

**REPORT OF THE CHAIRMAN OF THE CULTURE COMMITTEE****NATIONAL WATER SPORTS CENTRE – FUTURE MANAGEMENT  
ARRANGEMENTS****Purpose of the Report**

1. To inform Policy Committee of the outcome of the procurement process to seek a partner to manage and develop the National Water Sports Centre.
2. To seek approval to enter into legal agreements with the successful bidder.
3. To seek approval for the Council's financial contribution towards the Centre as detailed in the **Exempt Appendix 2**.

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

4. The National Water Sports Centre is unique in the UK in that it has a mix of world-class water sports facilities alongside a country park and community facilities on a single site. The site is made up of the following elements:-
  - a 270 acre Country Park
  - a 2000m international standard regatta lake
  - a world class canoe slalom and rafting course
  - a 130 pitch camp site
  - a newly refurbished and extended ski tow
  - a 60 bed accommodation block (currently 1\*)
  - meeting and conference rooms
  - a range of catering facilities
  - a sports hall and fitness studio
  - a young people's adventure base.
5. This mix of facilities drives current business at the Centre, which can be summarised as follows:-
  - *general "pay and play" water based activities for groups and individuals. These include:*
    - *water skiing and knee boarding*
    - *commercial rafting*

- *support for the water based clubs that use the Centre's facilities for canoeing and rowing*
  - *hosting major sports events and elite training camps (including those organised by the National Governing Bodies hosted at the Centre as part of the Council's current grant agreement with Sport England)*
  - *managing the Centre's green space (entry to the site is free)*
  - *hosting meetings and conferences*
  - *providing camping and accommodation services*
  - *providing indoor sports and fitness services*
  - *delivering corporate team building events.*
6. The Centre's site is owned by the County Council. Members will recall that the County Council took back responsibility for the operational management of the site in April 2009. Prior to this, the Centre had been leased to Sport England with operational management provided by Leisure Connection.
7. When the County Council re-assumed operational responsibility for the Centre, it negotiated a legally binding settlement agreement with Sport England for the period to April 2021. This provided for:-
- *an annual revenue contribution of £500,000 from Sport England for 4 years towards the running of the Centre (this element of the agreement expires on 31 March 2013)*
  - *the offer of a capital contribution to developments on site if and when plans were put forward.*
8. In return, Sport England required a number of "sporting outcomes" to be achieved, including;
- *the development of a wide range of activities for the general public to take part in*
  - *ensuring that the Centre remained open and that reasonable efforts to make it thrive be undertaken*
  - *the promotion of community sport on a sustainable basis, and the development of effective talent pathways*
  - *the maintenance of elite usage for competition and training*
  - *the promotion of the Centre throughout the UK as a centre of excellence accessible to all*
  - *the proper maintenance of the facility*
  - *the provision of a world class environment for athletes to excel in competition and training – preserving and developing the site for national and international events.*
9. In discussions with officers, Sport England has confirmed that it will not consider extending its revenue support for the Centre beyond 2012/13.
10. In the 2011/12 financial year, the net revenue cost of the Centre to the County Council was approximately £550,000; this figure is made up of £350,000 running costs and £200,000 lifecycle maintenance costs. Without the Sport England revenue contribution, the net revenue cost would have been £1,050,000. In view of the revenue cost of the Centre (and the anticipated increase in this to the County Council from 2013 onwards) it is clear that the current business and operational model employed at the Centre is not sustainable in the medium or long term.

11. These issues were considered by Cabinet in September 2011, when it was agreed to seek an external partner to manage, develop and operate the Centre, within the context of an agreed vision for its development. This is set out below:
- “To be an accessible, high quality family activity and sporting centre with an adventurous flavour set in stunning green space”***
12. Alongside this, Council agreed clear service delivery expectations for the Centre, including the maintenance and development of:
- *water based activities including rowing, a white water course, and water skiing at both recreational and elite user levels*
  - *good quality, cost effective and appropriate customer facilities, including a properly equipped campsite and cost effective catering and accommodation offers*
  - *additional income generating family focused facilities*
  - *a country park experience for local people*
  - *the continuation of high profile local, national and international events at the Centre.*
13. The Council's brief for bidders for the replacement centre/attraction also required them to develop proposals that would:
- *see the continuing operation, at the current site, of high quality leisure provision for local community and elite use; this includes the maintenance of the core water based provision at the Centre*
  - *see the Council retaining overall ownership of the Centre site, but with management undertaken by an organisation able to manage the Centre effectively and sustainably*
  - *See the Centre's site be retained and promoted as a community open/green space with free access*
  - *result in a sustainable long term operational model*
  - *move towards revenue cost neutrality for the Council*

## **The Procurement Process**

14. An EU Competitive Dialogue procurement process was followed. This was considered to be the best process to be followed as it gave a high degree of flexibility to potential operators within the context of the Council's ambition for the Centre.
15. The tender process had four distinct stages:
- Pre-qualification (five companies submitted pre-qualification questionnaires)
  - Invitation to Submit Outline Solutions (five companies submitted outline solutions and three were shortlisted to the next stage)
  - Invitation to Submit Detailed Solutions (two companies submitted detailed solutions)
  - Invitation to Submit Final Tenders (two companies submitted Final Tenders).

16. The bids were evaluated by a multi-disciplinary officer panel according to three broad criteria as shown below:

Technical	15%
Services	30%
Commercial	55%
<b>Total</b>	<b>100%</b>

### Outcome of Evaluation

17. For the purposes of this report, the two bidders are referred to as Bidder A and Bidder B. The moderated scores for both bids are contained in the **Exempt Appendices 1a and 1b**, along with further information about each bid.
18. It is recommended that the contract be awarded to Bidder A on the basis of the moderated scores.
19. Both bidders shall be informed of the outcome of the procurement and given feedback in accordance with the requirements and obligations of EU public procurement rules.
20. The award will be subject to successful clarification/fine-tuning of any outstanding issues in the contract documentation to be addressed by the Council with Bidder A. The contract documentation will not be subject to re-negotiation. Any amendments to be made to the contract documentation will be a matter of fine-tuning.
21. On successful completion of the clarification/fine-tuning stage, the Council and the winning bidder will complete the contract.
22. Should it not be possible to conclude these outstanding points, then the Council may consider re-engaging with the unsuccessful bidder. The Council also reserves the right not to award the contract to any bidder. In this case, this will be reported back to the Policy Committee for further consideration and approval.

### Other Options Considered

23. Four options were presented to Cabinet in September 2011 prior to the commencement of the procurement process. These are outlined below:
- Option 1: Seek an operating partner to manage and operate the Centre on the Council's behalf, with partner selection undertaken through a "competitive dialogue" procurement process. The cost of the required capital works would ideally be shared by the Council and its partner
  - Option 2: The Council puts in the required capital investment and continues to manage and operate the Centre directly (or via a locally established Trust)
  - Option 3: The Council puts in the required capital investment and completes the required works before procuring a partner to manage and operate the Centre on its behalf
  - Option 4: The Council continues to manage the Centre as at present, with no significant additional capital investment.

24. Option 1 was selected on the basis that it offered the best potential for service improvement and cost control.

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

25. The new contract will enable the Council to fulfil its obligations to Sport England, increase capital investment to the National Water Sports Centre site, and will deliver improved and sustainable facilities.

### **Statutory and Policy Implications**

26. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, 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 legal advice sought on these issues as required.

### **Implications for Service Users**

27. The delivery of the Council's vision for the Centre will improve customer numbers and the customer experience for elite and community users through the establishment of a range of enhanced facilities.

### **Financial Implications**

28. These are set out in the **Exempt Appendix** to this report.

### **Equalities Implications**

29. Delivery of the Council's vision for the new centre/attraction will improve current levels of access for people with disabilities. The proposed contract requires the successful bidder to comply with all current equal opportunities related statute and prepare and implement a full Equalities Impact Assessment of its development scheme.

### **Human Resources Implications**

30. The successful bidder will accept the transfer of existing visitor centre employees with protection under the Transfer of Undertakings (Protection of Employment) (TUPE) regulations. Final details of the staff transferring will be agreed as part of the clarification of the contract.
31. Full communications and consultation will take place with those employees affected and with the relevant trade unions, in respect of the planning and implementation of the transfer of employment.

### **Planning Implications**

32. Rushcliffe Borough Council is the planning authority that will determine the application for any capital development proposals on the site. In this respect, there are a number of planning elements that the successful bidder will need to address in terms of car parking, traffic management, and the scale and scope of the buildings and facilities planned.

## **Legal Implications**

33. Legal comments are set out in the body of this report.

## **Risk and Insurance Implications**

34. Details of these are provided in the **Exempt Appendix**.

## **RECOMMENDATIONS**

That Policy Committee:

- 1) Approves the award of Bidder A as the operating partner for the National Water Sports Centre, subject to successful clarification/fine-tuning of the legal agreements described in this report
- 2) Approves the Council entering into the necessary Legal Agreements to give effect to the project within the financial parameters set out in the **Exempt Appendix 2**
- 3) Gives delegated authority to the Corporate Director, Children, Families and Cultural Services, in consultation with the Group Manager, Legal and Democratic Services, to approve any additions or amendments to any agreements which in their judgement are necessary to give effect to the project and which are within the financial parameters set out in this report;

**Councillor John Cottee**  
**Chairman of the Culture Committee**

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

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## **Constitutional Comments (CEH 04/01/13)**

35. Policy Committee has the authority to approve the recommendations set out in the report.

## **Financial Comments (NDR 03/01/13)**

36. The financial considerations are set out throughout the exempt Appendices.

## **Background Papers**

Future management arrangements for the National Water Sports Centre – report to Cabinet, 14 September 2011

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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