

Q2
2022

THAMES VALLEY
QUARTERLY ECONOMIC
SURVEY REPORT

Produced by



In partnership with



Quarterly Economic Survey

Introduction | TVCC

The Quarterly Economic Survey is a respected economic indicator for business confidence, sales performance, and appetite for investment, and while business activity remains buoyant, there are signs that economic conditions are worsening and testing the confidence and the resilience of Thames Valley businesses. These latest results show us that for businesses across the Thames Valley, inflation remains the most pressing issue, while the ability to attract talent remains a handbrake on growth.

The local survey indicators point a national economy with a weakening outlook, amidst unprecedented cost pressures such as raw materials, fuel, utilities, taxes, and labour. It is therefore not surprising that business confidence has and is taking a significant hit. We can see that fears over inflation and cost pressures are at a high, with indicators such as investment and cash flow showing little sign of improvement for many respondents.

One positive result from the results is that with almost half of those surveyed reporting increased domestic sales in the quarter, domestic demand continues to show buoyancy.

We know that some sectors are far more impacted than others, with manufacturers, retailers and hospitality firms having been sounding the alarm on inflation over the past year and a half. I remind members of our Accreditation to the British Chamber of Commerce and our work to ensure that policy makers and influencers recognise the need for further interventions to support businesses to grow and trade internationally through uncertain times.

Local businesses will find encouragement in remarkable examples of resilience, investment, innovation, and growth at our recent Thames Valley Business Awards, and will find Thames Valley Chamber working tirelessly to provide practical support and solutions to trade locally and internationally.



A handwritten signature in black ink, reading 'Paul Britton'.

Paul Britton
CEO, Thames Valley Chamber of Commerce

Quarterly Economic Survey

Introduction | BDO

There are no surprises when it comes to the main challenges being faced by businesses, seeing that they have all been headline news over the past three months. Indeed, these are issues being faced by not only the Thames Valley but across the United Kingdom.

However, the region continues to produce some encouraging statistics, with less than 10% seeing a decrease in national sales throughout the quarter, and nearly 50% seeing an increase. Furthermore, over 85% have seen advanced orders either increase or remain the same, providing some reassurance regarding concerns over potential darker times lying ahead.

Resiliency is key when surviving volatile times and despite recent years being extremely challenging, it has prompted the recognition that contingency planning is essential when having the ability to adapt to difficult periods. This appears to be reflected within the results as, despite continuing instability, over 60% have attempted to recruit staff this past quarter and only 2% have seen their workforce decrease, so growth is very much on the agenda. This is reinforced further by nearly two thirds expecting turnover to increase.

Despite the many challenges being faced by all, levels of optimism continue to remain in the region. However, perhaps expectedly, it appears that price rises are unavoidable as nearly two thirds expect to implement increases over the next three months. As always, we look to see what happens over the next three months, with the hope that some stability will not be too far away.



A handwritten signature in black ink, reading 'Danny Dartnaill'.

Danny Dartnaill
Partner - Business Restructuring, BDO LLP

Quarterly Economic Survey

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UK SALES



THOUGHT THAT UK SALES HAD **INCREASED**



47%

47% thought that **UK sales** had increased

THOUGHT THAT UK ORDERS HAD **INCREASED**



47%

47% thought that **UK orders** had increased

REPORTED AN **INCREASE** IN OVERSEAS SALES



25%

25% reported an increase in **overseas sales**

REPORTED AN **INCREASE** IN OVERSEAS ORDERS



29%

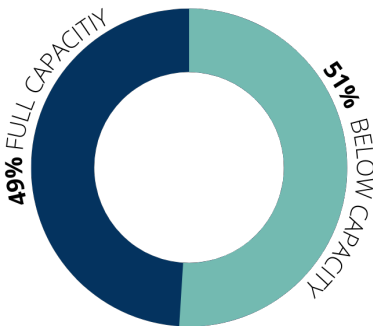
29% reported an increase in **overseas orders**



Firms running at...

49% running at **full capacity**

51% running **below capacity**



49% FULL CAPACITY

51% BELOW CAPACITY

OVER THE PAST 3 MONTHS



SAID CASH FLOW HAD **INCREASED**



38%

38% said **cash flow** had increased

31% said investment in **plant and machinery** had increased

SAID INVESTMENT IN PLANT AND MACHINERY HAD **INCREASED**



31%

35% said investment in **training** had increased

SAID INVESTMENT IN TRAINING **INCREASED**



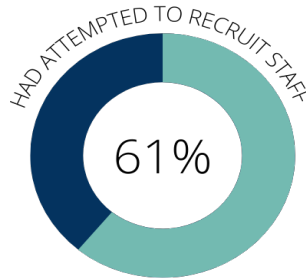
35%

OVER THE PAST 3 MONTHS

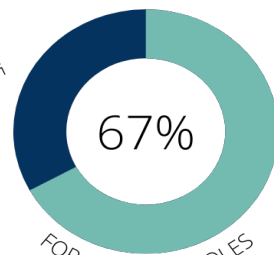
61% had attempted to **recruit** staff

67% for **full-time** roles

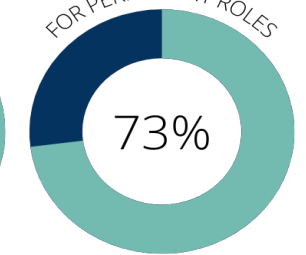
73% for **permanent** roles



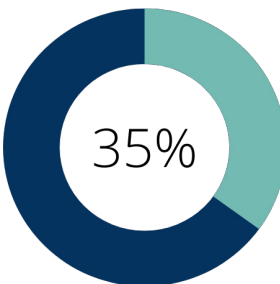
HAD ATTEMPTED TO RECRUIT STAFF



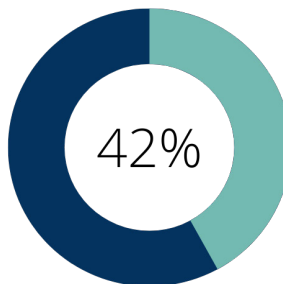
FOR FULL TIME ROLES



FOR PERMANENT ROLES



SAW THEIR WORKFORCE INCREASE



THINK THEIR WORKFORCE WILL INCREASE

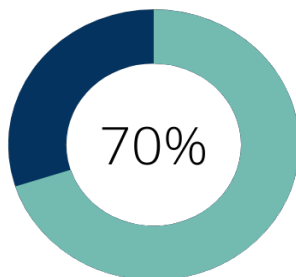
35% saw their **workforce** increase

42% think their **workforce** will increase

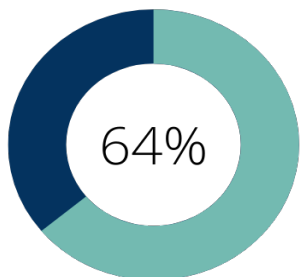


70% experienced difficulties **recruiting**

64% experienced difficulties recruiting **professional/managerial staff**



EXPERIENCED DIFFICULTIES RECRUITING

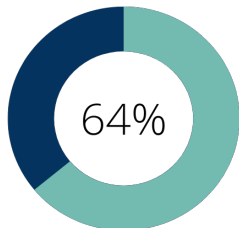


EXPERIENCED DIFFICULTIES RECRUITING PROFESSIONAL/MANAGERIAL STAFF

IN THE NEXT 3 MONTHS



64% felt the price of their **goods and services** would increase



FELT THE PRICE OF THEIR GOODS AND SERVICES WOULD INCREASE

Quarterly Economic Survey

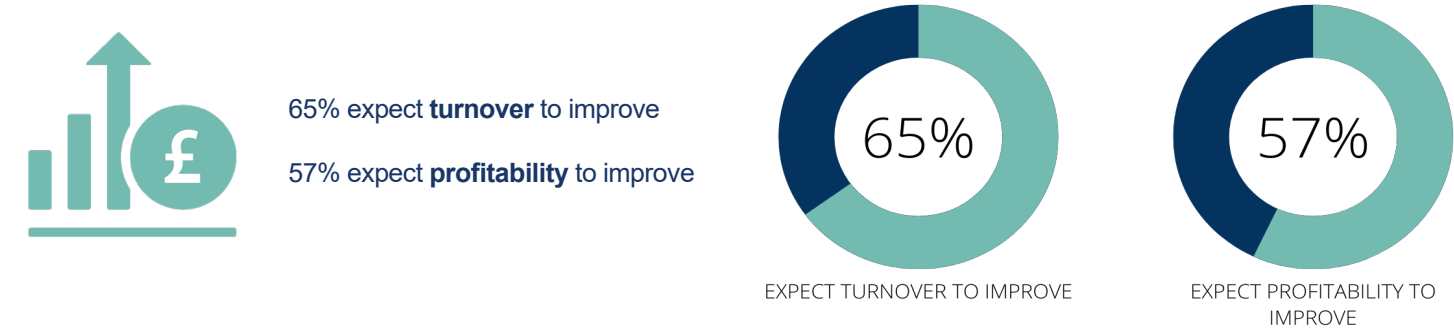
Q2 2022 | Report

The Quarterly Business Survey (QES) is established as Britain's biggest and longest-running private business survey and has provided data since 1989. The survey, a leading indicator, often picks up changes in the economy long before other surveys and official statistics and consistently mirrors trends in official data. It remains closely watched by both UK Government and the Bank of England.

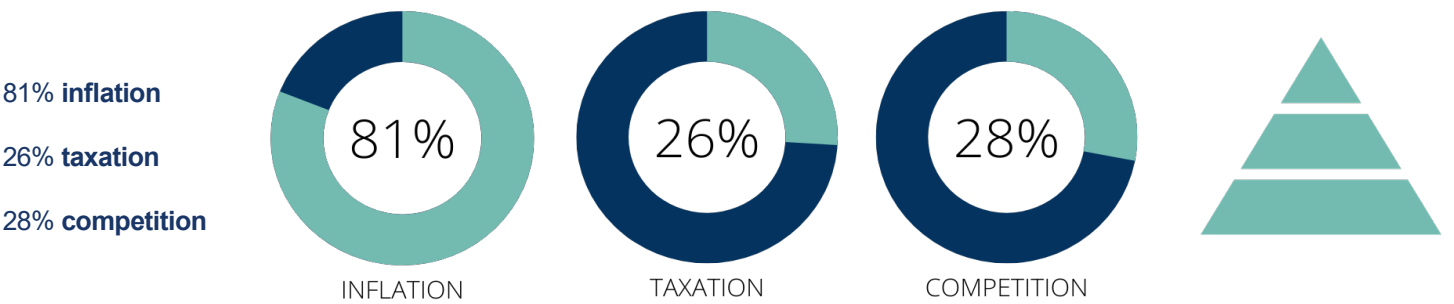
Since the Covid-19 crisis, the QES has demonstrated the scale of impact on UK business. The survey has been essential in understanding the short and long-term impacts on business of different sectors and sizes.

This survey ran from 16th May to 9th June 2022 and asked businesses a series of questions on key economic indicators. We would like to thank all of those members who completed the survey and also the following members for their valuable contribution to this report and briefing event.

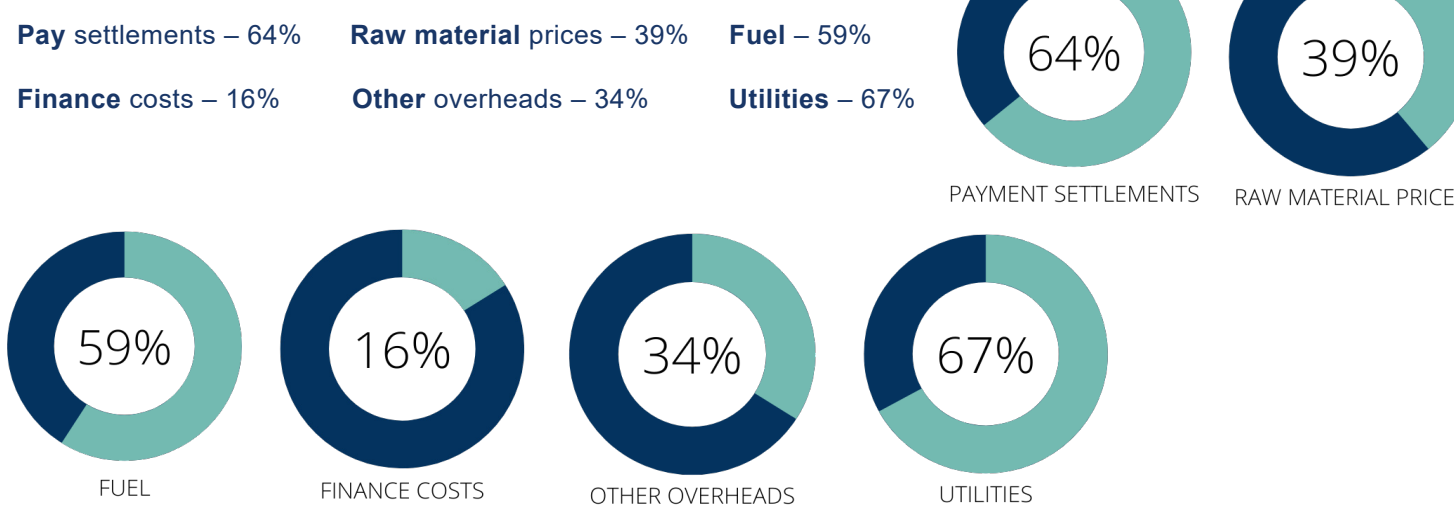
OVER THE NEXT 12 MONTHS



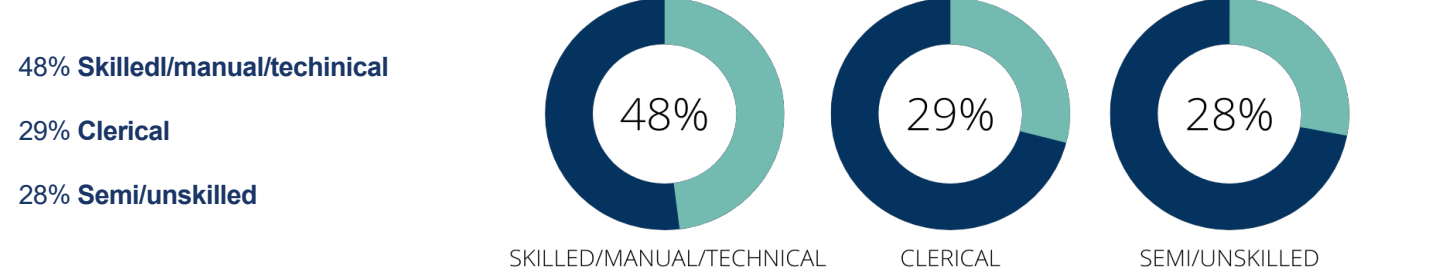
Top 3 factors affecting business



Price rise pressures



Top 3 skills shortages





THAMES VALLEY
**CHAMBER OF
COMMERCE**
GROUP

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If you are interested in getting involved or would like to find out more about the QES report please contact: **TimMajor@tvchamber.co.uk**

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