



QES REPORT

Q1 2026



A WORD FROM OUR CEO

The latest economic picture for Q1 of 2026 shows continued resilience among businesses across Northamptonshire and Milton Keynes, though key concerns remain.

Our latest Quarterly Economic Survey for Q1 2026 highlights a renewed rise in business pressures, with taxation remaining as the number one concern for businesses. Now cited by 53% of respondents in the opening quarter, further taxation concerns remain at the top of most business leader's worries.

Inflation continues to follow as the second biggest concern for business leaders with 43% of respondents raising this.

By contrast, exchange rate anxieties have continued to ease, now standing at just 1% of respondents. This suggests that while monetary and currency conditions are stabilising, businesses are increasingly focused on domestic cost and policy challenges rather than external economic volatility.

As the Chamber representing businesses across Northamptonshire and Milton Keynes, we remain committed to championing our members. We will continue to raise their concerns with policymakers and ensure the insights from our Quarterly Economic Survey are shared with key stakeholders, helping to shape the support and action our region's businesses need.



LOUISE WALL
CEO



INTRODUCTION

The QES data for Q1 of 2026 indicates a continued renewed period of cost pressure and intensified competition for businesses across Northamptonshire and Milton Keynes. Taxation has re-emerged as the top concern, with 53% of respondents identifying it as their primary challenge—although this was slightly reduced by 10% from the previous quarter.

Inflation follows closely at 43%, reflecting the continued impact of fiscal measures introduced over the past year. Competitive pressures have also risen significantly, with 34% of firms now citing competition as a growing issue within their markets.

While concerns over business rates have tailed off to 23%, interest rate concerns decreased to just 13% of respondents down 11% on the previous quarter.

The overall picture suggests that businesses are facing a structural shift in focus—from external macroeconomic uncertainty toward managing internal cost burdens and policy-driven challenges.

As taxation and inflation dominate boardroom discussions, firms are adapting their strategies to preserve profitability, remain competitive, and plan for sustainable growth amid a more demanding trading climate.



DOMESTIC ORDERS

UK Sales and Bookings have dropped in the opening quarter of 2026 with 30.68% of respondents reporting an increase. 44.32% respondents said they've seen little increase or decrease in sales and domestic orders in Northamptonshire and Milton Keynes with 25% reporting a decrease.

30.68%

of respondents saw an increase in sales in Q1 of 2026, the second lowest since Q4 of 2022.



OVERSEAS ORDERS

Export orders were reported as having increased by 21.95% of respondents who completed the survey, which is positive as only 4.35% of respondents with 48.78% reporting no change and 29.27% reported export orders have declined.

Of those that reported no change in their export orders (48.78%), this has declined on the previous quarter where 69.57% of respondents reported no change. Instead, this has positively moved to an increase of 18.91% on those who have seen an increase in their export sales and orders.

This makes encouraging reading especially where there have been delays and concerns around trade with tariffs and events in the Middle East.



BUSINESS CONFIDENCE

58.24% of businesses expect their turnover to improve over the next 12 months which has dropped slightly from Q4 where 67.27% reported is a substantial increase on Q3 where 49.30% of respondents reported an expectation.

Taxation (53%) continued as the number one business concern for Q1 from respondents closely followed by inflation (43%). There was also a growing concern in an increase in competition with this 34% of respondents reporting this as their third highest concern.

Positively, 48.84% of respondents expect profitability to improve over the next year, which, although this was 4.61% up on the last quarter.

Additionally, 57.32% of firms reported that their investment plans for training were to remain constant in the next six months and 46.58% of respondents have reported that their investment plans remain constant for the short-term future.

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Budget pressures have affected risk appetite for businesses to try new things.

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67.27%

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

75.01%

of firms report they are currently operating below full capacity.



INVESTMENT & CASHFLOW

53.85%

of respondents have suggested they will not be increasing prices in the next 3 months

Since our last report, 21.92% of respondents have reported that they are planning to invest more in plant and machinery, an increase of 6.01% from the last quarter, whilst just under 46.58% of respondents have stated that they are planning to work with their existing plant and machinery before considering further investment, decreasing by 12.52% from Q4.

A total of 23.46% of respondents have reported an increase in their cashflow in the opening quarter of 2026 with 38.27% of respondents expecting their cashflow to remain constant, decreasing by 9.73% from Q4 of 2025 suggesting businesses have focused on external finance or reducing payment terms to see more cash into their business.

Investment in training has also slowed slightly in the opening quarter with 20.73% of respondents looking to invest in their existing workforce however 57.32% of respondents have said they aren't looking to invest in training of their current workforce with 21.95% of respondents stating that they are likely to decrease their training plans for the forthcoming quarter.



RECRUITMENT

52.63%

of businesses have not attempted to recruit in the past 3 months.



Since the last quarter, fewer firms have been attempting to recruit. Among those actively recruiting, 51.28% are seeking full-time roles rather than part-time positions.

Of the respondents who successfully recruited in Q4 2025, 52.63% reported difficulties finding suitable candidates, with most challenges arising in skilled/manual roles and professional/managerial positions.

Looking ahead to the next quarter, 64.91 % of firms expect their workforce to remain stable—an increase of 1.40% compared to the previous quarter. Only 10.53% anticipate a decrease in their workforce.

Considering the ongoing pressures of rising employment costs, taxation, and other financial challenges, this stability is a positive sign. It indicates that employers in Northamptonshire and Milton Keynes are focused on retaining and investing in their current workforce despite these challenges.