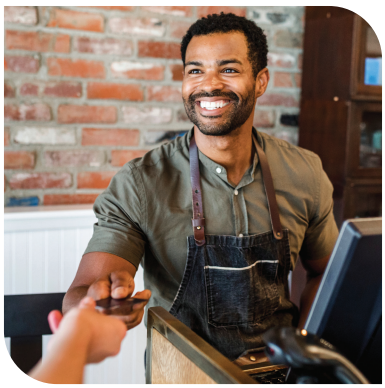








CUMBRIA TOURISM

Lamont Pridmore

Cumbria Tourism

Business Tourism Tracker 2026

October

lamontpridmore.co.uk
Chartered Accountants, Tax and Business Advisers

Proudly supporting the region's tourism industry

When we sent out the survey for the latest Business Tracker, we knew a long-term trend of challenging conditions was underway.

This new report highlights the areas where the sector is struggling, not least rising costs, complex staffing issues and limited investment plans.

If you keep up with recent headlines, the world doesn't seem any more economically certain and one crisis seems to follow the next, but the findings from the survey aren't entirely doom and gloom.

We remain incredibly proud of our sponsorship and support for this vital bi-annual report and we hope you find the insights included useful to you in the coming months.

The information included in this report continues to guide Cumbria Tourism's initiatives and we would like to thank everyone who took the time to impart knowledge and share their experiences.

Our participation in this tracker is part of our wide commitment to guiding and assisting Cumbria's travel, tourism and leisure industries.

We work with a wide range of local businesses that are innately connected to the industry, as we help them to grow, plan and build resilience for the future.



Graham Lamont
Chief Executive, Lamont Pridmore



Gill Haigh
Managing Director, Cumbria Tourism

Economic performance

The UK's economic outlook remains uncertain, with global pressures continuing to push up the cost of living for households and businesses alike. Against this backdrop, **74%** of the businesses surveyed in the latest Cumbria Tourism Tracker remain concerned about the poor economic climate and its impact on consumer spend – the same level recorded in the spring.

There is, however, some cause for cautious optimism, as **33%** of businesses said their performance over the last six months – the critical summer period – had been better than a year ago and **18%** said it had been the same as 2025.

However, almost half of the sector have had a tougher summer than in 2025, with **47%** describing their performance as either a little or a lot worse. When it comes to the key concerns for businesses in Cumbria, costs and the wider economy continue to dominate:

- **80%** are concerned about increased costs, up from 77% in each of the last two surveys.
- **62%** are concerned about high energy costs, down slightly from 67% six months ago.
- **61%** are worried about inflation, while 44% have concerns about interest rates.
- **54%** are concerned about business rates, up from 50% six months ago and 42% 18 months ago.

It remains difficult to predict how costs will move in the months ahead, with much of the outlook dependent on events beyond the UK's control.

What is clear is that more businesses expect to have to pass costs on, with **60%** now worried about doing so with their customers, up from **56%** in the spring. With the Chancellor's Autumn Budget approaching, the sector will be watching closely. When asked what one change they would like the Government to make, **41%** of businesses said cutting the hospitality VAT rate to **10%**, while **26%** called for lower energy costs.

Business performance

Taking a closer look at how businesses have been trading, the latest summer season produced a mixed set of results:

- **33%** said business performance had been better than a year ago.
- **47%** described business performance as either a little or a lot worse.

Looking ahead, expectations for the next six months are subdued, with **43%** of businesses anticipating weaker performance.

In fact, only **25%** of businesses surveyed think things will improve, while **12%** expect them to get a lot worse.

These figures are almost identical to those recorded in the spring, although the balance between businesses expecting better and worse results has improved slightly compared with this time last year.

Visitor numbers tell a similar story, with almost half **(49%)** of businesses saying that visitor numbers had fallen so far in 2026 compared to last year, while **29%** reported an increase.

In more positive news, **39%** of businesses said their revenue had increased over the last six months compared with the same time last year.

At the same time, the proportion reporting a fall in revenue has eased from **51%** to **45%.** However, the comparison with a year ago is less positive, when more businesses reported revenue growth than decline, whereas now the balance has tipped the other way.

This suggests that while the summer offered some respite, the underlying weakness in the local tourism economy has not gone away, which is not surprising given the pressures that many businesses face.

Cost and taxation

Rising costs have been a persistent issue for the industry in recent years and the latest survey shows they are now firmly back at the top of the agenda. When asked to name their main concern, **19.8%** of businesses chose costs, up from **17.4%** in the spring. This has seen costs jump two places to become the single biggest worry for the sector.

The poor economic climate and the amount of money in consumers' pockets – both clearly connected to rising costs – came second, cited by **18.0%** of businesses. While still a major issue, this is down from **26.2%** six months ago, when it was the highest ranked concern of all. New in third place is the prospect of an Overnight Visitor Levy, with several respondents warning that it could deter visitors at an already difficult time.

Although employed elsewhere in the UK, there is currently no active tourist tax or Overnight Visitor Levy in Cumbria, but with the UK Government proposing legislation to empower regional mayoral authorities to introduce such a charge, fear of a future tax is clearly raising concerns.

Recent Budgets have also negatively affected businesses, with **60%** reporting an adverse impact from changes to National Insurance contributions and **60%** from business rates (up from **50%** a year ago), followed by **50%** from changes to the National Insurance threshold, **49%** from the National Minimum Wage and **45%** from the National Living Wage.

Smaller but still significant proportions have been affected by changes to the Capital Gains Tax allowance **(32%)** and Inheritance Tax Relief **(28%)**.

The consequences are being felt across the board, with almost **64%** saying their profits have fallen as a result of these changes, while half are holding off on investment plans. A further **22%** say they will reduce staffing and stop recruiting and **20%** will reduce or stop pay increases.

Most concerning of all, **17%** say they plan to sell their business and **14%** fear it is at risk of closure.

Bookings and visitors

Without people visiting our great region, our tourism industry cannot thrive. Businesses were asked about forward bookings across the key periods from October half-term through to 2027.

While the autumn and winter are typically a quieter period for businesses, findings show more than half of all those surveyed are reporting reduced bookings for each of these periods:

- **56%** say bookings are down during October half term.
- **60%** say bookings are down during half term to Christmas.
- **54%** say bookings are down for Christmas and New Year.
- **53%** say bookings are down for 2027.

The period between half-term and Christmas is proving particularly difficult. Falling in the middle of autumn and winter, it has always been a hard time to encourage visits and many people are being careful with their spending ahead of the festive season.

The overall picture is broadly similar to this time last year. However, the gap between businesses reporting increases and decreases has widened for October half term and 2027, suggesting that next year's outlook is weaker than it appeared 12 months ago.

Encouragingly, demand has not completely disappeared, with between **10%** and **17%** of businesses reporting increased bookings depending on the period.

Shifting booking behaviour remains a key theme. **65%** of businesses say booking lead times have shortened over the past 12 months, with **40%** describing them as much shorter, as the UK continues to see increases in "quick breaks".

While this is slightly down from **71%** and **48%** respectively in the spring, the move towards last-minute bookings shows no sign of reversing.

This may mean the forward booking picture improves closer to the time, but it makes planning far harder for businesses.

There was more positive news on international visitors, who made up **14%** of the market on average, up from **11%** in 2025.

The USA, the Netherlands, China, Australia, and Japan were the most important overseas markets for Cumbria, followed by Germany and Canada.



Staffing issues

Staffing issues continue to be a significant challenge for Cumbria's tourism businesses and the figures show the pressure is growing.

Rising wage costs are now a universal concern, with **97%** of businesses describing them as problematic, up from **89%** in the spring. **66%** now see them as a significant problem, up from **60%**.

Recruitment has also become more difficult, with **75%** of businesses saying the recruitment of staff is a problem, up from **69%** six months ago. Two challenges stand out:

- **68%** cite a lack of applicants, up from 53%.
- **66%** highlight the cost of recruitment, up from 49%.

Accommodation remains a major barrier to both recruitment and retention. **58%** of businesses face a lack of affordable housing and **49%** are struggling with limited private rental properties. A further **34%** say a lack of on-site staff accommodation is a problem.

Transport is another growing issue, particularly in rural areas. The cost of travel for employees is now a problem for **69%** of businesses, up sharply from **53%** six months ago.

Public transport also continues to fall short, with **67%** reporting issues with frequency and **56%** with connectivity.

Beyond recruitment, **49%** of businesses say they are struggling to retain staff and **63%** are dealing with skills shortages. Agency costs are an issue for **35%**, while **38%** have problems with staff training.

While average vacancy levels have fallen to **4%** from **7%** in the spring, this needs to be seen alongside a net loss of 80 roles across the 48 businesses that reported a change in staff numbers over the last 12 months.

The operational impact is clear:

- **53%** say staff shortages are limiting business capacity.
- **52%** say they are impacting profitability.
- **50%** say staffing issues are significantly increasing costs, up from 43% in the spring.
- **32%** report a reduction in the quality of the visitor experience, up from 28%.

Looking longer term, **26%** of businesses say staffing issues are affecting their future viability and more than one in ten have been forced into temporary or partial closures.

48% of businesses say staffing issues have worsened over the last 12 months, compared with just **15%** who feel things have improved. The underlying pressures remain firmly in place and, for many businesses, they are intensifying.



Confidence and growth

Confidence in future growth has taken a step back since the spring. Over the next six months, just **17%** of businesses expect to grow, down from **20%**, while **23%** expect to shrink and **61%** expect to stay the same. The picture improves over the next year, with **29%** anticipating growth, the same as six months ago and **20%** expecting to shrink.

The biggest shift is in longer-term sentiment. In the spring, businesses were notably optimistic about the next five years, but that optimism has now faded. Just **35%** expect to grow over the next five years, down significantly from **54%** six months ago. **27%** anticipate a decline, up from **22%**, while **37%** expect to remain the same.

Confidence in business survival has held up in the short term but weakened over the longer term. This is reflected in these figures below:

- **77%** are confident about surviving the next six months, in line with 76% in the spring.
- **41%** are confident about surviving the next five years, down from 51%.
- **68%** are confident about surviving to the end of 2027.
- **35%** are unsure about their long-term survival prospects, up from 27%.

Taken together, these findings suggest that businesses are focused on getting through the months ahead, with rising costs and the effects of recent Budgets making it harder to plan for the future with any certainty.



Lamont Pridmore

Here to help

These latest findings tell a fairly concerning story about Cumbria's tourism industry, but there are a certainly some signs of positivity for the road ahead. As businesses confront their challenges, it is important that they are equipped with the information and advice to tackle issues head on.

Our team at Lamont Pridmore remains steadfast and ready to help businesses take advantage of the opportunities that come their way, while also supporting them as they overcome the obstacles that lie ahead.

For more than 130 years, we have supported tourism businesses across Cumbria and beyond, helping them to succeed during the most challenging times.

Why not find out why working with us may be the best next decision you make?

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