

To: City Executive Board

Date: 10 April 2013

Report of: Head of Leisure and Parks

Title of Report: **FUSION LIFESTYLE'S 2013/ 2014 ANNUAL SERVICE PLAN FOR THE MANAGEMENT OF THE COUNCIL'S LEISURE FACILITIES**

Summary and Recommendations

Purpose of report:

The report asks, following recommendation from the Leisure Partnership Board, that the City Executive Board endorse Fusion Lifestyle's Annual Service Plan for the management of the Council's leisure facilities for 2013/14.

Key decision? Yes

Executive lead member: Councillor Van Coulter

Policy Framework:

- Leisure Facilities review 2009 to 2013
- Sport & Physical Activity Strategy 2009 to 2014

Recommendation(s):

That the City Executive Board endorses Fusion Lifestyle's Annual Service Plan for 2013/14.

Appendix One – Fusion Lifestyle's 2013/ 2014 Annual Service Plan

Appendix Two – Fusion Lifestyle's Annual Service Plan summary.

Appendix Three – Risk register.

Appendix Four – Initial Equality Impact Assessment

Introduction

- 1.1 This leisure facilities review 2009 was developed following the commencement of a ten-year contract in March 2009 with Fusion Lifestyles (Fusion) social enterprise with charitable status to manage the Council's Leisure Facilities.

- 1.2 The Fusion contract will save Oxford City Council and local taxpayers over £7m throughout the ten years of the contract and has to date delivered a circa £3.5m investment in leisure facilities.
- 1.3 Alongside the benefits of a successful contract such as increased participation, an upward cycle of continued improvement, and an improved public realm, there is also a surplus share arrangement that encourages the Council to support Fusion to exceed their contractual financial targets and provide further investment. As such the Council needs to actively support Fusion in the delivery of the Leisure Centres contract.
- 1.4 As a registered charity, Fusion continually reinvests to improve the sport and leisure offer in our community.
- 1.5 Fusions 2013/14 Annual Service Plan (Plan) builds on the Councils approach to delivering world class leisure provision to Oxford residents.
- 1.6 Leisure provision in the city is continuously improving since the collaboration with Fusion in 2009 and supports the Council's strategic aims. In 2012/13¹:
 - The Bonus concessionary membership continues to offer those eligible for benefits, and their dependants, reduced rates on activities at all of our leisure centres. Circa 4,000 of membership uptake is by those in receipt of eligible benefits
 - Partnership working through a Council and Fusion Energy and Carbon working group has led to the implementation of carbon reduction measures estimated to save 85 tonnes of carbon per year. Further work is ongoing to develop a range of Salix funded projects for 2013/14 and beyond (including LED lighting and boiler upgrades)
 - Visits to Leisure facilities continue to increase. In 2009 850,000 visits took place and these have now increased to 1.1 million. The subsidy per visitor has reduced from £2.14 in 2008/09 (pre-contract), to 57 pence year to date²
 - Sports, community development and outreach work further increased, key target group visits growing by 17 per cent.
 - Further development and investment in facilities created a wider and improved quality leisure offer. New cafeterias are now operating at Ferry Leisure Centre and Oxford Ice Rink, funded from the savings created from transferring the management of leisure facilities in partnership with Fusion
 - Value obtained from our partnership working is illustrated through Fusions financial contribution to the new lighting and sound system at Oxford Ice Rink, the holding of Bonus concessionary fees and

¹ April 2012 to January 2013.

² Based on the value (£) of the management fee paid 2012/13 (excluding the free swimming subsidy).

charges for a fourth consecutive year³, increased capacity to focus on sports development and a significantly reduced maintenance backlog

- Overall customer satisfaction with leisure facilities was 96 per cent
- Quality continued to improve. We have achieved Quest, the UK Quality Award for facility management, at five facilities.

1.6 A comprehensive 2012/13 contract performance review will be reported to the Value and Performance Scrutiny Committee in June 2013.

1.7 The 2013/14 Plan is focused on delivering the Council's priorities in the most effective and efficient way and places significant focus for city residents upon:

- Accessible and affordable leisure opportunities through pricing structures and levels that are appropriate and inclusive.
- Improving health and well-being by positively promoting and delivering the benefits of healthy living and active lifestyles.
- Development of a 'Youth Ambition Programme'
- Tackling climate change and promote sustainable environmental resource management providing quality through continuous improvement.
- Driving value for money by ensuring that the leisure offering is of a high standard and innovative.

Development of the Annual Service Plan

2.1 The plan was developed between Fusion and council officers and agreed by the Leisure Partnership Board. The Board consists of representatives from the following groups:

- Executive and opposition member for leisure
- Facility user
- National Health
- Older people
- Senior Council and Fusion Officers

The function of the Board is to oversee the delivery of the city's corporate objectives through the leisure contract.

2.2 Preparation of the 2013/14 Plan has incorporated:

- Review of performance from contract commencement
- Review of achievements in respect of national and industry relevant benchmarks
- Commitments and intentions set out in Fusion Lifestyles tender submission

³ The concessionary membership offer has 15 categories offering those eligible for benefits, and their dependants, reduced rates on activities at all of the Council's leisure centres

- Liaison with stakeholders
- Linkage to the Council's corporate plan

2.4 A summary document will clearly set out the headlines of the Plan and be available to customers, staff and other key stakeholders. The document will be printed in a format consistent to previous contract years. (Appendix Two, Fusion's 2012/13 Summary Plan).

2013/14 Targets

3.1 Key targets committed to in the 2013 /14 Plan include:

Key 2013/ 2014 objectives	2012/13 target	2013/14 target ⁴
To reduce the subsidy per user in leisure facilities	71 pence	65 pence
To deliver a 5% year-on-year increase in participation by users resident in the most deprived wards in the city	120,750 visits	126,788 visits
To deliver a 5% year-on-year increase in participation by users aged over 50 years of age	69,300 visits	72,765 visits
To deliver a 5% year-on-year increase in participation by Women and girls.	325,500 visits	341,775 visits
To deliver a 5% year-on-year increase in participation by users aged under 16 years.	127,500 visits	133,875 visits
To deliver a 5% year-on-year increase in participation by users from Black, Minority and Ethnic groups.	54,400 visits	57,120 visits
To deliver a 5% year-on-year increase in participation by disabled users.	11,600 visits	12,180 visits
To maintain customer satisfaction levels above 95%.	96 per cent	96 per cent
To maintain Quest accreditation at five facilities at least "good" level	5 facilities	5 facilities
A reduction in utility consumption across the Councils leisure facilities; against the 2012/13 baseline.	2 per cent	2 per cent
Work with the Council to implement measures to reduce carbon emissions in leisure centres (equivalent to 5% of previous year's emissions)	5 per cent	5 per cent
Work with the Council to implement measures to reduce water consumption in leisure centres (equivalent to 3% of previous year's consumption)	3 per cent	3 per cent

Performance management

4.1 There will be an ongoing review and monitoring process for delivery of the plan. This will incorporate continuous management scrutiny,

⁴ April 2012 to January 2013.

monthly client performance reports, monthly meetings between key representatives of the Council and Fusion, quarterly Leisure Partnership Board meetings and a formal review in advance of the 2014/15 planning protocol.

Level of risk

- 5.1 There is a medium level of risk to service provision. Descriptions and mitigation for this level of risk are demonstrated in the Risk Register, (Appendix Three).

Climate change / environmental impact

- 6.1 The Plan has specific targets and actions that will have a positive environmental impact. These will significantly contribute to the Council's commitment for tackling climate change and promoting sustainable environmental resources, and it will contribute to the Council's delivery of reduction of carbon and water reduction targets. Actions within the Plan will engage fully with the Council's Carbon Management Plan, reduce water consumption and reduce waste sent to landfill and increase recycling waste.

Equalities impact

- 7.1 Targets and actions within the Plan will ensure equitable access to improved facilities and encourage increased usage for under represented and concessionary groups, in accordance with the Council's equalities impact assessments and action plan, (Appendix Four).

Financial implications

- 8.1 The Plan targets a year on year 10% reduction in net subsidy per user which they are on target to achieve for 2012/13. These savings are already reflected in the council's budget and the risks for the financial targets are solely Fusions. The management agreement also contains provisions to share profits that are made above those agreed when the contract was agreed, with the majority share going to the council.

Legal Implications

- 9.1 The Council has a contractual relationship under which the council's leisure facilities are managed by Fusion. The Leisure Management Agreement sets out the range of contractual requirements with which Fusion must comply. Fusions delivery of the matters set out in the Plan is one of these contractual commitments.

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List of background papers: None

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