

8 February 2018**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES****BUDGET SAVING OPTIONS FOR HOLME PIERREPONT COUNTRY PARK****Purpose of the Report**

1. To seek approval to complete negotiations with Serco over the proposed budget saving options for Holme Pierrepont Country Park.

InformationSite Management

2. In September 2011 the County Council agreed for the management and operations of the National Water Sports Centre situated within the Holme Pierrepont Country Park, to be outsourced to a third party provider, Serco Leisure, acting as the managing agent for the newly formed leisure trust Holme Pierrepont Leisure Trust (HPLT). These arrangements started on site on 1 April 2013 and run for 20 years.
3. Council Officers meet with Serco representatives on a monthly basis to monitor contract performance and delivery and are currently in further discussions with Serco on the long term vision for the site with a view to reducing the management fee payable by the Council. It has become apparent there could be potential benefits for the Council from investing in further improvement works and providing services differently across the site.

Current Costs and Options to Reduce Them

4. In April 2013 the subsidy required to operate the site was £741,000 which was reduced to approximately £140,000 by 2017. The projects detailed below are part of wider discussions and vision for the site and have the potential to reduce this overall subsidy down towards £100,000 during the next five years and potentially with further investment zero by the end of the contract in 2033.
5. The initial opportunities identified to reduce costs and grow income on the site comprise Campsite Developments and Automatic Number Plate Recognition (ANPR) management of the car parking. These two invest to save projects require significant capital investment.
6. In respect of the campsite, accommodation occupancy levels on the site have risen significantly in recent years from around 40% to around 70%. Research into the market suggests the

improvements to the site would generate further growth, spend in the new café facilities and upselling/cross selling opportunities driving more business to the sports activities on site. The Campsite Developments would include:

Item	Costs
Café/Shop Refurb	£ 15,000.00
Camping pods	£ 20,000.00
Playground	£ 18,758.00
Playground Flooring	£ 9,000.00
New shower block	£ 90,000.00
Rafters toilet interior refurb	£ 10,084.00
Convert disabled to laundrette	£ 20,271.28
Total Cost	£ 183,113.28

Serco are seeking a capital contribution of £100,000 from the County Council towards these costs.

- The ANPR car park management system will cost approximately £100,000 to install and Serco are seeking a contribution of £50,000 from the County Council towards the overall costs.

Funding Arrangements

- The investment required for the developments detailed above will be funded from the Holme Pierrepont Building Maintenance Budget which was established to fund the Councils share of the site repairs and maintenance in accordance with the contract.
- The Councils responsibilities are focused on the long term infrastructure on site and may or may not get utilised in each budget year, however, since Serco will also take on more of the division of responsibilities to reflect the added value the investments have realised, this will also reduce the long term maintenance liabilities which will fall to the Council.
- Contributing to the capital costs in exchange for a fixed reduction in the site management fee is considered to be the most risk free option available to the County Council.

Other Options Considered

- Nottinghamshire County Council (NCC) like other Councils is under pressure to deliver significant efficiency savings whilst protecting services that are statutory and/or valued highly by the public.
- The two options detailed above were considered alongside several other projects and were evaluated thoroughly and are viewed as the best options in terms of low risk and immediate return on investment.
- The leisure market evolves quickly and the demand for family accommodation on site is significant. Exploring green energy solutions has significant benefits in terms of cost reductions,

environmental gains and is not affected by future trends or some of the other projects to develop new activities that rely on footfall and good weather.

Reason/s for Recommendation/s

14. These projects generates most in terms of immediate budget savings and the most in terms of improvement in service whilst opening up further savings once these developments are embedded and further options can be considered.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, 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, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required. Service users would benefit as the grounds will be maintained to a higher standard than current standards.

Financial Implications

16. The overall investment required from the Council to support these developments and to justify this investment is £150,000. Serco will reduce the annual management paid by the County Council by £30,000 per annum following the project completions. This gives a payback period on the capital of 5 years.
17. After the first five years the saving accruing to the County Council will continue to be £30,000 per annum, a significant saving for the remainder of the contract (£300,000).
18. The savings identified form part of the approved Budget Savings Options process that will see the management fee at Holme Pierrepont reduce by £50,000 in 2019/20. Further proposals, to develop the offer on site may be brought to this Committee to ensure that the budget savings identified will be achieved and/or exceeded.

Human Resources Implications

19. Not Applicable

RECOMMENDATION/S

- 1) That approval be given for the invest to save projects as set out in paragraphs 5 to 7, for Holme Pierrepont Country Park be progressed with Serco with the financial implications noted above in paragraphs 16 and 17.

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Constitutional Comments (SLB 10/01/18)

20. Communities and Place Committee is the appropriate body to consider the content of this report.

Financial Comments (SES 12/01/18)

21. The financial implications are set out in the report.

Background Papers and Published Documents

None.

Electoral Division(s) and Member(s) Affected

All.