

Report to: **Overview and Scrutiny Panel**
Date: **27 February 2020**
Title: **Leisure Contract - Fusion Annual Report 2019**
Portfolio Area: **Customer First / Health & Wellbeing**

Wards Affected: **All**
Relevant Scrutiny Committee: N/A

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
Immediately

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Recommendations:

That the Overview and Scrutiny Panel note the contents of Fusion's Annual Report for 2019 and proposals for 2020.

1 Executive summary

1.1 This is an introduction to the Annual Report from Fusion Lifestyle in the management of all six leisure centres across South Hams and West Devon (as attached at Appendix 1). This provides a performance review summary for last year, 2019.

2 Background

- 2.1 Fusion Lifestyle were awarded a new 25 year contract on 1st December 2016 as the joint leisure management operator for both West Devon and South Hams Council's, managing all 6 leisure centres.
- 2.2 The new arrangement followed a comprehensive procurement process and is based on a design, build, operate and maintain contract through an output specification. It also involved a major investment programme across all the centres. At Totnes Leisure Centre, the Council has granted a lease to Tadpool and they have a direct management contract with Fusion.

- 2.3 The provision of leisure centres is a discretionary service. However the activities align with our strategic corporate priorities for efficient and effective Council services, strong and empowered Communities and supporting Wellbeing and healthy lifestyles.
- 2.4 There is no financial cost to this Council in the provision of the leisure contract. Previous management fees are no longer required and an actual income payment will be made during the term of this contract.

3 Outcomes/outputs

- 3.1 Strategic high level outcomes for the leisure contract and service were set by both Councils during the procurement and contract award stages. These covered key areas such as; delivering a joint sustainable service, reductions in revenue costs, provision of capital investment and to allow opportunities for future efficiencies, flexibility and service improvements.
- 3.2 The leisure contract sets out specific performance indicators which Fusion will deliver through its plans and targets, these include:
 - A more active district – through increased leisure centre usage and overall levels of physical activity.
 - Promoting community development – increase in use by target groups.
 - Improving health and wellbeing by increased use of exercise referral schemes, targeted health programmes.
 - Quality of Services – through maintaining and improving Quest scores, increased User satisfaction levels.
 - Sustainability/ Environmental improvements – through reduced CO2 emissions, reduced energy use and decrease in waste.

4 Options available and consideration of risk

- 4.1 Recently the Council set up an Overview and Scrutiny Task and Finish Group to undertake a review of the relationship between Fusion and its local communities using the facilities. Also to consider Fusion's key objectives and outcomes before it presents its Annual Report to this Committee. The findings were reported to Overview and Scrutiny on the 23rd January (Minute O&S.67/19 refers) and have been passed to Fusion for due consideration and action. For completion, a copy of the Group's concluding report has been attached to this report at Appendix 2.
- 4.2 The risks associated with the ongoing operation of the contract, have been minimised through the use of Sport England Standard contracts and outcomes, promoting best practice.

- 4.3 The contract includes the lease of the facilities to Fusion on a full repairing basis, removing previous historical complexities of shared maintenance responsibilities.
- 4.4 The contract places the responsibility for the financial delivery and payment of management fees with Fusion throughout the life of the contract.
- 4.5 Fusion have overall management responsibility for programming, prices, policies, marketing, maintenance, health and safety etc. to achieve the contract outcomes. As well for prices, it should be noted that these were held the same for the first 2 years of the contract. For this year, 2020, some of the prices – including membership fees and hire charges, will be increased accordingly to Fusion’s business planning and to meet the required outcomes.
- 4.6 In addition Fusion have responsibility for delivering Sports and Community Development across both areas, working with key local partners – Active Devon, Governing Bodies of Sport, clubs and schools. In West Devon this work is supported through a partnership with OCRA – Okehampton Community Recreation Association.
- 4.7 The development work includes helping target groups and areas to be more active, supporting local clubs and groups where specific needs have been identified and promoting health improvement schemes. Also to attract and enable funding opportunities to be developed.
- 4.8 For contract monitoring this is undertaken through monthly contract meetings and reports, Quarterly performance reports and a Strategic annual report and meeting.

5 Proposed Way Forward

- 5.1 Ongoing provision and management of the leisure centre contract with Fusion Lifestyle and consideration of its service planning for 2020.

6 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Leisure is a discretionary service. The management of the council’s leisure centres are agreed in a formal contract agreement with appropriate reporting structures.
Financial	Y	The investment borrowing and contract payments were approved as part of the contract award.
Risk	Y	Mitigated through the formal procurement process and the business case appraisal.

Supporting Corporate Strategy	Y	Council, Communities, Wellbeing
Climate Change – Carbon / Biodiversity Impact	Y	Contract targets to reduce energy usage
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	All leisure centres remain open and have activities open for all sections of the community
Safeguarding	Y	Relevant policies and practices in place through the contract.
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	Y	Improved through better facilities and part of service delivery.
Other implications		none

Supporting Information

Appendix 1 – Fusion Annual Report 2019; and
Appendix 2 – Copy of the Task and Finish Group’s concluding report that was considered by the Panel at its meeting held on 23 January 2020.