



# QES REPORT

Q4 2024



# A WORD FROM OUR CEO

The Quarterly Economic Survey (QES) for Q4 2024 shows concern about tax, including national insurance, has spiked. Business confidence has slipped nationally to its lowest level since the aftermath of the mini-Budget in Autumn 2022 however locally in Northamptonshire and Milton Keynes, businesses are showing signs of resilience with 68.6% of respondents reporting that they expect their turnover to improve in the next 12 months.

Taxation is the top external factor of concern, cited by 71% of respondents following the Autumn Statement announced in October and with potential further increases in the Spring Statement of 2025, this has risen from the lowest concern in Q1 of 2023 to now being the biggest concern to businesses.

Our latest QES shows resilience within Northamptonshire and Milton Keynes with an element of concern. The survey was conducted after the Autumn Statement was announced and indicates that firms are reporting a slightly hesitant approach to business in certain areas, particularly investment. The last quarter has seen growing concerns from businesses around potential inflation increases however concerns around interest rate increases have reduced to the lowest in the last 12 months.

It's important though that we remain focussed and positive in the opening quarter as businesses prepare for taxation increases and potentially hesitancy in investment."



**LOUISE WALL**  
CEO



# INTRODUCTION

The recent QES survey data reveals a fairly resilient response from businesses in Northamptonshire and Milton Keynes, although UK sales and Orders have slowed slightly compared to Q3 of 2024. Export markets have also slowed slightly with just under 80% of respondents recording increased or consistent sales going into 2025.

Business confidence is showing resilience, with more than two-thirds of respondents optimistic about their turnover improving in the next 12 months, however this can't be said for profitability with taxation announcements made in the Autumn Statement. Just over a third of respondents reported that they are operating at full capacity compared to a quarter in Q3 which is a positive and sign that our region remains strong. Concerns persist over rising labour costs, increased competition, and taxation with the latter at an all time high.

Investment trends have taken a down turn from the cautious approach in Q3 with businesses reporting an increase in the decline in investment showing a cautious approach approaching 2025. Following the Autumn Statement, respondents reported an increase in plans to raise their prices to compensate future taxation charges with labour costs being the biggest pressure being faced by businesses. Energy costs and overheads have also been reported as pressures businesses are facing although there has been a drop in concerns in financing and fuel costs.

Businesses have reported that their recruitment efforts are reporting a decline in increases to workforces and expectations of workforces decreasing has doubled in the last quarter as businesses prepare for an increase in taxation following the Autumn Statement announcements. The main challenge for recruitment is with skilled manual or technical roles although this has improved since the last quarter with an increase in professional or managerial roles reported.

Overall, the data points to a cautiously optimistic economic outlook, with significant growth tempered by ongoing challenges in costs and recruitment with resilience thrown into the mix for local businesses.

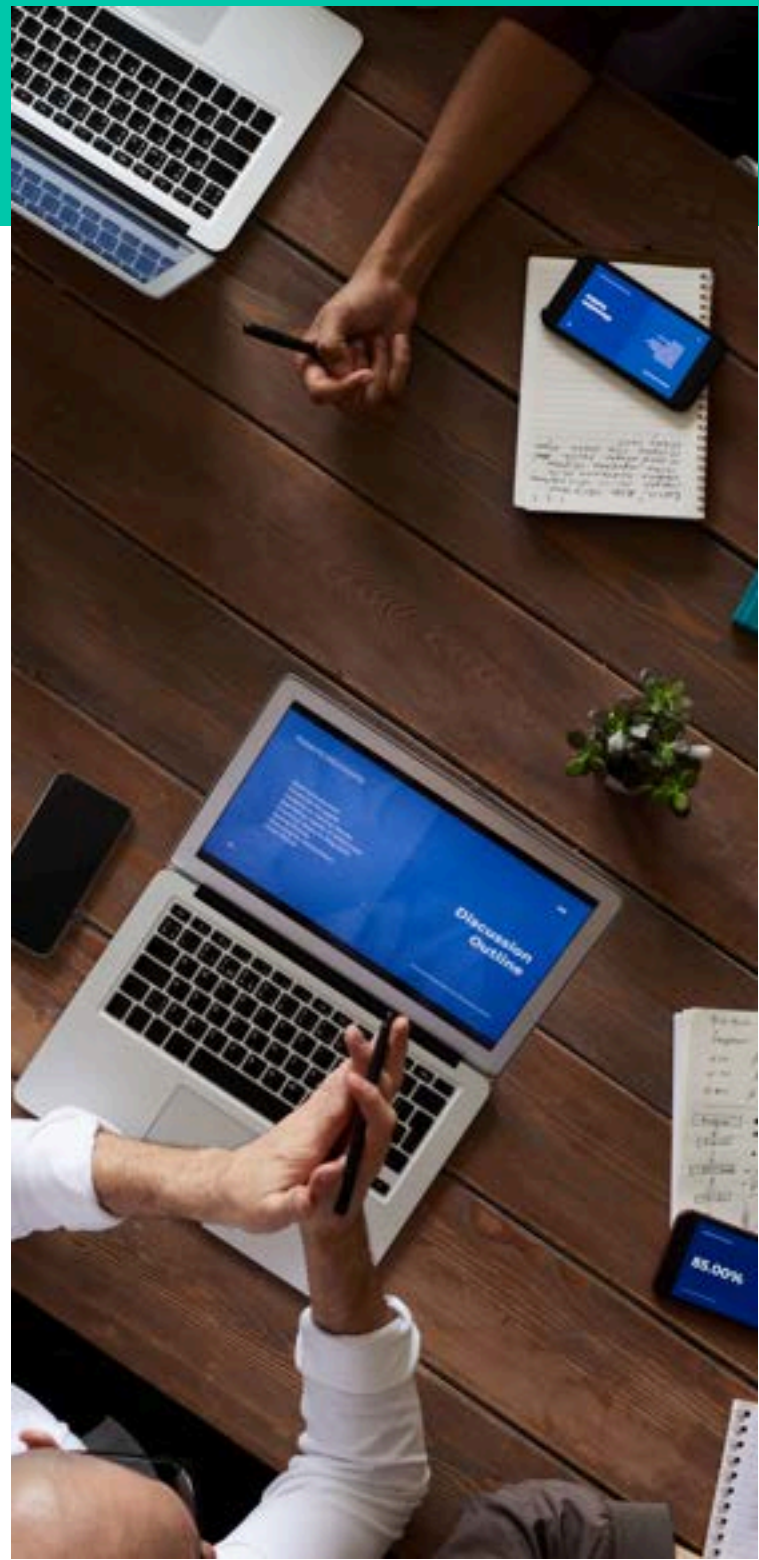


# DOMESTIC ORDERS

Over half of respondents reported that their UK sales are increasing in Q4, this is a sign that business confidence has dipped since Q2 and Q3 of 2024.

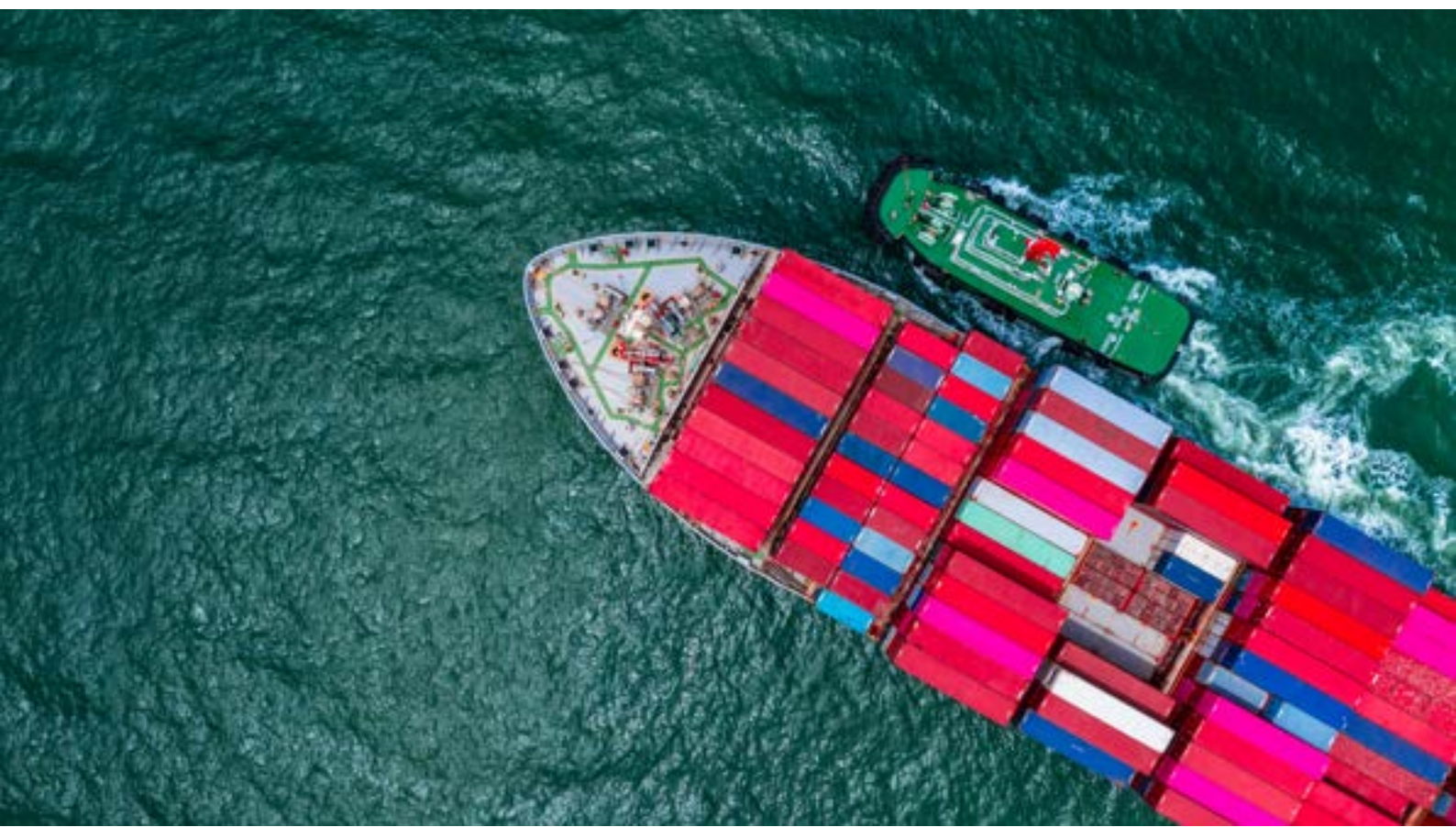
# 47%

of respondents have reported UK sales have increased over the past three months



# OVERSEAS ORDERS

Just 25% of exporters have cited they have experienced an increase in export sales and orders compared to 47.06% in Q2 showing that confidence has declined. This alongside domestic sales increasing, is a clear signal that businesses are reacting to the Autumn Statement announced in October and focussing more on the domestic market.



# BUSINESS CONFIDENCE

68.6% of business responses have indicated that they expect their turnover to improve over the next 12 months – this number has remained consistent with Q3 locally in Northamptonshire and Milton Keynes despite business confidence varying nationally.

71% of firms have indicated that an increase in taxation is their main concern followed by inflation which was reported by 50% of firms, both of these concerns have increased across 2024. 29% of responders have said that competition is more of a concern to their business than 3 months ago.

Over 52% of firms expect their profitability will improve in the next 12 months showing that businesses in Northamptonshire and Milton Keynes despite business confidence being reported nationally as low, is fairly strong considering this has dropped by 12% from Q3.



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*The biggest concern at present is the change in Government and the unknown around this and it's impact to the UK as a whole*

**Retail Business -  
Northamptonshire**

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# 68.6%

of respondents believe their turnover will improve over the next 12 months.

# 64.37%

of firms report they are currently operating below full capacity.

# INVESTMENT & CASHFLOW

# 23.33%

of respondents have suggested they will raise their prices in the coming months.

Overall, 21% of respondents reported an increase to plant and equipment investment in the past three months, while 46% reported no change, and 33% reported a decrease showing that businesses have become more cautious when investing in new plant and equipment.

Investment in training has also reduced to just 15% of respondents looking to invest. 61.64% of respondents have said their investment plans are likely to remain constant.



# RECRUITMENT

# 50%

of businesses have attempted to recruit in the past 3 months.

We have seen 31.4% of firms report they expect their workforce to increase in the next three months which is a drop since Q2 (45.16%), with 58.14% reporting that they expect their workforce to remain the same. However, of the businesses that have attempted to recruit 55.17% have experienced challenges in recruiting staff, with 'Technically Skilled' staff cited as the most difficult to recruit.

