



## Sports & Leisure: Trend analysis 2014/15

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

### Key issues

- Average subsidy has halved over the last 4 years from £55 down to £28 per opening hour
- Average usage per opening hour has shown slight decline over the same period, perhaps reflecting the broader national picture on participation
- Operational recovery has continued its positive trend by all facilities in the recovery of expenditure through customer receipts. This is the first year since year 14 that type 1 facilities have seen an increase, which after a period of 3 years of downward trend is extremely encouraging.
- There has been significant rises in customer spend, with wet (type 1) sites now averaging close to £3.40 per visit

### Overview

Performance data is ever more important as services need to justify their public subsidy, or even reduce that subsidy completely. Performance networks information provides the ability to manage and understand the services effectively whilst also benchmarking with other similar facilities and learning from best practice. Performance networks is a robust data set which can also be used by local authorities to formally monitor and benchmark the effectiveness of in-house services, externalised services, or trusts.

Some local authorities use this data extensively to provide a sound basis for service improvement and strategic planning. APSE can assist local authorities to develop tools for greater utilisation of the benchmarking results as well as assisting managers and supervisory staff to understand the performance management of their services in greater detail.

### Changes to the model

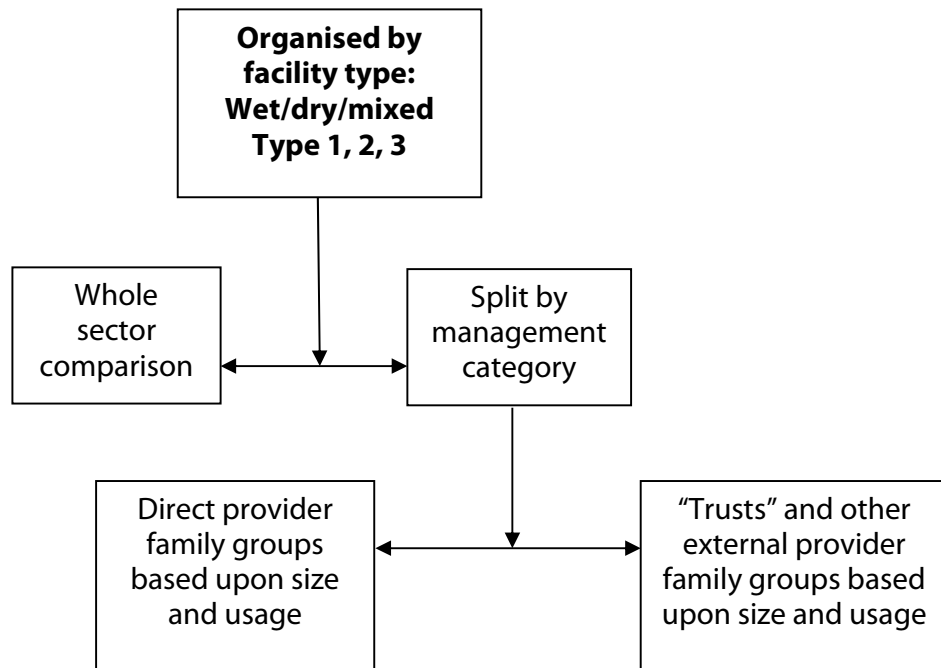
Last year we simplified the service groupings and data collection within sport and leisure. These changes were made to reflect the variety of service provision that now exists across the services.

In addition to whole service reports which are provided in the PI standings report suite for each facility type 1-3 (wet, dry or combined), we have a second tier dividing facilities into categories of:

- Direct service providers
- NPDO (“trusts”) and other external vehicles

Dual use was amalgamated into mainstream provision and we simplified the family groups into a single driver based on size, although usage thresholds will still apply in terms of progression through the groups.

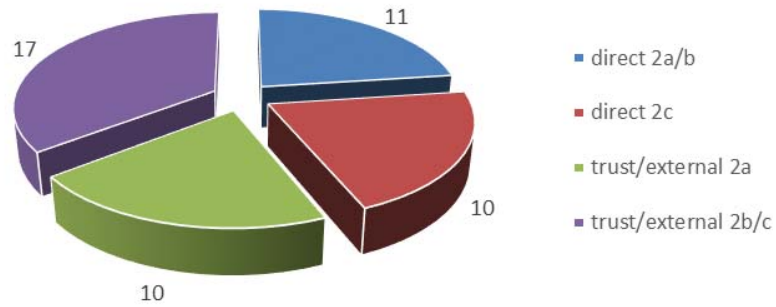
### Structure



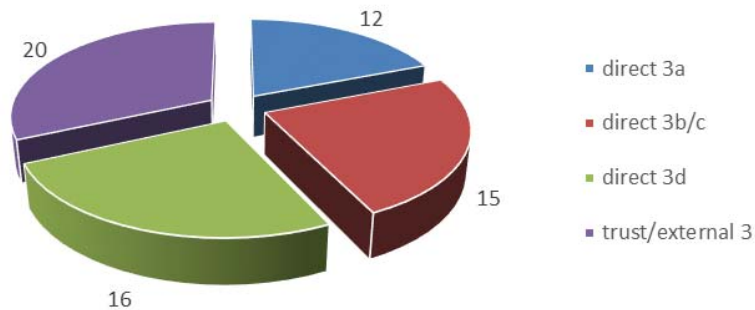
The revised structure provides an initial spread within the family groups as laid out below. Type 1 facilities have initially been amalgamated until numbers are sufficient to develop the group structure.

The groups are fairly evenly spread as shown;

type 2 family groups



type 3 family groups



APSE can interrogate the data in order to identify trends which can inform both strategic and operational performance success and improvement. Performance networks' ongoing database provides robust evidence that sport and leisure can drive forward efficiencies and service improvements across a service whilst ensuring the retention of customer satisfaction levels.

Local authorities who have returned data over a number of years are able to provide evidence of improvement and identify key trends in the delivery of their service; these include performance reports by which to evaluate success as well as identify the return on investment and progress against their own local strategic objectives for sport and leisure facilities.

The core suite reflects member feedback and the need for a core basket of data that is understood and can stand up under scrutiny. The revised list and details of parameters that are applied is available elsewhere in this report.

The data template has also been simplified in line with the commentary above and now includes a specimen basket of prices and a better reflection of the way corporate costs are currently accounted for. Participating authorities are always encouraged to regularly review the service profile tables that provide the contextual information for the performance reports. This is essential in ensuring that the comparator groups are appropriate.

The latest data included in this report is referred to as year 17 in performance networks and relates to the financial year 2014/15. Once again this year we have concentrated our trend analysis on some of the core performance indicators.

The most notable headline trend continuing this year is the overall increase in operational recovery for all types of sites. This obviously reflects the improved efficiencies of sites and is worth investigating further to identify the reasons behind this trend. The upward trend in terms of recovery rate suggests that it may be cost reductions that are sustaining performance levels.

There are indications that the average usage levels per opening hour are increasing which is encouraging. The average total usage varies considerably and reflects the importance of size when determining the final comparator set.

In mixed facilities the average usage per opening hour is increasing more than in other facilities whilst staff costs per user is also increasing.

Average subsidy per opening hour has decreased over the last 4 years and is likely to be as a result of a number of factors both internal and external to the service. A more detailed analysis of the reason for the reduction in individual centres will identify the main drivers for this i.e. whether it is reduced operational budgets, increased income, etc. Whilst not effective on its own, when used with other performance indicators this can prove indicative of where efficiencies/ service improvements have been made.

Given the importance of retaining customers, as well as attracting new ones, the impact of customer satisfaction on income and usage levels should not be underestimated. Knowledge of the customer base is a crucial part of service improvement and performance. The average trend of customer satisfaction has remained steady over the last 4 years.

Average staff costs as a percentage of expenditure are beginning to increase and yet on average are beginning to fall on a per user basis. Changes in the role profiles of staffing within sport and leisure services need further investigation in order to fully understand this dynamic.

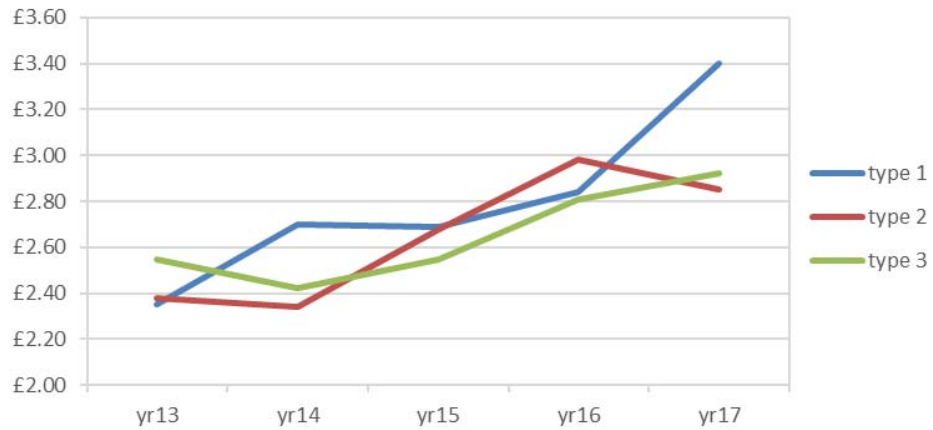
## **Trend analysis**

Each year we examine some of the key performance indicators and add commentary in terms of apparent trends or preliminary conclusions.

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

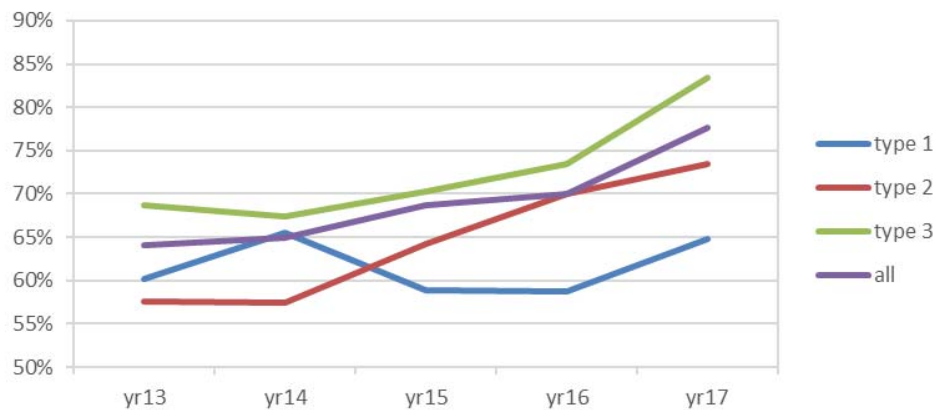
Value for money for customers is more important than ever in these times of austerity and providing value whilst maximising customer spend is essential to all sports and leisure facility providers. Customer spend is a crucial part of recovering expenditure not related to grant funding or ring fenced activity. Many members of the public will still continue to be selective in determining value for money and in managing their personal finances and disposable income.

It is worth noting that in recent years there has been a significant rise in spending in type 1 facilities, with type 3 facilities still increasing but at a lesser rate. There has been a reverse in the trend in type 2 facilities this year, however this may reflect that previously defined dual use facilities are now included in this figure since year 16.



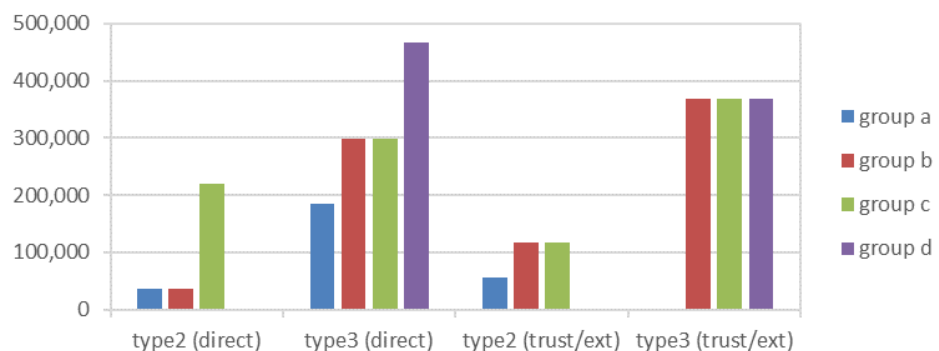
## 2. Operational recovery (PI 03)

Year 17 has seen the continuation of a positive trend by all facilities in the recovery of expenditure through customer receipts. This is the first year since year 14 that type 1 facilities have seen an increase which after a period of 3 years of downward trend is extremely encouraging.

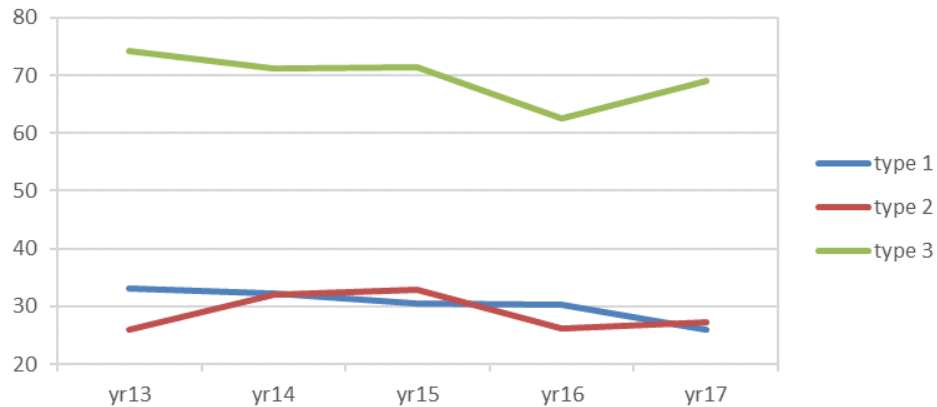


## 3. Average total usage

The average total usage in each family group during year 17 reflects the importance of size in determining the final comparator set. As demonstrated below the higher family groups experience larger throughput.



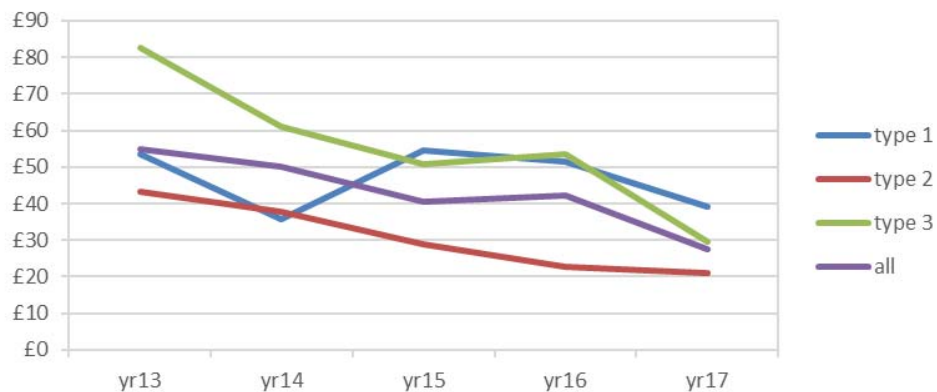
#### 4. Average usage per opening hour (PI 31)



The data sets above indicate that the usage per opening hour for type 1 facilities in the last year is showing a gradual decline, type 2 is showing a gradual increase whereas type 3 has shown a more substantial increase. This is a critical performance indicator for driving the delivery of cost economy by maximising revenue and sustaining usage within optimum opening hours.

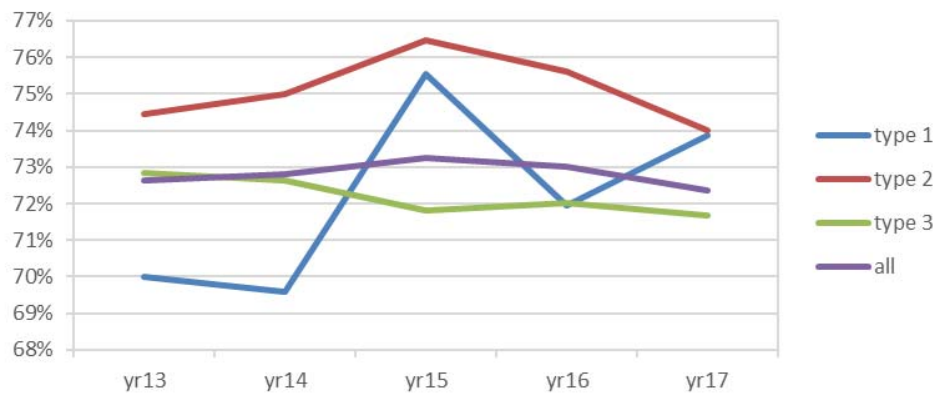
#### 5. Average subsidy per opening hour (excluding central/corporate costs PI 06)

As identified in the table below the average subsidy per opening hour is decreasing in all facility types settling at just below £28 per hour in year 17 as opposed to £55 per hour in year 13.



#### 6. Customer Satisfaction (PI 20)

Customer satisfaction levels are variable dependant on the facility type, with the average remaining around 72%.

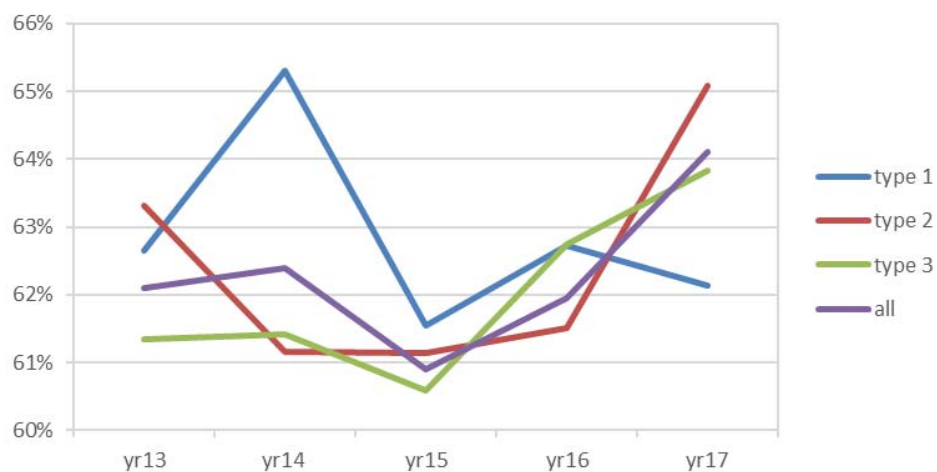


## 7. Staffing

Given the importance of staff in relation to income generation and customer satisfaction, set against the high percentage of cost that is associated with staffing, we have again considered the suite of indicators directly measuring staff costs and productivity.

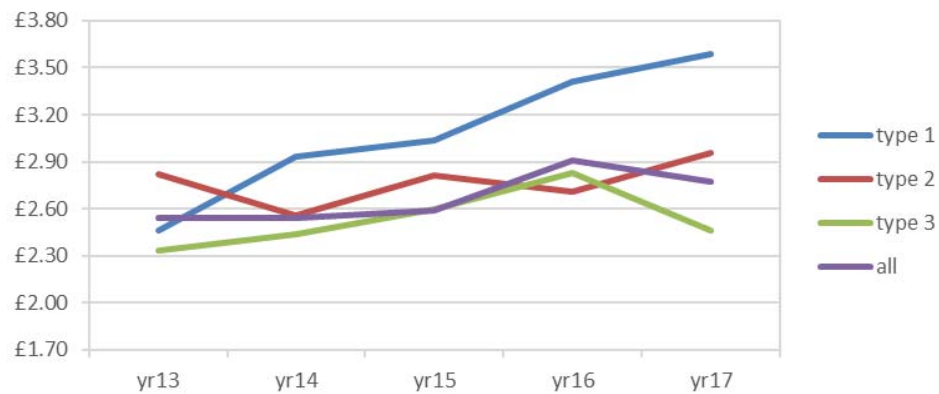
### Staffing as a percentage of total expenditure (PI 09)

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 and is increasing across both types 2 and 3 facilities, with only type 1 facilities showing a small reduction. Type 2 facilities showing the largest increase to over 65%, again this may be influenced by the inclusion of Dual use facilities within type 2.



### Staff cost per user (PI 07)

Staff costs per user are rising in both wet (type 1) and dry (type 2) facilities but have seen a decline in mixed wet and dry (type 3) facilities.



## 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, participation levels are critical to any argument for justification of public subsidy to leisure activity.

Participating facilities are urged to take advantage of the opportunity to evaluate customer satisfaction levels, through the APSE customer satisfaction survey based reports that are available to members as part of their subscription package.

As always care should be taken in using a single indicator as a measure of performance but by using a basket of performance indicators local authorities will achieve a balanced overview. Some triangulation of the data outputs will be required in order to ensure that assumptions are well informed and provide both a credible argument for debate and the identifications of areas of excellence. Critically they offer the evidence and knowledge obtained through the peer network that can be used for providing an evidence base on which to build both the strategic and operational case for continuous improvement.

## Future focus

As local authorities continue to focus on efficiency, demand management techniques, income generation and innovative working to meet the challenges, performance measurement and management continues to be at centre stage. The need to know your own service and to learn from others has never been greater.

Performance measurement is a mechanism for local authorities to identify achievable cost savings and innovative approaches to service delivery, as well as demonstrating value for money to a range of internal and external stakeholders. Any effective service change needs to be underpinned by data intelligence, to establish a starting point and to identify future targets. Performance measurement is also a mechanism to learn how other local authorities are meeting the challenges and the impact that their service changes is making in terms of cost, quality, productivity and customer satisfaction levels.

Good performance information supports the decisions that lead to good directions, instructions and targets. APSE performance networks can assist local authorities by:

- Helping to set a clear baseline on which competitiveness, efficiency and value for money can be measured in a systematic manner.



- Identifying the impact of service changes and interventions for your own local authorities and for others.
- Assessing the quality, cost and competitiveness of the services that councils provide on a regular basis.
- Helping to report data in meaningful ways to both elected members and the public.
- Identifying direction of travel and pace of change with regard to service delivery.
- Identifying inefficiencies such as poor productivity and high cost.
- Supporting service improvement through process benchmarking and sharing best practice examples.

**Sue Finnigan**

Associate, APSE solutions

**Rob Bailey**

APSE Principal Advisor