

Report to: **Overview and Scrutiny Committee**
Date: **2 April 2019**
Title: **Leisure Contract - Fusion Annual Report 2018**
Portfolio Area: **Customer First / Commercial Services**

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:

That the content of Fusion's Annual Report for 2018 and proposals for 2019 be noted.

1 Executive summary

- 1.1 This reports provides a performance review summary for last year - 2018, from Fusion Lifestyle in the management of all six leisure centres across South Hams and West Devon. This includes details for Meadowlands and Parklands Leisure Centres.

2 Background

- 2.1 Fusion are the joint leisure management operator for both West Devon and South Hams Council's, managing all 6 leisure centres and started a new 25 year contract on 1st December 2016.
- 2.2 The new management arrangement is based on a design, build, operate and maintain contract through an output specification. It also sets out a major investment programme across all the centres, approximately £10mil - £8mil for South Hams and £2mil for West Devon.

- 2.3 The appointment of Fusion followed a comprehensive and detailed procurement process with Council approval in July 2016. This included a strategic leisure review considering all options and specialist advice which was overseen by a joint Leisure Member Board.
- 2.4 The provision of a leisure centres and facilities is a discretionary service. However the activities align with the Council's strategic corporate priorities of;
- Delivery efficient and effective services
 - Communities – working together to create strong and empowered communities
 - Wellbeing – supporting positive, safe and healthy lifestyles

3 Outcomes/outputs

- 3.1 The key outcomes for the leisure contract and service set by both Councils are highlighted below:
- Deliver a joint sustainable service with controlled costs and clear community benefit outcomes
 - Allow for local participation in future delivery
 - Achieve reductions in revenue costs
 - Draw in capital investment
 - Look for long term arrangements with responsibility for centres passing to the operator
 - Seek 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 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.
- 4.2 The contract includes the lease of the facilities to Fusion on a full repairing basis, removing previous historical complexities of shared maintenance responsibilities.
- 4.3 The contract places the responsibility for the financial delivery and payment of management fees with Fusion throughout the life of the contract.
- 4.4 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, 2019, 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.
- 4.5 In addition Fusion have responsibility for delivering Sports and Community Development across both areas, working with key local partners – Active Devon, clubs and schools. In West Devon this work is supported through a partnership with OCRA – Okehampton Community Recreation Association.
- 4.6 For contract monitoring this is undertaken through monthly contract meetings and reports, Quarterly performance reports and a Strategic annual report and meeting.

5 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.
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

Background Papers:

Health and Wellbeing Procurement Outcome – Full Council July 2016
(33/16)

Appendix A – Fusion Annual Report 2018