

**REPORT OF THE ACTING CORPORATE DIRECTOR, CHILDREN,  
FAMILIES AND CULTURAL SERVICES****NATIONAL WATER SPORTS CENTRE PROGRESS REPORT –  
SECOND YEAR CONTRACT REVIEW****Purpose of the Report**

1. To provide the Committee 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 just over two years.
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 the Committee 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
  - refurbishment of main building public areas including reception, café, bar, public toilets, and conference rooms
  - community and performance gyms and changing rooms
  - office accommodation for the British Canoe Union (BCU)
  - camping pods and log cabins
  - site signage renewal programme
  - creation of a new 'Sky Trail' family adventure course, and an adjacent 'Family Zone'
  - new changing facilities at the Slalom Course
  - new activities on site.
8. The Committee will receive a short presentation on the impact made following the capital development phase and programming highlights for 2014 at the meeting.

### **Contract Management**

9. 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.

### **Revenue Support**

10. 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.
11. 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.

12. 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**

13. The report is for noting only.

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

14. The report is for noting only.

### **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 only), the public sector equality duty, safeguarding of children and vulnerable adults, 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.

### **RECOMMENDATION/S**

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

**Derek Higton**

**Acting Corporate Director, Children, Families and Cultural Services**

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### **Constitutional Comments**

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

### **Financial Comments (SS 20/05/15)**

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

## **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.

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

National Water Sports Centre progress report – one year on contract review – report to Culture Committee on 3 June 2014

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

All.

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