



Sports and Leisure: Trend analysis 2017/18

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

- Overall staff costs, as a proportion of expenditure, have risen to 65%, with significant increases for pools although dry sites continue to decline.
- Usage per opening hour has seen a yearly increase across all types of facility
- Operational recovery remains broadly static at 81.25% of costs.
- Energy costs per user for swimming pool sites have seen a 37% decline over the last 5 years

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

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

The operational recovery ratio is showing a downward trend, as is customer spend per head this obviously impacts on the average subsidy per opening hour which has seen a rise in all but Type 3 facilities this year.

Secondary spend has however risen which may indicate that facilities are focussing on providing additional services, merchandise etc. on sites thereby increasing the secondary spend income; however given that the overall customer spend per head is showing a downward trend this would suggest that spending is not increasing across sites but total customer spending is remaining constant rather than increasing overall.

Average usage per opening hour has remained consistent across all sites over the last 5 years reflecting occasional dips possibly due to external factors i.e. other competition.

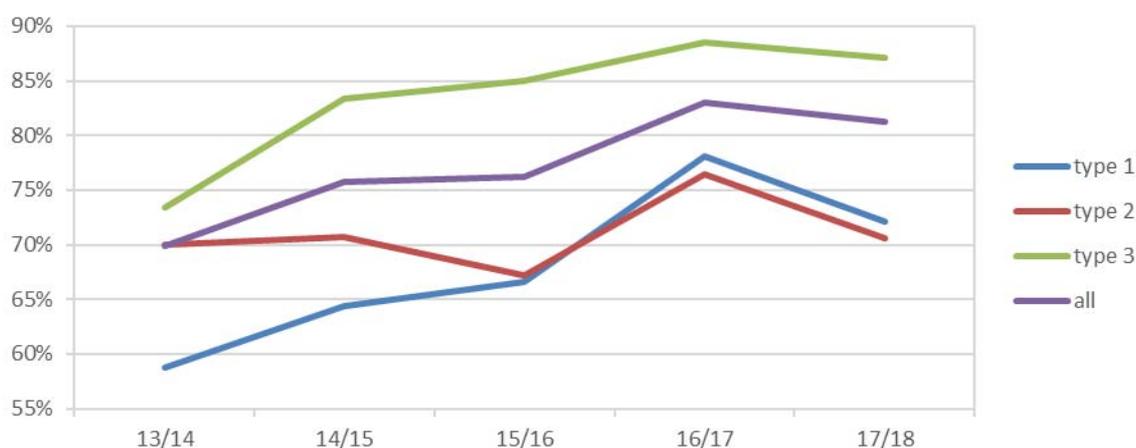
Customer satisfaction has maintained a positive increase which would indicate that changes in services and working practices are having a positive effect on customer satisfaction.

Staffing continues to be the highest percentage of costs and on average staff costs per user have risen this year after a reduction in Year 19. When examining staff as a percentage of total expenditure both type 1 and 3 facilities have seen a rise this year with only type 2 facilities reducing their percentage. On average staff costs as a percentage of total expenditure now equate to 65%.

Cost

Operational recovery ratio (excluding CECs) (PI 03)

Year 20 (2017/18) has seen a decrease in the operational recovery ratio across all types of facilities. Type 1 decreasing by 6.01%, type 2 by 5.87% and type 3 by 1.44%. The average operational recovery rate for all facilities has decreased from 83.01% overall to 81.25%, an average overall decrease of 1.76% from the previous year (2016/17). The average increase from 2012/13 now equates to 11.30%.



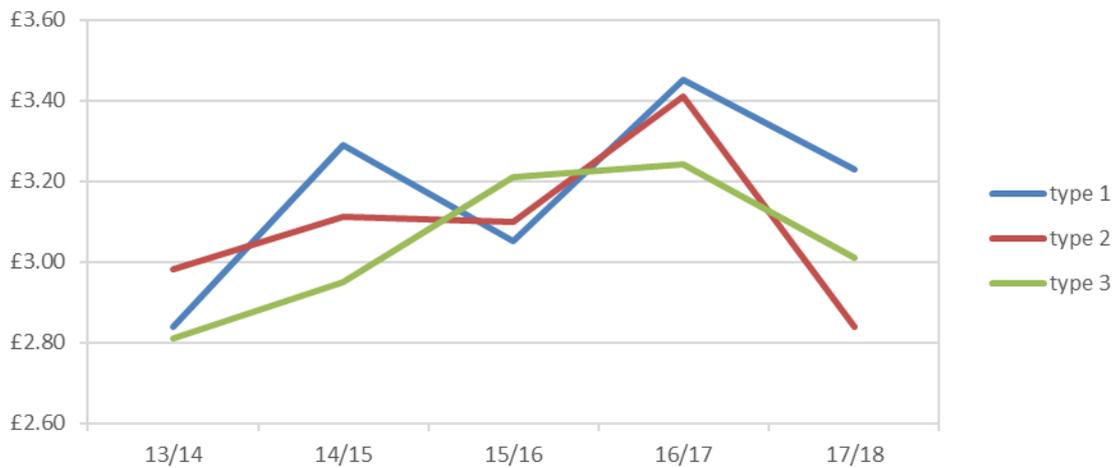
Customer Spend per head (PI 04)

Providing a value for money service whilst ensuring maximum spend per head from customers is ever more challenging with more and more external influences affecting how customers spend their disposable income. Customer spend does however remain a crucial part of recovering operational expenditure.

Year 20 (2017/18) shows a reduction in the spend per head against 2016/17 with average spend per head being £3.02 compared with £3.36.

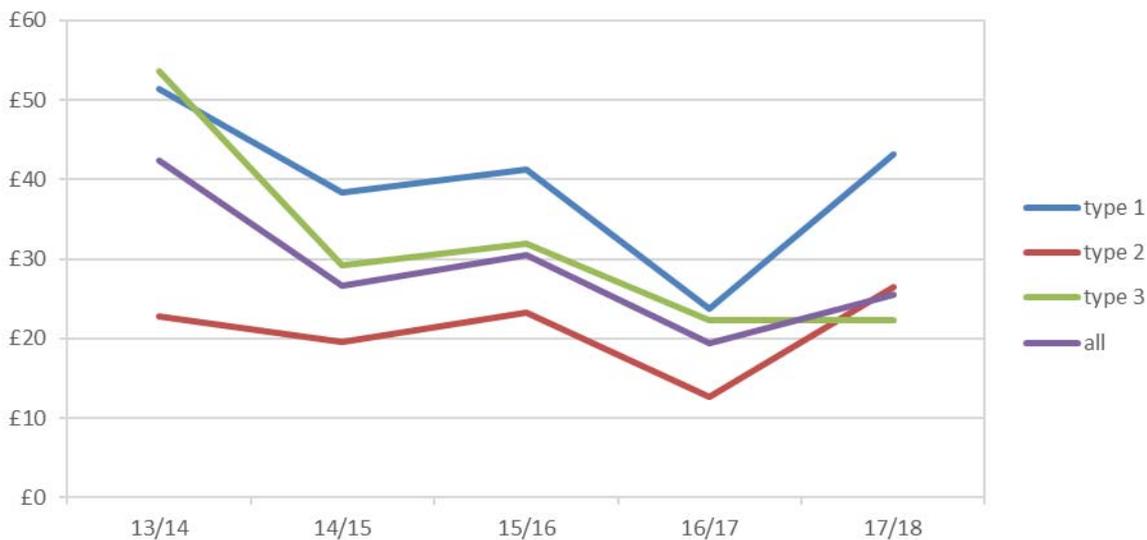
The average spend figure is lower than at any time since 2013/14 when it was £2.87. Type 2 and 3 facilities being affected more severely than Type 1.

External factors can often dramatically affect how decisions on disposable income are made and whilst services endeavour to ensure they provide excellent value for money customers will always prioritise spend in accordance with their own personal circumstances and values.



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

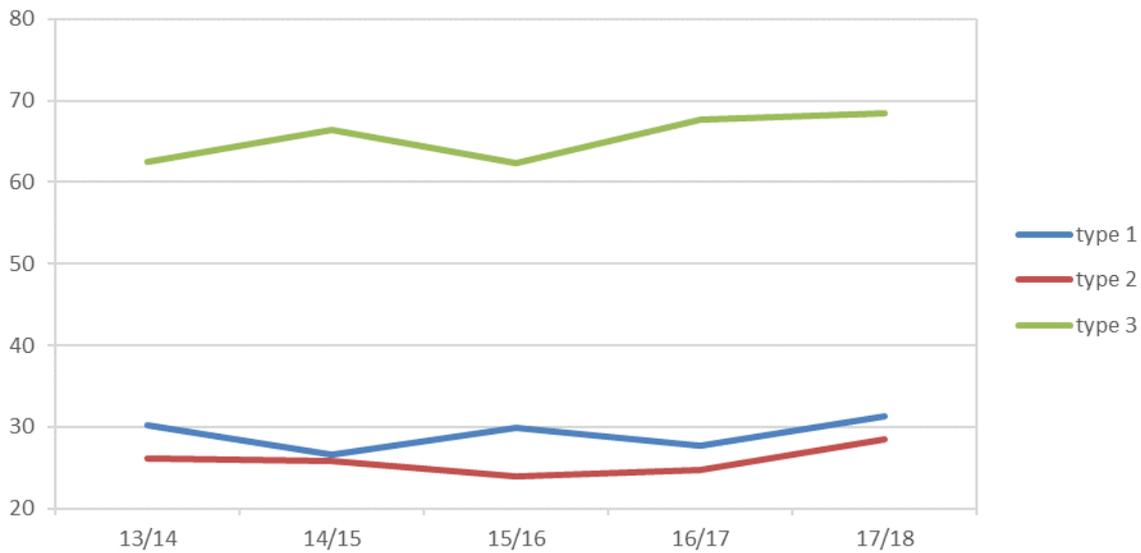
The average subsidy per opening hour has remained relatively stable in Type 2 and 3 facilities however there has been a sharp rise in subsidy of Type 1 facilities. The overall average subsidy figure has still reduced by 40% since 2013/14 from £42.35 to £25.54.



Usage

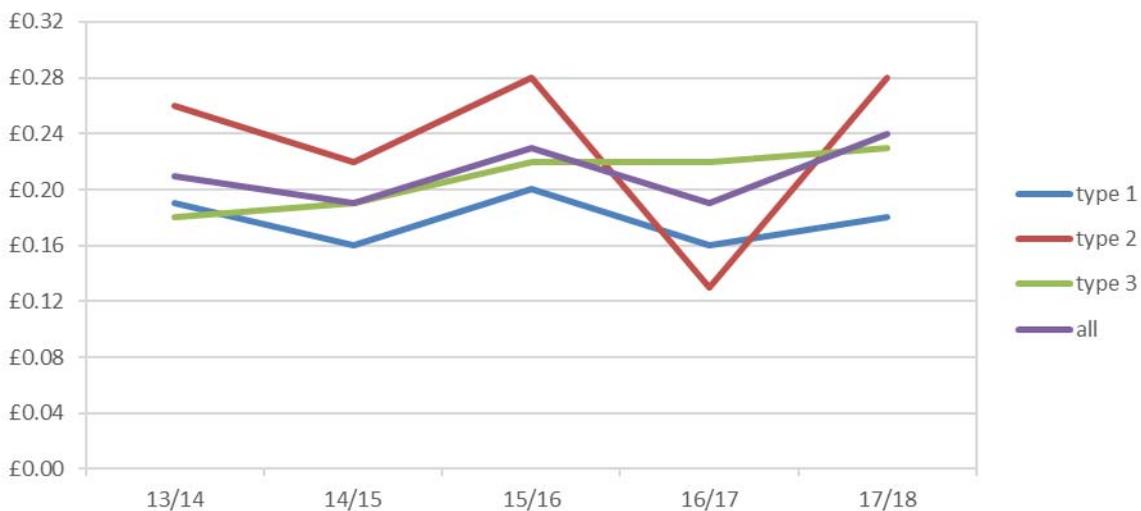
Average usage per opening hour (PI 31)

Usage per opening hour in all facilities has continued to gradually improve over the last 5 years despite occasional reductions, possibly as a result of increased local competition; the overall trend is a positive one.



Secondary spend per user (PI 24)

Secondary spend per user has increased in all types of facilities with type 2 seeing the most drastic impact of an increase of £0.15 per head back to its 2015/16 highest figure. Overall the average increase in spend per head is from £0.21 to £0.24, back to a level of 2015/16.



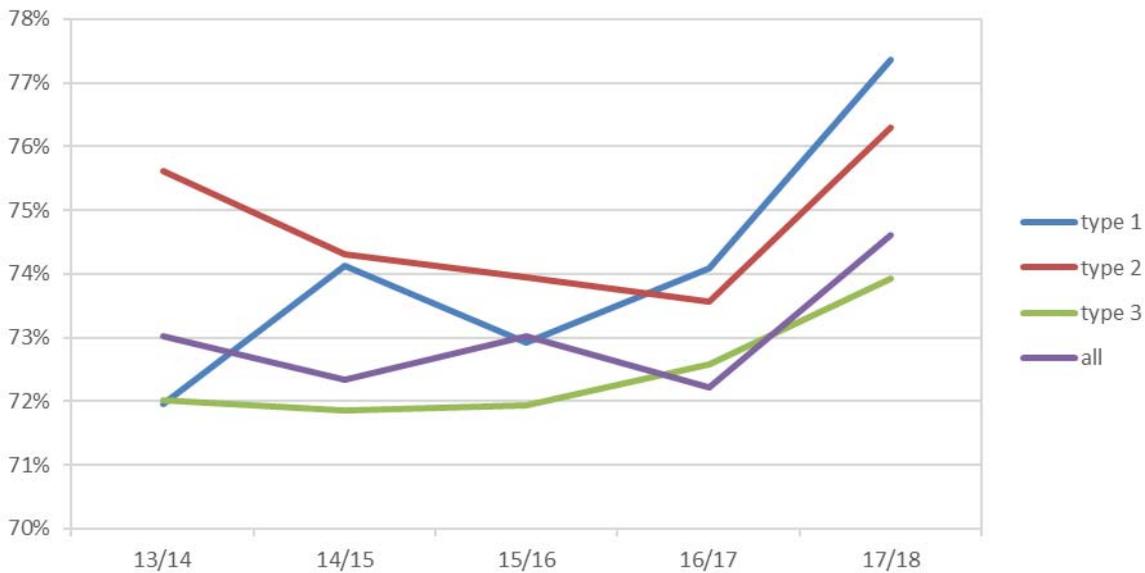
Quality

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 in all facility types since last year, with the average across all facility types now being 74.6%. Satisfaction levels have increased to 77.36% in type 1 facilities, 76.29% in type 2 and 73.92% in type 3.

Interestingly the trend over the last 5 years remains overall positive which is encouraging given the level of changes in service provision that could have impacted on the quality of customer satisfaction.

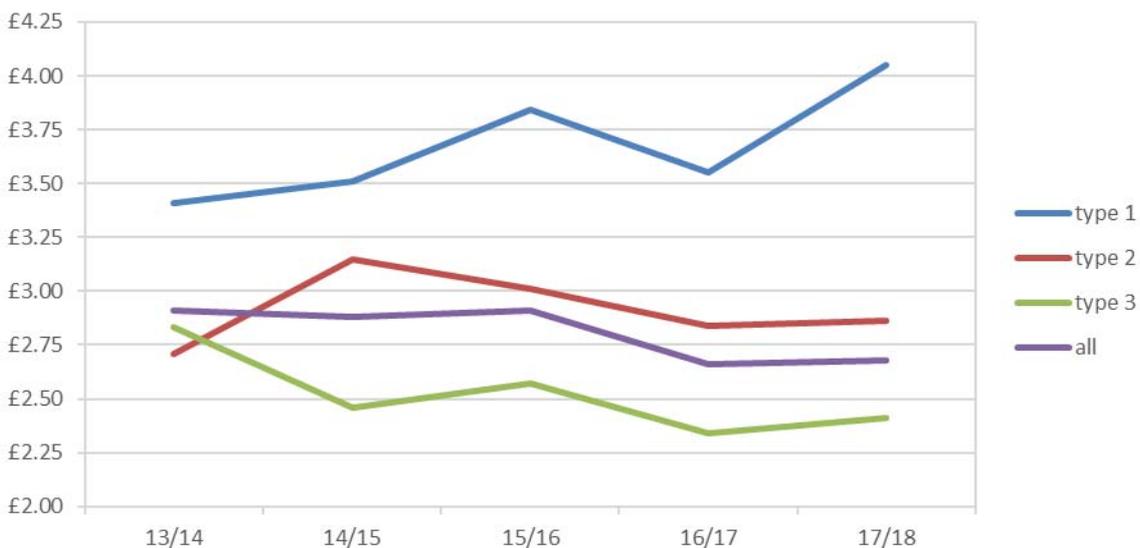


Staffing

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 (PI 07 and PI 09).

Staff cost per user (PI 07)

Whilst staff costs for types 2 and 3 have remained stable this year the costs for type 1 facilities have risen by £0.50 per user. On average across all facility types since 2013/14 costs have reduced from £2.91 to £2.68.

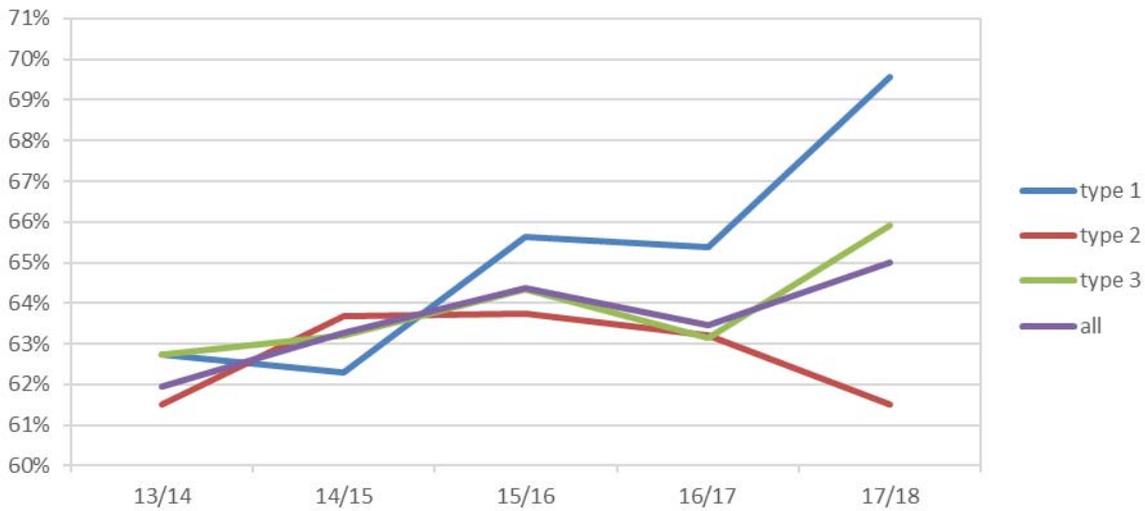


Staffing as a percentage of total expenditure (PI 09)

The percentage expenditure on staffing has decreased in type 2 (dry) facilities but has increased in type 1 and 3. Changes in National Insurance and pension costs continue 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

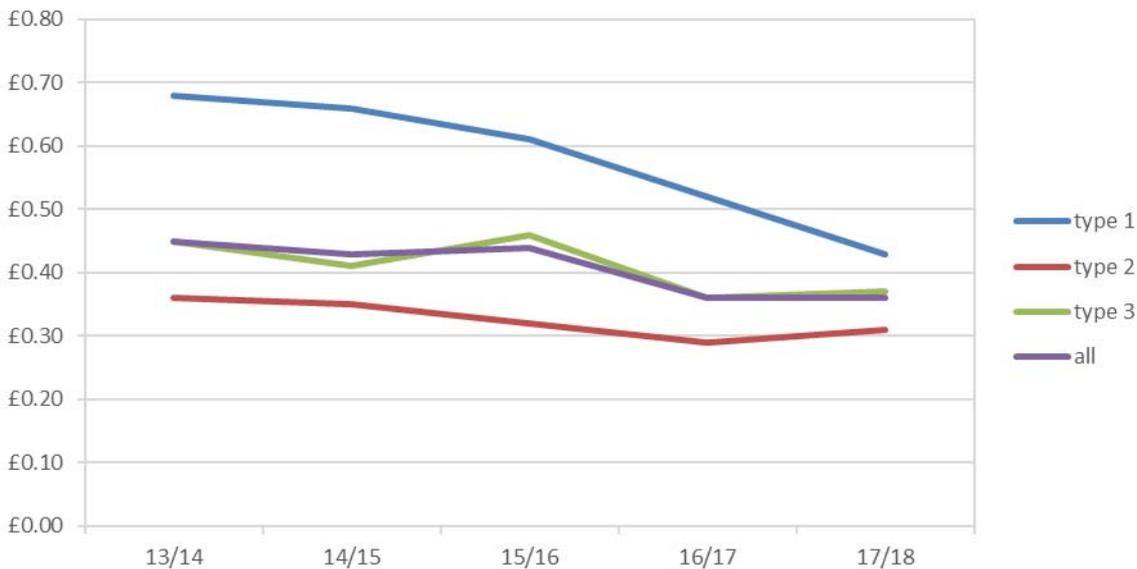
more 'budget' providers as well as the need to provide appropriate supervision levels in wet facilities, for example. Investment in Health and Well Being programmes and other community initiatives will also impact on investment in staff and therefore increase staff costs.

Staff costs now average a total of 65% across all facilities in comparison to 61.96% in 2013/14.



Energy cost per user (PI 42f)

The average energy cost per user has remained more stable recently after a trend of reducing over the last 5 years. Type 1 (wet) facilities have seen the biggest reduction from 68p down to 43p (36.5%), type 2 (dry) and type 3 (mixed) having seen a decrease of 14% and 17% respectively.



Sue Finnigan

Associate, APSE solutions

Rob Bailey

APSE Principal Advisor