

### A positive start to the new year for businesses in the Sheffield City Region

The results of the Quarterly Economic Review for the Sheffield City Region in the first quarter of 2018 paint a largely positive picture, despite ongoing challenging macroeconomic conditions.

Over the last three months service and manufacturing sector firms across the City Region, on balance, reported an increase in sales, with this up from the previous quarter. Looking forward, order balances for both sectors are also positive and up. Business confidence for the year ahead remains robust; continuing the trend from the last quarter. Expectations of price increases, although still high, have also declined somewhat from the previous quarter.

Whilst these results are encouraging, businesses in the Sheffield City Region still face challenges. Domestic focused service and manufacturing firms identify growing competition as a particular threat. In contrast, exporters identify Brexit

and ongoing political uncertainties as the most significant concern they face. Exporters also report turbulent conditions in key international markets. Finally, a majority of firms indicate that they face difficulties recruiting suitable staff, especially more skilled staff, with this sentiment at historically high levels amongst the City Region's manufacturers.

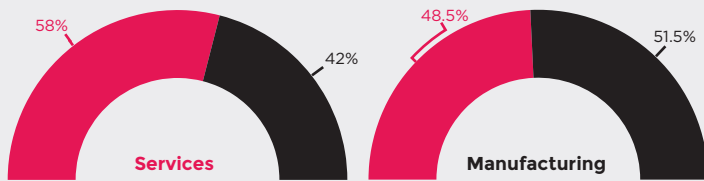
This quarter's hot topic focuses on cash flow and supply chains. Cash flow balances for both service and manufacturing sector firms across the City Region, whilst positive, are down compared to the previous quarter and their position compared to this time last year. A majority of service and manufacturing sector firms identify late payment as an important issue that could threaten their viability.

**Dr. David Littlewood**  
Lecturer in Strategic Management  
Sheffield University Management School

### Hot Topic Results: Payment

#### Payment terms

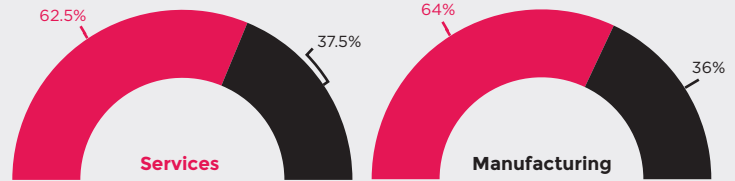
Have you experienced payments outside of agreed/contracted terms: ● Yes ● No?



**Results show:** More than half of firms in both sectors have experienced payments outside agreed terms.

#### Payment threats

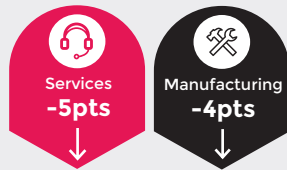
Could late payments threaten the viability of your business: ● Yes ● No?



**Results show:** Almost two thirds of all firms consider that late payments could threaten their viability.

#### Cash flow

Over the past 3 months has cash flow: **Increased, remained constant or decreased?**



**This quarter:** firms in both sectors, on balance, reported a weaker cash flow position compared to the previous quarter.  
**Year on year:** both sectors show a slightly worse position compared to this quarter last year.



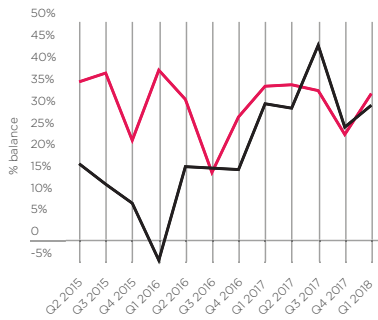
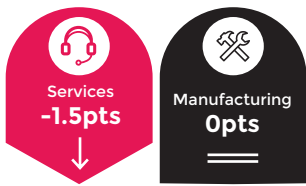
The Sheffield City Region Quarterly Economic Review (QER) brings together results completed by regional businesses.

The results are used to influence local, regional and national governments and decision-makers and help shape the support structures available to the regional business community.



## Domestic sales

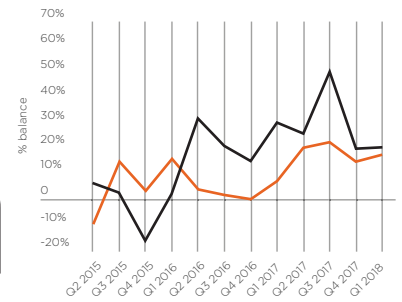
Has your UK activity/sales/custom: **increased, remained constant or decreased?**



**This quarter:** both sectors report, on balance, increasing UK sales, with balances also up from the previous quarter.  
**Year on year:** sales balances for both sectors are down slightly compared to this quarter last year.

## Export sales

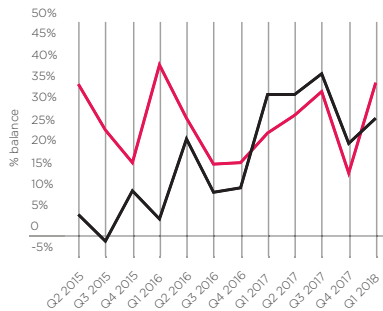
Has your overseas activity/sales/custom: **increased, remained the same or decreased?**



**This quarter:** both sectors reported positive balances for export sales this quarter. Albeit these have changed little compared to the previous quarter.  
**Year on year:** service sector balances are significantly improved compared to the same period last year but manufacturing firms reported a worsened position.

## Orders

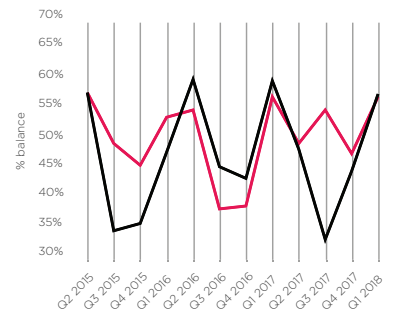
Have orders/advanced custom/bookings: **increased, remained constant or decreased?**



**This quarter:** both sectors reported positive order balances, with these up compared to the previous quarter.  
**Year on year:** orders balances in the service sector are improved compared to the same quarter last year, whilst for manufacturing firms they are down.

## Turnover

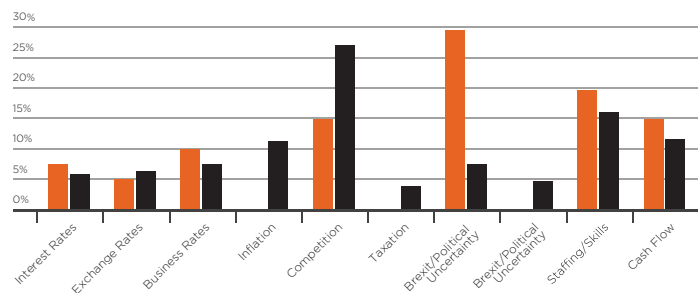
During the next 12 months how do you think turnover will fare: **improve, remain the same or decrease?**



**This quarter:** both sectors, on balance, continue to show an expectation of increased turnover. Confidence on turnover is also up for both, compared to the previous quarter.  
**Year on year:** whilst services show negligible change, manufacturing shows a slight decrease compared to this time last year.

## Business challenges

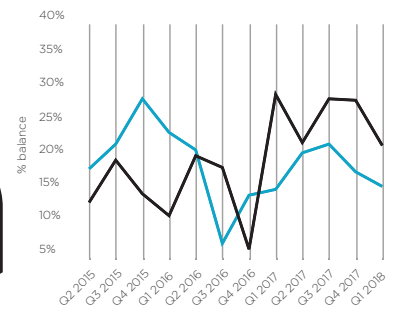
What is the biggest challenge facing your business today?



The biggest issue for exporting firms is Brexit and political uncertainty, followed by staffing and skills issues. This contrasts with the results for all businesses, with competition and staffing more of a concern.

## Workforce

Has your workforce: **increased, remained constant or decreased?**



**This quarter:** employment has, on balance, increased amongst firms in both sectors but levels are lower than the previous quarter.  
**Year on year:** whilst the service sector shows negligible change compared to this same quarter last year, the manufacturing sector shows a decreased position.

## QER Dates for your Diary 2018

Take the survey every quarter during the following periods:

**Q2** 21 May to 11 June

**Q3** 27 August to 17 September

**Q4** 6 November to 27 November