

Wage Rises Fuel Inflation...



“
**INFLATION
RISES**
...worries continue

“
**INTEREST
RATES**
...which direction

“
**FUEL
COSTS**
...rising again

“
**STAFF
VACANCIES**
...the mismatch

Recruitment Mismatch...

Skills shortages are still biting.

However, due to inflation hitting households this is, in part, helping to alleviate the skills shortages and unfilled vacancies in some sectors as the need to work, in whatever degree, becomes more important.

Matching recruits to vacancies is proving difficult. More recruits are looking for part time or flexible work, yet most vacancies advertised are full time and traditional in approach. Changing times and changed attitudes are forcing employers to look at new ways to attract staff.



“ Matching recruits to vacancies is proving difficult...”

Brits are also among the least likely to say work should always come first, according to a recent global study by King's College London's Policy Institute. Findings showed that the younger the person, the stronger the sentiment.



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:

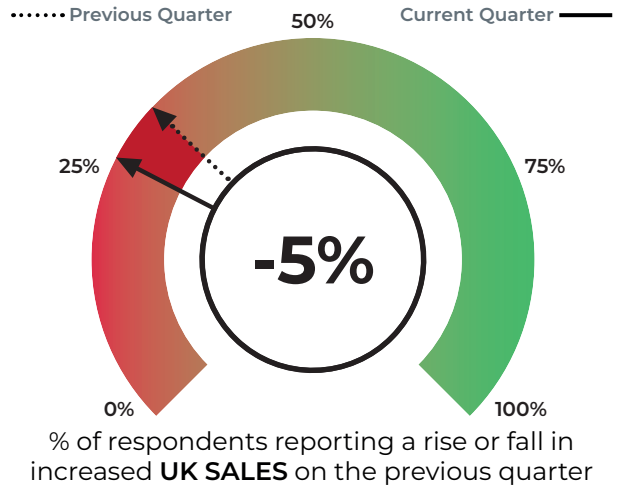
“Sales have decreased due to a poor summer.”

Retail/Wholesale Sector

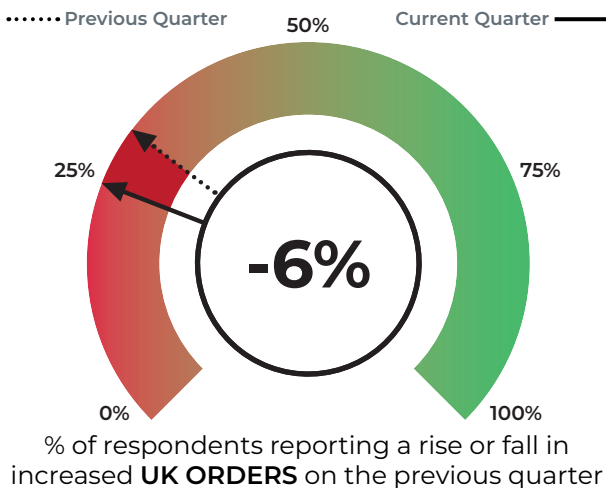
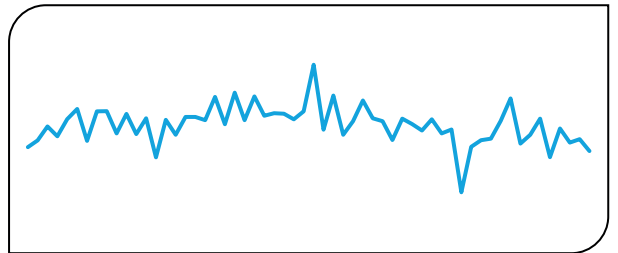
“Fears of high cost of living remaining in place for longer than originally expected is definitely starting to feed through into a lack of certainty with future orders.”

Marketing/Media Sector

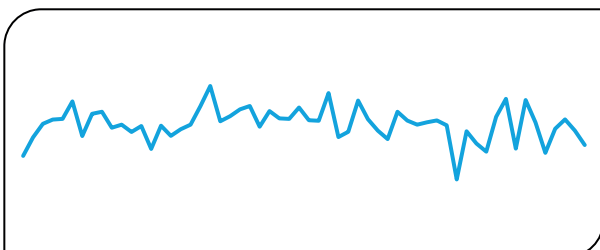
Only 26% saw improved sales this quarter compared to 31% last quarter.



2009 **UK Sales Past** **2023**



2009 **UK Sales Future** **2023**



UK Sales Future:

“Due to the current property market we see a current and future reduction in business.”

Professional Services Sector

“Slight downturn expected, so we must focus on new products to reduce this.”

Manufacturing Sector

47% feel that their sales will remain static over the next 3 months.

EXPORT SALES INCREASES

Export Sales Past:

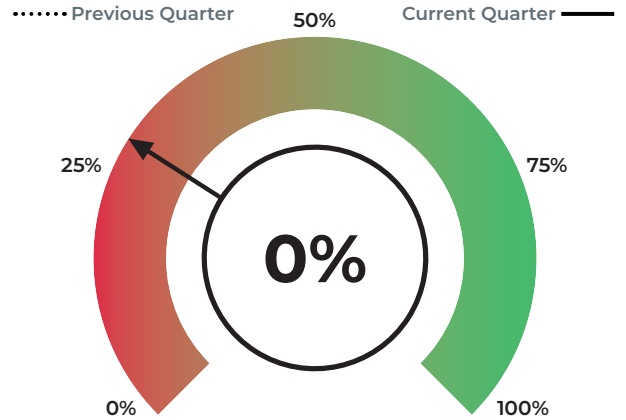
"Brexit deprived us of business in Europe which, followed by Covid and the Ukraine war, continues to affect our business."

Retail/Wholesale Sector

"Brexit has had a huge impact on our business in terms of both importing and exporting goods, it has been extremely costly."

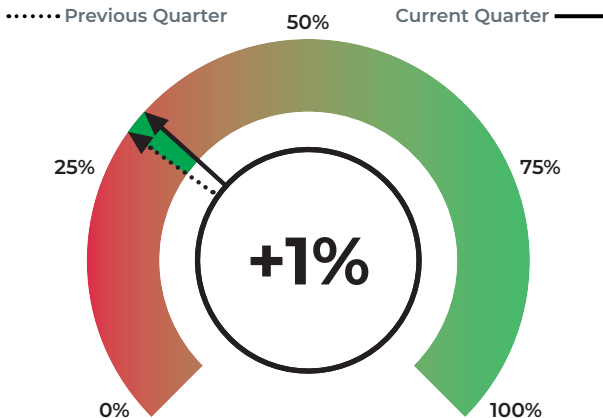
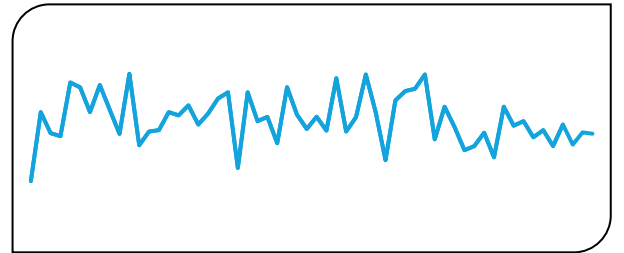
Retail/Wholesale Sector

Those seeing increased export sales remained the same as last quarter at 28%.



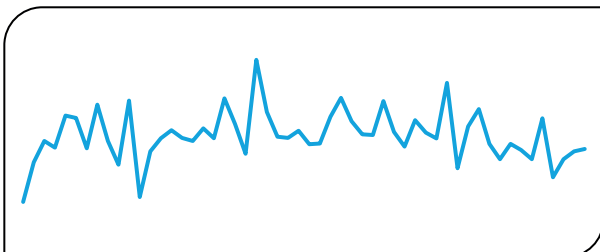
% of respondents reporting a rise or fall in increased **EXPORT SALES** on the previous quarter

2009 Export Sales Past 2023



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

2009 Export Sales Future 2023



Export Sales Future:

"We continually hope for an upturn but continue to tread water with sales significantly down on pre-pandemic rates."

Retail/Wholesale Sector

"We lost Europe - all 27 States overnight with Brexit and since then the burden of paperwork and mistakes have proven so infuriating we have written off that business, which represented around 30% of annual sales."

Retail/Wholesale Sector

37% of exporters expect a decrease in sales over the next 3 months.

WORKFORCE PAST & FUTURE

INCREASES

Workforce Past:

"We're trying to recruit a further apprentice, but recruitment across the board is difficult."

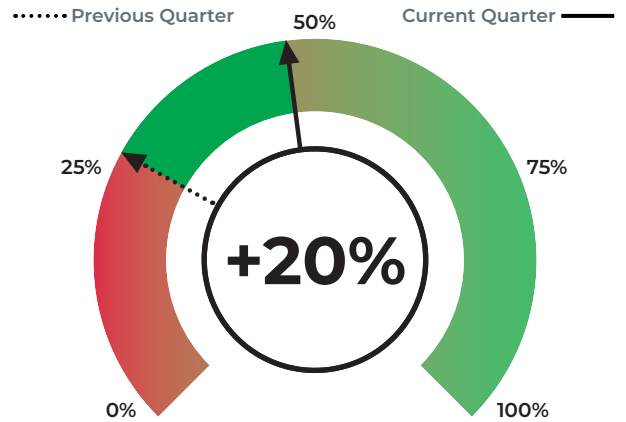
Manufacturing Sector

"Applicants believe that they have experience when doing the job role for less than 12 months. We have had a recruiter onboard and they have been unsuccessful in finding candidates."

Professional Services Sector

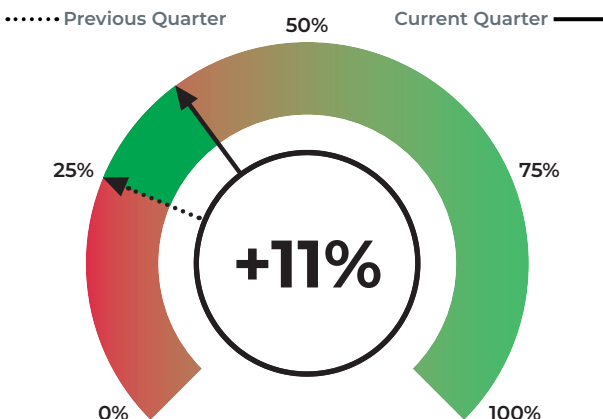
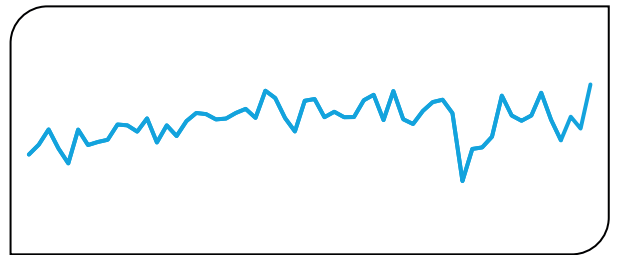
"We have had an opportunity for an apprentice, candidates have not been willing to do the role."

Professional Services Sector



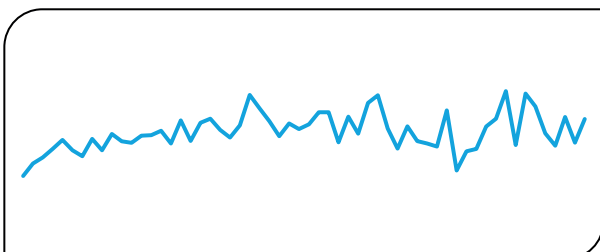
% of respondents reporting a rise or fall in **WORKFORCE** numbers on the previous quarter

2009 **Workforce Past** 2023



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

2009 **Workforce Future** 2023



Workforce Future:

"Recruitment is a real challenge and continues to be."

Public Sector

"Our main member of staff has been on maternity leave for a year and we did not take on cover. She has now decided not to come back and we have yet to decide whether to replace her. Finding the right person will be difficult."

Retail/Wholesale Sector

Only 3% expect to decrease the size of their workforce in the next three months.

SKILLS & RECRUITMENT

Companies Recruiting:

“Lots don’t complete the applications and only about 25% turn up for interview.”

Public Sector

2017
Recruited
Faced Difficulties
2023

“If you get someone to interview, getting them to turn up on the day is also not as predictable as pre Covid pre Brexit.”

Manufacturing Sector

“Sales Executives - they all want gold-plated packages with company cars and benefits which we are not in a position to offer.”

Marketing/Media Sector



Staff Types:

2017
Part-Time
Full-Time
Temporary
Permanent
2023

“Fork Lift Drivers - limited choice despite competitive pay.”

Manufacturing Sector

“Shortage of experienced Commercial Insurance Account Handlers and Executives.”

Professional Services Sector

Post Types:

2017
Clerical
Professional - Managerial
Skilled Manual-Technical
Semi-Skilled & Unskilled
2023

“Recruiting for a Recovery Driver / Roadside Assistant Drivers.”

Other Services

“Many roles - including Business Development, Assembly and Warehouse & Office Admin.”

Manufacturing Sector

CASH FLOW INCREASES

Cash Flow:

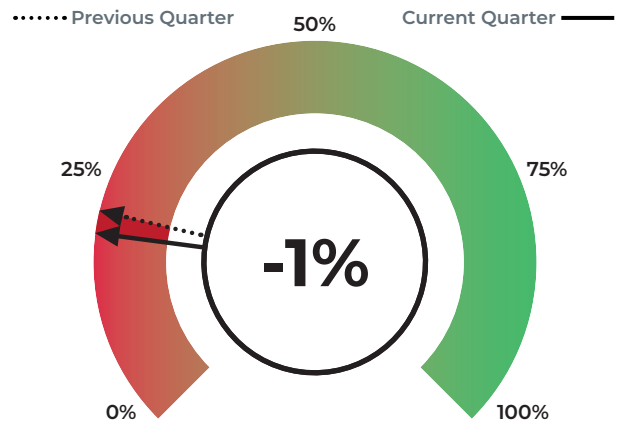
“Cash flow - we have a healthy balance sheet but as a micro business we are crippled by slow payments from large companies. We need legislation to protect SME’s.”

Service Sector

“It is becoming increasingly difficult to chase money owed.”

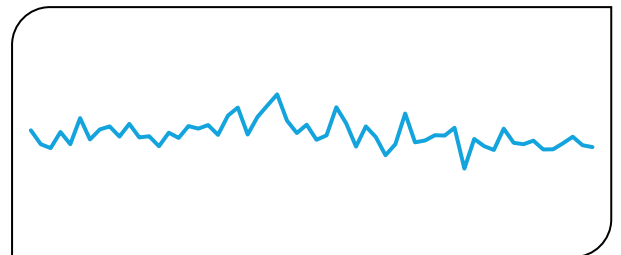
Manufacturing Sector

59% of respondents stated that their cash flow had remained static over the past three months.

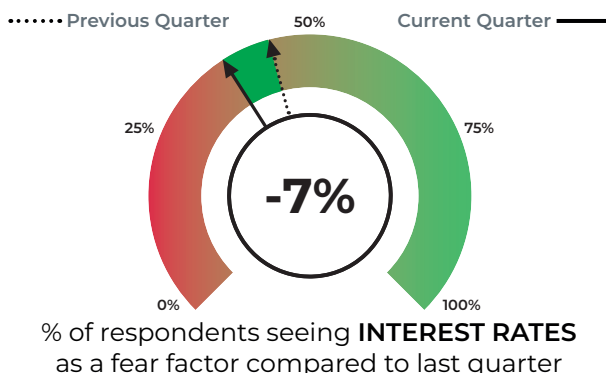
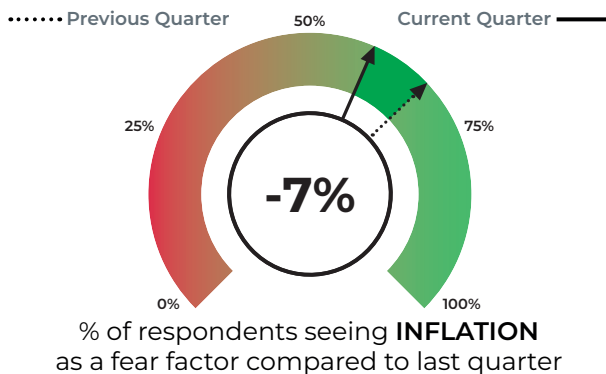


% of respondents reporting a rise or fall in increased **CASH FLOW** on the previous quarter

2009 Cash Flow 2023



FEAR FACTORS



Fear Factors:

“We had hoped the GBP/EUR rate would settle but it remains constantly high, as does the dollar. We have no choice but to pay our suppliers when stock arrives and even buying currency ahead of deliveries is pointless as the rates remain consistently disadvantageous.”

Retail/Wholesale Sector

“Our biggest issue is probably corporation tax, the hike in that is hitting the small to medium size growing businesses, removing any fat that could be used for investment and future growth.”

Manufacturing Sector

INVESTMENT INCREASES

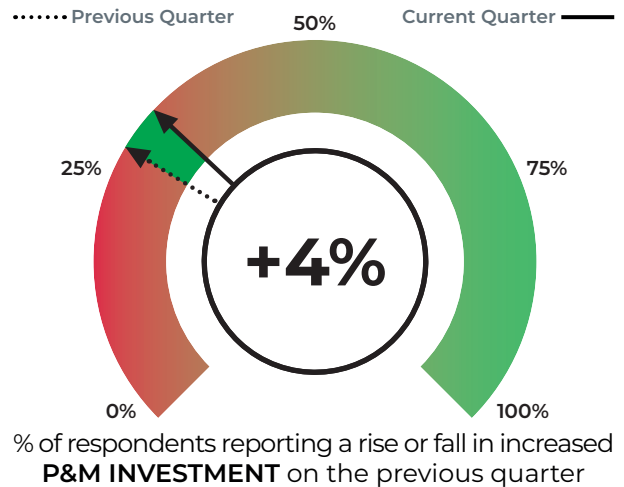
Plant & Machinery:

"We're investing in training in order to be able to rise to the increased economic challenges, as well as improve retention as recruitment is very challenging."

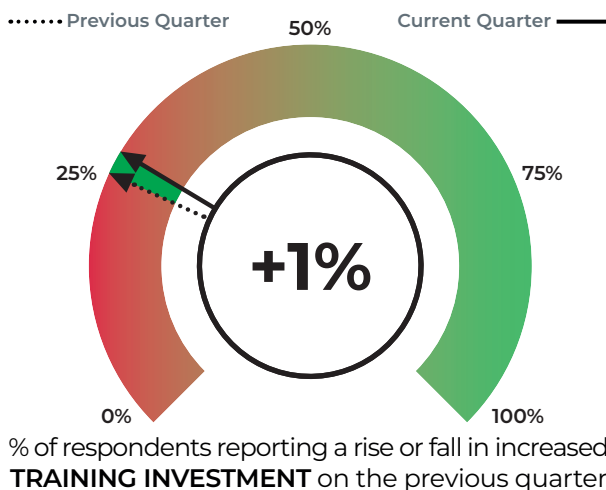
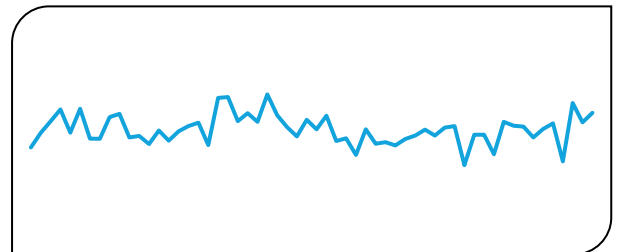
Manufacturing Sector

"Due to lack of suitable candidates for positions, we have decided to take a long term approach and invest in automation and high speed equipment that does not require high skill levels."

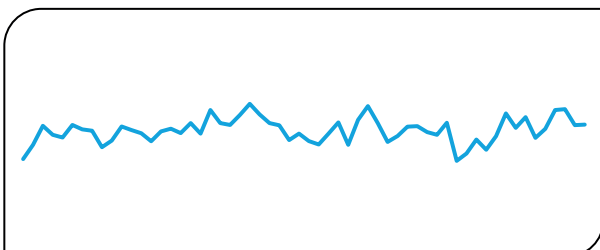
Manufacturing Sector



2009 Plant & Machinery 2023



2009 Training 2023



Training:

"We now do in-house training and also have 2 apprenticeship lads."

Service Sector

"Part time construction courses that were on a Monday or Friday to allow 4 day working weeks away from home."

Construction Sector

"We are struggling to get good reliable staff, we can teach skills but it is hard when they don't turn up or come in late."

Manufacturing Sector

**CONFIDENCE
INCREASES**

**Turnover
Confidence:**

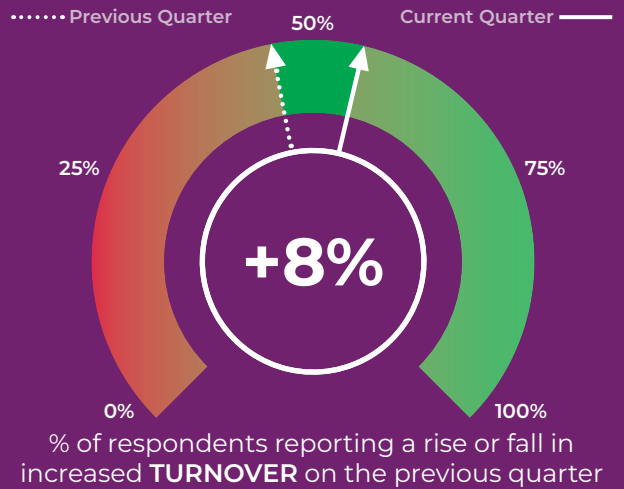
"No point in investing in machinery or workforce when profits are being taxed more."

Manufacturing Sector

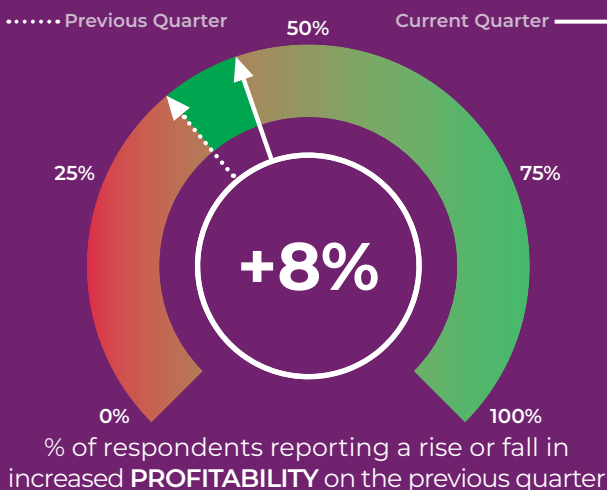
"The first tranche of capital investment in faster, more productive equipment is starting to pay off."

Manufacturing Sector

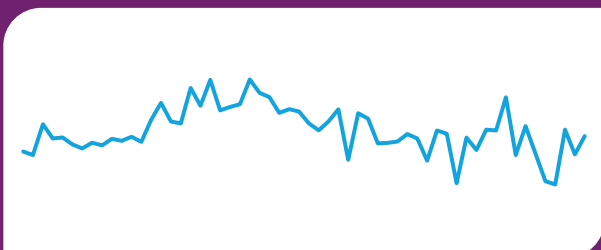
53% stated increased turnover confidence, above actual sales expectations.



2009 Turnover 2023



2009 Profitability 2023



**Profitability
Confidence:**

"Turnover will be driven by good customer service and targeted marketing. Profitability will be driven by making significant economies, e.g. giving up 50% of our current warehouse space and not replacing our full timer."

Retail/Wholesale Sector

"Costs are up, whether staff costs or materials, even with a predicted increase in income the profit ratio will be hit due to rising costs, more effort, less reward."

Service Sector

43% have confidence in increased profitability, up from 35% last quarter.

CAPACITY | PRICE vs COST

Capacity:

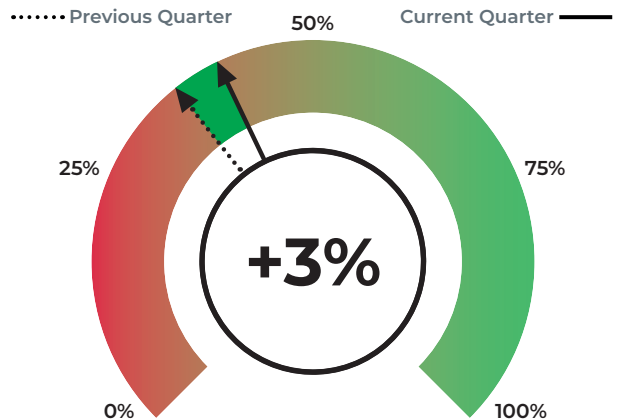
"We're looking at driving into newer markets and strengthening our sales drive to deal with the challenges we're facing in some of our current markets."

Manufacturing Sector

"We lost Europe - all 27 States overnight with Brexit."

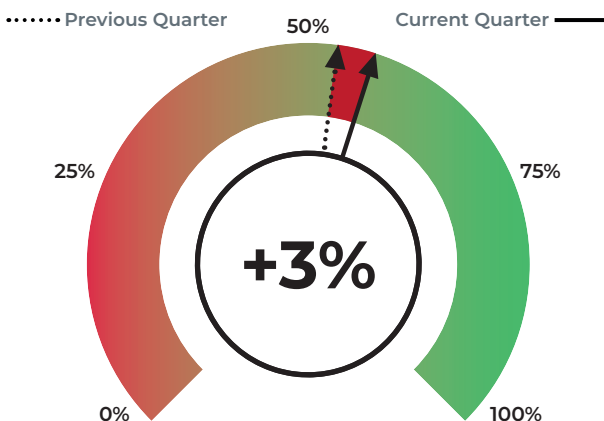
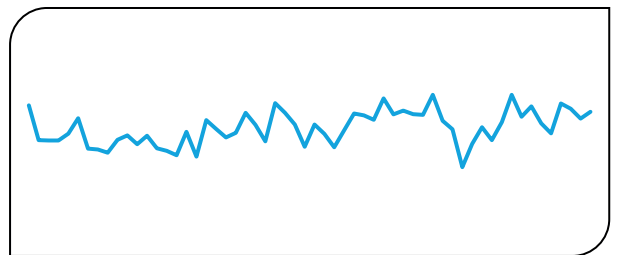
Retail/Wholesale Sector

Slight improvement in those working to capacity at 38% Q3, against 35% in Q2.



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

2009 Full Capacity 2023



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

Price vs Cost:

"We're being hit by 7.5% increase in corporation tax - it simply hasn't been possible to cut costs elsewhere to contribute this, so we will be passing this onto our prices."

Manufacturing Sector

"With everything going up our prices will need to increase to give our staff a pay rise."

Service Sector

"Our concern is fuel costs but we are trying to counter this by becoming energy independent - although car transport remains a problem cost."

Manufacturing Sector



ADDITIONAL QUESTIONS

Business Pressures:

1

Are you having to offer higher wages to attract new staff?

2

As a result of higher cost do you anticipate having to lay off any staff?

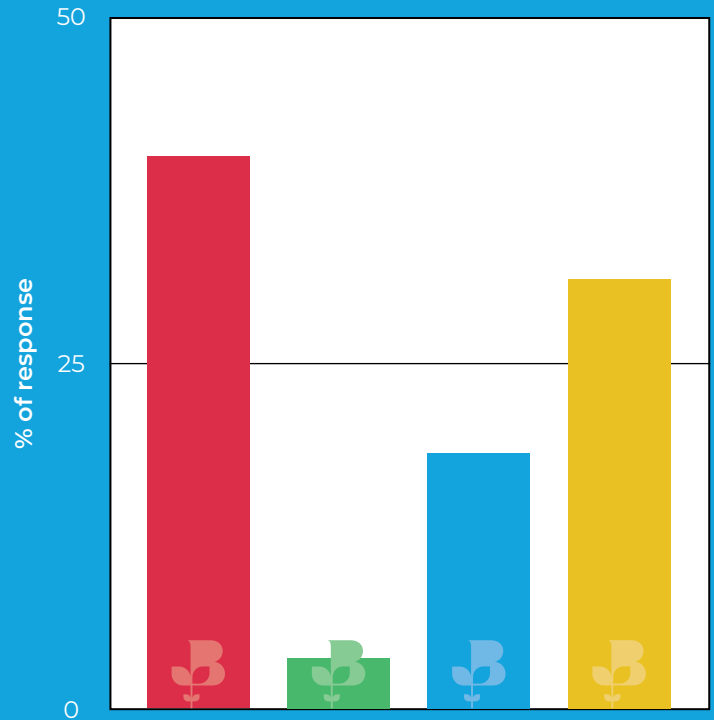
3

Are your credit terms getting worse?

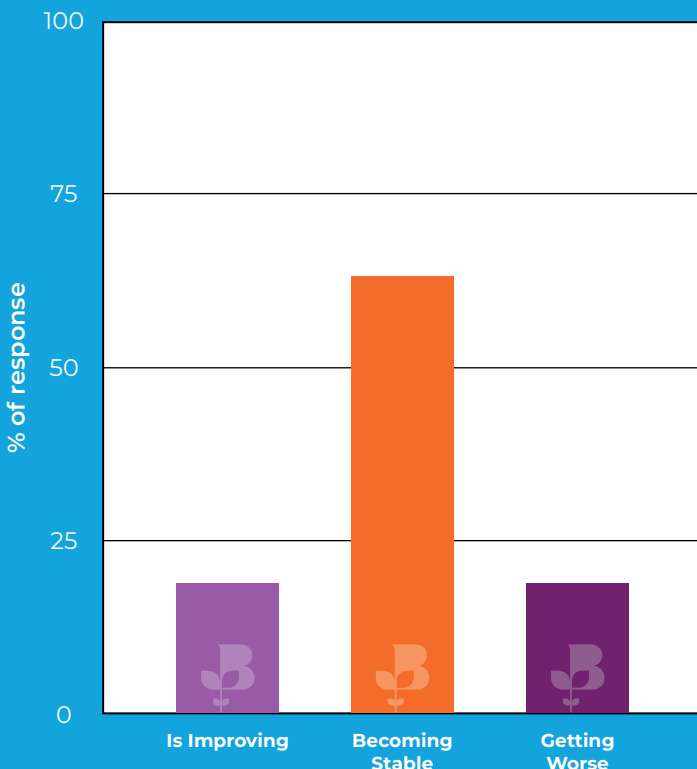
4

Are bad debts increasing?

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



Graph shows the % of responses regarding the current Supply Chain situation



Supply Chain:

"Our supply chain is relatively stable. We manufacture goods in our directly controlled facilities overseas. However if an election campaign is fought promoting xenophobia... much like the Brexit one then this could disrupt us further. In my opinion to make Britain great again... whatever that means... we need to value partnerships throughout the world and look to foster those as we live in an interdependent world."

Manufacturing Sector

"Raw material costs seem to be holding steady at last."

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

