

Report to	<b>Policy &amp; Resources Committee</b>
Date	<b>23 November 2023</b>
By	<b>Head of Governance</b>
Title of Report	<b>Q2 South Downs Commercial Operations Limited Performance Report 2023/24</b>

**Note**

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**Recommendation: The Committee is recommended to:**

- I. Receive and consider the Q2 South Downs Commercial Operations Limited (SDCOL) performance report 2023/24.**
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**I. Introduction**

I.1 The SDNPA considers it important as a publicly accountable body, to monitor its performance. The Policy and Resources Committee has terms of reference which include “To monitor and review the performance including financial performance of South Downs Commercial Operations Limited in the context of its business delivery against the agreed operating agreement and annual business plan and make recommendations to the NPA as appropriate.

I.2 Whilst this report calls on the committee to consider the content of the SDCO performance report, the terms of reference for the committee include considering if the committee wishes to make any recommendations arising from its consideration of the report. Any such recommendations would be subject to a vote at the committee meeting.

I.3 The purpose of this report is to update the Policy & Resources Committee on the performance of South Downs Commercial Operations Limited during Quarter 2 (Q2) of 2023/24: 01 July to 30 September 2023. This report contains an update on SDCOL’s performance against the KPIs (**Appendix I**), which were approved by the Authority alongside SDCOL’s business plan, and an update on SDCOL’s financial performance during this period.

**2. Update on performance against KPIs**

2.1 SDCOL is generally performing well against each of the KPIs, as set out in **Appendix I that** we are able to report on at this point in the year. These include the following highlights:

- Significant grazing has been undertaken on site to improve the condition of the habitats.
- The mobility scooters have seen greater use over this quarter.
- The site also continues to support free activities for priority audiences with a number of different groups and SDCOL has already exceeded its KPI target in this area.
- A significant amount of the good sold onsite continue to be from local suppliers.

- The average spend per head in the Visitor Centre continues to exceed the KPI target by more than 20%.
- 2.2 SDCOL’s ability to deliver “a night under the stars” and overnight stays are dependent on the opening of the Camping Barn and site, which are projected to open for Q1 2024-25, and Foxholes Cottages which are projected to open for Q3 2023-24.
- 3. Update on financial performance as at Month 6 – September 2023**
- 3.1 Sales in the Visitor Centre are exceeding expectations and are currently delivering £16k above projected income. Food Outlets are currently £4k behind projected income. Both areas heavily utilise casual staff. SDCOL is aiming to reduce the reliance on such staff with a short-term contract being utilised more. This should increase reliability of opening, increase knowledge and commitment to the site and ultimately drive greater income with similar overheads.
- 3.2 Income from Filming and Corporate Volunteering continue to be successful, with Corporate Volunteering in demand and one filming event bringing in £24k
- 3.3 Car Parking continues to be the major source of income for SDCOL. Although costs are exceeding the original forecast, the income continues to be strong with a 50p increase in ticket prices having been brought in on 17 August 2023 after successful negotiation by the Company with ESCC.
- 3.4 Work on a Dew Pond on site has been completed with the assistance of funding from the South Downs National Park Trust and Sussex Wildlife Trust. SDCOL are also currently undertaking surveys in support of a Countryside Stewardship (CS) Agreement and staff are working with Natural England towards agreeing a CS which will maximise ReNature benefits whilst being affordable and deliverable.
- 3.5 SDCOL budgeted for a loss in the 2023-24 financial year of £63k with a target to break even in 2024-25. The year-to-date deficit is £45k, against a forecast deficit of £33k. This is driving SDCOL to make efforts to manage costs, particularly overheads and increase income through a review of goods offered and their mark-up in the Visitor Centre and Grab and Go.
- 3.6 No income has been forthcoming from Foxholes Cottages or the Camping Barn or Camping Site in the year to date. A revised timeline has been agreed for the phased delivery of the 3 cottages at Foxholes; with the first coming on-line at the end of November 2023 and the other two cottages coming on-line by Easter 2024. The Camping Barn, which requires energy efficiency works that will reduce operational costs, will be undergoing refurbishment over the winter months, in readiness for the camping season from end of March 2024. SDCOL will be drawing on £30k of the agreed loan facility with the SDNPA to support the refurbishment of the cottages and a repayment mechanism has been agreed between SDCOL and the Authority.
- 3.7 Following the taxation advice, SDCOL has been monitoring its cash flow to bring its payments to SDNPA up to date and SDCOL has now moved to monthly VAT reporting to HMRC to support clearer accounting with benefits for the Company’s cash flow.
- 4. Update on other matters**
- 4.1 It is encouraging to know that SDCOL has recruited a second external Director to the Company Board with significant local knowledge and commercial experience and expertise in the holiday accommodation sector. It should also be noted the new Commercial and Strategic Manager started in late September and is making a real difference in the short time she has been in post.
- 5. Other implications**

Implication	Yes*/No
Will further decisions be required by another	No further decisions are required as a direct result of this report.

<b>Implication</b>	<b>Yes*/No</b>
committee/full authority?	
Does the proposal raise any Resource implications?	There are no direct resource implications to this report, as the recommendations are to receive and consider only.
How does the proposal represent Value for Money?	As SDCOL is a Teckal company managing SSCP for the SDNPA, it is important that Members consider the performance of the Company against the KPIs to ensure the Authority's assets are being effectively managed.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	SSCP supports delivery of the majority of outcomes in the PMP and is a key area of work in the Corporate Plan contributing to the higher level targets.
Links to other projects or partner organisations	The important relationship to note for this report is the relationship between the SDNPA and SDCOL. SDCOL being a Teckal Company is contracted to run SSCP.
How does this decision contribute to the Authority's climate change objectives	The Authority's climate change ambition at SSCP is to lead by example through how it's working practices and how it operates at and manages SSCP. The report covers some climate action measures
Are there any Social Value implications arising from the proposal?	None
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes – SSCP being a site attracting a large number of visitors significant works have been undertaken on site to ensure equality of opportunity as far as possible for visitors.
Are there any Human Rights implications arising from the proposal?	None
Are there any Crime & Disorder implications arising from the proposal?	None
Are there any Health & Safety implications arising from the proposal?	Whilst there are many H&S considerations at SSCP, there are no implications directly arising from this performance report.
Are there any Data Protection implications?	None

## **6. Risks Associated with the Proposed Decision**

- 6.1 There are no direct risks associated with this performance report. Risks to the SDNPA and SDCOL are monitored on their various risk registers, including on the Corporate Risk Register which is overseen by the P&R Committee. However, it should be noted that the good performance of SDCOL is important to ensure SSCP can fulfil its potential both for nature and visitors.

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Appendices	I. Q2 2023-24 SSCP KPI
SDNPA Consultees	Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Performance & Project Manager; Project Management Lead
External Consultees	None
Background Documents	None

SSCP KPI 2023/24							
Key Performance Indicator	Key data	Lead Officer	Annual Target	Year to date progress at current Q	Commentary at current Q	RAG	Next steps and/or potential risks
<b>People Indicators</b>							
Rating of Visitor Centre Experience (staff knowledgeable and welcoming, interesting interpretation and retail, etc.)	Data taken from SSCP Annual Visitor Survey and Visit England accreditation	Claire Onslow	75%	Annual only	Visit England accreditation visit due September 2023		
Rating of cleanliness, including toilets			TBC				
Rating of catering offers on site			TBC				
Rating of wider park, landscape and things to do.			TBC				
<b>Nature Recovery Indicators</b>							
Total number of and extent of sites within SSCP where SDNPA activity is contributing towards favourable condition of the habitats.	Annual delivery plan and PA2 survey	Sam Cordery/Lawrence Leather	65.37 ha Chalk Grassland 52 ha Grazing Marsh 101 ha Semi Improved Grassland		60Ha of Chalk Grassland grazed. 24.4Ha of Grazing marsh grazed. 79.2Ha of Semi Improved grazed.		
Number and performance of species recovery programmes developed for delivery from 2023	Target to be developed on announcement of SDNPA Priority Species and Natural England Species Recovery Targets as well as the SSCP PA1 survey to map rare plants including Wall Germander	Sam Cordery/Lawrence Leather	Awaiting PA2 baseline mapping survey in 23/24		3 Studies now received: Sward Enhancement, Rare Plants and Wetland enhancment. These highlight recommendations for enchancement of priority habitats over next 5 years.		
<b>Climate Action Indicators</b>							
Progress towards SSCP becoming net-zero	SSCP carbon emission baseline to be calculated and a target (to be agreed) for reduction	Kate Miles	Baseline to be established in 23/24				
<b>A National Park for All Indicators</b>							
Number of completed sessions facilitated by mobility equipment	Data to be recorded as part of Corporate Plan reporting Process	Richard Ayres	104	66	So far we have had 46 bookings for the mobility scooters. These are both regulars and 'one off' users		
Metres of new and/or improved accessible path	Data to be recorded as part of Corporate Plan reporting Process	Sam Cordery/Lawrence Leather	Maintained 21.4m Created 0m Improved/restored 0m				
Number of children experiencing a "night under the stars" at SSCP	Data from booking system - camping bookings	Richard Ayres	Baseline to be established in 23/24		Camping site not currently open. Working to open for Q1 23/24		
Number of completed venue bookings specifically to support free activities targeting priority audiences	Data from booking system	Richard Ayres	10	18	Ongoing agreement with escc careers and sussex wildlife trust., Monty Larking Talk, trail		As entering the winter period, the site will see a decline in visitors due to weather. It is also a struggle to use the Pump Barn in winter as it gets too cold
Number of SDNPA events hosted at SSCP		Richard Ayres	25	12	Workshops, events, trails, talks, presentations		
Increase in the diversity of SSCP visitors	Evidenced in the SSCP Visitor Survey. Baseline to be established in 23/24	Richard Ayres	Baseline to be established in 23/24		SSCP 2023 Survey report due in Q3		
<b>Finance Indicators</b>							
SSCP to stay within 10% of the financial projection for 2023/24 as defined in the Business Plan		Claire Onslow	< 10% variance under financial projection				
<b>Place Making Indicators</b>							
Percentage of goods sold by Company originating from local suppliers.	Data taken from supplier list on Clover	Richard Ayres	60%	87.00%	percentage recorded in May23.		
Average spend in the shops per head	Data taken from sales system	Richard Ayres	£1	£1.22	Based on vc figures. G&G not recorded currently		
Overall contribution to local economy from visitors	Derived from SSCP visitor survey questions on length of stay in area	n/a	Baseline to be established in 23/24				
Percentage of overnight guests providing satisfactory feedback (rating of 3/5 or above )	Accomodation Booking system	Richard Ayres	90%		No overnight guests in Q1. Working to open for Q3		

