

HEALTHIER COMMUNITIES SELECT COMMITTEE		
Title:	Leisure Contracts Update – January 2016	
Key decision:	No	Item No: 4
Ward:	All	
Contributors:	Executive Director for Community Services	
Class:	Part 1 (open)	Date: 13 January 2016

1. Summary and Purpose of Report

- 1.1 This report invites comments from the Healthier Communities Select Committee on the 2014/15 performance of the two leisure centre contracts and their operators, 1Life (formerly Leisure Connection) for the Downham Health & Leisure Centre; and Fusion Lifestyle for the other leisure facilities across the borough.
- 1.2 Additionally the report provides updates on the contracts against four strategic objectives: improve health and wellbeing and tackle inequalities; contribute to community cohesion; contribute to the regeneration of the borough; and employment for local people.
- 1.3 The annual reports from both operators for the year 2014/15 are attached as appendices.

2 Recommendations

- 2.1 To note and comment on the contents of the report.

3 Background and History

- 3.1 The borough's leisure facilities are managed on behalf of the Council by two contractors, Fusion Lifestyle and 1Life (formerly Leisure Connection).
- 3.2 On 1 June 2011, Mayor & Cabinet (Contracts) approved the award of the Leisure Services Contract to Fusion Lifestyle for a period of fifteen years. The contract commenced on 15 October 2011 with immediate transfer of The Bridge Leisure Centre, Ladywell Arena, Ladywell Leisure Centre and Wavelengths Leisure Centre.
- 3.3 In addition to these leisure centres, previously managed by Parkwood Leisure, the contract has since included the new centre on Loampit Vale (Glass Mill), Forest Hill Pools, Forest Hill School Sports Centre and the Warren Avenue playing fields. Bellingham Leisure and Lifestyles Centre finally transferred to Fusion 1st February 2014.
- 3.4 Fusion Lifestyle is a registered charity and as such is required to demonstrate charitable objectives. According to their website their objective is "to deliver high quality sport, health and wellbeing services that are inclusive and

accessible to all without stigma or inequity. In particular we overcome barriers to participation, including socio-economic, age, gender, disability, cultural and ethnicity”.

- 3.5 Downham Health & Leisure Centre opened in March 2007, and is managed by 1Life (formerly Leisure Connection Ltd) operating through an Industrial and Provident Society (IPS) or trust, Downham Lifestyles Limited.
- 3.6 1Life have a 32 year contract through a PFI. The centre includes health care facilities, library, community hall, and leisure services (including a 25m swimming pool, teaching pool, gym, studios, floodlit Astroturf and multi use games area, and playing fields). The Citizens Advice Bureau is now also located in the building.

4 Policy Context

- 4.1 Lewisham’s Sustainable Community Strategy 2008 – 2020 ‘*Shaping our Future*’ reflects the many individual strategies and plans endorsed by different agencies and partnerships in Lewisham. All are working with our citizens to build a successful and sustainable future. The key principles of this strategy are reflected throughout the new leisure contract to ensure regular delivery to local residents over the life of the contract.

These key principles are:

- Ambitious and achieving – where people are inspired and supported to fulfil their potential
- Safer – where people feel safe and live free from crime, antisocial behaviour and abuse
- Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities
- Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment
- Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being
- Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.

5 Leisure Contracts Update

- 5.1 The key strategic areas of influence for the leisure contracts are as follows:
 - to improve health and wellbeing and tackle inequalities
 - to contribute to community cohesion
 - to contribute to the regeneration of the borough
 - employment for local people

Progress against each of these are set out below.

5.2 Improve health and wellbeing and tackle inequalities

- 5.2.1 A key objective of the two leisure contracts and the borough Sports Plan is to increase participation in sport and physical activity by local residents, through the use of the leisure facilities.
- 5.2.2 **Participation:** General participation at the Fusion leisure centres has yet again increased compared to the previous year. During 2014-15 the number of attendances at the facilities increased to 1.25m (1.1m in 2013/14 and 850k in 2012/13). Some of the key products such as the gyms, fitness classes and swim school have seen significant growth in participation. For instance, the fitness class programme now offers over 250 classes per week.
- 5.2.3 The increased attendances are down to a number of factors. These include the investment in the infrastructure in recent years which has now provided the Council with a portfolio which stands up well in the face of competition from the commercial sector and other local leisure opportunities. As the delivery agency of the leisure offer, Fusion Lifestyle should also take credit as the key performance indicators have improved over the year.
- 5.2.4 Following on from significant growth last year, participation across the target groups has also been extremely positive during this 12 month period. There was a 60% increase by over 60s, 36% increase by BME users, 34% increase by under-16s and a 22% increase by women users. Some of these increases will be attributable to improved data capture through the various membership and loyalty schemes but the strong message is that target group participation is going in the right direction.
- 5.2.5 Off the back of a 179% increase last year by disabled users, this year saw a decline by 16%. This figure was significantly impacted by the cancellation of two regular disabled group bookings – Royal London Society for the Blind at the Bridge and the Burgess Autistic Trust at Glass Mill. Both groups have had to reduce their activities due to funding cuts.
- 5.2.6 Recorded attendances at Downham Health and Leisure Centre during the year 2014/15 matched those of the previous year. A total of 453,456 visits were made which is not a significant increase on the previous year due to a positive attendance position in 2013/14.
- 5.2.7 The Downham contract provides a range of activities geared towards participation of certain groups. The trampoline sessions and holiday programmes are well attended and the swim school programme proves ever popular. BME groups and women generally find the fitness programmes appealing. People with disabilities are well catered for with their own centre specific club and the 60+ have an extensive and vibrant programme in all areas of the centre.
- 5.2.8 **Free swimming:** Free swimming is available for residents aged 16 and under and 60+ with a Lewisham library card. Across the Fusion contract there were 47,920 free swims during 2014-15 (up 35% on the previous year). At Downham 2014-15 usage has also increased to 19,695 (an increase of 9.4% on the previous year). Free swimming is currently funded from the Council's Public Health grant and was identified as a saving for 2016/17. This is currently on hold while being considered as part of a wide-ranging review of Leisure provision in the borough (see paragraph 6.2). However, officers have begun to

assess the use of the scheme as recorded through the use of library/leisure card.

- 5.2.9 There are concerns about the quality of the data because as centre reception staff do not always scan the cards and/or there are issues with the IT systems which record the information and this is being further investigated. Notwithstanding this the latest data shows that in the last financial year 2014/15 just under 14,000 individuals accessed free swims. Data from April 2014 to July 2015 showed that the majority of people accessing free swimming go infrequently (on average 4.8 times over the 15 month period). Over 60s swim more frequently and Males use free swims more than females with the overall figures showing:
- 8% of the population over 60 accessed at least 1 free swim. 2.3% of the total over 60s population swim at least once a month.
 - 23% of the 0-16 population accessed at least 1 free swim over the period 8.7% of the 0-16s population swimming at least once a month.
- 5.2.10 Officers will seek to address data issues and make a full assessment of the costs/benefits of funding free swimming and return with proposals relating to this provision by the beginning of 2015/16.
- 5.2.11 **Be Active:** The Be Active card provides concessions and free access to leisure activities across the borough. Across the Fusion sites there were 28,571 visits, slightly down on the previous year after a massive growth the year before. Fusion has recently undertaken a membership integrity exercise, asking Be Active cardholders to confirm their status. This has resulted in a significant reduction in the number of concessionary memberships afforded by the Be Active status. In Downham the number of Be Active members grows month on month, with 6,044 visits to the centre in the year.
- 5.2.12 **Exercise on Referral and Active Heart:** These two schemes are run jointly with NHS Lewisham and allow eligible residents experiencing health issues to be referred into tailored exercise courses by their GP or cardiac staff at the hospital. Administration of the programme has changed this year and offers a more streamlined process. Fusion received 1705 referrals fairly evenly split across Wavelengths, Glass Mill, Forest Hill Pools and the Bridge with a smaller number at Bellingham. 678 attended an initial assessment but only 108 people (16%) completed the programme. Completion rates are poor across the Country but are especially low here in Lewisham. People referred on the scheme are typically obese black Caribbean or black African women in the 46-59 age group. The Active Heart programme is much smaller with only 85 people referred in the year.
- 5.2.13 **Health promotion & activities:** 1Life work with their partners in the Downham Health & Leisure Centre to promote healthy lifestyles. For example, free NHS health checks, Downham Celebrates, IAPT and Delicious Nutritious.
- 5.2.14 **Healthy eating:** Within both contracts there is a requirement for healthy food and healthy vending. Downham has installed a Costa Coffee concession this year but has retained a variety of healthy options. The menus and prices at Fusion managed sites are closely monitored to ensure that healthy options are included.
- 5.2.15 **Pricing:** Within the terms and conditions of leisure management agreement and the PFI, the Council works with Fusion and 1Life provide reasonably priced leisure services. The growth of the commercial sector places pressure on the

operators to be competitive. There are subsidised fees and charges for Lewisham residents (with a Lewisham library card) and the reduced economic circumstances of some residents is addressed particularly through the Be Active card. As reported above the Free Swim uptake continues to grow and is particularly popular with those aged 60+.

5.2.16 **Inclusivity:** Access for all is a cornerstone of both contracts. Forest Hill Pools has 'excellent' status for the Inclusive Fitness Initiative (IFI) whilst all the other Fusion sites have provisional IFI status until January 2016. Downham is not required to nor does it possess an IFI accreditation. It is an expensive accreditation to achieve and they are considering whether they can work towards it. At Downham the Seals swimming club use the pool for disabled swimming sessions, and the MS Society have two targeted weekly exercise sessions. The TAGS (Trans And Gender non-conforming Swimming) group has become an established and popular session at Glass Mill, recently receiving press in the Huffington Post and Pink News as a best practice case study.

5.3 Contribute to community cohesion

5.3.1 Both contracts undertake a number of activities and initiatives which encourage participation, bring communities together and provide opportunities. Examples include the following.

5.3.2 Fusion employs a sports development manager to undertake community outreach and event management. Through the efforts of this employee Fusion support People's day, schools and youth events and sporting opportunities for the target groups recognised by Sport England. They also support the development of a number of sports clubs; including London Thunder Basketball Club at Forest Hill School Sports Centre; Lewisham Borough Football Club, Kent Athletics Club and S Factor at Ladywell Arena racquets clubs at the Bridge; Saxon Crown at Glass Mill and a number of martial arts organisations at Wavelengths.

5.3.3 Although 1Life only manage one leisure centre in the borough, they too employ a sports development manager. This employee has a brief to develop health and physical activity in the community and in the leisure centre. This includes a great number of schools assemblies, community group visits and promotion of health and well being generally, Throughout the year they supported a number of activities as well, including:

- No smoking day
- International Women's Day
- Promoted older people's activities
- Supported the disabled swim club
- Both the Christmas and Summer 'Downham Celebrates' event
- Charity fundraisers

5.3.4 1Life awarded funding of £6737 to seven groups during 2014-15 including youth roller skating and boxing, walking football and a significant sum to train local residents in lifeguarding qualifications.

5.4 Regeneration of the Borough

5.4.1 Last year this update reported on significant investments both by the Council and Fusion Lifestyle into the leisure portfolio, with new buildings at Glass Mill and Forest Hill Pools, and a major refurbishment at Wavelengths. All of these

buildings have added enormously to the wider community offer helping to make Lewisham a more attractive place to live and work. Sadly there are still building defects and latent defects associated with all of these sites. These are being actively pursued in conjunction with Fusion Lifestyle and the disruption to the leisure service is being minimised.

5.4.2 As reported previously the Bridge Leisure Centre is now the weakest site in the portfolio, offering relatively poor quality and dated facilities. This past year has seen a moderate investment at the site through 'lifecycle' funds with refurbishments of the gym, sports hall, dry changing rooms and toilets. At their own cost, Fusion installed a 3G synthetic pitch on the existing tarmac playing area. It should be noted however that there would still be a large amount of investment required throughout the building to match the standards offered elsewhere in the Borough.

5.4.3 Fusion has also invested some of their own resources into the gym equipment at Bellingham and Forest Hill School. In all instances this investment has seen considerable uplift in the membership and usage numbers.

5.4.4 Further investment of 'lifecycle' monies is planned at the Bridge but these are largely on mechanical and electrical services which will help with certainty around controlling environmental conditions but will not really be evident to customers.

5.5.1 Employment for local people

5.5.2 The two leisure contracts provide opportunities for employment and training for local residents.

5.5.3 Fusion employs over 200 staff across the Borough, with over 80% of these employees being Lewisham residents (up from 72% in 2013/14). Fusion are committed to developing all levels of staff. Recent successes include their Supernumery Apprentice completing their placement and moving into a permanent role within Fusion, as well as staff enrolling onto the Leadership Development Scheme (which includes study for the ILM Level 5 Certificate in Leadership and Management).

5.5.4 1Life have entered into a partnership with Lifetime who provide apprenticeships and development programmes for members of staff. In 2014/15, they employed 2 apprentices (a lifeguard and a customer services rep). Additionally lifeguards continue to take part in monthly CPD, and one staff member has now qualified as a trainer to help deliver these sessions and further training on site. The Exercise on Referral team have also undertaken motivational behaviour therapy courses to help develop the new programme and increase course completion rates. The positive impact of this work is shown most in the increased staff satisfaction at the centre, and overall satisfaction of the Leisure Centre as a whole.

5.6 Performance monitoring and Operational Issues

5.6.1 Due to issues raised with the council through a variety of sources there has been additional monitoring of the Fusion contract by way of site visits and quarterly technical inspections. The indications are that the quality of the service delivery has improved across the board with higher scores on most indicators.

- 5.6.2 On a quarterly basis the Authorised Officer makes a more formal inspection of the facilities and measures performance against the Zone Data Sheets which set the standards for each area of the building. Any service issues are promptly reported to the operator and if not remedied within the prescribed period a financial penalty is applied.
- 5.6.3 Technical inspections are also made on a quarterly basis. They check for compliance on health and safety matters and to reassure the Council that the leisure operator is undertaking the necessary repairs and maintenance regimes in order to protect the Council assets. This is the second year of these inspections and standards have improved.
- 5.6.4 Some service failures do still occur, complaints are still made and financial penalties are applied but these have become much rarer and the service has settled down offering decent standards partly helped by reduced staff turnover. The way in which Fusion has responded to these situations has improved leading to enhanced levels of customer satisfaction.
- 5.6.5 Last year this update reported on key operational challenges around poor standards of cleaning, queue management, telephone answering, complaints management, defects management and anti social behaviour at Glass Mill. Both Fusion and the Council have focussed attention on these basic housekeeping issues as they impact significantly on the customer experience. Cleaning standards still remain a challenge, particularly at Glass Mill, and Fusion have changed contractor in an attempt to raise standards.
- 5.6.6 As part of their own feedback system, Fusion operates a comments card system to which there were 3392 submissions in the year. The average scores for the year against each of the headings were as follows:
- Staff **95.9%**
 - Range of Activities **97.4%**
 - Building Condition **95.0%**
 - Cleanliness **90.8%**
 - Value for Money **96.4%**
 - Equipment **93.4%**
 - Ease of Booking **92.7%**
 - Ease of Gaining Information **94.0%**
 - Website **93.9%**
 - Total 94.4%**
- 5.6.7 A total of £25,300 was withheld from Fusion as financial penalties for loss of service in the year. These were primarily for mechanical failures such as loss of showers, pump failures in pool circulation and waste to a disabled toilet. During the year 2014/15 there was a total of £2,057.22 withheld from 1Life for service delivery failures, mainly focussed on pool closures at weekends due to unexpected staff shortages.

6 Financial Implications

- 6.1 There are no immediate financial implications arising from this report.
- 6.2 Officers are currently negotiating with both Fusion and 1Life to deliver the £1m savings target against the Leisure budget by 2017/18. These conversations are ongoing, but all possibilities are being looked at to provide a range of options for decision by Mayor and Cabinet during 2016.

7 Equalities Implications

- 7.1 An Equalities Impact Assessment (EIA) for the Council's leisure services specification was conducted before both contracts were tendered. A number of the actions contained within the EIA aim to deliver a positive impact on equality in the Borough. Some highlights of this include:
- Free gym inductions have been offered for the Exercise on Referral and Active Heart programmes; and subsidised access for Be Active members.
 - Specific single sex sessions are being programmed including the continuation of the successful 'women's only' evening at Wavelengths.
 - Free access to facilities for national sportsmen and women of all ages is being provided for the duration of the contract (FANS scheme).
 - 50 hours of free access per year is being utilised by the Council's sports & Leisure Service. Emphasis will be placed on delivery of activities for the equalities groups listed within the EIA.
 - The TAGS (Trans And Gender non-conforming Swimming) group has become an established and popular session at Glass Mill referenced at paragraph 5.2.16
- 7.2 Fusion's Annual Report – attached as appendix 1 shows significant participation increases across most equalities groups with their current service plan containing the following objectives:
- To deliver a 5% year-on-year increase in general participation
 - To deliver a 5% year-on-year increase in participation by users aged under 16
 - To deliver a 5% year-on-year increase in participation by users from BME groups
 - To deliver a 5% year-on-year increase in participation by disabled users
 - To deliver a 7% year-on-year increase in participation by 60+ users
 - To deliver a 5% year-on-year increase in participation by female users

8 Legal Implications

- 8.1 There are no legal implications arising from this report.

9 Conclusion

- 9.1 Through the borough's two leisure providers, Fusion and 1Life, the Council can provide many benefits to local people such as; employment, state of the art facilities, subsidised and free activities for those most in need, and health improvements. Continuous monitoring and working in partnership with the two contractors will ensure continued benefit for local people.

If there are any queries on this report please contact David Walton, Community Assets Manager on 020 8314 8256.

Additional Documents

Appendix 1 – Fusion Lifestyle Annual Report 2014/15

Appendix 2 – 1Life Annual Report 2014/15