

Quarterly Economic Survey Report

Q1

QES | 2026

Produced by



In partnership with





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.

It is a powerful tool for representing the voice of businesses in the Thames Valley to Government.

This survey ran from 9th February to 9th March 2026 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.

As we present the findings of our Q1 2026 Quarterly Economic Survey, it is clear that businesses across the Thames Valley continue to demonstrate resilience in the face of ongoing economic pressures.

Encouragingly, many firms report increases in UK sales and orders, reflecting a degree of underlying strength in domestic demand. However, this optimism is tempered by persistent challenges. A significant proportion of businesses continue to operate below full capacity, while recruitment difficulties, particularly for skilled roles, remain a key constraint on growth. At the same time, cost pressures, especially from utilities, labour, and raw materials, continue to weigh heavily on business confidence.

Looking ahead, businesses anticipate further price increases in the coming months, underlining the ongoing inflationary environment. While some firms are maintaining or increasing investment, uncertainty around interest rates, taxation, and broader economic conditions continues to influence decision-making.

These findings highlight the need for sustained and targeted support to enable businesses to grow, invest, and compete effectively. As a Chamber, we will continue to advocate on behalf of our members, using this data to inform and influence policy. I would like to thank all the businesses who contributed to this survey - your insights are invaluable in shaping the economic future of our region.

Paul Britton

CEO, Thames Valley Chamber of Commerce

Turning to the latest Quarterly Economic Survey for Q1 2026, the overall message is one of cautious stabilisation, but with confidence still quite fragile.

Demand remains mixed. Many businesses are still reporting flat or subdued sales, although there are early signs that conditions may be bottoming out rather than deteriorating further.

Cost pressures continue to dominate. Labour costs remain the single biggest concern, driven by skills shortages and ongoing regulatory change, and firms are still facing pressure from rising staff costs due to the NLW/NMW and employers' national insurance increases.

Employment intentions remain relatively positive on paper, with businesses still looking to recruit, but recruitment difficulties persist — particularly for skilled, technical, and managerial roles. In practice, this continues to act as a strain on growth rather than a catalyst for it.

Investment remains cautious. Many firms are holding back on major capital decisions, reflecting ongoing uncertainty about demand, costs, and the broader economic outlook.

So overall, Q1 shows resilience rather than momentum — businesses are adapting and holding their ground, but a sustained recovery will depend on easing cost pressures and a genuine improvement in demand as we move through 2026.

Darren O'Connor

Partner, James Cowper Kreston

UK SALES AND ORDERS

THOUGHT THAT UK SALES HAD **INCREASED**



THOUGHT THAT UK ORDERS HAD **INCREASED**



OVERSEAS SALES AND ORDERS

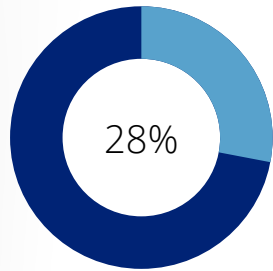
REPORTED OVERSEAS SALES HAVE **REMAINED CONSTANT**



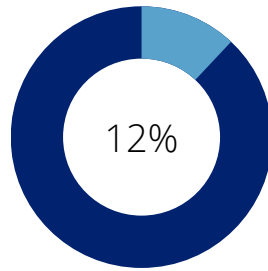
REPORTED OVERSEAS ORDERS HAVE **REMAINED CONSTANT**



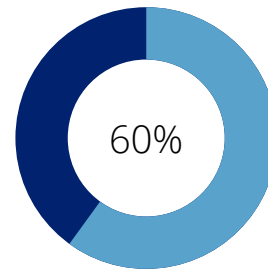
WORKFORCE



SAW THEIR WORKFORCE **INCREASE**



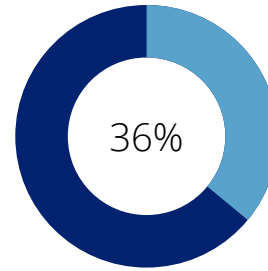
SAW THEIR WORKFORCE **DECREASE**



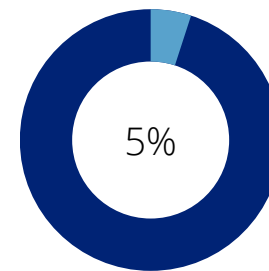
SAW THEIR WORKFORCE **REMAIN CONSTANT**

OVER THE PAST 3 MONTHS

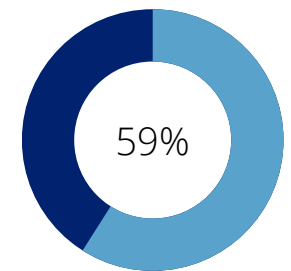
OVER THE NEXT FEW MONTHS



EXPECT THEIR WORKFORCE TO **INCREASE**



EXPECT THEIR WORKFORCE TO **DECREASE**

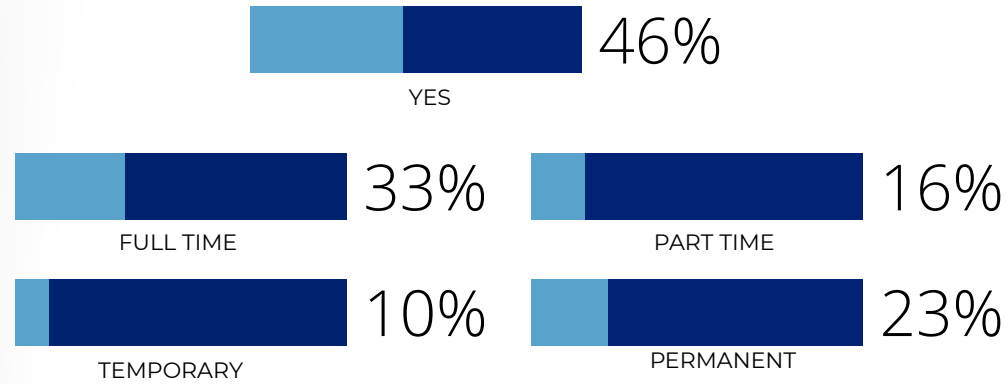


EXPECT THEIR WORKFORCE TO **REMAIN CONSTANT**

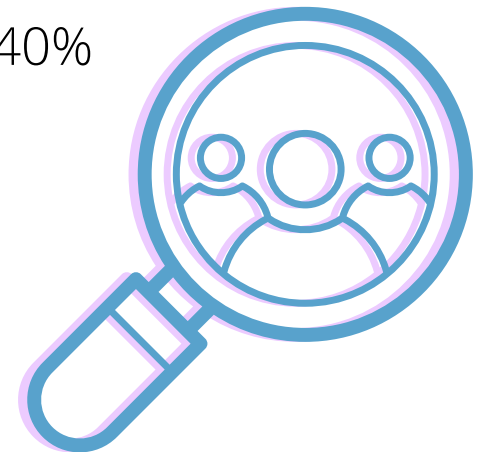
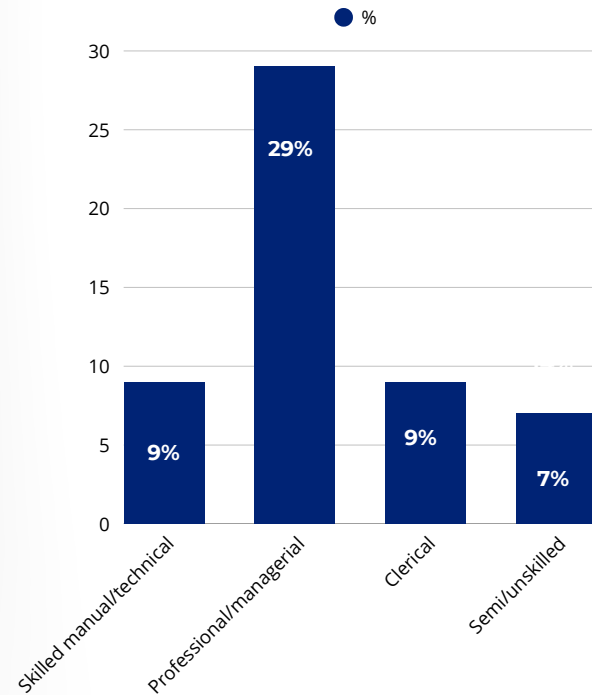


RECRUITMENT

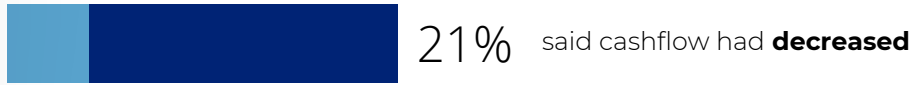
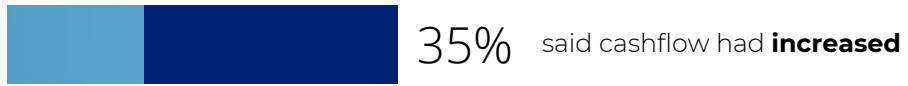
HAVE YOU ATTEMPTED TO RECRUIT STAFF OVER THE PAST 3 MONTHS?



DID YOU EXPERIENCE ANY DIFFICULTIES FINDING SUITABLE STAFF?

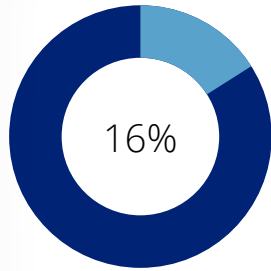


CASHFLOW

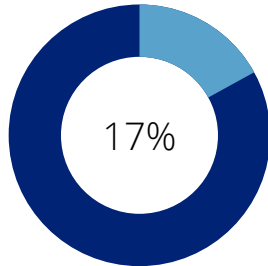


INVESTMENT

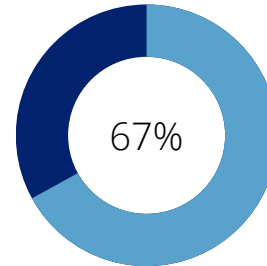
FOR **PLANT/MACHINERY/EQUIPMENT** HAS



INCREASED

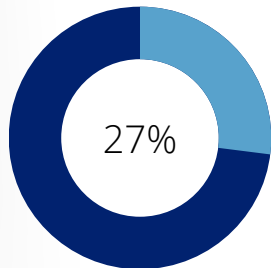


DECREASED

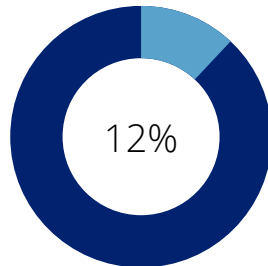


REMAINED CONSTANT

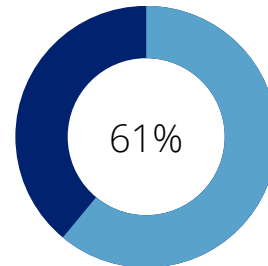
FOR **TRAINING** HAS



INCREASED

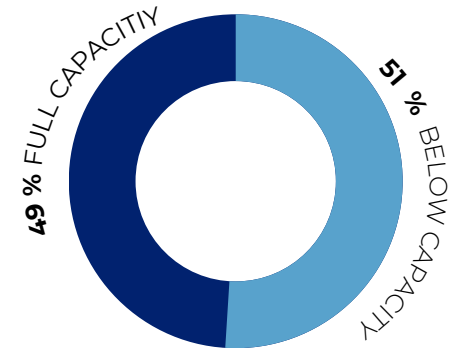
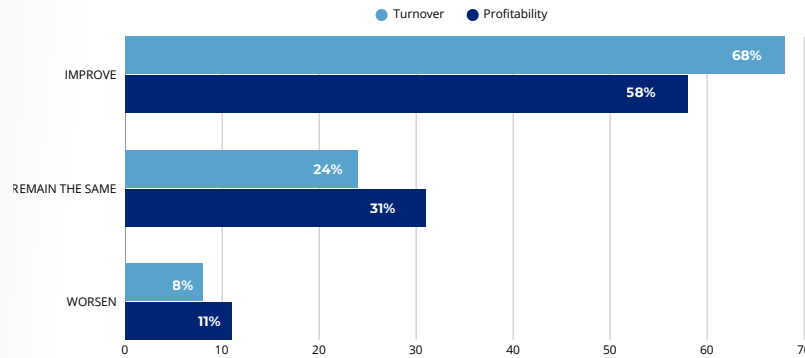


DECREASED



REMAINED CONSTANT

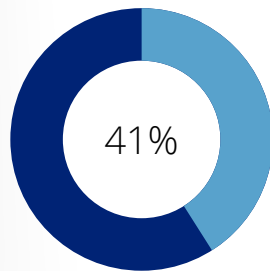
TURNOVER AND PROFITABILITY



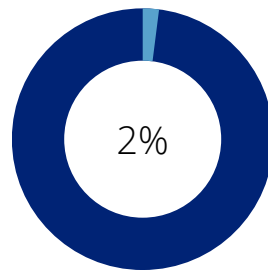
FIRMS ARE CURRENTLY RUNNING AT

OVER THE NEXT 3 MONTHS

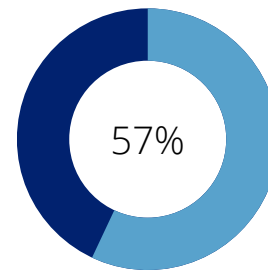
EXPECTANCY OF PRICE OF GOODS/SERVICES



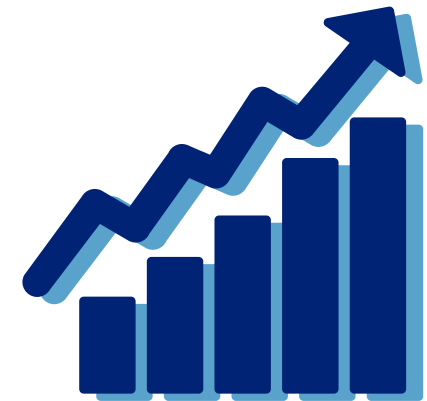
INCREASE



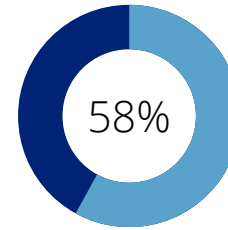
DECREASE



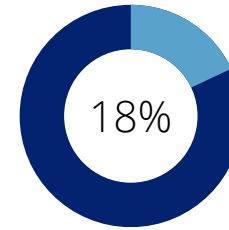
REMAIN THE SAME



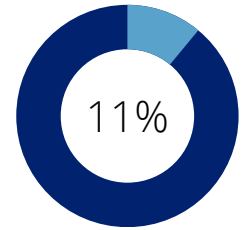
PRICE RISE PRESSURES



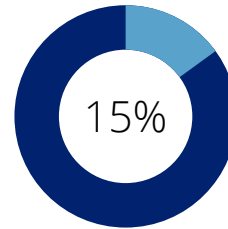
LABOUR COSTS



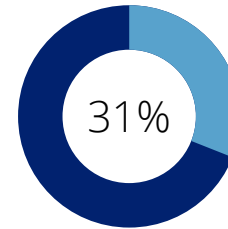
FINANCE COSTS



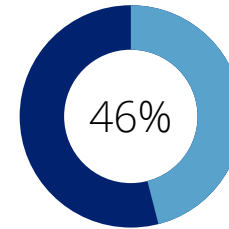
RAW MATERIALS



FUEL

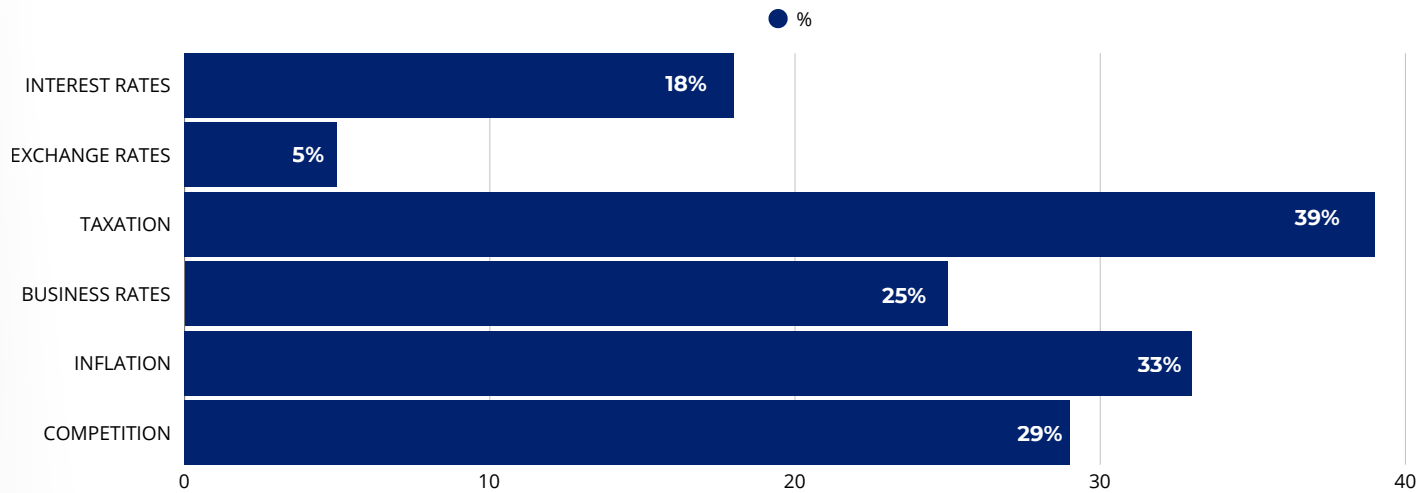


UTILITIES



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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