



Cumbria Tourism
At the heart of our visitor economy

Lamont
Pridmore

Cumbria Tourism

Business Tourism Tracker 2023

November 2023

lamontpridmore.co.uk

Chartered Accountants, Tax and Business Advisers

Ready to support you

The latest Cumbria Tourism Business Tourism Tracker reveals the full impact of the financial and recruitment pressures tourism operators are facing as they head into winter 2023.

Lamont Pridmore is proud to sponsor this research, which provides vital, up-to-the-minute data that Cumbria Tourism can use to fight the region's corner on the national stage.

It also enables tourism businesses to spot and manage key issues and allows advisers to the industry, such as Lamont Pridmore, to offer targeted support and guidance.

The results also focus and shape Cumbria Tourism's work on your behalf, be that through marketing/PR, recruitment, lobbying or business advice/support, so thank you to everyone who completes these invaluable surveys.

As always, we are here and ready to help the travel, tourism and leisure industries within Cumbria as they navigate the opportunities, trials and tribulations of the next year.

Graham Lamont, *Chief Executive, Lamont Pridmore*

Gill Haigh, *Managing Director, Cumbria Tourism*

Visitor number and spend

The data gathered by Cumbria Tourism shows a decline in visitor numbers and ancillary spending for many of the businesses surveyed.


The picture is mixed, but there are more businesses reporting visitor numbers down than there are reporting them up.

51% of businesses surveyed said they had fewer visitors this year than last – only **28%** said they had more.

International tourism is recovering slowly, but group travel lags significantly.

We offer services to help businesses adapt to these challenges through financial planning and strategic advice.

Please get in touch if you are worried about the effect of the changes in visitor numbers.



Business finances

Many tourism businesses face mixed turnover levels and declining profits due to rising costs.

70% of tourism businesses in Cumbria say their profit levels are down compared to last year (like the situation 12 months ago) – so this remains an ongoing problem.

Costs are partly to blame for decreasing profitability.

93% of businesses have seen costs increase, and **60%** say their costs are significantly up.

Debt management is also a concern. Levels of debt are up for **23%** of these businesses, although **17%** have managed to reduce their debt levels.

Please get in touch with one of our experts to discuss cost management strategies and debt reduction plans.



Forward bookings

The outlook for forward bookings is pessimistic with declines reported for upcoming holidays and into 2024.

Over half, **55%**, of businesses reported lower bookings than usual for between half term and Christmas, and **47%** said that bookings over the festive season are lower than normal.

Looking ahead to 2024, **50%** have reduced booking levels, while just **18%** say their bookings are up.

This may be in part due to people being reluctant to book ahead for a variety of reasons including weather, health, spiralling household bills and fuel costs.

Contact our experts to discuss proactive strategies that could stabilise your finances.



Staffing issues

Staffing remains a challenge due to rising wage costs, recruitment difficulties, and staff retention issues.

Increasing wage costs continue to be a huge issue with **94%** of businesses saying this is problematic (up from **91%** six months ago and **87%** a year ago).

A lack of applicants is a problem for **86%** (up on **78%** six months ago) and this is compounded by a loss of European staff post-Brexit.

On average, **12%** of roles are vacant, slightly improved from **19%** six months ago.

79% of businesses say recruitment of staff is a problem (lower than **86%** six months ago).

These challenges have a ripple effect on business capacity, visitor experience, and profitability.

There are many challenges too around staff accommodation and transport. Such as:



75-87% of tourism businesses face problems with public transport – timetables, frequency, coverage, and connectivity – with just over half citing public transport issues as significant problems for their business (a slight improvement on **70%** six months ago).



86% cite a lack of affordable housing as an issue (up from **76%** six months ago), along with the cost of accommodation for employees (**76%**), a lack of private rental properties (**86%**, up from **81%** in the spring) and a lack of on-site staff accommodation (**56%**).

As you can see, a comprehensive approach to human resource management is essential to the long-term success of your business.

Talk to our team to find out how they could help with your staffing issues.

**HELP
WANTED**

Concerns

The primary concerns for businesses are rising costs, including general expenses and energy bills.

- 86% are concerned about increased costs in general
- 78% are concerned about rising energy bills
- 71% worry about passing on cost increases to customers (up from 66% six months ago) two thirds (67%) are concerned about the impact of the cost of living crisis
- 58% are concerned about inflation
- 48% are worried about labour costs
- 46% are worried about fuel (petrol/diesel) costs
- Almost half (45%) are also worried about interest rates

A third have concerns about having to increase their advertising and marketing spend as well as having to offer price reductions/incentivise in other ways.

- 30% are concerned about the price of raw materials
- 29% are concerned about business rates
- 27% are concerned about cash flow

We would like to emphasise the need for cost management strategies to address these concerns. Speak to our team to find out how we could help.





Lamont
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Here to help

We know that Cumbria's tourism industry faces a tough time ahead of it and Lamont Pridmore are standing by to offer advice and support.

For decades we have been helping a wide range of companies in this sector – and their owners - find solutions to complex challenges and open new opportunities for growth and profitability.

Contact us to find out why working with us may be the best **next** decision you make.

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