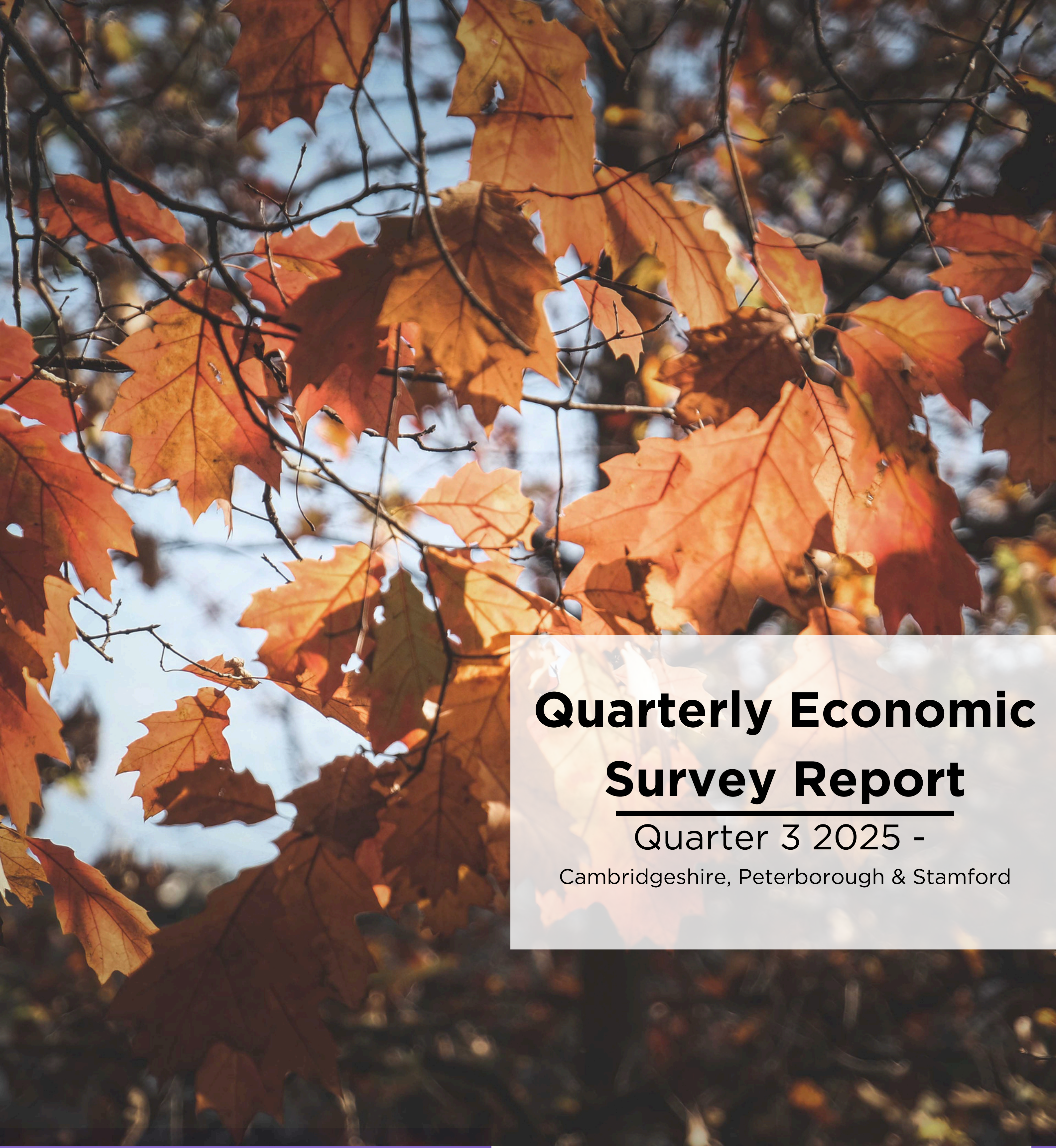


Quarterly Economic Survey Report

Quarter 3 2025 -

Cambridgeshire, Peterborough & Stamford

Produced by

Cambridgeshire Chambers of Commerce

British Chambers of Commerce Accredited

Quarterly Economic Survey

Introduction

The British Chambers of Commerce Quarterly Economic Survey

The Quarter 3 2025 Quarterly Economic Survey provides a clear-eyed assessment of business sentiment across Cambridgeshire, Peterborough and Stamford. With responses drawn from a balanced mix of sectors – 61 per cent from services and 39 per cent from manufacturing – the results highlight a business community still grappling with significant challenges.

Recruitment pressures remain acute, with 72 per cent of firms attempting to hire and 94 per cent reporting difficulties, particularly in skilled manual and professional roles. With increasing numbers of young people not in education, employment or training the success of programmes such as Connect to Work and Youth Guarantee are vital. Capacity remains constrained, with 65 per cent of businesses operating below full capacity, while cash flow has stayed largely static.

Sales trends offer a mixed outlook: while some companies are seeing increases in sales and orders many are reporting stagnancy or decreases. Taxation and labour costs continue to dominate as the primary upward pressures on prices, compounded by concerns over inflation. The increase of Employer's National Insurance Contributions is likely to be the largest contributing factor, but businesses are also extremely anxious about the upcoming changes to Business Property Relief and Agricultural Property Relief. Looking ahead, many businesses remain cautiously optimistic on turnover, with 43 per cent expecting improvement in the next year, though 35 per cent fear profitability will deteriorate.

These findings arrive at a pivotal time, with the Autumn Budget fast approaching. One thing is absolutely clear, businesses cannot be subjected to any further taxation. Global economic turbulence, coupled with domestic cost pressures, continues to weigh on confidence. Yet despite these headwinds, the results demonstrate the resilience of local businesses, many of whom are adapting and investing in training and equipment to weather uncertainty. This report captures both the local and national picture, providing essential evidence to inform ongoing lobbying and support for the region's business community.

Charlotte Horobin, CEO of Cambridgeshire Chambers of Commerce said:

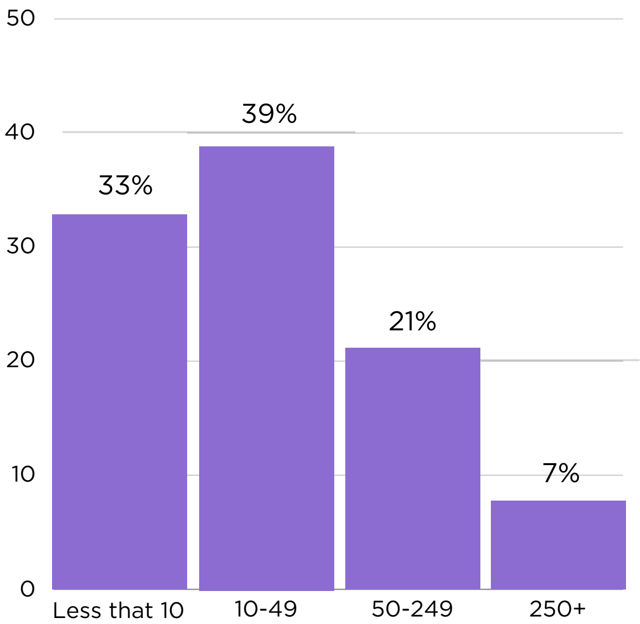
"Government must take urgent and practical steps to ease the rising tax and cost pressures that continue to hold back growth."

Quarterly Economic Survey

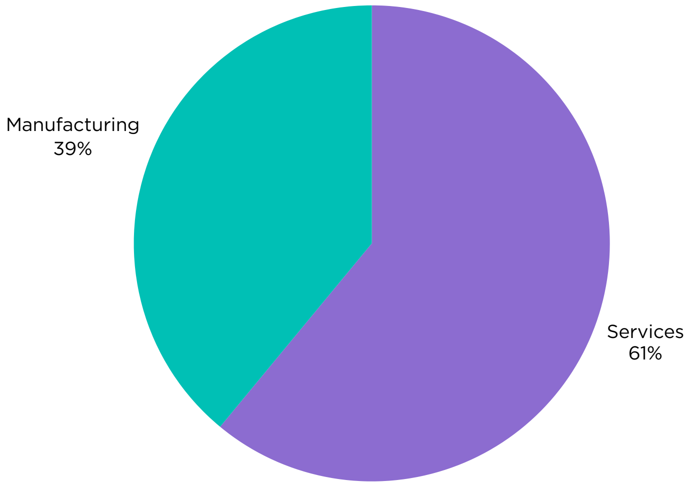
QES Quarter 3 - 2025

The Regional View

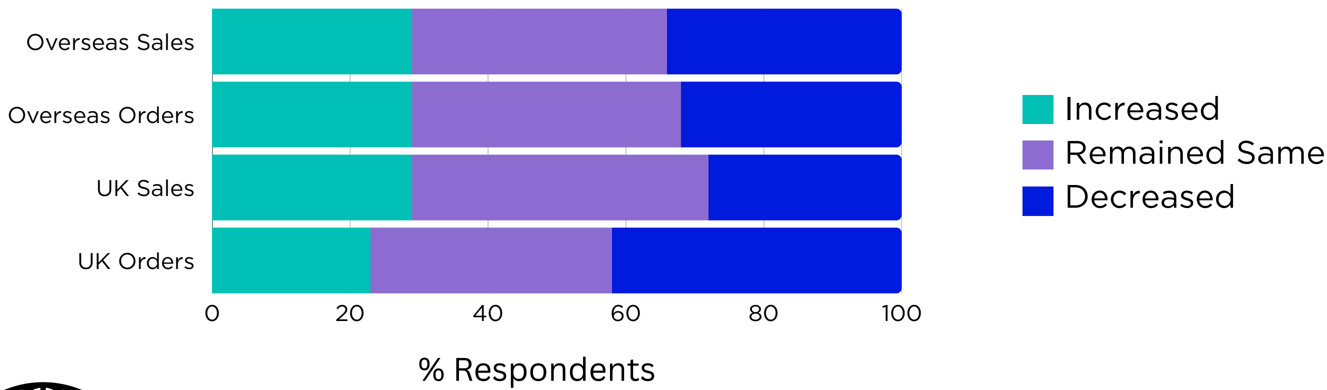
EMPLOYMENT SIZE



BUSINESS SECTOR



SALES AND ORDERS -PAST 3 MONTHS



34% stated that **Overseas Sales** has decreased
39% stated that **Overseas Orders** remained the same

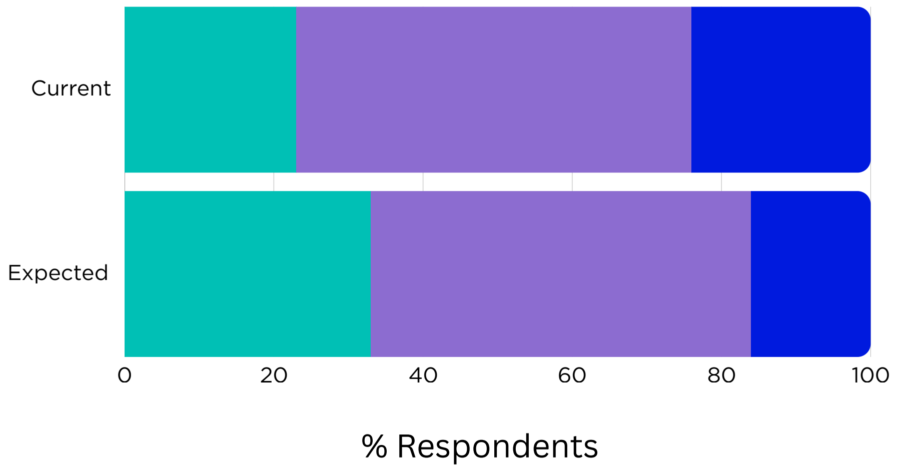
29% thought that **UK Sales** had increased
23% thought that **UK Orders** had increased

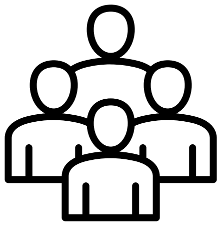
Quarterly Economic Survey

QES Quarter 3 - 2025

The Regional View

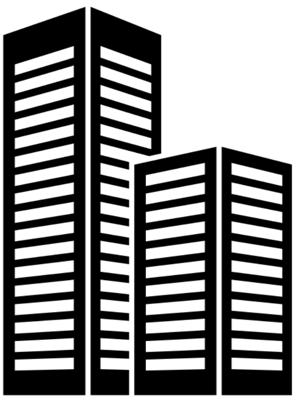
WORKFORCE -PAST 3 MONTHS

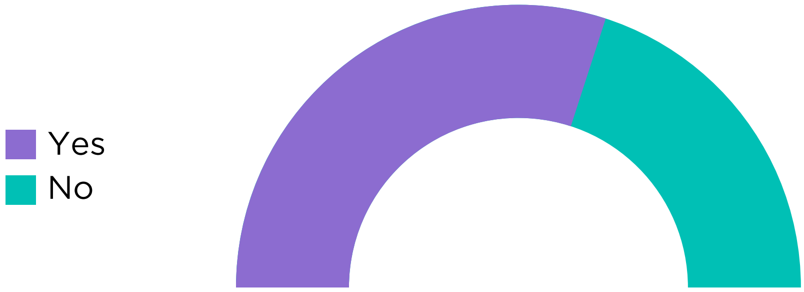




23% saw their **workforce** increase
33% believe their **workforce** will remain the same

RECRUITMENT



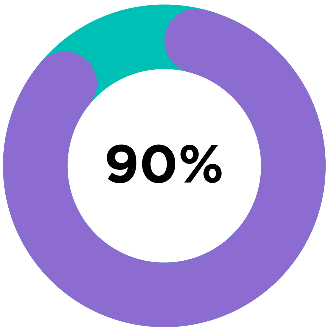


In the past 3 months...
72% of businesses **have tried** recruiting
28% of businesses **have not tried** recruiting

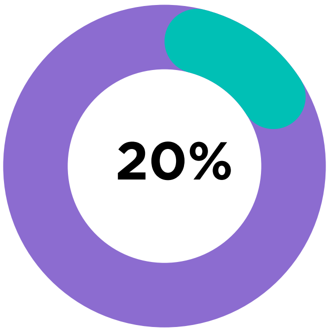
Quarterly Economic Survey

QES Quarter 3 - 2025

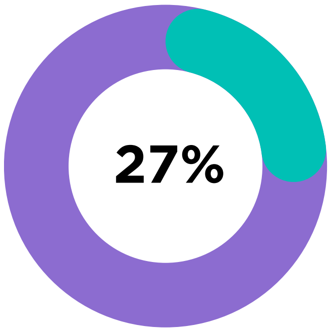
The Regional View



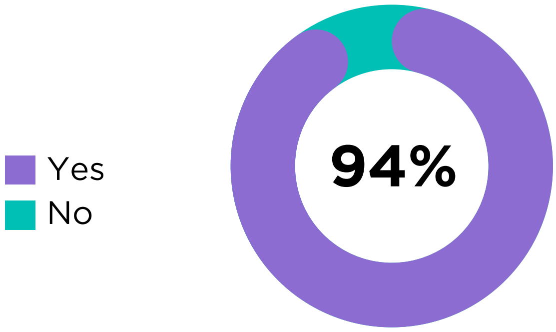
For full-time roles



For part-time roles



For temporary roles



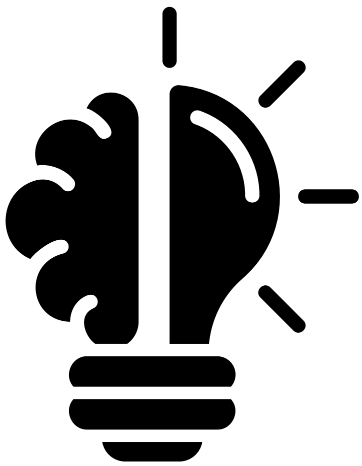
Experienced difficulties recruiting

56% had difficulties with recruiting in **skilled manual/technical**

60% struggled with recruiting in **professional/managerial**

14% struggled with **clerical** staff

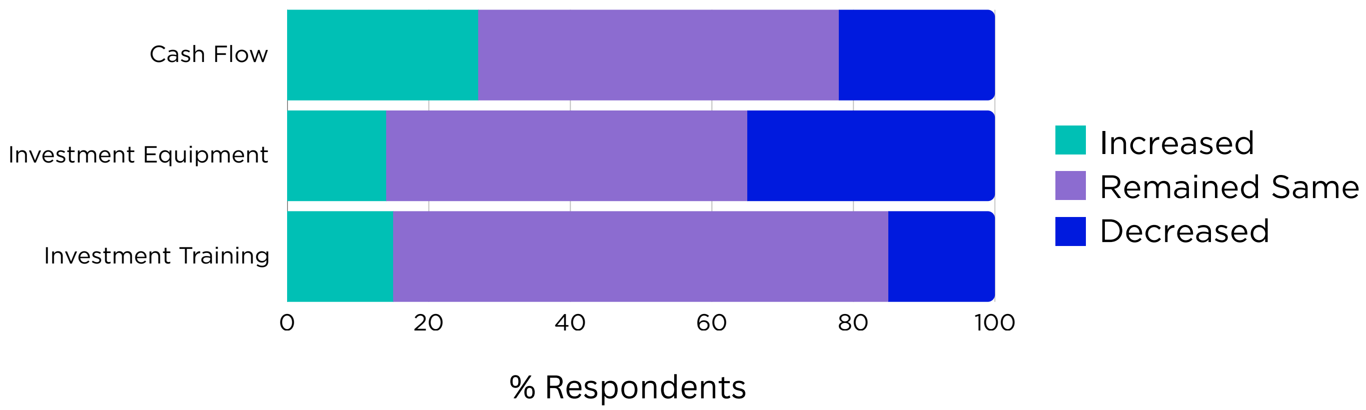
26% experienced difficulties with **semi/unskilled** staffing



Quarterly Economic Survey

QES Quarter 3 - 2025

The Regional View



51% said **cash flow** has remained the same compared to Quarter 2

OVER THE NEXT 12 MONTHS

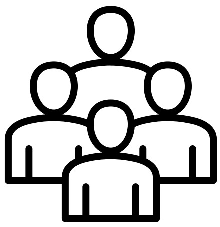
43% believe their **business turnover** will **improve**

35% believe their **business profitability** will **worsen**

CURRENTLY OPERATING AT...

35% of businesses are operating at **Full Capacity**

65% of businesses are operating **below capacity**

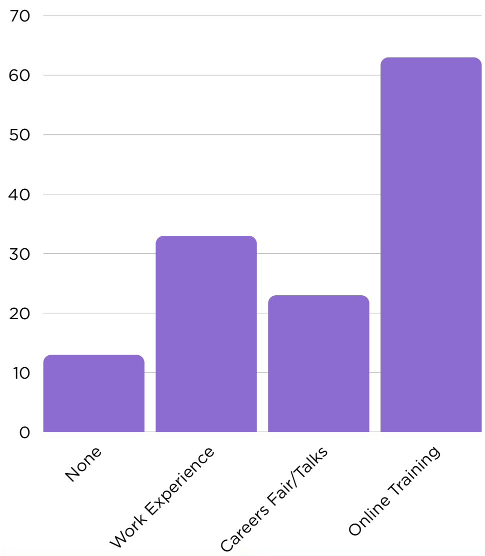


TRAINING AND WORK EXPERIENCE

63% are likely to engage in **online training** than any other type of training/education activities.

One-in-10 **had not engaged** in any training/education activities

33% **are likely** to offer work experience and 23% **to engage** in careers fairs/talks



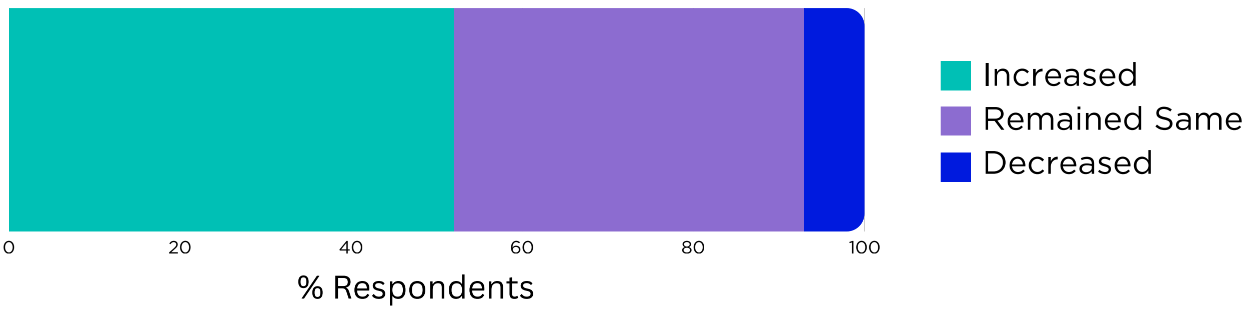
Quarterly Economic Survey

QES Quarter 3 - 2025

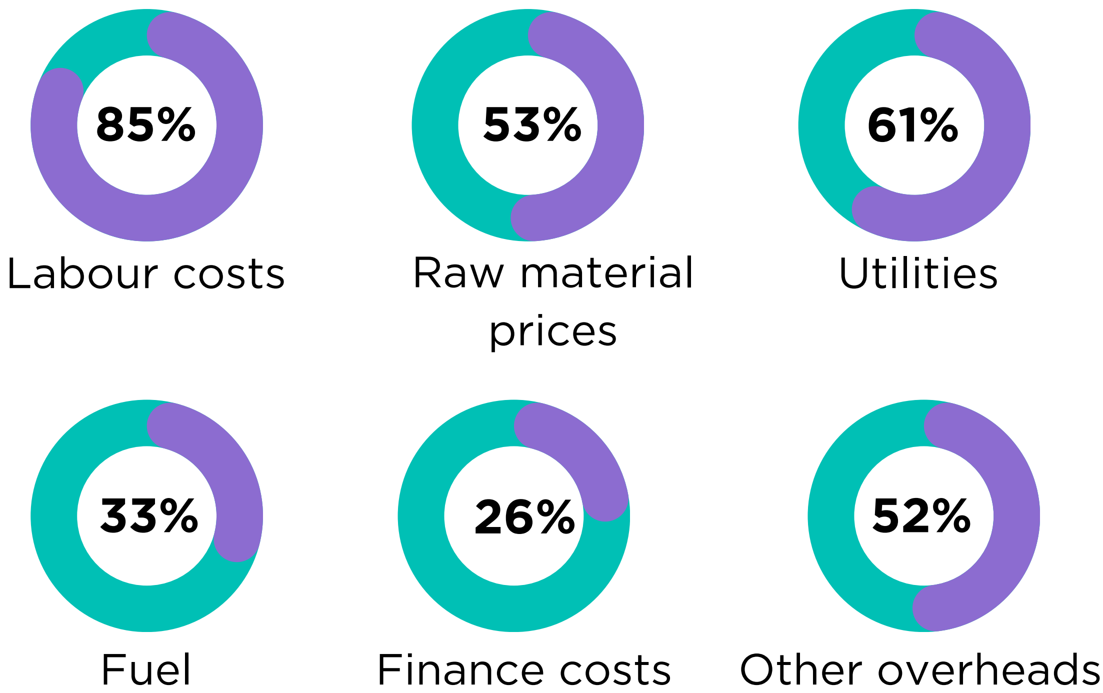
The Regional View

PRICES OF GOODS/SERVICES ARE EXPECTED TO...

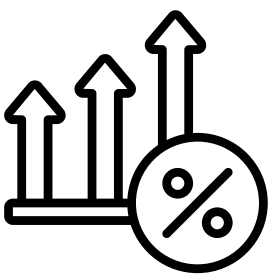
-PAST 3 MONTHS



Price rise pressures



TOP FACTORS AFFECTING BUSINESSES



25% **Interest Rates**
12% **Exchange Rates**
43% **Business Rates**
62% **Inflation**
26% **Competition**
75% **Taxation**

BRITISH CHAMBERS OF COMMERCE ISSN 2398-4406

QUARTERLY ECONOMIC SURVEY Q3 2025
The National View

Business sentiment remains flat ahead of the Budget. The BCC's Quarterly Economic Survey (QES) forQ3 2025-the UK's largest independent survey of business sentiment, made up of 4,669 respondents - shows that most indicators remain unchanged from the previous quarter and are at 2022 levels, with taxation and inflation the top concerns.

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

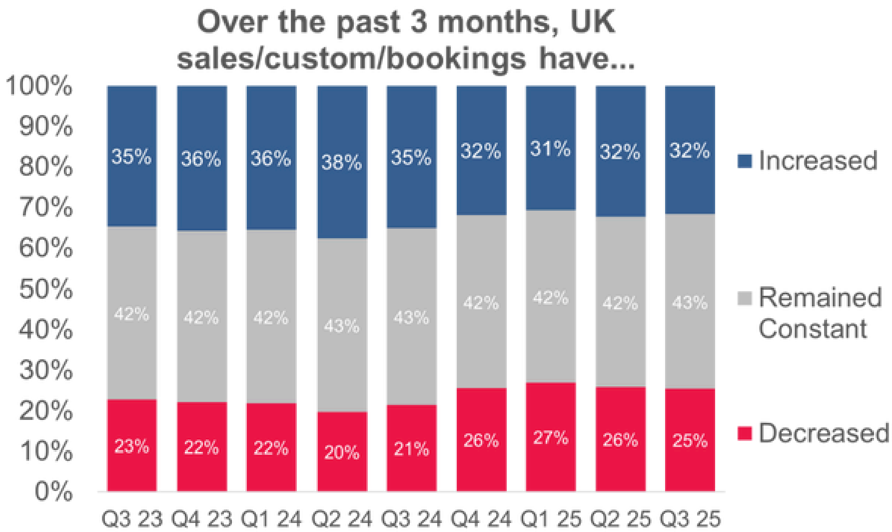
Almost half (44%) of firms expect to rise prices over the next three months

Confidence and investment levels remain at 2022 levels

Domestic Sales

The percentage of responding businesses reporting increased domestic sales remains unchanged from last quarter, at 32%.

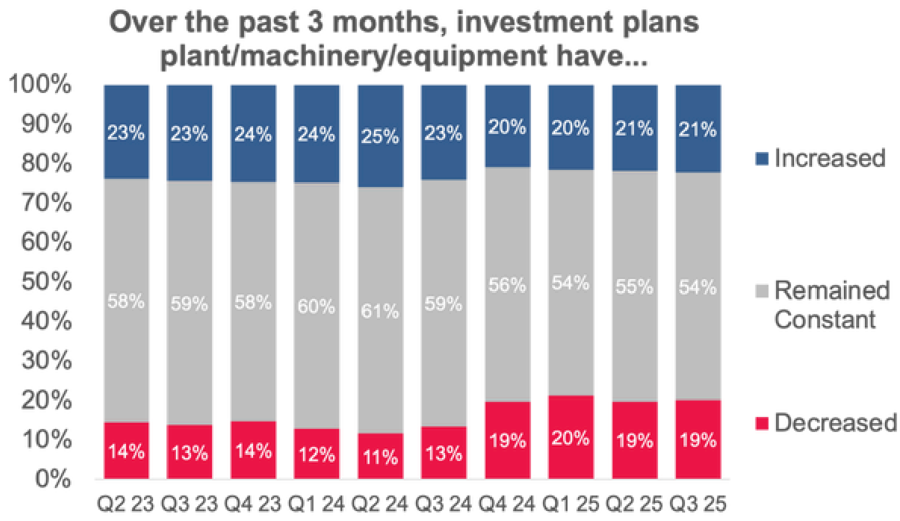
43% reported no change and 25% reported a decrease. Sectoral breakdowns show increased sales are at their lowest among retailers (21%).



Investment

Overall, 25% of businesses say they have seen decreased investment in machinery and equipment. 54% report no change, while only 21% have increased their plans.

The issue is more marked in certain sectors, with over a third (35%) of hospitality firms scaling back of investment plans. The figure for those in there tail sector is 30%.



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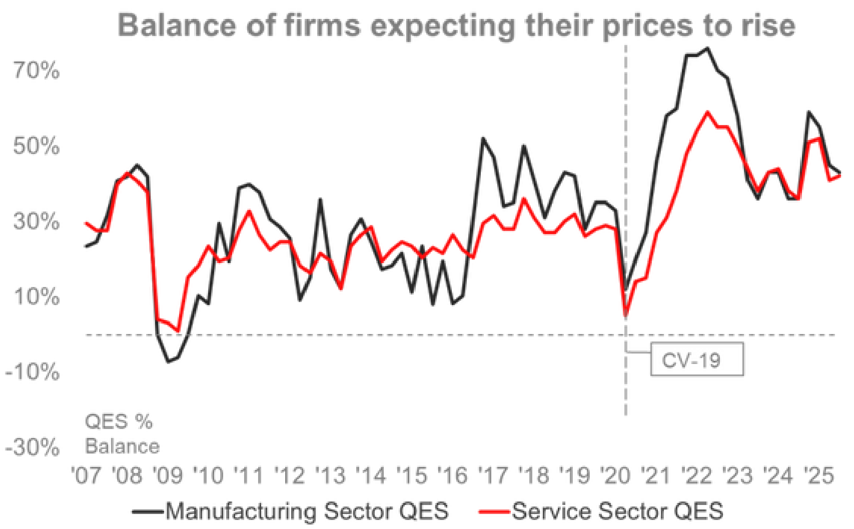
British Chambers of Commerce

ISSN 2398-4406

QUARTERLY ECONOMIC SURVEY Q3 2025
The National View

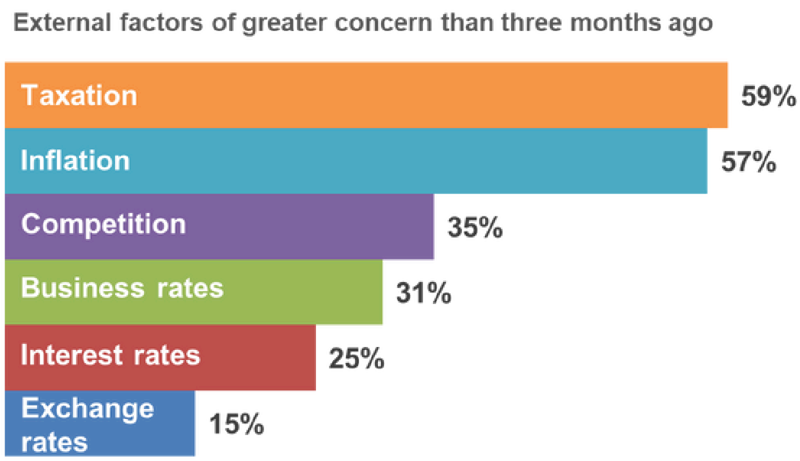
Prices

The percentage of firms expecting their prices to rise remains high at 44%, from a near-historic high 55% in Q1.
As measured as a percentage balance, the services sector stands at +42% while the manufacturing sector stands at +43%, similar to 2022 levels where the UK faced an energy price crisis.



External factors

Overall, tax continues to be the biggest concern for businesses, cited by 59%, slightly up from 56% in Q2. Before the 2024 Budget, taxation was cited by 36% of firms.
Concern about inflation has also increased, cited by 57% compared with 52% in the previous quarter. Firms in hospitality sector are the most likely to be concerned about taxation and inflation, at 62% and 63%, respectively



The view from businesses:

"The uncertainty around future tax increases to business is directly affecting investment and recruitment decisions we are making. Projects are going on hold over the next couple of months until the end of the year."
Medium sized manufacturing firm in Liverpool

"National insurance increase was a disincentive to further employment, and as a business we cannot copewithfurther taxation."
Small manufacturing firm in Scotland

"Increases in NI contributions and also uncertainty on how favourable the UK government will treat business in the future are a concern."
Micro professional services firm in Northern Ireland

"Costs are spiralling out of control in almost all cost areas....The burden of taxation is becoming too high to live with."
Medium sized transport firm in Aberdeen

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BRITISH CHAMBERS OF COMMERCE

ISSN 2398-4406

QUARTERLY ECONOMIC SURVEY Q3 2025

The National View

"Ahead of the Chancellor's statement next month, our survey shows many firms remain bruised and are not ready for another Budget battering. The research reveals no clear improvements to key indicators we track. For twelve months, SMEs have told us the same story: rising costs, weak investment, and little sense of relief on the horizon.

"The Employer NICs increase has been the most widely cited source of pressure, hitting investment and pushing up prices. The proportionofbusinessesexpectingtoraisepricesremainsworryinglyhigh,drivenprimarilybylabour costs. Inflation now sits alongside taxation as a top concern. The global shift towards protectionism and tariffs has also been a major compounding factor.

"Persistent weak sentiment this quarter may suggest that many firms have already priced in a tough Budget. But further surprise measures that hit business, like those seen in 2024, could drive confidence even lower."

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

ABOUT QES Q3 2025

4,669 business respondents from across the UK

Responding businesses employ over one million people

77% are in the service sector, 23% in the manufacturing sector

Around 43% are exporters

91% are SMEs

Fieldwork took place between 18 August - 15 September 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

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

insightsunit

British Chambers of Commerce

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: October 2025

If you are interested in participating or finding out more about the QES report, please contact Shauna Kelly at **marketing@cambscci.co.uk**

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