

Report to: **Overview and Scrutiny Committee**

Date: **17 March 2022**

Title: **Leisure Contract - Fusion Annual Report 2021**

Portfolio Area: **Cllr Jonathan Hawkins**
Executive Lead Community Wellbeing

Wards Affected: **All**

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

Date next steps can be taken: Immediately

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RECOMMENDATION:

That the Overview and Scrutiny Committee note the contents of Fusion's Annual Report for 2021 and proposals for 2022.

1 Executive summary

- 1.1 The Covid-19 pandemic has significantly impacted the usage and recovery of leisure centres across the country with challenging conditions affecting Fusion Lifestyle, the Council's operator, following the reopening of the facilities in April 2021.
- 1.2 This report provides an update on current performance and the presentation summary for last year – 2021. This takes into account the effects of the pandemic and the performance recovery of the leisure centres during last year.

2 Background

- 2.1 Last year, 2021 was Year 5 of the 25 year contract with Fusion Lifestyle as the joint leisure management operator for both South Hams and West Devon Council's.
- 2.2 The provision of leisure centres is a discretionary service. However the activities align with the Council's corporate strategic plan – 'Better Lives for All' in providing quality services and community wellbeing. This includes increasing active participation in sport and leisure activities.
- 2.3 Investing and supporting public leisure facilities is an investment in ill-health prevention and leisure centres are essential community

hubs, significantly contributing to improving people's health and wellbeing.

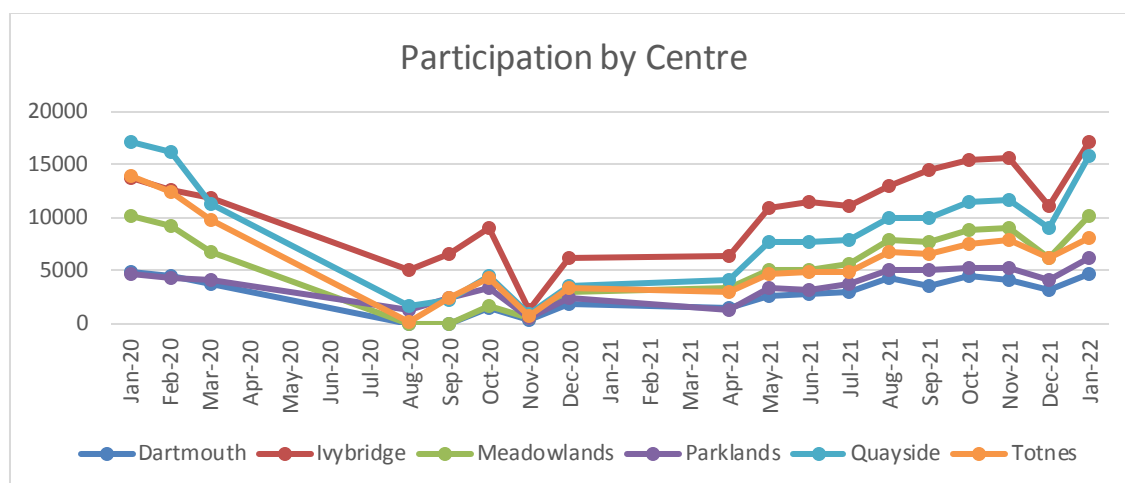
- 2.4 In a report published in September 2021 on 'Securing the future of public sport and leisure services' by the LGA and APSE, it highlights the devastating impact of Covid-19 on public leisure with the loss of income due to facility closures, higher operational costs and Councils providing additional funding support to keep them open.
- 2.5 Pre Covid and in normal operating conditions, there is no financial cost to the Council in the provision of the leisure contract. No subsidy payments are required as in the old contract and over the duration of the term with Fusion, this Council will receive an annual management fee payment.
- 2.6 During this pandemic, Fusion Lifestyle, received £435,000 from this Council to enable the leisure centres to re-open and the service to be maintained during 2020/21. As well Fusion received from the Council its share of the National Leisure Recovery Fund for £160,000 last March.

3 Outcomes/outputs

- 3.1 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.
- 3.2 For 2021 and this year during Covid-19 the key outcome has been to re-open the Council's leisure centres, maintain the delivery of a health and wellbeing service for local residents and ensure business recovery

4 Leisure Contract Performance Update

- 4.1 All the Leisure Centre's successfully re-opened from 12th April in line with Covid-19 restrictions and from 19th July more activities and usage could take place with the easing of the restrictions.
- 4.2 Centre participation across all 6 leisure centres in South Hams and West Devon has increased since re-opening from c19500 to c62,000 in January 2022. This figure (c62,000) compared to January 2020 of c64,000 represents 97% and shows that usage is getting very close to pre-Covid levels.
- 4.3 See graph below for overall leisure centre participation figures;



Key points to note in leisure activities, memberships and usage are as follows:

Overall centre memberships in January '22 are at 79%; 5,377 against 6,764 in March '20 and this being at 80% compared to January '20 memberships.

Total	March 2020	January 2022	%
Dartmouth	560	463	83%
Ivybridge	1,665	1,367	82%
Quayside (Kingsbridge)	1,523	1,230	81%
Totnes	1,117	739	67%
Meadowlands (Tavistock)	1,075	963	90%
Parklands (Okehampton)	824	615	75%
Total	6,764	5,377	79%

- Swim school has been in very high demand and overall memberships are at 93% compared to March '20.

Total	March 2020	January 2022	%
Dartmouth	162	118	73%
Ivybridge	820	879	107%
Quayside (Kingsbridge)	778	647	83%
Totnes	402	354	88%
Meadowlands (Tavistock)	519	440	85%
Parklands (Okehampton)	286	313	109%
Total	2,967	2,751	93%

*Totnes Leisure Centre has a separate contractual arrangement between Fusion and Tadpool.

- Casual public swims have been very popular, also fitness classes have seen increased usage. The gym usage has been slower to recover but is increasing now.
 - Increases in centre programming and extended opening hours where demand and revenue growth has allowed.
 - A comprehensive marketing and promotions campaign with local direction and management, including the use of discounts and unique offers to encourage customers to use the Centres.
 - The focus for Sports Community Development work has been on the return and support of local sports clubs, primary schools, youth nights, exercise referrals and community open days.
- 4.4 The attached presentation from Fusion highlights key performance areas and provides a look at key projects for the coming year in regards to Solar Energy across all the centres and Totnes Leisure Centre development.
- 4.5 As part of the National Leisure Recovery Fund, performance and usage data for leisure centres is being tracked through 'Moving Communities.' This research reveals that while public leisure centres have shown a steady rate of recovery since reopening in March, there are still former participants that have not returned, with recovery rates settling at just above 70%.
- 4.6 Activities have recovered at different rates as well with Swimming at 78% and Group Exercise at 62%. Also recovery rates in the rural areas were below the national average at around 65%. This may reflect an older age group as more urban areas with a younger population are returning at a faster rate. These comparison figures are based from data up to August 2021.

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 2022.
- 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. Also to continue to liaise with the council network of other Fusion contracts and maintain its Devon leisure partnership and networking.
- 5.3 Across Devon and Cornwall, leisure contracts across several Councils have changed or will be during this year, with new in house or more locally controlled operations being introduced across Exeter, Plymouth and Torridge. These have been developed at increased service costs e.g. for Exeter an initial revenue budget of c£1.5mil was allocated to cover transfer costs and re-launch of the leisure services. Also in Cornwall, significant challenges have been raised through its current operator and changes for several local centres are under review.

- 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's health and wellbeing.
- 5.5 This is supported through Sport England's national strategy – 'Uniting The Movement' and its key objectives of;
- Recover and Reinvent leisure provision from the global pandemic
 - Connecting Communities to make better places and bring people together
 - Positive experiences for children and young people
 - Connecting with Health and Wellbeing and the benefits of an active lifestyle
 - Active Environments, creating and protecting the spaces for people to be active
- 5.6 Sport England and UKActive have recently highlighted again how Covid-19 has 'intensified many of the long term inequalities in sport and physical activity – the people who faced the most barriers to activity before the pandemic have struggled the most to be active'.

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. Recent management fee changes have been reported at Executive on 3 rd March 2022 E.94/21. Further Council consideration is on 31 st March 2022.
Risk	Y	Mitigated through the formal procurement process and the business case appraisal.
Supporting Corporate Strategy	Y	Community Wellbeing & Quality Council Services
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 2021