

To: City Executive Board

Date: 2 April 2015

Report of: Head of Leisure, Parks and Communities

Title of Report: Fusion Lifestyle's 2015/ 2016 Annual Service Plan for the management of the Council's leisure facilities

Summary and Recommendations

Purpose of report: The report recommends that the City Executive Board endorse Fusion Lifestyle's Annual Service Plan for the management of the Council's leisure facilities for 2015/16.

Key decision: Yes

Executive lead member: Councillor Mike Rowley, Executive Member for Leisure Contract and Community Partnership Grants

Policy Framework: Leisure and Wellbeing Strategy, 2015 to 2020
Strong and Active Communities

Vibrant, Sustainable Economy
Cleaner, Greener Oxford

Recommendation: That the City Executive Board endorses Fusion Lifestyle's Annual Service Plan for 2015/16.

Appendices

Appendix One Fusion Lifestyle's Annual Service Plan summary 2014/2015

Appendix Two – Risk register

Appendix Three – Initial Equality Impact Assessment

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 contract was for ten years, with a five year extension clause.

2. The contract with a social enterprise whose sole focus and extensive expertise is operating leisure facilities has greatly improved the user experience, alongside achieving savings of around £660,000 per year. Over this period facilities have been greatly improved with around £13.5 million of investment, which has in the main been funded by the contract savings.
3. In February 2014 the City Executive Board agreed to extend the contract to for the development, management and operation of the City's leisure centres for a five year period to April 2024.
4. Fusion's 2015/16 Annual Service Plan (Plan) builds on the Council's approach to delivering world class leisure provision to Oxford residents. The plan is available on the City Council's website.
5. Leisure provision in the city is continuously improving since the collaboration with Fusion in 2009 and supports the Council's strategic aims. The achievements to date can be summarised as:
 - Usage has increased by 40¹ per cent on pre contract levels, now totalling around 1.3million visits a year.
 - The main increase in usage is in our target groups (people from areas of deprivation, BAME people, older people, disabled people, women and girls and under-17s) which have increased by 82 per cent.
 - The net subsidy per user has reduced from over £2.14 to £0.47 and is on target to reduce to £0.08 per user subsidy by 2016, and break even by 2017.
 - Additional increases in the Oxford Living Wage and energy costs have been absorbed.
 - Very high customer satisfaction levels - 98 per cent satisfied and 55 per cent rate the centres as excellent.
 - Quest (the sport and leisure industries quality and customer assurance scheme) has been achieved and maintained at all the centres.
 - Development on time and within budget of the Leys Pool and Leisure Centre.
6. The 2015/16 Plan is focused on delivering the Council's priorities in the most effective and efficient way and places significant focus upon:
 - Accessible and affordable leisure opportunities through pricing structures at appropriate and inclusive levels.
 - Improving health and well-being by positively promoting and delivering the benefits of healthy living and active lifestyles.
 - Supporting the council's 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.
 - Delivering Service Excellence by striving to achieve an excellent customer satisfaction rating of at least 60%. (Satisfaction targets were based on at least satisfactory, the plan strives to measure delivery of excellence).

¹ Based on April 2014 to January 2015 visits

7. This plan is presented following the successful enactment of the 2009 Leisure Facilities Strategy. The final part of the strategy was the completion of the Leys Pools and Leisure Centre which is proving to be a huge success with 50,000 visits taking place in the first month of opening.

Development of the Annual Service Plan

8. The 2015/16 Plan was developed between Fusion and council officers and agreed by the Leisure Partnership Board. The Board consists of representatives from the following groups:

- Customers
- Older people
- Young people
- Executive and opposition member for leisure
- 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. An effort has been made to broaden input into the Board and over the last year there has been more attendance and contribution from service users.

9. Preparation of the 2015/16 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
- Liaison with stakeholders
- Linkage to the Council's corporate plan

10. A summary document will clearly set out the Plan headlines 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 2014/15 Summary Plan).

2015/16 Performance Targets²

11. Key targets committed to in the 2015 /16 Plan include:

Key 2013/ 2014 objectives	2014/15 target	2015/16 forecast target
To reduce the subsidy per user in leisure facilities	£0.47	£0.08
Year-on-year increase in participation by users resident in the most deprived wards in the city	110,000 visits	114,000 visits
Year-on-year increase in participation by	91,000 visits	94,000

² Based on April 2014 to January 2015 visits

users aged over 50 years of age		
Year-on-year increase in participation by Women and girls.	452,000 visits	466,000 visits
Year-on-year increase in participation by users aged under 17 years.	139,000 visits	143,000 visits
Year-on-year increase in participation by users from Black, Minority and Ethnic groups.	85,000 visits	88,000 visits
Year-on-year increase in participation by disabled users.	15,000 visits	16,000 visits
To maintain customer satisfaction levels at leisure facilities above 95% (Good, Satisfactory, Excellent).	98%	At least 95%
Striving for excellence with the aim on achieving an excellent customer satisfaction rating. ³	New	60%
To retain Quest accreditation at five facilities at least "good" level	5 facilities	5 facilities
Reduce utility consumption against the 2013/14 baseline.	2 per cent	2 per cent

(Note: 2014/15 usage from Temple Cowley Pool and Blackbird Leys Pool will be added to the target for Leys Pools and Leisure Centre, 2015/16).

Performance management

12. There will be an on-going review and monitoring process for the plan. This will incorporate management scrutiny, 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 2015/16 planning process.

Legal Issues

13. 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. Fusion's delivery of the Service Plan is a contractual commitment.

Financial Issues

14. Savings from the contract with Fusion are already reflected in the council's budget and the risk for achieving these is Fusions. The management agreement also contains provisions to share profits that are made above those agreed when the contract was agreed.

Environmental Impact

³ Satisfaction targets were based on at least satisfactory, the plan strives to measure delivery of excellence. This is a new objective, but represents an improvement from 55% excellent this year.

15. The Plan has targets and actions that will have a positive environmental impact. These contribute to the Council's commitment for tackling climate change, promoting sustainable environmental resources, and to the reduction of carbon and water. Actions within the Plan support the Council's Carbon Management Plan.

Level of Risk

16. 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 Two).

Equalities Impact

17. Targets and actions within the Plan ensure equitable access to improved facilities and encourage increased usage for underrepresented and concessionary groups. , in accordance with the equalities impact assessments and action plan, (Appendix Three).

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List of background papers:

Fusion Lifestyle's 2015/ 2016 Annual Service Plan

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