

State of the Market Survey 2015

Local Authority Sports and Leisure Services





The state of the market survey was conducted by Rob Bailey, APSE Principal Advisor with assistance from Garry Lee, Research & Coordination Officer.

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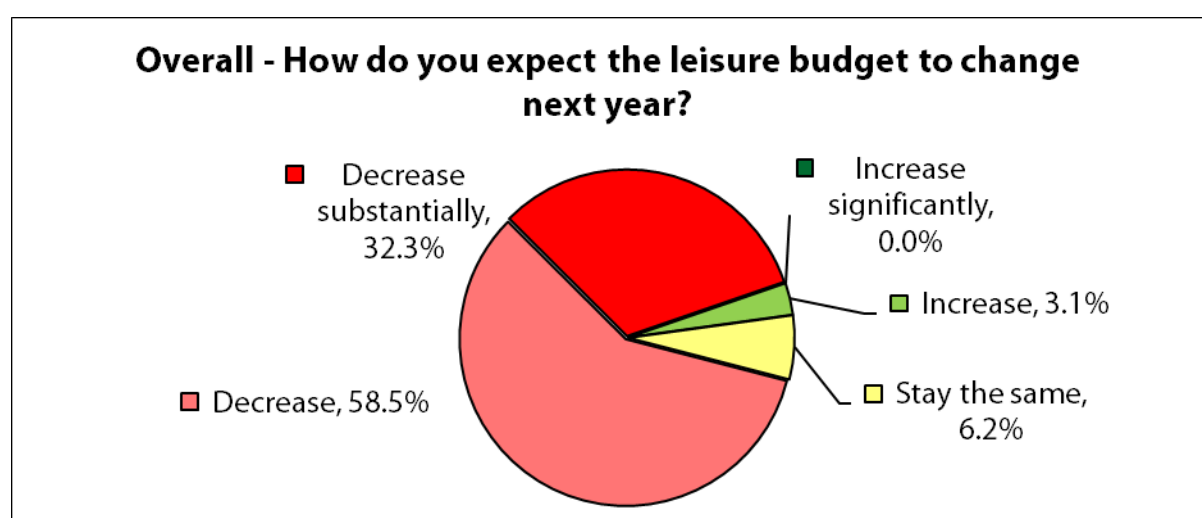
Local Authority Sports and Leisure Services

State of the Market 2015

APSE carried out an online survey in July 2015 which had 68 respondents across local authorities in England (76.4%), Scotland (16.2%), Wales (4.4%) and Northern Ireland (2.9%).

Opinions on workload, budgets and funding

79.4% of respondents expect the workload of the leisure section to increase over the next 12 months compared to 7.4% of those who expect it to decrease. At the same time, respondents also largely expected the overall leisure budget to either decrease (58.5%) or to decrease substantially (32.3%).

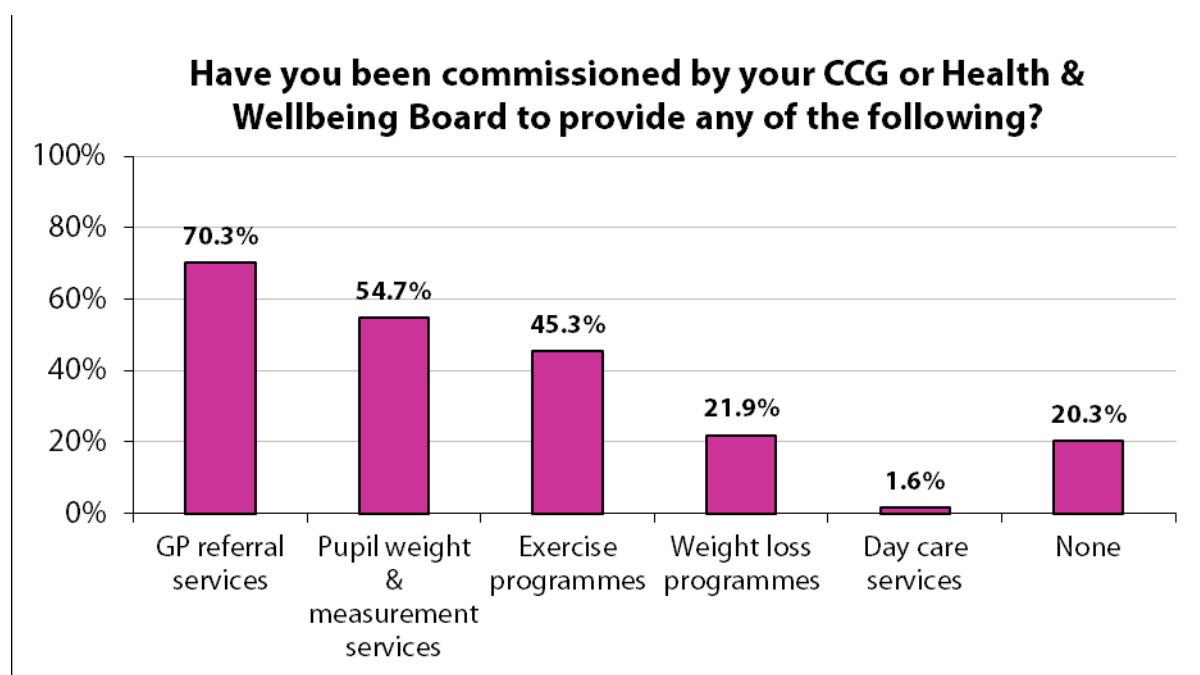


In terms of leisure funding, respondents expected the following changes over the next 2 years:

| Answer Options | Increase significantly | Increase | Stay the same | Decrease | Decrease significantly |
|---------------------------|------------------------|--------------|---------------|--------------|------------------------|
| Direct council budget | 0.0% | 0.0% | 5.9% | 54.4% | 39.7% |
| Health & Wellbeing boards | 1.5% | 30.9% | 35.3% | 17.6% | 1.5% |
| GP Commissioning | 1.5% | 36.8% | 30.9% | 14.7% | 0.0% |
| Central Government grant | 0.0% | 1.5% | 7.4% | 41.2% | 30.9% |
| Income from charges | 5.9% | 67.6% | 11.8% | 11.8% | 0.0% |

The results above show that respondents are expecting there to be a shift away from direct council budgets and central Government grants towards income generation from a mixture of Health & Wellbeing boards, GP Commissioning and income from charges. 79.7% of local authorities responding to this survey reported being commissioned by

either their CCG or Health & Wellbeing Board to provide services including GP referral services (70.3%), pupil weight and measurement services (54.7%), exercise programmes (45.3%), weight loss programmes (21.9%) and day care services (1.6%).



There was broad agreement with the statements in the table below other than 'traditional swimming pools are doomed' which 76.2% of respondents disagreed.

| Answer Options | Disagree strongly | Disagree | Agree | Agree strongly | No opinion |
|--|-------------------|--------------|--------------|----------------|------------|
| Free swimming for over 60s is unsustainable | 3.0% | 22.4% | 53.7% | 16.4% | 4.5% |
| National funding for sport ignores local government | 3.0% | 25.4% | 43.3% | 22.4% | 6.0% |
| It is right to subsidise leisure | 0.0% | 14.9% | 52.2% | 31.3% | 1.5% |
| Traditional swimming pools are doomed | 7.5% | 68.7% | 16.4% | 4.5% | 3.0% |
| Leisure's future lies in its integration with health | 0.0% | 17.9% | 41.8% | 40.3% | 0.0% |
| Council leisure provision must rival the private sector to survive | 6.0% | 13.4% | 53.7% | 23.9% | 3.0% |

Respondents also expected the following service changes over the next year:

| Answer Options | Response | 2014 Response | Difference |
|-------------------------------|----------|---------------|------------|
| Reductions in Council subsidy | 89.8% | 74.8% | +15.0% |
| Better energy management | 64.4% | 72.7% | -8.3% |

| | | | |
|---------------------------------|-------|-------|-------|
| Reductions in management | 55.9% | 48.9% | +7.0% |
| Emphasis on visitor marketing | 37.3% | 38.5% | -1.2% |
| Reduced opening hours | 30.5% | 27.3% | +3.2% |
| Increased vending | 23.7% | 22.4% | +1.3% |
| Reductions in lifeguard numbers | 13.6% | 14.0% | -0.4% |
| Cafe closure | 5.1% | 14.0% | -8.9% |
| Increased use of agency labour | 1.7% | 3.5% | -1.8% |
| Decreased use of agency labour | 1.7% | 7.0% | -5.3% |

Compared to the results from 2014, a further 15.0% of respondents are expecting reductions in Council subsidy and a further 7.0% are expecting reductions in management. There has also been an 8.9% reduction in those expecting cafe closures.

Managing leisure

58.5% of leisure services surveyed are currently managed in-house, 36.9% are managed by a leisure trust, 4.6% by a private contractor and 4.6% by a not for profit company. The expected differences in a year's time are shown in the table below.

| Answer Options | Now | One year's time | Difference |
|------------------------|-------|-----------------|------------|
| In-house | 58.5% | 35.4% | -23.1% |
| Leisure Trust | 36.9% | 47.7% | +10.8% |
| Private Contractor | 4.6% | 6.2% | +1.6% |
| Not for Profit Company | 4.6% | 10.8% | +6.2% |

The majority of respondents reported as being members of CIMSPA (84.1%) with many also being members of SPORTA (31.8%), CLOA (27.3%) and REPs (25.0%).

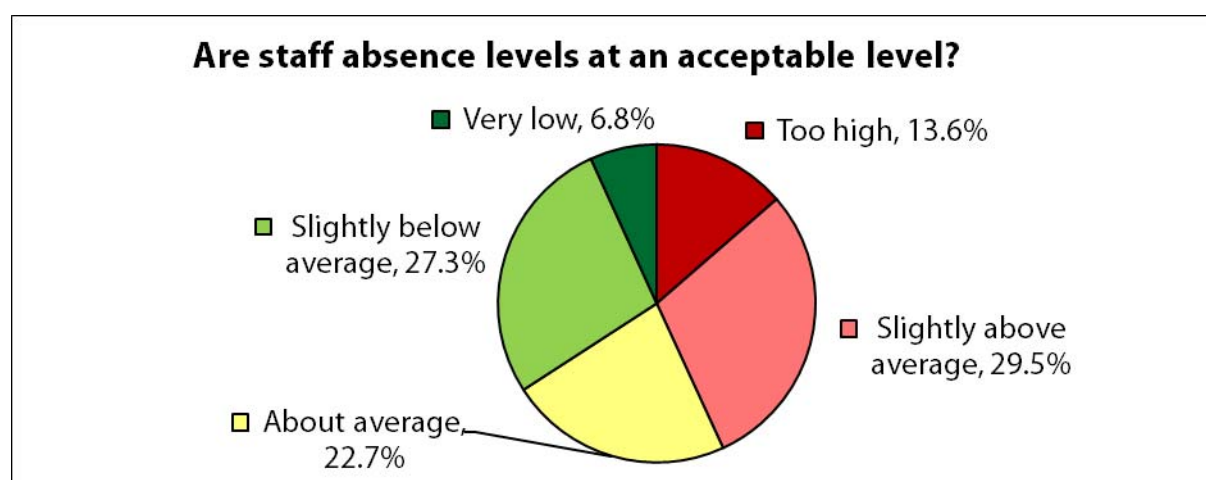
Staff

The average basic hourly rate for leisure staff before tax was £8.16, with a minimum of £6.50 and a maximum of £9.88.

40.9% of respondents currently hold the Investors in People award and 43.2% are Quest accredited. 93.2% of respondents have regular staff appraisals, 90.9% have regular staff training, 77.3% conduct regular customer satisfaction surveys and 47.7% have a regular leisure newsletter.

Staff absence levels were reported by 43.1% of respondents as being above average compared to 34.1% who thought the opposite and 22.7% who thought this was around

average. APSE performance networks data for 2013/14 from over 30 local authorities showed that the average staff absence rate was 1.87% with a high of 7.40% and a low of 0.48%.



Cost and membership

The average charge for a single adult swim is £3.89, with a minimum of £2.80 and a maximum of £5.00. 28.3% of respondents have a joining fee with an average cost of £27.85. The majority of respondents have both monthly contracts (73.6%) and monthly non-contracted memberships (67.9%), with others also having prepay options available for 3 months (43.4%), 6 months (20.8%) and 12 months (11.3%). The average monthly cost for full membership was £31.73, with the average off-peak membership being £22.44, average swim only membership being £21.17, average gym only membership being £25.86 and the average fitness classes membership being £24.07. The membership base was predominantly peak (84.6%) rather than off-peak (15.4%).

25.0% of respondents charge for parking at some or all of their leisure centres, with an average charge of £0.80 for one hour and £1.29 for two hours, which 50% of respondents refunded a proportion of to centre users.

The majority of respondents reported encouraging participations from particular groups within the community, either through promotions, charges or specific closed sessions, with 91.0% offering this for over 60s, 89.6% for under 16s, 71.6% for the unemployed, 65.7% for women and 50.7% for ethnic minorities.

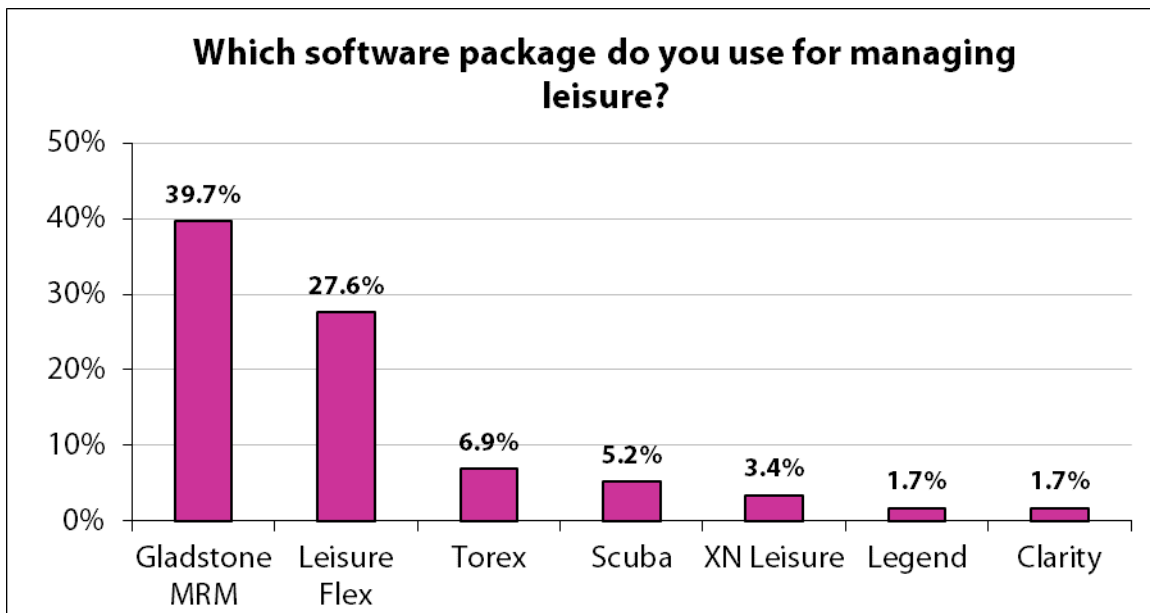
The table below shows the levels of membership package discounts offered to different groups, with around 1/3 of respondents offering at least a 20% discount to all groups, although many also reported offering no discount whatsoever (low income – 30.4%, over 65 – 19.6%, disability – 36.4%, couples – 34.2%, corporate – 12.8% and students – 19.6%).

| Answer Options | None | 10% | 20% | 30% | 40% | More |
|----------------|-------|------|-------|-------|-------|-------|
| Low income | 30.4% | 2.2% | 30.4% | 13.0% | 13.0% | 15.2% |

| | | | | | | |
|------------|--------------|--------------|--------------|-------|-------|-------|
| Over 65 | 19.6% | 4.3% | 37.0% | 15.2% | 13.0% | 15.2% |
| Disability | 36.4% | 2.3% | 29.5% | 13.6% | 11.4% | 11.4% |
| Couples | 34.2% | 34.2% | 26.3% | 2.6% | 0.0% | 2.6% |
| Corporate | 12.8% | 36.2% | 38.3% | 8.5% | 0.0% | 4.3% |
| Students | 19.6% | 15.2% | 30.4% | 19.6% | 4.3% | 10.9% |

Software

Gladstone MRM is the most commonly used software package to manage leisure with 39.7% of respondents reporting its use; 27.6% use Leisure Flex, 6.9% use Torex, 5.2% use Scuba, 3.4% use XN Leisure, 1.7% use Legend and 1.7% use Clarity.



Sports pitches

44.7% of respondents have established new pitches over the last 2 years, with the average respondent maintaining 30 pitches. 29.8% of respondents reported that the financial cost of pitches to the Council 'cost a fortune', with 36.2% reporting that some subsidy is required, with 8.5% breaking even and only 8.5% making a profit.

Comments for the future

Growth areas for leisure services identified by respondents:

- Health and fitness growth supported by public health grants
- Health prevention focus (through GP referrals and general provision for older people)
- Focus on membership sales and retention

- Increasing indoor and outdoor sports and fitness provisions
- Winning new contracts and expanding commercial services (e.g. sponsorship, commercial partners, corporates)

Future decreases in work for the service identified by respondents:

- Closures of unsustainable facilities that do not generate significant income (e.g. crèches)
- Pay and play activities
- Sports development
- Events (unless run by outside event companies or organisations)

The Association for Public Service Excellence

APSE member authorities have access to a wide range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include:-

- Building Cleaning
- Catering
- Cemeteries and Crematoria
- Environmental Health Advisory Group
- Housing, Construction and Building Maintenance
- Local Authorities Commercialisation, Income and Trading Network
- Parks, Horticulture and Grounds Maintenance
- Renewables and Climate Change
- Roads, Highways and Street Lighting
- Sports and Leisure Management
- Vehicle Maintenance and Transport
- Waste Management, Refuse Collection and Street Cleansing

If you require any further information on the findings of this State of the Market survey 2015 please contact Rob Bailey at rbailey@apse.org.uk or by phone at 0161 772 1810.