

**REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES AND  
CULTURE****NATIONAL WATER SPORTS CENTRE PROGRESS REPORT****Purpose of the Report**

1. To provide Members with an update on the National Water Sports Centre management and development contract.

**Information and Advice****Background**

2. In September 2011 the County Council agreed for the management and operation of the National Water Sports Centre (NWSC) to be outsourced to a third party provider. Following a detailed procurement process a preferred operator was selected to operate the Centre for 21 years. This was reported to and agreed by Policy Committee on 16 January 2013.
3. The successful bidder, Serco Leisure, acting as the managing agent for a newly formed leisure trust, Holme Pierrepont Leisure Trust (HPLT), started onsite on 1 April 2013. A significant amount of service transfer work was undertaken between the award date in January and the “go live” date of 1 April and it was down to the professionalism and diligence of staff involved that the process was in the main seamless.
4. The vision for the NWSC going forward and what the bidders were asked to support the Council in achieving was ***‘To be an accessible, high quality family activity and sporting centre with an adventurous flavour set in stunning green space’***. Bidders were also tasked with supporting the Council’s ambition to reduce annual operating costs and to partner the Council in funding much needed capital investments on site.
5. Monthly contract meetings are held to ensure compliance with the contract and its performance specifications; a separate works procurement agreement is in place to monitor progress on a schedule of agreed capital works at the Centre. Monthly contract payments are made a month in arrears, and are subject to non-compliance penalty clauses.

**Progress on Capital Investment**

6. The successful bid included a £6.7m capital investment programme which included within it a request for a £1.6million contribution from the County Council. This

funding was agreed and is accounted for in the Council's capital programme. The balance of £5.1 million (£2.85 million in year 1) is being provided by Serco Leisure (directly) and Sport England through a grant award of £886,000; all funding is secured. The funding will deliver the following improvements and new developments. They include;

- refurbishment of all on site residential accommodation
- refurbishment of main building including reception, offices, café, bar, toilets, community and performance gyms
- new camping pods and log cabins
- creation of a new 'Sky Trail' family adventure course, and an adjacent 'Family Zone' to include a new catering offer.
- E-Combat course (already open)
- creation of hire facilities (inc. Bicycles and Segways)
- creating new drying rooms for watersports customers

7. The targeted completion date for all of the above is April 2014. The E-Combat Course and the hire facility attractions have already been delivered and are operational. Planning applications are being progressed via Rushcliffe Borough Council. Members will receive a short presentation on the capital developments at the Centre, at the meeting, from a representative from Serco Leisure.

### **Update on Centre Operations**

8. The new contract has been operating for five months and has started well. County Council staff that transferred to the new organisation have reported positively about working for their new organisation and have responded well to the change. There has been a concentrated effort in the first three months of operation on the introduction of new operating systems and it is pleasing to report that these are bedding in well. Although there is very little visible change on site currently the majority of capital works are planned for late autumn so we expect to see a major transformation by April 2014. New site signage is under development to support the new offer and this will establish a fresh identity aimed at driving commercial activity.
9. Usage numbers from April to August have increased on a like for like basis from the same period in 2012. The good spell of dry weather has been very positive for the Centre with no events cancelled and almost a full season of activity. The following examples are indicative of the increased usage.
- White Water Course usage – up 43%
  - Rafting – up 122%
  - Catering – up 31%.
10. In the first three months of operation the Centre received nine minor complaints and 43 positive compliments relating to the operation of the NWSC.

### **Revenue budget implications**

11. In addition to the £1.6m capital contribution the Council is committed to an annual revenue contribution that averages out at £201,000 per year over the life of the contract. This payment will continue until the end of the contract in 2034, and is subject to indexation. The Council has also negotiated a surplus profit share

position which results in a three way split of profits should the NWSC's financial performance significantly exceed the business plan forecasts assumed by Serco as part of its bid. This will be shared between the Trust, Serco Leisure and the County Council.

12. As part of the contract the Council has retained ongoing responsibility for the funding of some aspects of the Centre's structural maintenance, on the basis that this represents better value for money for the Council than incorporating all maintenance costs within the contract sum (this would result in the contractor pricing for works that may not be required). To be prudent the Council has set up an annual budget of £150,000 that will be placed into a "sinking fund" each year to deal with any issues as and when they arise.
13. Over the life of the contract, it is anticipated that revenue savings of approximately £14million will accrue to the Council, when the annual contract costs are compared with the costs that would have been faced by the Council had it continued to operate the Centre on its previous basis. The anticipated savings identified will be used to help alleviate the budgetary pressures facing the Council over the medium term.

#### **Other Options Considered**

14. The report is for noting only.

#### **Reason/s for Recommendation/s**

15. The report is for noting only.

#### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of finance, public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

#### **RECOMMENDATION/S**

- 1) That the update on the National Water Sports Centre management and development contract be noted.

**Derek Highton**  
**Service Director, Youth, Families and Culture**

**For any enquiries about this report please contact:**

Steve Bradley  
Interim Group Manager, Country Parks and Green Estate  
T: 01623 821329  
E: [steve.bradley@nottsgov.uk](mailto:steve.bradley@nottsgov.uk)

### **Constitutional Comments**

17. As this report is for noting only, no Constitutional Comments are required.

### **Financial Comments (KLA 09/09/13)**

18. An update on the financial implications of the actions previously agreed is stated in paragraphs 11 to 13 above.

### **Background Papers and Published Documents**

National Water Sports Centre – future management arrangements – report to Policy Committee on 16 January 2013.

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

### **Electoral Division(s) and Member(s) Affected**

All.

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