



Sports and Leisure: Trend analysis 2018/19

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

- Usage per opening hour sees a continued yearly increase across all types of facility
- Average subsidy per opening hour across all sites is down to £16.23, its lowest ever.
- Operational recovery stands at 96.4% for mixed use sites, tantalisingly close to break-even.
- Energy costs per user appear to have stalled at 38p following several years of decline

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.

Overall it would seem to be a very positive year with trends moving in a positive direction across most areas of the sport and leisure facilities.

Operational recovery is continuing to improve and overall facilities now average 88% operational recovery whilst mixed facilities alone are close to breakeven with a 96.4% recovery rate. The general trend across all facilities is of a gradual and improving increase in recovery (or decrease in subsidy). Customer spend per head is also continuing a positive trend and continuing to rise overall and this obviously impacts on the subsidy per opening hour which is showing a decrease, having decreased over the last 5 years by 39%.

Usage per opening hour remains relatively stable but is showing a slight but positive upwards trend. Secondary spend is showing an increase in both wet and mixed, with a reduction in dry facilities but given the positive impact of increased spend this is obviously impacting on the operational recovery rates in a positive way.

It does however seem that regardless of the increased spend and stable usage, customer satisfaction has reduced slightly from an all-time high of 74.6% in 17/18 to 70.6% in 18/19. The exception being wet facilities which have remained constant. This could be as a result of a more discerning public, investment disruption, reduced staffing levels or many things and would be worth further investigation in those areas where this has been seen to be reducing at specific sites.

Staffing cost per user generally remains static whilst staff as a percentage of expenditure continues to generally decrease. Overall staff costs as a percentage of total expenditure now equates to 63.86%, a reduction from 65% in 2017/18.

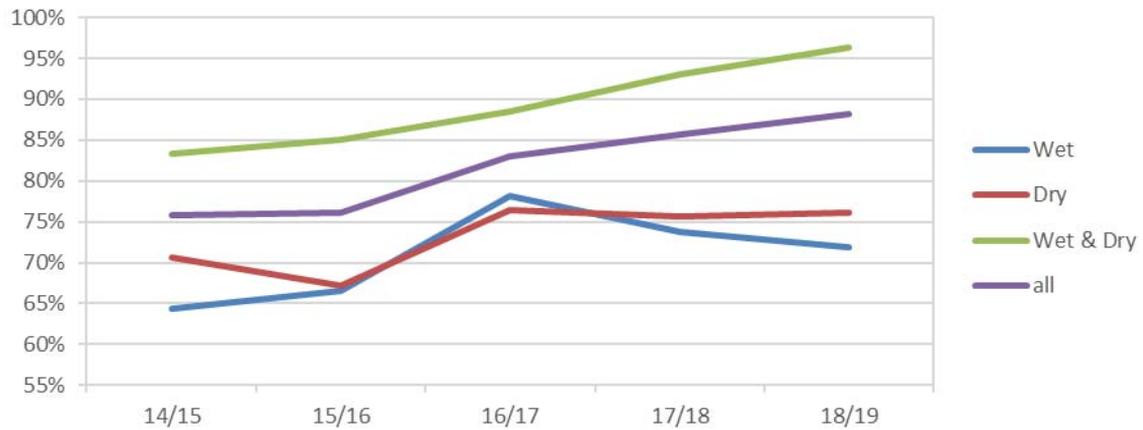
As would be expected the overall cost of energy is on a downwards trend with more local authorities and organisations investing in energy efficient programmes. It is likely that these investment programmes will also lead to a reduction in operational costs thereby having a positive impact on the operational recovery rate.

The report this year paints a positive picture to all APSE members of the improvements which have been made across leisure whether it be to investment in facilities, improved management and operational procedures and ways of working and the commitment to investment in energy efficiency measures in order to save energy but also to reduce operational costs.

Cost

Operational recovery ratio (excluding CECs) (PI 03)

Year 21 (2018/19) has seen a continued improvement in the operational recovery ratio across mixed facilities and is now close to break-even at 96.4%. Wet facility recovery ratio has decreased slightly by 1.8% to 71.9% whilst dry facilities have remained stable at 76%. The overall average operational recovery rate for all facilities has increased from 85.69% last year to 88.15% in 18/19 an average overall increase of 2.46% from the previous year (2017/18). Since 2014/15 the operational recovery rate overall has increased by 12.41% from 75.74% to 88.15%.



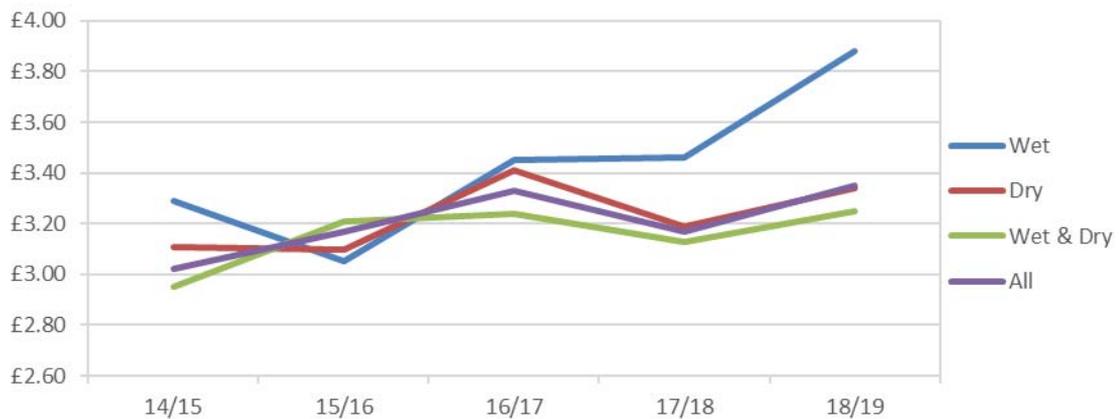
Customer Spend per head (PI 04)

Interestingly this year 2018/19 shows an increase in spend per head across all facility types reversing the downward trend of 2017/18. The levels of spend in 2018/19 in dry and mixed facilities have reverted to the levels of 2016/17. Wet facilities have increased from £3.46 to £3.88. Average spend per head is now £3.35 against £3.17 in 2017/18 and £3.02 in 2014/15.

Customer spend is still a crucial part of recovering operational expenditure.

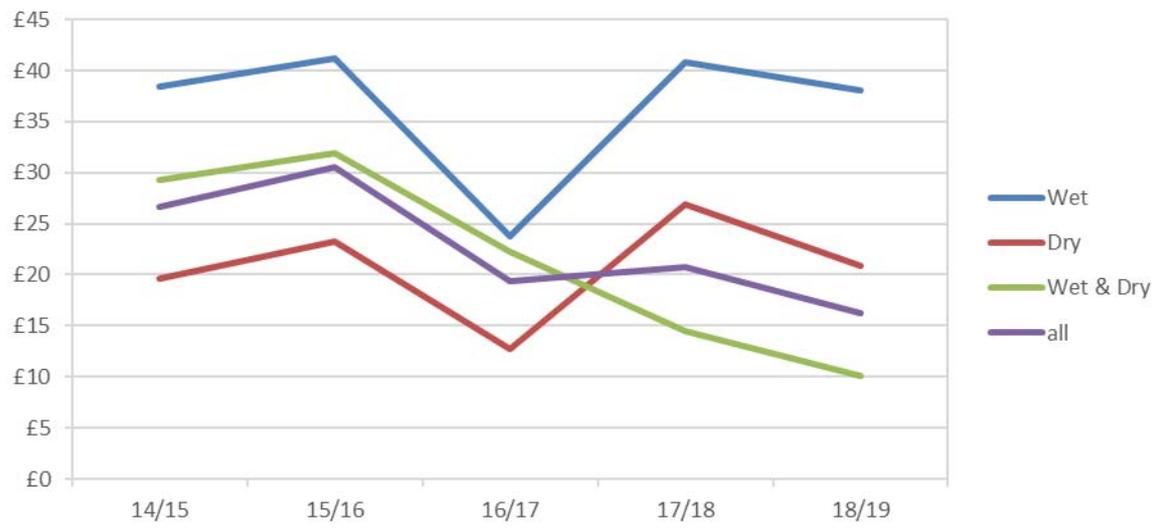
External factors can often dramatically affect how decisions on disposable income are made and whilst services endeavour to ensure they provide excellent value for money customers will always prioritise spend in accordance with their own personal circumstances and values.

The so called 'feel good factor' also affects how people spend their disposable income and can affect the secondary spend considerably either way.



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

The overall average subsidy per opening hour has decreased from £20.77 in 2017/18 to £16.23 in 2018/19. The subsidy for all types of facilities has reduced this year after a significant increase in 2017/18 in both wet and dry facilities. Mixed facilities have seen a significant reduction from £29.28 in 2014/15 to £10.08 in 2018/19, this has been a consistent trend since 2015/16 with 2017/18 showing the greatest reduction. Overall there has been a reduction in average subsidy per opening hour of 39% across all facilities since 2014/15.

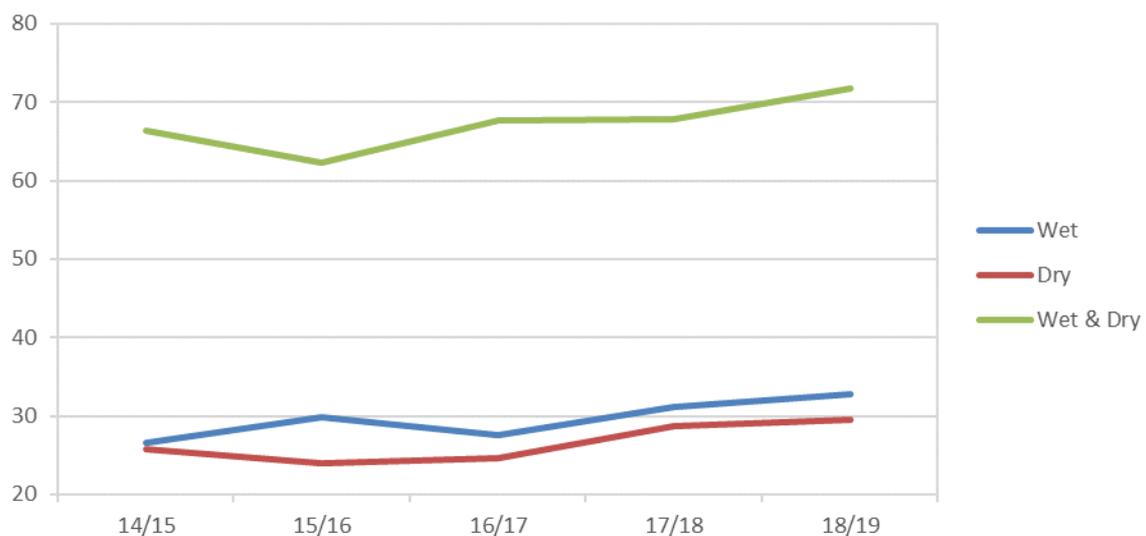


Usage

Average usage per opening hour (PI 31)

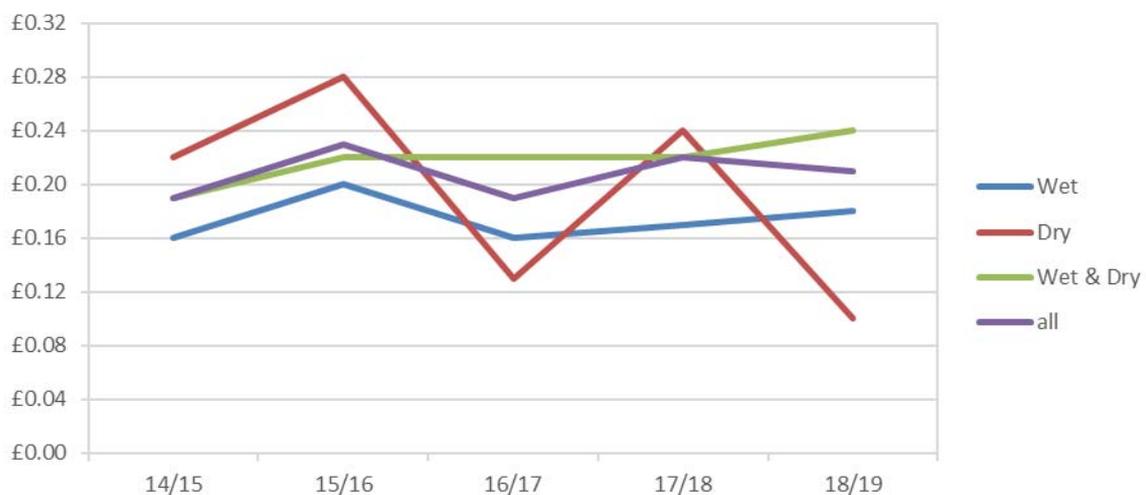
Despite a slight reduction on occasions in each type of facility the general trend in usage per opening hour shows a continued gradual improvement over the last 5 years. Occasional changes may be explained by the increase in local competition which may have a short term effect on usage but does not appear to have a lasting impact on the longer term trend which appears to be a positive one.

Over the last 5 years usage per opening hour in wet facilities has increased from 26.61 to 32.77, in Dry facilities from 25.77 to 29.55 and in mixed facilities from 66.42 to 71.68.



Secondary spend per user (PI 24)

Overall the average increase in secondary spend per user is from £0.19 to £0.21 remaining almost the same as last year. The main reduction in spend per head is in dry facilities which has reduced by more than 50% from 24p per head in 2017/18 to 10p per head in 2018/19. However this indicator does seem to fluctuate considerably on the dry side facilities more so than on the wet and mixed which show a slight increase.



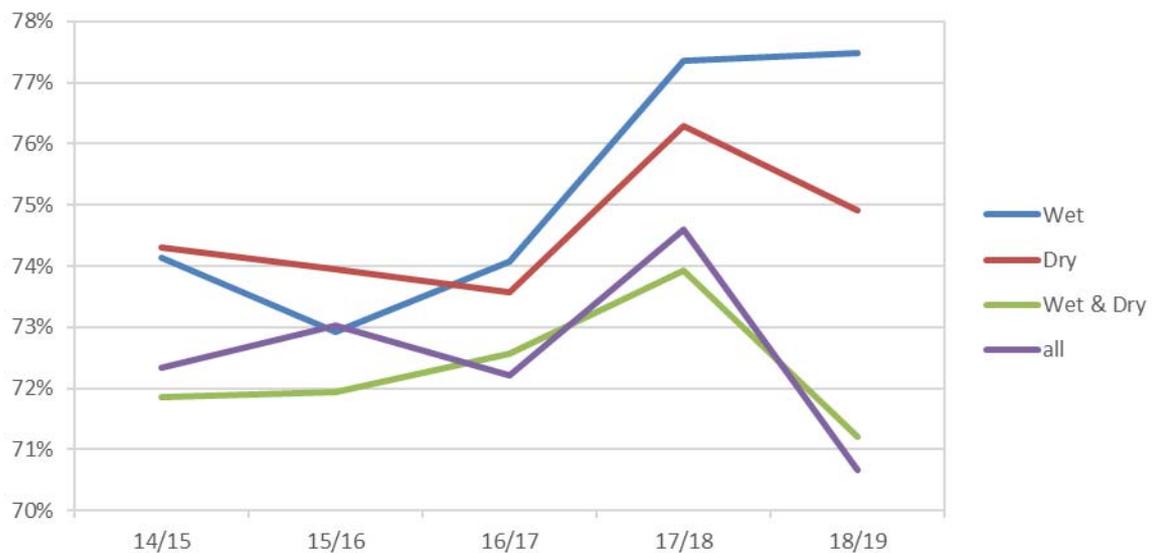
Quality

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 remained the same in wet facilities but have declined in both dry and mixed, with the average across all facility types now being 70.6% compared to 74.6% in 2017/18, a reduction of 4%.

This is the first time in 5 years that the satisfaction has declined in mixed facilities. This should be monitored to ensure this does not start a downward trend and further investigation should be undertaken to understand whether this is as a result of a reduction in service levels or evidence of a more discerning customer.

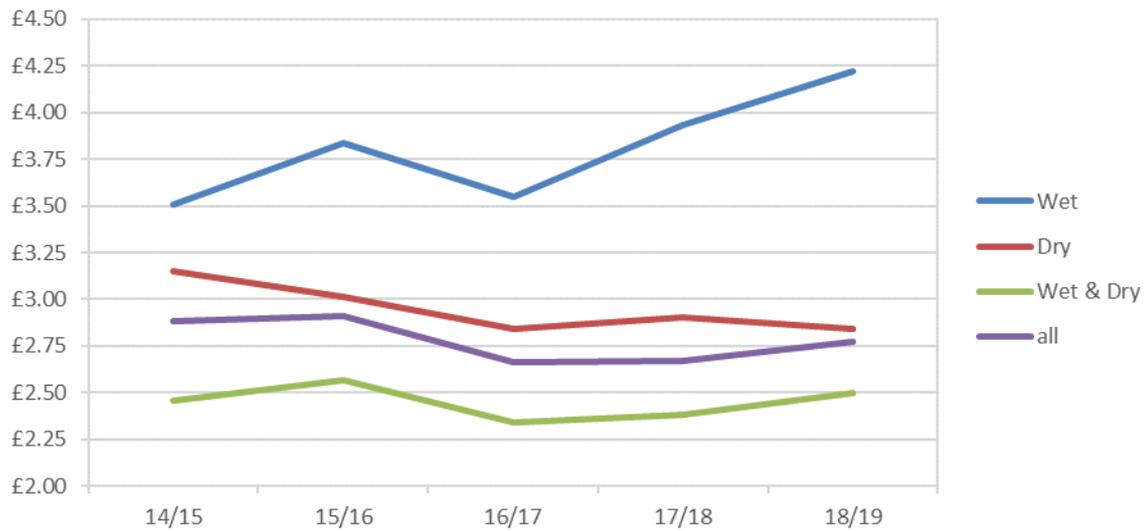


Staffing

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).

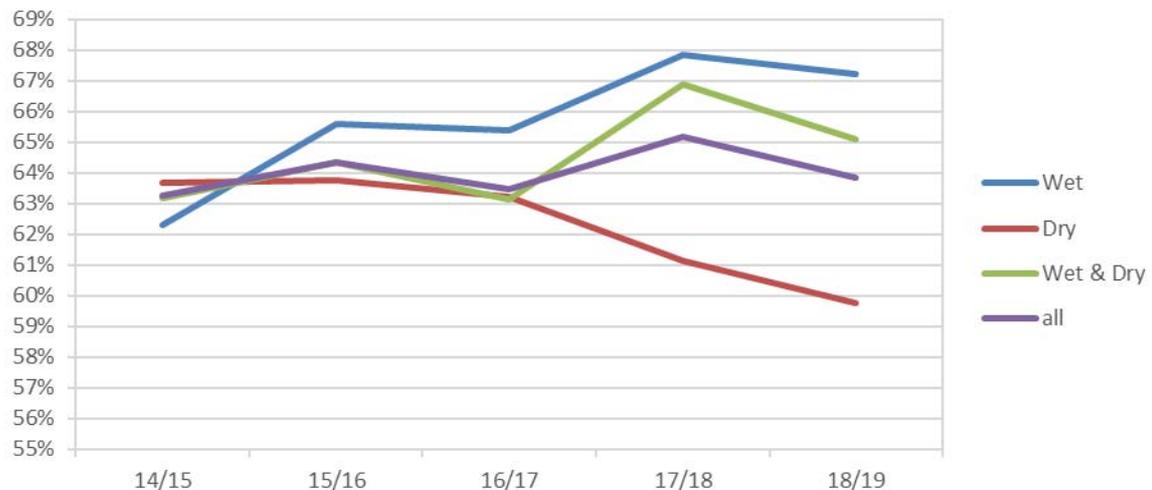
Staff cost per user (PI 07)

Staff costs for wet facilities continue to rise following the trend of the last 5 years, whilst dry and mixed facilities have remained fairly constant. Staff costs per user now equate to £4.22 for wet facilities, £2.84 for dry facilities and £2.50 for mixed facilities. An average across all facilities of £2.77 per user across all sites reduced from £2.88 in 2014/15.



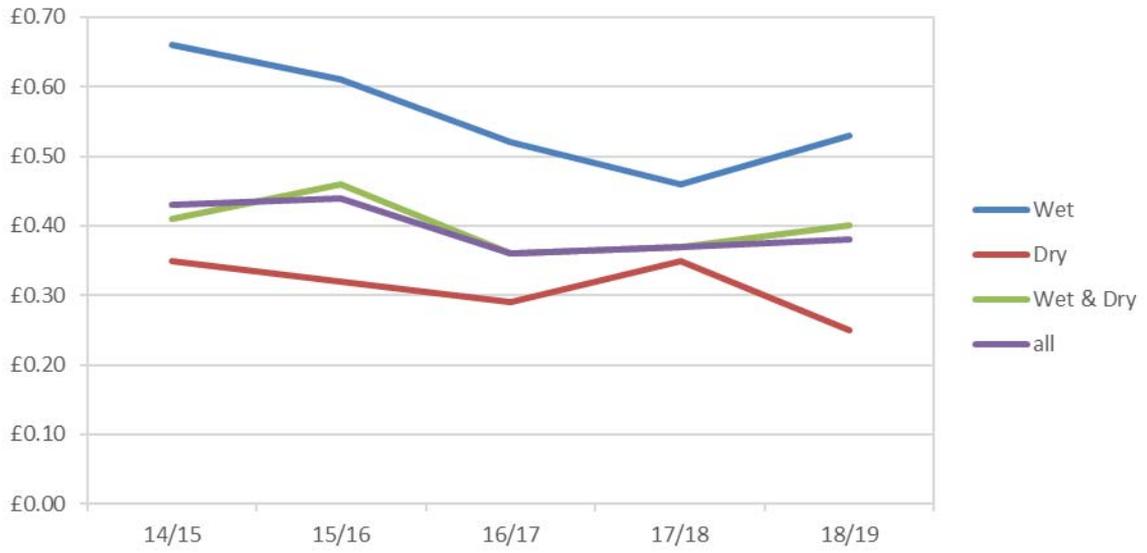
Staffing as a percentage of total expenditure (PI 09)

The percentage expenditure on staffing has decreased in all facilities since last year. Staff costs now average a total of 63.86% across all facilities in comparison to 63.27% in 2014/15. Quality 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. More efficient use of technology can have an effect on the staff costs reducing them in some cases.



Energy cost per user (PI 42f)

The average energy cost per user has risen slightly in wet facilities in the last year but shows a downward trend overall in the last 5 years from £0.66 in 2014/15 to £0.53 in 2018/19, whilst dry facilities have shown a reducing trend from £0.35 to £0.25 and mixed facilities remaining relatively stable over the same period. Overall the average reduction in energy cost per user is from £0.43 to £0.38 over the last 5 years.



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