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**Grant Thornton**

## **Survey: Sheffield business confidence doubles**



A survey of business leaders in the Sheffield City Region carried out by Grant Thornton has shown encouraging signs not only that economic confidence is growing, but also that businesses are adopting a more aggressive approach to capital investment and expansion.

"Key indicators of confidence among Sheffield's business leaders have improved greatly since the 2012 survey. In many aspects Sheffield business leaders are almost twice as bullish about the prospects for 2014, and that augurs well for investment, job creation and a ripple effect into the wider regional economy," said Paul Houghton, partner at Grant Thornton in Sheffield and a board member of the Sheffield City Region LEP.

In the latest annual survey, 85% of respondents said that they expected their business situation to improve over the next 12 months, more than double the 37% that shared the same view in 2009.

The majority (87%) believe that in 2014 market demand will increase; 72% expect an increase in profits; and 62% predict an easing of cash flow. The percentage of those surveyed expecting capital investment to improve over the coming year grew from just 24% in 2009 to 45% in 2012 and 60% in 2013.

Job prospects also look more positive this year with 67% (46% last year) believing staff numbers will increase in the next 12 months.

This optimistic outlook was supported by a feeling that investment and finance availability would be one of the factors having a positive impact on business over the next year, rising from 18% in the previous survey to 35%; and that consumer confidence would also benefit business in 2014.

However, concerns about skills availability and costs remained similar to the previous year with 35% of those surveyed expecting this issue to continue to have a negative impact over the next 12 months.

"It is encouraging to see such a strong resurgence of business confidence with job prospects in the region looking more positive and businesses starting to seriously consider investment in growth rather than simply treading water , " said Mr Houghton.

"However, there still seems to be some disparity between the regional and the national picture. Although we saw a substantial rise in the number of respondents believing local economic conditions had improved year on year, rising from 32% to 60%, this was still significantly below the number believing that the UK economy as a whole had improved; this rose from 44% to 79%."

Mr Houghton continues: "As one would expect given the region's strength in these sectors, respondents expect advanced manufacturing, engineering and property and construction to be best placed to drive economic growth.

"Looking forward, we will be supporting businesses in our city region, working to deliver growth and create jobs alongside other organisations such as the LEP."

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**Photo shows:** Paul Houghton, partner at Grant Thornton in Sheffield and a board member of the Sheffield City Region LEP

#### **Note to Editors**

Grant Thornton's annual Sheffield Business Confidence Survey is now in its sixth year and compiles the views of 480 business leaders throughout Sheffield City Region

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