

HEALTHIER COMMUNITIES SELECT COMMITTEE		
Title:	Leisure Contracts Update – March 2017	
Key decision:	No	Item No: 7
Ward:	All	
Contributors:	Executive Director for Community Services	
Class:		Date: 1 March 2017

1. Summary and Purpose of Report

- 1.1 This report invites comments from the Healthier Communities Select Committee on the 2015/16 performance of the two leisure centre contracts and their operators, 1Life 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 2015/16 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 and 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 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 Private Finance Initiative (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).

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 is to increase participation in sport and physical activity by local residents, through the use of the leisure facilities.

- 5.2.2 **Participation:** Use of all the borough's leisure facilities continues to grow year on year. In 2015/16 there were 1.75 million visits; an 8% increase from 1.6m visits in 2014-15.
- 5.2.3 General participation at the Fusion leisure centres has yet again increased compared to the previous year. During 2015/16 the number of attendances at the facilities increased to 1.26m (1.25m in 2014/15 and 1.1m in 2013/14). Facility hire and school swimming both performed particularly well with a 41% and 23% increase respectively; due to better relationships with local partners and schools.
- 5.2.3 Participation increased across four centres in particular: Bellingham, Forest Hill Pools, Glass Mill and the Bridge Leisure Centre. The Bridge saw the largest percentage increase, in most part due to refurbishment works undertaken there.
- 5.2.4 Participation across most of the target groups at Fusion centres has also continued to increase. There was a 1.3% increase by over 60s, 13% increase by BME users, 46% increase by under-16s and a 14% 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. Fusion deliver targeted activities to help increase participation from these groups; for example over 60s aquafit and Zumba, and women only evening at Wavelengths.
- 5.2.5 Participation by disabled users at Fusion centres has decreased again for a second year; dropping by 21% in 2015/16. Fusion acknowledge that further work is needed to reverse this trend and have worked with various organisations (e.g. Contact a Family, Community Connections and Young People's SEN forum) to raise awareness of free swimming, free gym and access to leisure centres. This is proving to be fruitful with disability participation 27% higher in Q3 of 2016/17 than Q3 of 2015/16. . Ladywell Arena hosted the annual disability sports day which was attended by 150 disabled people.
- 5.2.6 Visits to the leisure side of Downham Health and Leisure Centre during the year 2015/16 were 484,750, an increase of 7% on 2014/15. The three main areas of growth were swim school (at a record level for the centre), fitness member usage and fitness classes.
- 5.2.7 The Downham contract provides a range of activities geared towards participation of certain groups. Young people are catered for through teenage sports sessions and personal training and education sessions; as well as free tennis courses, trampolining and holiday programmes for children. Over 60s can access special social sessions with sports such as short mat bowls and boccia, and tea. 1Life has worked with the local mosque to arrange women only circuit sessions for women and girls; and other sessions are well attended by women and BME groups. The centre has worked with a number of organisations to increase usage by disabled people, including offering athletics and multi-sport sessions to the Downs Friendship Group during school holidays; as well as wheelchair dance sessions.
- 5.2.8 **Free swimming:** Free swimming was available for residents aged 16 and under and 60+ with a Lewisham library card during 2015/16. Across the Fusion contract there was a 13% decrease in the number of free swims during 2015/16 compared to the previous year; dropping from 47,920 to 42,043 free swims. At

Downham usage also decreased during 2015/16; down by 9% from 2014/15 to 18,125.

- 5.2.9 Free swimming for under 17s was funded by the council's Public Health grant and was identified for a saving during 2016/17. Following analysis of usage and the low health benefits due to not being used frequently enough a decision was taken to stop funding it from 1 April 2016, providing a £200,000 saving. Culture and Community Development service continued to fund free swimming for under 17s until end of August 2016 after which it ceased altogether. Feedback on this change has been limited; with Fusion and 1Life receiving no formal complaints about the removal; and the Council only receiving a handful. Free swimming for over 60s continues under the Be Active scheme.
- 5.2.10 **Swimming participation:** Both 1Life and Fusion centres have seen a drop in casual swimming year on year which follows a national swimming trend. Both operators have introduced different sessions to encourage people to swim more, such as inflatable family sessions and aquasplash for children.
- 5.2.11 Bucking this trend is the massive increase year on year of swim school (swim lessons) participants; partly as a result of more swimming lessons being offered for a wider age range of children and adults. This increase in programming of swim lessons is in response to demand; but comes with its own challenges of balancing public casual use and programmed sessions. Greater use of direct debit has also meant less drop-off of participants.
- 5.2.12 School swimming is also strengthening; with Downham seeing an increase of 2 schools using their facilities in 2015/16. There is, however, a low percentage of key stage 2 passes of school children accessing swimming at the borough's centres which is mainly due to low level swimming attainment generally in the population – a large number of children coming into school swimming lessons are non-swimmers. Both operators provide free courses and scholarships to local schools to identify children who may benefit from free swimming lessons over and above the school swimming sessions.
- 5.2.13 Officers are currently working with the Amateur Swimming Association, school representatives and both operators to develop initiatives to increase swimming participation, levels and review the school swimming offer.
- 5.2.14 **Be Active:** The Be Active card provides concessions and free access to leisure activities across the borough to certain eligible residents. Across the Fusion sites there were 3,985 Be Active members and 25,598 admissions in 2015-16, down by about 10% on the previous year. This is due to a number of reasons, including ongoing integrity checks, equipment to scan the library card in the centres frequently breaking and lower than previous year's levels of marketing and publicity. In Downham the number of visits to the centre was 7351 in the year.
- 5.2.15 Work is underway to transfer the administration of the scheme to the leisure operators from the library service in order to provide a more efficient customer service.
- 5.2.16 **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. This year the scheme has seen some significant changes as to how it operates. The scheme has gone completely electronic with GP's able to

refer direct to Fusion or 1Life, enabling the operators to contact customers and book their appointments more efficiently. The scheme has also been split into low and medium risk, called Active Start and Active Referral. Low risk referrals are for people who are overweight or at risk at developing long term medical conditions. The medium risk is for people who have long term medical conditions and have prescribed exercise to help with their conditions.

- 5.2.17 During 2015/16 Fusion had a total of 1,524 people referred across the two programmes (1,124 Active Referral and 400 Active Start). Numbers were lower this year when compared to previous years but this was due to the changes being implemented during June and July 2015. Downham had a total of 226 active referrals and 63 active start.
- 5.2.18 **Health promotion & activities:** 1Life work with their partners in the Downham Health & Leisure Centre to promote healthy lifestyles. For example, free NHS health checks, healthy walks, Downham Celebrates, IAPT and Delicious Nutritious.
- 5.2.19 Fusion worked with Bromley MyTime Health to run weight management classes for young people during 2015/16 at Glass Mill; with the aim to get inactive young people active. Fusion also delivered the final block of Get Moving sessions at the beginning of 2015/16, targeting inactive over 40s to take part in structured exercise classes such as aqua Zumba and pilates.
- 5.2.20 **Healthy eating:** Within both contracts there is a requirement for healthy food and healthy vending. Fusion have very recently changed their café operator in Forest Hill and the Bridge to Bickels Yard, and included more healthy eating options as part of that. The menus and prices at Fusion and 1Life managed sites are closely monitored to ensure that healthy options are included.
- 5.2.21 Lee Green community veg scheme delivers organic fresh vegetables from local farmers to local people and Glass Mill became one of their delivery hubs during 2015/16.
- 5.2.22 **Pricing:** Within the terms and conditions of leisure management agreement and the PFI, the Council works with Fusion and 1Life to provide reasonably priced leisure services. The growth of the commercial sector places pressure on the operators to be competitive. The reduced economic circumstances of some residents is addressed particularly through the Be Active card.
- 5.2.23 Fusion have recently been trialing a centre specific membership approach. Normally membership allows you to access all Fusion sites within Lewisham, but a centre only membership is being offered at a select number of sites. This is to encourage retention of existing members and increase yield in the face of competing budget gyms and other commercial operators. It is still too early to determine whether this approach is successful in meeting these aims.
- 5.2.24 Officers have developed a suite of changes to the Fusion contract as part of the agreed £1m savings from April 2017. These changes include an increase in headline membership (from £39.60 to a maximum of £42.95 per month) and Be Active membership (from £21.75 to a maximum of £24.95 per month); as well as increase on swim school prices (from £5 to a maximum of £6 per lesson). These increases still leave Lewisham low to mid-point in price comparison with its neighbouring boroughs.

5.2.25 **Inclusivity:** Access for all is a cornerstone of both contracts. In 2015/16 all Fusion sites held Inclusive Fitness Initiative (IFI) status. 1Life is not required to nor does it possess an IFI accreditation, however officers are working with the operator to achieve this. At Downham the Seals swimming club use the pool for disabled swimming sessions, the MS Society have two targeted weekly exercise sessions and the centre is one of 12 sites nationally to offer deaf friendly swimming lessons. The TAGS (Trans And Gender non-conforming Swimming) group continues to use Glass Mill and is well attended.

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 undertake various community outreach initiatives as well as delivering targeted sessions within their centres and supporting events. Fusion are a key sponsor of People's Day, having an interactive and fun presence at the event. Through their adult swim campaign 5 adults learnt to swim during 2015/16 with the goal of taking part in the Swimathon 2016 at Glass Mill. Fusion hosted a falls prevention training course; with its staff now qualified to deliver fall prevention classes in the leisure centres. Around £8,000 was provided by Fusion to support community initiatives, including in kind facility hire of Glass Mill for the Lewisham Primary School Gala, and spaces provided for organisations such as London Wildlife Trust. In partnership with Adult Learning Lewisham Glass Mill hosted an art event with workshops and trial classes.

5.3.3 The sports development manager at Downham is very proactive in developing health and physical activity in the community and in the leisure centre. Throughout the year they support a number of events, including Downham Celebrates (summer and Christmas), Sport Relief Mile, Swimathon, and swim school galas. They fund and support various activities to get people more involved and active; such as girls football, Polish community group, joint bid for funding with Bellingham Community Project for free tennis sessions, stop smoking sessions, diabetes self-help group and dementia seated exercise sessions. 1Life has very recently launched their 'fit bus' to take more sessions out into the community.

5.3.4 The Industrial Provident Society (IPS) made awards of small grants to groups and partners who use the facilities at Downham Health & Leisure Centre, including roller skating programme, Dalmain Athletic Club 50+ walking football, and respite fitness sessions for parents.

5.4 Regeneration of the Borough

5.4.1 Significant investments both by the Council and Fusion Lifestyle have been made into the leisure portfolio over previous years, 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. Whilst there are still some building defects and latent defects associated with these sites many have now been resolved and disruption to the leisure service is minimised.

5.4.2 The council and the two operators continue to invest in the leisure facilities. Following refurbishment of the gym, sports hall, dry changing rooms and toilets in 2014, further work was undertaken at The Bridge Centre in 2015 including

the replacing the pool hall ceiling, air handling units, redecoration and new LED lighting, and the upgrading of multi-use games area to 3G pitch. Fusion have invested new gym equipment at Wavelengths and Glass Mill following feedback from customers.

- 5.4.3 The PFI facility services management contract at Downham continues to deliver planned lifecycle improvements. In 2015/16 this included reception carpet replacement, redecoration, shower head replacement, air con fans and spectator seating in the pool.
- 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 134 FTE staff across the Borough, with over 55% of these employees being Lewisham residents (down from 80% in 2014/15). Fusion have developed a successful 'Development Pathway' which provides a framework for all employees to progress within the organisation; and have promoted a staff member to General Manager recently under this scheme.
- 5.5.4 Following a period of stability within its staffing Fusion have recently seen a turnover of a number of its key staff including general managers and the divisional manager within Lewisham. This has provided both challenges and opportunities for the organisation.
- 5.5.5 1Life employs 32 FTE staff, of which 12 are Lewisham residents. It provides opportunities to upskill its staff including swim teacher and fitness instructor courses. The company continues to have a commitment to employing apprentices in roles such as reception, crèche and lifeguards; and has provided opportunities for college students to complete work experience at the centre.
- 5.6 Performance monitoring and Operational Issues
- 5.6.1 Officers continue to respond to issues about the quality of facilities or services offered by both operators, undertaking monitoring by way of site visits and quarterly technical inspections.
- 5.6.2 On a regular 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 may be applied.
- 5.6.3 Technical inspections are 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 third year of these inspections and standards have improved.
- 5.6.4 Whilst some service failures do still occur, complaints are still made and financial penalties are applied 2015/16 continued to see decent standard of delivery, building on previous work between Fusion and council officers. The areas that continue to concern officers are general cleanliness (especially at Glass Mill) and the turnaround of fixing repairs and unavailable services such as showers or lockers.

5.6.5 As part of their own feedback system, Fusion operates a comments card system and launched their new online feedback portal during 2015/16. The average scores for the year against each of the headings were as follows:

Staff 97.0%
Range of Activities 96.9%
Building Condition 95.7%
Cleanliness 90.8%
Value for Money 96.9%
Equipment 95.2%
Ease of Booking 96.2%
Ease of Gaining Information 93.8%
Website 93.3%
Average 95.1%

5.6.6 These indicate that the quality of the service delivery has improved across the board with higher scores on most indicators and the average satisfaction of increasing from 94.4% in 2014/15 to 95.1% in 2015/16. Cleanliness remains the lowest scoring category; and is static from 2014/15 and continues to be an issue in 2016/17. Officers have raised this through the formal contract process and requested that changes are put in place to schedules and checks to increase the levels of cleaning required, and will continue to monitor regularly. Cleaning at Glass Mill is a particular challenge with an issue of noise to flats above from the heavy-duty mechanical cleaners; however officers are working to resolve this with the developer to allow full cleaning to be undertaken again.

5.6.7 1Life also regularly conducts customer surveys to improve their services. These include users, non-users, staff satisfaction and green travel. From their user surveys notably high satisfaction can be found in value for money, range of classes, and staffing. Areas such as availability of car parking, quality of play equipment on Downham Playing Fields and cleanliness of the pool changing facilities scored lower.

5.6.8 All the leisure facilities undergo rigorous assessments by Quest, a respected authority on leisure standards. Glass Mill was very recently awarded Excellent status; the highest level that can be achieved and above the requirements of the contract. Wavelengths, Forest Hill and Downham all achieved Good status.

5.7 2016/17 update

5.7.1 Local authority leisure provision is increasingly being squeezed in a changing market, with increasing competition from the commercial sector (particularly 'budget' gyms; with Fusion already seeing a negative impact from these). This requires the council and the two operators to continue to invest in the offer available and maintain or increase their market share. This includes providing a niche offer that the commercial sector doesn't; for example family participation. Officers are working with both Fusion and 1Life to develop proposals to enhance the offer; including soft play provision. Fusion is also developing a much more robust local marketing campaign, to highlight the particular local offer; e.g. climbing wall at Glass Mill, Ladywell Arena running track etc.

- 5.7.2 There has been a slight increase in complaints about the Fusion leisure centres recently; mostly to do with slow response in fixing broken facilities (e.g. showers, cold temperatures in studios etc) and a few to do with cleaning, particularly at Glass Mill (see 5.6.6 above). Officers have picked both of these issues up through the formal contract mechanisms and have been applying financial penalties where appropriate. It is worth bearing in mind, however, that there are 1.75 million visits per year and only a very small number of formal complaints received.
- 5.7.3 Officers continue to work with both contractors to deliver the best possible service and meet the key strategic areas outlined above; and further information on delivery will be available to the committee once the year has concluded.

6. Financial Implications

- 6.1 There are no immediate financial implications arising from this report.
- 6.2 £1m will be removed from the leisure budget from April 2017. This is being achieved through removing the ring-fenced landlord budget and taking corporate risk on spend in future years; as well as service changes such as opening hours, timetabling, pricing and staffing arrangements. In addition to this free swimming for under 17s was removed from the Public Health budget.

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).
 - 70 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 5.2.25
- 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 3% year-on-year increase in participation by users from BME groups
- To deliver a 3% year-on-year increase in participation by disabled users
- To deliver a 5% year-on-year increase in participation by 60+ users
- To deliver a 3% 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 Petra Marshall, Community Resources Manager on 020 8314 7034.

Additional Documents

Appendix 1 – Fusion Lifestyle Annual Report 2015/16

Appendix 2 – 1Life Annual Report 2015/16