

Nottingham City Council
Sport & Leisure Service

Understanding and improving Capacity Management

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Capacity Management

What's it all about?

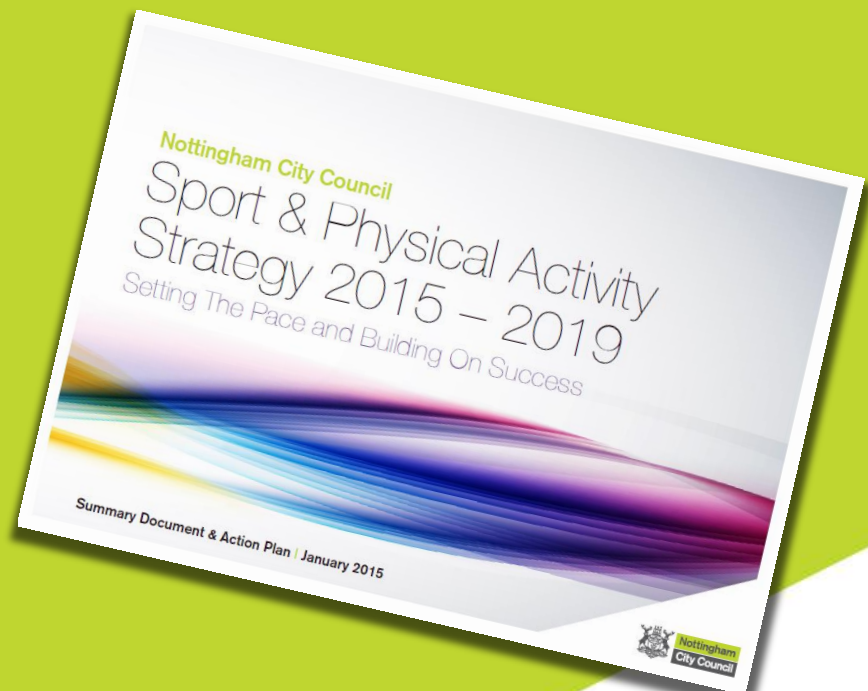
How do we **define** it?

What approach are Nottingham taking to **improve** it?

What does the **future** look like?

Introduction to Nottingham

- Unitary authority
- Strong and consistent political leadership
- Medium term financial plan – deliver a balance budget
 - Efficiency
 - Improvement
 - VFM
 - Innovation
 - Stop / Reduce
 - Commercialism
- 2015-2019 Strategies



Capacity (Density) Management

This is not a new concept...
...retail have used it since the 50's

1. The maximum amount that something can contain
2. Fully occupying the available area or space
3. Is the difference between potential and actual utilised

Glossary – Capacity Vs Occupancy

Ask yourself the big questions...

- Do we know how we are **defining** our capacity?
- Do we know what is our **maximum** capacity?
- Do we know what our **occupancy** is against that capacity?
- Do we know the **difference** between a full booking sheet and a full centre?
- Do we know what the maximum **income and participation** potential is for a centre?

Do we achieve it?

**2 examples of what you
can ask yourself?**



3 Court Sports Hall

Operating at 100% occupancy



25m 6-lane Pool

Activity	100% Capacity	Space	Income £	Pro rata the space Income £
Fitness Swim	12	1/6 pool	36	216
Swim Lessons	12	1/3 pool	110	330
Fitness Class	35	1/2 pool	115	230
Club Booking	30	Pool	60	60
Family Swim	150	Pool	285	285



What's important to Nottingham's Capacity Management?



Insight

- What do you know about your **community** and how can you use it?
- To design local offers you have to know the **local market**.
- **Insight is everything.**



1 in 8 of our population are students¹

England
42%

Nottingham
32%



Population aged **45** years and above

50% of our population is under **30** years old



Source of data: Census 2011 unless otherwise indicated

1. 15% full time students aged 18 and over

7.8% of households have no members who speak English as a main language



12.7% of our city population moved to the UK since 2001



More than **50%** of our population are single



35% of our population are from Black and Minority Ethnic Groups



2. Source ONS Mid Year Estimates 2012

308,700 people¹

Over **2 in 5** households do not have access to a car



Highest level of bus use per head outside of London

8th highest

unemployment rate in the country¹



3. Source Department of Work and Pensions 2014

The power of pricing

Understanding...

- 1.Fixed and variable costs
- 2.Competition
- 3.Business objectives
- 4.Proposed positioning strategies
- 5.Target groups and willingness to pay



Question..

- Do we know our costs of operation?
- Do we know when costs outweigh income at both ends of the scale?
- Do we set charges to increase income rather than set charges to increase capacity?
- Do we know our market place and what is achievable?



The local authority leisure dilemma

To place these in order of priority...

- Council policy
- Government policy
- Health policy
- Income generation
- Community need
- Development opportunities
- NGB requirements
- Partners requirements



easyJet

- Sell it cheap the more you have – make it more expensive the less you have
- Charge for anything additional
- Queuing is a good thing – waiting lists promote a higher spend
- Differing capacity – peak and off peak



Facility Planning

- Mapping exercises
- Strategic Management approach
- Working with NGBs and partners
- Understanding supply and demand



Sport England's Facilities Planning Model (FPM)

Nottingham	Sports Halls	Pools
Sport England Comfort Factor*	80%	70%
Utilised Capacity	68%	75%
Head Room	12%	-5%
Import	28%	32%
Export	17%	17%

* Sport England Comfort Factor - This describes the point at which, according to Sport England, a facility starts to become uncomfortably busy.



Management Strategy - RAG system



- Consider stopping now
- Needs to be improved or changed
- Need to do more

People are becoming a sparse resource



People aren't always well managed

- Do our teams look to fill space on a sheet or **fill the centre**?
- Do our teams understand what an **infectious personality** is?
- Do our teams know that **cleanliness** is the biggest issue raised by our customers?
- Matching **expectations** is exponential

Is it nice and quiet or nice and busy



People Can deliver outcomes

KPI	Apr-2013	Mar-2015
Occupancy	85%	92%
Participation	2,428	3,991
Direct Debit Payments	80%	90.30%
Outcome	2013/14	2014/15
Net Income	£406,789	£634,173



Culture shift!

The future for Nottingham – Are we focussed on outcomes?

- Our job is to **reduce the subsidy** for the citizens
- Our job is to give **user satisfaction**
- Our job is to **inspire** more people to be more active more often.

What is expected now?

We all know that **savings** are coming round again

- Know your **business**
- Think through your ideas and bring solutions that deliver your defined **outcomes**
- Check **reality**
- Don't be part of the **creative inertia** of the organisation
- Manage the **team**
- Check - can we **afford** to be nice and quiet?



For Nottingham?

We've done a lot of intelligent thinking..

..now its time for intelligent doing



One Component missing..



Thank you

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