

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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