      2024



## FEAR FACTORS



### Fear Factors:

*"The current heavy burden of administration is making operating and expanding a small business almost impossible. Seriously having to consider relocating overseas."*

Retail / Wholesale Sector

*"Utility costs, they are to rise again and there is little sign, due to the global situation and our domestic governmental choices with regards to tax, that this will lessen any time soon."*

Manufacturing Sector

*Competition saw a jump to 30% of respondents stating it as a fear, the first serious rise since Covid.*

INVESTMENT  
INCREASES

Plant & Machinery:

*"We are investing in new technology to keep staff costs down and become more competitive."*

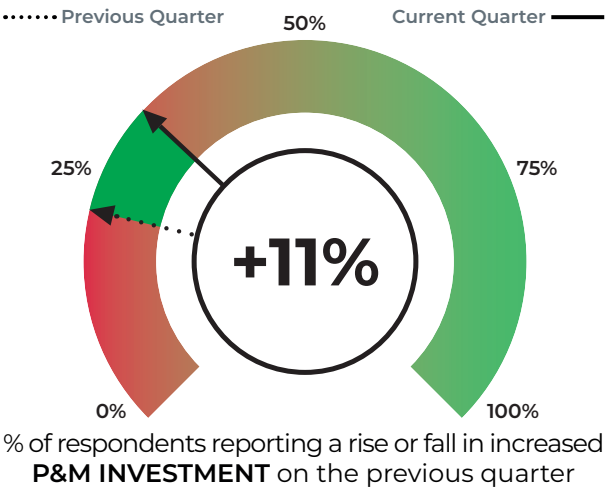
Service Sector

*"The speed of change and costs of technology are putting pressure on the business in multiple ways."*

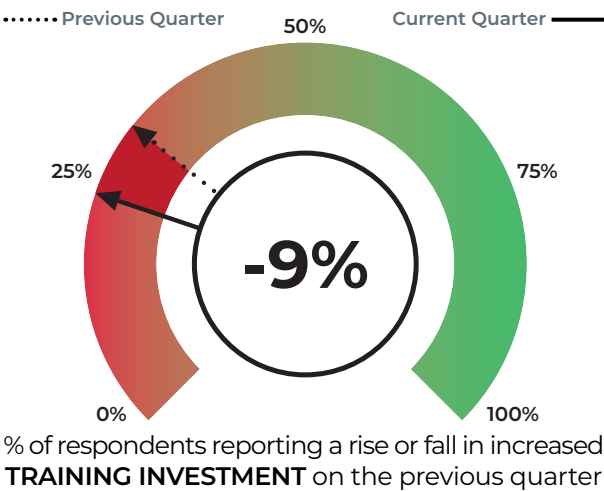
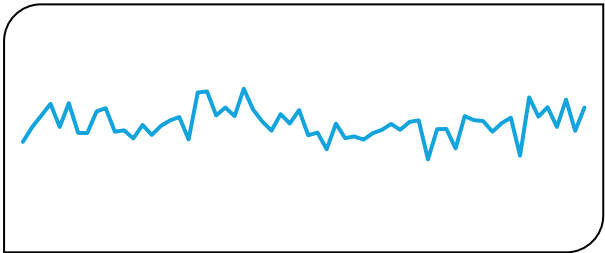
Professional Services Sector

*"Late payments are making us nervous about investing, as this is an added worry and makes us cautious."*

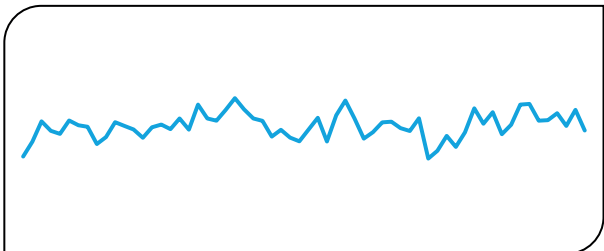
Manufacturing Sector



2009      Plant & Machinery      2024



2009      Training      2024



Training:

*"Lean Manufacturing apprentice training- we have to go to Wolverhampton to source but they will not be continuing next year."*

Manufacturing Sector

*"Staff can reach certain heights as training is out of work hours, but then they hit a block as the next level is full time or in the day."*

Professional Services Sector

*"In-house training has been provided - no suitable training seems to be available. Would be good to have short courses on practical skills like soldering or quality control."*

Manufacturing Sector



## CONFIDENCE INCREASES

### Turnover Confidence:

***"We are confident at retaining our turnover, but pressure on costs mean less profitability."***

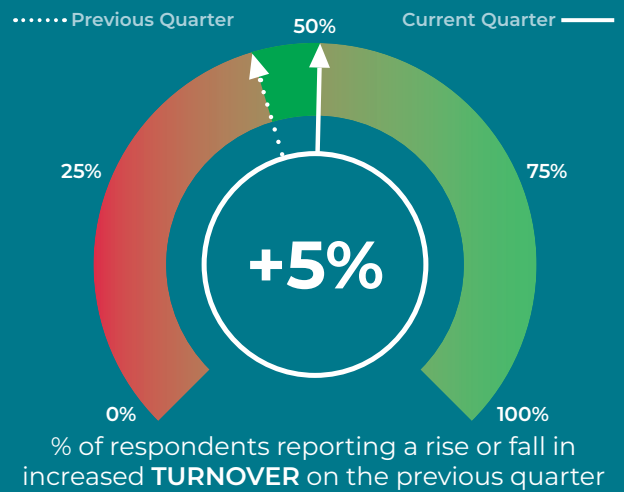
Marketing / Media Sector

***"Our work bank is very healthy and opportunities are at a record high."***

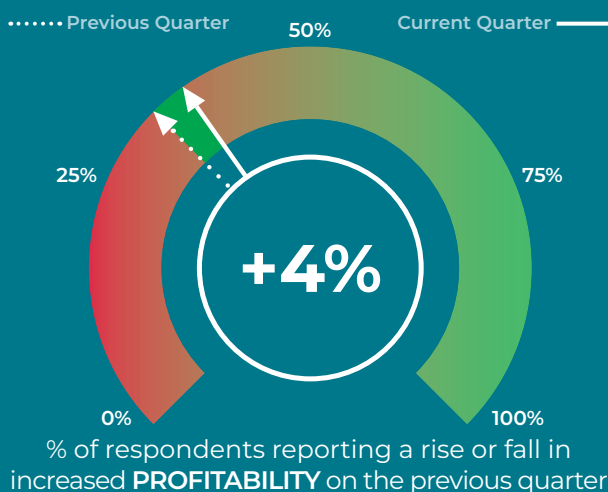
Service Sector

***"Competition is starting to be more of an issue than it has been in recent years, with the economy seemingly slowing despite what we hear. Getting business is harder for all."***

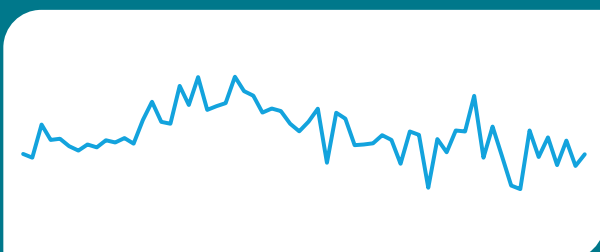
Professional Services Sector



2009      Turnover      2024



2009      Profitability      2024



### Profitability Confidence:

***"Increasing labour costs starting to become a pressure. Rental and wider office costs also squeezing margins."***

Professional Services Sector

***"Shipping costs are affecting our margins, which will make us less competitive."***

Manufacturing Sector

***"Cost of goods is likely to eat into turnover hence decreased profitability."***

Service Sector

## CAPACITY | PRICE vs COST

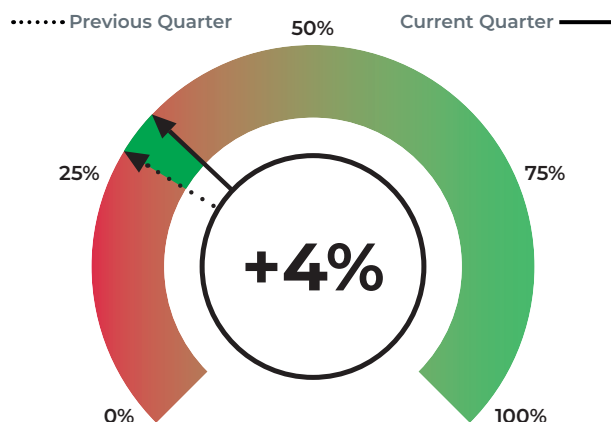
### Capacity:

*"Significant changes to the employment law brought in by the new government has decreased confidence to recruit, which affects capacity."*

Professional Services Sector

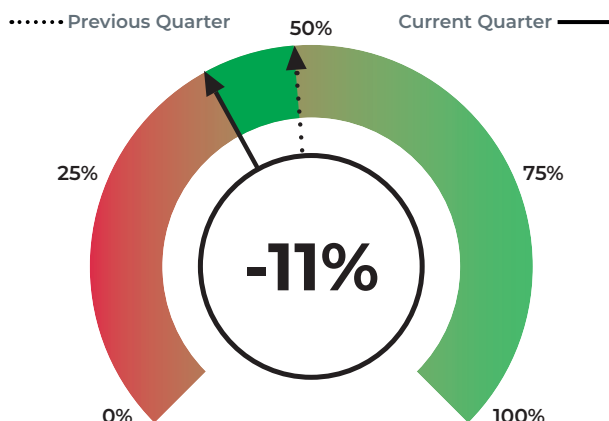
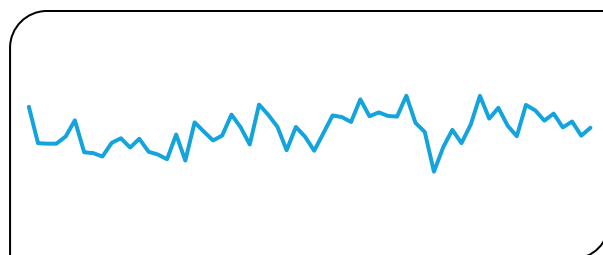
*"Due to staff shortages, as those with the right experience, personal skills and work ethic are not out there, it is impossible to work to capacity which is very frustrating. We can part train, but only if they really want to work."*

Manufacturing 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:

*"We are still having to soak up above-inflation material costs from suppliers, and simply cannot avoid passing at least a proportion of these onto the consumer."*

Marketing / Media Sector

*"Wage burden and the demand to do less hours actually means we have higher costs, which in part we have to pass on, but this may make us less competitive, especially against overseas companies."*

Professional Services Sector



## ADDITIONAL QUESTIONS

### Business Pressures:

1

Have your credit terms got worse?

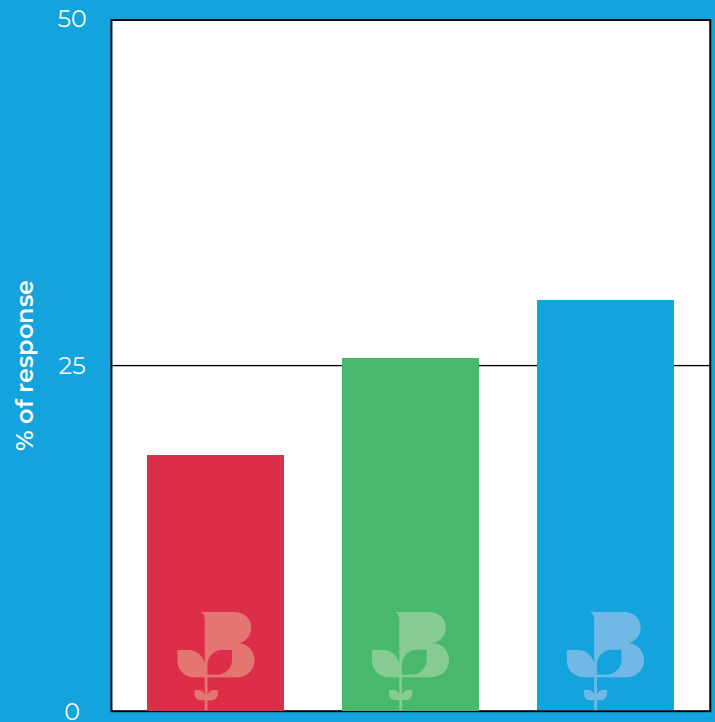
2

Are your bad debts increasing?

3

Are wage demands easing?

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



### External Factors:



***"The nature of training in the UK makes it difficult for us to benefit from much of it. We cannot have staff off site for long periods and we need what is taught to be relevant, real life scenarios. We hope that with a new Government some of the need for more flexible and realistic training will be embraced. That would aid productivity more than anything."***

Manufacturing Sector

***"Tax worries and possible law changes are making clients very wary of making purchases or commitments. Hopefully this will ease soon."***

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)

