



## Mayor and Cabinet

### **Report title: Leisure Management Arrangements**

**Date:** 07/10/2020

**Key decision:** Yes

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Director of Communities, Partnerships and Leisure

Director of Corporate Resources

Director of Law, Governance and HR

### **Outline and recommendations**

On 12th August 2020 Mayor and Cabinet noted the intention to end the current Leisure Management Agreement (LMA) with Fusion Lifestyle Ltd (Fusion).

Since that meeting, discussions have been taking place with Fusion regarding the ending of the LMA. This report, including the confidential matters which are covered in the Part 2 report sets out the details of those negotiations and the proposed terms for ending of the LMA.

It is recommended that Mayor and Cabinet:

- approve the terms for the ending of the current Leisure Management Agreement ("LMA") with Fusion Lifestyle Ltd as set out in the Part 2 report.

## **Timeline of engagement and decision-making**

Mayor and Cabinet Report, 12 August 2020

Permission to award a Leisure Management Contract

### **1. Summary**

- 1.1. Fusion Lifestyle Limited (Fusion) currently operate 7 facilities across the borough on a 15-year Leisure Management Agreement which started in October 2011.
- 1.2. On 12th August 2020 Mayor and Cabinet noted the intention to end the current Leisure Management Agreement (LMA) with Fusion.
- 1.3. Since that meeting, discussions have been taking place with Fusion regarding the terms on which the LMA would end. This report, including the confidential matters which are covered in the Part 2 report, sets out the details of those negotiations and the proposed terms for ending of the LMA.

### **2. Recommendations**

- 2.1. It is recommended that Mayor and Cabinet:
  - 2.1.1 approve the terms for the ending of the current Leisure Management Agreement (“LMA”) with Fusion Lifestyle Ltd as set out in the Part 2 report.

### **3. Policy Context**

- 3.1. There are a number of existing strategies where the leisure facilities make a positive contribution. In addition the Council is in the process of developing a Physical Activity Strategy with the aim of pulling together all the relevant strands and capturing them in one overarching strategy that puts the health and wellbeing of Lewisham residents at the forefront of provision.
- 3.2. Corporate Strategy 2018 – 2022. The characteristics of the Borough are clearly set out with a growing and diverse population including some areas of very high deprivation and child poverty. Healthy lifestyles and the availability of local leisure centres are key to delivering three of the key priorities namely: Giving children and young people the best start in life; Building an inclusive local economy and delivering and defending: health, social care and support. Furthermore there is opportunity within wider priorities to encourage physical activity in the active environment. Partnership working is a key tool identified to deliver against these priorities. It is clear that leisure services can play a major role in the delivery of the Corporate Strategy priorities.
- 3.3. The Lewisham Local Plan - The Lewisham Local Plan will be a comprehensive plan for

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the whole borough setting out the proposed plans for new homes and associated infrastructure covering a 15-year period from 2018–33. It first went out to consultation in 2015 and the updated version is about to go out to consultation again in 2019. It will undoubtedly be an important document to help inform the need for future built facilities (including the active environment) and services (impacted by a growing population and potential changes to the demographic profile of the Borough).

- 3.4. Lewisham Whole Systems Obesity Action Plan 2019 – 21. The Council's whole systems approach to obesity has three overarching aims:
- Promote an environment that supports healthy weight and wellbeing as the norm, making healthier options the easiest choice for our residents to eat well and have active lifestyles;
  - Supporting our communities and families to become healthier and more resilient, which will include addressing the wider determinants of health; and
  - Tackle the weight issues of those who are already overweight and obese.
- 3.5. Physical activity and the physical environment play key roles in the plan which is very positive and there are targets designed to assess progress linked to getting people more physically active, increasing active travel and using outdoor space for exercise.
- 3.6. Local authorities have a statutory duty to secure sufficient educational and recreational leisure time activities and facilities for young people aged 13 to 19, and those with learning difficulties to age 24, to improve their well-being, as defined in Subsection 13 of Section 507B of the Education Act 1996 (amended 2006). This particularly important relating to the provision of swimming pools which are not readily provided via the private sector.

## **4. Background**

- 4.1. Fusion Lifestyle Limited currently operate 7 facilities across the borough on a 15-year Leisure Management Agreement ("LMA") which started in October 2011:
- The Bridge Leisure Centre (including the Lewisham Indoor Bowls Centre) in Sydenham
  - The Bellingham Leisure and Lifestyle Centre in Bellingham (managed by the Council on behalf of a charity, the Bellingham Community Project)
  - Forest Hill Pools (Forest Hill)
  - Ladywell Arena (Catford)
  - Glass Mill Leisure Centre (Lewisham)
  - Wavelengths Leisure Centre (Deptford)
  - Warren Avenue playing fields (actually located in Bromley)
- 4.2. Due to a number of factors including the impact of COVID-19 on the leisure market as a whole the Council and Fusion have agreed to end the current LMA to allow each party to reshape their activities in light of the significant changes needed due to the pandemic.

## **5. Ending the Leisure Management Agreement**

- 5.1. On 12th August 2020 Mayor and Cabinet noted the intention to end the current Leisure Management Agreement (LMA) with Fusion Lifestyle Ltd (Fusion)
- 5.2. Since that meeting, discussions have been taking place with Fusion regarding the ending of the LMA. This report, including the confidential matters which are covered in the Part 2 report, sets out the details of those negotiations and the proposed terms for ending of the LMA.
- 5.3. The negotiations have covered all areas of LMA including debt repayment, service

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development, building maintenance and contract breakage clauses and have been aimed at seeking best value for the authority across a range of considerations. The details of these negotiations are set out in the Part 2 paper which accompanies this report.

## **6. Financial Implications**

- 6.1. As set out in the Part 2 report.

## **7. Legal implications**

- 7.1. The Council has a public sector equality duty (under the Equality Act 2010 (the Act)). It covers nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 7.3. The duty is a “have regard duty”, and the weight to be attached to it is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 7.4. The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>.
- 7.5. The Equality and Human Rights Commission (EHRC) has issued guides for public authorities in England giving advice on the equality duty. The ‘Essential’ guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **8. Equalities implications**

- 8.1. Lewisham Council is current developing a new Physical Activity strategy which the

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leisure services detailed in this report will be a key part. As part of the strategy development, a vision, priorities and key outcomes will be established to set the strategic direction for the service over the coming years. Whilst these have not yet been confirmed at this stage, they are likely to centre around the areas of:

- Increasing physical activity levels and reducing inactivity with the aim of reducing the burden on the NHS, particularly in deprived areas and within the BAME community;

8.2. AND using physical activity to:

- promote health, wellbeing and happiness;
- tackle deprivation;
- reduce crime and anti-social behaviour;
- develop the economy, jobs and skills;
- support the voluntary & community sector.

8.3. A number of specific target outcomes and associated KPIs will be identified to establish how the strategy will be measured and monitored, with an action plan identifying specific actions for implementation.

## **9. Climate change and environmental implications**

9.1. Leisure Centres, especially swimming pools, consume high levels of energy. Officers will work with the new leisure providers to utilise techniques they have demonstrated in other boroughs to reduce overall energy consumption and the carbon footprint of services.

## **10. Crime and disorder implications**

10.1. Leisure Services play a significant role providing positive activities for young people, reducing the chances of them being involved in anti-social behaviour or criminal activity. They are a key provision in the Local Authorities Public Health Approach to violence reduction.

## **11. Health and wellbeing implications**

11.1. There is a wealth of evidence to highlight that the benefits of an active lifestyle are far reaching and impact positively on people's lives across the life course. Those who play sport and are active are healthier, happier and more likely to be successful in academic and professional life.

11.2. We know that the benefits of an active lifestyle are far reaching and impact positively on people's lives. The weight of the national evidence base regarding the risks and costs of inactivity is compelling:

- Physical inactivity directly contributes to one in six deaths in the UK, the same number as smoking;
- Physical inactivity is the fourth largest cause of disease and disability in the UK;
- Physical inactivity leads to around 37,000 premature deaths a year;
- Evidence highlights that active people are less likely to suffer from heart disease, stroke, cancer, diabetes and may consequently live 5 years longer.

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- 11.3. Physical inactivity poses a serious and growing danger to society; it damages health, economy and the environment and limits the educational attainment and future lives of children.'
- 11.4. It is estimated by Public Health England that the cost of physical inactivity is £7.4 billion per year.

## 12. Social Value implications

- 12.1. Public Services (Social Value) Act 2012 requires that the council considers how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured.
- 12.2. The council is also an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate. Successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents.
- 12.3. Leisure Centres are significant local employers and the new contract will ensure that as many of the current jobs as possible are safeguarded.

## 13. Background papers

## 14. Glossary

Term	Definition

## 15. Report author and contact

- 15.1. James Lee, [james.lee@lewisham.gov.uk](mailto:james.lee@lewisham.gov.uk), 020 8314 8465

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