

To: City Executive Board

Date: 14 July 2016

Report of: Scrutiny Committee

Title of Report: Fusion Lifestyle's 2016/17 Annual Service Plan

Summary and Recommendations

Purpose of report: To present a recommendation of the Scrutiny Committee on Fusion Lifestyle's 2016/17 Annual Service Plan

Scrutiny Lead Member: Councillor Andrew Gant

Executive lead member: Councillor Linda Smith, Board Member for Leisure, Parks and Sport

Recommendation of the Scrutiny Committee to the City Executive Board:

That the City Executive Board states whether it agrees or disagrees with the seven recommendations set out in the body of this report.

Introduction

1. The Scrutiny Committee pre-scrutinised Fusion Lifestyle's 2016/17 Annual Service Plan at its meeting on 4 July 2016. The Committee considered this item alongside a Fusion Lifestyle performance report for 2015/16, which helped to inform the Committee's debate. The Committee would like to thank Councillor Linda Smith, Ian Brooke and Lucy Cherry for presenting these reports and answering questions.

Summary and recommendation

2. The Board Member for Leisure, Parks and Sport introduced the reports and said that they contained some very positive headlines, such as a 71% increase in visits to leisure centres since the contract commenced and the expected achievement of a zero subsidy per user in 2017/18. Fusion Lifestyle had provided feedback that the Council was one of their most demanding customers. The Head of Community Services added that in 2008 the Council was spending

£2m per year on subsidising visits to leisure centres and next year this would reduce to nothing.

3. The Committee raised concerns about how quickly minor maintenance requests and IT failures were dealt with and questioned whether these issues were considered in performance assessments. The Committee also commented that staffing could be more responsive to demand at some facilities, for example by the opening of a second kiosk when a queue was forming. The Committee heard that there were a variety of assessments including mystery visits and customer journey mapping. Officers could not excuse failures to fix minor maintenance issues such as broken light bulbs but were not aware of any continuous problems, and such issues should be seen in the context of a vast increase in usage over recent years.
4. In response to a question about tracking the numbers of individuals visiting leisure centres rather than the total number of visits, the Board Member explained that there were lots of casual users. She wanted these users to buy into the loyalty schemes and these needed to be promoted more.
5. The Committee questioned what user involvement there was on the Leisure Partnership Board and commented that a user representative had been unable to attend recent meetings because they had taken place in the daytime on a week day. The Committee heard that the Board met quarterly and its minutes were published on the Council website. The membership included two elected members as well as customer representatives including older and younger people. The Committee suggest that the Council should look to strengthen user representation on the Board to provide useful consumer opinion on matters before the Board, and if necessary, the meeting times should be changed to facilitate this.

Recommendation 1 – That the Council encourages and seeks to facilitate stronger user representation on the Leisure Partnership Board, including by varying meeting times if required.

6. The Committee noted that Ferry Leisure Centre had a user group in place and suggest that the Council should encourage the formation of user groups at leisure centres that don't already have them, targeting regular customers if possible. The Committee commented that each user groups could have a representative on the Leisure Partnership Board, which would help to strengthen user representation (as suggested in recommendation 1).

Recommendation 2 – That the Council encourages the formation of user groups at the remaining Leisure Centres and considers how these user groups could link in with the Leisure Partnership Board, perhaps with each user group having a representative on the Board.

7. The Committee queried annual reductions in swimming visits by people under the age of 17 (from 48,400 in 2014/15 to 45,200 in 2015/16) and by people over the age of 60 (from 33,000 to 22,600) and asked what the explanations were. The Committee heard that there was work taking place nationally to address a decline

in swimming and that officers wanted to address the reductions by attracting new swimmers, particularly amongst older people. The Committee noted that the Service Plan included a target to deliver a 3% year-on-year increase in over 60 swimming. The Committee suggest that, given the 32% drop in over 60 swimming in 2015/16, Fusion should be challenged to deliver a higher increase in 2016/17.

Recommendation 3 – That the Council takes further steps to understand why the numbers of swimming visits have declined amongst some target groups and challenges Fusion Lifestyle to set a more ambitious target for increasing swimming visits by people over the age of 60 in 2016/17.

8. The Committee questioned whether leisure centres linked in with other local community facilities and suggested that there may be opportunities to increase footfall at non-peak times by offering discounted entry to daytime users of nearby community centres or nursery schools, for example. The Committee heard that such changes would have contract implications and affect the subsidy.
9. The Committee considered a suggestion that differential membership pricing structures should be introduced at different leisure centres to incentivise visits to facilities that were less well used. The Committee voiced some reservations around fairness and the accessibility of centres for people living in different parts of the City but indicated that it would support this proposal being pursued provided that no prices would increase and that all existing concessions would be unaffected. The Committee noted that consideration would need to be given to the implications of such a change on the Fusion Lifestyle contract.

Recommendation 4 – That further consideration is given to the case for and expected impacts of a proposal to introduce reduced non-concessionary membership fees at less well used leisure centres.

10. In response to a question about whether the Council benchmarks fees and performance with the wider market, the Committee heard that neighbouring authorities are used as a benchmark and that all facilities in the City are QUEST accredited. The Committee suggest that benchmarking should be undertaken with the wider leisure market including the private sector. The insights gained may help the Council and Fusion Lifestyle to fine-tune performance targets in future years.

Recommendation 5 – That benchmarking on performance, participation and price is undertaken with the wider market, including the private sector, not just with neighbouring local authorities.

11. The Committee considered a proposal that gym-only membership packages should be introduced alongside swimming-only packages and combined packages. The Board Member said that she thought this could lead to a decrease rather than an increase in participation. The Committee suggest that further consideration should be given to introducing this type of membership option, perhaps on a trial basis at one centre so that its impacts can be assessed.

Recommendation 6 – That further consideration is given to the idea of introducing gym-only membership options, perhaps on a limited trial basis.

12. The Committee questioned whether the five key strategic objectives for 2016/17 listed in the Service Plan should be read in priority order and suggest that it would be helpful to prioritise these as that may help to inform considerations about things like the possible introduction of differential pricing, for example.

Recommendation 7 – That consideration is given to the priority order of the five key strategic objectives for 2016/17.

Further consideration

13. The Committee commented that information on the following would be useful in future years to supplement the performance dashboard provided to Scrutiny:
- The numbers of visitors as well as visits;
 - Seasonal variations in usage;
 - More analysis around changes in usage levels amongst different target groups and communities of interest;
 - More detail around actions taken to address any reductions in usage;
 - National trends such as changes in the take up of different activities;
 - Contract performance over the longer term, perhaps through the inclusion of performance data for a base year as well the preceding year;
 - Capital responsibilities and the capital spend profile for the coming years;
14. The Committee requested a written response in respect of the following points:
- The extent of competitor benchmarking against neighbouring local authorities and against alternative models of provision in Oxford, both the more expensive private ones and the newer budget offers;
 - How customer satisfaction is measured;
 - The marketing and accessibility of leisure services to women from black and ethnic minority groups;
 - The use of social media and the marketing and visibility of leisure services to groups who may be less likely to engage with these channels, such as older people.

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