

# Q1 2024

## QUARTERLY ECONOMIC SURVEY REPORT

Produced by



In partnership with

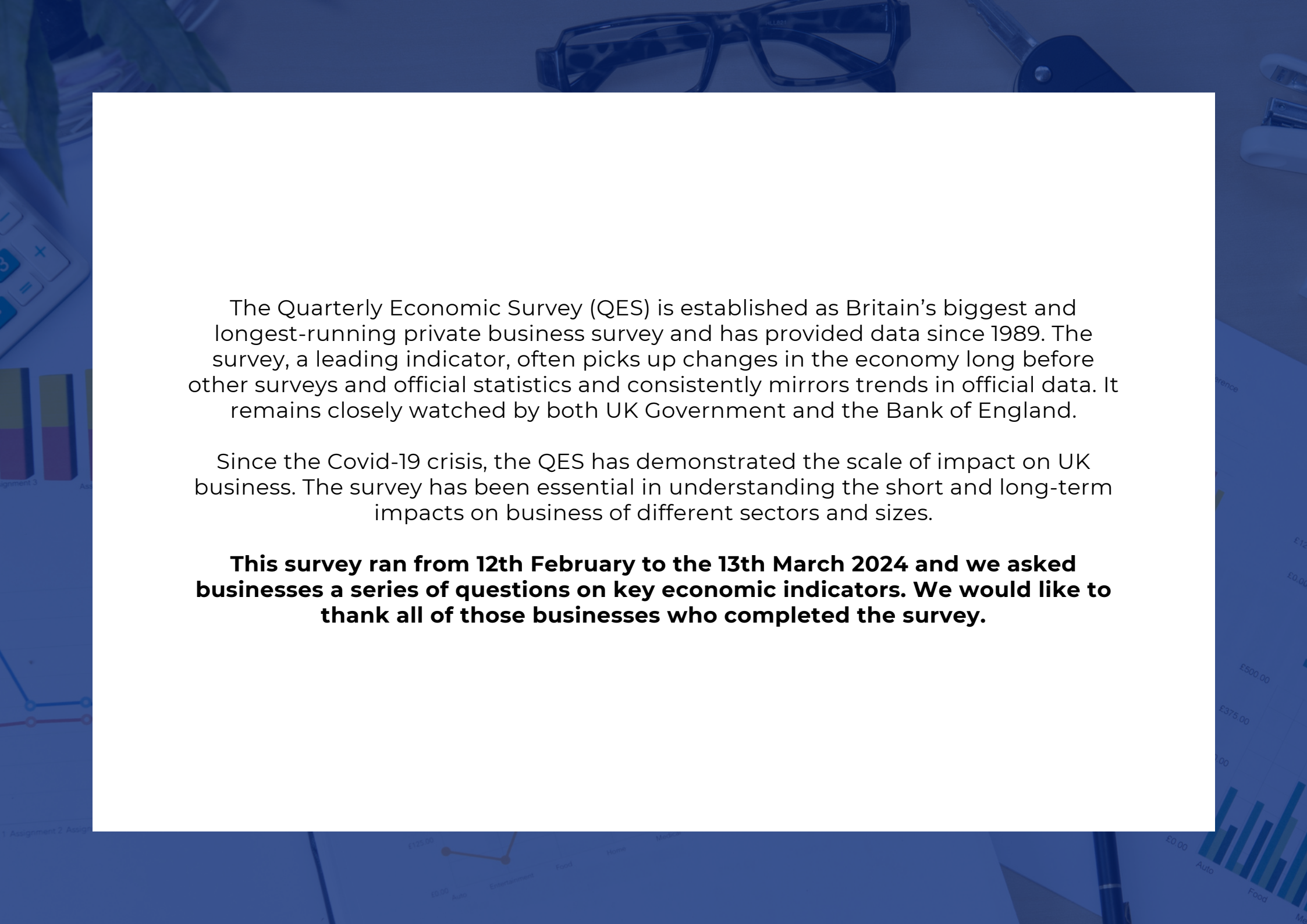






■ Arthur Albert



The background of the slide is a dark blue overlay on a photograph of a desk. On the desk, there is a calculator on the left, a pair of black-rimmed glasses in the upper center, and various charts and documents. On the right, there is a bar chart with blue bars and a line graph with a blue line. The text is centered in a white box.

The Quarterly Economic 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 12th February to the 13th March 2024 and we asked businesses a series of questions on key economic indicators. We would like to thank all of those businesses who completed the survey.**



The issue of recruitment is one that has continued to be a challenge to all members from across the region and this latest report highlights the challenges of the market.

Whilst it is positive that the results show that 40% of businesses saw their workforce increase and 50% of businesses say they expect their workforce to increase over the next 3 months, 65% say that they experienced difficulties finding suitable staff whilst attempting to recruit. Only 34% of Thames Valley businesses indicated that they are running at full capacity, with labour costs cited as the number one reason for price rise pressures.

Following the recent Budget, early signals were that the budget will be a step in the right direction to put SMEs in a “less bad” position, but with only 32% of those surveyed indicating an increase in overseas orders, an export strategy to get business moving from the UK to new markets remains on our list of ‘asks’ for Government.

Business confidence is improving but the coming months will remain challenging for many companies with a quarter of respondents saying that cashflow had decreased. It is vital that the economy, SME's and exporters are front and centre of the election campaign to come.

**Paul Britton**

CEO, Thames Valley Chamber of Commerce



In the last quarter about half of Thames Valley businesses surveyed saw their UK sales and orders increase with overseas sales a little more challenging. The last quarter saw some ups and downs in workforce numbers with about a third of businesses reducing work force, a third increasing and a third remaining flat. Encouragingly there are signs of optimism for the coming months with 50% of businesses forecasting an increase in their workforce and only 7% expecting a decrease. However, there are continuing challenges with finding suitable staff though with 65% of businesses having difficulty recruiting the right people.

The survey showed that the majority of Thames Valley businesses have kept their level of investment in plant, machinery and equipment and in training fairly flat, with 28% having increased. It would be good to see the level of investment increasing in the coming months to help improve productivity and profitability.

There is also optimism on turnover and profitability with a majority of businesses expecting improvements in the coming months which is encouraging.

**David Brookes**

Managing Partner, BDO

## UK SALES AND ORDERS

THOUGHT THAT UK SALES HAD **INCREASED**



THOUGHT THAT UK ORDERS HAD **INCREASED**



## OVERSEAS SALES AND ORDERS

REPORTED OVERSEAS SALES HAVE **REMAINED CONSTANT**

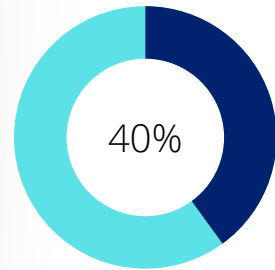


REPORTED AN **INCREASE** IN OVERSEAS ORDERS

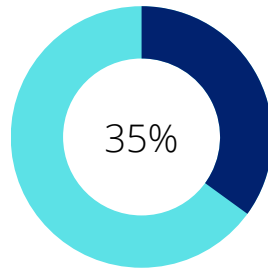




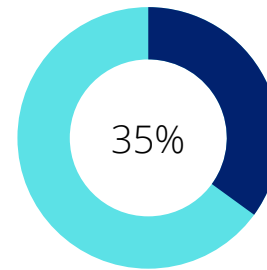
## WORKFORCE



SAW THEIR  
WORKFORCE **INCREASE**



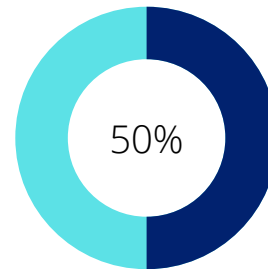
SAW THEIR  
WORKFORCE **DECREASE**



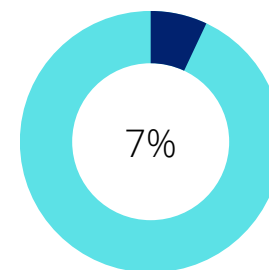
SAW THEIR WORKFORCE  
**REMAINED CONSTANT**

OVER THE  
PAST 3 MONTHS

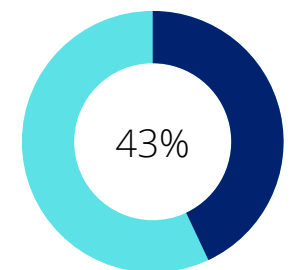
OVER THE NEXT  
FEW MONTHS



EXPECT THEIR  
WORKFORCE TO **INCREASE**



EXPECT THEIR  
WORKFORCE TO **DECREASE**

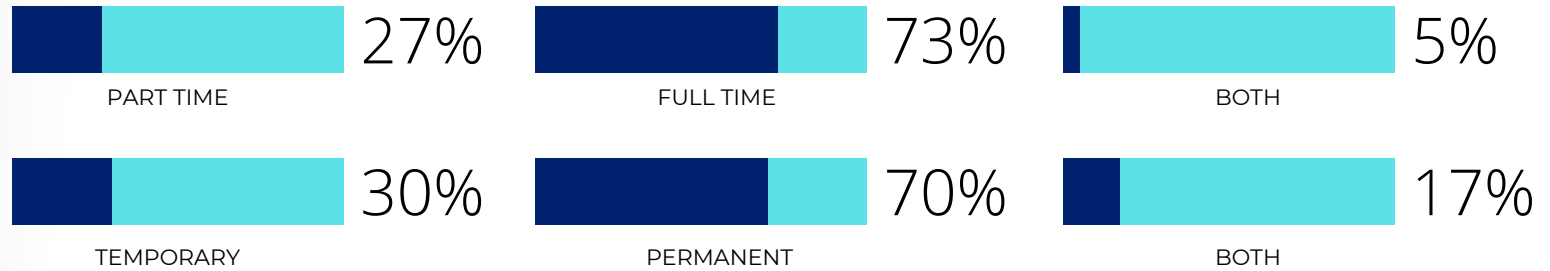


EXPECT THEIR WORKFORCE  
**REMAINED CONSTANT**

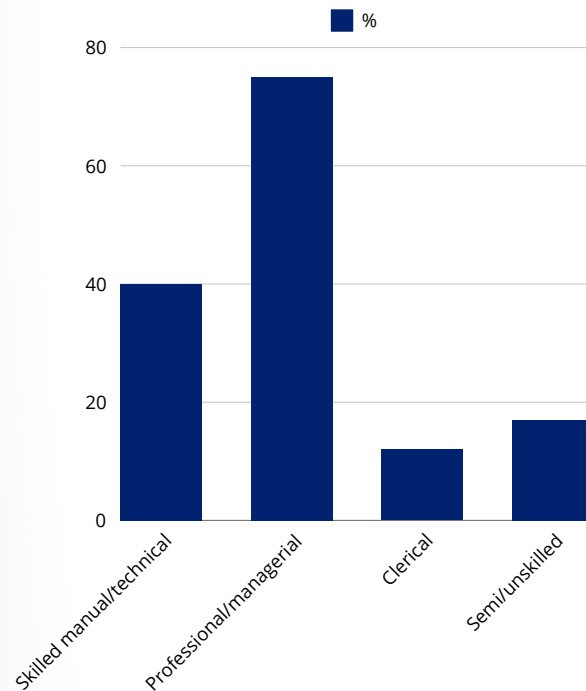


## RECRUITMENT

HAVE YOU ATTEMPTED TO RECRUIT STAFF OVER THE PAST 3 MONTHS?

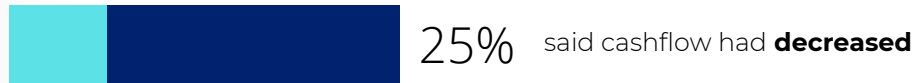
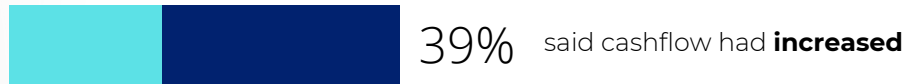


DID YOU EXPERIENCE ANY DIFFICULTIES FINDING SUITABLE STAFF?



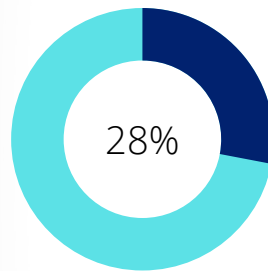


## CASHFLOW

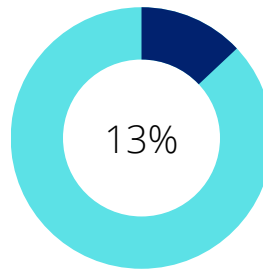


## INVESTMENTS

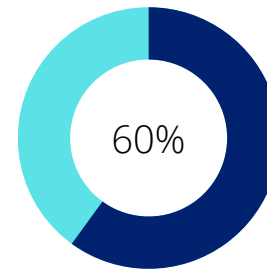
FOR **PLANT/MACHINERY/EQUIPMENT** HAVE



INCREASED

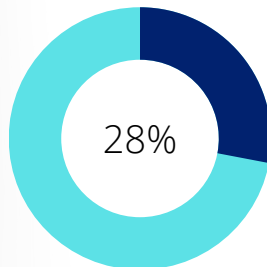


DECREASED

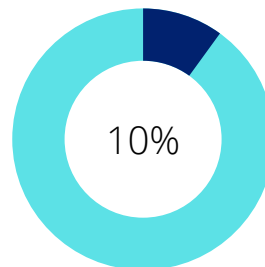


REMAINED CONSTANT

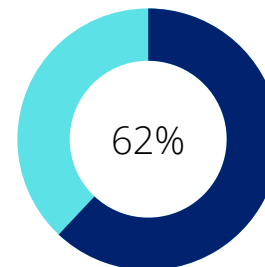
FOR **TRAINING** HAVE



INCREASED

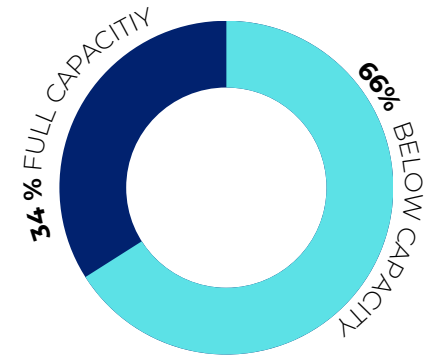
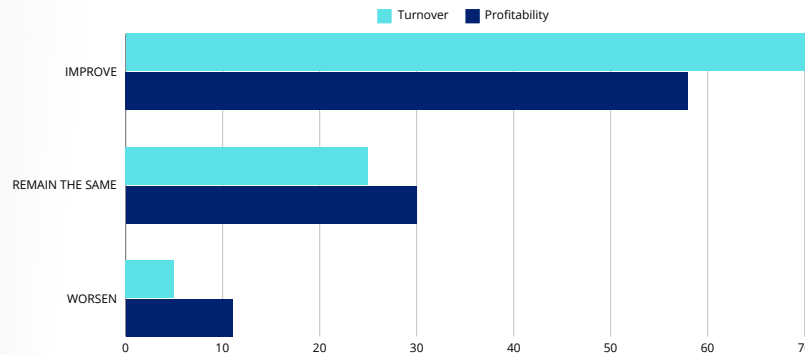


DECREASED



REMAINED CONSTANT

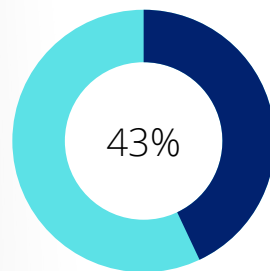
## TURNOVER AND PROFITABILITY



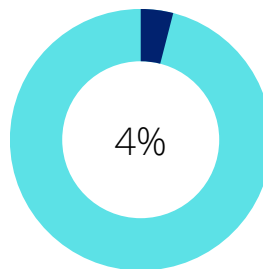
**FIRMS ARE CURRENTLY RUNNING AT**

## OVER THE NEXT 3 MONTHS

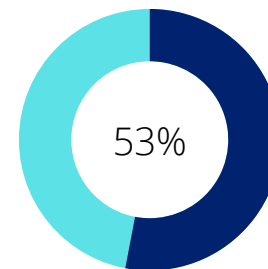
EXPECTANCY OF PRICE OF GOODS/SERVICES



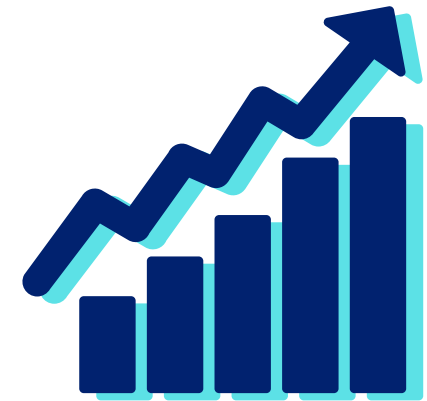
INCREASE



DECREASE

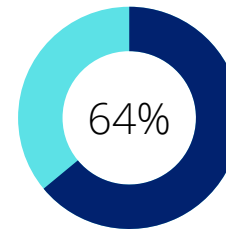


REMAIN THE SAME

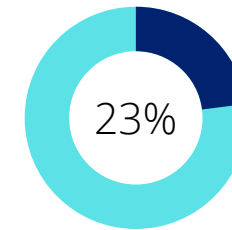




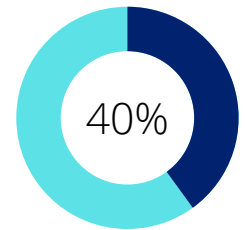
## PRICE RISE PRESSURES



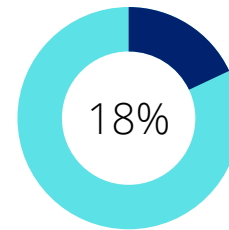
LABOUR COSTS



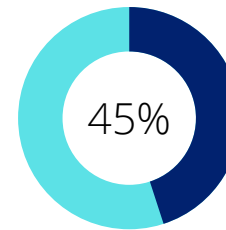
FINANCE COSTS



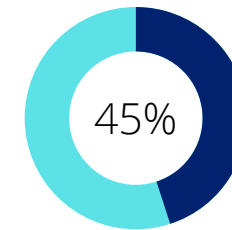
RAW MATERIALS



FUEL

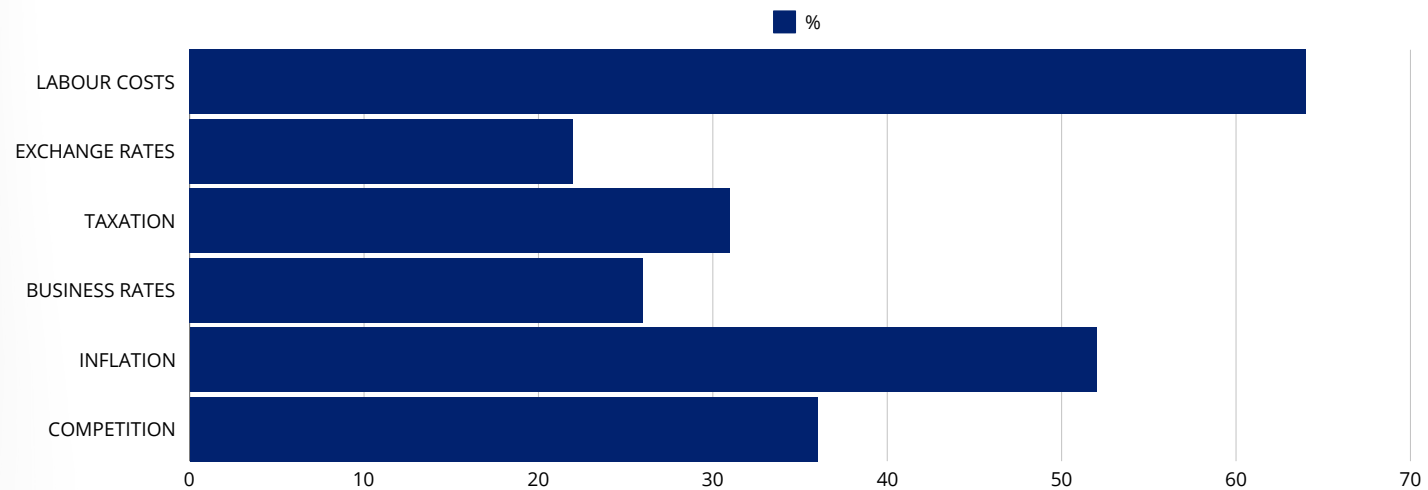


UTILITIES



OTHER OVERHEADS

## FACTORS AFFECTING BUSINESS



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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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