membership resources

Briefing 10-06 February 2010

Sports and Leisure: Trend analysis

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 manage leisure facilities.

Key issues

- Overall usage of leisure facilities continues to rise although growth is most marked in combined wet and dry facilities and decreasing in only wet or only dry
- Subsidy per head remains static after inflation at £2.01 per head across all facility types – highest for wet only sites and lowest for shared dual- use dry sites.
- Average customer spend has fallen slightly in 08/09, heralding the then worsening economic outlook.

Overview

It is now 11 years since the APSE performance networks performance indicators for sports and leisure facility management was first piloted in 1998/99. Many authorities have contributed every year in this period and no other database can provide such a rich vein of information to generate comparisons of performance.

This analysis includes the initial batch of 310 facilities, mostly operated directly by local authorities, with 50 are operated by Trusts and a small number externally. Constraints on local government spending will challenge the value and priority that non statutory services such as Leisure facilities provide. Whilst the subsidy can be reduced by financial management, the true worth is in the wider availability that municipal leisure facilities offer in terms of their programmes and admissions criteria. Outsourcing or reducing leisure provision can sometimes reduce cost but rarely widens access opportunities. To support the argument for municipal subsidy to support leisure provision we need to draw on the data.

The performance tables show increasing opening hours and usage, evidence of reducing subsidies in real terms and increased efficiency in recovery of expenditure through customer receipts. Powerful arguments of economy and efficiency but leisure facilities will also need to show effectiveness where public subsidy is required and this is where the social outcomes and wider impacts of the role of an active leisure community are critical to maintaining leisure opportunity (for all).

The data included in this report is referred to as year 11 in performance networks and relates to the financial year 2008/09.

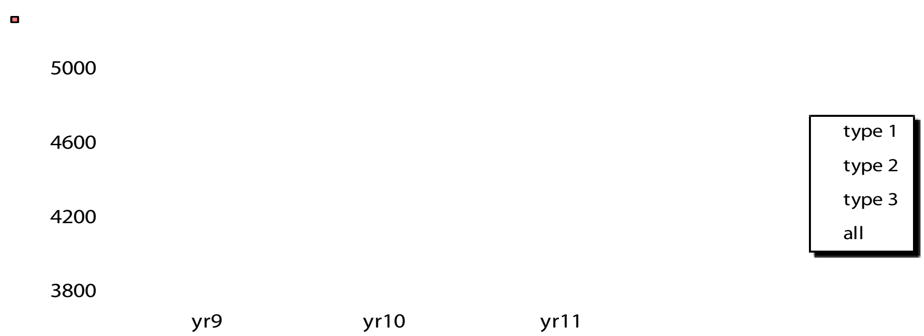
Trend analysis

Over the last 11 years members have carried out a lot of work to give an increased confidence to the throughput figures with a default usage factoring in place for group bookings and a separate categorisation of non-participants. Facilities are grouped as follows:

Type 1 facilities (standard - wet only)
Type 2 facilities (standard - dry only)
Type 3 facilities (standard - wet and dry)
Type 4 facilities (dual use - wet only)
Type 5 facilities (dual use - dry only)
Type 6 facilities (dual use - wet and dry)

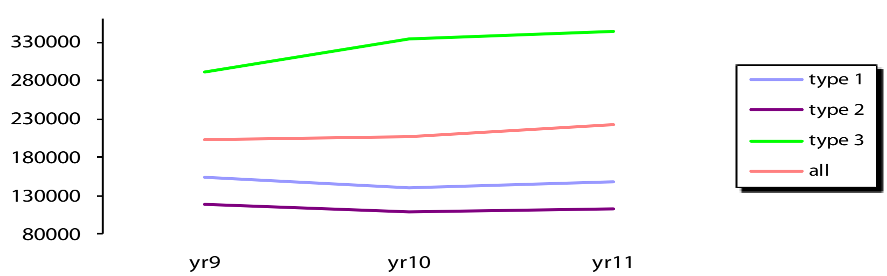
Opening hours

Across the board, average opening hours in the mainstream facilities rose slightly again this year although a there was another drop in type 2 dry facilities. Over the last two years type 1-3 facilities have on average increased opening hours by 2%.

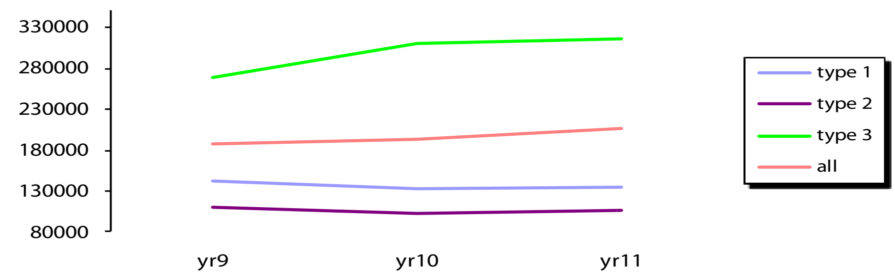


Total usage

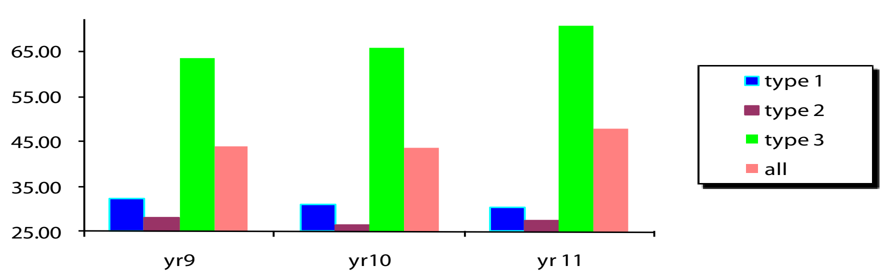
Average total usage has risen across the mainstream facilities in all types compared to last year. This reverses a small decline in types 1 and 2 in the previous year.



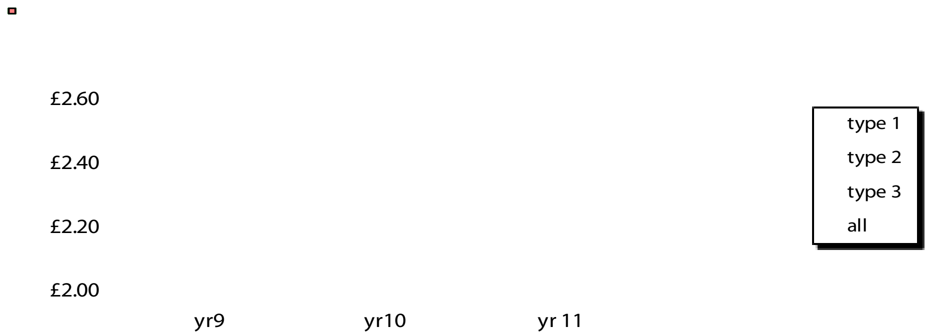
The above trend is also evident when non participatory visitor/ spectator numbers are excluded



Usage per opening hour (PI 31)
One of the performance indicators used to determine the impact of policy / programme changes is PI 31. This enables any change in opening hours to be monitored against the impact on throughput. We have seen above that both opening hours and overall throughput has increased. This is also evidenced in this single indicator. It would of course be possible to increase both the total raw statistics (usage and opening hours) without increasing the hourly usage (i.e. the effect of the increase in opening hours was mainly to spread existing usage). This would appear to have happened in the case of the type 1 facilities although the larger type 3 facilities appear to show a direct correlation in increasing hours and usage. This is important to monitor, given the relationship between cost and opening hours.

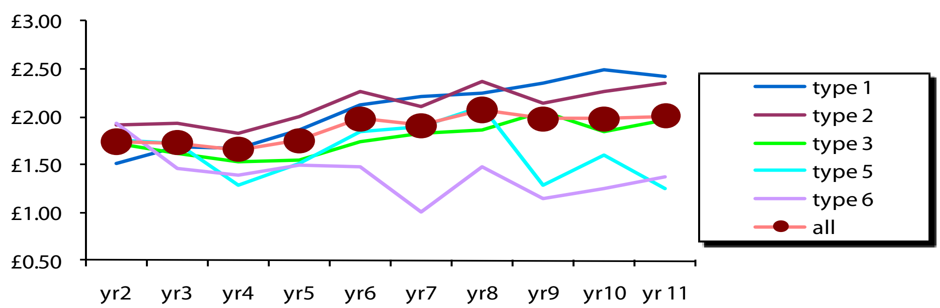


Customer spend per head (PI 04)
Whilst the increased usage supports the argument of accessibility and opportunity pressures to reduce net cost will depend significantly on the yield from customer receipts. Many facilities have worked hard to maximise secondary spend whilst setting pricing tariffs in such a way as to be competitive and affordable.
However it is not surprising in the current economic climate to see a small reduction in customer spend per head overall although the type 3 facilities have seen average spend rise by 16% in the last two years.



Subsidy per head (PI 01a)

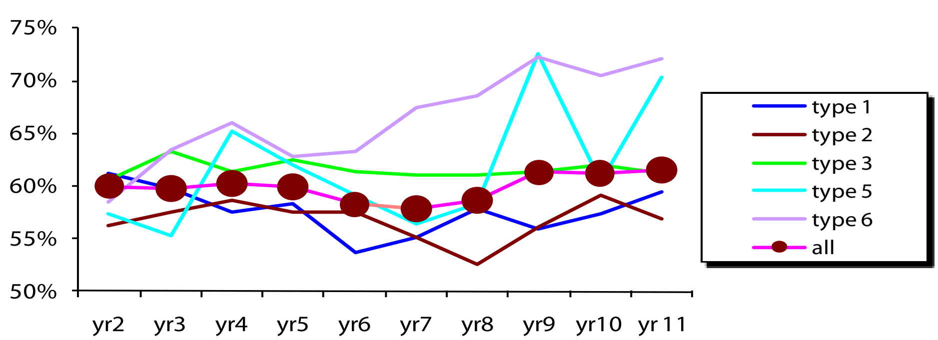
There are many indicators that can measure net subsidy depending upon exactly what is to be included in terms of the cost and throughput data. For consistency purposes we have again looked at PI01a, subsidy per visit, which includes central charges and all active and non participatory community use but excludes free school usage (year 1 is generally discounted for the purpose of trend analysis given the early developing nature of the data collection).



The overall average subsidy under this indicator for all facilities (including dual use) is £2.01 being only marginally increased on the £1.98 figure recorded in 2003/04 demonstrating a significant reduction in real terms once annual inflation indices are taken into account.

Operational recovery (PI 03)

Lastly we have traditionally looked at the operational recovery rate to see what proportion of operational expenditure is offset by customer receipts. Again, looking back to year 2 we see recovery rates demonstrating a clear trend of year on year improvement.



Interpretation of data

The data outputs are mostly informed by cost, income receipts and throughput.

Although Pricing and cost control will both impact upon the financial outputs, usage levels is 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.

Future focus

In 2004 the Gershon efficiency agenda in England and Northern Ireland, paralleled with the Scottish Governments efficiency programme and Making the Connections in Wales, set out the process for creating greater efficiencies from public services. Since 2004, local government has over-reached the targets set and new targets of some £35 billion now exist for England, and in the next Spending Review period additional efficiencies to help support the economy and front-line services rising to £9 billion by 2013-14. The outcome of the Scottish Spending Review confirmed the Scottish target to deliver 2% increasing cash-releasing efficiencies each year, would amount to £1.6 billion in 2010-2011. Within Wales, the annual local government settlement discussions assume a 1% efficiency saving from the revenue support grant which equates to approximately £38m per annum. In order to achieve improvements in the quality and efficiency of public services in more challenging economic times, innovation and service redesign are deemed critical to achieving 'more for less'. Performance management within the public sector is seen as a means of ensuring the best use of limited resources and is therefore becoming more important to the future of local government.

The recent HM Treasury ***'Operational Efficiency Programme'*** has taken a close look at achieving greater efficiency in a number of cross-cutting areas. A number of themes emerged throughout the programme, building on the best of private and public sector practice to achieve:

- **consistent, comparable data** – organisations need consistent, comparable data to be able to benchmark their performance against others to know whether the services they deliver constitute good value for money. Both public and private sector best practice should be used to raise standards
- **incentives** – an effective system of incentives and sanctions across the public sector would create the right conditions for all organisations and individuals to maximise their contribution to the delivery of high quality public services in an efficient manner
- **structures and tools** – the right structures (e.g. shared service centres and professional buying organisations) and tools (such as software which allows access

to collaborative procurement deals) need to be in place to help organisations and their staff achieve the savings they are being asked to achieve

- **accountability and performance management** – organisations should have the flexibility to decide on the most appropriate methods of delivering savings, suited to their circumstances, but all elements of the public sector must respond to the efficiency challenge. To maximise the benefits across the public sector, there is a need for robust, proportionate accountability mechanisms. With consistent, comparable data, those who are currently under-performing can be identified and supported to improve quickly

Source: HM Treasury website, 2009

In order to claim efficiencies under the Efficient Government initiative, Audit Scotland have reiterated the need for councils to demonstrate that service outcomes have been maintained or improved, and to evidence the link between resources and performance measurement. In Wales, the new local government (Wales) measure reinforces the importance of benchmarking and legislates for local authorities to have a duty to compare their performance using the most appropriate performance data. In Northern Ireland, Environment Minister Arlene Foster's statement to the Assembly in March 2008 on the future shape of local government highlights the need for performance management to deliver modern, high quality and efficient public services.

Across the UK, public sector performance management will form the basis of achieving efficiencies and value for money within local government. Performance management is about how the best use can be made of limited resources to maximise performance in terms of both cost and quality. Local robust performance measurement tools are increasingly being recognised as a means for improving services and as a result systems that have been developed and refined over the years by local authorities such as APSE's performance networks will be a more invaluable tool than ever.

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