

# Quarterly Economic Survey Report

Q1 2025 -

Cambridgeshire, Peterborough & Stamford

Produced by



Cambridgeshire  
Chambers of  
Commerce



# Quarterly Economic Survey

## Introduction

### The British Chambers of Commerce Quarterly Economic Survey



The British Chambers of Commerce (BCC) Quarterly Economic Survey (QES) is the largest independent business survey in the UK and provides valuable insights into the health of the UK economy. It gauges business confidence, sales performance, recruitment efforts, and future financial expectations. This survey plays a critical role in informing policymakers and businesses alike, helping to shape

economic policy and business decisions for the future. This quarter 150 businesses participated across our region, with 68 per cent of respondents from the services sector and the remaining 32 per cent representing the manufacturing sector. This quarter we really see the impact on business confidence as the changes announced in the Autumn Budget loomed on the horizon. This will only have been further hampered by the recent announcements by President Trump, and we are likely to see this reflected in our next survey. The Office for Budget Responsibility warns a full trade war could cut UK GDP growth by 0.6 per cent in 2025 and one per cent in 2026-27.

This report delves into both Local and National data collected over **Quarter 1 (10 February - 10 March)**.

The most significant price pressure affecting respondents continues to be the cost of labour. This will not have been helped by increases to employer's national insurance contributions and the rise in national living wage.

Those who have tried to recruit have found difficulty finding the right skills with 53 per cent noting challenges recruiting for skilled manual and technical roles. Similarly to last quarter to majority of businesses stated that their sales, both in the UK and overseas, have remained constant or have decreased. 27 per cent of businesses did note an increase in overseas sales indicating that there are opportunities for expansion into new markets.

Businesses currently face a toxic mix, with increasing costs, geopolitical uncertainty and skill shortages. We urge government to work hard to turn the ship around to create an environment for growth in the UK.

Shevaun Haviland, Director General of the British Chambers of Commerce said:

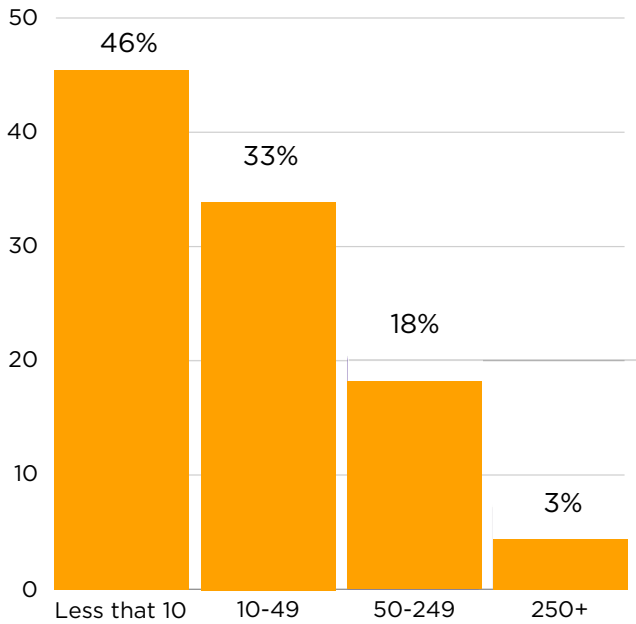
***“The Government needs businesses to invest and grow to kickstart the economy. But unless swift action is taken to ease cost pressures and support firms, growth will remain elusive.”***

More information can be found at [www.britishchambers.org.uk](http://www.britishchambers.org.uk)

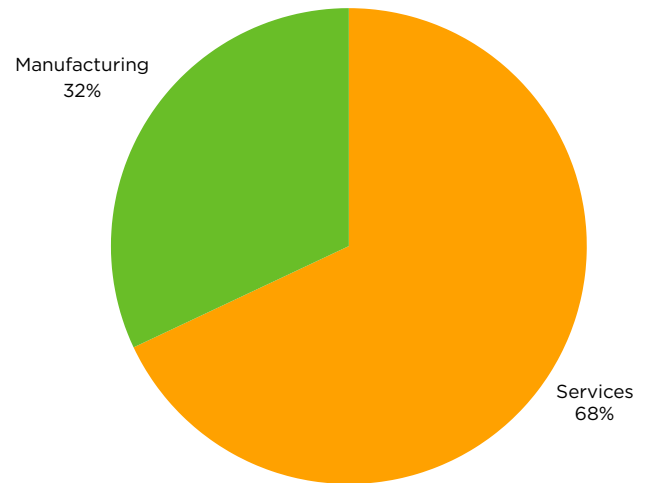
# Quarterly Economic Survey

QES Q1 - 2025

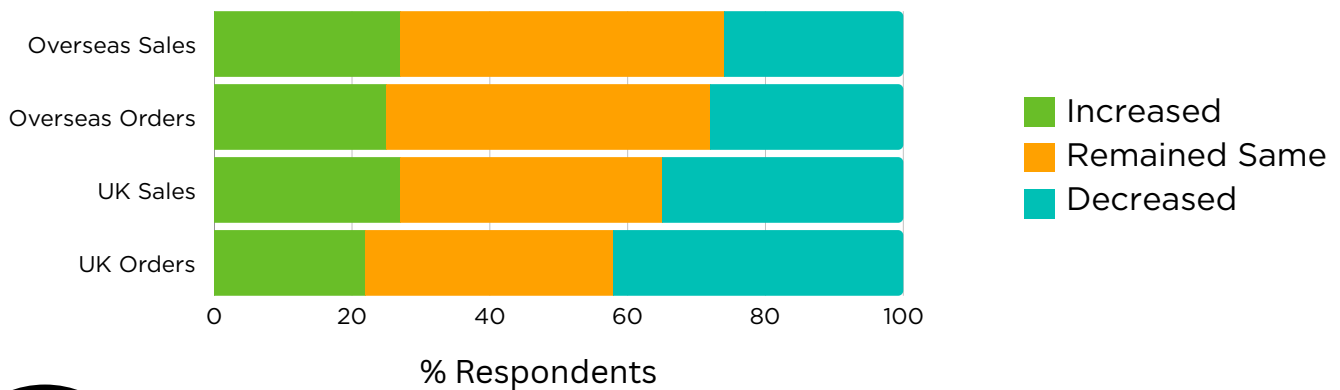
## EMPLOYMENT SIZE



## BUSINESS SECTOR



## SALES AND ORDERS - PAST 3 MONTHS



26% stated that **Overseas Sales** has decreased  
46% stated that **Overseas Orders** remained the same

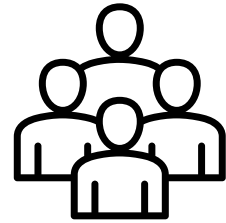
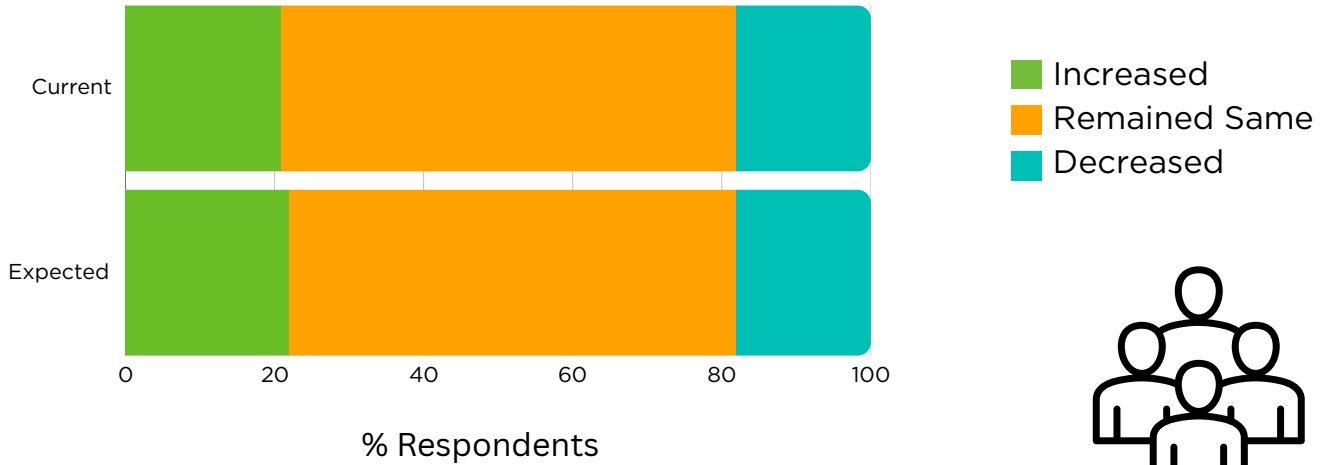
27% thought that **UK Sales** had increased  
22% thought that **UK Orders** had increased



# Quarterly Economic Survey

QES Q1 - 2025

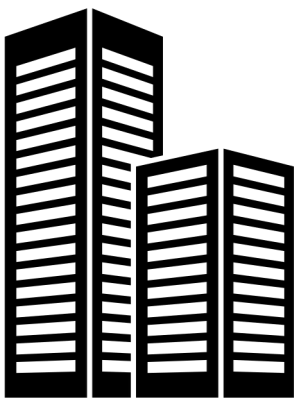
## WORKFORCE - PAST 3 MONTHS



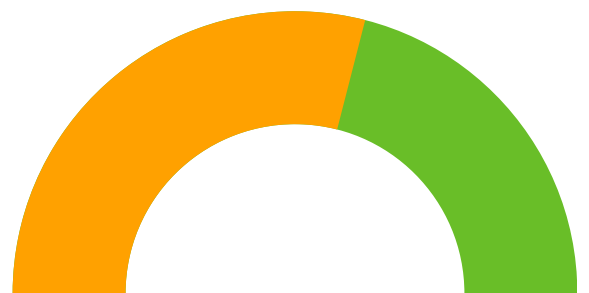
21% saw their **workforce** increase

61% believe their **workforce** will remain the same

## RECRUITMENT



Yes  
No



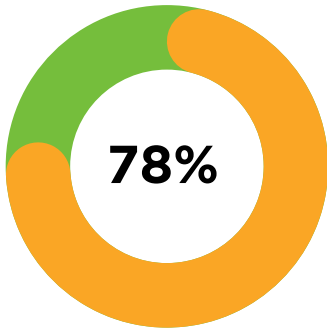
In the past 3 months...

54% of businesses **have tried** recruiting

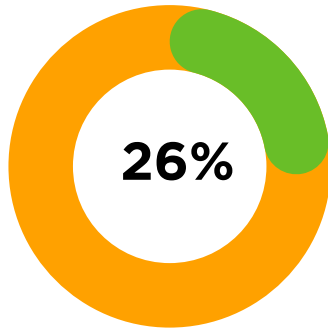
46% of businesses **have not tried** recruiting

# Quarterly Economic Survey

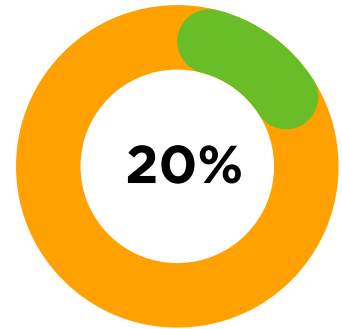
QES Q1 - 2025



For full-time roles



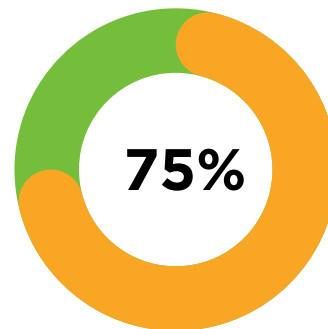
For part-time roles



For temporary roles



Yes  
No



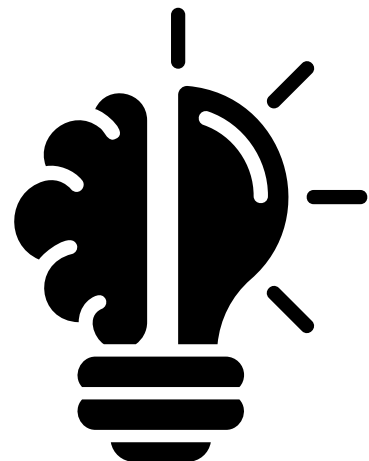
Experienced  
difficulties recruiting

53% had difficulties with recruiting  
in **skilled manual/technical**

44% struggled with recruiting in  
**professional/managerial**

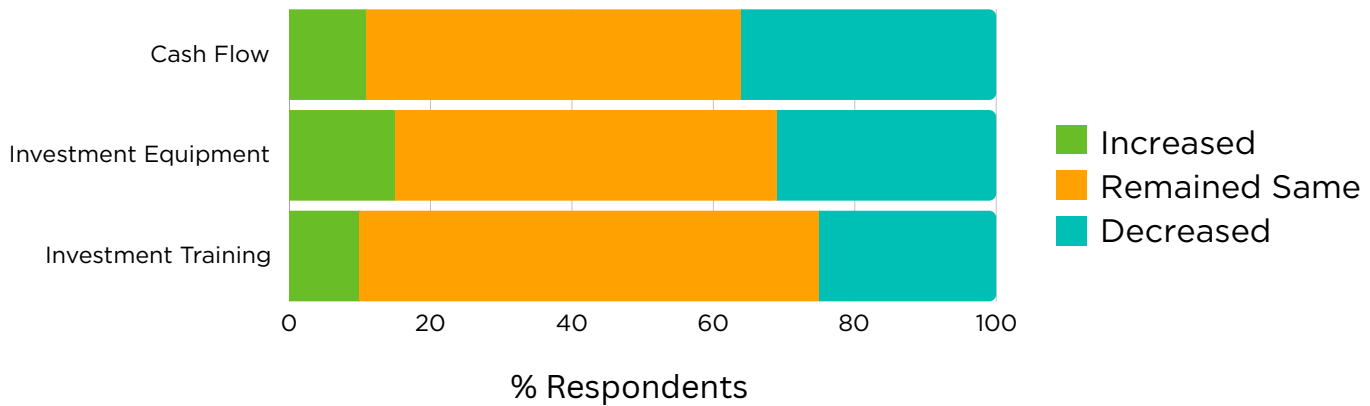
15% struggled with **clerical** staff

29% experienced difficulties  
with **semi/unskilled** staffing



# Quarterly Economic Survey

QES Q1 - 2025



36% said **cash flow** has decreased compared to Q3

## OVER THE NEXT 12 MONTHS



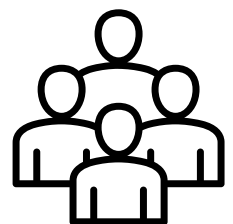
32% believe their **business turnover** will **improve**

41% believe their **business profitability** will **worsen**

## CURRENTLY OPERATING AT...

34% of businesses are operating at **Full Capacity**

66% of businesses are operating **below capacity**

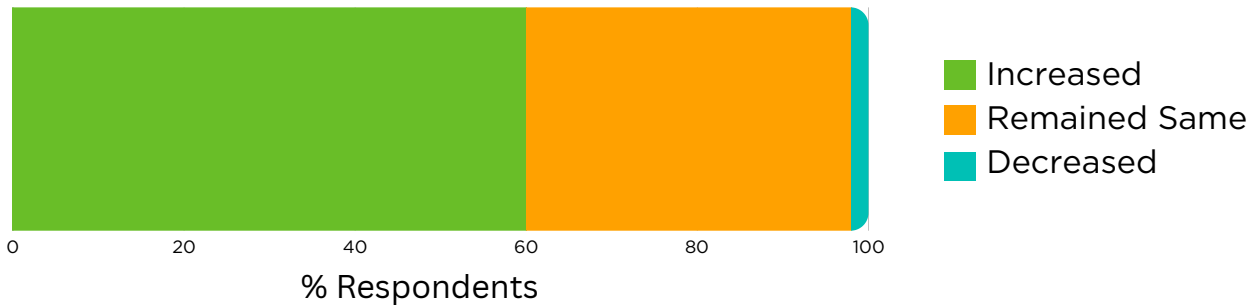


# Quarterly Economic Survey

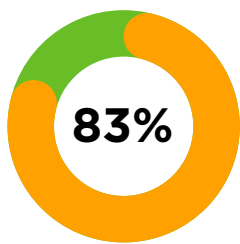
QES Q1 - 2025

## PRICES OF GOODS/SERVICES ARE EXPECTED TO...

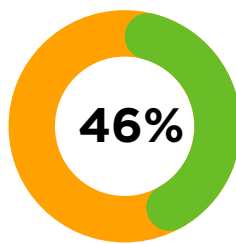
-PAST 3 MONTHS



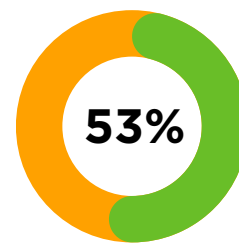
### Price rise pressures



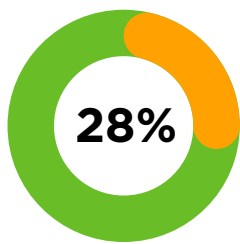
Labour costs



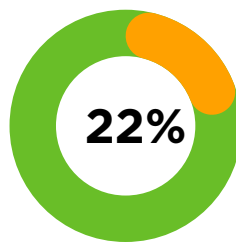
Raw material prices



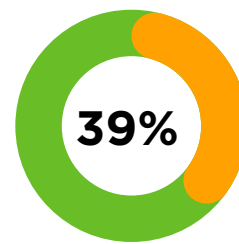
Utilities



Fuel

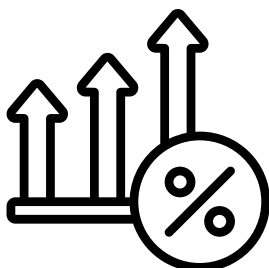


Finance costs



Other overheads

## TOP FACTORS AFFECTING BUSINESSES



25% **Interest Rates**

15% **Exchange Rates**

36% **Business Rates**

53% **Inflation**

24% **Competition**

77% **Taxation**

# QUARTERLY ECONOMIC SURVEY Q1 2025

**Business confidence remains in a slump following the Autumn Budget.** The BCC's Quarterly Economic Survey (QES) for Q1 2025 - the UK's largest independent survey of business sentiment, made up of 91% SMEs – shows business sentiment remains very weak as taxation continues to be the top concern. Business confidence has fallen further since the immediate aftermath of the Budget.

Taxation remains the top concern, cited by 59% of respondents

55% of firms expect prices to go up, with labour costs the biggest driver

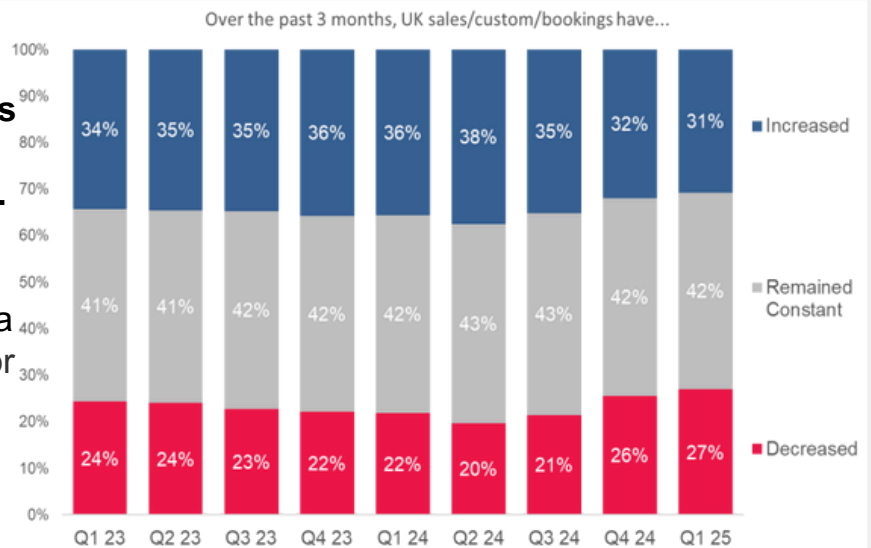
Fewer firms report increased sales, investment and confidence



## Domestic Sales

**The percentage of respondents reporting increased domestic sales has slightly fallen to 31%, compared to 32% in Q4 2024.**

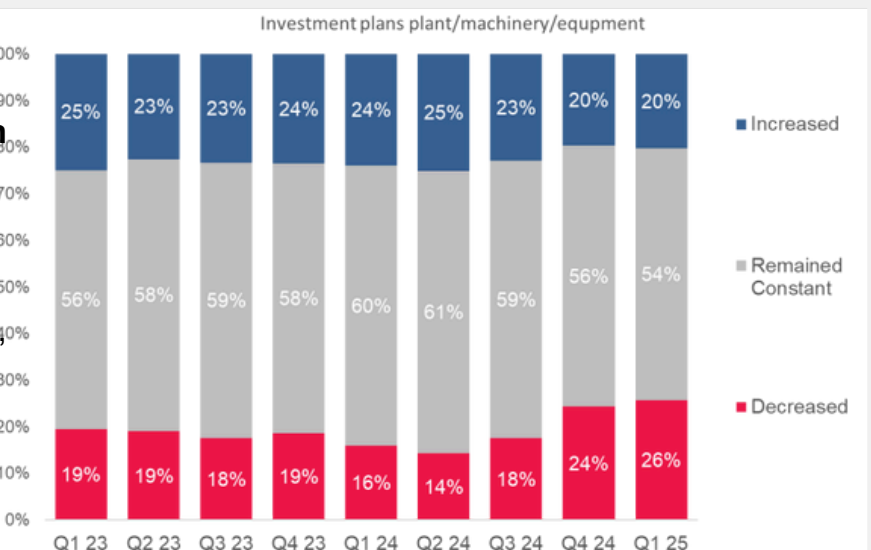
42% reported no change and over a quarter (27%) reported a decrease. The marketing sector was most likely to report increased sales (40%), while retail sector was most likely to report a decrease (37%).



## Investment

**Overall, 20% of respondents reported an increase to plant/equipment investment in the past three months, while 54% reported no change, and 26% reported a decrease.**

Wide sectoral disparities remain, with 40% of hospitality firms reporting a scaling back of investment plans and 35% of retailers.







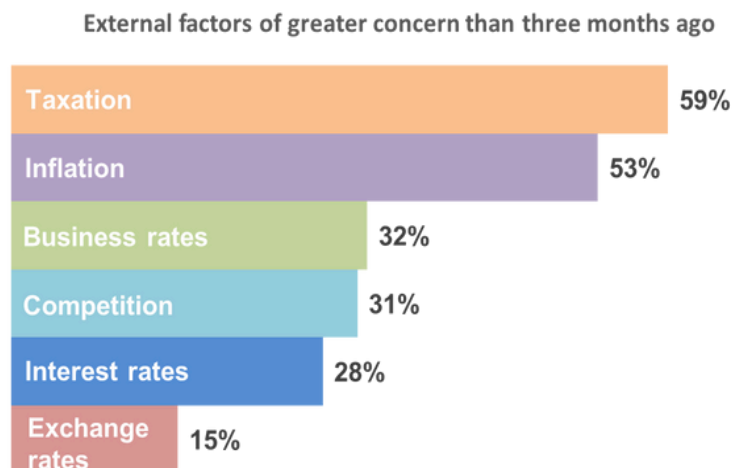
**The percentage of firms expecting their prices to rise increased to 55%, the same level elevated level as Q4 2024.**

As measured as a percentage balance, the services sector stands at +52% while the manufacturing sector stands at +55%.

**Prices**

**Taxation remains the top concern for respondents, with 59% citing this, down slightly from 63% in Q4 2024.**

Concern about inflation has increased since the previous quarter – 53% compared to 47% in Q4. Concern about interest rates remains at 28%, the same level as Q4.

**External factors**

## The view from businesses:

*“We have been doubling revenue year on year consistently for the last 4 years. There is too much cash pressure for this to be sustainable for us unless the UK government changes its policy on taxation.” **Small agriculture firm in Dundee & Angus***

*“Borrowing cost remains too high & this coupled with increased Employers NI & min Wage discourages investment & causes cashflow issues.” **Medium sized agriculture firm in Shropshire***

*“NI increase will add £110K to our pay bill this year alone” **Medium sized construction firm in Greater Manchester***

*“Recent changes to company tax and labour costs have caused us to shelve all future expansion plans for next 5-years. Over the past 6 months we have reduced staff levels and will not increase staff for the next 3- years due to the changes to company tax and labour costs. As a result, we will now be moving all future expansion and employment to the USA..” **Small manufacturing firm in Essex***

BRITISH CHAMBERS OF COMMERCE

**QUARTERLY ECONOMIC SURVEY** Q1 2025

*“It is clear that business sentiment is in a slump following the Autumn Budget last year and this fresh dataset shows no improvement to that. In some indicators, we have seen a further worsening.*

*This is to be expected as costs have piled on businesses simultaneously. On the domestic side, tax rises, specifically the NICs increase, are consistently cited by businesses as a concern. A global tariff war is also a major blow for both importers and exporters.*

*The end result is a low growth outlook, weak investment among SMEs, and damage to global trade. As we see from the data, as more firms expect price rises, this could further fuel inflation and limit further interest rate cuts.”*

David Bharier, Head of Research at the British Chambers of Commerce

## ABOUT QES Q1 2025

5,221 business respondents from across the UK

Responding businesses employ over one million people

76% are in the service sector, 24% in the manufacturing sector

Around 38% are exporters

91% are SMEs

Fieldwork took place between 10 February - 10 March 2025

**Methodology**

QES asks businesses if they have seen an increase, decrease, or no change in a range of metrics such as domestic sales, cash flow, and investment. QES results are often presented as balance figures – the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is above 0, it indicates overall expansion of activity and if the figure is below 0, it indicates overall contraction of activity. For example, if 50% of firms told us their sales increased and 18% said their sales decreased, the balance for the quarter would be +32% (an overall expansion). If 32% told us their sales increased and 33% said their sales decreased, the balance would be -1% (an overall contraction).

**For more information:**

Contact David Bharier, Head of Research at the British Chambers of Commerce for any queries or to understand how your organisation may benefit from the BCC Insights Unit [d.bharier@britishchambers.org.uk](mailto:d.bharier@britishchambers.org.uk) If you would like to enquire about local data, you can find your local Chamber of Commerce here <https://www.britishchambers.org.uk/page/join-a-chamber>



Cambridgeshire  
Chambers of  
Commerce

Every quarter, we ask businesses to take part in our Quarterly Economic Survey (QES), where the findings are shared with the British Chambers of Commerce (BCC) to contribute to one of the UK's largest and most reputable barometers of business opinion.

QES findings are vital in the BCC's and Cambridgeshire Chamber's lobbying efforts because they are broken down to individual accredited Chamber-level, making sure your voice is properly heard both nationally and locally on the issues that matter.

This survey is used to form a picture of the local economic prospects as well as contribute to the regional analysis which is known to be held in high regard by the government, Bank of England and economic commentators

**Published: April 2025**

If you are interested in participating or finding out more about the QES report, please contact Shauna Kelly at [marketing@cambscci.co.uk](mailto:marketing@cambscci.co.uk)

**Telephone: 01223 237414**

<https://www.cambridgeshirechamber.co.uk>

**Cambridgeshire Chamber of Commerce | Clifford House | 2 Station Yard |  
Oakington | Cambridgeshire | CB24 3AH**