

**REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES AND  
CULTURE****NATIONAL WATER SPORTS CENTRE PROGRESS REPORT – ONE  
YEAR ON CONTRACT REVIEW****Purpose of the Report**

1. To provide Members with an annual review 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. The site has been operating under the new arrangements for 14 months.
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. This report and accompanying presentation will inform Members of progress.

**Capital Investments**

6. The successful bid included a £6.7m capital investment programme (over the life of the contract) which included within it a request for a £1.6million contribution from the County Council. The contribution 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.

7. The funding has been used to deliver the following improvements and new developments.

- **Refurbishment of all on site residential accommodation**

All of the (35) main building bedrooms have been refurbished and fitted with en-suite bathrooms, a new “dry” heating system and new furniture and fittings. In addition to this a further eight bedrooms have been developed by converting an unused bungalow on site.

- **Refurbishment of main building public areas including reception, café, bar, public toilets, and conference rooms**

The majority of work has been completed in the main building. There are two conference rooms still to be completed and these will be completed by August. New drying rooms have been introduced for lake users to dry wet suits and training kit when attending coaching courses and residential events.

- **Community and performance gyms and changing rooms**

A new state of the art community fitness studio has been developed in the English Institute of Sport (EIS) building. Two new performance gyms and a suite of physiotherapy and sports medicine rooms have also been developed.

- **Office Accommodation for the British Canoe Union (BCU)**

As part of the overall financial agreement with Sport England (SE), office accommodation has been developed in the English Institute of Sport (EIS) building. This development, funded by Sport England, will provide much needed ongoing revenue funding for the centre as the BCU are contracted to use the space for the 21 years contract term.

- **Camping pods and log cabins**

The bid proposal to introduce camping pods and log cabins is currently delayed due to planning restrictions placed on the developments by the Environment Agency. The contractors are confident that these will be overcome in due course and that this element of the project will be completed before the end of the calendar year.

- **Site signage renewal programme**

As part of the capital negotiations and to sit alongside the new capital developments, the site signage and branding is being reviewed and renewed. The majority of this programme has been completed with just a small amount awaiting planning permission from Rushcliffe Borough Council

- **Creation of a new ‘Sky Trail’ family adventure course, and an adjacent ‘Family Zone’**

Arguably one of the most needed developments on the site was the construction of new family friendly facilities on the part of the site adjacent to the river and slalom course. Work has been completed on a new state of the art high ropes course utilising the old grounds maintenance depot. Underneath the “sky trail” is a new mini golf course. A new catering cabin is in situ adjacent to the new facilities, providing much needed refreshment opportunities on this part of the campus.

- **New Changing facilities at the Slalom Course**

One of the criticisms from users of the slalom course is the lack of facilities for changing and showering and a distinct lack of indoor briefing space for visitors using the white water rafting offer. This has been resolved with a refurbishment of the existing changing facilities and the merging of space with the old BCU offices vacated by the British Canoe Union.

- **New Activities on site**

As part of the income generating strategy new activities have been introduced on site including:

- E-Combat (an outdoor activity using laser technology)
- Bicycles and Segway hire
- Introduction of cycle trails

8. Members will receive a short presentation on the capital developments at the meeting.

## **Contract Management**

9. The new contract has been operating for 14 months and has started well so it is possible to review the performance highlights for year 1 of operation.
10. The contract is managed and reviewed on a monthly schedule where progress is monitored against the original specification. Emphasis is placed on compliance measures and service outputs alongside a target of an increase of participation of 10% year on year. 2014/15 is being used to set new base line figures following the completion of the capital works programme. 2013/14 performance has seen some early quick wins particularly in relation to new gym membership which currently stands at 1,390 members, up from 350 members at the start of the contract.
11. Usage numbers have increased on a like for like basis for events and the summer programme of activities based on a good spell of dry weather. Unusually, no events were cancelled leading to a full season of activity. **Appendix 1** shows the scale and diversity of events during the 2013 season.

## **Revenue Support**

12. 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.
13. 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.
14. 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**

15. The report is for noting only.

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

16. The report is for noting only.

## **Statutory and Policy Implications**

17. 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 one year on update on the National Water Sports Centre management and development contract be noted.

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

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**Constitutional Comments**

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

**Financial Comments (KLA 19/05/14)**

19. There are no financial implications arising directly from this report.

**Background Papers and Published Documents**

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