



South Yorkshire Chambers of Commerce

Quarterly Policy Briefing

2022 Q2



Barnsley & Rotherham
Chamber of Commerce
Business. Always Business.



Sheffield
Chamber of
Commerce



Doncaster Chamber
**Inspiring success
in business**

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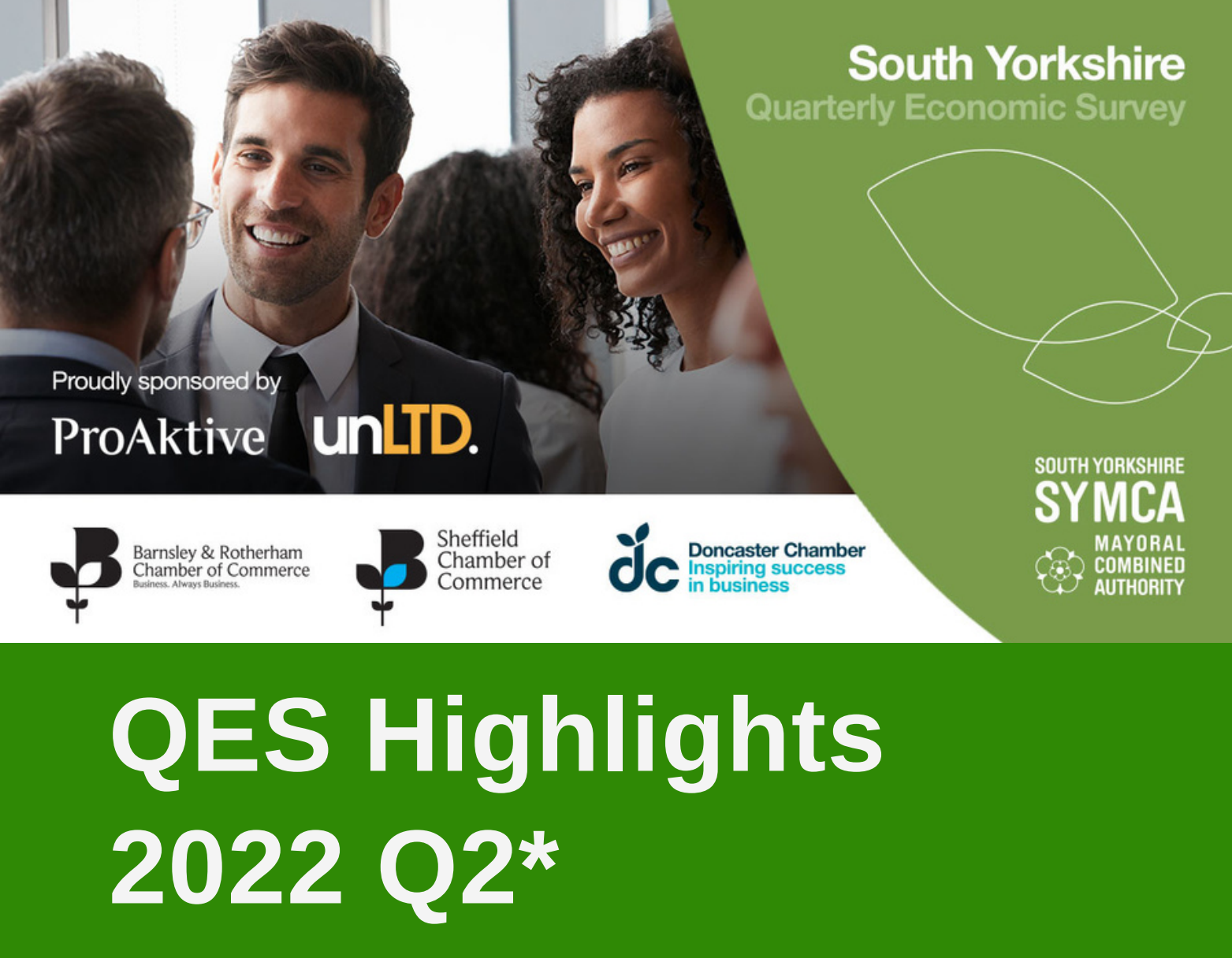
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SOUTH YORKSHIRE BUSINESSES REPORTED THAT DOMESTIC SALES AND ORDERS HAD PICKED UP IN Q2, AFTER DROPPING IN Q1

Overseas trade also grew with the balance of businesses reporting increased export sales turning positive and at its highest level for over two years. With sales increasing, the percentage of businesses operating at full capacity increased to 55% - the highest since before the pandemic.

INFLATION IS A GROWING CONCERN, CONTRIBUTING TO WEAKENED BUSINESS CONFIDENCE

The majority (68%) of firms reported that price increases were expected over the next three months, the highest for over two years. An historically large 62% of firms reported that inflation was more of a concern than three months ago – up from 21% the same time last year. This is likely to have contributed to weakened business confidence: the percentage of businesses expecting profitability and turnover to increase fell to their lowest levels for over a year.

WORKFORCES ARE GROWING DESPITE ACUTE RECRUITMENT DIFFICULTIES

An historically high proportion of businesses reported an increase in their workforces (41%). Almost two-thirds of businesses had tried to recruit in Q2 (60%) but the majority continued to report recruitment difficulties (87%), albeit down slightly from Q1’s high (93%). The outlook for employment remains positive, with most businesses expecting their workforces to increase (43%) or remain the same (53%) in the next three months.

*304 responses, fieldwork 16 May - 10 June 2022

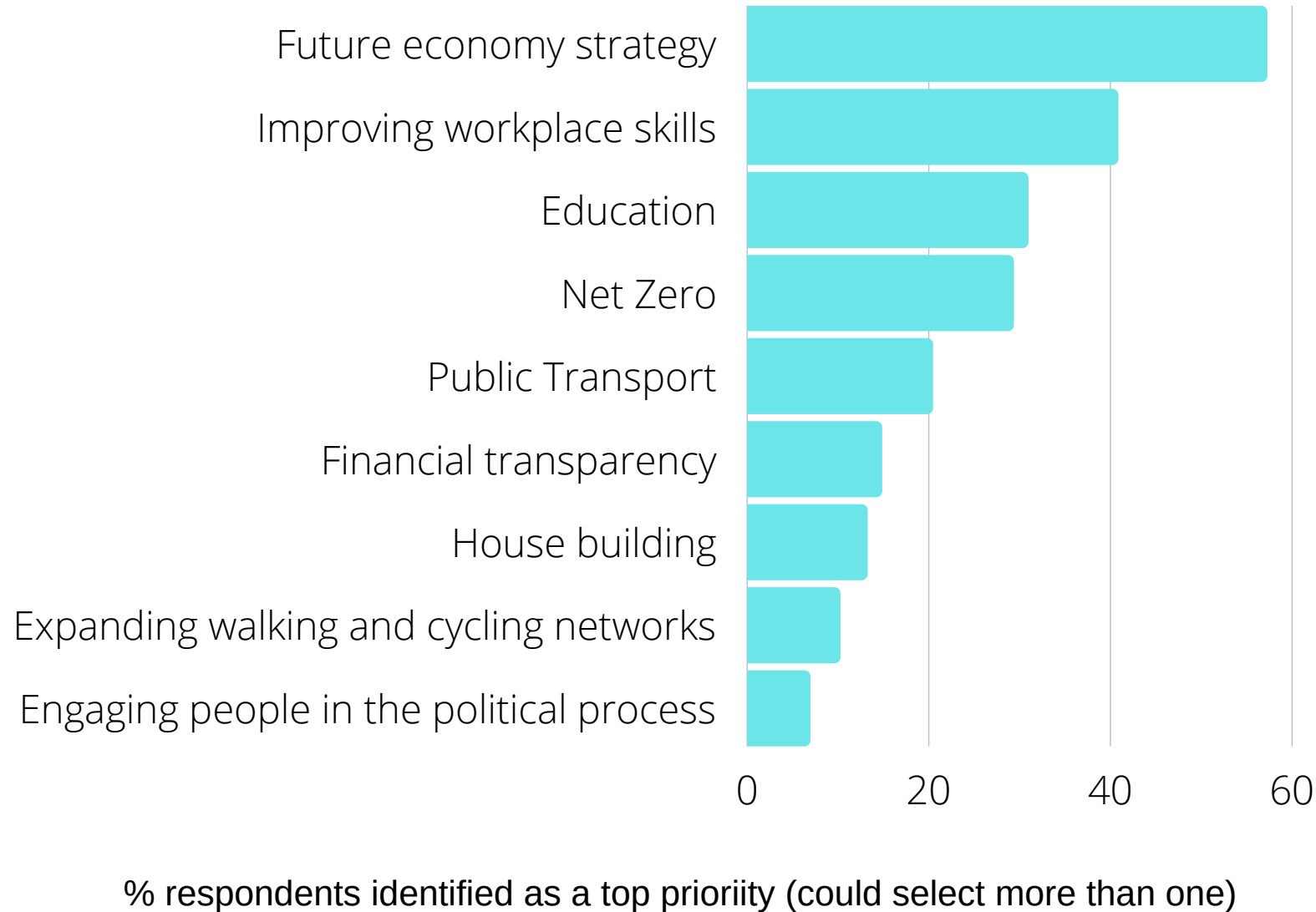


QES spotlight on...business priorities for our new Mayor

**FUTURE ECONOMIC STRATEGY AND IMPROVEMENTS
TO WORKPLACE SKILLS ARE VIEWED AS TOP
PRIORITIES FOR SOUTH YORKSHIRE'S NEW MAYOR**

We asked businesses what they thought our new Mayor,

Oliver Coppard, should focus on during his first 100 days in office. Their top priority was a future economy strategy – investing in people and businesses in key sectors like advanced manufacturing, health technology, creative and digital (57% of respondents). Second on the list was improving workplace skills, such as delivering on recommendations set out in our Local Skills Improvement Plan (LSIP) and People and Skills Manifesto (41%). Almost one-third of businesses also viewed ‘Education’ (31%) and ‘Net Zero’ (29%) as priorities.





QES spotlight on...the cost-of-living crisis and its impact on employers

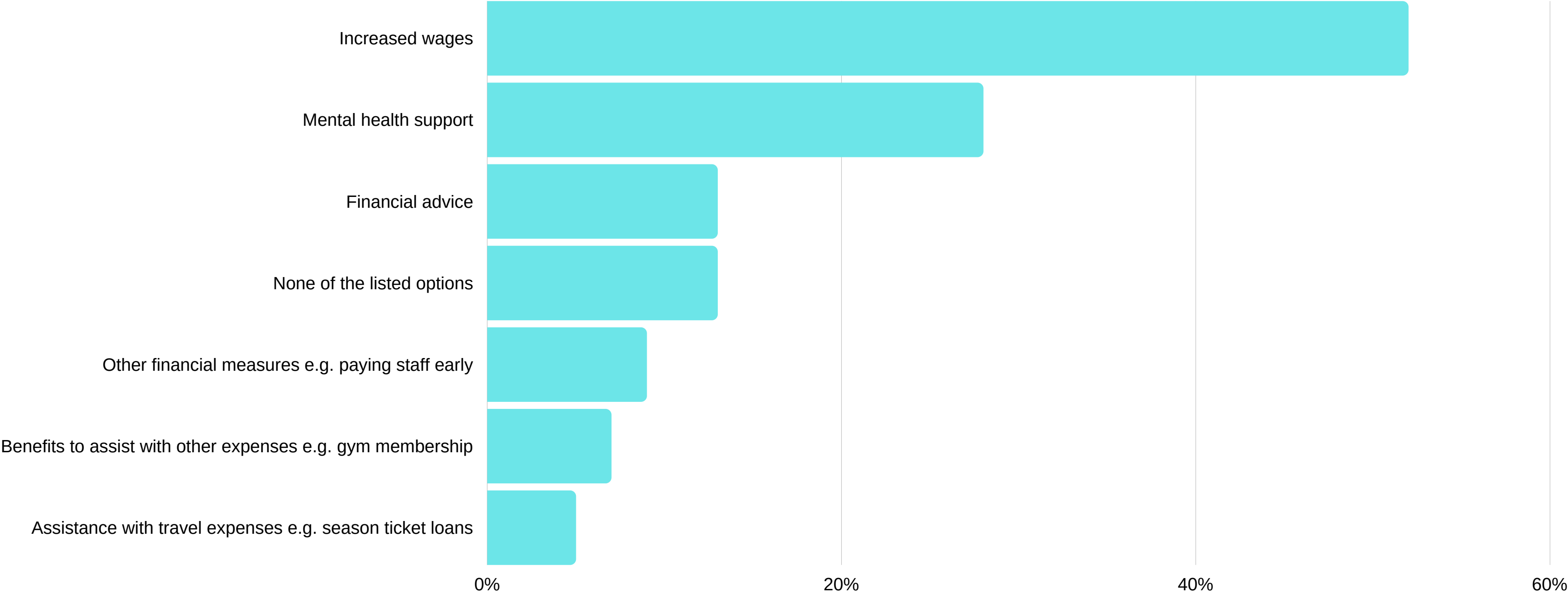
THE MAJORITY OF BUSINESSES HAVE DISCUSSED THE RISING COST OF UTILITIES WITH THEIR EMPLOYEES

Almost two-thirds (65%) of businesses have had formal or informal discussions with their employees about the cost of utilities, while over half (59%) have discussed the rising cost of petrol and almost half (45%) have talked about the cost of food and other essentials.

MORE THAN HALF OF BUSINESSES HAVE HELPED EMPLOYEES WITH THE RISING COST OF LIVING BY INCREASING THEIR WAGES

South Yorkshire businesses are helping employees with the rising cost of living by increasing wages (52%) and providing mental health support (28%). Smaller proportions of businesses have helped by providing financial advice (13%), other financial measures (9%), benefits to assist with other expenses (7%) and assistance with travel expenses (5%). Just over one-in-ten (13%) had implemented none of these measures due to reasons such as affordability and believing that employees were already sufficiently well remunerated.

Share of businesses which implemented measures over the last 6 months, or plan to implement in the next 6 months...



Q2 Business policy highlights

Hot topics in the last quarter...

South Yorkshire Chambers launch People & Skills Manifesto

In the run up to local elections in May, the three South Yorkshire Chambers of Commerce launched the People & Skills Manifesto. This builds on the trailblazing work of Chambers to consult hundreds of businesses and produce the Local Skills Improvement Plan (LSIP) for the Department of Education. The manifesto sets out the actions needed from a range of partners to implement the LSIP – including from Chambers, businesses, government and the education and skills sectors. These deliver against five priority outcomes: a modern customer journey; co-creation in the design of policy, skills and training products; skills delivery at the cutting edge of businesses needs and working practices; higher visibility of growth opportunities through skills; the release of hidden workforce potential in our communities.

[Learn more>>](#)

Hybrid Air Vehicles investment coming to South Yorkshire

South Yorkshire Chambers welcomed the major business news that Hybrid Air Vehicles will invest in major new production facilities in the region. The aerospace manufacturer, based in Bedford, is to create up to 1,800 jobs in South Yorkshire to build new helium-filled aircraft for Spanish passenger line, Air Nostrum. Many of the new posts are expected to be high-paid, high-skilled positions that will put the region at the forefront of green aviation and create many exciting supply-chain opportunities for local firms.

Q2 Business policy highlights

Hot topics in the last quarter...

What city status for Doncaster means for business

Doncaster was one of just 8 places in the UK to be awarded city status in a national competition run to celebrate the Queen's Platinum Jubilee. Chambers of Commerce played a prominent role in the bid with Doncaster Chamber CEO Dan Fell leading efforts to mobilise civic, business and popular support for the application. The bid became a focus for renewed partnership working between local government and many community organisations. The new status for Doncaster means South Yorkshire now has two official cities: this gives the region extra prominence and visibility with government and investors.

Check out the latest edition of the South Yorkshire PolicyPod...business innovation

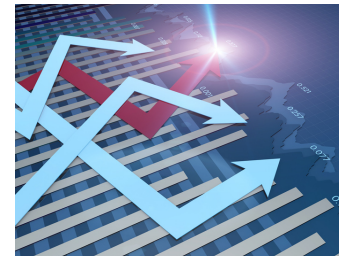
Launched in February this year, the South Yorkshire PolicyPod ([See Spotify](#)), explores the topical issues included in the region's Quarterly Economic Survey. Leading figures and subject experts from South Yorkshire and beyond pick over the results and explore what they mean for policy. The focus for the second episode was business innovation - why it matters to South Yorkshire and how the region can raise its game. Our expert panel included Laura Bennett, from TEAM SY (Tech Ecosystem Acceleration and Market Making in South Yorkshire); Tom Rumboll, CEO of SYNETIQ and Steve Foxley from the Advance Manufacturing Research Centre (AMRC) in Sheffield. Together they discussed the potential for innovation to improve business efficiency, environmental outcomes and how it overlaps with entrepreneurship. [Listen to the full episode here >>](#)

Policy and research updates from the British Chambers of Commerce



BCC urges WTO Ministerial Conference to boost global trade (June '22)

[Learn more >>](#)



[BCC Economic Outlook](#): UK GDP growth to flatline in Q2 and Q3 before contracting in Q4 (June '22)



Four out of five employers have been impacted by the increase in national insurance contributions (May '22)

[Learn more >>](#)



BCC calls for emergency budget statement and proposes a three-point action plan to help business deal with cost-of-living crisis: [BCC proposals](#) and [response to Chancellor's cost-of-living statement](#)



[BCC Quarterly Recruitment Outlook](#): the percentage of businesses struggling to recruit staff remains at record high levels (May '22)



[BCC Trade Confidence Outlook](#): Export growth stagnant for one year (Apr '22)

Ones to watch...

Hot topics for the next quarter

Doncaster bid to host Great British Railways HQ

Doncaster's bid to be the headquarters of the Great British Railways (GBR) – the new body that will run the country's rail network – is awaiting confirmation that it has reached the final stage. If it does make it through, government Ministers and GBR Transitions Team representatives will visit each of the shortlisted towns and cities to gain a greater understanding of prospective locations' intentions for the headquarters and to engage local communities ahead of a public vote. GBRTT will also host a non-binding, online vote which will give the public the opportunity to support and vote for their preferred location from the shortlist. Supporters can download the [Doncaster bid toolkit](#) to get involved. Here, you will find resources, including social media templates, lobbying ideas, posters for distributing, and examples of how to send persuasive letters to MPs and the transport secretary. Every single tweet, video and show of support is really valuable and whatever you manage to do will make a big difference. The final decision is expected in Summer this year.

Government Inquiry into the UK Labour Market – call for evidence

The Business, Energy and Industrial Strategy (BEIS) Committee has launched an inquiry into the UK's labour market – the latest strand of its Post-Pandemic Economic Growth inquiry. The Committee wishes to understand whether the UK has enough workers with the right skills in the right places to do the jobs required in our post-Brexit, post-pandemic economy, including issues related to our ageing population, migration changes, the impact of technology, and employment law. The deadline for submitting evidence is 8 July. See [here](#) for full details and to submit evidence.

Ones to watch...

Hot topics for the next quarter

Levelling Up Fund Round Two Bids

The Levelling Up Fund (LUF) is a £4.8 billion capital fund aimed at small infrastructure projects that have a visible impact on people and communities, prioritising places in need of economic recovery and growth, regeneration and improved transport connectivity. Doncaster, Rotherham and Sheffield were collectively awarded £95.2 million across five projects in Round 1 in October 2021. The Government launched LUF Round 2 in March 2022, inviting local authorities to submit bids based on town centre and high street regeneration, local transport projects, and support for maintaining and expanding UK cultural and heritage assets. The LUF remains a competitive process, with bids being assessed based on characteristics of place, strategic fit, their economic case, and deliverability, with a requirement for spending to begin in 2022/23 and end in 2024/25. Work is ongoing to launch the online portal for the second round of bid submissions and funding decisions are expected to be made in the Autumn.

UK Shared Prosperity Fund Investment Plans

Local authorities are currently preparing their investment plans for the UK Shared Prosperity Fund (UKSPF). Launched in April 2022, UKSPF will make £2.6 billion of new funding available for local investment by March 2025, as part of a suite of complementary Levelling Up funding. All areas of the UK will receive an allocation via a funding formula rather than a competition. South Yorkshire MCA is due to receive a total of £46.2 million (£38.9 million core SPF plus £7.3 million for the DfE Multiply adult numeracy programme). The primary goal of the UKSPF is to build pride in place and increase life chances across the UK, to be delivered through three investment priorities: Community & Place, Supporting Local Business, and People & Skills. Within this context, each place will have flexibility to invest across a range of activities – to be set out within their investment plans. The deadline for submitting plans to Government is 1 August 2022.

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