

Item 5: Fusion Lifestyle's Performance Report 2016/17 for Scrutiny Committee - Tuesday 4 July 2017

5. Fusion Lifestyle's Performance Report - 2016/17 (Pages 3 - 22)

Background Information
Fusion Lifestyle is the Council's leisure partner. The Committee has requested an annual report on Fusion Lifestyle contract performance.
Why is it on the agenda?
For the Committee to scrutinise Fusion Lifestyle contract performance. The Committee is asked to note the report and provide feedback.
Who has been invited to comment?
Councillor Linda Smith, Board Member for Leisure, Parks & Sport; Tim Sadler, Executive Director for Sustainable City; Mark Munday, Divisional Manager, Fusion Lifestyle.

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To: Scrutiny Committee
Date: 4 July 2017
Report of: Head of Community Services
Title of Report: Summary performance update of the city's contract with Fusion Lifestyle April 2016 to March 2017

Summary and recommendations

Purpose of report:	To provide a performance update of the city's contract with Fusion Lifestyle for the continuous development, management and operation of leisure services, April 2016 to March 2017.
Key decision:	No
Executive Board Member:	Cllr Linda Smith, Board Member for Leisure, Parks and Sports
Corporate Priority:	Strong and active communities; An efficient and effective council, A clean and green Oxford
Policy Framework:	Leisure and Wellbeing Strategy, 2015 to 2020

Appendices

Appendix One	Overarching performance dashboard, 2016/17
Appendix Two	Benefits attracting concessionary rates
Appendix Three	Bonus Concessionary membership benchmarking
Appendix Four	March 2016 Overall feedback summary

Introduction and background

1. In March 2009 the Council entered into a contract with Fusion Lifestyle (Fusion), a social enterprise with charitable status, to manage the Council's Leisure Facilities. The initial contract was for ten years, with a five year extension clause.
2. In February 2014 the City Executive Board (CEB) agreed to enact the extension clause and extend the contract for a five year period to April 2024.
3. The Leisure Management Contract incorporates the development, management and operation service delivery of the Council's five leisure facilities;
 - Barton Leisure Centre.
 - Leys Pools and Leisure Centre.

- Ferry Leisure Centre.
 - Hinksey heated Outdoor Pool.
 - Oxford Ice Rink.
4. Since the contact commenced we have provided the CEB with an annual update on the performance of the centres. A summary of key performance headlines follows with an overarching performance dashboard provided in Appendix One.

Key performance headlines, 2016/17

5. Our leisure concessionary scheme (Bonus) continues to be generous and the benefits which attract concessions are broad (Appendix Two). A lot of work goes into setting the fees and charges and our approach is to charge the market rate for those who can afford it, whilst offering concessions to those on low incomes to ensure our services are available for everyone.
6. Benchmarking suggests our Bonus offer is one of the best locally and nationally when compared with other leisure public/ private trust/ providers (Appendix Three). Our wider leisure membership offer has been further developed with:
- The introduction of a reduced cost monthly membership offer for Leys Pools and Leisure Centre only, which we have encouraged Fusion to expand at other facilities.
 - Our Bonus monthly membership has been discounted from £25 per month to £19.
7. In partnership with Fusion, and Public Health practitioners, we piloted a healthier choices vending scheme at Leys Pools & Leisure Centre. We continue to encourage Fusion to join up with national schemes to promote benefits of healthy choices.
8. Activity programmes and timetables have been designed to overcome barriers that prevent people being active, including:
- Continued delivery of an Exercise on referral scheme.
 - Active Women¹ and Women Only sessions.
 - Continued provision of reduced cost facilities to local groups (i.e. Oxford Swans disability swimming group, Oxford Blackbirds Boys and Girls Football Club, Oxford City Stars Ice Hockey and the City of Oxford Swimming Clubs).
 - Junior gym sessions.
 - For a second year, the Leys Pools and Leisure Centre hosted the Oxfordshire College Games with the tournament primarily about engaging students in the further education sector who have stopped participating in sport.
9. While there is a wealth of evidence showing the broad range of benefits from physical activity we have also undertaken work to demonstrate the local impact.

¹ Active Women encourages more women in Oxfordshire to take part in sport by providing social, fun, local and affordable sessions at various venues across the county.

Evaluation through Social Return on Investment (SROI) methodology found that Fusion generated £18,286,935 of gain from its work in Oxford during 2014.²

10. In 2016/17, 24,400 young people completed visits to free swimming sessions and 19 young people met the criteria for a course of swimming lessons; both schemes are funded by the Council.
11. Officers worked in collaboration with Fusion on a range of carbon reduction projects, such as:
 - LED Lighting.
 - Pool covers.
 - Boiler optimisation and upgrades.

Since 2011 an estimated 212 tonnes of carbon dioxide (amount of greenhouse gas³), per year has been avoided and estimated £41,000 per year saving in energy spends. This has been achieved against a backdrop of a large increase in participation and demonstrates good progress to reduce carbon emissions.

12. 98 per cent of Fusion's planned and preventative maintenance programmes for facilities have been completed.
13. Additional increases in the Oxford Living Wage and energy costs have continued to be absorbed.
14. Quest (the sport and leisure industry quality and customer assurance scheme) has been achieved and maintained at all the centres, with Ferry Leisure Centre achieving "Quest excellent." Fusion continues to maintain International Standards 14001, 14002 and 9001 following external assessment.
15. Development was completed on time and within budget for the new 3G multi-use games area and new parking bays at the Leys Pools and Leisure centre.
16. Our leisure facilities have high customer satisfaction levels - 90 per cent satisfaction and 75 per cent of customers rate the centres as good or excellent.
17. Fusion also uses Net Promoter Score⁴ (NPS), a methodology to measure the willingness of customers to recommend leisure services to others. In 2016/17 Oxford leisure services averaged 23 per cent, scores higher than 0 are typically considered to be good and scores above 50 are considered to be excellent. To context this the NPS estimated for Virgin active in 2017 is 14.

² Ross, C. Barker, L. and Epsley, S. (2016) Fusion Lifestyle Social impact evaluation of selected projects, London, Fusion Lifestyle and Bates Wells & Braithwaite LLP

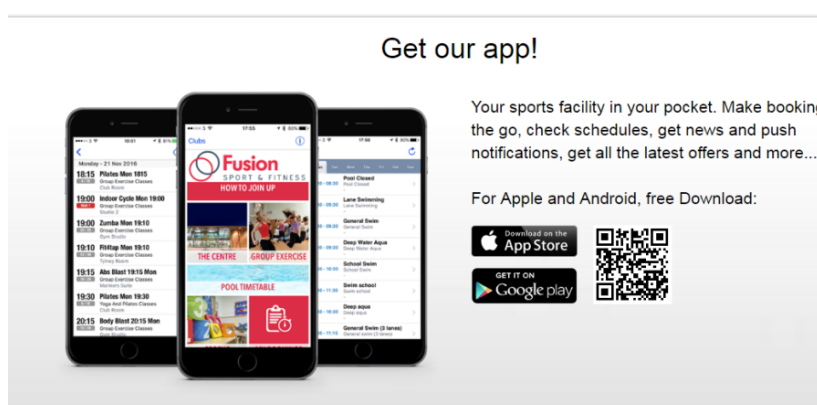
³ A greenhouse gas is any gaseous compound in the atmosphere that is capable of absorbing infrared radiation, thereby trapping and holding heat in the atmosphere.

⁴ The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

18. Fusion provides monthly customer feedback (Appendix Four). During 2016/17 the top general feedback cases were:

- Suggestion: Ease of gaining information.
- Compliment: Knowledgeable and friendly staff.
- Complaint: Website.

19. In respect of the ease of gaining information and website cases, Fusion has now introduced a new App:



A new website was piloted at Leys Pools and Leisure Centre and is being rolled out across all facilities. Benefits of the new website include:

- Improvements to the online experience with more imagery and video.
- Fast browsing and 'find ability' within the sites.
- Improved navigation throughout each website – fewer clicks to find what you want.
- "Responsive-design" to provide a seamless online experience across mobiles, tablets and desktops.
- "Google-friendly" to aid find ability via search engines.
- Enhanced online timetables system.
- More accessible page content (i.e. removal of PDFs).

20. A number of campaigns have been held during the reporting period, including:

- Make your Move: 1 January to 31 March resulting in membership sales of over 1,500 in the quarter.
- Existing member referral: 'Bring a friend to train with you', 1 day buddy pass.
- Swim school campaign: Including free assessments bookable on-line and referral incentives, resulting in over 3,000 children now receiving lessons every week.
- Rewards scheme promotion: Encouraging Pay as You Play users to register for a free loyalty scheme to improve customer insight and participation behaviours.

21. Facility and campaign marketing and promotion is completed through:

- In centre.
- Email blasts.

- Social media.
- Digital campaign.
- Outdoor media (i.e. OCC Bus shelters).
- Outreach events.

22. The Council has continued to deliver a strategic approach to increasing participation in sport and physical activity and made a number of investments:

- Community facilities (i.e. new gym and multipurpose activity areas at Rose Hill Community Centre).
- New gym at Oxford Spires Sport & Fitness Centre (Oxford Spires Academy).
- Commitment to wider delivery through sport and physical activity programmes, community outreach and youth ambition.
- Investment in our green spaces (i.e. play areas, fitness trails, tennis courts and sports pavilions).

By designing opportunities to be active in our parks we have expanded our accessible and affordable leisure offer in the city and given people more choice on how they become active.

23. We have invested to meet national trends and provide variety, high quality and free participation opportunities in the city. These trends have seen more people doing a broader range of activities (e.g. Park Runs, etc.) and alongside this budget gyms have continued to grow.

24. As such maintaining the targets in our leisure facilities is challenging, so Fusion need to keep innovating (i.e. development, activity type and programmes, etc.).

25. The overall year on year number of visits to facilities has reduced. However, when we compare targets at contract commencement for 2016/17 they have been exceeded by 9 per cent (an additional 109,300 more visits than targeted), a general direction of travel for most key participation target groups.

26. We have overachieved participation targets by so much in previous years that careful consideration may need to be taken for adjusting targets in future years.

27. Officers are working with Fusion to obtain further data to demonstrate the number of individual participants. This includes reviewing format and the contractual data provided by Fusion in the monthly client reporting pack.

Asset management update

28. Contractual division of responsibility for facilities has reduced risk to the Council.

29. In 2016/17 the Council's division of responsibility expenditure was £87,393.

Conclusion

30. The contract with Fusion has greatly improved the user experience, alongside achieving increased cumulative cash savings of around £1.94 million per year.

31. The cost of the core leisure management contract to the Council was fixed according to an agreed payment schedule for the period of the contract. From April 2015 and for the remainder of the contract Fusion now pay the Council for the management of facilities. This equates to around £3 million pounds savings to the council over the remaining contract period.
32. Over this period facilities have been greatly improved with around £15 million of capital investment by the Council, which has in the main been funded by increased income.
33. The partnership with Fusion continues to support the Council and our communities to:
- Improve health and well-being by positively promoting and delivering the benefits of healthy living and active lifestyles.
 - Tackling climate change and promoting sustainable environmental resource management
 - Providing quality through continuous improvement.
 - Driving value for money by ensuring that the leisure offering is of a high standard, accessible, affordable and innovative.

Comments for the future

34. The Association of Public Service Excellence reported in June 2016⁵ that for Local Authority Sports and Leisure Service's:

Growth areas include:

- A more commercial focus for leisure services Outdoor fitness (e.g. boot-camps) and different uses for open spaces
- Fitness classes and other group fitness sessions
- Personal training
- GP/ health referrals – smoking cessation, inactivity
- Growth in partnerships and increases in work with the health sector
- Swimming
- Extreme sports/ adventure activities and sports
- Weight management.

35. Growth and risk areas will be carefully considered as part of the annual service planning for 2018/19, which will commence with Fusion in September 2017.

⁵ APSE membership resources: State of the Market Survey 2016, Local Authority Sports and Leisure Services

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Background Papers: None	

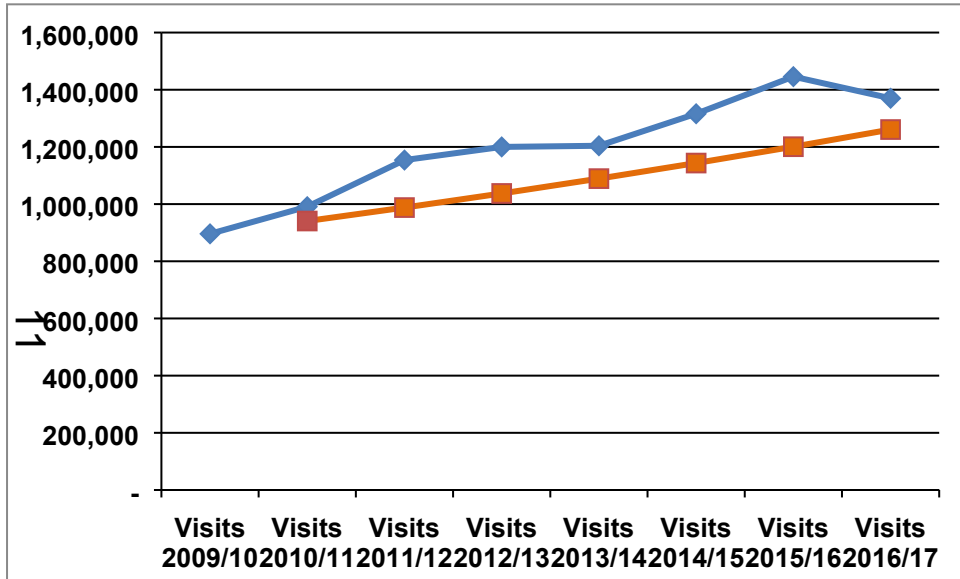
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Appendix One: Performance dashboard for 2016/2017.

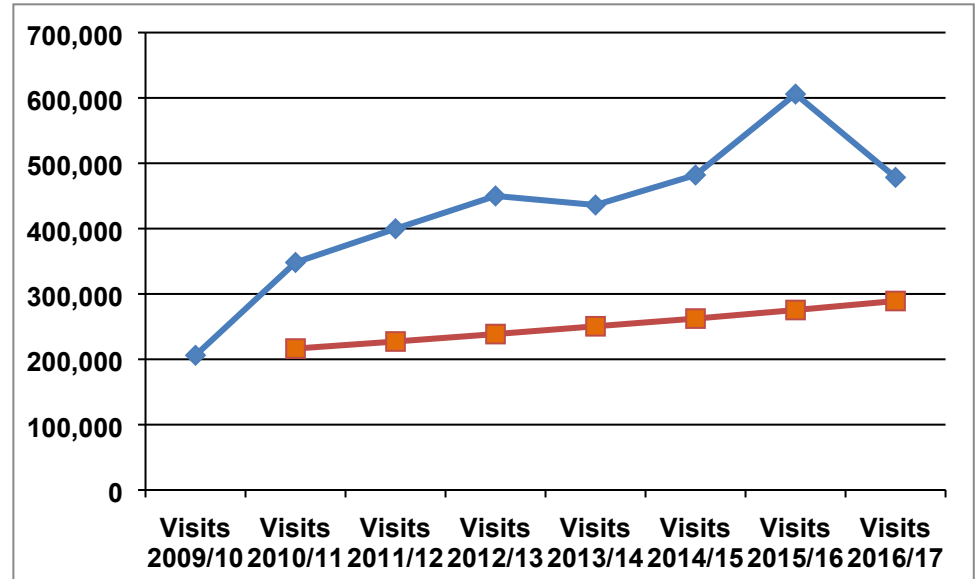
Actual visits versus target visits at contract commencement

Key: Actual —◆— Target —■—

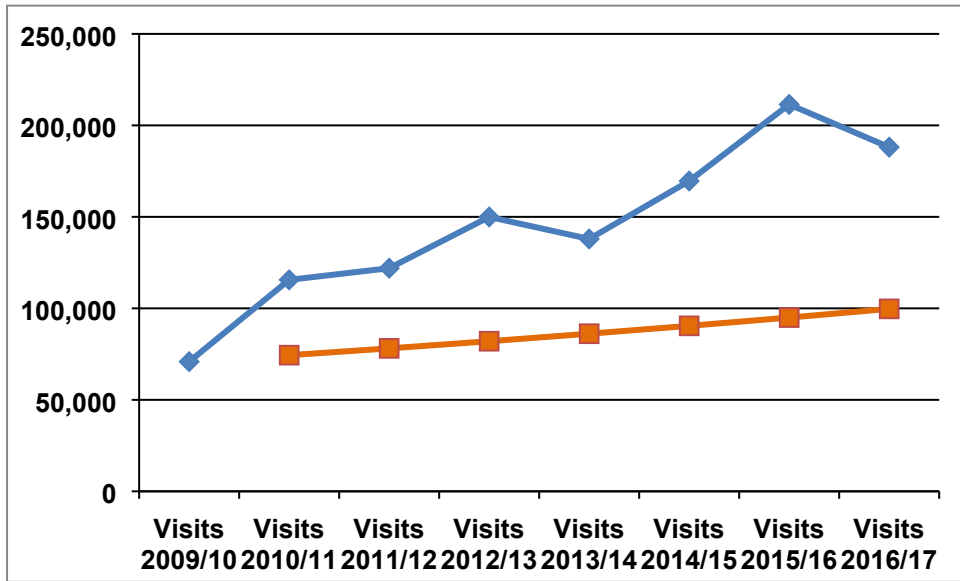
Total participation



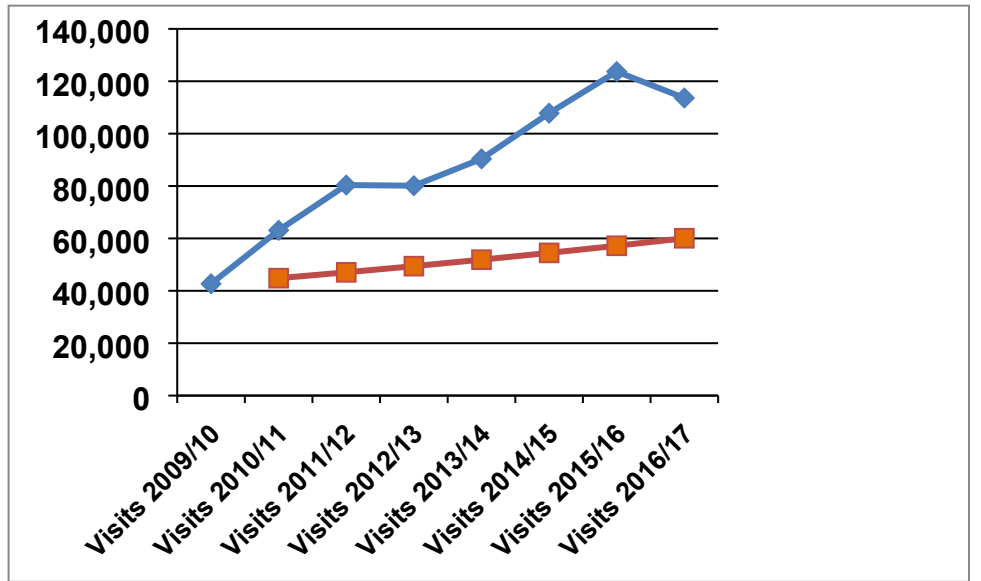
Users from key target groups



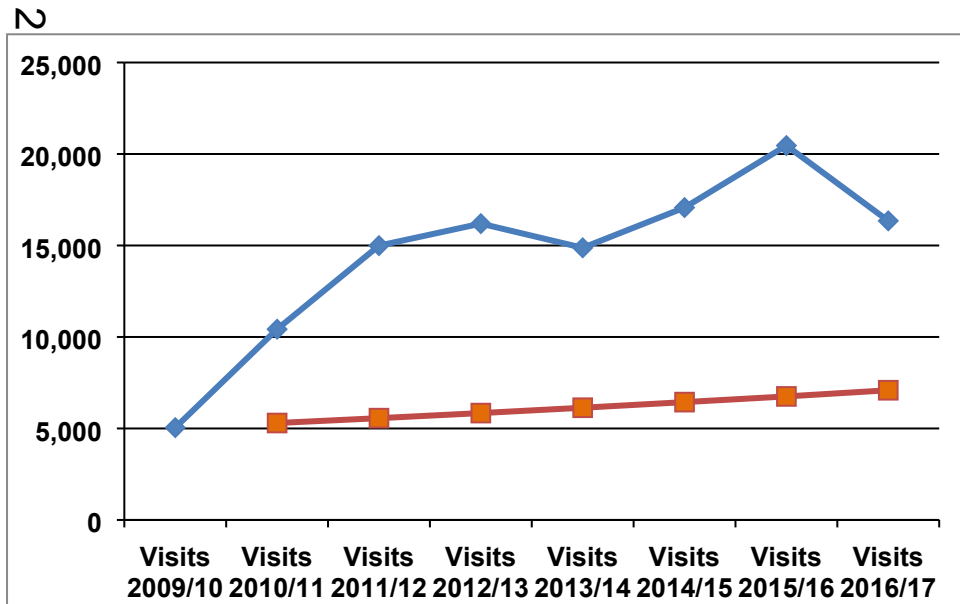
Young People



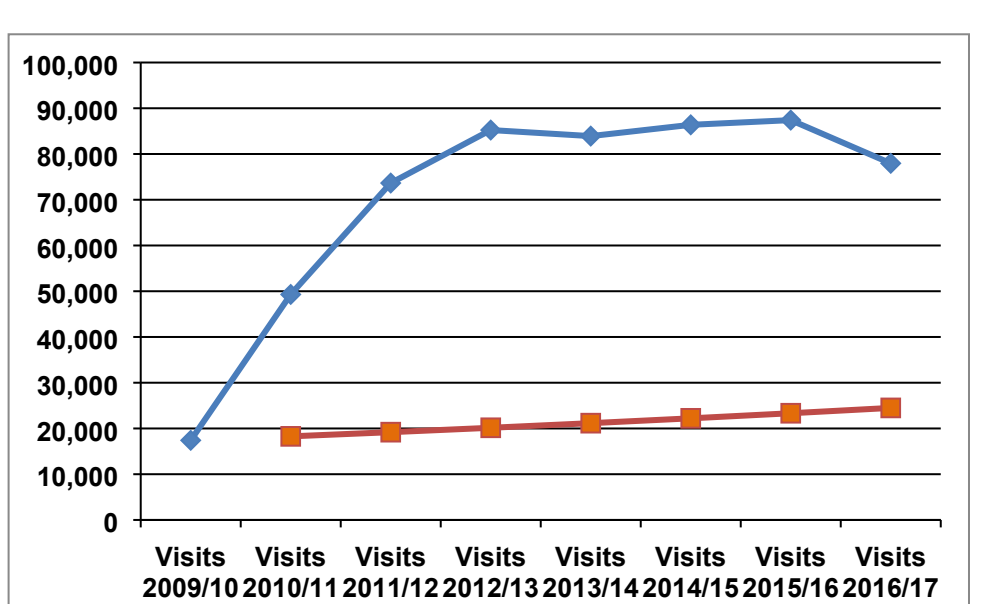
Older People



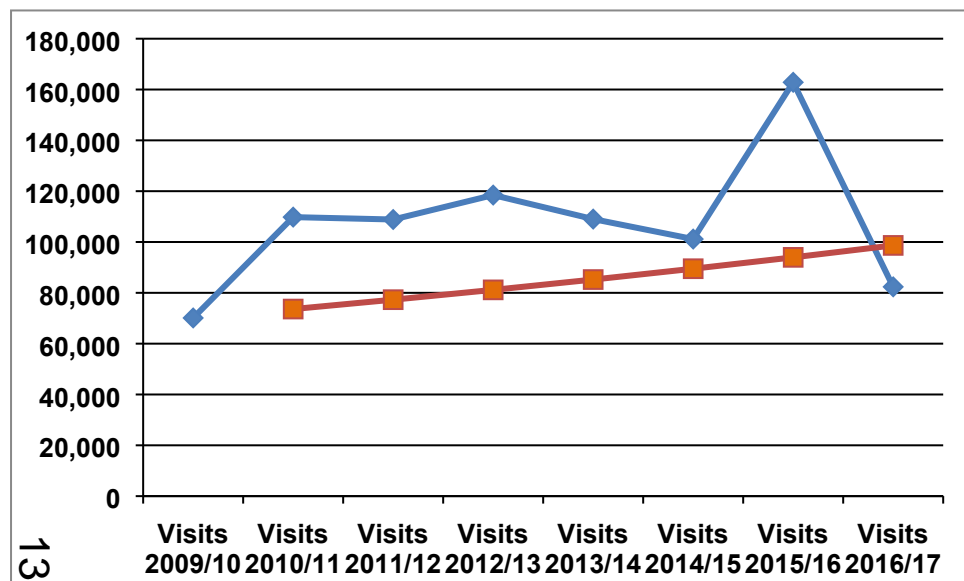
People with Disabilities



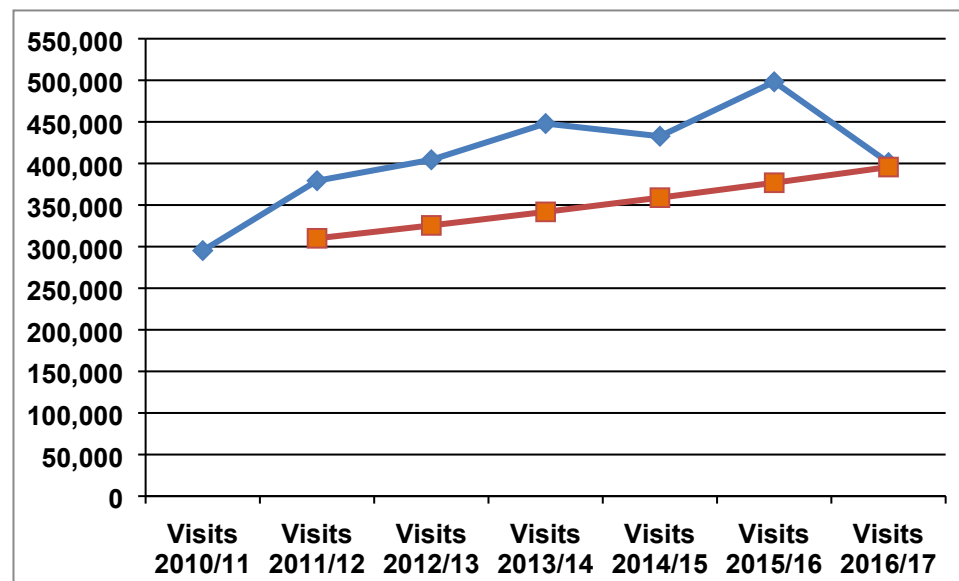
People from Ethnic Minorities



Users from areas of deprivation



Women and Girls



Key: = target met/ exceeded = within tolerance = outside tolerance

Objective	Actual 2014/15	Actual 2015/16	Actual 2016/17	Comment
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Evidence the quality of leisure facilities by achieving QUEST.	5	5	5	All five facilities are now accredited with one achieving excellent. Ferry Leisure Centre has also been recognised by the industry National Bench Marking Service. Fusion are being pressed to achieve Excellent at other facilities.
To increase satisfaction with leisure centres.	98%	95%	90%	Fusion piloted a new web page at Leys Pools and Leisure Centre, which in part resulted in a lower overall satisfaction result. The pilot enabled Fusion to make amendments to their web pages prior to rolling out across all other facilities.
Customers rating leisure facilities as Good or Excellent.	55%	62%	62%	90% is still very high and other than 2016/17 the contract target has been achieved each year Within tolerance of the 65% target.

Target Group Swimming

Objective	Actual 2014/15	Actual 2015/16	Actual 2016/17
Older people swimming visits	48,400	22,590	27,200
New under 17 Free Swim Card holders	1,100	2,000	701
Under 17 Free swimming session visits	23,100	25,300	24,400
Fusion swim school visits	53,645	87,700	134,500
Schools swimming visits	40,413	42,900	51,870
Casual swimming visits	196,400	267,000	230,522

Carbon management

2016/17 ¹ Year on year
direction on travel

Electricity	5.1% decrease	
Gas	4.7% increase	 ²
Co2 emissions	5.5% decrease	

¹ Provisional data and being validated

² Most notable issues impacting on gas consumption was a boiler fault at Ferry Leisure Centre

Facility Management

Objective	Actual 2014/15	Actual 2015/16	Target 2016/17	Actual 2016/17
Fusion 360 facility inspections completed	98%	96%	100%	97%
Average inspection score	77%	98%	100%	94%
Percentage of rectified tasks completed	64%	91%	100%	94%
Percentage completion of the Planned, Preventative Maintenance schedule	99%	95%	100%	98%



Marketing and visibility

Objective	Target 2016/17	Actual 2016/17
Press releases	24	23
Web site home page views	368,900	382,300
Social Media – Facebook (Likes/ followers)	17,587	19,650
Social Media – Twitter (Likes/ followers)	1,440	1,721
Social Media – Instagram (Likes/ followers)	766	2,011

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Appendix Two: Benefits attracting concessionary rates - Bonus Concessionary Membership

£2.60 initial charge; dependents can also buy a card for just £1; free renewal of cards on proof of entitlement; required proof indicated and the proof must be dated within 3 months of application.

1. **Job seeker's allowance**
Current official letter stating that you are entitled to the allowance (Job seeker's allowance book alone will not be accepted).
2. **Unemployed / interim payment**
Current official letter stating that you are in receipt of the benefit.
3. **Youth training courses / new deal**
Official letter from your employer or agency.
4. **Income support**
Current official letter stating that you are in receipt of the benefit.
5. **Housing benefits**
Letter of entitlement.
6. **Council tax benefit**
Notice of entitlement or bill showing rebate (not student or single person rate).
7. **Pension credit**
Letter of entitlement showing guarantee credit.
8. **Asylum Seeker**
Letter showing support from Oxfordshire County Council, Social Services or official letter showing applicant is part of the NASS scheme.
9. **Working tax credit**
Official letter from Inland Revenue showing payment. (Child tax credit or child care element will not be accepted).
10. **Invalid Care Allowance**
Current official letter stating that you are in receipt of the benefit at higher rate
11. **Employment and Support Allowance**
Current official letter stating that you are in receipt of the benefit.
12. **Attendance Allowance**
Current official letter stating that you are in receipt of benefit.
13. **Personal Independence Payment (PIP) - Disability Living Allowance**
Current official letter stating that you are in receipt of benefit at higher rate.
14. **NHS: AG2, AG3, HC2 or HC3 Certificate holders**
Certificate of one of the above.
15. **Foster Carers**
Carer, carer's children and/or looked after child. Letter of confirmation of carer status from Social Services.

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Appendix Three: Bonus Concessionary membership offer benchmarking

	Sign up £ Adult	Sign up £ Dependant	Cost per Pay & Play	Comment
Oxford City Council Bonus member	£2.60 (one off)	£1.00 (one off)	£1.30	Instructor led classes discounted.
Oxford City Council Bonus Direct Debit membership	£19.00		All activities included	
Better Health & Fitness Concessionary	£30.75 per month £370.00 per annum		Offer includes Swim, Gym & Exercise Classes	30 per cent discount on activities not included in the offer
Better Inclusive Membership (disabled people)	£19.95 per month			
19 Pure Gym (Oxford Templars Shopping Park)	N/A		N/A	The Pure Gym (Oxford Templars Shopping Park) does not offer a concessionary membership. Only offer 'standard' or 'extra' membership.
Active Nation	£31.00 per month	£16.50 per month.	£0	
Freedom Leisure	N/A			Do not offer a concessionary membership.
David Lloyd				
Virgin Active				

Leisure trust	Private
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Appendix Four: March 2016 Overall feedback summary

Oxford
Overall Feedback Summary
March 2017 (01/03 - 31/03)



Case Management - Overview

# Cases Raised	Cases Resolved	Cases Still Open	Average Resolution Time (hrs)
108	97.2%	2.8%	39.1

Response Time & Escalation

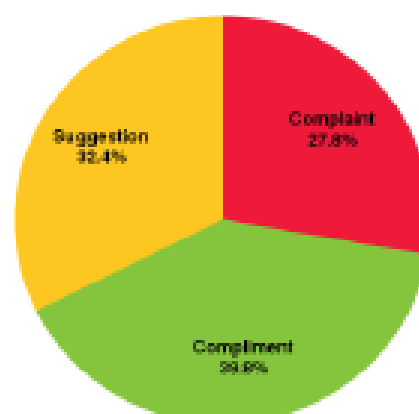
1st Contact within 48 hours	Resolved within 7 days	No Contact Within 7 days	# Escalated and Unresolved
85.0%	94.3%	N/A	1

Top Cases Raised

Category	Area	Measure	Detail	# Raised This Week	# Raised Last Week
Suggestion	Reception	Ease of booking/gaining information/payment	Other	5	0
Compliment	Studios/Group Ex/Adult Classes	Knowledgeable and friendly staff		12	5
Complaint	Studios/Group Ex/Adult classes	Condition of building/environment	Temperature	8	0

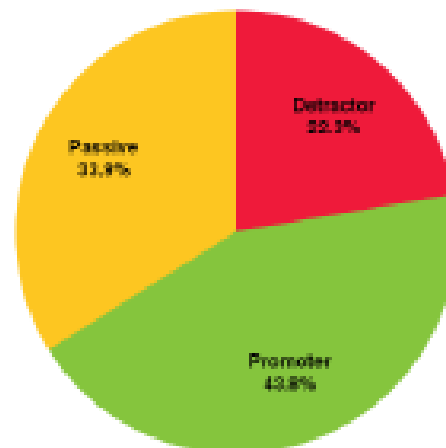
PTUWYT Survey Response Breakdown

Total Invites sent	1257
Method of raising case	Number of responses/cases
Email invite responses	43
Responses via survey	65
Cases raised directly	0
Total Responses	108

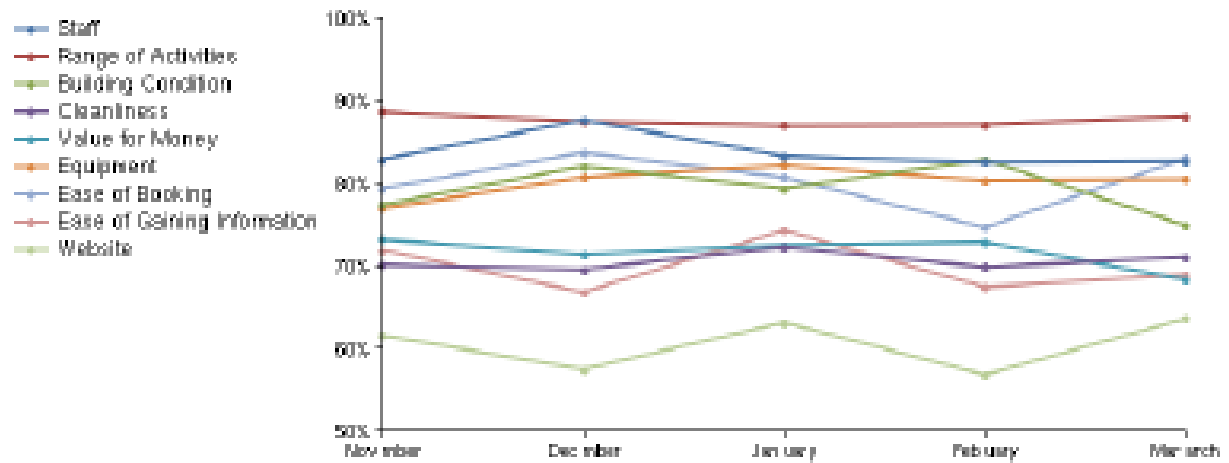


NPS Results - PTUWYT Responses

Week	NPS
November 2016	21.7%
December 2016	23.3%
January 2017	21.0%
February 2017	22.7%
March 2017	21.4%



Good and Excellent Trend



Good, Satisfactory and Excellent Trend

