

Scrutiny Committee recommendation re Fusion Lifestyle's performance for City Executive Board - Tuesday 18 September 2018

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To: City Executive Board
Date: 18 September 2018
Report of: Scrutiny Committee
Title of Report: Fusion Lifestyle Performance

Summary and recommendations	
Purpose of report:	To present a Scrutiny Committee recommendation Fusion Lifestyle's performance.
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of Scrutiny
Executive Board Member:	Councillor Linda Smith, Deputy Leader and Board Member for Leisure and Housing
Corporate Priority:	Strong and Active Communities; A Vibrant and Sustainable Economy; A Clean and Green Oxford
Policy Framework:	Leisure and Wellbeing Strategy 2015 to 2020
Recommendation: That the City Executive Board states whether it agrees or disagrees with the recommendations in the body of this report	

Appendices
Appendix 1 – Draft City Executive Board Response to Scrutiny Recommendations

Introduction and overview

1. At its meeting on 6 September 2018, the Scrutiny Committee considered the Quarter 1 Council Performance Report. This was accompanied by a Fusion Lifestyle Partnership Board Presentation and briefing note concerning visitor numbers and financial performance up until July 2018. This information was provided following the Committee's request to continue monitoring the performance of Fusion Lifestyle on a quarterly basis. The Committee previously made recommendations to the City Executive Board on 13 June 2018 concerning visitor number targets, data monitoring and associated action plans to address the reduction of 340,000 leisure visits between 2016/17 and 2017/18.
2. The Committee previously noted that the local leisure market has become increasingly competitive since the Council first entered into a contract with Fusion Lifestyle in 2009. Some of the challenges the Committee is aware of include:
 - A decline in overall customer satisfaction

- Recruiting and retaining staff such as lifeguards
- Limited investment planned for the leisure centres in 2018/19 (although significant investment is being made in a new sports park near Horspath).

Summary and recommendations

3. The Committee expressed concerns about the reliability of the data it was presented with on 6 September 2018. In preparing for the meeting, Committee members had cross-referenced the financial performance information with the participation numbers for each leisure centre. In reviewing the data, the Committee was not able to ascertain how in some circumstances, a decrease in participation correlated with an increase in revenue for the same period.
4. For example, Ferry Leisure Centre's overall income had increased from £377,000 in Q1 of 2017/18 to £423,000 in Q1 of 2018/19; representing an increase of 12.2%. However, for the same period, figures showed a significant decline in participation from 120,840 to 87,126; representing a decrease of 27.9%. In the absence of an explanation as no one from Fusion or the Council was present to explain the context of the data, the Committee thought that the relationship between these two sets of figures appeared to be counter-intuitive.
5. The Committee also noted that attendance at the same leisure centre was up by 35,686 participants in July, or 1,915 in the financial year to date. Whilst recognising as stated in the briefing that there had been improvements in monitoring gate access, the Committee was unable to account for the scale of the increase in July and questioned whether the figures were feasible and accurate. The Committee noted that the information provided by Fusion Lifestyle was requested and made available at short notice, which may have been a factor.
6. The Committee recognise that in order to be effective in their roles, members and officers who oversee the Fusion Lifestyle contract need to be able to access the right information, and to be assured of its accuracy. The Committee is recommending that an independent audit of Fusion Lifestyle's financial and participation accounting should take place to provide this assurance and help to distil apprehensions about the accuracy of the data. The Committee believes the City Executive Board, with the support of officers, is best place to decide the terms of such an audit to achieve reasonable assurance of the data. The Committee suggests that any such audit should be undertaken as soon as is practicable, and be considered the first step in providing a greater assurance of Fusion Lifestyle's performance.
7. **Recommendation 1 - That the Council commissions an audit of Fusion Lifestyle's financial and participation data, and the associated data collection methods, to assure itself of the reliability and accuracy of the quarterly performance information.**

Further Consideration

8. The Scrutiny Committee recognises the Council's contract with Fusion as a key priority for the Council in supporting strong and active communities. Despite years of success in making significant savings for the Council and increasing participation in physical activity, the recent decline in visitor numbers is of concern. For this

reason, the Committee continues to request performance dashboards at quarterly intervals, with a relevant council officer present at each of these meetings, to explain and provide the context for the data. The Committee also wishes to reiterate its interest in viewing participation data for specific groups including u17s, older people, and members of the BAME community.

9. The Committee has requested a comprehensive set of data on Fusion Lifestyle's performance at their meeting on 6 November 2018, with an officer present to advise the committee and answer any questions.

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Appendix 1 – City Executive Board response to recommendations of the Scrutiny Committee made on 6 September 2018 concerning the Fusion Lifestyle’s Performance Reporting

Draft response provided by the Board Member for Leisure and Housing

Recommendation	Agree?	Comment
<p>That the Council commissions an audit of Fusion Lifestyle’s financial and participation data, and the associated data collection methods, to assure itself of the reliability and accuracy of the quarterly performance information.</p>	<p>Yes</p>	<p>We have looked into the points raised by scrutiny and have included Fusion’s response below. We are though pressing Fusion to continue to improve their data accuracy and this will remain on the agenda for the client meetings until this has been done .</p> <p>Fusion’s response: The income was up significantly at Ferry in Q1 2018/19 compared to Q1 2017/18 mainly due to the schools shared income being profiled into a different period from last year. This was further compounded by the fact that an accrual from 2016/17 was transferred into the 2017/18 accounts and placed in June 2018 with this year’s income. Having the impact of two years payments in one year. Some of the other income lines such as memberships are down in Q1 year on year which is masked by the additional income in miscellaneous payments. This explains why there is not a direct correlation between the two figures during this period. Notwithstanding the accrual issue this will be ‘ironed out’ across the full year.</p> <p>Facility hire was up 21,916 year on year in July at Ferry, this is likely to be, in part due to the way the system works in relation to participation figures for block bookings and the fact participation is recorded within the system when the invoice is paid (if paid late) not when the activity takes place. Given the system set up and the seasonality of the Centres participation figures its more appropriate to review the year to date figures which as stated within the question were only 1,915 up year to date. Health and fitness was also up 9,108 year on year which we believe is an impact of improved gate control. In addition, the centre did have some good participation results, indoor activities were up 4,266 year on year and casual swimming was up 1,201 year on year.</p>

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