Buckinghamshire Business Barometer
Q2 2025

The Results

Results

Prepared by Buckinghamshire Business First

SUPPORTING BUSINESSES IN BUCKINGHAMSHIRE

Buckinghamshire LOCAL ENTERPRISE PARTNERSHIP
THE ENTREPRENEURIAL HEART OF BRITAIN

BUCKINGHAMSHIRE BUSINESS FIRST

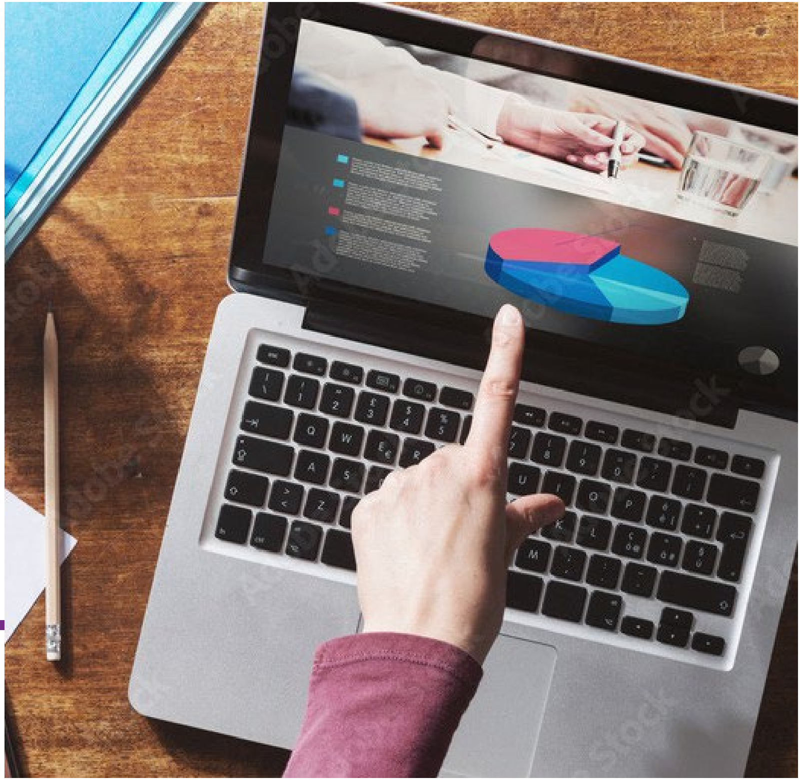
YOUR LOCAL GROWTH HUB

Introduction

The Buckinghamshire Business Barometer tracks local business confidence and performance, and gauges views on topical issues.

Conducted twice a year, it aims to establish how businesses have fared in the preceding few months, building a picture of the needs and opportunities that exist in the Buckinghamshire business community.

In the latest survey of 103 businesses, we explore the impacts of announcements in the Autumn 2024 Budget on Buckinghamshire's businesses, as well as the impact of tariffs on exports to the United States, and barriers to businesses recruiting employees with disabilities, health conditions, or special educational needs.



This valuable insight into the local economy informs our conversations with government and other stakeholders to ensure the voice of Buckinghamshire firms is recognised.

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Current trading situation

Net balance scores

(situation over the last 3 months)

About normal:

38%

(**down from 44%** Q4 2024)

Better than normal:

16%

(**up from 10%**)

N.B. Figures may not add up to 100 due to rounding.

Worse than normal:

47%

(**up from 46%**)

Net balance score:

-31%

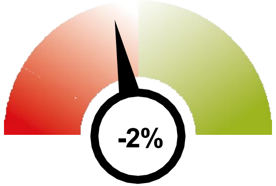
(down/worse from -36%).

The net balance score is the % of firms reporting an increase or positive response minus the % reporting a decrease or negative response.

Net balance scores indicate how businesses have performed during the survey period. The net balance score is the **percentage of firms reporting an increase minus the percentage reporting a decrease**.

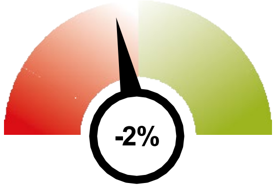
Positive values generally indicate positive outcomes among businesses. **Negative values** generally indicate negative outcomes among businesses. The exception is **costs**, where a positive value indicates a negative outcome.

Sales/custom



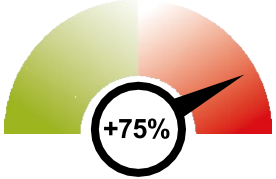
Up from -23%, Q4 2024)

Order book/pipeline:



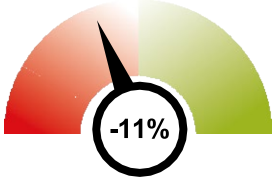
(up from -31%)

Costs:



(down/better from +81%)

Turnover:

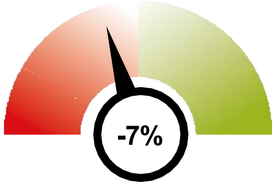


(up from -24%)

Profits have:

(up from -49%)

Workforce has:



(up from -17%)

Business Confidence

Businesses were asked about their confidence for the year ahead, considering policy announcements made at both the 2025 Spring Statement and the 2024 Autumn Budget.

- **36% reported they were a lot less confident about the year ahead** following the announcements at the 2024 Autumn Budget (down from 55% of businesses when asked the same question in Q4 2024).
- **Circa 1 in 6 businesses (17%) reported they were slightly more confident** about their business in the year ahead, up from 1 in 10 businesses asked in Q4 2024.
- Note that this survey does not capture views from businesses which may have stopped trading because of the 2024 Autumn Budget announcements.

Specific challenges from the Spring Statement / Autumn Budget included:

Increased Costs:
Includes rising expenses such as wages, utilities, business rates, National Insurance, and general overheads.

Government Policy:
Concerns about tax changes, planning delays, and inconsistent or harmful policy decisions.

Economic Uncertainty:
General uncertainty about the future, delays in decision-making, and lack of clarity, all of which make planning difficult.

Consumer Confidence:
Reduced demand due to reduced consumer spending, and more cautious spending behaviour.

Market Conditions:
Challenges remaining price competitive, client hesitancy, and reduced demand.

Labour and Staffing:
Recruitment difficulties, rising employment costs, and staffing shortages.

Increased costs of employing staff

29%

of respondents are not making changes to their operations because of the changes.

Some businesses reported these costs were mitigated by the NI support increases to small employers, others did not employ staff, and some employers exclusively used contractors which are not subject to employer NICs.

32%

of respondents are delaying or cancelling recruitment as a result

18%

of respondents are cancelling or delaying investment

1 in 9

respondents are planning to make redundancies

Businesses were asked:

‘How is your business planning to respond to the increase in costs of employing staff, due to increases in Employers National Insurance contributions, minimum wage increases, etc.?’

25% of businesses gave an ‘Other’ response. These included: increasing their prices to cover costs, outsourcing staff, and reducing their profits.

1 in 9 businesses also reported that they were considering exit planning or closing their business as a result of the changes.

Main challenges for the year ahead

A range of challenges are expected to be encountered by businesses in Buckinghamshire. The most cited challenges by respondents were:

- **Customer Acquisition:** Difficulty in finding and retaining clients, generating leads, and maintaining sales pipelines. Customers with less disposable income, due to inflation and costs, was a reason for this concern.
- **Staffing:** Challenges in recruiting, retaining, and managing staff, including HR and payroll issues.
- **Costs:** Trying to remain price competitive while operational costs rise, including wages, rent, materials, and inflation.
- **Growth:** Concerns about scaling, expanding, and sustaining business growth.
- **Regulation:** Burdens from compliance, planning systems, tariffs, and restricting regulations related to EU exit.
- **Taxation:** Issues with increasing tax burdens and perceived unfairness in the tax system targeting businesses.

Staffing challenges

Challenges growing their business

Dealing with rising costs, taxation, and regulation

Generating leads, finding and retaining clients and customers

Tarrifs

1 in 8

respondents expected to be impacted by tariffs on UK exports to the USA

31%

of respondents expecting an impact did not plan to make strategic changes to their business

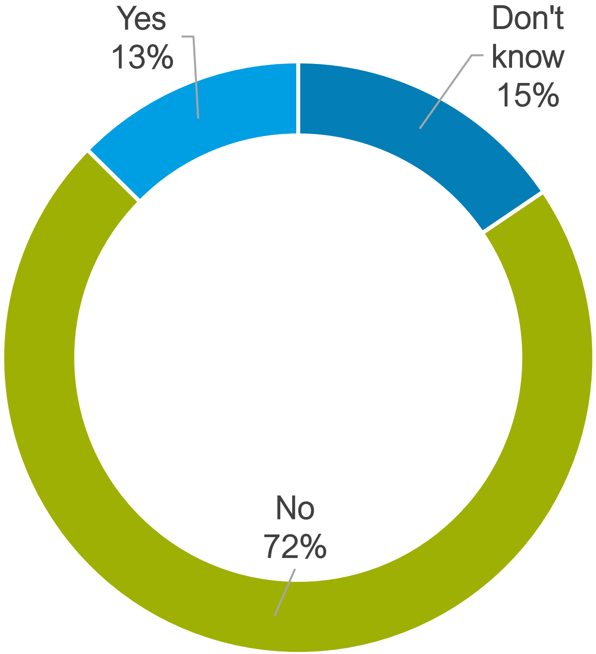
38%

of respondents expecting an impact were responding by reorganising their operations

31%

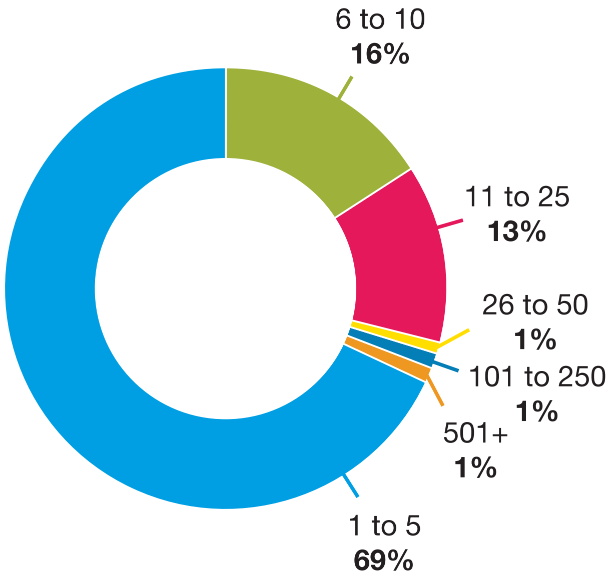
of respondents expecting an impact were considering trading in new markets

Do you anticipate any impacts for your business as a result of the proposed tariffs on UK exports to the USA? (n=103)

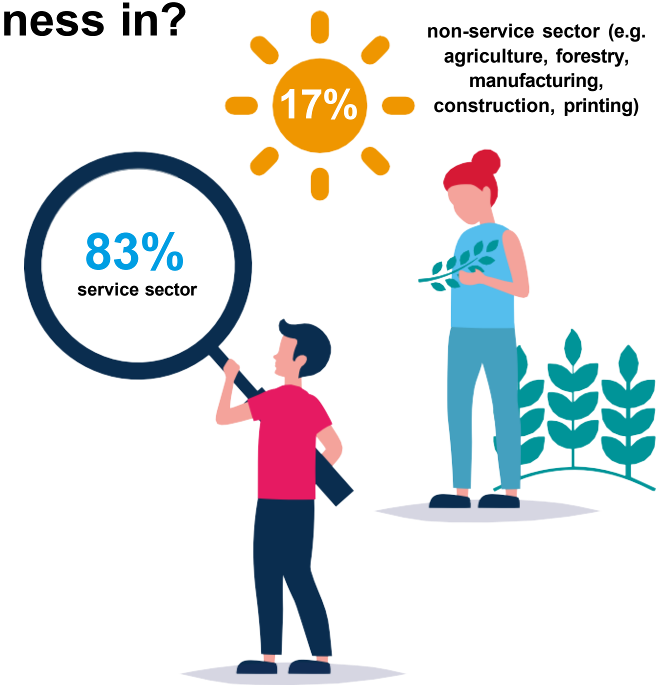


Survey respondents

How many employees does your business have?



What sector is your business in?



The Buckinghamshire Business Barometer is run by Buckinghamshire Business First (BBF). The Barometer began in 2021 and is conducted via an online survey every six months. The survey can be completed by any business operating within Buckinghamshire and is promoted to businesses through BBF and its partners. Respondents are self-selecting and the results are not weighted, therefore the findings should be treated as indicative rather than representative of all Buckinghamshire businesses.

The net balance score is the percentage of firms reporting an increase minus the percentage reporting a decrease. For example, if 15% of firms told us their sales increased and 65% said their sales decreased, the balance for the quarter would be -50%. Alternatively, if 50% report profits have increased, and 10% report profits have decreased, the balance would be +40%. With the exception of costs, negative figures indicate a contraction and positive figures indicate growth.

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