

28th September 2022**Agenda Item:****REPORT OF SERVICE DIRECTOR, PLACE AND COMMUNITIES****HOLME PIERREPONT COUNTRY PARK AND THE NATIONAL WATER
SPORTS CENTRE - SUBCONTRACT TRUST MODEL****Purpose of the Report**

1. To seek approval to Serco Leisure Operating Limited (SLOL) sub-contracting with More Leisure Community Trust (MLCT) for the operation of Holme Pierrepont Country Park (HPCP) and the National Water Sports Centre (NWSC).

Information

2. The County Council entered into a Contract on 28 March 2013 with the not-for-profit Holme Pierrepont Leisure Trust (HPLT) for the operation of the HPCP and NWSC.
3. In September 2021, Communities Committee approved the voluntary ending of the arrangements with HPLT and a move to a Direct Agreement (DA) between NCC and SLOL to address a number of operational and viability concerns. The new arrangements came into effect on 01 April 2022.
4. The transfer to the DA with SLOL has been successful and has had minimal impact on site staff and users. The DA has made the operation of the site more efficient for SLOL and less time-consuming for NCC, with reporting and performance-monitoring, previously duplicated across NCC and HPLT, now consolidated in NCC-SLOL contract governance arrangements.
5. As reported to Communities Committee moving to a DA entailed a loss of the tax benefits associated with the previous trust arrangements. The full-year financial impact of the DA was forecast as a revenue budget pressure of circa. £200,000 for 2022/2023 financial year.
6. Committee also heard that the Council intended to explore new not-for-profit operating options to minimise the financial impact of the lost tax benefits on the site.
7. This report proposes therefore that NCC approves SLOL sub-contracting with More Leisure Community Trust (MLCT), for the operation of the HPCP and NWSC as allowed for in the contract to restore those financial benefits whilst retaining the benefits of the DA between the Council and SLOL.

More Leisure Community Trust (MLCT)

8. MLCT is an independent not-for-profit organisation that partners with SLOL to deliver leisure services across the country. Notable MLCT sites in Nottinghamshire include those at three leisure sites in Mansfield, Oak Tree Leisure Centre, Rebecca Adlington Swimming Centre and Water Meadows Swimming and Fitness Complex.
9. The proposed model for HPCP and the NWSC mirrors the operations in Mansfield and keeps SLOL at the 'head of the contract', with SLOL's subcontracting the day to day operations to MLCT.
10. As the Contract remains between NCC and SLOL, all contractual obligations are enforceable against SLOL. MLCT is the delivery agent for SLOL, however as a not-for-profit organisation MLCT is able to benefit from the same tax relief offered by the previous trust.
11. Under this new arrangement, site staff currently employed by SLOL would be transferred to MLCT. These staff would be protected by the application of the Transfer of Undertakings (Protection of Employment), or TUPE, regulations.
12. Full details of the TUPE arrangement and any Pensions implications, including any possible liabilities for NCC, will be considered and agreed by the Corporate Director, Place (or his nominee) through the normal contractual mechanisms.

Timescales

13. It is proposed that the transfer to MLCT takes place on 01 November 2022 or as soon as practical thereafter. This would require SLOL to commence the TUPE consultation no later than 30 days before the date of transfer of affected staff.

Financial Information

14. The original full-year revenue forecast for the impact of the move to the DA with SLOL, effective from 01 April 2022, was circa £200,000. NCC and SLOL have been working towards a 01 November 2022 deadline for the transfer to MLCT. This timescale was identified to minimise the ongoing financial liabilities associated with lost tax benefits and business rate relief.
15. The precise financial benefits of the new Trust arrangement are still being calculated and will be kept under review by NCC Commissioning and Finance Teams via regular finance monitoring meetings with SLOL. However, it is anticipated that the new Trust arrangement will restore the original tax benefit that was lost with the move to the DA.
16. The revised forecast DA financial impact, for the months 01 April-01 November, is circa. £179,000. This is to be paid to SLOL on top of monthly management fee payments (which total £150,000 per annum) and is being reported through normal Council budget monitoring arrangements. Additional costs may be incurred, should the DA go beyond 01 November.
17. Officers will maximise efforts to reduce spend in other areas of the Place Department budget to minimise any overspend associated with the DA.

Other Options Considered

18. NCC could choose to operate the site through the DA with SLOL without any new Trust model being established although this option would incur additional revenue costs because of a continued absence of VAT and Business Rate Relief, which the MCLT model would mitigate.

Reason/s for Recommendation/s

19. The recommendation would establish a more tax-efficient model for the operation of the site.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

21. The MLCT model would restore the financial benefits associated with VAT and business rate savings lost in the move to the DA.

Consultation

22. The change to the contract is effectively a SLOL change and is not subject to wider consultation as it is allowed for in the existing DA.

23. All staffing changes will be implemented following appropriate consultation.

Human Resources Implications

24. The affected staff will be subject to the appropriate TUPE procedures to be implemented by SLOL.

Implications for Residents

25. The change to the contract is effectively a SLOL change and is will not be “visible” to site users and residents.
26. Site signage will not be amended and will continue to carry the Nottinghamshire County Council and Serco branding.

Implications for Sustainability and the Environment

27. There are no sustainability or environmental impacts from the changes.

RECOMMENDATION/S

That the Cabinet Member:

- 1) Approves of SLOL subcontracting the operation of Holme Pierrepont Country Park and the National Water Sports Centre to More Leisure Community Trust as allowed for in the Direct Agreement between the Council and SLOL.

Derek Higton, Service Director, Place and Communities

Councillor John Cottee, Cabinet Member- Communities

For any enquiries about this report please contact: Mick Allen, Group Manager, Place Commissioning, mick.allen@nottsc.gov.uk, t: 0115 9774684

Constitutional Comments (LPW 07.09.2022)

28. The recommendations fall within the remit of the Cabinet Member, Communities, by virtue of their terms of reference

Financial Comments (RWK 22/09/2022)

29. The report sets out revised arrangements for the operation of Holme Pierrepont Country Park. The proposals will result in an estimated additional cost of £179,000. This cost will need to be met from within existing revenue budget allocations.

Background Papers and Published Documents

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.

- None

Electoral Division(s) and Member(s) Affected

- Radcliffe on Trent – Councillor Roger Upton