

Report to: **West Devon Overview and Scrutiny Committee**

Date: **2<sup>nd</sup> March 2021**

Title: **Leisure Contract - Fusion Annual Report 2020**

Portfolio Area: **Customer First / Health & Wellbeing**

Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny

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

Date next steps can be taken: Immediately

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**Recommendations:**

1 That the Overview and Scrutiny Committee note the contents of Fusion's Annual Report for 2020 and proposals for 2021.

**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. Due to the Covid-19 pandemic, this report and presentation from Fusion has been adapted to take into account the circumstances and effects on its performance during the last year, 2020.

**2 Background**

2.1 2020 was essentially Year 4 of the Fusion Lifestyle contract, who were awarded a 25 year contract on 1<sup>st</sup> December 2016 as the joint leisure management operator for both West Devon and South Hams Councils.

2.2 All centres as part of the new contract have been improved as part of a major investment programme.

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 (in the form of subsidy, prior to the contract award in December 2016) are no longer required and an actual income payment will be made annually from Fusion to the Council during the remaining term of the contract.
- 2.5 However during this pandemic, Fusion Lifestyle, has received funding from both Councils to enable the leisure centres to re-open and the service to be maintained. For West Devon the overall funding provided is £435,000 for 2020/21. This was approved at Council on 28th April 2020, 29th July 2020 and 22nd September 2020 (Ref CM13).
- 2.6 Both Councils have submitted their applications for the National Leisure Recovery Fund and await its outcome. A total of £100million is available to the leisure sector and covers the period of December 2020 to March 2021. West Devon Borough Council has had an indicative allocation of £80,000, which has been applied for. The outcome of the application will be known by the middle of March.

### **3 Outcomes/outputs**

- 3.1 Strategic high level outcomes for the leisure contract cover key areas; 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 being a more active district, promoting community development, improving health and wellbeing of local residents, improving quality of services and delivering environmental improvements.
- 3.3 For 2020 and this year during Covid-19 the key outcome has been to re-open the Council's leisure centres and maintain the delivery of a health and wellbeing service for local residents.

### **4 Options available and consideration of risk**

- 4.1 At the start of last year, the Council's Overview and Scrutiny Task and Finish Group had completed its review of the leisure service by Fusion and reported its findings to the January Committee. These were to be reviewed during 2020, however the current pandemic has not enabled this to take place and service delivery has been greatly affected.

- 4.2 Fusion and leisure centre attendances had made a good start to the year, with increased usage and memberships. However the Covid-19 pandemic changed everything and created a significant economic and financial impact across the whole leisure sector. It will have a long term impact on the industry due to operational restrictions and the reduction of demand in customer confidence returning to use leisure centres.
- 4.3 By the end of this March, 2021, leisure centres across the country will have been forced to close for a period of 8 months out of the past 12. Indeed some of our centres will have been closed for longer.
- 4.4 Fusion, along with all leisure operators, have been advised and guided by Central Government and national leisure bodies, such as UKActive, Swim England in its re-opening and providing Covid-19 secure facilities.
- 4.5 The re-opening of leisure centres across South Hams and West Devon has reflected a core offer and a change in normal management arrangements to include:
- Opening hours reduced to 8am-8pm during the week and 8am-4pm at weekends.
  - Re-configuration of public and operational areas to allow social distancing measures and the safety of staff and customers.
  - Initial activities on offer included just gym, swimming and group exercise. Also added later was swim school and some dry side sports, such as badminton and squash. All sessions had to be pre-booked and paid in advance with capacity being determined by size and mix of the centre.
  - Pricing has been set nationally across all Fusion sites with negotiations to set charges at £6 for a swim and £6 for a gym / class visit. Reductions are in place for concessions and juniors. Other casual pricing has remained at pre-lockdown rates and will be reviewed later this year.
  - Membership rates have remained the same and some new offers were included last year, such as a Gym & Swim and Daytime memberships.
  - Very high levels of cleaning have been implemented with a focus on key customer use areas and equipment in activity areas. Screens, hand sanitiser stations are in place and all staff are available to undertake cleaning schedules.
- 4.6 Building checks, essential maintenance and security visits have been regularly undertaken whilst the Centres have been closed with energy usage reduced to minimum requirements.
- 4.7 The Sports and Community Development service was being reviewed, along with the health referral schemes, during September. These were due to re-start again just as the 2<sup>nd</sup> lockdown in November came into place. This will need updating again when Centres can re-open and staff return.

- 4.8 Communication concerns over earlier problems and poor service during the first lockdown have now improved and new measures put in place. Also both Councils have provided support for an enhanced PR and Marketing Strategy to encourage the public to use their local centre, highlighting the cleaning and safety measures in place.
- 4.9 Officers are in regular contact with Fusion’s Management Team, receiving regular updates on levels of activity use and monthly financial accounts, meeting on a weekly, sometimes daily basis. Centres have been operating as anticipated with the support package provided.
- 4.10 As well Officers have developed a good contact network with other Councils that have Fusion as their leisure operator so common issues can be discussed and resolved. Along with other networks across Devon, the South West and nationally, the leisure sector has collaborated in a positive manner.

## 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 2021.
- 5.2 The long term delivery of our leisure centres is to support Fusion, having given consideration to the financial, legal, reputational risk and health and wellbeing benefits.
- 5.3 Both Councils have submitted their applications for the National Leisure Recovery Fund and await its outcome. A total of £100million is available to the leisure sector and covers the period of December 2020 to March 2021. West Devon Borough Council has had an indicative allocation of £80,000, which has been applied for. The outcome of the application will be known by the middle of March.
- 5.4 On a national basis, UKActive state that the leisure sector is an essential service that has been highlighted more than ever during this current crisis and the vital role that it can play in supporting people’ health and wellbeing.

## 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 arrangements 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 though better facilities and part of service delivery.
Other implications		none

### **Supporting Information**

#### **Appendix A – Fusion Annual Report 2020**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Heads of Practice sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	<b>N/A</b>