

Buckinghamshire Business Barometer Q2 2026

The
Results

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Prepared by:
Buckinghamshire Business First



Introduction

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

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

In the latest survey of 106 businesses, surveyed between 15th May 2026 and 18th June 2026, we explore the impacts of the increased National Living Wage rates on Buckinghamshire's businesses, the impacts of the war in Iran, and the innovation activity of businesses, as well as the key challenges businesses expect to face in the next year.

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



Current trading situation

Compared to normal for this time of year

Net balance scores
compared to values for 2025 Q4



About normal:

29%

(down from 38%)

Better than normal:

12%

(down from 16%)



Worse than normal:

59%

(up from 47%)

Net balance score:

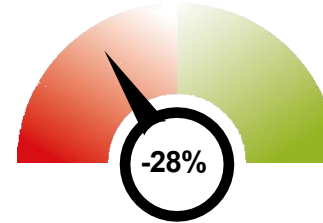
-47%

(down from -32%)

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

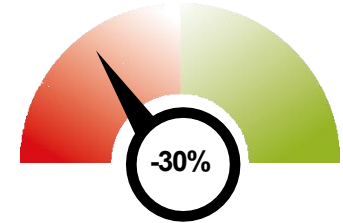
Net balance scores indicate how businesses have performed during the survey period. The net balance score is the percentage of firms reporting an increase minus the percentage reporting a decrease. Positive values indicate a general improvement among businesses, while negative values indicate a general downturn.

Sales/customers have:



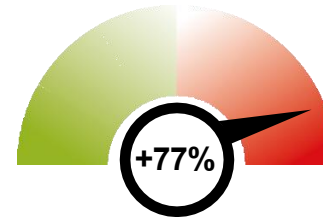
(down from -11% 2024 Q4)

Order book/pipeline:



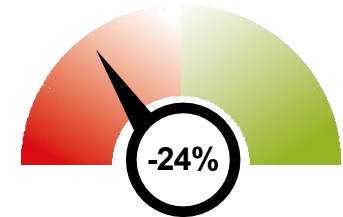
(down from -17%)

Costs have:



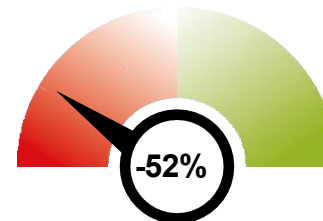
(up/worse from +75%)

Turnover has:



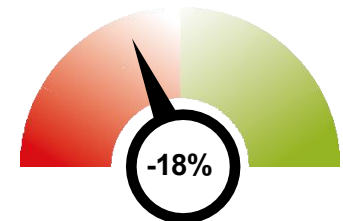
(down from -12%)

Profits have:



(down from -36%)

Workforce has:



(down from -6%)

NB: figures may not sum to 100% due to rounding.

Business Confidence

Businesses were asked about their confidence for the year ahead, considering policy announcements made at the Autumn Budget 2025

- **69%** reported feeling slightly or a lot less confident.
- About **1 in 9** reported feeling slightly or a lot more confident
- **1 in 5** gave a 'not sure' answer, reflecting the high levels of global economic uncertainty during the survey period, despite businesses having time to consider the long-term impacts of the Autumn 2025 budget.

Key reasons for reduced confidence

- **Rising costs:** including energy, fuel, utilities, software, transport, business rates, and employment costs
- **Weak demand:** higher fuel costs and economic uncertainty have noticeably weighed on consumer spending power and disposable income. Businesses have also delayed investment decisions, reducing B2B sales.
- **Lack of confidence in government policy, and general economic uncertainty:** frustrations with rapidly changing regulation, lack of government support for SMEs specifically, as well as economic uncertainty, linked to global conflict.

Among businesses reporting higher confidence for the year ahead, reasons included:

- **Good trading conditions** in growing sectors, including AI, consultants and professional services.
- **Businesses expecting to find new work** in the near future.

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:

1. **Rising costs**
2. **Weak demand**
3. **Profitability / viability**
4. **Recruitment and staff retention**
5. **Economic uncertainty**
6. **Taxation / regulation barriers**



“Most customers are suffering from slow down in trade.”



“The main challenge is to try and make a profit in this impossible economic climate.”



“Managing rising operating costs.”



“Costs of staff, finding qualified people.”

National Living Wage, National Minimum Wage, and the Apprentice Rate



1 in 3

Respondents reported no planned changes to operations in response to the increased NLW rates

6%

Respondents were unsure, or did not employ staff

3 in 5

Respondents planned to make operational changes in response to the increase

34%

Respondents were planning to cancel or delay recruitment activity

Businesses were asked about the expected impacts of the increases to the National Living Wage, National Minimum Wage, and Apprentice Rate for 2026/27.

A summary of these changes is given below:

Rate	NMW Rate from April 2026	Increase	Percentage increase
National Living Wage (21 and over)	£12.71	£0.50	4.1%
18–20-Year-Old Rate	£10.85	£0.85	8.5%
16–17-Year-Old Rate	£8.00	£0.45	6.0%
Apprentice Rate	£8.00	£0.45	6.0%
Accommodation Offset	£11.10	£0.44	4.1%

Source: Low Pay Commission consultation 2026

US-Israel-Iran Conflict



1 in 7

Respondents expected no impact on costs as a result of the conflict in the Middle East

23%

Respondents expected to reduce their profit margins, in response to the conflict

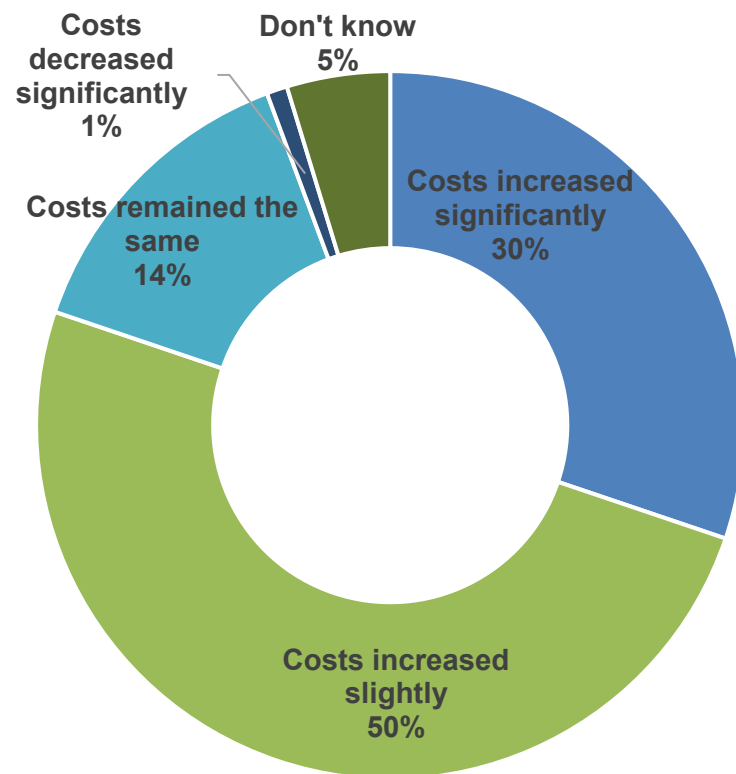
15%

Respondents reported no planned operational changes, suggesting delayed action due to uncertainty around the duration of the conflict

20%

Respondents were expecting to increase their prices in response to the conflict

Question: The US-Israel-Iran conflict began on 28th February 2026, leading to significantly higher global oil and energy prices. Has this impacted costs for your businesses?
(% business responses, n=106)



Innovation



29%

Of respondents with a project cited **general lack of affordable finance** as a barrier to their project, and/or **high interest on loans**

21%

Of respondents with a project cited **lack of grants** as barrier to their project

1 in 8

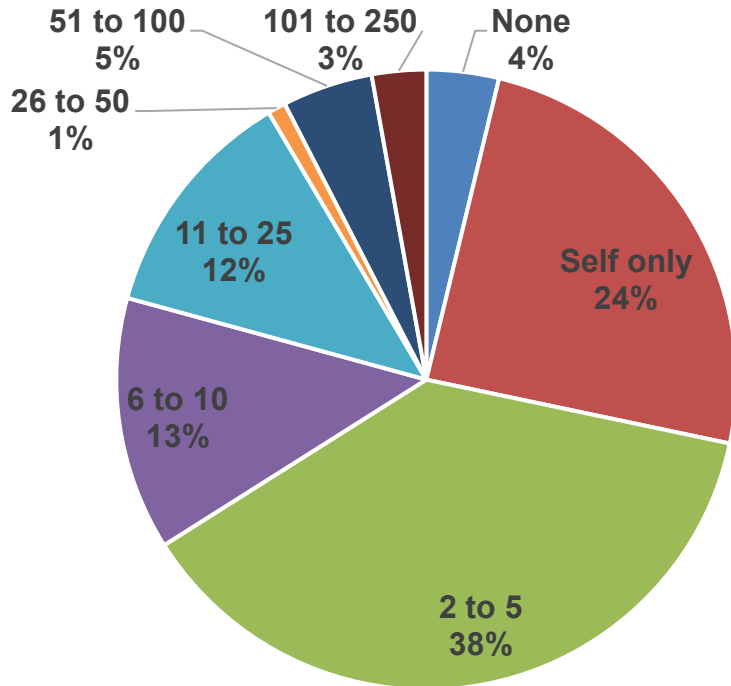
Respondents had sought finance for an innovation project in the past 12 months
(Small sample of 14 businesses)

Businesses were asked about their current plans for financing innovation, the type of finance they might require, and the barriers they had faced to financing their innovation.

- The types of projects were varied, ranging from **developing new software products to expanded premises**.
- There was a broadly even split between businesses describing their project as **requiring mainly capital funding (43%) and revenue funding (50%)**, with a single 'don't know' response.
- Finance requirements were similarly diverse, although the **most reported requirements for projects were >£250k (29%) and £50k to £100k (21%)**

Survey respondents

How many employees does your business have?



What sector is your business in?

