



Sports and Leisure: Trend analysis 2016/17

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

- The average subsidy per opening hour for swimming pools has fallen by 40% to £25.55 with the all facility average down to £19.34.
- Operational recovery of costs now stands at a high of 82.81%
- Usage per hour has remained static across all types of facilities demonstrating resilience in a time of increasing leisure competition

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 of their services in greater detail.

Facilities are organised by facility type: Wet (1) /dry (2) /mixed (3)

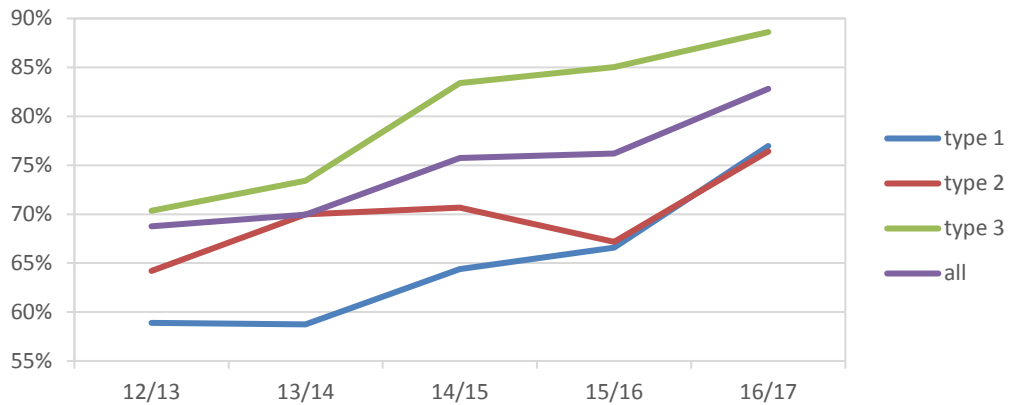
Trend analysis

Each year we examine some of the key performance indicators and add commentary in terms of apparent trends or preliminary conclusions; this briefing therefore considers the issues of performance in the sports and leisure sector within the local authority environment.

Cost

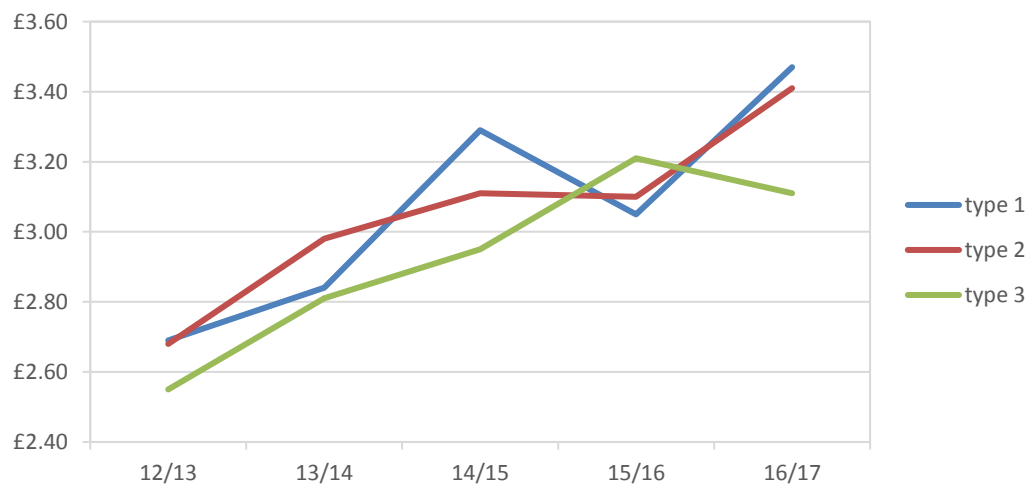
Operational recovery ratio (excluding CECs) (PI 03)

Year 19 (2016/17) has seen an increase in the operational recovery ratio across all types of facilities. Type 1 increasing by 13.38%, type 2 by 9.25% and type 3 by 3.59%. It is encouraging to note that the average increase in operational recovery rate for all facilities has risen to 82.81%, an average overall increase of 6.61% from the previous year (2015/16). The average increase from 2012/13 equates to 14.05%.



Customer Spend per head (PI 04)

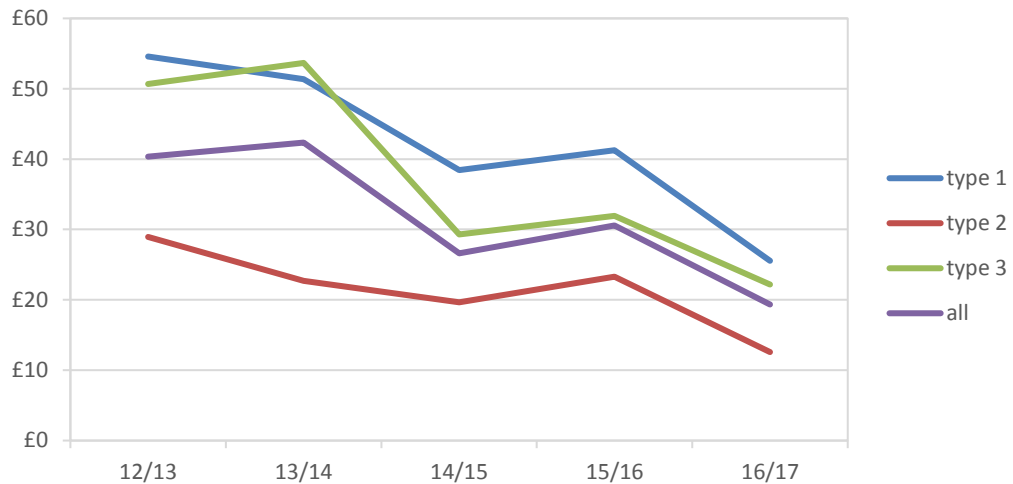
Providing a value for money service whilst ensuring maximum spend per head from customers is as ever challenging, however customer spend is a crucial part of recovering operational expenditure. Year 19 (2016/17) continues the upward trend of securing increased customer spend per head in both type 1 and 2 facilities with a notable increase in both areas. It is interesting to note however that there has been a slight reduction in type 3 (mixed) facilities which had seen a steady increase up until 2015/16. Customers will determine their own definition of value for money which will be affected by the management of their own prioritisation of how they choose to spend their disposable income. External factors can often dramatically affect how those decisions are made.



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

The average subsidy per opening hour has fallen considerably across all types of facilities. The average reduction in subsidy per opening has reduced by 48% since 2012/13. These figures reflect the increased efficiencies made by all services through changes and improvements in operational management, increases in income generation, capital investment in facilities and equipment and enforced reductions in subsidy as a result of austerity measures.

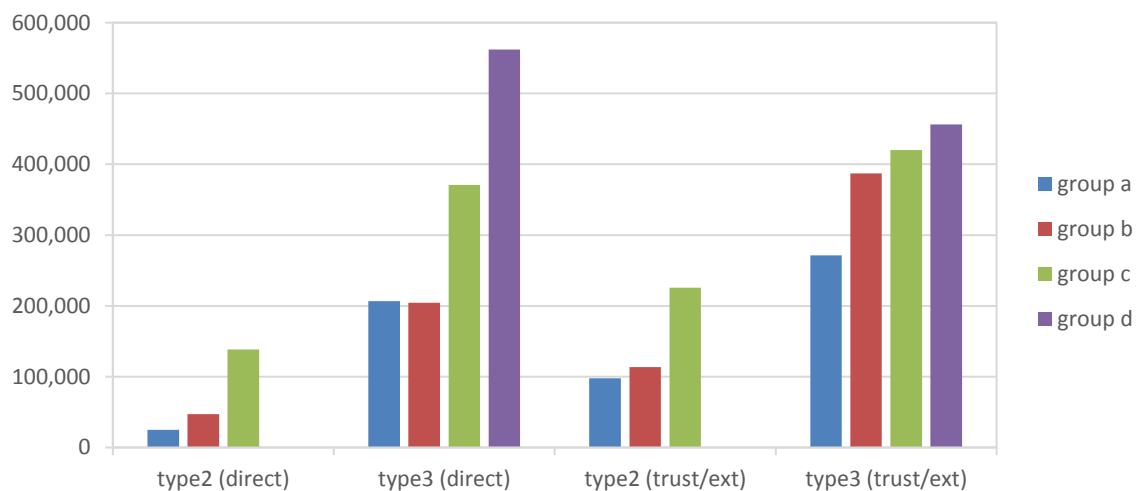
A more commercially based approach to facility management and community activities may well be reflected in the improved figures.



Usage

Total average usage

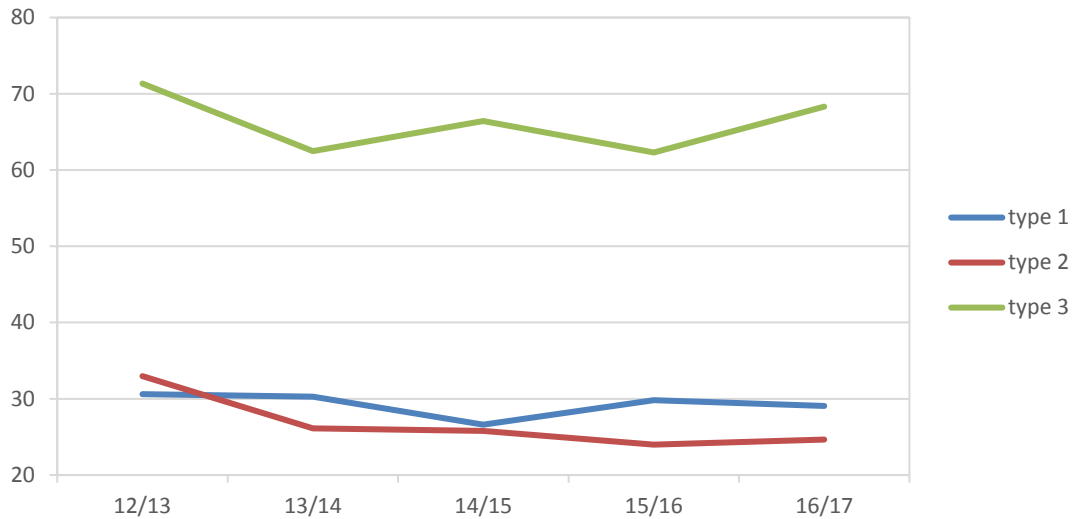
The chart below denotes the average annual usage by facility type for both direct and external /trust facilities. Whilst it would appear that the trust services are doing slightly better than the directly delivered facilities the difference is negligible with the exception of group D (major facilities) where it would appear the success of direct delivery far exceeds that of the external facilities/trusts.



Average usage per opening hour (PI 31)

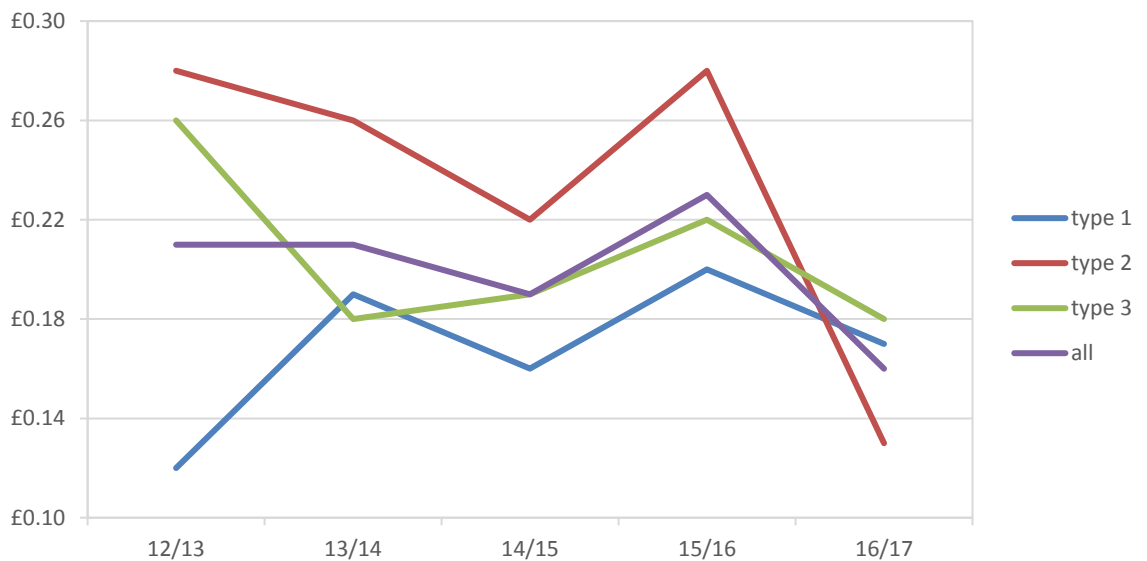
Whilst type 1 and 2 facilities have remained relatively similar to last year, type 3 facilities have reversed the downward trend and have increase their average usage. This could be due to a number of things e.g. it may reflect again a more commercial and/or diverse approach to programming, a more targeted approach to marketing, competitive pricing, excellent service etc.

It is evident that all facilities are maintaining their usage levels despite increased competition across the leisure market.



Secondary spend per user (PI 24)

Secondary spend per user has decreased at all types of facilities with type 2 seeing the most drastic impact of a reduction of £0.15 per head. Overall the average reduction in spend per head is from £0.23 to £0.16. This is in contrast to the rise in total customer spend at PI 04 meaning that customers are spending more money on site but not on secondary spend such as catering and retail sales.



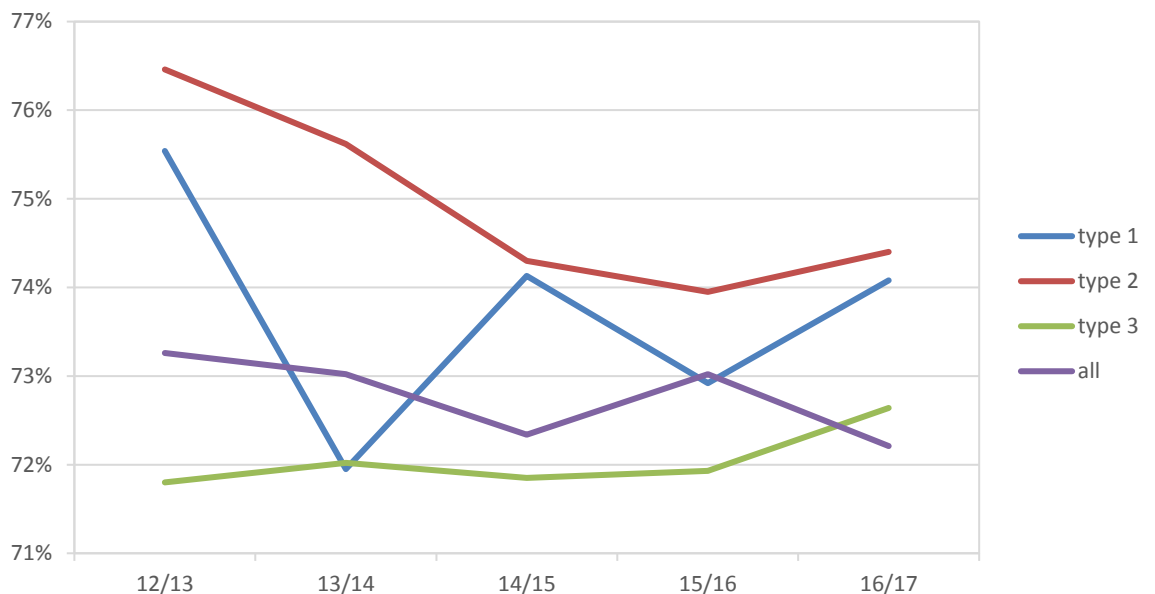
Quality

More than ever consumers of any product have expectations that they will receive a quality service provided in a quality environment by staff trained to high standards. In the era of more and more competition the quality of a service is paramount.

Customer satisfaction (PI 20)

Customer satisfaction levels have risen slightly in all facility types since last year, with average now being 72.21%. Satisfaction levels tend to be slightly higher in types 1 and 2 although only by 2%. Over the last 5 years the satisfaction levels have not changed dramatically i.e. they have reduced by 1% over the 5 year period. Given the reduction in subsidy and changes to some services, this shows that from **a customer's perspective standards** have not been materially affected.

Interestingly given the level of capital investment in some areas it could be expected that the customer satisfaction levels would have increased. There are so many areas of the service that can impact on satisfaction levels that were we to drill down further then we could start to determine whether that is as a result of the impact of capital investment, new programmes, staff training etc.



Staffing

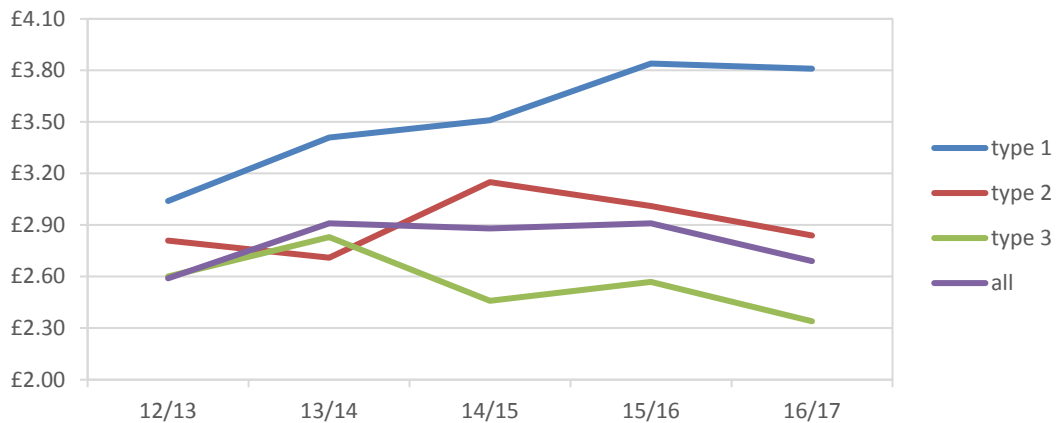
Staffing is still one of the most important aspects of sport and leisure facility management considering the impact staff can have on income generation and customer satisfaction. Staffing is the main investment and bears a high percentage of cost in relation to the effective and efficient operation of the service. Below are two of the key indicators relating to staffing and finance.

Staff cost per user (PI 07)

Once again the evidence of improved efficiencies and/or changes in working practices can be seen by the reduction in staff costs per user this year. In fact, all facility types have shown a reduction.

Type 1 (wet) has shown a slight reduction but is also the type of facility with probably the least amount of flexibility on staffing levels.

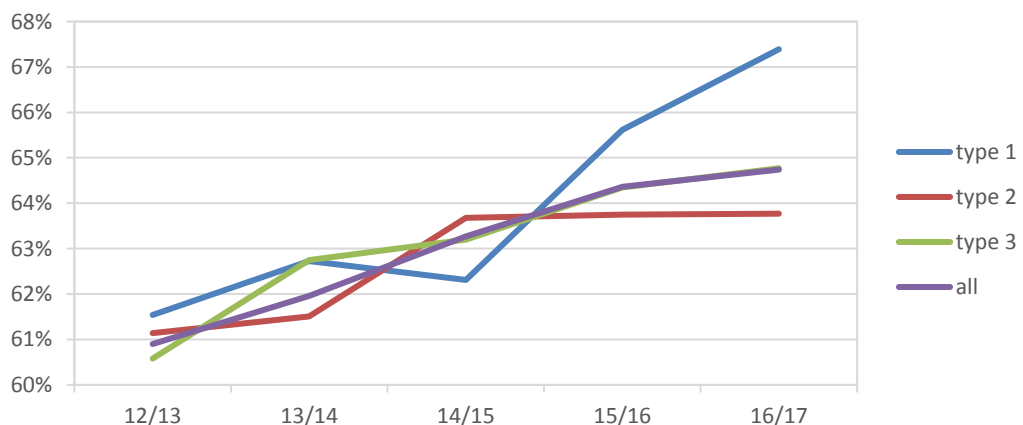
After a slight rise last year type 3 (mixed) has shown the greatest reduction with type 2 (dry) continuing its downward trend over the last 2 years.



Staffing as a percentage of total expenditure (PI 09)

The percentage expenditure on staffing has continued to increase across all facility types. Predominantly greater in type 1 facilities than others. As wages and on-costs continue to rise the impact of changes in National Insurance and pension costs continues to influence staff costs, as do changes in programming and investment in 'quality outcomes'. These outcomes are often driven by the need to provide a more personal and interactive service than possibly the more 'budget' providers. Investment in Health and Well Being programmes and other community support initiatives will also impact on investment in staff and therefore increase staff costs.

Staff costs now average a total of 64.74% across all facilities, slightly higher than in 2015/16. So whilst the staff cost per user is reducing the investment in staff is increasing thereby indicating that staff are developing services which cover all, or most of, the costs associated with the staff element.



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 membership of performance networks.

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 identification of areas of excellence and those requiring improvement. 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.

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