

## Leisure trends in cost and service quality

This briefing provides details of the performance information available from APSE's performance networks service looking at performance indicators and current policy issues for councils who deliver sports and manage leisure facilities.

**Key indicators:**

- Growth, measured as customer spend per head and overall usage, continues to increase at larger wet and dry centres whilst smaller wet or dry only facilities are seeing a reduced average spend and a flatter usage profile.
- The overall average subsidy per visit for all facility types is £1.81, a decrease from last year's figure and a similar monetary level to 2002/3 representing considerable savings in real terms once inflation is taken into account.

**Overview**

This year, 249 facilities from 32 Authorities were included in the Performance networks data benchmarking exercise. The average number of facilities included in each Authority's submission (multiple submissions being a unique benefit of this service area) had risen slightly to 7.78 facilities. Performance networks remains by some distance, the largest Local Government benchmarking database of its kind and as in previous years we have attempted to draw together some overarching key trends.

APSE has long believed that the most effective advocacy for the continued commitment to community leisure provision will be based upon evidence of performance and performance success. The challenges will be felt both as resources continue to be in competition with the needs of other vital services and the introduction of the Localism agenda which will demand transparency and justifications of the current arrangements. All the evidence suggest that direct provision and leisure trust can more than hold their own in any like for like comparison with other forms of leisure provision but there will still be a need to demonstrate commitment and identify with local community sustainability.

Performance networks data provides a management tool but it is one that has never been more important. By understanding and interrogating the data, making full use of the 13 year trend analysis it provides, can only offer rigour to any understanding of service performance and service success.

We constantly review that the data collected is the most meaningful in terms of the management information needs. Many of the key indicators were first collected in the early years and these continue to be well supported. There will however always be the opportunity to produce new performance indicators where the information can be collected and would be of use in its collated form. The latest data included in this report is referred to as year 13 in performance networks and relates to the financial year 2010/11.

### **Trend analysis**

Data is collected from six discrete facility types ;

Type 1: (Public wet only facilities)

Type 2: (Public dry facilities)

Type 3: (Public wet and dry facilities)

Type 4: (Dual use wet only facilities)

Type 5: (Dual use dry facilities)

Type 6: (Dual use wet and dry facilities)

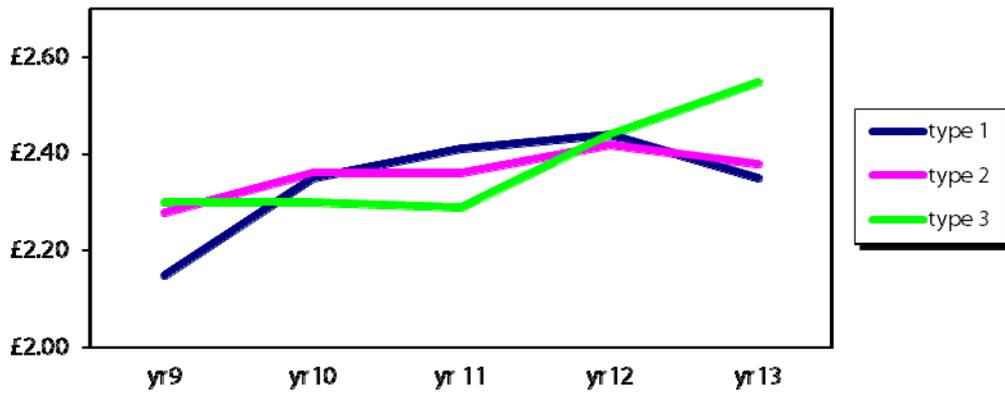
Each year we have looked at some of the key performance indicators and have added some commentary in terms of apparent trends or preliminary conclusions. Individual indicators date back to 1999 but this year we have concentrated our analysis on the last 5 years using yr 9 in 2006/07 as our reference point

### **Customer spend per head (PI 04)**

Customer receipts are essential to recovering expenditure not related to grant funding or ring fenced activity. The current economic position inevitably means not only that many people will have less disposable income but they will continue to be far more selective in determining value for money in managing personal finances.

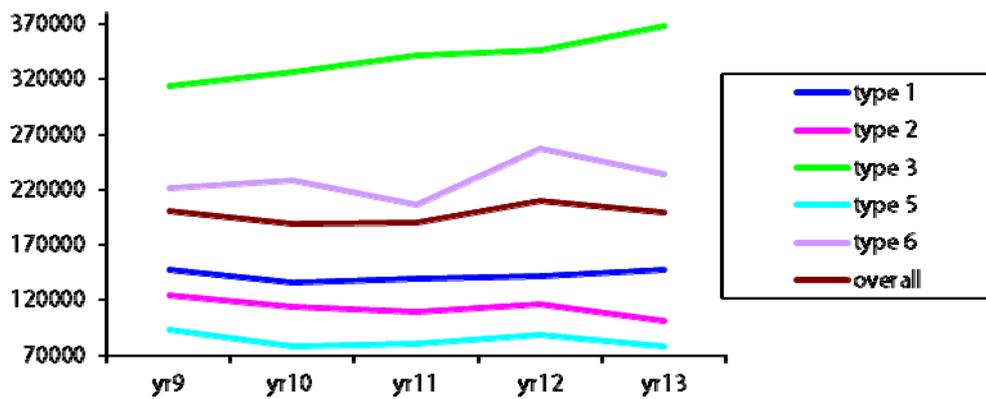
The trend analysis is restricted to the public facility categories to avoid distortion by the free school use available in dual use category facilities.

It may therefore appear not surprising that although the last five years has shown a growth in customer spending in the three mainstream public facility categories, the average customer spend in the last year has increased only in the type 3 facilities, which by definition tend to be larger, more able to offer a comprehensive package of activities.



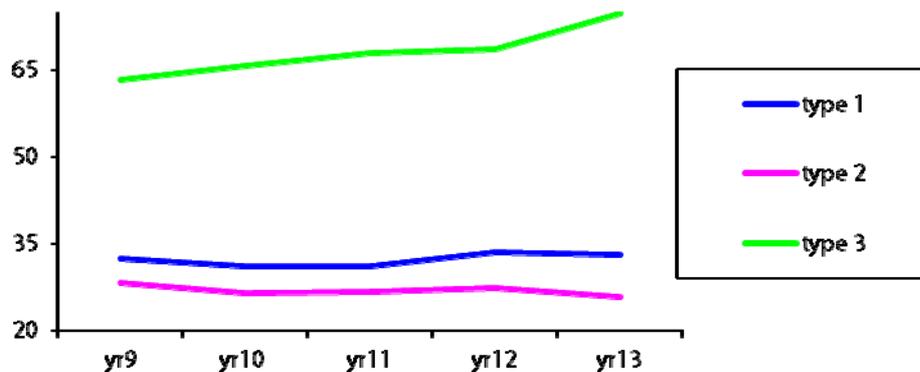
Concern that this increased spend is a reflection of price increase in the larger centres is perhaps countered by the upward trend in usage in type 3 facilities over the same period. (Average usage in type 3 facilities has risen by over 20% in the same period although “dry” facility categories showed a decline).

### Average total usage



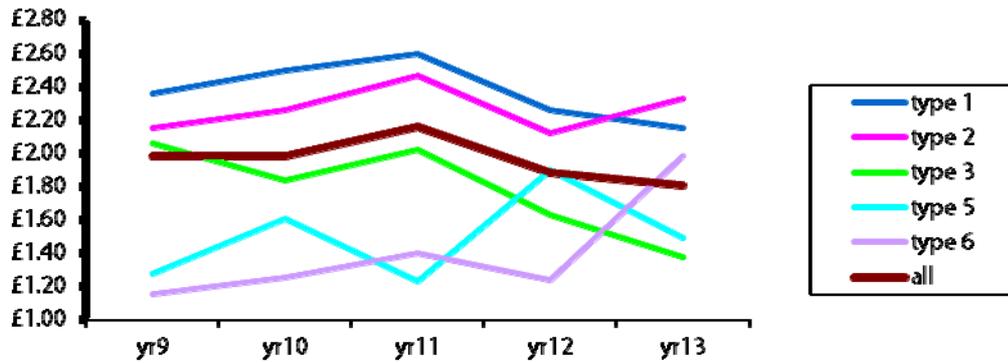
### Average usage per opening hour (PI 31)

The trend in PI 31 confirms that shown above, with Type 3 facilities seeing a greater usage generated within the facility opening hours whilst type 1 & 2 are seeing a decline.



### Subsidy per head (PI 01a)

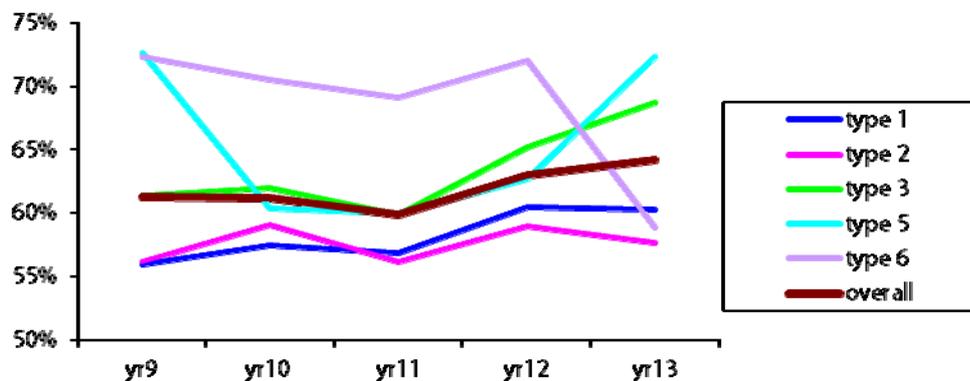
A key indicator we have used since the first year of Performance Networks is average subsidy per head. To assess the contribution of each facility we have previously looked at net subsidy by reference to PI01a, subsidy per visit. This includes central charges and all active and non participatory community use but excludes free school usage.



The overall average subsidy under this indicator for all facilities (including dual use) is £1.81, a decrease to last year's figure and is at a similar monetary level to 2002/3 representing considerable savings in real terms.

### Operational recovery (PI 03)

Given the positive trend results above we should not be surprised to see that the average operational expenditure recovery rate in two of the mainstream facility types has risen again this year. The last 5 years show more or less continuous year on year improvement and offer strong evidence of improved efficiencies within leisure facility management. Only type 6 (dual use wet and dry) show a decline, mimicking the increase in subsidy. Whether this is a trend or a consequence of other factors (e.g. switch to academy schools) will only become apparent in the next round of data.

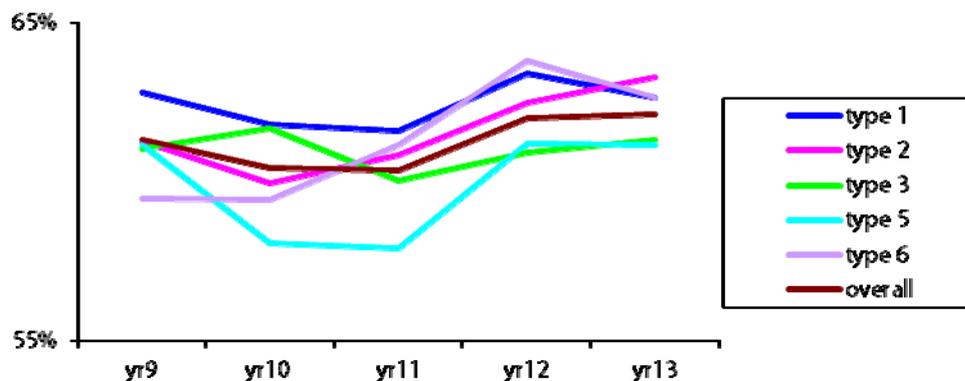


### Staffing

These indicators were part of a suite first produced in 2001/02.

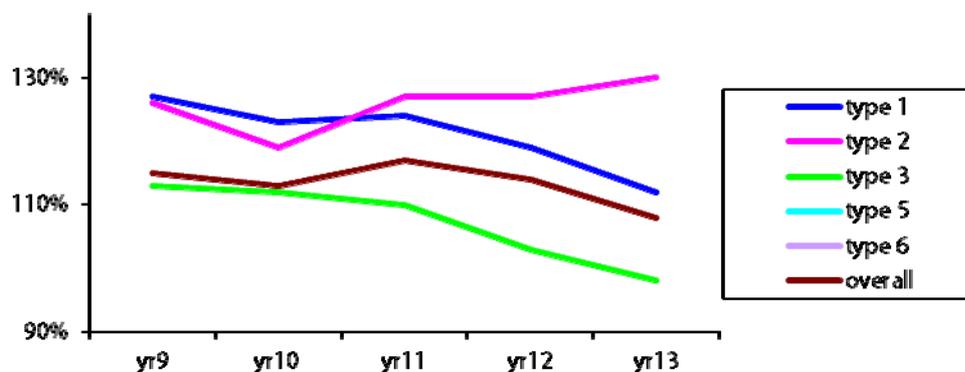
### Staffing as percentage of total expenditure (PI 09)

Staffing in respect of a ratio of total expenditure is useful for management information but is not a measure of performance in itself. Staffing remains the largest cost associated with facility expenditure. The wet only category is the only one where the previous year's rise has been reversed. This is in contrast to the more general trend until year 10 ((2007/08) which had seen a reducing % of expenditure committed to staffing.



### Staffing as percentage of income (PI 08)

Staffing as a percentage of sales revenue is sometimes used as a productivity indicator. (A return of below 100% means that staffing costs are less than the generated income). The trend in types 1&3 remain positive, seeing more income generated in comparison to staffing costs, although this is not reflected in type 2 dry only facilities, reflecting the drop in usage



### Interpretation of data

The data outputs are mostly informed by cost, income receipts and throughput. Although Pricing and cost control will both impact upon cost economy, usage levels are critical to the any argument for justification of public subsidy to leisure activity.

As always care should be taken in using a single indicator as a measure of performance. A basket of Performance indicators will offer balance and some triangulation of data outputs to ensure assumptions are well informed and providing both credible argument for debate and identifications of areas of excellence as well as generating targets for improvement.

## **APSE Comment**

As a non-statutory service, it is certain that leisure will face financial challenges as the full extent of central government budget reductions and the removal of area based grants is felt fully.

The Olympics have recently taken place and it is expected that following the event, lottery monies will return again to fund local sport. To date the National Lottery has provided £1615 million to the Olympic Delivery Authority. There will undoubtedly be an Olympic legacy in increased participation, although how long this will last is in some doubt. Local Authorities remain the largest operator of the facilities that will be expected to meet this demand.

In the same timeframe the introduction of Health and Wellbeing Boards and the return of the public health function to local authorities will undoubtedly open up commissioning opportunities. APSE will continue to support our members in sharing the information where leisure based bids are successful and replicable. Demonstration of value for money and evidence of outputs/outcomes is likely to rank highly, significantly increasing the need to collect the underlying performance data.

Throughout the UK there is a common thread of the growing importance of local performance management systems to:

- Set a clear baseline on which competitiveness, efficiency and value for money can be measured in a systematic manner
- Assess the quality, cost and competitiveness of the services that councils provide on a regular basis
- Report data in meaningful ways to both elected members and the public
- Identify direction of travel and pace of change with regard to service delivery
- Identify inefficiencies such as poor productivity or absence management
- Support service improvement through process benchmarking and sharing best practice arrangements

Robust performance measurement tools are increasingly being recognised as evidence within devolved national frameworks, as a means to demonstrate transparency and accountability. As a result, systems that have been developed and refined over the years by local authorities such as APSE performance networks will continue to be an invaluable tool. Anyone wishing to compare their performance for 2011/12 should aim to return the data templates by mid-September

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