

# Better information, better decisions, better services

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## Charging for sports services



A guide to demanding better information



# Contents

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**Part 1** – The purpose of the guide.

**Part 2** – Demanding better information: objectives, impact of options, costs and impact and public opinion.

**Part 3** – Examples and case study.

# Charging for sports services

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## Part 1 – The purpose of the guide



# Do you need to make a decision about sports service charges?

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## This guide is ...

- one of a series produced by the Audit Commission alongside the national report *Is there something I should know?* More information on the study and supporting toolkit can be found at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

## It is aimed at ...

- decision makers in councils: elected members, service directors and heads of service.

## It will help you ...

- specify the information you need for decisions on agreeing charges for sports services. Better information will help you make better decisions about the levels at which charges should be set for your council.

*Positively charged*, Audit Commission National Study 2008, provides more background, advice and support on maximising the benefits of local public services charges. Tools to help assess impact are also available.



# Charging for sports services

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## Part 2 – Demanding better information

- Objectives
- Impact of different options
- Costs and income
- Public opinion



# The information that will help you

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## Clarity on your objectives

- Why is this an issue in your area?
- What are you hoping to achieve?
- What are your constraints?

## The impact of the different options

- Who is using what services and when?
- Will the level of service use change?
- What impact will changing the levels of charging have?

## Costs and income

- What are the current levels of income generated?
- What impact will changed charges have on income?
- Does the level of subsidies reflect local priorities?
- Will further cost pressures be faced in the future?

## Understanding public opinion

- How acceptable are the proposals to the public?
- What impact will the options have on the public?

# Why is this an issue and what are you trying to achieve?

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## Objectives

**Why is this an issue?**

- Council needs to generate income?
- Low life expectancy; serious health problems; or high rates of obesity in area?
- Area has poor community cohesion?

**What are you trying to achieve?**

- Increased income to maintain service levels?
- Healthier lifestyles?
- Reduce obesity?
- Reduce serious health conditions, for example, heart disease?
- Improve community cohesion?

**What are the constraints?**

- Government policy, for example, free swimming for over 60s.
- Wider council strategic objectives.
- Service plans.
- Agreed charging policy framework.

# The **impact** of the different options

Factors to consider	The data that will help	The analysis that is needed
<b>Who is using which services and when?</b>	<ul style="list-style-type: none"> <li>• Current levels of service use at each leisure service in the area.</li> <li>• Opening hours of each leisure service.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the services that are being used broken down by times of day, days of week, times of year.</li> <li>• Analysis of who is using what services and when broken down by               <ul style="list-style-type: none"> <li>- age,</li> <li>- gender,</li> <li>- location, and</li> <li>- socio-economic group.</li> </ul> </li> </ul>
<b>Will the level of service use change?</b>	<ul style="list-style-type: none"> <li>• Comparative service use data from other similar councils who have implemented changes to charging.</li> <li>• Historical data on the impact on service use when the council made changes to other local charging levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Forecasts of the likely impact of the options on service use (by user type, geography, type of leisure service).</li> <li>• Trend analysis of impact of changed charges on service use in previous years.</li> <li>• Map other leisure options (for example, local gyms) and forecast potential displacement of customers.</li> </ul>
<b>What impact will changing the level of charges have?</b>	<ul style="list-style-type: none"> <li>• Data on current standard of health and life expectancy.</li> </ul>	<ul style="list-style-type: none"> <li>• Forecast likely changes in improvements in local health / life expectancy.</li> </ul>

# Hints and tips – The impact of different options

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## Bear in mind that ...



Insight can be obtained from different pieces of imperfect information. For example:

- busy facilities in the evening suggests use by employed people;
- busy facilities near a community group for older people suggests use by those groups.



Conducting surveys and focus groups to understand the needs of your customers can be expensive. Analysis of loyalty cards databases may be able to tell you all you need to know more cheaply.



Effective, cheap and quick substitutes for poor data are:

- a one-off sampling exercise of customer profiles; or
- an exercise to ask staff for their perceptions on patterns of service use and customer profiles.

# Understanding your **costs and income**

Factors to consider	The data that will help	The analysis that is needed
<b>What are your current costs and income?</b>	<ul style="list-style-type: none"> <li>• Total costs and total income generated, and by service.</li> <li>• Comparative income data from similar councils, with similar community profiles.</li> </ul>	<ul style="list-style-type: none"> <li>• Trend analysis of cost and income over time, by service.</li> <li>• Analysis of whether income is making desired contribution to overall income of council.</li> </ul>
<b>The impact of changed charges on income</b>	<ul style="list-style-type: none"> <li>• Income data from similar councils who have made changes to charging levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Forecasts of the likely impact of the options on income, using forecasts for change in service use.</li> </ul>
<b>Does the level of subsidies reflect local priorities?</b>	<ul style="list-style-type: none"> <li>• The current level of subsidies.</li> <li>• Comparison of subsidies with similar councils, with similar community profiles.</li> </ul>	<ul style="list-style-type: none"> <li>• Trend analysis of subsidy levels over time; and whether they reflect local priorities.</li> <li>• Analysis to understand whether high levels of subsidies can be linked to other council priorities (for example, healthy later life, reducing child obesity).</li> </ul>
<b>Will further cost pressures be faced in the future?</b>	<ul style="list-style-type: none"> <li>• Data on the efficiencies that the council has planned to make.</li> </ul>	<ul style="list-style-type: none"> <li>• Forecast of potential future cost pressures.</li> <li>• Analysis of the impact of future pressures on income.</li> </ul>

# Hints and tips – Understanding income

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## Bear in mind that ...



There will often be a trade-off between accuracy and timeliness. For example, month-end accounts can give timely information on income and costs. However, they may need to be revised during the year. Experience may indicate the likely scale and direction of revisions.



Forecasts of future income will rarely be very accurate. They can be accurate enough to guide decision making if:

- assumptions are tested with experienced local managers; and
- sensitivity analysis shows the consequences if they are inaccurate.



# What do the **public** think?

Factors to consider	The data that will help	The analysis that is needed
<p><b>How acceptable are the proposals to the public?</b></p>	<ul style="list-style-type: none"> <li>• A breakdown of public views by demographic type, geographical area and type of housing.</li> <li>• Historical data on how the public reacted to other changes to charging made by the council in previous years.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of complaints, enquiries and focus groups to understand the concerns locally.</li> <li>• Analysis of how current levels of charges compares in the local market place.</li> <li>• Analysis of what happened after previous changes in charging levels.</li> </ul>
<p><b>What impact will the proposals have on the public?</b></p>	<ul style="list-style-type: none"> <li>• Comparisons of satisfaction in similar councils, with similar community profiles, who have made similar changes to charging levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis and forecast of the impact that each option may have on public satisfaction levels.</li> <li>• Analysis of the views and the potential impact on other services (for example, health and social care).</li> </ul>

# Hints and tips – Public opinion

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## Bear in mind that ...

-  Public perception is difficult to measure and majority views may not be the most vocal ones. Combining and comparing data from different sources – for example, enquiries, complaints, meetings, surveys, and focus groups – will help to build up the picture.
-  Combining pieces of information can generate insight on the likely impact on the public. For example, when the gym closed for two weeks for repairs in summer 2009, usage did not return to normal levels. A new local gym opened in that time. Together, these pieces of information help illustrate the impact of competition.

# Charging for sports services

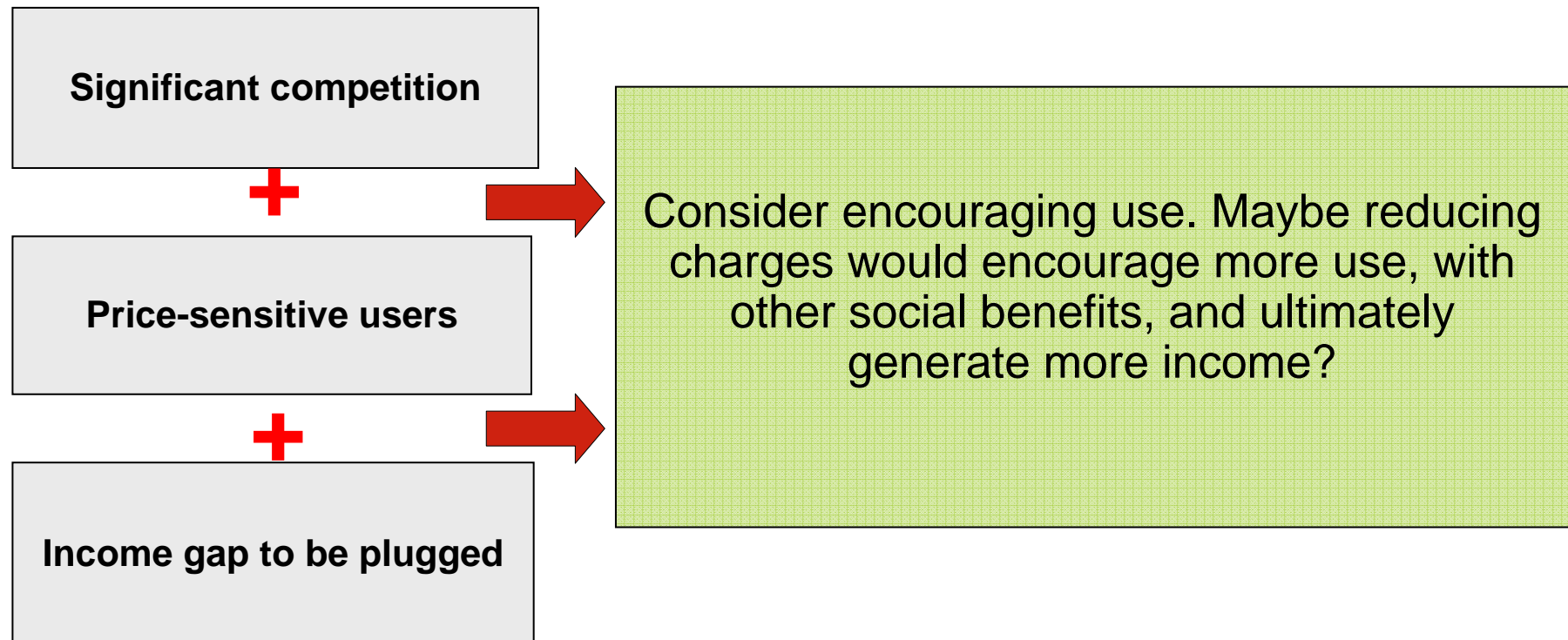
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## Part 3 – Examples and case study



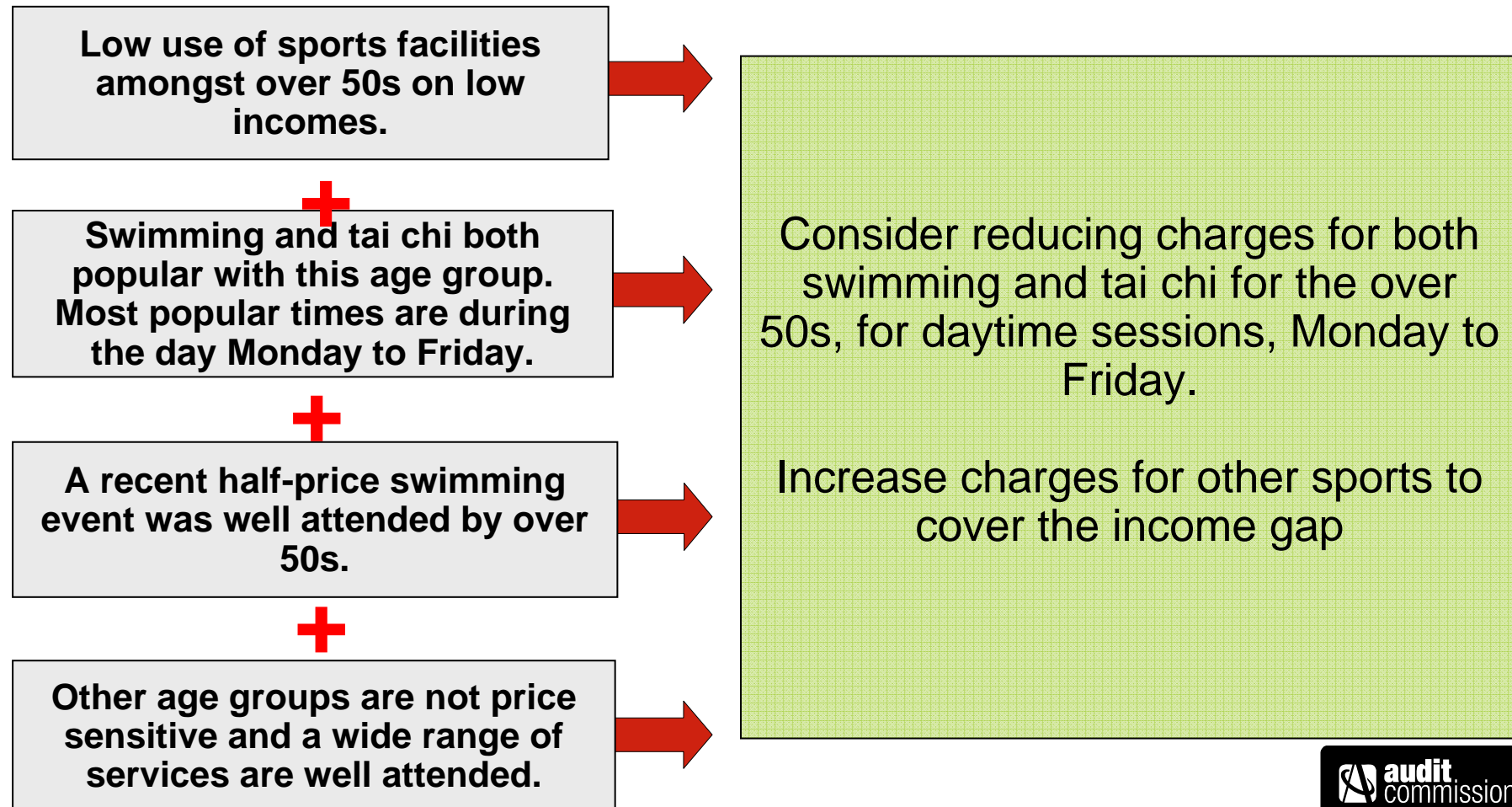
# Example – Combining evidence to gain greater insight

Understanding local competition and the price sensitivity of users can help inform decisions about the best way to increase income.



## Example – Combining insights to make a decision

Understanding use patterns and the price sensitivity of different user groups can help councils target changes to charges.



# Case study – Deciding whether to offer free swimming in Wychavon district council

- In 2008 central government were promoting two free swimming initiatives – one for the over 60s and one for the under 16s. The Council conducted analysis to help members make a decision on whether either of these options was appropriate or viable.
- The Council looked at:
  - current use of swimming facilities by both age groups;
  - likely displacement factors;
  - likely benefits; and
  - cost implications.
- The analysis was conducted quickly and enabled members to decide to offer free swimming to over 60s but not to under 16s.

***‘Central government asked councils to offer free swimming for over 60s and then for under 16s. We needed information and we needed it quickly – we looked at how many of each group used swimming facilities and the likely displacement factor if centres were full of over 60s but younger people went elsewhere. We assessed the risk associated with the over 60s and estimated a £8,000 loss, but given the likely benefits we said we could live with that. The under 16s would result in a £40-50,000 loss of income, so we reluctantly said no to that one – as the longer-term health benefits could have been significant, but despite that the cost implications were too big.’***

***Senior manager***