



Cumbria Tourism

Business Tourism Tracker 2025

October

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Chartered Accountants, Tax and Business Advisers

Ready to support you

There has been little change in the concerns shared by Cumbria's tourism industry in the last few months, as businesses continue to struggle with a range of tough challenges.

The latest Business Tourism Tracker report indicates that costs (particularly related to wages and taxation), guest numbers and the uncertain economic climate remain the sector's biggest fears.

Many are still grappling with the fallout of the 2024 Autumn Budget and the implications for businesses that it brought.

As a proud, long-term sponsor of this important report, we hope you find its insights useful and it helps you to plan for, and manage, the trials and tribulations ahead.

We know that the information gathered within this study plays an important role in helping to shape Cumbria Tourism's initiatives, so we would like to thank everyone who participated.

As always, we continue to stand behind Cumbria's travel, tourism, and leisure industries, helping them to face uncertainty and adversity to achieve success in the future.



Graham Lamont

Chief Executive, Lamont Pridmore



Gill Haigh

Managing Director, Cumbria Tourism

Economic performance

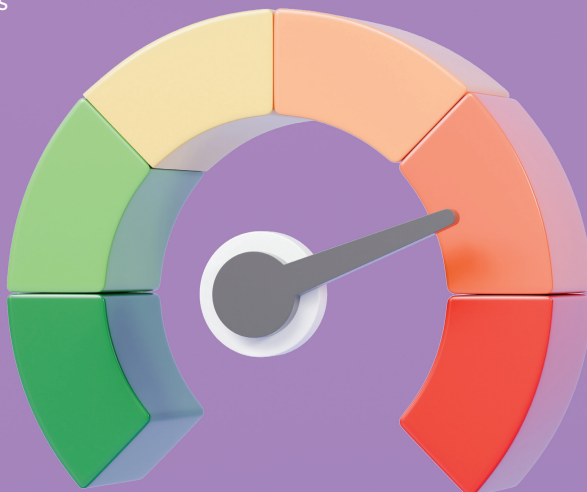
Many of us will have felt the impact of poor economic performance in the last few months, as inflation remains high and the cost-of-living places pressure on the finances of businesses and individuals.

It is no surprise that **69%** of tourism businesses were worried about the UK's current economic health and **21%** cite it as their main concern. This downturn in performance is reflected in some of the main concerns of those surveyed:

- **77%** are concerned about increased costs in general
- **46%** are concerned about business rates (up from 42% six months ago)
- **31%** are concerned about interest rates (up from 22% six months ago)
- **69%** are concerned about the poor economic climate/impact on consumer spend
- **63%** are worried about passing on cost increases to customers
- **61%** are worried about inflation (up from 53% six months ago)
- **56%** are still concerned about high energy costs

Costs continue to be the dominating issue for businesses in the tourism sector within Cumbria. A year ago, only **11%** of firms cited it as their main concern and now, this figure is **18%**. Overall, **77%** are worried about their outgoings.

Connected to this is the growing issues related more broadly to inflation, including the servicing of debts as interest rates remain relatively high compared to the last decade.



Business performance

Despite the worries that some businesses have, more broadly nearly **32.3%** of businesses feel that their own financial performance has improved since last year, but equally **28.6%** have said it has gotten a little worse.

Overall, just over **60%** feel that their business performance was either the same as last year or had improved to varying degrees. In the past six months, **44%** reported higher revenue compared to the same period last year, while **38%** saw a decline in turnover.

Six months ago, that figure was higher, with **47%** saying their turnover had decreased, which suggests a modest improvement in recent months.

Looking ahead to the next six months, things are less optimistic, with **34%** of businesses expecting their performance to deteriorate and **15%** expecting things to be a lot worse.

This means that almost **50%** of businesses have low expectations for the months ahead.

Costs and taxation

As mentioned, costs are a significant concern for many businesses owners, with many of them borne out of the new measures introduced in last year's Budget.

Those surveyed were asked about these changes and their impact. The report found the following negative impacts had been felt across the region:

- **63%** National Insurance Contributions
- **58%** National Living Wage
- **56%** National Insurance threshold
- **54%** National Minimum Wage
- **50%** Business Rates
- **39%** Inheritance Tax Relief
- **34%** Capital Gains Tax Allowance

Obviously, this significant effect across so many areas has prompted businesses to act, especially as **71%** of businesses report reduced profits.

To help manage these rising costs and obligations **32%** expect to pass them on to the customer, but more businesses (**44%**) will absorb them to keep service and product costs lower for consumers.

However, as a result:

- **38%** will hold off on investment plans
- **26%** will reduce staffing or stop recruiting
- **20%** will reduce their opening hours
- **14%** plan to sell up and one in ten fear closure.

With the rate of inflation at almost twice the Bank of England's target **2%**, many businesses are likely to continue to see higher costs, especially in areas such as food and beverages.



Bookings and visitors

Without people visiting our great region our tourism industry cannot thrive, so businesses were questioned about the number of visitors so far in 2025 and how it compared to the previous year.

The latest report showed that for **24%** of businesses visitor numbers remain unchanged, while a larger number of businesses said that numbers were up on 2024 (**28%** said slightly higher and another **6%** considerably higher).

However, **28%** reported a drop in numbers. Worryingly for **14%** of businesses numbers were significantly low. Taken as a whole **41%** of businesses reported lower visitor numbers compared to last year.

Whilst this may initially look concerning, when we look at the previous years report **59%** described visitor numbers as down compared to the previous year, which suggests a more positive trajectory for visitor numbers or at the very least a slowing down in previous trends.

Looking ahead to the next few months, many tourism businesses are seeing fewer advance bookings. During the October half term, **52%** of tourism businesses say bookings are down, this figure is the same for the festive season.

However, it is the period between these two points when expectations are much lower with **59%** of businesses reporting fewer bookings compared to the previous year.

Looking ahead to next year, **46%** say they have reduced booking levels for 2026, but this is more positive than at this stage last year - **61%**.

22% say their bookings are up for 2026 (higher than **13%** with increased forward bookings into the next year 12 months ago).

A close look at the survey shows that booking lead times have dropped off considerably, with almost half of bookings described as having a 'much shorter' lead time.

This echoes the findings of the Spring report, which suggested a boom in last-minute bookings.

This creates greater uncertainty for many businesses, who will grow concerned about the lack of long-term bookings planned.



Staffing issues

The issues related to staffing haven't gone away since the last report and it continues to be a real challenge for Cumbria's tourism businesses.

This has been made all the more difficult with the changes to employee costs mentioned earlier in the report. In fact, **95%** of businesses said that higher wage costs had been problematic for them. However, beyond this, a broader range of staffing issues plague employers, including:

- **83%** of businesses say recruitment of staff is a problem (up from 78% six months ago)
- **81%** of employers report a lack of applicants (up from 73% in March of this year)
- **61%** of businesses have flagged higher recruitment costs, **26%** reported problems with agency costs

Due to some of these factors, nearly **64%** of businesses say they are struggling to keep the staff they already have. As a result, the industry faces a skills drain, with **70%** of businesses reporting a lack of skilled tourism workers. It's possible that changes to immigration policy are also having an impact on skilled staff recruitment.

These issues are having a big impact on businesses ability to function effectively, with **61%** admitting that the lack of staff is limiting their business capacity – up from **43%** six months ago.

This is affecting their profitability and reducing the quality of the visitor experience. **33%** of businesses say that staffing issues are affecting their future business viability, with **21%** reporting it has also forced either temporary or partial closures.

The primary reasons reported by businesses for staff shortages and potential recruits are:

- **75%** public transport frequency
- **73%** travel distances for employees
- **73%** cost of travel for employees
- **72%** public transport timetables
- **71%** public transport coverage
- **69%** lack of private rental properties
- **69%** lack of affordable housing
- **67%** public transport connectivity
- **62%** cost of accommodation for employees
- **44%** lack of on-site staff accommodation

Confidence and growth

Given the current level of concern and difficulties that businesses have expressed it isn't surprising that a quarter of businesses expect to shrink in the next six months. In comparison, only **15%** of businesses expect growth during the same period.

Over the next five years, the outlook is more positive with **40%** of businesses anticipating growth, however, this figure is down on the **47%** of firms who expected growth six months ago and **62%** who expected growth over the next five years this time in 2024.

While growth may not be top of the agenda for many, **83%** of tourism businesses are confident about their survival in the next six months and **76%** to the end of 2026.

Over the longer term, only half have confidence in their survival over the next five years. Confidence levels for all time periods have fallen slightly in both the last six and 12 months.

The logo for Lamont Pridmore, featuring the company name in white text on a dark blue rounded square background.

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Here to help

At the moment, Cumbria's tourism industry is facing difficult times, as are many other sectors in the region. This is only being fuelled by rising costs and uncertainty.

However, despite these challenges our team at Lamont Pridmore remain steadfast and ready to help businesses take advantage of the opportunities that come their way.

We have spent decades supporting businesses across Cumbria and beyond to grow and thrive – even during the most challenging at times.

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

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Cumbria Tourism
At the heart of our visitor economy

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