Larking Gowen

Tourism Business Survey



East Anglia sector Insights

Summer 2026

Larking Gowen

Chartered Accountants & Business Advisors

Introduction

How did East Anglia's tourism businesses fare this summer? Larking Gowen produced a mini summer survey which reveals an encouraging but mixed picture. Among respondents, 43% reported increased turnover and 43% saw profits rise, although around a third experienced declines in each. Visitor numbers were more evenly balanced, while rising costs, late bookings and pressure on customer spending continued to create challenges. With confidence for the rest of the year cautious, this report explores the findings and the priorities for tourism, leisure and hospitality businesses as they look towards 2027.



43% turnover increased



43% profits increased

Respondents and reach

The survey reflects a broad mix of businesses, with attractions, self-catering operators and museums, historic buildings and arts organisations particularly well represented. Responses were split broadly 60:40 between Norfolk and Suffolk, although some organisations operate across a wider area.

Smaller organisations formed the core of the sample: around one-third had no employees and 40% employed between one and ten people. This matters when interpreting the results. Smaller operators often have less capacity to absorb cost increases, manage sudden shifts in demand or invest ahead of the season.

Summer trading performance

Measure	Improved	Declined
Turnover	43%	33%
Visitor numbers	37%	34%
Profitability	43%	33%

Summer trading was positive at headline level. More businesses reported growth than decline in both turnover and profitability, and the most common response was a moderate increase. Visitor numbers were less decisive, with improvement and decline almost evenly balanced.

What this tells us

Businesses appear to have generated more value from a broadly flat visitor market. That may reflect pricing, better conversion, stronger secondary spend or a more profitable mix of activity. However, without a clear rise in visitor volumes, growth remains vulnerable to cost pressure and changes in consumer confidence.

Larking Gowen tourism team view

These results feel encouraging, but they should not be read as evidence that the sector has moved beyond its challenges.

Growth in turnover and profit without a clear rise in visitor numbers suggests that businesses are working harder to extract value from each visit. The next test will be whether those gains can be sustained once seasonal demand eases.

Confidence for the rest of 2026

Expectations for full-year profitability were more cautious: 39% anticipated a moderate increase, while 37% expected profits to fall. Half of respondents described their outlook as neutral; 29% were positive and 21% negative. A good summer may have steadied the year for some businesses, but confidence has not yet translated into a strong expectation of sustained growth.

Costs, demand and resilience

Rising costs were the clearest recurring concern. Respondents highlighted VAT, PAYE, food inflation, National Insurance, minimum wage increases, business rates, oil prices, refurbishment, maintenance and general operating costs. These pressures are being compounded by a cost-of-living squeeze that is reducing customer confidence and discretionary spend.

- *Fewer visitors, weaker secondary spend and reduced town-centre activity are affecting demand.*
- *Late bookings make staffing, purchasing and cash-flow planning more difficult.*
- *Recruitment, winter retention and volunteer availability remain challenging.*
- *Road closures, infrastructure works, parking constraints and changing visitor patterns are creating additional local pressures.*

Sector response

Businesses are not standing still. Respondents described a mix of diversification, more active marketing and tighter staffing. The challenge is to protect service quality and long-term capacity while making short-term cost decisions.

Larking Gowen tourism team view

Cost control remains essential, but there is a limit to how far businesses can reduce staffing or investment without affecting the visitor experience. In our view, the strongest operators will be those that combine disciplined financial management with selective investment in the parts of their offer that customers value most.





Staffing

Most employers kept staffing numbers unchanged. However, around 21% reduced their workforce, roughly twice the proportion that increased it. This points to cautious workforce planning and suggests that some businesses are managing pressure through capacity reductions rather than expansion.

Weather: a mixed but valuable summer

The weather helped slightly more businesses than it hindered, but the overall effect was finely balanced. Outdoor and weather-sensitive operators benefited from favourable conditions, while some museums, historic buildings and arts organisations may not have shared equally in that uplift. This mix may make the sector-wide results look weaker than the experience of more traditional seasonal tourism businesses.

Looking ahead, 28% believed the 2026 weather would benefit 2027, rising to 38% when "don't know" responses are excluded. Most others expected no effect, while only 10% anticipated a negative impact. A positive visitor experience in 2026 may therefore create an opportunity for repeat visits, advance marketing and stronger early-season bookings next year.

36% positive impact

32% negative impact

28% expect a positive 2027 effect

Larking Gowen tourism team view

A favourable summer is an opportunity rather than a guarantee. Businesses that maintain contact with visitors, encourage repeat bookings and collaborate on destination marketing will be better placed to convert a positive 2026 experience into demand for 2027.

VAT saving scheme

Results based on eligible respondents	
Partly passed saving to customers	50%
Retained the saving	40%
Passed it on in full	10%
Want the scheme extended	70% of eligible respondents

Not all of those surveyed were eligible for the Great British Summer Savings Scheme, but the benefit was reasonable for those able to use it: half reported a moderate positive financial impact. Customer demand was largely unchanged, with 90% seeing no difference, unsurprising when only one in ten eligible businesses passed the saving on in full. The findings suggest the scheme functioned primarily as a margin-support measure rather than a demand stimulus.

Larking Gowen tourism team view

The scheme appears to have provided useful breathing space rather than prompting a surge in demand. That distinction is important: for many tourism and hospitality businesses, targeted VAT support is not simply about lowering prices, but about preserving viable margins, employment and the capacity to reinvest. What we really need is a long-term solution.

"It is clear that seasonal hospitality businesses need VAT to be cut long term in order to stay profitable."

"VAT creates an uneven playing field: large businesses have spending power to reduce costs, small ones are exempt, and those in the middle suffer."



Summary and priorities

Summer 2026 delivered a measure of resilience. Turnover and profitability improved for more businesses than they declined, and sentiment for the remainder of the year leaned slightly positive. Yet the sector remains finely balanced: visitor growth was modest, full-year profit expectations were cautious and many operators continue to face escalating costs, late bookings and weaker discretionary spend.

Priorities for businesses

- **Convert summer goodwill into repeat business**
  Capture visitor data, promote return visits and begin 2027 campaigns early.
- **Protect margins**
  Understand profitability by product, event and channel rather than focusing on turnover alone.
- **Plan for late demand**
  Use flexible staffing, targeted offers and clear booking incentives without unnecessary discounting.
- **Collaborate locally**
  Joint campaigns and cross-promotion can extend reach and strengthen the overall destination offer.
- **Keep making the case for reform**
  The VAT findings show that targeted support can protect viability, particularly for seasonal and mid-sized operators.

Turn insight into action

Now is the time to review what the summer results mean for your business and build a clear plan for 2027. Speak to Larking Gowen's specialist tourism, leisure and hospitality team to assess your performance, identify pressure points and decide where action will have the greatest impact.

Where Larking Gowen can help

We can help you understand profitability and cash flow, model the effect of rising costs and tax changes, review pricing and business structure, plan investment and funding, and turn management information into practical decisions. We also use our sector insight to support benchmarking, succession and growth planning, and to ensure the voice of tourism businesses is heard in wider policy discussions.

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Together, the sector has a stronger voice!

Confidentially sharing evidence, practical responses and visitor insight will be vital to turning a resilient summer into sustainable growth.

For more insights from our experts and business leaders - search Tourism Buiness Chat wherever you get your podcasts, or watch on the Larking Gowen YouTube channel.



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