

# SCRUTINY BOARD

Agenda Item: 8

**Ward:** ALL

**Portfolio:** Corporate Services and Projects

**FROM:** Ian Munday

**Date:** 17 May 2022

**SUBJECT:** Fusion Lifestyle - Mendip Annual Review Presentation.

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	Seen by:	Name	Date
<b>Report Sign off</b>	Chief Executive/ Deputy Chief Executive(s)	Tracy Aarons	22/04/22
	Legal	Lesley Dolan	22/04/22
	Finance	Richard Bates	24/04/22
	Head of Service	Sara Skirton	22/04/22
	Portfolio Holder	Cllr Leyshon	21/04/22
	Ward Member(s)	-	
	<b>Summary:</b>	At the December 2021 meeting of the Council's Leisure Strategic Board, Fusion Lifestyle presented its Annual Review presentation. Following the presentation, the Chair of the Leisure Strategic Board; Cllr Leyshon, Portfolio Holder for Corporate Services and Projects, proposed that the presentation, be shared with Members at a future Scrutiny meeting, so that Members could be made aware of Fusion's response to the challenges presented by the COVID pandemic, to December 2021.	
<b>Recommendation:</b>	Scrutiny Board is asked to:  1. Note the contents of this report.		
<b>Direct and/or indirect impact on service delivery to our customers and communities:</b>	Leisure is an investment in the wellbeing of our communities and provides access for people of all ages to the opportunities to be active, which also has a positive impact on health, education, community cohesion and safety, and the economic vitality of the area. The Council's partnership with Fusion Lifestyle enables the Council to continue to play a key role in the delivery of leisure across the Mendip District.		
<b>Contribution to Corporate Priorities:</b>	Make Mendip a Fairer Place Protect and Enhance our Towns and Rural Communities		

<b>Legal Implications:</b>	None arising from this report.
<b>Financial Implications:</b>	None arising from this report.
<b>Climate Change Risks and Opportunities:</b>	None arising from this report.
<b>Impact on Service Plans:</b>	None arising from this report.
<b>Crime and Disorder Implications:</b>	None arising from this report.
<b>Equalities Implications:</b>	None arising from this report.
<b>Risk Assessment and Adverse Impact on Corporate Actions:</b>	None arising from this report.

## INTRODUCTION

Prior to the arrangements with Fusion coming into place the then outsourced leisure provision cost the Council £1.3m p.a., in addition it was recognised that circa £6.5m investment was required to address outstanding repairs and maintenance liabilities. The cost of leisure provision was financially unsustainable.

Following a full procurement process, on 1 June 2015, as part of a strategy in relation to the provision of leisure facilities, the Council entered into multiple Leases and Service Concession Agreements (SCA) with Fusion Lifestyle. The strategy was intended to address the Council's substantial annual costs in relation to its' leisure centres, which has resulted in the continuation of publicly accessible leisure facilities across the district, and capital investment from Fusion to reinvigorate the leisure centres, whilst requiring no capital investment from the Council and no on-going subsidy from the Council.

Each of the Leases is for a 50-year term, ending 31 May 2065, subject to tenant break options, with the respective SCAs mirroring the same period.

The facilities in question are:

1. Frome Leisure Centre, Princess Anne Road.
2. Shepton Mallet Lido, Shaftgate Avenue, Shepton Mallet.
3. Strode Swimming Pool and Fitness Centre, Strode Road, Street.
4. Tor Sports and Leisure Centre, Street Road, Glastonbury.
5. Wells Leisure Centre, Charter Way, Wells.

The Council's Leisure Strategic Board meets with Fusion Lifestyle twice a year and at its meeting on Thursday 2nd December 2021 Fusion Lifestyle presented its Annual Review presentation to the Board, in relation to the Mendip facilities listed above. Following the presentation, the Chair of the Leisure Strategic Board; Cllr Leyshon, Portfolio Holder for Corporate Services and Projects, proposed that the presentation, be shared with Members at a future Scrutiny meeting, so that Members could be made aware of Fusion's response to the challenges presented by the COVID pandemic, to December 2021.

To help Members understand the current National 'picture' in relation to the post COVID recovery of the Leisure Industry, it is fair to say that it is going to be a long journey. The Sport England's 'Moving Communities' Programme highlights that:

*"Overall recovery in participation in leisure centres in England has been steady but is yet to return to the levels recorded before the COVID-19 pandemic".  
Furthermore: "Recovery rates across different months varied depending on lockdown conditions but overall throughput (visits) across individual sites fell from 165 million in April 2019-Jan 2020 to 112 million for the same period in 2021-22, a reduction of 32%".*

The Moving Communities' data also suggests that whilst nationally leisure facilities are on average trading at 71% of pre-COVID levels there are variations across leisure facilities located in urban cities, towns, minor urban and rural areas. The South West Regional average is 66%.

## **FUSION MENDIP ANNUAL REVIEW**

A copy of the Fusion's Annual Review presentation, which was presented to and accepted by the Council's Leisure Strategic Board at its December 2021 meeting is attached at APPENDIX A. Mr Rob Taylor, Mendip Business Manager for Fusion Lifestyle will talk through the presentation at meeting of Scrutiny Board.

The Annual Review covers the following topics.

- A contract overview
- Post-COVID remobilisation
- Participation
- Post-COVID corporate position
- Fusion capital investments
- Future plans – Tor Sports & Leisure Centre
- Moving Forward

Members will see that Mendip's facilities under Fusion's steer are still recovering from the impact of the pandemic but are doing so in a sustained manner with optimism for the future.

## **RECOMMENDATION**

The Scrutiny Board is asked to:

1. Note the contents of the report.

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### **Background Papers**

Mendip Leisure Annual Review December 2021 Presentation. Fusion Lifestyle.