

Great South West Tourism Partnership Cost of Living Business Impact Survey February 2024 (covering 1st Jan to 31st Dec 2023)

Final Report

Published by The South West Research Company Ltd

March 2024



Headlines

This report contains a summary of the findings from the Great South West Tourism Partnership Cost of Living Business Impact Survey undertaken by The South West Research Company Ltd during February 2024 covering business performance between the 1st January to the 31st December 2023.

Key headline findings:

- **Operations during the whole of 2023** - 84% of businesses had been operating at 76% capacity or more during the whole of 2023 including 75% of serviced accommodation providers and 89% of self catering providers. 16% of businesses had been operating at 75% capacity or less including 12% at 51-75% capacity, 3% at 26-50% and just 1% at 1-25% capacity. None of the businesses surveyed had been closed.
- **Economic Impact** - 53% of businesses reported a decrease in their business turnover for the whole of 2023 compared with the whole of 2022.
- **Economic Impact** - Overall, businesses reported that turnover for the whole of 2023 was 13% lower than the whole of 2022 (approximate value £847m).
- **Operations January to March 2023** - 71% of businesses anticipated they would be operating at 76% capacity or more during the January to March 2024 period. 24% of businesses anticipated they would be operating at 75% capacity or less. 6% of businesses anticipated they would be closed during this period.
- **Operating statements agreement levels** - Agreement levels were highest with the statement *“My costs have increased significantly in the last year”* (67% ‘strongly agreed’ and 28% ‘agreed’), followed by *“Consumer spend overall is lower than previous years”* (49% ‘strongly agreed’ and 34% ‘agreed’). Whilst agreement levels were lowest with the statement *“I am concerned about surviving the Winter period”* (30% ‘strongly agreed’ and 24% ‘agreed’) this still represents more than half of all the businesses surveyed who are concerned about their business survival prospects.
- **Most impactful factors** - When asked which factors they thought were currently having the most impact on their business by far the largest proportion of businesses (85%) said increasing energy & fuel costs, followed by poor UK economic/climate/less money in consumers’ pockets. When asked what they think will be the approximate total change in their businesses’ operational costs as a result of these factors, the largest proportion of businesses (25%) said they are likely to increase by more than 20%, 23% by between 16-20% and 21% by between 11-15%.

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- **Responding to rising costs** - When asked how their business was responding to the rising costs, three quarters of all businesses said they had increased their prices including 35% by up to 5%, 28% by more than 5% but less than 10% and 12% by 10% or more. 44% of all businesses said they were delaying/cancelling investment in new developments and 43% were delaying refreshment/maintenance of their business premises. 27% had cut their costs by reducing staff. 24% were closing for a period of time.
- **Importance statements agreement levels** - The most important statements to businesses currently were *“Reducing costs”* (70% ‘very important’ and 26% ‘somewhat important’), followed by *“Increasing year round business”* (64% ‘very important’ and 23% ‘somewhat important’). Agreement levels were lowest with the statements *“Improving skills of your staff/self”* (26% ‘very important’ and 40% ‘somewhat important’) and *“Lobbying for improvements in water quality in your destination”* (42% ‘very important’ and 38% ‘somewhat important’).
- **Forward bookings & capacity** - The largest proportion of businesses for each period said they were currently up to 25% booked including 74% for the Spring (March – May 2024) period, 59% for the Summer (June-August 2024) period, 83% for the Autumn (September-October 2024) period and 96% for the Winter (November 2024-February 2025) period. 41% of businesses said they were already 25% or more booked for the Summer period, 27% for the Spring period, 17% for the Autumn period and just 4% for the Winter period.
- **Recruitment** – 16% of all businesses were currently recruiting. In order to try and resolve any shortages in staff/recruitment issues they were experiencing, 58% of these businesses were paying higher wages, 47% were hiring unskilled staff and providing them with training and 36% had reduced their capacity, services or hours of opening.
- **Investment** - The proportion of businesses who had spent nothing/made no investment in their business during the winter of 2023/24, at 28%, was more than double the proportion of businesses usually not investing anything (12%). 46% of businesses spent £10k or less on investment in their business, a decrease of 2% compared with the usual proportion of businesses spending this amount (48%). 11% spent £11 to £25k, a decrease of 7% compared with the usual proportion of businesses spending this amount (18%) and 4% spent £26 to £50k, a decrease of 3% compared with the usual proportion of businesses spending this amount (7%). Those investing £51k or more within each of the investment bands during the winter of 2023/24 remained broadly similar to usual.

Headlines

- **Insurance premiums** - 81% of businesses said their insurance premium had increased compared with the previous year including 31% by between 6% and 10%, 16% by between 11% and 15% and 14% by up to 5%. 2% of businesses said their premium had stayed the same, 4% that it had decreased and 12% didn't know/were unsure.
- **Survivability** - When asked which period they currently anticipate is the furthest that their business will be able to survive until without further support, 45% of all businesses said beyond Summer 2024 (after 31st August 2024). 31% of businesses don't know/were unsure. 9% of businesses felt they could only survive up until the end of Winter 2024 (up to 31st March 2024) whilst 7% of businesses in each case felt they could only survive through until the Summer of 2024 (up to 31st August 2024) or up until the end of Spring 2024 (up to 1st May 2024). 46% of businesses were confident or very confident in their assessment of how long they could survive.
- **Cash reserves** - When asked how many months cash reserves they had, 27% of all businesses said they had more than 2 months but less than 6 months available and a further 22% said they had more than 6 months. 18% of businesses said they only had up to 2 months cash reserves available and the same proportion said they had none. 12% of businesses didn't know/were unsure how many months cash reserves they had.
- **Business support** - The top 3 priorities to help their business survive and grow over the next 12 months are; 82% would like to see the continuation of business rates relief; 64% would like to see a review of the level of support offered in the Energy Bills Discount Scheme (ends 31/3/24) and the same proportion would like to see the reintroduction of a lower rate of VAT for tourism and hospitality businesses.
- **National domestic marketing campaign** - 63% of businesses said a national marketing campaign it is 'very important' (39%) or 'important' (24%) to the success of their business.

Sample summary

Sample profile

- A total of 341 businesses responded to the survey although actual business representation will be larger due to a number of self-catering agencies responding. National tourism survey data, local areas survey data and Cambridge Model data from 2022 has been used to model the economic outputs in this report.
- 63% of businesses responding to the survey were accommodation providers, 10% in each case were a visitor/leisure attractions or a food and drink businesses. 7% were a retail business, 2% in each case were a sports or activities-based business or a self catering agency and 1% were a tourist information centre. 5% categorised themselves as on 'other' business type.
- 55% of the accommodation businesses were self catering operators and 37% serviced accommodation providers. 7% were 'other' accommodation types including holiday parks (4%) and caravan/camping sites (2%).
- 43% of the visitor/leisure attraction businesses were predominantly based outdoors and 40% were predominantly based indoors. 17% had a good mix of both indoor and outdoor attractions/ entertainment/activities.
- 47% of the businesses responding to the survey had a rateable value band of under £15,000.
- Half of all businesses were currently VAT registered.
- 60% of businesses responding to the survey were based in Devon (including 29% in Torbay), 15% were based in Dorset, 13% in Cornwall & the Isles of Scilly and 8% in Somerset (excluding North Somerset). 2% said they were based elsewhere. **Due to the low sample sizes for Cornwall & the Isles of Scilly (41 businesses) and Somerset (28 businesses), the results for these counties should be interpreted with caution.**

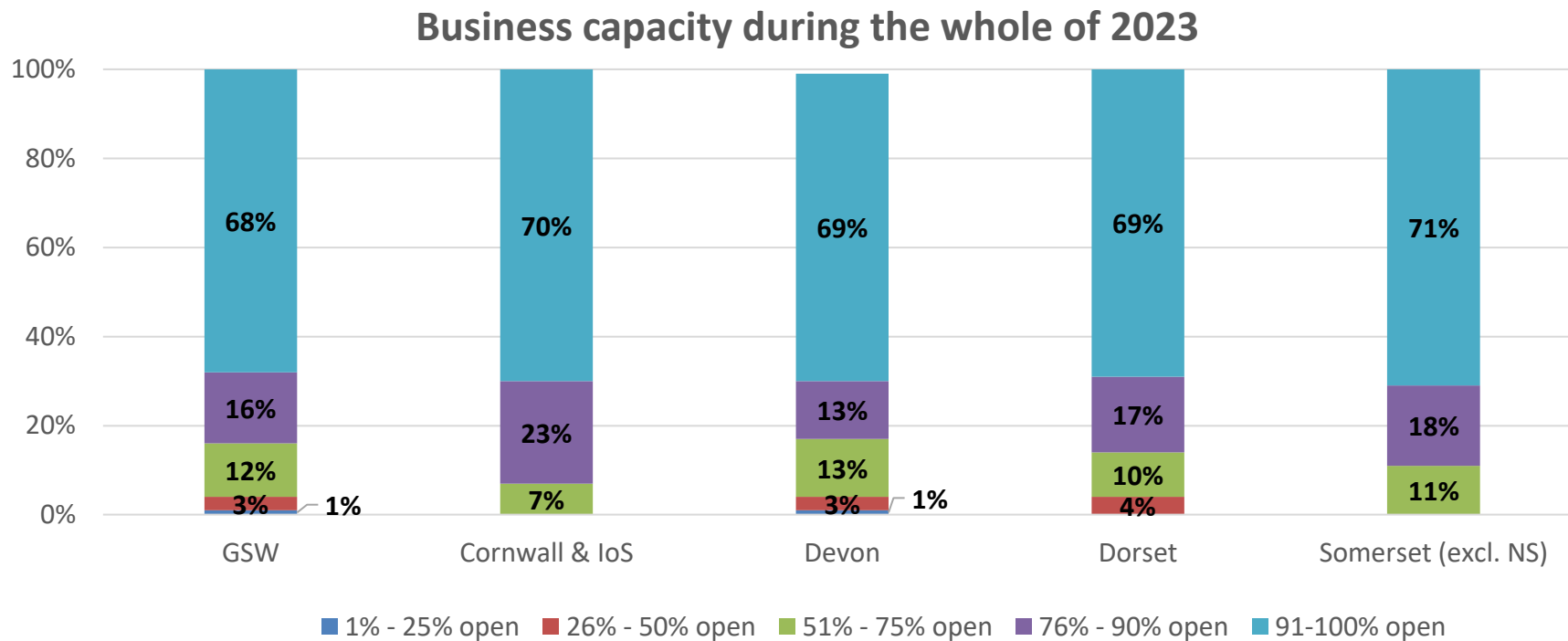
Sample profile by county

	GSW	Cornwall & IoS	Devon	Dorset	Somerset
<u>Total sample size (% of total sample):</u>	341 (100%)	43 (13%)	208 (61%)	52 (15%)	28 (8%)
<u>Business type:</u>					
An accommodation establishment	63%	86%	63%	44%	75%
A visitor or leisure attraction	10%	5%	9%	12%	18%
Sports or activities-based business	2%	0%	2%	4%	0%
A food and drinks related business - pub, restaurant, cafe, take-away	10%	2%	10%	17%	7%
A retail business (excluding food and drinks)	7%	0%	7%	19%	0%
A Tourist Information Centre	1%	2%	0%	0%	0%
A Self Catering agency	2%	5%	2%	0%	0%
Event organiser	0%	0%	0%	0%	0%
International education provider	0%	0%	0%	0%	0%
Other type of business	5%	0%	6%	4%	0%
<u>Accommodation type:</u>					
Serviced accommodation	37%	11%	47%	30%	34%
Self catering accommodation	55%	86%	44%	57%	62%
Other accommodation type (incl. holiday parks, caravan/camping site and other accommodation types)	7%	3%	9%	13%	5%

Sample profile by county

	GSW	Cornwall & IoS	Devon	Dorset	Somerset
<u>Type of business (visitor/leisure attractions only):</u>					
Predominantly/totally based indoors	40%	0%	38%	50%	80%
Predominantly/totally based outdoors	43%	50%	54%	38%	0%
A good mix of both indoor and outdoor attractions/entertainment/activities	17%	50%	8%	13%	20%
<u>Rateable value band:</u>					
Under £15k	47%	56%	48%	40%	32%
£15 - 51k	18%	16%	18%	17%	18%
Over 51k	10%	5%	10%	15%	14%
Don't know	13%	12%	13%	15%	11%
My business does not have a rateable value	7%	9%	5%	10%	7%
I would prefer not to answer this question	6%	2%	6%	2%	18%
<u>VAT registered:</u>					
Yes	50%	33%	50%	65%	54%
No	50%	67%	50%	35%	46%

Key results – Business capacity during the whole of 2023



- 84% of businesses had been operating at 76% capacity or more during the whole of 2023 including 16% operating at 76-90% capacity and 68% at 91-100% capacity. 16% of businesses had been operating at 75% capacity or less including 12% at 51-75% capacity, 3% at 26-50% and just 1% at 1-25% capacity. None of the businesses surveyed had been closed.
- At 93%, Cornwall saw the highest proportion of businesses operating at 76%+ capacity during the whole of 2023, followed closely by 89% of Somerset businesses, 86% of Dorset businesses and 82% of those based in Devon.
- 75% of serviced accommodation providers had been operating at 76%+ capacity during the whole of 2023, compared with 89% of self catering providers.

Key results – Economic impacts

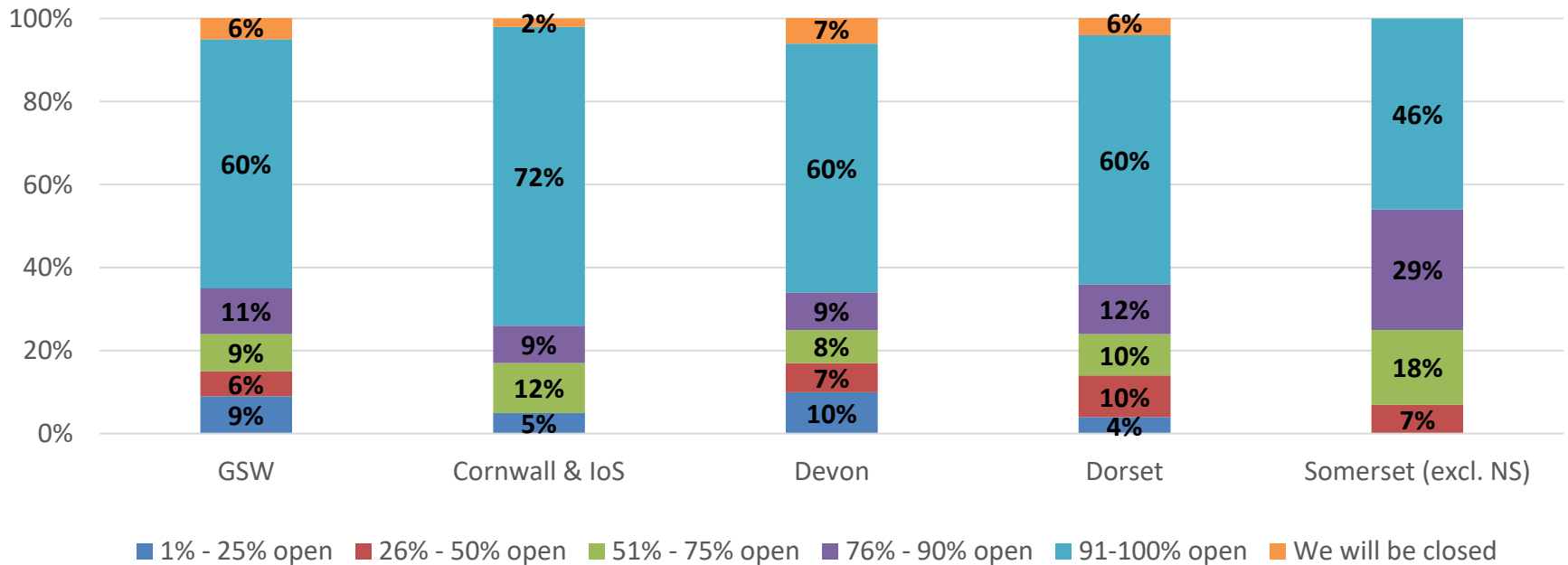
- 53% of businesses reported a decrease in their business turnover for the whole of 2023 compared with the whole of 2022 including 44% of Cornwall businesses, 59% of Devon businesses, 52% of Dorset businesses and 41% of Somerset businesses.
- Overall, businesses reported that turnover for the whole of 2023 was 13% lower than the whole of 2022 (approximate value £847m).
- The decrease in turnover was highest in Devon (16% - approximate value of £364.8m), followed by Somerset and Dorset (decreases of 13% and 12% respectively, approximate value of £102.3m in Somerset and £182.9m in Dorset). Cornwall experienced the lowest percentage decrease in turnover during the 2023 of 10% compared with 2022 with an approximate value of £197.1m.

Turnover change 2023 v 2022	Amount of turnover lower than whole of 2022	% turnover decrease compared to whole of 2022
GSW	£847,199,473	-13%
Cornwall	£197,112,050	-10%
Devon	£364,825,147	-16%
Dorset	£182,924,105	-12%
Somerset (excluding North Somerset)	£102,338,172	-13%

- Across the board, a higher proportion of accommodation businesses reported decreases in turnover compared with non-accommodation businesses.

Key results – Business capacity 1st January - 31st March 2024

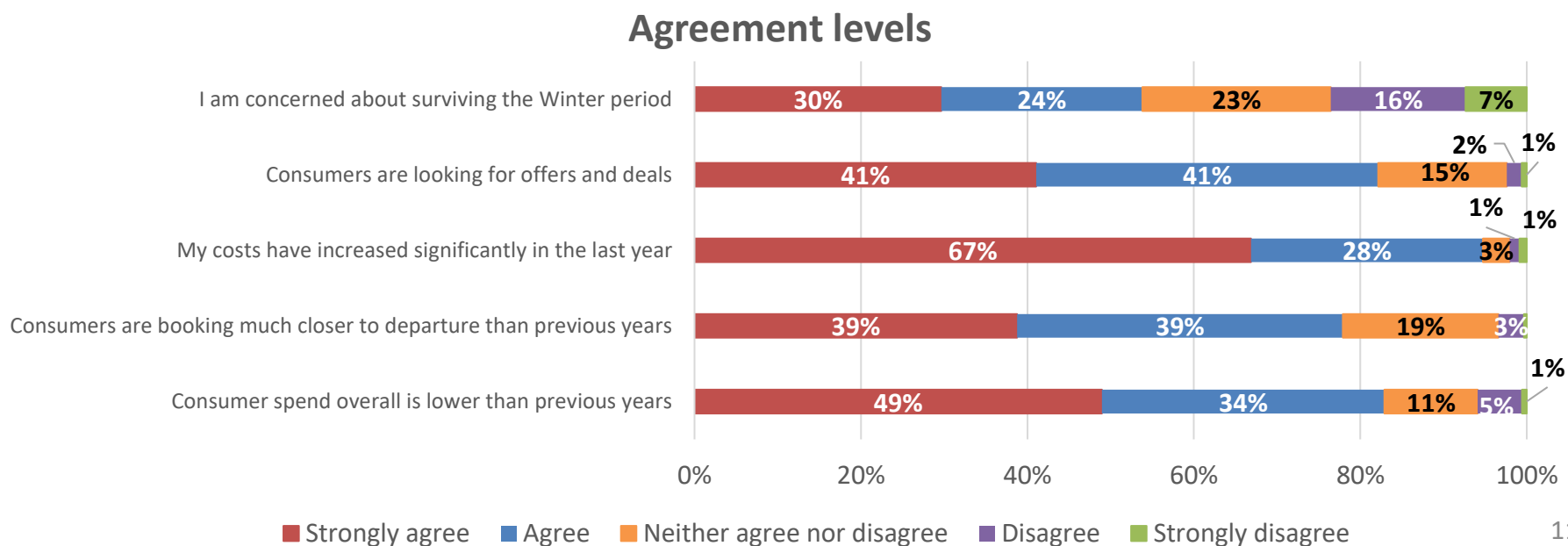
Business capacity estimate between the 1st January and 31st March 2024



- 71% of businesses anticipated they would be operating at 76% capacity or more during the January to March 2024 period including 11% operating at 76-90% capacity and 60% at 91-100% capacity. 24% of businesses anticipated they would be operating at 75% capacity or less including 9% at 51-75%, 6% at 26-50% capacity and 9% at 1-25% capacity. 6% of businesses anticipated they would be closed during this period.
- At 81%, Cornwall saw the highest proportion of businesses anticipating they would be operating at 76%+ capacity during the January to March 2024 period, followed closely by 75% of Somerset businesses, 72% of Dorset businesses and 69% of those based in Devon.

Key results – Operating statements agreement levels

- Businesses were asked to what extent they agreed with a number of operating statements shown in the graph below. Agreement levels were highest with the statement “*My costs have increased significantly in the last year*” (67% ‘strongly agreed’ and 28% ‘agreed’), followed by “*Consumer spend overall is lower than previous years*” (49% ‘strongly agreed’ and 34% ‘agreed’), “*Consumers are looking for offers and deals*” (41% in each case ‘strongly agreed’ or ‘agreed’) and “*Consumers are booking much closer to departure than previous years*” (39% in each case ‘strongly agreed’ or ‘agreed’).
- Whilst agreement levels were lowest with the statement “*I am concerned about surviving the Winter period*” (30% ‘strongly agreed’ and 24% ‘agreed’) this still represents more than half of all the businesses surveyed who are concerned about their business survival prospects at the time of writing this report.
- There was little variation in the results according to the area where businesses were located.



Key results – Feedback on operating statements (sample of businesses)

- A selection of comments from businesses regarding the operating statements are shown below.

The costs of our goods in have risen around 20%. We have kept our margins and our customers but the volume of sales are down.

The overhead expenditure has also increased but we are unable to recoup this from our gross profits as the volume of sales are down.

Whilst we have budgeted for the winter trade, the planned increase in staff costs enforced by the government on small businesses may very well bring additional pressure and may result in cutting hours at a time when we should be busier (and therefore require more staff).

We are partially closing for Winter to keep wages down and shave utility costs.

It was really noticeable that spending was down. Our occupancy was down. Prices seemed out of reach for some guests. Some couldn't come due to costs. But our costs reflect the high cost of living. Although we try to stay within a doable pricing band, but we have to pay our bills.

I am fortunate to have another business to sustain my hospitality one.

Increase in costs and lower spend are the main issues, we have increased our prices but a real term decrease is about 5-10%.

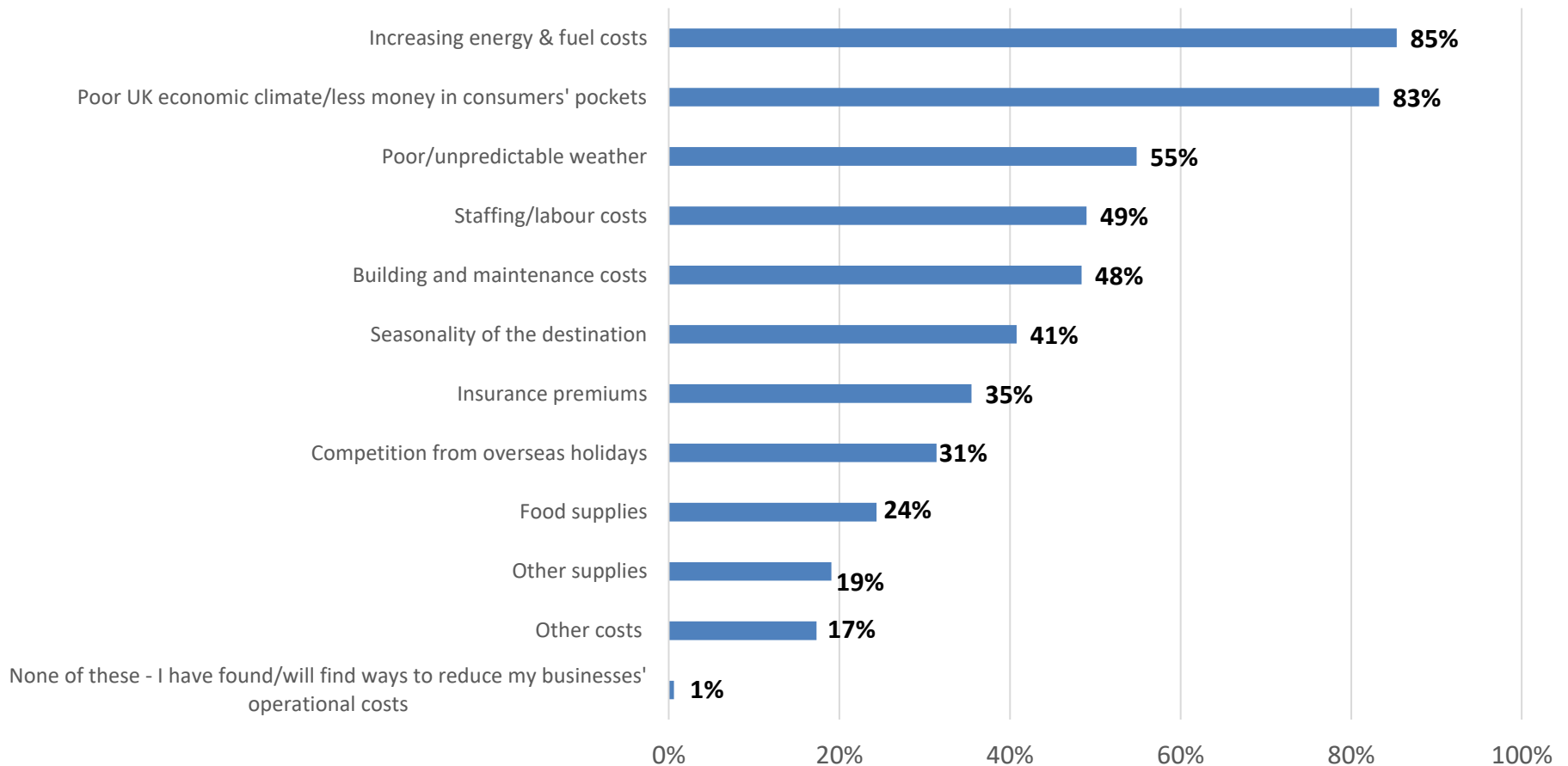
Costs up, revenue down, no help with heating costs through the winter even though we are residential from October to March, we can't afford to heat our property for ourselves.

I need electricity to make the product I sell. The huge increase cannot be passed on to customers. Footfall is getting less. My business is in a rural area with no public transport. Major problem is Devon Highways: loss of business due to frequent road closures by arrogant utilities, who do not consult, as they are required to do. SWW closed access road for 2 weeks in August 23, in middle of tourist season.

Key results – Most impactful factors

- When asked which factors they thought were currently having the most impact on their business by far the largest proportion of businesses (85%) said increasing energy & fuel costs, followed by poor UK economic/climate/less money in consumers' pockets. The results by county are shown in the table overleaf.

Most impactful factors



Key results – Most impactful factors by county

- When asked which factors they thought were currently having the most impact on their business by far the largest proportion of businesses across each of the counties said increasing energy and fuel costs (84% of Cornwall businesses, 87% of Devon businesses, 85% of Dorset businesses and 86% of Somerset businesses).

Which of the following factors are currently having the most impact on your business?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Increasing energy & fuel costs	85%	84%	87%	85%	86%
Poor/unpredictable weather	55%	51%	58%	52%	46%
Seasonality of the destination	41%	37%	44%	33%	32%
Poor UK economic climate/less money in consumers' pockets	83%	84%	86%	83%	75%
Insurance premiums	35%	35%	37%	33%	32%
Food supplies	24%	14%	26%	25%	25%
Other supplies	19%	16%	19%	21%	11%
Staffing/labour costs	49%	49%	46%	58%	57%
Building and maintenance costs	48%	58%	44%	52%	61%
Competition from overseas holidays	31%	42%	31%	23%	36%
None of these - I have found/will find ways to reduce my businesses' operational costs	1%	0%	0%	0%	4%
Other costs	17%	21%	20%	13%	7%

Key results – Most impactful factors by county

- When asked what they think will be the approximate total change in their businesses' operational costs as a result of these factors, the largest proportion of businesses (25%) said they are likely to increase by more than 20%, 23% by between 16-20% and 21% by between 11-15%.
- There was little variation in the results according to county.

What do you think will be the approximate total change in your businesses' operational costs as a result of these factors?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Increase by up to 5%	5%	7%	5%	2%	0%
Increase by between 6-10%	17%	14%	15%	21%	11%
Increase by between 11-15%	21%	28%	19%	23%	30%
Increase by between 16-20%	23%	23%	21%	25%	37%
Increase by more than 20%	25%	23%	27%	23%	19%
No change - my operational costs will stay the same	2%	0%	3%	4%	0%
Don't know/unsure	7%	5%	9%	2%	4%

Key results – Most impactful factors by county

- When asked how their business was responding to the rising costs, three quarters of all businesses said they had increased their prices including 35% by up to 5%, 28% by more than 5% but less than 10% and 12% by 10% or more.
- 44% of all businesses said they were delaying/cancelling investment in new developments and 43% were delaying refreshment/maintenance of their business premises. 27% had cut their costs by reducing staff.
- 24% were closing for a period of time. 1% were closing permanently/had already closed their business. 3% of businesses said they were not concerned about the impact of rising costs on their business.
- There was little variation in the results according to county.

How is your business responding to the rising costs?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Increase prices by up to 5%	35%	37%	34%	37%	39%
Increase prices by more than 5% but less than 10%	28%	21%	30%	27%	32%
Increase prices by 10% or more	12%	12%	11%	12%	21%
Cut costs by reducing staff	27%	16%	29%	35%	21%
Cut costs by delaying/cancelling investment in new developments	44%	42%	49%	48%	21%
Cut costs by delaying refreshment/maintenance of premises	43%	47%	44%	42%	39%
Closing for a period of time	24%	19%	25%	23%	36%
Closing permanently/business is now closed	1%	0%	1%	4%	0%
None of these - I am not concerned about the impact of rising costs on my business	3%	2%	2%	4%	4%

Key results – Feedback on rising costs (sample of businesses)

- A selection of comments from businesses regarding how their business is dealing with rising costs are shown below.

Just weathering reduced profit & crossing fingers VAT will be cut and sales increase again.

Closing Sunday to Thursday over winter so we don't need to heat guest areas as we would lose money if we only had 1 or 2 rooms in.

Manage energy consumption, try to manage bank interest charges on loan and business overdraft account. Pay ourselves a minimal wage.

Lots of cost cutting/contract negotiating. E.g. 50% reduction in Merchant card fees. Brought Laundry in-house - £3k / month saving, better wash quality, changing expensive waste services, training in house junior chefs so not reliant on very expensive agency chefs.....constant renegotiating of electricity costs.

As owners of an 8 room guest house we are both taking on other jobs to get through the winter.

Used to open in March and October, but with heating costs and no-one coming, these months are no longer viable to open.

Selling the business and/or the property.

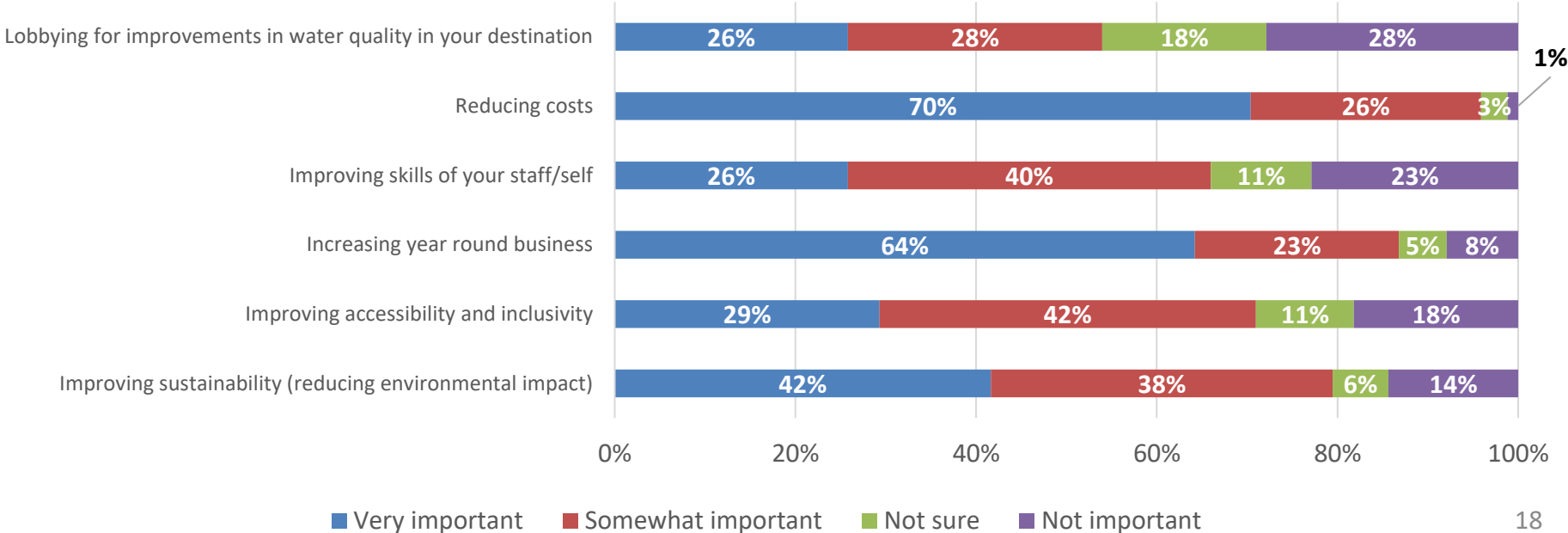
We have had to put improvements on hold, which keeps us behind other self catering if they have the capital. We are not increasing our costs this year, in the hope this attracts more customers. But will put our turnover in jeopardy.

We are responding to the increase in wage costs by changing the way we staff the workplace. We plan to close a couple of days a week just for our sanity as well as reducing the number of days we need to cover with staff.

Key results – Importance statements agreement levels

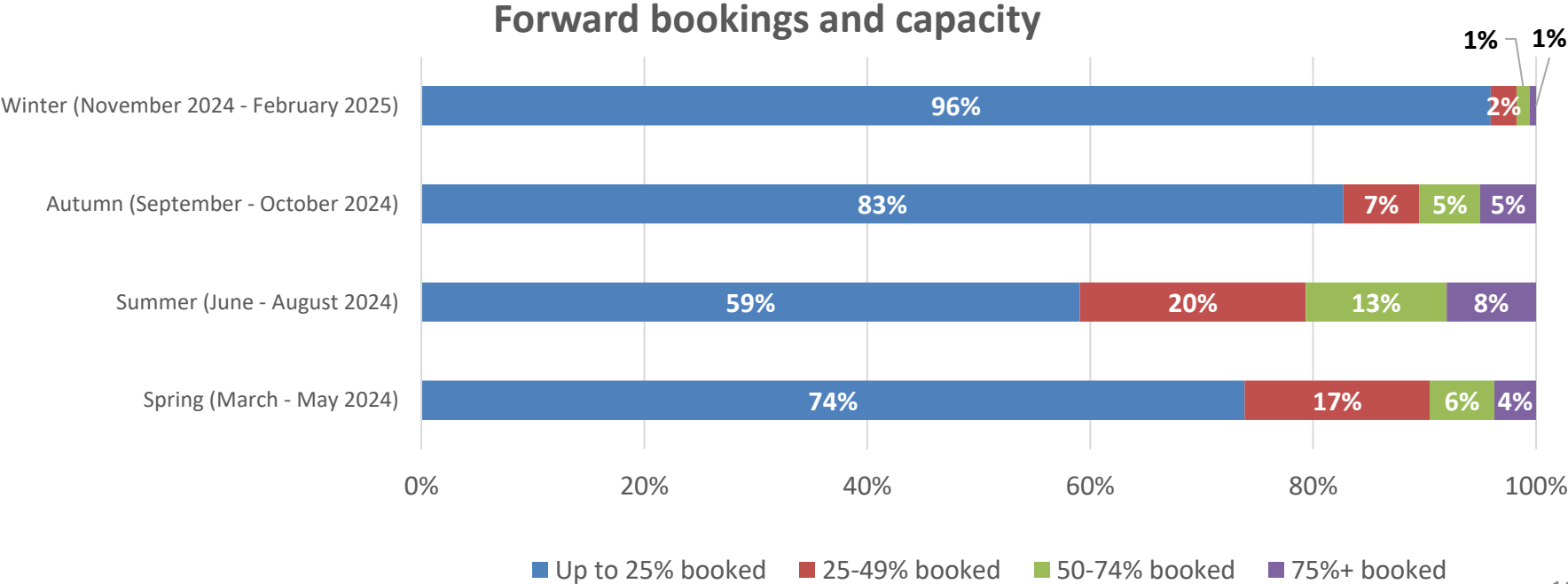
- Businesses were asked how important a number of statements (shown in the graph below) were to their business at the present time. The most important statements to businesses currently were *“Reducing costs”* (70% ‘very important’ and 26% ‘somewhat important’), followed by *“Increasing year round business”* (64% ‘very important’ and 23% ‘somewhat important’), *“Improving sustainability (reducing environmental impact)”* (42% ‘very important’ and 38% ‘somewhat important’) and *“Improving accessibility and inclusivity”* (29% ‘very important’ and 42% ‘somewhat important’).
- Agreement levels were lowest with the statements *“Improving skills of your staff/self”* (26% ‘very important’ and 40% ‘somewhat important’) and *“Lobbying for improvements in water quality in your destination”* (42% ‘very important’ and 38% ‘somewhat important’). There was little variation in the results according to the area where businesses were located.

Levels of importance



Key results – Forward bookings and capacity

- Businesses were asked how their current levels of forward bookings were looking in relation to their total business capacity for the periods shown in the chart below.
- The largest proportion of businesses for each period said they were currently up to 25% booked including 74% for the Spring (March – May 2024) period, 59% for the Summer (June-August 2024) period, 83% for the Autumn (September-October 2024) period and 96% for the Winter (November 2024-February 2025) period.
- 41% of businesses said they were already 25% or more booked for the Summer period, 27% for the Spring period, 17% for the Autumn period and just 4% for the Winter period.
- There was little variation in the results according to the area where businesses were located.



Key results – Employment impacts by county

- 16% of all businesses were currently recruiting (9% of businesses based in Cornwall, 13% in Devon, 27% in Dorset and 18% in Somerset).
- The average number of vacancies being advertised by type of contract amongst those businesses who were recruiting are shown in the table below for all businesses and by county.
- 2.20 full-time permanent positions and 1.89 permanent part-time positions were currently being recruited for on average per business along with 3.52 full-time temporary/seasonal positions and 4.69 part-time temporary/seasonal positions.

How many vacancies do you currently have in the following categories? Ave. no. of vacancies	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Full-time permanent	2.20	2.50	1.93	2.00	3.00
Full-time temporary/seasonal	3.52	1.50	6.89	3.00	-
Part-time permanent	1.89	3.00	2.11	1.71	2.00
Part-time temporary/seasonal	4.69	1.00	7.20	3.30	4.00

Key results – Employment impacts by county

- In order to try and resolve any shortages in staff/recruitment issues they were experiencing, 58% of those businesses currently recruiting were paying higher wages, 47% were hiring unskilled staff and providing them with training and 36% had reduced their capacity, services or hours of opening.
- There was little variation in the results according to county.

What are you doing to try and resolve any staff shortages/recruitment issues?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Reducing capacity, services or hours of opening	36%	0%	33%	43%	40%
Paying higher wages	58%	50%	59%	64%	80%
Introducing benefits packages	19%	25%	15%	14%	40%
Offering retention incentives – e.g. bonus, refer a friend	15%	0%	19%	14%	20%
Hiring unskilled staff and providing training	47%	50%	56%	50%	20%
Taking on apprentices	17%	25%	7%	29%	20%
Forging links with educational institutions	23%	25%	19%	36%	20%
Working with job centres	6%	25%	4%	7%	0%
Not Applicable - we have all the staff we need	4%	0%	7%	0%	0%
Other	9%	0%	11%	7%	20%

Key results – Investment levels

- Businesses were asked to indicate how much they usually invest in their business over the winter period and how much they actually did invest over the winter period in 2023/24. As the results in the table below illustrate, the proportion of businesses who had spent nothing/made no investment in their business during the winter of 2023/24, at 28%, was more than double the proportion of businesses usually not investing anything (12%).
- 46% of businesses spent £10k or less on investment in their business, a decrease of 2% compared with the usual proportion of businesses spending this amount (48%). 11% spent £11 to £25k, a decrease of 7% compared with the usual proportion of businesses spending this amount (18%) and 4% spent £26 to £50k, a decrease of 3% compared with the usual proportion of businesses spending this amount (7%). Those investing £51k or more within each of the investment bands during the winter of 2023/24 remained broadly similar to usual.

Investment levels	All businesses		Cornwall & IoS		Devon		Dorset		Somerset	
	Usual	Actual	Usual	Actual	Usual	Actual	Usual	Actual	Usual	Actual
Zero/no investment	12%	28%	8%	11%	12%	35%	23%	25%	8%	29%
£10k or less	48%	46%	56%	66%	52%	42%	43%	58%	56%	48%
£11 to 25k	18%	11%	21%	14%	20%	11%	14%	8%	20%	14%
£26 to 50k	7%	4%	8%	3%	5%	5%	11%	0%	12%	10%
£51 to 75k	4%	2%	5%	3%	4%	1%	2%	3%	4%	0%
£76 to 100k	2%	1%	0%	3%	1%	0%	5%	3%	0%	0%
£101 to 150k	2%	1%	0%	0%	3%	1%	0%	0%	0%	0%
£151 to 200k	1%	2%	3%	0%	0%	1%	0%	0%	0%	0%
£201 to 250k	1%	1%	0%	0%	1%	1%	0%	0%	0%	0%
£251 to 300k	1%	1%	0%	0%	0%	1%	0%	0%	0%	0%
£301 to 350k	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
£351 to 400k	1%	1%	0%	0%	0%	1%	0%	0%	0%	0%
£401 to 450k	1%	1%	0%	0%	0%	0%	2%	0%	0%	0%
£451 to 500k	1%	1%	0%	0%	0%	0%	0%	3%	0%	0%
£500k +	2%	2%	0%	0%	2%	2%	0%	3%	0%	0%

Key results – Business information & support by county

- Businesses were asked where they normally accessed information and support for their business. The results by county are shown in the table below.

	Cornwall & IoS	Devon	Dorset	Somerset
Local Authority	35%	50%	44%	36%
Gov.uk	40%	30%	46%	39%
Visit Cornwall	63%	0%	0%	0%
Visit Devon	0%	42%	0%	7%
Destination Plymouth	2%	7%	0%	0%
English Riviera BID Company	0%	21%	2%	0%
Visit Somerset	0%	0%	2%	39%
Visit Exmoor	0%	4%	0%	21%
Visit Dorset	0%	0%	48%	4%
BCP Council Tourism	0%	0%	10%	0%
South West Tourism Alliance (SWTA)	0%	12%	8%	14%
The Professional Association of Self-Caterers (PASC UK)	63%	22%	15%	32%
B&B Association	2%	11%	6%	0%
UK Hospitality	5%	11%	12%	4%
British Holiday & Home Parks Association (BHHPA)	2%	4%	8%	0%
Visit England/Visit Britain	23%	24%	23%	36%
LEP/Growth Hubs	7%	8%	6%	0%
I don't access any information/support for my business	5%	16%	17%	11%
Other	26%	7%	25%	7%

Key results – Insurance premiums by county

- 81% of businesses said their insurance premium had increased compared with the previous year including 31% by between 6% and 10%, 16% by between 11% and 15% and 14% by up to 5%.
- 2% of businesses said their premium had stayed the same, 4% that it had decreased and 12% didn't know/were unsure.
- There was little variation in the results according to county.

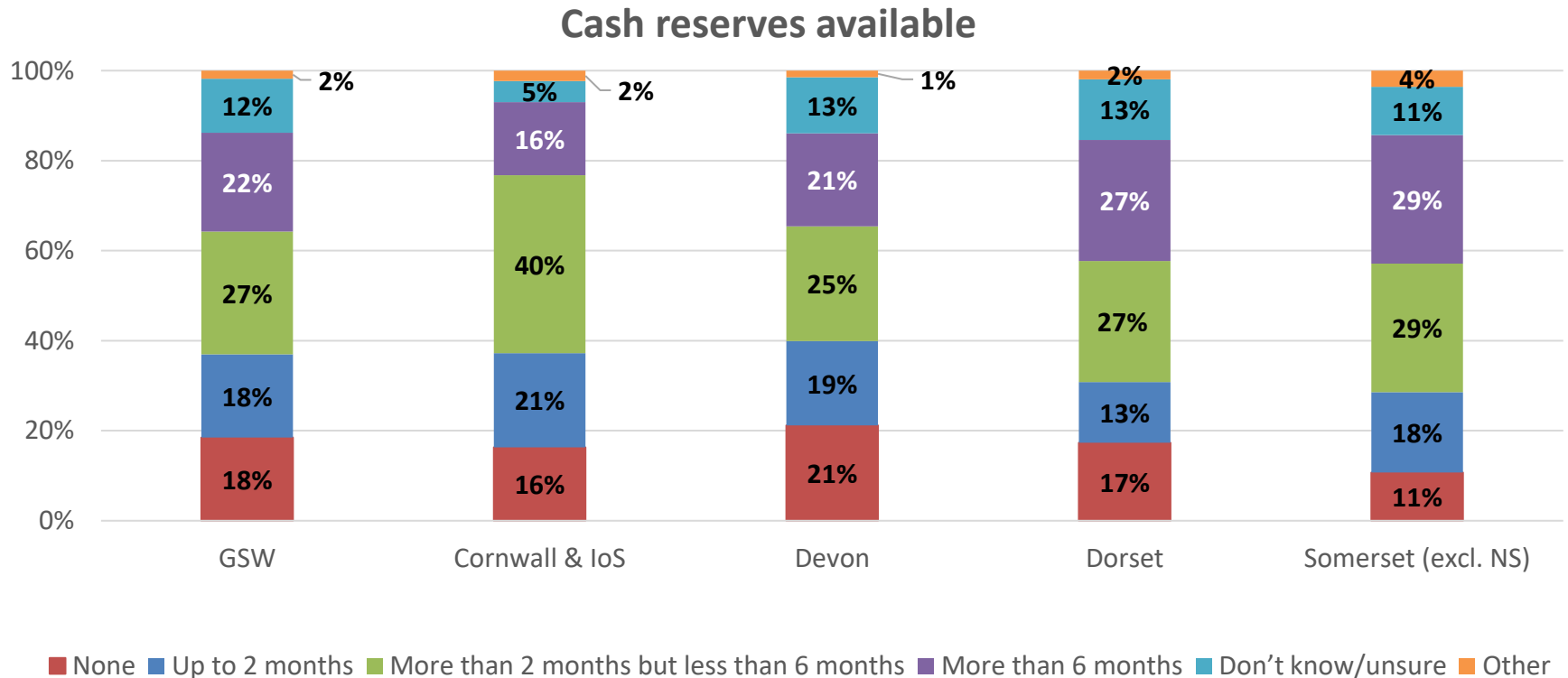
	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Increased by up to 5%	14%	19%	14%	15%	4%
Increased by between 6% and 10%	31%	16%	30%	42%	39%
Increased by between 11% and 15%	16%	14%	17%	10%	29%
Increased by between 16% and 20%	6%	16%	5%	4%	4%
Increased by between 21% and 25%	6%	12%	5%	4%	11%
Increased by between 26% and 50%	4%	5%	5%	0%	0%
Increased by between 51% and 75%	2%	2%	2%	4%	0%
Increased by between 76% and 100%	1%	2%	1%	2%	0%
Increased by more than 100%	1%	0%	1%	0%	0%
Stayed the same/unchanged	2%	2%	1%	8%	0%
My insurance premium has decreased this year	4%	7%	4%	0%	0%
My insurance provider has refused to cover my business this year	0%	0%	0%	0%	0%
Don't know/unsure	12%	2%	13%	12%	14%
Other	1%	2%	2%	0%	0%

Key results – Business confidence by county

Which of the following periods do you currently anticipate is the furthest that your business will be able to survive to without further support?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Winter 2024 (up to 31st March 2024)	9%	7%	8%	15%	7%
Spring 2024 (up to 1st May 2024)	7%	7%	9%	0%	11%
Summer 2024 (up to 31st August 2024)	7%	5%	8%	8%	4%
Beyond Summer 2024	45%	56%	41%	54%	46%
Don't know/unsure	31%	26%	35%	23%	32%
How confident are you in your assessment of surviving to that period?	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Not very confident	12%	16%	12%	12%	14%
Fairly confident	26%	21%	25%	27%	36%
Confident	22%	35%	19%	25%	14%
Very confident	24%	16%	25%	25%	29%
Don't know	16%	12%	20%	12%	7%

- The largest proportion of businesses across all areas said they currently anticipated their business could survive beyond Summer 2024 (after 31st August 2024) without further support including 56% of Cornwall businesses, 41% of Devon businesses, 54% of Dorset businesses and 46% of Somerset businesses.
- 51% of Cornwall businesses, 44% of Devon businesses, 50% of Dorset businesses and 43% of Somerset businesses said they were confident or very confident in their assessment of how long they could survive.

Key results – Cash reserves



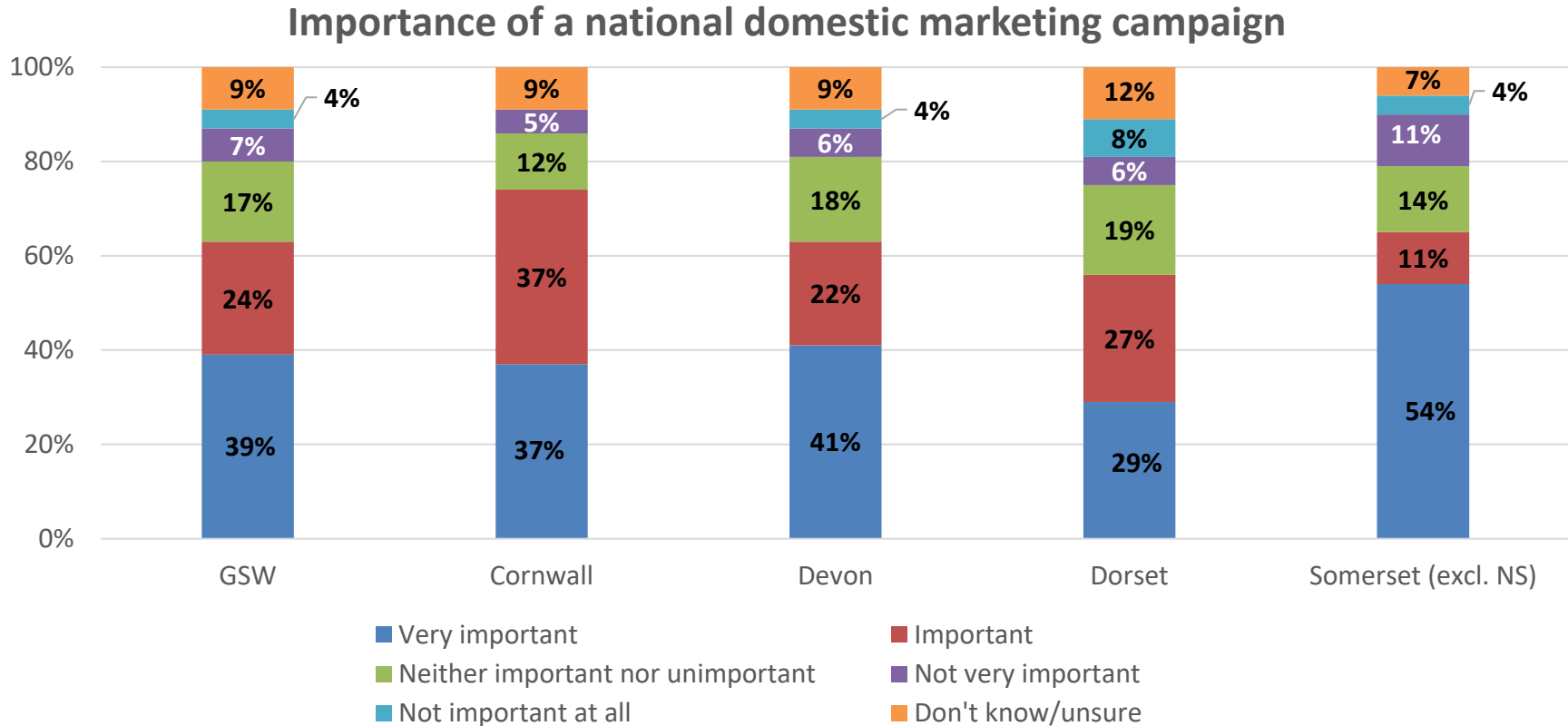
- When asked how many months cash reserves they had, 27% of all businesses said they had more than 2 months but less than 6 months available and a further 22% said they had more than 6 months.
- 18% of businesses said they only had up to 2 months cash reserves available and the same proportion said they had none. 12% of businesses didn't know/were unsure how many months cash reserves they had.
- The largest proportion of Cornwall businesses (40%) and Devon businesses (25%) said they had more than 2 months but less than 6 months cash reserves. 27% and 29% of Dorset and Somerset businesses in each case said they either more than 2 months but less than 6 months or more than 6 months cash reserves.

Key results – Top 3 priorities for survival & growth by county

- When asked to select their top 3 priorities (from a predefined list) which they would like to see become available to help their business survive and grow over the next 12 months the results were as follows:
 - Priority 1: Continuing business rates relief (82%)
 - Priority 2/3: Review the level of support offered in the Energy Bills Discount Scheme (ends 31/3/24) (64%).
 - Priority 2/3: Reintroduce a lower rate of VAT for tourism and hospitality businesses (64%).
- The top 3 priorities were the same regardless of area.

	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Review the level of support offered in the Energy Bills Discount Scheme (ends 31/3/24)	64%	53%	67%	68%	58%
Reintroduce a lower rate of VAT for tourism and hospitality businesses	64%	63%	65%	62%	62%
Continuing business rates relief	82%	93%	81%	78%	85%
Support EU nationals in the UK gaining Settled Status	8%	0%	6%	14%	19%
Introduce a scheme for low skilled workers to enter the UK	10%	12%	7%	18%	15%
Encourage UK workers to enter the industry	18%	23%	12%	28%	31%
Develop retraining programmes to support people from other sectors entering the tourism industry	7%	2%	7%	10%	8%
Support to access bank finance	13%	9%	14%	10%	15%
Other (please tell us any other ideas you have)	15%	16%	16%	16%	15%

Key results – National domestic marketing campaign



- When asked how important a national domestic marketing campaign is to their business success, 63% of businesses said it is 'very important' (39%) or 'important' (24%) to the success of their business.
- 74% of Cornwall businesses, 65% of Somerset businesses and 63% of Devon businesses said it is 'very important' or 'important' to the success of their business compared with 56% of Dorset businesses.
- 5% of Cornwall businesses, 10% of Devon businesses, 14% of Dorset businesses and 15% of Somerset businesses said it is 'not very important' or 'not important at all' to the success of their business.

Key results – Feedback on future survival and recovery (sample of businesses)

- Businesses were asked to provide any further comments about any further support they need to enable their business survival and future recovery or of any other issues they would like their DMO to raise which will form the GSWTP's lobbying to Government for future sector support. A sample of responses is provided below and overleaf.

Bringing hospitality VAT down is critical but not just to 10 or 12% but down to be in line with European competition- typically in the region of 6%.

There is a growing anti-holiday lets sentiment that is not being addressed to government. This needs to be separated out from people who have second homes & claimed business support but don't actually rent the holiday let out as a business.

Lower interest rates, energy prices, insurance premiums, business rates and increase the VAT threshold to £100,000.

AS a B&B we fall down the cracks - we are 'residential' October to March but get none of the government support that residential homes get. Gas is up 800%, electric 300% we can't afford to heat our property with no income. Food costs - supermarkets charging £3 for an item or £1.50 if you have their card scheme (Nectar / Clubcard etc.) If they can afford to sell at £1.50 for profit then stop this supermarket greed - get these cards axed and lower prices for everyone.

Energy costs are a killer. Marketing against the big platforms is very hard now.

Our key priority is the change in the immigration rules for hospitality workers. Currently it is impossible to bring entry level staff in from overseas and sadly there is little to no desire for people from the UK to work in the industry. Classing these individuals who have made a career of working in hospitality as 'unskilled' is terrible and completely untrue in the majority of circumstances. Add in the change in minimum salary for introducing staff from overseas on the current visa programme and it makes this situation even worse for our industry, it is a very sad state of affairs and will result in more and more businesses closing their doors for good.

Key results – Feedback on future survival and recovery (sample of businesses)

Increase VAT threshold to 125k and pay after that not from £0k once hit. It so obvious small businesses close or go cash in hand only to avoid it. With all costs rising so rapidly we hit 85k so much faster. Wake up Government..

Holiday let businesses are small, separate/lone entities, with medium cost levels if unoccupied. We need help connecting to gain buying power to reduce costs and increase quality. I always plan a year ahead to ensure I have enough reserves to pay the bills if we get no bookings. I have contemplated selling up as the distinction in government between 'second homes' and holiday let businesses that may be empty off season is not clear.

Concerns are severe about the National Minimum Wage and its inflationary effects, as well as differentials in that 'no one wants to work for just the Minimum Wage' - ludicrous and should never happen. This will affect job security in tourism generally - who can afford to employ anyone? Guests want ever cheaper prices too.

Grants to move towards sustainable/low-carbon energy. Reduction in VAT. Don't keep putting up minimum wage by 10% p.a.

Although there is help out there it isn't readily available or accessible.

Would make a big difference to have lower VAT or make everyone pay VAT or increase VAT level to £150k or make it so you don't pay VAT until you reach a threshold rather than on everything or nothing. The system is not fair and costs us a lot compared to slightly smaller businesses.

I do believe a drop in VAT rate would be really helpful.

Both myself and my partner are now seeking additional jobs to support us through the low season.

We desperately need the interest rates to come down, gas and electric is never going to come down...people need more cash in the pockets to book holidays.

**Great South West Tourism Partnership
Cost of Living Business Impact Survey
February 2024
(covering 1st January to 31st December 2023)**

The South West Research Company Ltd

www.tswrc.co.uk

