

NBS

Annual State of the Sector Report 2018



Leisure-net
Solutions Ltd



NBS – ANNUAL STATE OF THE SECTOR REPORT 2018

The NBS is a valuable tool to help operators know where they are compared to others and why their performance is different; understanding this is key to improvement.

However, collectively the NBS results tell us a great deal about the sector as a whole; where it is strong and where it needs to improve. Over recent years we have improved significantly in terms of 'efficiency'; we are now far more cost effective. But at the same time our 'effectiveness' in terms of access by key sectors of the community has got worse. By exposing these issues we can, I hope, improve both efficiency and effectiveness.

Martyn Allyson – Chair of Quest/NBS Board

Serco Leisure has found NBS to be a really useful tool in understanding and comparing performance across our business. We operate over 60 facilities and NBS gives us the ability to benchmark these facilities against one another, measuring operational efficiency within the wider Leisure industry in a really clear and scientifically accurate way.

John Hymus - Commercial Director Serco Leisure

Sport England are committed to maximising the use and benefit of NBS to the sector. At a time of change and challenges it is essential to have a tried and tested, robust methodology which can help the sector to assess efficiency and effectiveness in its leisure service delivery. NBS provides data gathered from hundreds of sites across England and enables Councils and service delivery partners understand the key issues that are facing them as well as providing focus on where improvements can be made.

Kevin Mills - Director of Capital Investment, Sport England

Introduction to the NBS and the NBS Team

The NBS (National Benchmarking Service) is managed by Leisure-net Solutions in conjunction with the Sport Industry Research Centre of Sheffield Hallam University and in partnership with 4Global and Max Associates. Its aim is to provide local authorities, sport and leisure trusts and leisure management contractors with rigorous and robust information on the performance of their centres compared with equivalent facilities elsewhere in the country.



NBS is a fundamental part of the measure and review process of all Quest Plus assessments and is part of all Directional Reviews

Key headline findings from 2018 Benchmarks

- 01 A key strength is the industry's ability to attract females, 26-64 year olds and ethnic minorities
- 02 But the industry is relatively poor at attracting 14-25 year olds, people from the lowest socioeconomic groups (NS-SEC 6&7), those aged 65+, and disabled people aged under 65
- 03 Relatively high satisfaction levels with service attributes such as coaching, staff and the availability of activities at convenient times. These are positive findings for a 'people industry'
- 04 But customer satisfaction with the basic service offer deteriorated in 2018, with significantly lower satisfaction scores for overall visit and a Net Promoter Score of 29%
- 05 Relatively weak in cleanliness of changing areas, cleanliness of activity spaces, quality of equipment and the value for money of food and drink
- 06 No changes to the 'bottom line' financial efficiency indicators (cost recovery and subsidy per visit)
- 07 Cost recovery rates stabilised at 106% in 2018; with no significant changes in throughput, total income and total operating costs; the three fundamental elements of cost recovery
- 08 If the best centres in the bottom quartile could improve subsidy levels to the same as the worst centres in the top quartile, there would be a £372,959 turnaround, from a subsidy of £84,539 to a surplus of £288,420.
- 09 On average, participants spent 170 mins per week doing sport and physical activity at centres in 2018, exceeding the Chief Medical Officer's 150-minute recommendation
- 10 Centres with both wet and dry facilities have more strengths than other centres
- 11 Centres in less disadvantaged areas perform better financially
- 12 Larger centres tend to show economies of scale, higher frequency of visits per user and higher number of unique visitors.
- 13 External contractors and local trusts perform considerably better than in-house operations in terms of financial efficiency
- 14 In-house managed centres provide better customer service

The NBS 2018 sample

The 2018 results come from a total of 257 sites across England and Wales, and interviews with 23,583 individual customers, making it the sector's largest annual survey. The Efficiency Report is generated from financial and utilisation data submitted online through the NBS online portal, while the Full Report also includes the Effectiveness Report which is generated from a 350-400 sample of face to face interviews with customers.

	2018	2017	Change	% Change
Total number of centres	257	183	74	40%
Full NBS reports	70	90	-20	-22%
Efficiency	187	93	94	101%
Surveys	23,583	28,741	-5,158	-18%

Figure 1 2018 NBS Sample

Cost recovery showing steady upward trend

Cost recovery of leisure centres has shown a steady improvement over the last 16 years, reaching a 'positive' position three years ago and now standing at 106%. This represents a dramatic change in the position of leisure services within the public sector landscape and is a result of change in management approaches, and the driving force of austerity in local authorities as a whole.

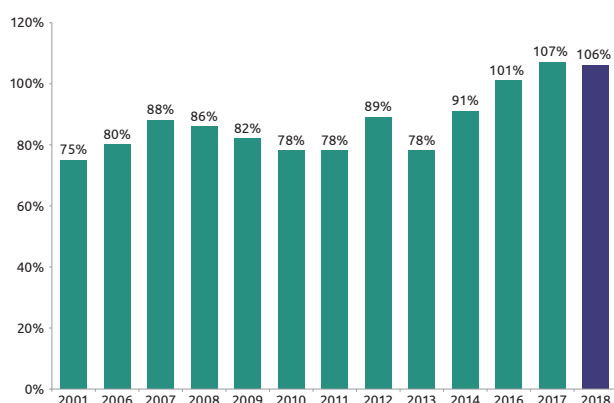


Figure 2 – Cost recovery of leisure centres 2001 – 2018

The range of Cost Recovery performance is shown in Figure 3, and is an indicator of the significant difference between the highest and lowest performing sites.

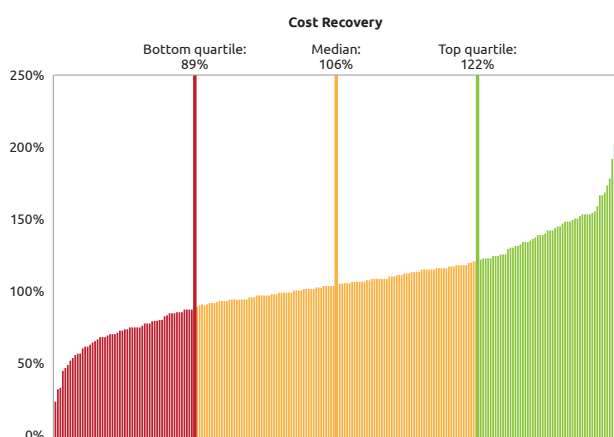


Figure 3 – Cost recovery of leisure centres – 2018 range/spread

This can be quantified by taking the 'worst of the best' – the top quartile, and comparing it to the 'best of the worst' – the lower quartile. For 2019 this stands at £372,959 (Figure 4).

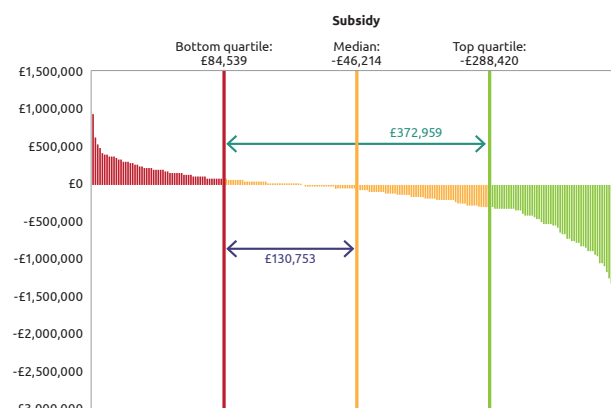


Figure 4 - Subsidy differences between sites in pounds

The difference in Cost Recovery of the different 'management types' is significant and dynamic, with local trusts catching up with commercial partner run centres in 2018, as shown in Figure 5. Local authority managed sites tend to have significantly lower cost recovery scores, although this may represent the type of centres that have been left in this sub-sector (older stock serving more deprived communities).

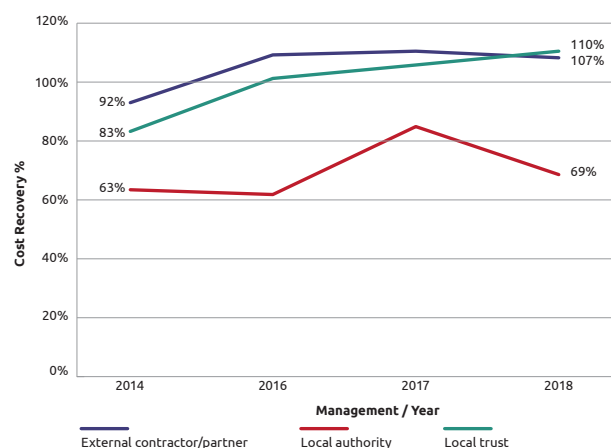


Figure 5 - Cost Recovery by type of management

The strongest Cost Recovery performing centres tend to be 'mixed' in terms of the facilities they provide, serve less deprived catchment areas, and are larger in size.

Customer satisfaction at stand still

Overall satisfaction with the customer experience is still relatively strong, and the 2018 NPS benchmark stands at 36% up from 34% in 2017. However, it has not generally improved over the last five years and there are key differences between areas. The strongest areas tend to be satisfaction with staff, reception and coaching, while weaker areas are cleanliness, availability of equipment and value for money of food and drink, as shown in Figures 6 and 7.



Figure 6 - Areas of relatively strong satisfaction



Figure 7 - Areas of relatively weak satisfaction

Some key target groups are being reached, but still significant gaps in accessibility

The NBS Accessibility Indicators show how well a centre is doing at attracting the specified 'target groups' from its local catchment area. A score of less than one indicates under-representation, while a score of more than one shows over-representation. Figure 8 below shows the 2018 scores for all groups.

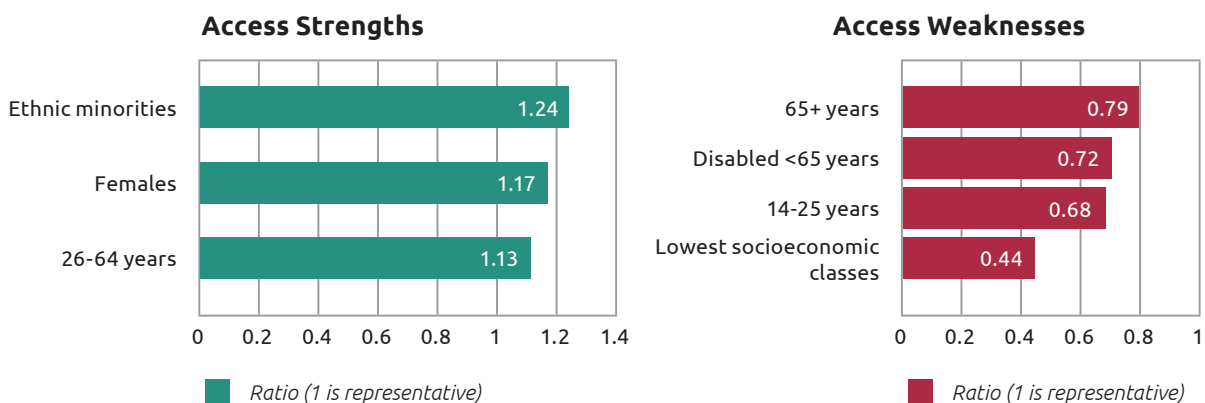


Figure 8 - Access indicator strengths and weaknesses

For better or worse?

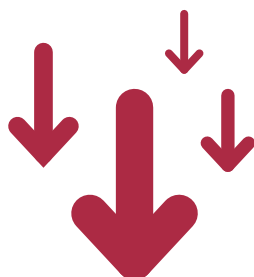


GETTING BETTER

- Usage by disabled 65+; disadvantaged card holders
- Energy efficiency rating
- Total income per m²; swim lesson income, number of members per fitness station

GETTING WORSE

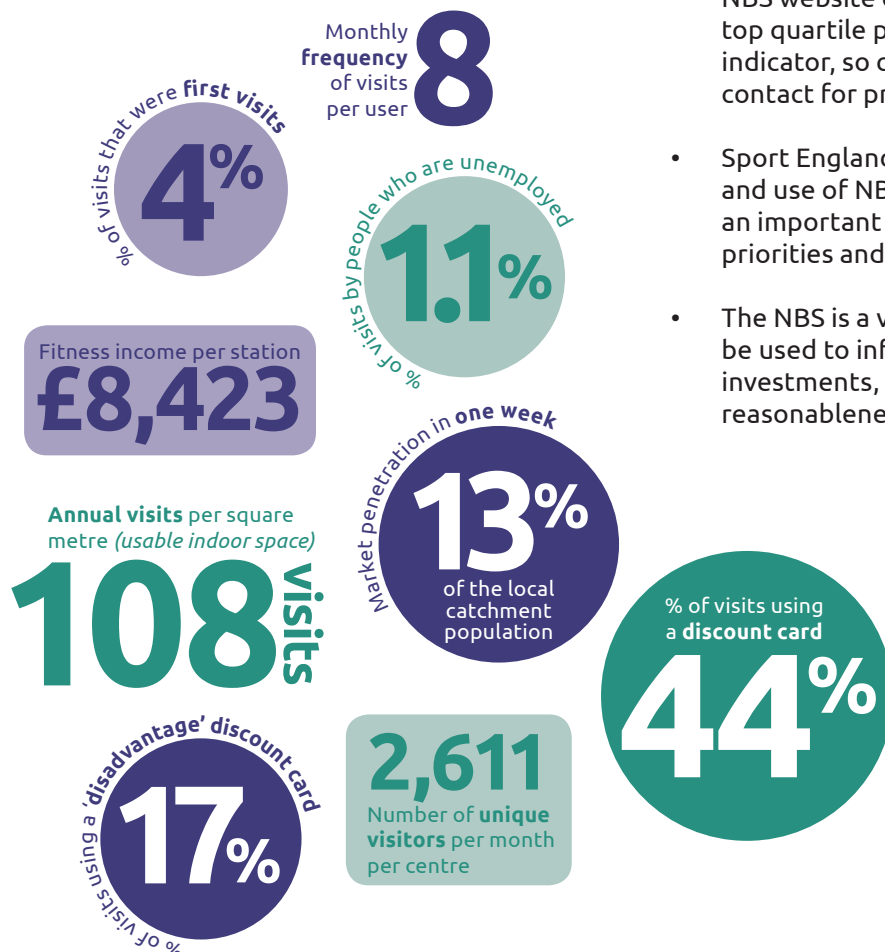
- Usage by discount card holders; unemployed
- Main hall income
- Maintenance costs, central establishment charges
- Net Promoter Score
- Overall visit satisfaction, overall swimming experience, 11 other service attributes



Key implications/learnings for the sector

- In the current environment it is vital either to defend subsidies or reduce them. Reducing subsidies is still a key challenge, although the recent benchmarks have shown some remarkable improvements in the performance of some efficiency indicators, with increasingly more centres making operating surpluses post 2016
- Public sport and leisure is a complex business with a variety of stakeholders and multiple strategic and operational objectives. The NBS enables managers to make sense of this complexity by providing a clear picture of performance at both local and national levels. A major purpose of the NBS is to demonstrate, to individual clients and the industry as a whole, what performance is like and how it is changing. This evidence should help identify priorities and targets, providing a clearer focus for managing these important facilities
- The top NBS performing centres offer inspirational examples of management best practice for others to learn from. The NBS website contains the identities of all top quartile performing centres for each indicator, so clients can identify who to contact for process benchmarking advice
- Sport England is firmly behind the production and use of NBS reports, seeing them as an important tool to help clients identify priorities and service delivery
- The NBS is a valuable resource that can be used to inform the planning of capital investments, as well as providing a 'test of reasonableness' for operating plans

Did you know?



Case study

Places Leisure uses NBS to boost participation in deprived areas



Places Leisure is using NBS alongside clever tactics to increase participation in deprived areas across its Rotherham contract, with some impressive results.



Wath, Aston North, Rotherham West and Maltby East have all been identified as areas of deprivation and sit within a one mile radius of four PFP leisure centres. Mark Rawding, Rotherham Contract Manager for PFP explains: "Using the NBS on a local scale allows us to gain an understanding of current levels of participation, and in turn use

this data to devise a plan to enable us to reach specific target groups. It's all part of our overall goal to create active places and healthy people."

The centres have also used the NBS to help gain additional funding for projects. "Within the NBS results our Sports Development Manager identified that Rotherham achieved a low score for increasing participants in Social Class 6 & 7," continues Rawding. "So we conducted a postcode analysis on a recognised area of deprivation locally to show exactly how many residents were taking part in our core sports programmes. We presented that alongside an action plan, which resulted in £6,000 funding from Sportivate towards activity in the community."

As the NBS can identify exact participation in the community surrounding each leisure centre, PFP can accurately target activities and so used the money to run a variety of free sessions including music-based movement classes for children, tennis sessions to engage teenagers, boot camp sessions for females and the over 50s and Bollywood Dancing for BME women.

"We created a link with a local United Multi Cultural Group, which aims to generate participation opportunities for those facing religious or cultural barriers and conducted two lots of eight-week dance classes, signposting participants back to the same session with the same instructor at a discounted rate within our centre," states Rawding. "As a result we activated 27 BME families in an area of deprivation, improved our internal stats on Social Class 6 & 7 participation and now expect to increase our NBS score in both areas."

As the NBS identified Aston was low on participation of young children, the team conducted music-based movement sessions for 18 month to four and a half year olds in a local Sure Start hall, based in a recognised area of deprivation. Similar to the Bollywood classes, the programme activated 32 families and to date eight of those have been signposted back in to sessions within the leisure centre.

Having been identified as scoring low in disability participation, both Rotherham Leisure Complex and Maltby Leisure Centre delivered Aspire's Instructability programme, where disabled participants are upskilled with a Fitness Instructor Level 1 and Community Engagement qualification, followed by a 12 week work placement on site. "The idea is that during this time they become a champion for driving participation amongst the disabled community and our participants have each introduced more than 10 new disabled people to physical activity. One has now gone on to become an employed fitness instructor with another leisure provider. It's been a huge success and we hope to run this programme again next year," says Rawding.

"We operate in an area of high deprivation. In Rotherham 42% of the population live in deprivation and in Maltby this increases to 51.6%, and, across our two most popular activities, we have managed to increase this sector's participation."

Following a 'This Girl Can Swim' pilot in partnership with Sport England, which was secured after the NBS identified a low score for female participation, all four leisure centres are now heading towards the NBS top quartile for female participation. This Girl Can Squash and This Girl Can Pedal have also been launched, whilst This Girl Can Swim is now a permanent fixture.

"The NBS is a fantastic tool for reporting, planning and measuring our outcomes and impact. By comparing internal and national data we can identify local trends and create efficient activities to target the inactive. The results we are seeing are great evidence of this and without the NBS this wouldn't be possible".

Richard Millard – Partnership Director.



NBS Stars 2018

The NBS Stars are the highest scoring sites in 2018.

NBS Award Winners 2018	Centre name	Local authority	Facility management organisation
ACCESS AND UTILISATION	Basingstoke Aquadrome	Basingstoke & Deane Borough Council	Serco
EFFICIENCY (Based on Financial returns)	Longwell Green Leisure Centre	South Glous	Circadian Trust
CUSTOMER SATISFACTION	Wisewood Sports Centre	Sheffield City Council	Places for People Leisure
OVERALL HIGH SCORE	Basingstoke Aquadrome	Basingstoke & Deane Borough Council	Serco

Why not put your centres to the test with the National Benchmarking Service?

For more information visit www.questnbs.org
or contact the NBS office at alisondack@leisure-net.org