

Report to	Policy & Resources Committee
Date	19 September 2024
By	Head of Governance
Title of Report	Q1 South Downs Commercial Operations Limited Performance Report 2024/25

Note

Recommendation:

The Committee is recommended to receive and consider the Q1 South Downs Commercial Operations Limited (SDCOL) performance report 2024/25.

1. Introduction

- 1.1 The SDNPA considers it important as a publicly accountable body, to monitor its performance. The Policy and Resources (P&R) Committee has terms of reference which include “To monitor and review the performance including financial performance of South Downs Commercial Operations Limited (SDCOL) in the context of its business delivery against the agreed operating agreement and annual business plan and make recommendations to the NPA as appropriate”.
- 1.2 Whilst this report calls on the committee to consider the content of the SDCOL 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.
- 1.3 At the Authority meeting on 9 July 2024, the Authority decided to bring the management of Seven Sisters Country Park (SSCP) within the Authority and the Operating Agreement with SDCOL will terminate on 9 October 2024. Until the transfer of management, the P&R Committee will continue to monitor and review the performance of SDCOL, following which the P&R Committee will monitor and review the performance of SSCP as an aspect of the performance of the Authority.
- 1.4 The purpose of this report is to update the P&R Committee on the performance of South Downs Commercial Operations Limited during Quarter 1 (Q1) of 2024/25: 1 April to 30 June 2024. This report contains an update on SDCOL’s performance against the KPIs (**Appendix I**), which were approved by the Authority on 11 July 2023, and an update on SDCOL’s financial performance during this period.

2. Update on performance against KPIs

- 2.1 At Q1 SDCOL has performed well against the majority 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:
 - Successful seasonal grazing has continued at SSCP with a mixture of livestock, and it was evident in Q1 that winter grazing had contributed to the landscape conservation

ambitions with evidence of cowslips and anthills in abundance in areas which had been rested since the land was acquired.

- Other actions as part of the Countryside Stewardship included scrub and bramble clearance, which provided corporate and youth action day volunteering opportunities; protection and shelters installed at the vegetated shingle to encourage nesting and mitigate further damage from human and dog interference; and the repair of the lagoon sluice gate to improve the management of water levels in that area of the valley and pond surveys undertaken to monitor the diversity in the dew ponds restored last year.
- 31 mobility scooters hires were recorded and due to continued unseasonal weather in April and May, demand for hire was not as high as it could be with better weather.
- 10 events took place in Q1 including private hire and in house events. These included themed talks, art exhibition and art workshops. The 2024/25 events programme will include trial trails to see what audiences are attracted to at SSCP during the different seasons. During May half term a free, self-led seashore safari proved popular to engage with families and young people.
- Average spend per head in the Visitor Centre continues to perform over target, despite the impact of adverse weather. Spend per head can only be tracked in the Visitor Centre and it should be noted that not all visitors will make a purchase alongside the free information service.

2.2 SDCOL's ability to deliver "a night under the stars" and overnight stays were always dependent on the opening of Foxholes Cottages, the Camping Barn and campsite. The accommodation management contract was enacted on 1 May with Cuckmere Cottages and Camping with an operational handover and launch of all cottages to the market by June. The complexities of the site and unique offer of the accommodation have provided some operational challenges that were embedded in Q1. More detailed performance data will be available in Q2.

2.3 The Camping Barn and Field launched for group bookings only in Q1 with 13 bookings from Duke of Edinburgh, education and home school groups booking 1 – 5 nights. A particular highlight was a 2-week booking by The Garden Classroom, bringing two year 6, inner city London groups to the park for their first engagement with a landscape and the beach. Bookings for Q2 are also looking positive.

3. Update on financial performance as at end of year

3.1 At the end of Q1 the Company shows a favourable financial position of £13.7k. Income has exceeded projections by £27.9k with cost of sales broadly as expected.

3.2 Sales in the Visitor Centre have exceeded expectations over Q1 by nearly £11k above projected income. Car Parking continues to be the most significant source of income for SDCOL and in Q1 was nearly £2k above projections despite reduced car parking capacity due to the sewage treatment system works. Income from Food Outlets were broadly on target. The Camping Barn and holiday cottages have also brought in an additional nearly £12k.

3.3 This represents a positive start to the year. Income at the site will continue to be weather dependant and, as evidenced in previous years, can vary significantly from month to month. It should be noted that a number of budget lines currently have no spend recorded against budget which is not expected to continue and is likely to show in the Q2 financial position.

3.4 Foxholes Cottages and the Camping Barn have been handed over to the specialist management company to run and SDCOL have been working closely with them to ensure a smooth change over. Visitor feedback so far has been overwhelmingly positive.

4. Update on other matters

4.1 The installation of the new sewage treatment system at SSCP, whilst bringing a number of important benefits to the site, has reduced the car parking capacity at the site by approx. 25%. The impacts have mainly been felt on busy days resulting in reduced income and the car

park reaching capacity earlier than usual therefore exacerbating some of the parking issues in the local area.

- 4.2 Following the Authority’s decision at its meeting on 9 July 2024 to bring the management of SSCP within the Authority, SDCOL has been working closely with the Authority to ensure a smooth transition and to put the necessary arrangements in place for contracts currently held by SDCOL.

5. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No further decisions are required as a direct result of this report.
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 until 9 October 2024.
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 – SDCOL is required to deliver in line with the Authority’s equality duty. With 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.

Implication	Yes*/No
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. Also, as SDNPA is the sole shareholder of the Company, the financial performance of the Company ultimately impacts the SDNPA's financial position.

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Appendices	I. QI 2024-25 SSCP KPI
SDNPA Consultees	Chief Executive; Director of Planning; Chief Finance Officer; Monitoring Officer.
External Consultees	None
Background Documents	None