



Meeting

**CABINET**

Date

**13 September 2006**

agenda item number

**JOINT REPORT OF THE CABINET MEMBER FOR CULTURE & REGENERATION AND FINANCE & PROPERTY**

**HOLME PIERREPONT DEVELOPMENT PROGRAMME – PROJECT FUNDING REQUEST**

**Purpose of the Report**

- 1 To outline to Members of Cabinet the current position in relation to Holme Pierrepont and to seek approval for funding for the project costs associated with the development strategy and related actions. Approval is also sought to enter into negotiations to reduce the grant currently given to Sport England, and endorsement is sought for the lead departmental roles in making progress in the immediate to medium-longer term.

**Background**

- 2 The Holme Pierrepont site is owned by the County Council and is occupied by Sport England who are currently holding over on the basis of two leases that expired in December 2000. The grant of the original lease followed the reclamation of former gravel extraction works at Holme Pierrepont and the conversion of this site into the National Water Sports Centre. The initial work and the construction of the first stages of the Centre were undertaken by the County Council on the basis of the facility being operated and managed by Sport England.
- 3 Approximately five years ago Sport England resolved to transfer the day to day management activity of the Centre (and all its National Sports Centres) to a private company, Leisure Connections Ltd, who have the responsibility for delivering the objectives established by Sport England which principally relate to the development of elite sports. This contract expires on 31 March 2009 and was intended to facilitate the upgrading and development of the Centre. In reality the nature of the contract has meant that the contractor has little incentive to promote or develop the site, which now requires a subsidy of in excess of £1.5 million per annum, £200,000 of which is paid by the County Council.

- 4 Sport England have now reviewed their operations and are proposing to withdraw from the provision and management of the National Centres as soon as practically possible. Whilst no fixed date has been agreed with Sport England, it is believed that they will maintain the current levels of funding until 2009, when the Leisure Connections contract expires.
- 5 A cross party Members' Reference Group has been formed to support the process.

### **THE WAY FORWARD**

- 6 Over the past 12 months a series of very intense discussions have taken place with Sport England at both political and officer levels and, whilst there are some concerns about issues that have been raised during these discussions on the principle of this proposal, it is clear that Sport England are intending to withdraw from this property and the only question is at which point. At this stage a working assumption based on discussions with Sport England is that they will vacate the property no later than 31 March 2009, when the current contract with Leisure Connections expires.
- 7 The County Council needs to ensure that the future of this resource is protected and that it continues to provide opportunities for significantly improved use by the people of Nottinghamshire. The Council is also the owner of the Centre and other nearby landholdings and by working together with other landowners and key stakeholders such as British Waterways Board/Grantham Partnership, albeit over a greater timescale, this could provide an opportunity to develop ideas which will further contribute towards the Centre's ongoing viability. Because of the complexity of the planning and environmental frameworks affecting this site, this work will need to be spread over a number of years, but taking account of the anticipated date when Sport England will withdraw and the County Council will be faced with a decision regarding the day to day operation of the Centre.

Work needs to progress at three different levels:

- 8 (a) **Immediate impact**

The property is currently not within the control of the County Council and remains leased to Sport England which has a contractual arrangement for its management. The Authority does, however, have a management arrangement with Sport England to ensure that the grant given towards centre running costs is used effectively.

A plan will be agreed with Sport England to start to develop the use of the facilities in a way which will improve the financial viability and establish a way forward for improved usage, investment and economic return over the next 2-3 years. The County Council needs to ensure that Sport England and its contractor manage the facility in a way which works towards the long term objectives ie not prejudicing these through inappropriate use or letting

agreements. Sport England has agreed in principle to this approach and it is suggested that meetings will need to take place as follows:

- Continuing to meet with Sport England to agree an action plan and monitor progress related to handover of responsibility
- Meeting with Sport England and Leisure Connections to ensure contract compliance.
- County Council attendance at monthly client / contractor monitoring meetings to keep up to date with day to day operational issue.

It is proposed that this strand of work will be led by officers within the Communities Department with specialist support from the County Council's Property Division.

**(b) Medium Term Impact**

It is clear from initial analysis that the County Council could be faced with a period of time between the departure of Sport England and the emergence of a robust master plan to deliver significant developments to the site and the surrounding area.

The County Council should act prudently by investigating and implementing a management plan for the existing site, building in flexibility for future impact, and working towards the stated intentions of increasing usage and not adding further burden to the local tax payer.

To achieve this it is proposed that a strand of work is commissioned to investigate with existing leisure developers and providers the potential for the site as it stands.

It is proposed that this work starts immediately by placing an advert in appropriate journals. This approach is common practice and does not commit the Council to anything in the future.

This strand will be led by officers from the Communities Department with specialist advice from Legal and Democratic Services and the Property Division.

**(c) Longer term impact**

Since the announcement by Sport England to withdraw their support to the National Water Sports Centre, significant interest has been shown related to the opportunities presented by the potential of "changed use" on the site. This includes both internal opportunities on the existing footprint and importantly opportunities to investigate how the site can be used as a catalyst for wider development in the surrounding areas.

It is this strand of work which is intended to investigate the feasibility of working with a range of partners and potential new stakeholders to secure a

new vision for the area as a whole. This work strand is likely to be both complex and lengthy.

This work once commissioned will need to include as a minimum;

- A master planning review
- Discussion with adjacent landowners
- Initial enquiries with potential developers and users of the site
- Discussions with the statutory authorities including Rushcliffe Borough Council and the Environment Agency
- Working with British Waterways Board and the Grantham Canal Partnership in respect of the reopening of the Grantham Canal
- Investigating the investment potential with the private sector and government agencies
- Testing proposals in terms of deliverability

The leadership for this strand of work needs to be considered within the overall objectives of the Council. The property interests are extensive and require expertise from within the Council in understanding how these may be included. The wider economic regeneration, tourism and development impact may require a corporate lead. Furthermore, the work will require significant external input from specialists in major development master planning and this will require an appropriate commissioning process. This work should be initiated with immediate effect.

The Members' Reference Group endorsed the need for a high level corporate lead for the wider development strand.

### **Programme/Project Management**

9 The recently commissioned Members reference group, at its first meeting on the 19<sup>th</sup> of June, was keen to ensure that the project was suitably resourced given the size and complexity of the three stands of work highlighted above.

10 The Internal officer and member structures are now established to oversee the project, however it is clear that to achieve the desired outcomes for the County Council there are a number of key elements which will require a resource allocation. They include;

#### **A Overall Project Manager and Administration Support**

To bring together all the different strands of work, to monitor and keep the project on track and to time.

#### **B Specialist Consultancy Support (Principally Planning, Legal and Procurement and master planning)**

To provide internal and external advice to the overall project, with a specific emphasis on the master planning element.

## **C Consultation and Communications Strategy**

To fund the public engagement strategy to ensure all programme phases are well communicated and understood by the range on existing interest groups, potential partners and future stakeholders.

## **D Future client management function.**

To ensure that any new contract arrangements between the County Council and potential third party suppliers are monitored and adhered to.

## **Financial Implications**

- 11 The following table outlines the estimated costs associated with the project for the 3 year period 2006-08. Progress on spending will be reviewed on a quarterly basis at the Members' Reference Group.

	<b>2006 £</b>	<b>2007 £</b>	<b>2008 £</b>	<b>Total £</b>
Project Manager & Administration Support	50,000	50,000	50,000	150,000
Specialist Consultancy Advice	50,000	50,000	50,000	150,000
Consultation and Communication	20,000			20,000
Client Manager Role		35,000	35,000	70,000
<b>Total</b>	<b>120,000</b>	<b>135,000</b>	<b>135,000</b>	<b>390,000</b>

- 12 The County Council currently contributes £197,000 per annum towards the running costs of the Holme Pierrepont site, paid as a grant to Sport England.
- 13 Given the circumstances it may be possible to negotiate a reduction to this grant (£25,000 pa) which could be used to offset some of the project development costs over the 3 years. This would then require a further £315,000 to be found over 3 years from contingency. Funding would be drawn from contingency on an annual basis to match actual expenditure.

## **Conclusion**

- 14 The complexity of the future development of the Holme Pierrepont site should not be underestimated. When Sport England leave the site in 2009 the liability will remain with the County Council and a robust plan for the future use of the site must be a priority for the authority as a whole.

## **Recommendations**

- That an allocation of up to £315,000 be made from central contingency over 3 years to support the development strategy of the Holme Pierrepont site project
- That the Service Director for Culture negotiates a reduction to the grant currently given to Sports England to offset some of the project development costs.
- That approval be given to undertake a market sounding exercise regarding proposals for development and management of the existing footprint.
- That approval be given to seek expertise for a master planning exercise to be undertaken of the existing site and adjacent land.
- That the proposals for lead departments in the immediate, medium and medium-longer term strands of work, as set out in paragraph 8, be endorsed.

**Councillor Steve Carroll**  
**Cabinet Member**  
**Culture & Regeneration**

**Councillor Chris Baron**  
**Cabinet Member**  
**Finance & Property**

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## **Legal Services' Comments (KS 16/8/06)**

Cabinet has delegated authority under the Constitution to approve the recommendations.

## **Director of Resources' Financial Comments (C & C/RWK)**

The financial implications are set out in the report.

## **Background papers available for inspection**

- Members' Reference Group meeting minutes and action points.
- 2005 consultancy report.

## **Electoral Division Affected**

Nottinghamshire.