

# ERBID How's Business Survey

## October 2024

Published by The South West Research Company Ltd

December 2024



# Executive Summary

---

**Compared to October 2023 businesses reported that:**

**October 2024 Visitor levels:**

Increased 19% / Stayed the same 26% / Decreased 56%

Estimated actual change in visitors -11%

**October 2024 Turnover levels:**

Increased 19% / Stayed the same 33% / Decreased 49%

Estimated actual change in turnover -13%

**November 2024 Outlook is:**

Better than last year 28% / Same as last year 21% / Not as good as last year 52%

**December 2024 Outlook is:**

Better than last year 15% / Same as last year 35% / Not as good as last year 50%

**January 2025 Outlook is:**

Better than last year 13% / Same as last year 31% / Not as good as last year 56%

**Optimism:**

Optimism score is 4.72 out of a possible 10

## October 2024 – Key results

---

The majority of all businesses experienced decreased visitors/customers (56%) compared with October 2023, representing a decrease of -11% compared with the same time last year. 49% of businesses reported a decrease in their turnover for the month compared with October 2023 (49%), representing a decrease of -13% compared with the same time last year. Both decreases were similar to the region overall.

52% of accommodation businesses anticipate decreased bookings for November compared with 2023 levels, whilst 50% said the same for December and 56% for January 2025 compared with previous year at the time of writing this report, although there may be some variation in the actual proportions once the data is collected.

At 71%, businesses are currently most concerned about the increase in the cost of living generally (a -1% decrease compared with last month), decreasing visitor numbers/booking levels (59%, a -11% decrease compared with last month), followed by rising energy costs (57%, a 3% increase compared with last month) and increases in other business costs e.g. food and other business supplies etc. (52%, a decrease of -10% compared with last month).

At 4.72 out of 10.00, the optimism score decreased slightly compared with 4.81 last month.

This month's survey has a sample of 46 businesses.

## August – October 2024 – General performance

---

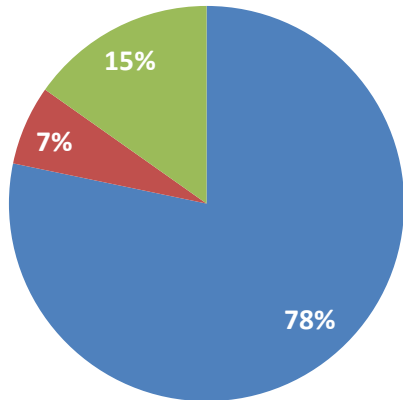
It has clearly been another challenging few months for tourism and leisure businesses. After a disappointing school summer holidays heavily impacted by the unpredictable weather, followed by the fall out from the Autumn budget which will inevitably impact businesses' bottom line as a result of the increase in NI, combined with the increases in the rate of employers NI and the national living wage, the challenging times seem set to continue well into next year.

Some businesses are fearful that they will be able to continue to operate and survive in the future, whilst others see no other option than to pass on the increased business costs to their customers which could further negatively impact visitor numbers and profitability levels moving forward.

On a more positive note, some business did feel that their October performance turned out better than anticipated, largely due to the relatively dry weather during the school October half term week and are cautiously optimistic about the coming year, albeit at the same time as being conscious that the tax and other business cost rises in the budget are likely to reduce disposable income with the knock-on effects on discretionary spending such as on holidays.

# Sample profile, business location and status

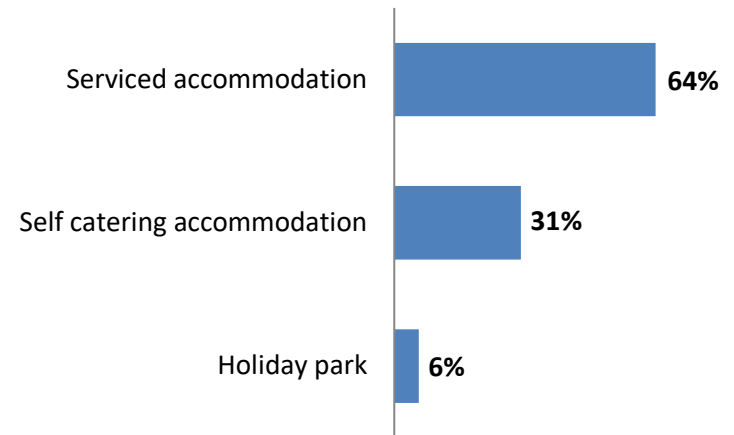
## BUSINESS TYPE



- An accommodation establishment
- A visitor or leisure attraction
- A food and drinks related business

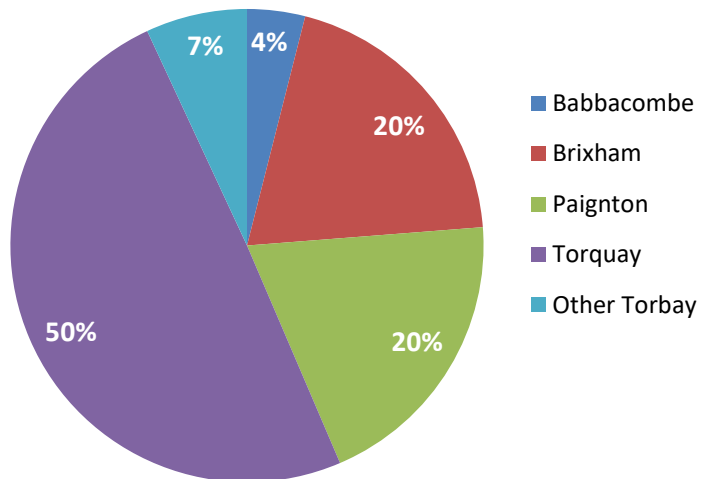
Base: 46

## ACCOMMODATION TYPE



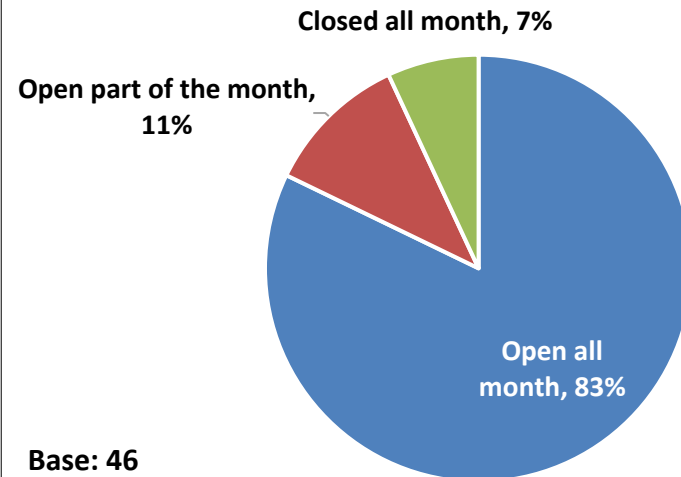
Base: 36

## BUSINESS LOCATION



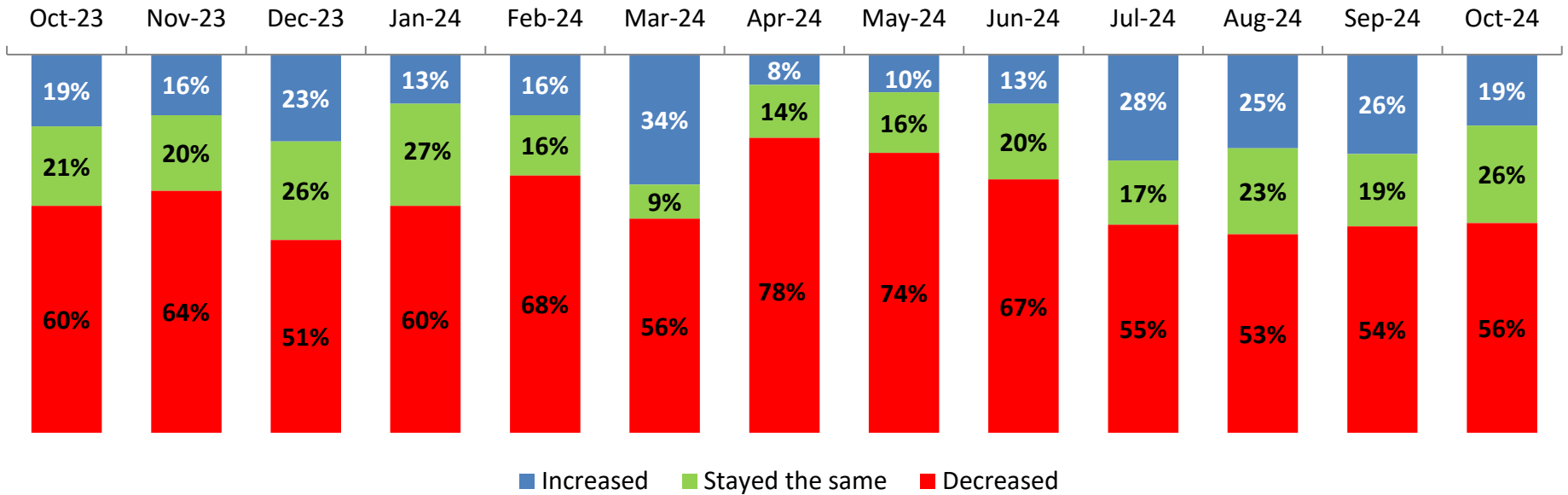
Base: 46

## BUSINESS STATUS

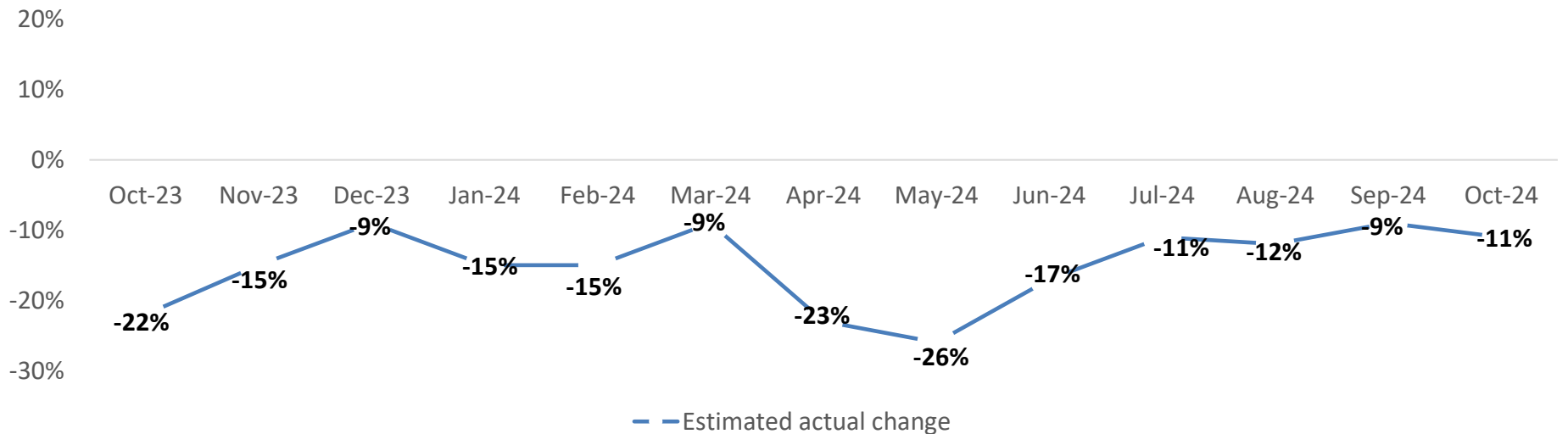


Base: 46

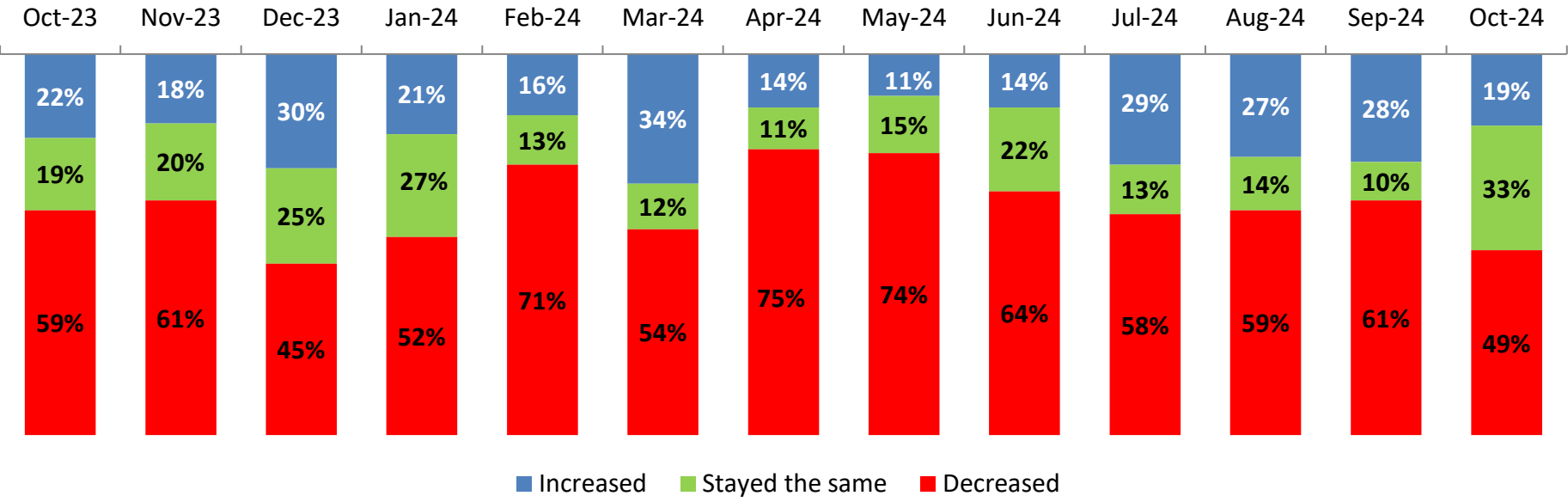
# Performance – Number of visitors compared to previous year



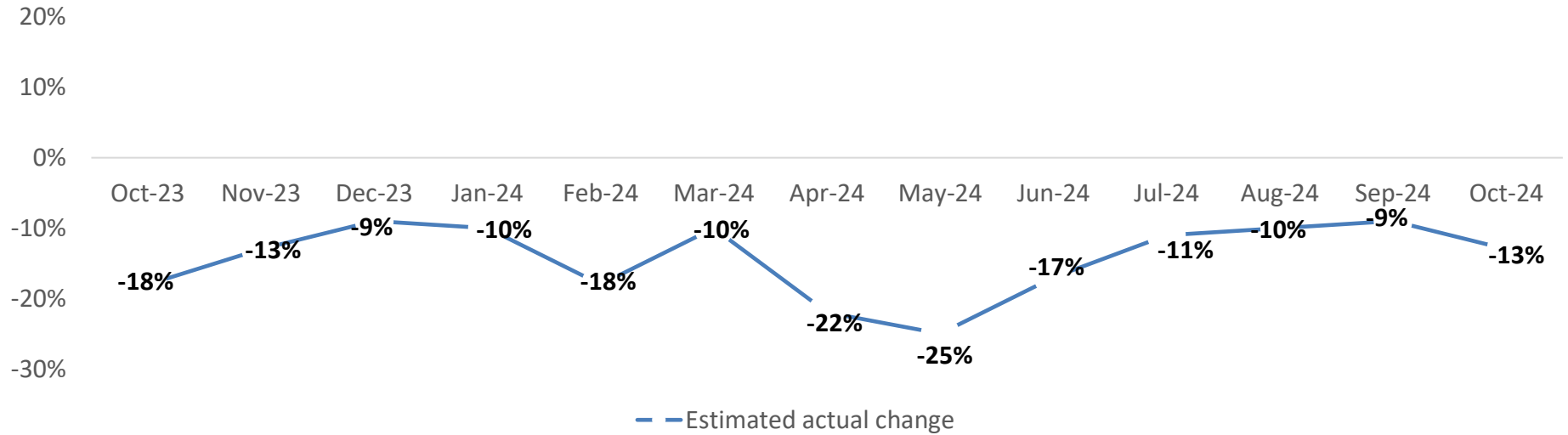
## ESTIMATED ACTUAL CHANGE IN VISITORS



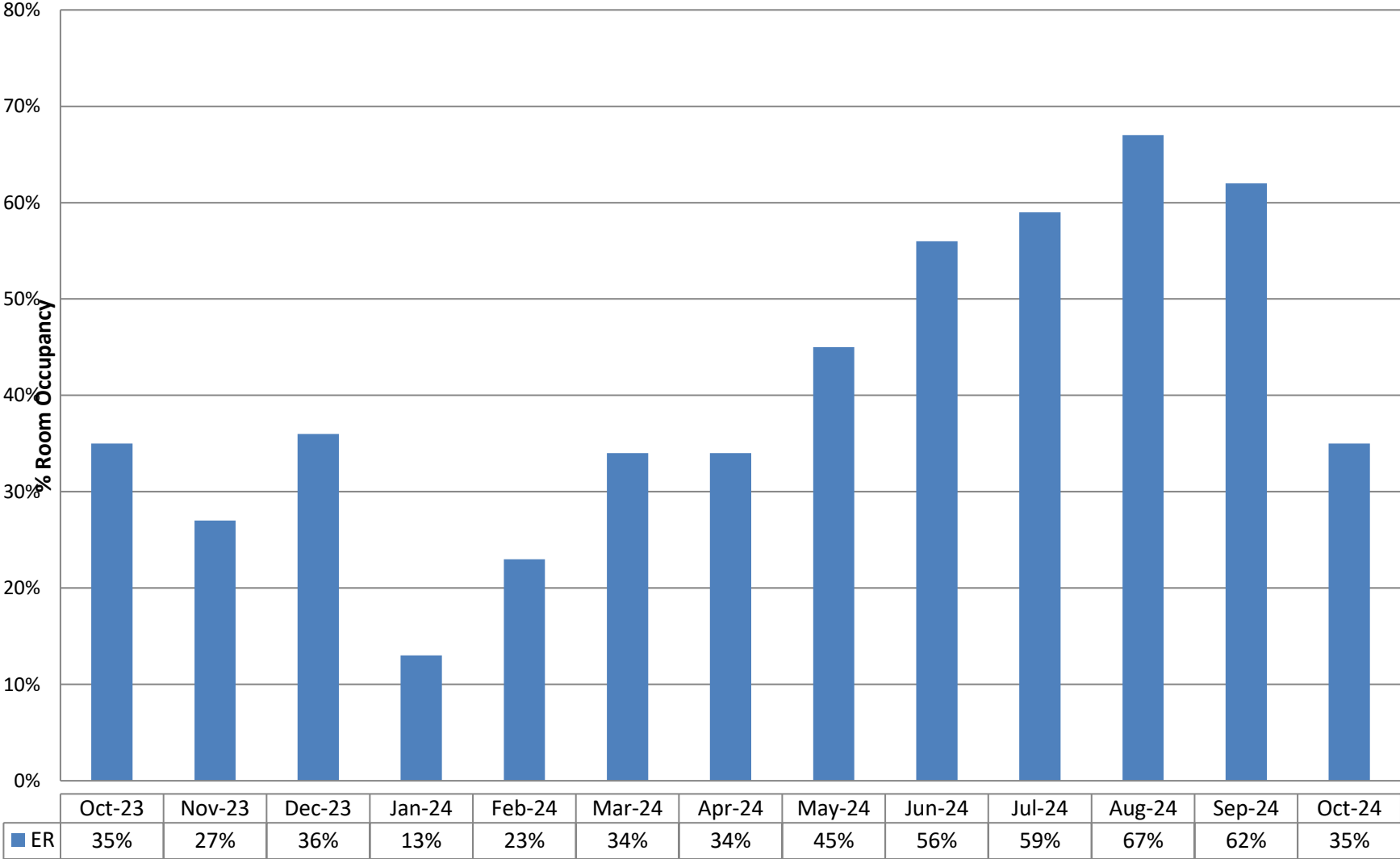
# Performance – Turnover compared to previous year



## ESTIMATED ACTUAL CHANGE IN TURNOVER



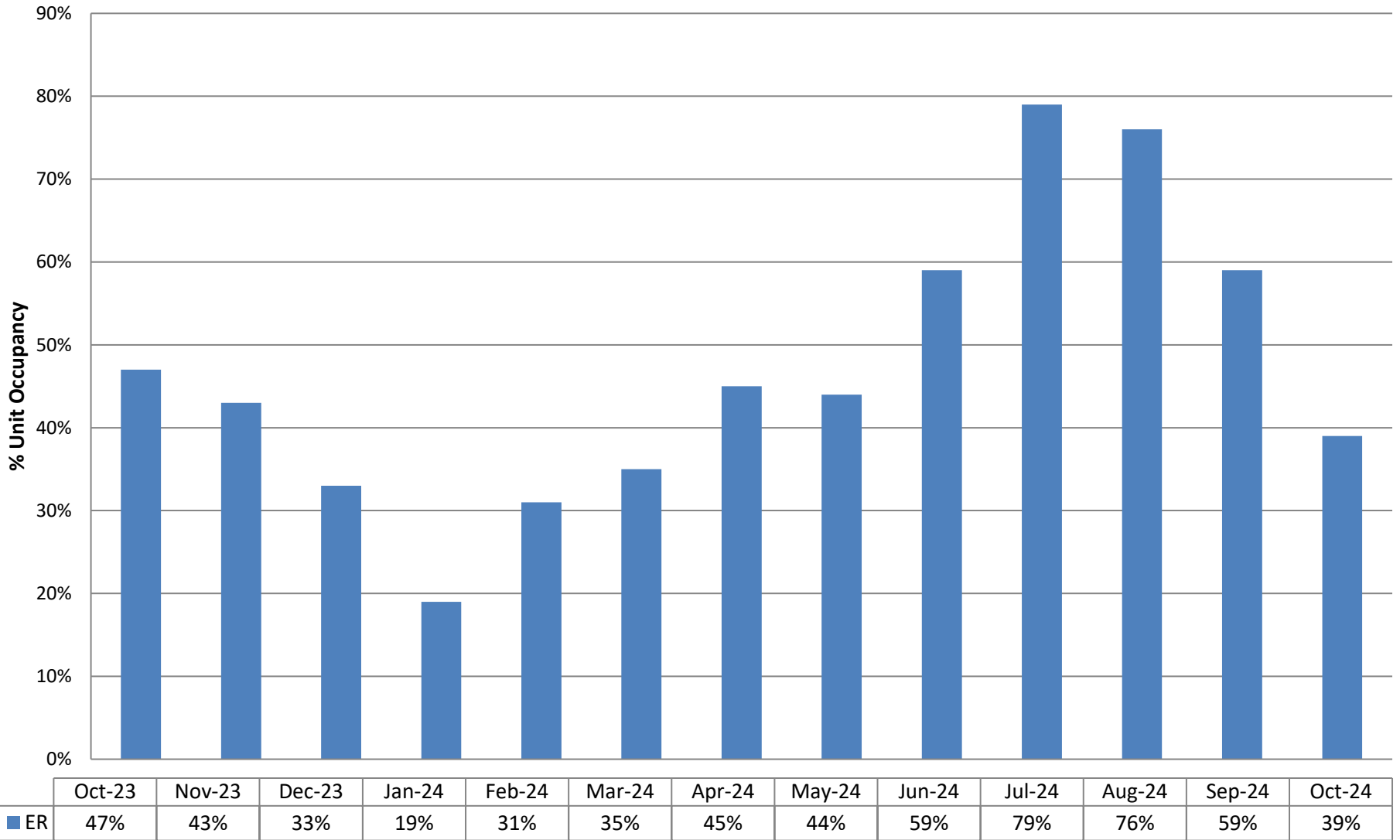
# Performance – Serviced Room Occupancy



**It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.**



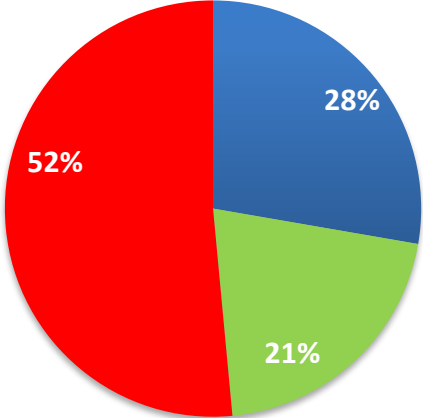
# Performance – Self Catering Unit Occupancy



**It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.**

# Outlook – Based upon forward booking levels

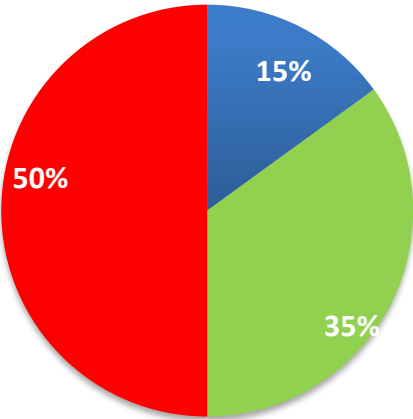
**NOVEMBER 2024**



■ Better than last year      ■ Same as last year  
■ Not as good as last year

Base: 29

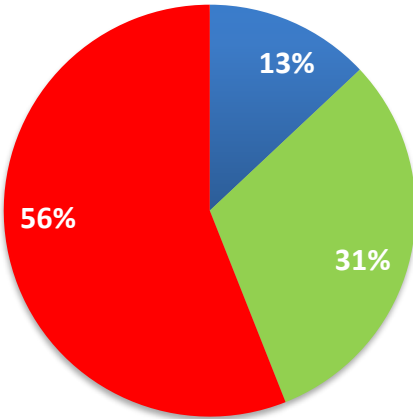
**DECEMBER 2024**



■ Better than last year      ■ Same as last year  
■ Not as good as last year

Base: 26

**JANUARY 2025**

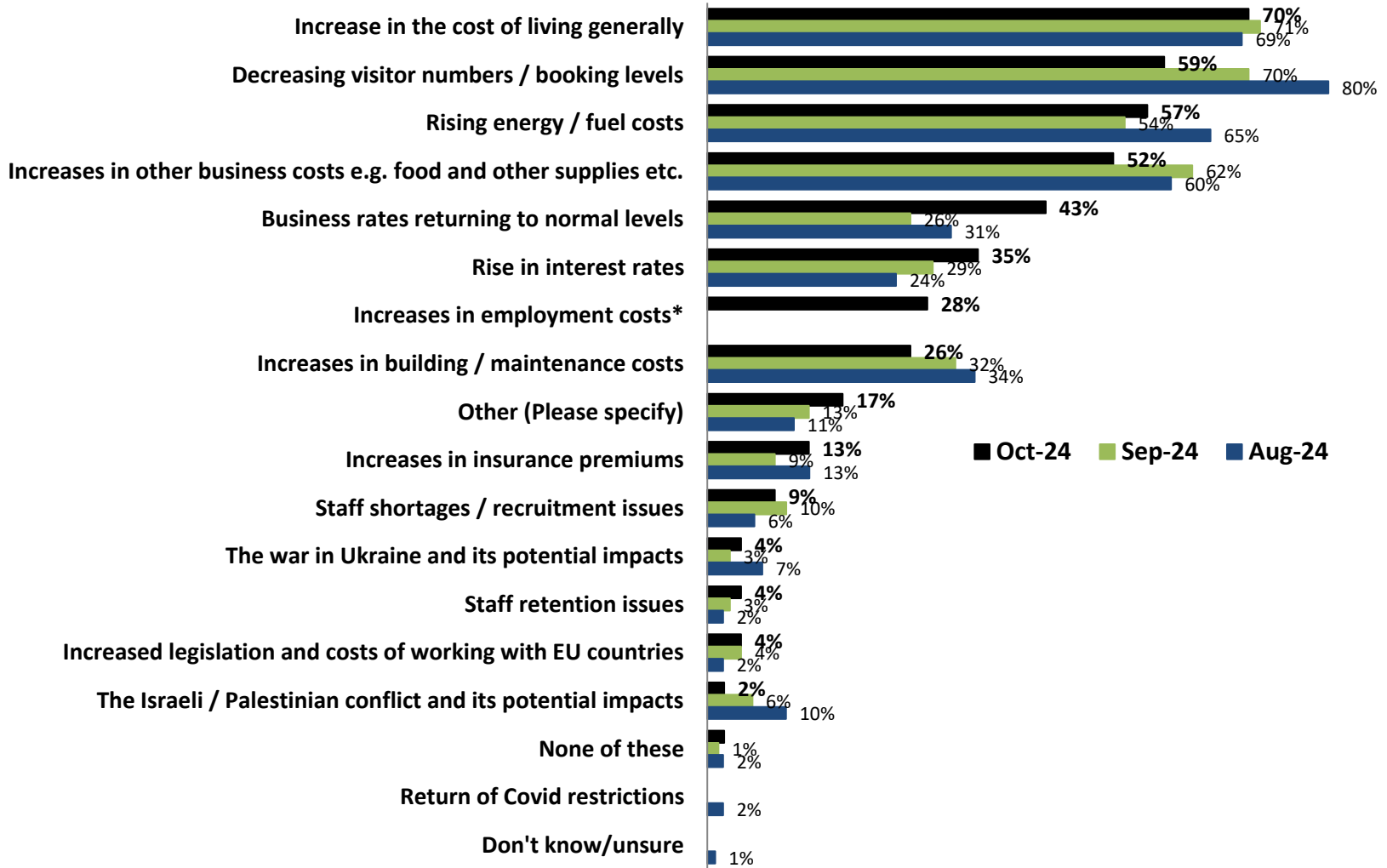


■ Better than last year      ■ Same as last year  
■ Not as good as last year

Base: 16

# Top 5 business concerns (pre-defined list)

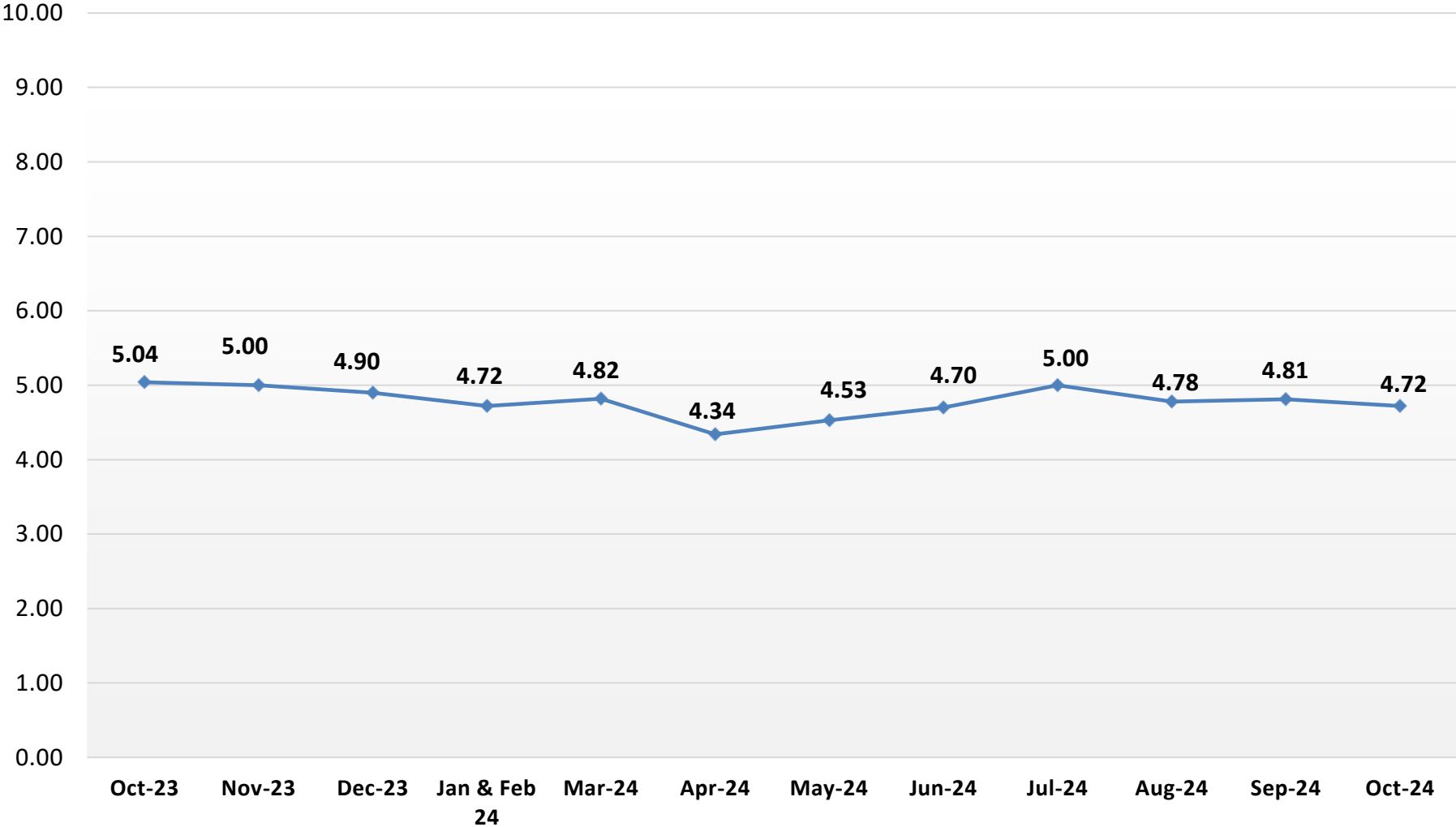
## TOP 5 MOST CONCERNING FACTORS FOR BUSINESSES IN THE COMING MONTHS



\* Asked for the first time during the October 2024 survey

# Business optimism

BUSINESS OPTIMISM (MAXIMUM SCORE OF 10)



## Key results – Sample of other comments on impacts

Just hoping 2025 is a better year, can't be much worse.

The effect of the budget on SME's is a potential disaster which may well affect jobs and yields going forwards.

Keen to develop the business. Unfortunately, held up by planning. With the new tax regime and lack of Business Relief on passing down the business to the next generation, one has to question if it is worth the stress and loss of time - especially when one sees the decline in the surrounding area.

With visitor numbers dropping it is becoming less likely that we continue with the business.

October's visitors numbers were a little better than last year but as rates were lower we took in no extra money and when costs are taken into account we were actually worse off. The budget dealt ever more hammer blows to us and our business rates have now effectively doubled.

Other costs are rising relentlessly too - our booking system software has cost as an extra £500 this year.

The recent Budget is big blow. The rise in employer NI rates, the lowering of the start point for employer NI, and the decrease in business rates relief will hurt us in several ways. It will cause the reduction in pay rises, a reduction in jobs available, and a reduction in investment. Our business is a price sensitive and discretionary one - unlike food or insurance or tech businesses, we cannot pass on price rises without experiencing a volume drop. With employment costs being our largest cost, utilities still high, and business rates increasing, we have no choice but to reduce payroll and investment. The Budget has in effect killed off our ability to invest for growth.

We feel the damage in our business this year was due mainly to the water problem and negative advertising Brixham received.

October (and the winter generally) turned out a bit better than expected, albeit at the cost of reducing prices. Cautiously optimistic about the coming year but aware that the tax and other business cost rises in the budget are likely to reduce economic growth, increase job losses and reduce disposable income, with attendant knock-on effects on discretionary spending such as on holidays.

The recent budget will significantly hit profitability and will require us to review employment prospects going forward. There will also be a knock on effect with supplier prices increasing.

The government are in grave danger of creating an economic and social desert in rural/resort areas throughout the country.

Most guests complain about anti social behaviour, the decline of the town. Smaller businesses can't compete with larger hotels and their deals. Costs are sky high. It seems more than usual smaller guest houses etc are selling up. Many owners are having to take second jobs. Not enough attractions to amuse people in the winter months not worth staying open as it costs more to heat buildings and negative profit.

# ERBID How's Business Survey

October 2024

