association for public service excellence

Trend Analysis 2021/22

Leisure Facilities

Briefing 23/32

July 2023

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Trend Analysis 2021/22
Local authority Leisure

This analysis was conducted by Rob Bailey, APSE Principal Advisor for Leisure

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The Association for Public Service Excellence (APSE) is a not-for-profit local government body working with over 300 councils throughout the UK.

Promoting excellence in public services, APSE is the foremost specialist in local authority frontline services and operates one of the UK's largest research programmes in local government policy and frontline service delivery matters.

1 Overview

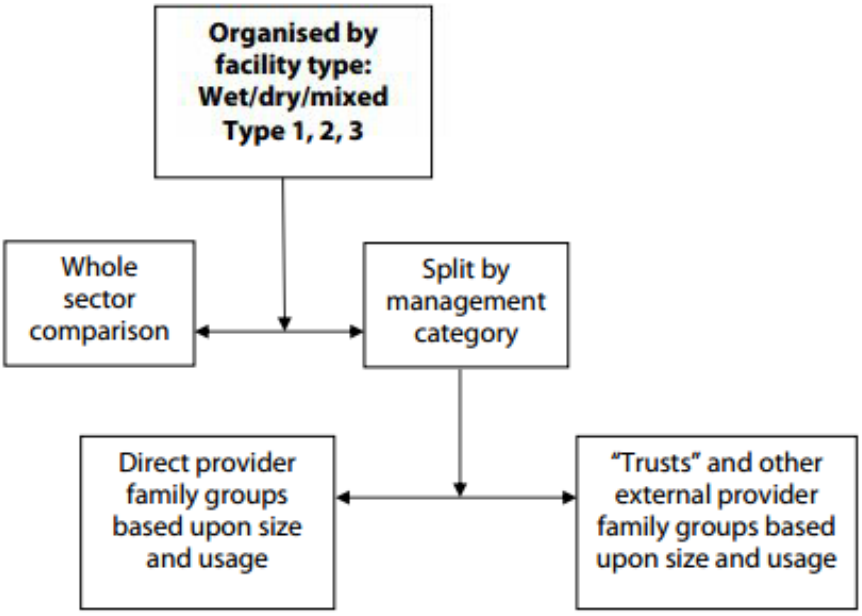
Performance data is ever more important as services strive to justify their public subsidy, or even reduce that subsidy completely. Performance networks information provides the ability to manage and understand the services effectively whilst also benchmarking with other similar facilities and learning 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 management of their services in greater detail.

Members may influence the development of new 'impact and outcome' based indicators to sit alongside the current data. More and more services are now being measured on the actual 'impact and outcomes' they achieve.

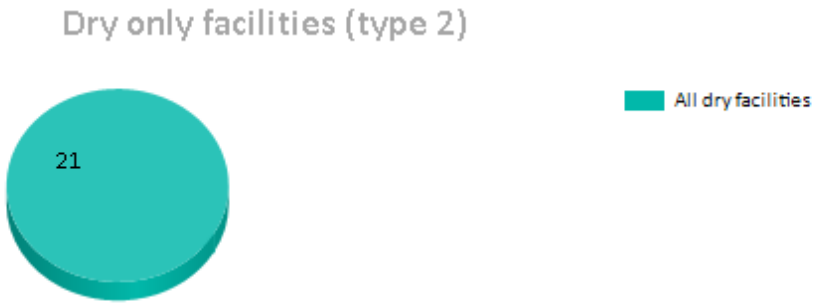
The model used to categorise the facility types across leisure facilities is shown below and includes both direct provision and trusts/other external vehicles. Each type of service model is split into "wet facilities" (type 1), "dry facilities" (type 2) and "mixed wet and dry facilities" (type 3).

1.1 Structure

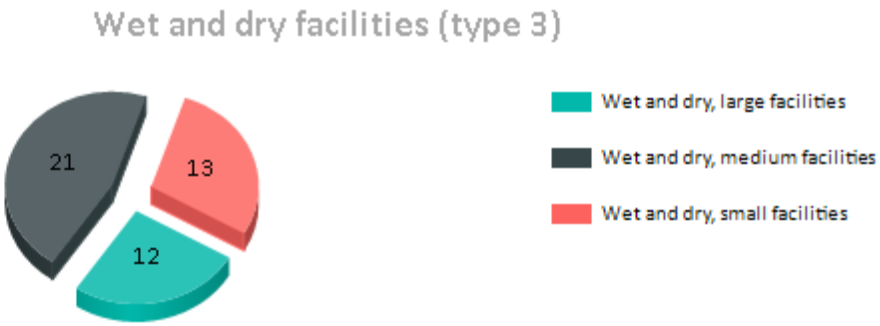


The family groups have been reviewed and rearranged to best reflect the changes taking place in both the size and type of facilities as well as the management and delivery of the service.

Wet only facilities (type 1) are all within a single family group which consists of 7 facilities. Type 2 dry facilities contains 21 facilities.



In the type 3 family group below, the percentage split of facilities has remained similar to last year.



2 Trend analysis

Every year we examine some of the key performance indicators and add commentary in terms of apparent trends or preliminary conclusions. The pandemic closed many facilities with massive impacts on income and customer numbers. We are only now in the recovery stage and this is reflected in the trend analysis.

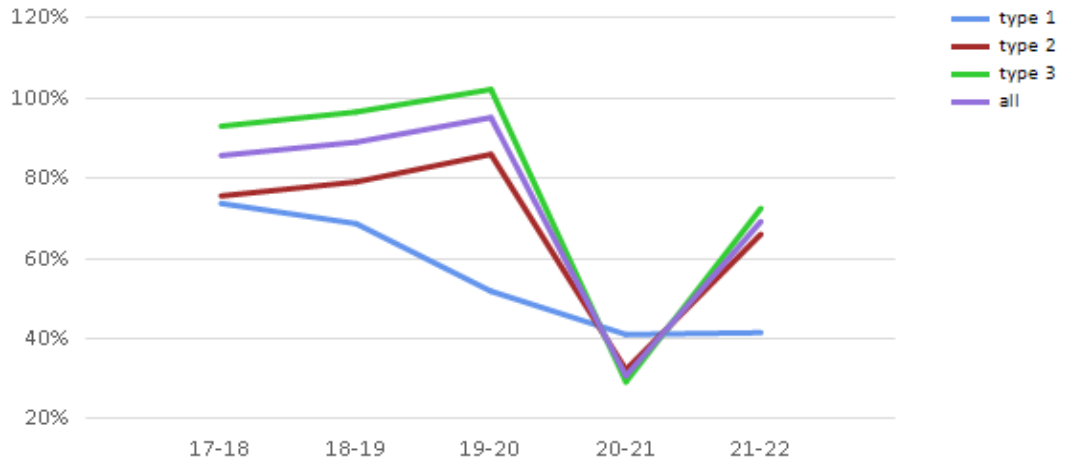
2021/22 is a year of recovery following the pandemic year 2020/21. Indicators reflect the instability of the massive reduction in user numbers, opening hours and income. 2022/23 should show the start of the new normal, however below pre-pandemic performance levels.

The pandemic showed the fragility of the current funding arrangements for leisure centres. The swings in income could not be contained within existing budget structures and government support was required to prevent a collapse of the public leisure system. As it was several operators were forced to exit the market.

3 Cost

Operational recovery ratio (excluding CECs) (PI 03)

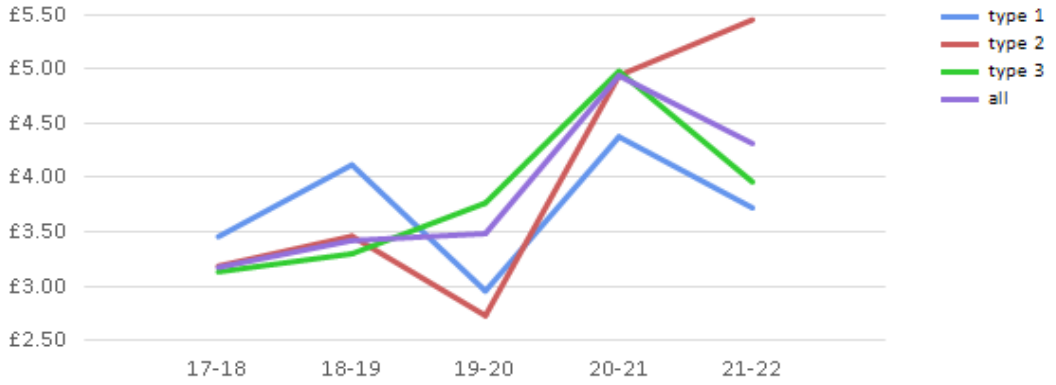
Operational recovery had reached the magic 100% at type 3 facilities in 2019/20. Unsurprisingly as the pandemic hit and customers ceased to attend, revenue dried up averaging only 30% in 2020/21. Since then and with partial reopening the recovery ratio has improved to 72.48% for type 3 mixed sites.



Customer spend per head (PI 04)

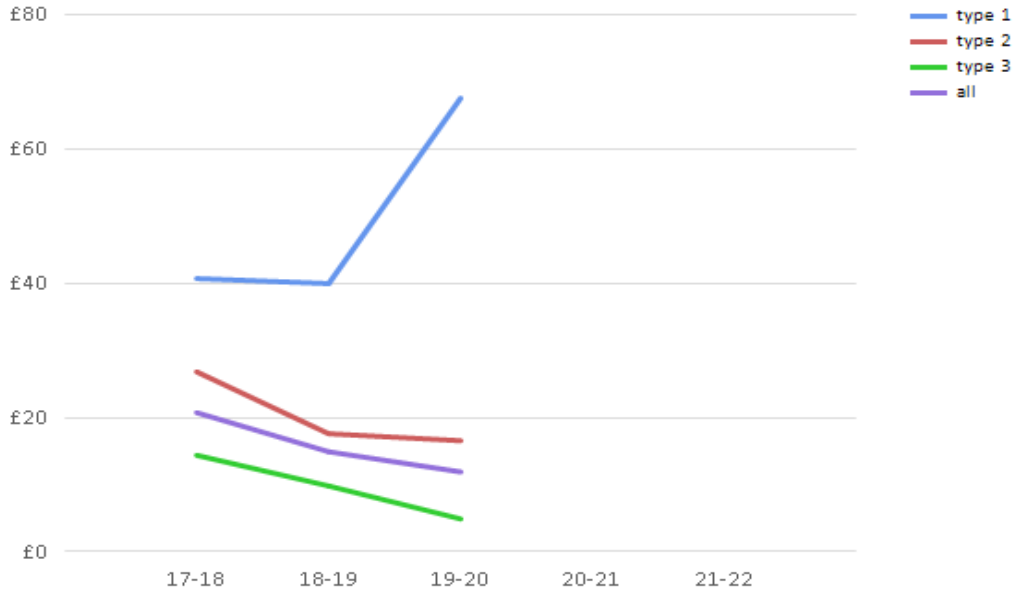
Providing a value for money service whilst ensuring maximum spend per head from customers is ever more challenging with more and more external influences affecting how customers spend their disposable income. Customer spend does however remain a crucial part of recovering operational expenditure.

2021/22 shows a reduction in spend per head against 2020/21 with average spend per head being £4.31 compared with around £5.00 the year before. However, over a 5 year period customer spend is up 35%. Spending is up across all types of facility with the highest rise at type 2 (dry sites).



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

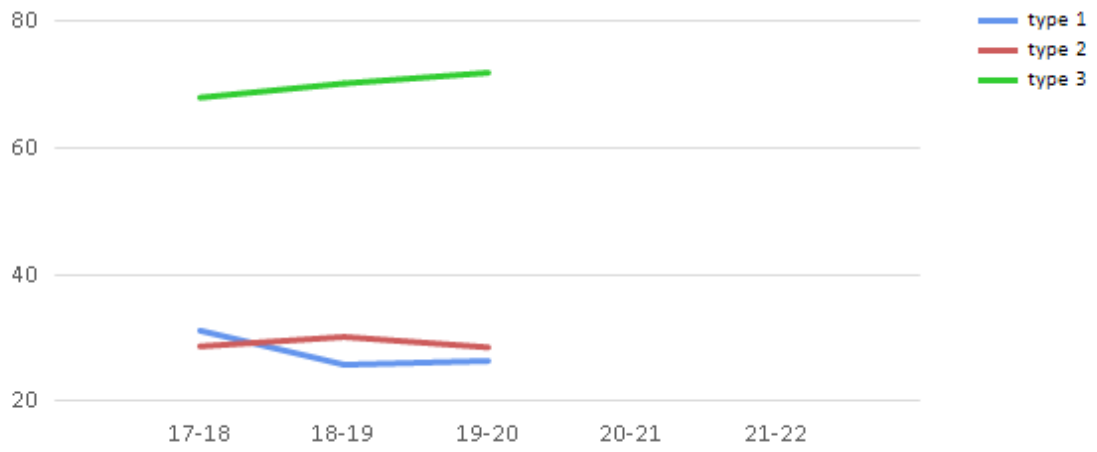
The average subsidy per opening hour was decreasing up to 2019/20 although for type 1 (wet) it had deteriorated to around £70 per hour. The subsidy was substantial throughout the pandemic and remains significant. 2022/23 will see the true figures as recovery starts but it is unlikely that subsidies will ever reduce top pre-pandemic levels.



4 Usage

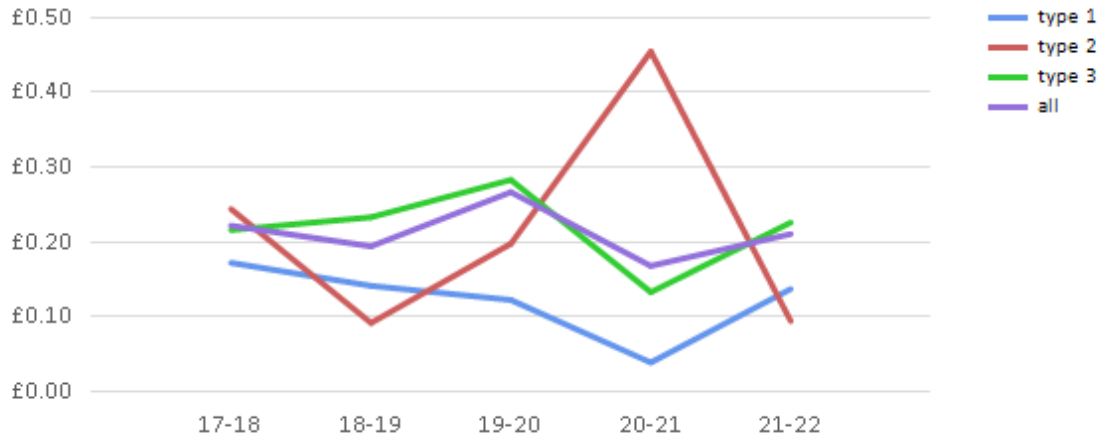
Average usage per opening hour (PI 31)

Whilst usage per opening hour in all facilities was gradually improving prior to lockdown it reduced to virtually nothing during lockdown and hence was unreported. Since lockdown there has been recovery to about 80/85% of pre pandemic usage on different hours.


80
60
40
20
17-18
18-19
19-20
20-21
21-22
type 1
type 2
type 3

Secondary spend per user (PI 24)

Overall the amount of secondary spend per user has recovered and remains at the same level as 5 years ago at £0.21. Secondary spend at type 2 (dry sites) remains volatile rising significantly in 2020/21.

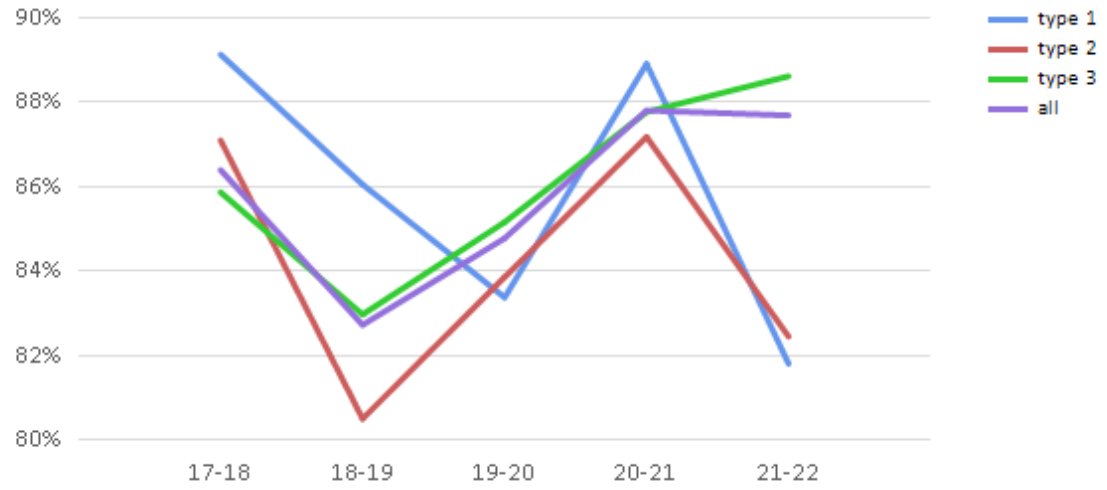


5 Quality

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 area of more and more competition the quality of a service is paramount.

Customer satisfaction (PI 20b)

Despite the pandemic, customer satisfaction levels have remained with a band of 80% - 88% over the past 5 years with the average facility seeing an 87.69% satisfaction rate.

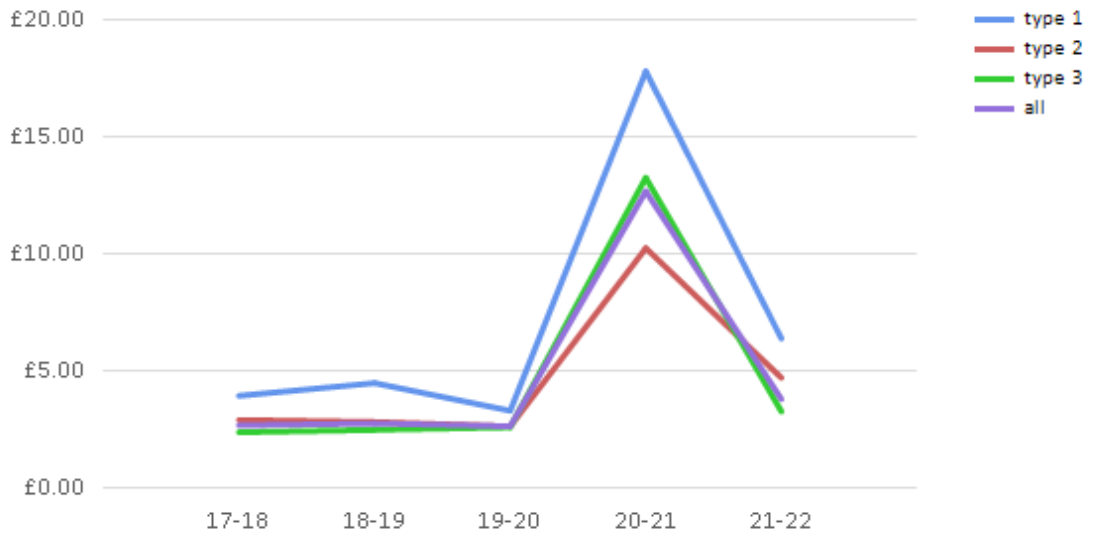


6 Staffing

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).

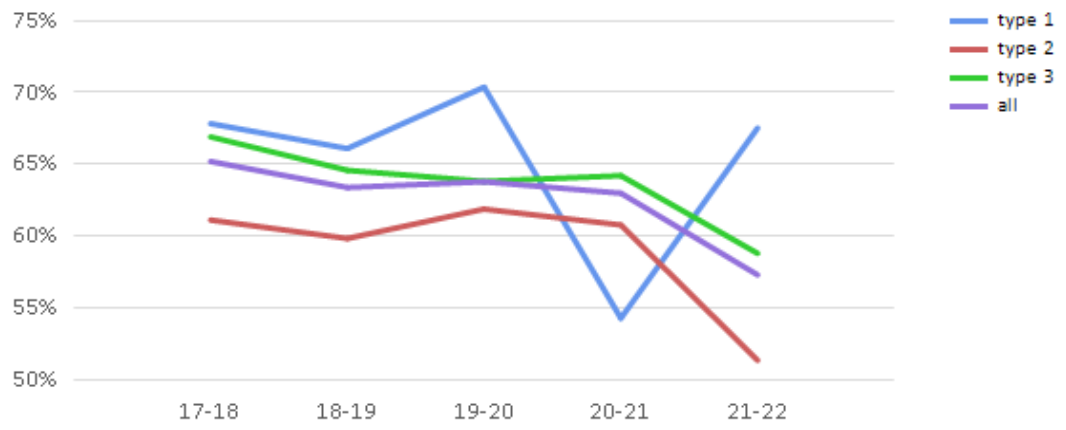
Staff cost per user (PI 07)

Whilst staffing levels have reduced somewhat to reflect fewer customers post Covid, a core staff is still required and capacity exists to increase customer numbers further with current staffing. Overall staff costs per user have fallen from £12.67 to £3.79 between 2020/21 and 2021/22, a reduction of 70%.



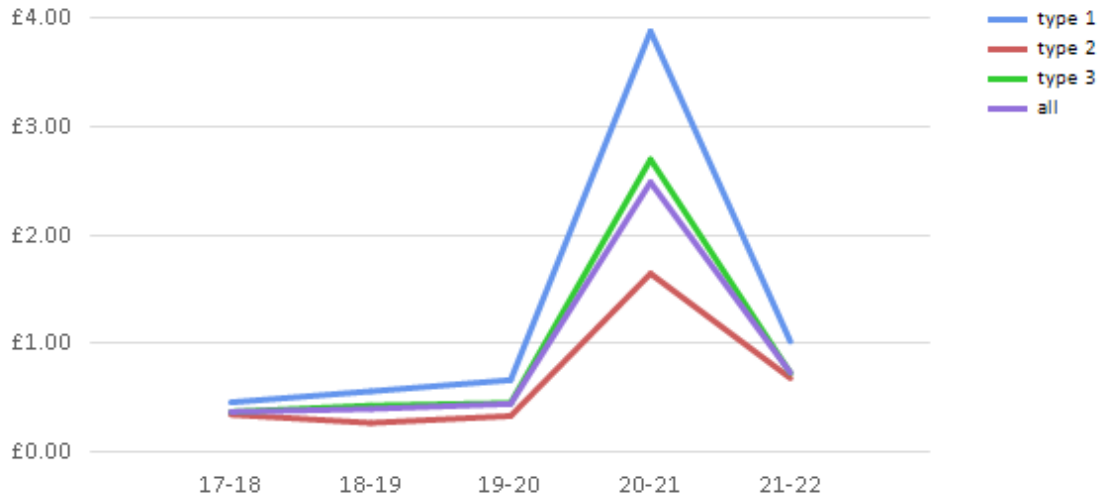
Staffing as a percentage of total expenditure (PI 09)

The overall percentage expenditure on staffing has decreased in the average facility but has increased in type 1. Swimming pools have disproportionately higher staff costs than dry sites. Staffing costs make up 57.31% of expenditure in 2021/22 and 67.73% for wet only sites.



Energy cost per user (PI 42f)

The average energy cost per user remained stable up until 2019/20. Whilst energy costs were undoubtedly lower during lockdown, the number for users was also much reduced so the energy used was spread amongst even fewer users. The average cost was £2.49 during 2020/21 falling back to £0.73 in 2021/22. Since then, the world has seen huge rises in energy prices following the invasion of Ukraine. We should expect substantial figures for 2022/23.



7 APSE Comment

The findings of the trend analysis continue to be affected by the impacts of the pandemic and as such some of the figures and performance levels have been affected either negatively or positively and care needs to be taken when reading this briefing note. It is likely that it will take another twelve months before a more stable picture can be ascertained.

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