apse membership resources

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Efficiencies in Leisure Services

The pressure to find major savings in leisure is now at its height. The implications of the Comprehensive spending review are now clear and local authorities are struggling to square substantial budget reductions amongst competing demands. As a non-statutory service leisure is particularly vulnerable. This paper attempts to highlight the main operational areas where costs reductions can be sought across leisure although in such a diverse service it is not possible to compile a complete list and further ingenious ways of saving money will be found and technology will produce new opportunities. It is therefore proposed to update this document in the future and reissue when appropriate.

Promotion and marketing are important for increasing or maintaining participation and income. Whilst this paper focuses on cost saving, an equal focus should be given to increasing revenue whether from users, grants or future commissioning.

1.0 Expenditure

The following tables, derived from data collected as part of APSE performance networks, highlight the average costs for wet, dry and combined wet and dry leisure facilities. Clearly there is a wide variety of configurations of leisure facility, however the averages provide an excellent insight into where costs are most concentrated.

Cost Area	Wet	Dry	Wet & Dry
Staff Costs	**60.47%**	**59.00%**	**57.44%**
Energy costs	**12.43%**	**7.49%**	**11.67%**
Water and sewerage	**2.50%**	**1.47%**	**2.09%**
Other premises costs	**7.45%**	**9.05%**	**7.93%**
Supplies and services costs	**6.24%**	**7.43%**	**6.73%**
Departmental admin	**3.32%**	**5.21%**	**3.79%**
CEC	**4.14%**	**5.09%**	**5.14%**
Other general expenditure	**3.46%**	**5.26%**	**5.20%**

Staff costs are by far the largest item at around 60% and therefore the element where small improvements will produce the largest savings. Staff costs are typically split between full time core staff and part time lifeguards, instructors and other more casual staff. The remaining 40% of other expenditure can still produce demonstrable savings at some authorities and these are also detailed later.

2.0 Staff costs

Whilst staff costs make up 60% of expenditure they typically amount to 104% of income for pools and 127% of income for dry sites. Realistically the minimum number of staff to operate a leisure facility is 2 staff for a dry site and 3 for a wet site, with further required dependent on the size and complexity of the facility.

2.1 Flexibility

Leisure centres do not operate on a 9 to 5 timetable and correspondingly the days of staff employed between set hours and then paid overtime have disappeared although instances remain. Flexibility is the order of the game with many authorities and trusts using a combination of annualised hours (a contracted number of hours across the year flexibility as to when they are used) and increasing use of casual staffing for peak periods and additional classes.

Those facilities that thrive on the quality of the customer experience tend to instil an expectation and ethos that staff are expected to undertake a variety of tasks to maintain the facilities to high standard. It is normal for staff to be expected to undertake low level cleaning duties and minor maintenance. In some of the more cost conscious staff repair lockers and undertake painting and tile replacement.

2.2 Swimming pools

National guidelines for swimming pool numbers issued by bodies such as the ISRM suggest a health and safety assessment followed by minimum numbers of lifeguards. Factors include:

- Pool design – blind spots, glare, reflection and noise
- Depth
- Water quality – including pool temperature & clarity of water
- Pool organisation – responsibility and mix of usage
- Staffing – qualifications, skill, degree of support and number of teachers/coaches/lifeguards
- Pupils and ability – age, ability range, any physical disabilities/learning difficulties, ability to comprehend instructions.

Care should be taken to ensure that the number of lifeguards equates closely to the anticipated number of swimmers (a typical ratio being 1:20) and also the ability of the swimmers i.e. adult only session requires fewer staff than family or children's swimming.

Where organised club swimming or schools swimming is undertaken, club organisers or sports teachers should be encouraged to maintain the necessary qualification to supervise unassisted.

2.3 Fitness classes

Many leisure centres offer fitness classes as part of fitness suite membership although these are often only used by a minority of the leisure club members and

mainly by casual participants. It is often necessary to run a class for several weeks to grow the number of members and reach a level of sustainability.

Clearly if numbers do not at least cover the cost of the instructor, then a decision should be made to discontinue the lessons, many make this assessment at around 6 weeks. This is one area where customer surveys beforehand should highlight the optimum times for lessons and level of interest. Without initial marketing to likely target participants uptake is unlikely to reach its potential.

2.4 **Sickness absence**

Average sickness at wet sites is 5.98% and 3.83% for dry according to APSE performance networks data. When long-term sickness is taken away, these figures drop to 3.41% and 2.16%. There are however instances of sickness above 10% and where this requires other staff to be employed as cover, costs will escalate. There are increasing instances of changes to terms and conditions for new starters, with no sick pay provided within the first 12 months of employment.

There are examples of leisure services who have managed to reduce the overall sickness (excluding long term) down to nearer 2%. This has been achieved through combination of strict adherence to the Bradford method for managing absence and timely management enforcement. The system for monitoring sickness needs to record and highlight absences immediately and action to follow very shortly afterwards. Too often action is taken many days after the absence and ceases to act as a deterrent or capture the cause.

2.5 **Training**

There is an ongoing requirement to ensure that training for some employees remains up to date e.g. pool operators and lifeguards. Opportunities to work with other authorities should be actively sought to secure combined training sessions which will minimise this cost.

3.0 Opening hours

Opening hours for many facilities have been determined at a corporate level and unfortunately often fail to reflect the actual demand for those facilities. Whilst it is necessary to allow access to a gym throughout the day, gyms and health suites require minimal staffing levels whereas national guidelines exist for swimming pools which demand set levels of personnel.

Typically quiet periods exist mid afternoon (between 2 and 4) and late evening after 8pm. It may be possible to fill these with organised swimming clubs, schools swimming or club 5 –a –side but otherwise consideration should be given to closing the facility during these periods for open public usage. Given that the average subsidy per opening hour including central establishment charges amounts to £69.90 for pools and £34.84 for dry sites, selected closures can quickly amount to a significant saving.

Many facilities operate a cafe, which is always a welcome addition for most centre users and an average facility produces an income 85% higher than the cost of operation. For those centres with low footfall, however, it may become a liability. Recent events have seen an accelerated move to vending machines where cafes are consistently losing money. Restricted opening hours may provide a more viable proposition although often a more commercial approach to both product mix and costing makes a significant difference and should be tried ahead of closure.

4.0 Energy Costs

At an average of 12.43% of costs, energy is the next most significant area of expenditure after staffing. Most local authorities purchase energy in the form of gas and electricity through central contracts or purchasing consortia. These arrangements should be frequently reviewed to ensure lowest pricing.

Saving electricity is a subject far greater than the scope of this briefing and maximum use of low energy lighting is a given. There are however opportunities to use variable speed drives on pumps and ventilation systems which are controlled to respond to demand. Whilst the upfront costs may be several hundred pounds the payback period can be under 2 years.

Similarly lagging of piping and modern efficient biomass boilers are taken as a given although capital costs often make it tempting to remain with an old and in-efficient heating system. Typical suggested pool temperature is between 27 and 29ºC with an air temperature 1 degree higher. Use of pool covers should be rigidly enforced to prevent temperature loss in closed periods. Typical suggested gym temperature is between 16 and 18 ˚C.

5.0 Buildings and services

Much of the stock of leisure buildings is from an earlier era and if not decaying, certainly energy inefficient and restricted. Whilst ideally new buildings will reduce maintenance costs the availability of capital monies is likely to be reduced for some time. The specification for maintenance and services such as cleaning should be fundamentally reviewed if originally set some time ago. Changes to layout, usage, floor covering and equipment may allow for reductions in time and cost without reducing standards. Similarly best to work in partnership with your building maintenance provider to ensure a planned approach rather than reactive maintenance which might require multiple costly visits to site.

6.0 Technology

Technology brings a never ending stream of new 'toys' to entice the leisure centre user to get a new or better experience from their visit. Some may provide opportunities to increase income, but limited opportunities for cost saving. Technology has however provided some new possibilities:

Booking systems and membership cards can and do reduce the staff time and cost to process paperwork and issue tickets at reception

Robot cleaners have a proven record of cleaning sports halls overnight without supervision and thereby save substantial paid cleaning hours.

Chemicals exist to reduce the evaporation and hence temperature loss from swimming pools. They work by forming a molecular layer on the surface and hence reduce the water and energy loss through evaporation. Claims of 50% savings have been made although there remains a level of cynicism by many leisure managers and questions over ingestion of the chemical by swimmers.

As staff costs rise, the use of video monitoring of pools is proposed. You might imagine a CCTV system with the images brought to a single station to be monitored by a single lifeguard. Whilst considered practical, safety concerns remain.

7.0 Central establishment charges (CECs)

CECs are probably the most contentious area of cost. They are frequently apportioned in an arbitrary fashion or on the basis of head-count. Clearly for a service utilising significant numbers of relatively low paid and part-time staff this can have perverse consequences. If IT for example is recharged on the basis of headcount this could inflate the cost to cleaning service. Charges based on actual usage should be argued.

APSE Comment

APSE exists to support in-house local services and recognises there will be pressures to seek cost reduction as a consequence of the current and anticipated squeeze of local authority funding. Reductions in staff numbers are already a reality and APSE advocate that the trade unions are fully involved where any changes to the workforce are planned in response to reductions in expenditure.

Leisure facilities often provide a host of health related and community benefits which do not appear on a balance sheet. Leisure may be provided in many forms and must have the flexibility and local empowerment of staff to deliver leisure offers that track changes in customer demand and expectation. Closures and restricted hours are a last resort and should only be considered as part of an overall review of Borough wide leisure provision.

Should a member authority have a pressing difficulty, APSE has a range of assistance available to inform the search for efficiencies. This ranges from average productivity figures, benchmarking information from APSE performance networks through to full consultancy support through APSE best value consultancy.

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