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**The Sports Council**

# **Sports Centres Running Costs**

**A study of running costs  
of six multi-purpose sports centres**



# A STUDY OF RUNNING COSTS OF SIX MULTI-PURPOSE SPORTS CENTRES

## Introduction

One of the key questions that must be asked at some point during the development of a new multi-sports centre is "how much is it going to cost to run"? The Sports Council receives a constant stream of enquiries of this nature and it was with this in mind that the Facilities Unit undertook the present study. It does not set out to make comparisons between centres nor to make value judgements of sound or unsound financial policies and practice. The information is presented as case studies of six centres, situated in differing localities, offering varying facilities and each, in its own way, providing a particular solution to the recreational needs of the locality. They have not, however, been chosen as typical but represent some of the variety found in centre management.

Initially fourteen centres were contacted and asked to supply their income and expenditure accounts for the financial year April 1973 to March 1974. Of the fourteen centres six were selected as having accounts which could readily be itemised and used for the purpose of the survey.

Following the analysis of the information, each centre was visited in turn in order to discuss with the Manager any matters which required clarification. Much of the information obtained has, for purposes of brevity, been condensed. Nevertheless it is hoped that the data and descriptions which supplement each set of accounts paints in some of the broad details about the centre.

Each Manager was sent a copy of the information relating to his centre to check the veracity of the information and to make any observations about the presentation of the material. These observations have been taken into account.

The information in this survey relates to annual running costs, ie the income and expenditure taken over a twelve month period. No account has been taken of capital cost or repayment of loan charges.

At the time of going to print the figures are out-of-date by over twelve months which is a significant period in such inflationary times. However the earliest point that accounts become available is six months after the close of the financial year while in some cases there is a twelve month delay in the presentation of accounts.

An Appendix has been included which recommends a method of estimating the annual running costs of a sports centre which could be made whilst the centre was at the developmental stage.





# SOME GENERAL ASPECTS OF RUNNING COSTS

Before considering the accounts of the individual centres in detail it is worthwhile looking at some general aspects of the running costs. Furthermore, in this section, an indication is given of the various items which go to make up the income and expenditure accounts and how in the analysis monies were allocated between the various items. Since no two sets of published accounts were presented alike it was necessary to make certain adjustments between the items. In some cases additional information was required from centre management in order to achieve some measure of uniformity of meaning in the presentation of the accounts.

## Expenditure

### Salaries

In the sports centres investigated, staff salaries, wages, superannuation, NHI etc together represented by far the largest single item of expenditure during the year reviewed (1973/74). The incomes and wages of staff at five out of the six centres were directly related to nationally negotiated local government rates of pay. Between April 1973 and April 1975 these rates have been increased on average by 13% for salaried staff and 33% for manual workers. This item, therefore, is the major factor in the escalating costs of running a sports centre.

The table below shows the percentage of the total expenditure taken up by salaries at the six centres:-

Centre	Salaries	Total Expenditure	Salaries as a % of Total Expenditure
	£	£	
Basingstoke	58,699	82,866	71%
Bicester	19,726	49,500	40%
Bingham	42,490	66,800	64%
Folkestone*	40,702	96,040	42%
Guildford	70,597	129,423	55%
Meadway	39,646	62,464	63%
* Independently negotiated rates of pay			

The figures represent a major proportion of the expenditure which is related, once a level of staffing has

been established, to factors outside the control of management. Consequently the role and function of centre staff may need close examination and reappraisal if any significant change is to be made in the overall level of expenditure since the only way to effect economies on this item is to reduce staff numbers or overtime.

#### Maintenance and Repairs

All those items concerned with the maintenance and repair of the fabric and fittings in the building and associated equipment (but not sports equipment) are included in this item. Apart from annual recurring costs (such as cleaning and checking light fittings) other variables such as the age of the building, the manner in which the fabric and fittings have withstood use and the degree of vandalism is reflected here.

#### Fuel Costs

#### Electricity

Fuel and electricity are accounted for separately. Clearly, the figures represent 1973/74 values and prices have risen dramatically between April 1973 and April 1975 as indicated below:-

Fuel Oil	approximately 122%	(minor zone)
Gas	approximately 20%	(South East rates)
Electricity	approximately 70%	(South East rates)

In assessing future costs it is obvious that these inevitable further increases will have to be taken into account.

#### Water and Chemicals

These costs associated with the swimming facilities represent a comparatively small yet significant item in the overall costs.

#### Cleaning and Materials

Included under this heading are those items expended on cleaning materials and any expenditure on specialist cleaning (such as windows) but not cleaners wages, which have been included under 'Salaries, Wages etc'.

#### Administration and Establishment Charges

The costs of administering the centre including postage, telephones, cost of stationery (but not the wages of administrative and secretarial staff) have been allocated to "administration". The establishment charge refers to the notional charge which the local authorities make to their centre's expenditure account to offset the cost to that authority of administering the centre (dealing with salaries and wages and personnel work concerning centre staff etc which is normally undertaken by the authority). These charges do not apply to Trust schemes.



### Promotion and Publicity

Usually a modest sum is set aside for brochures, posters etc.

### Audit and Professional Fees

In a local authority scheme this is included in the establishment charges but in Trust schemes, since independent auditors and accountants are employed, there is a separate item for such fees.

### Conferences and Subscriptions

It is usual for a modest sum to be set aside to enable staff to attend appropriate conferences and courses, to register the centre with various bodies eg the Institute of Baths Management and to pay annual subscriptions for magazines for the centre.

### Protective Clothing

This includes such items as overalls etc for cleaning and technical staff and track suits etc for pool side and sports orientated staff.

### Alterations and Improvements

This includes items of expenditure relating to alterations and improvements (such as the building of an extra squash court) as opposed to maintenance and repairs to the existing structure.

### Equipment

The purchase or renewal of specialist sports equipment including portable and fixed apparatus has been included under this item in the accounts.

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## INCOME

### Swimming

In a 'wet' multisports facility the swimming pool invariably earns the highest income. (It is, of course, the most expensive facility to run being costly in terms of manpower, both technical and poolside, fuel, water and chemicals). A significant feature of this facility is the high numbers of child admissions. The children, despite being each charged far less than an adult, are responsible for the greater part of the income derived from swimming in most centres.

TABLE I - Relationship Between Swimming Income and Total Income

Centre	Total Income	Swimming Income	Swimming Income in relation to Total Income
	£	£	
Basingstoke	59,324	23,045	39%
Bicester	50,715	12,380	24%
Bingham	43,000	15,200	35%
Folkestone	77,881	23,705	30%
Guildford	104,798	62,017	59%
Meadway	27,158	4,289	16%

TABLE II - Relationship Between Child Swimming Admissions and Adult Swimming Admissions

Centre	No of child admissions	No of adult admissions	Income from child swimmers	Income from adult swimmers
			£	£
Basingstoke	132,991	42,398	13,991	9,054
Bicester	66,120	52,049	5,290	8,328
Bingham		no figures available		
Folkestone	177,460	34,782	14,987	8,718
Guildford	342,412	125,612	37,669	27,634
Meadway	49,410	12,111	2,470	1,817

### Squash

Of the dry sports in the sports centre study squash is the biggest single money earner; furthermore, after the capital costs of the courts have been repaid, squash is economical in terms of running costs. The income per court per year varies from centre



to centre usually in relation to the amount of educational use and to the level of admission charges.

Centre	No of courts	Charges 1973/74 (hourly equivalent)	Educational use	Annual income	Annual income/court
				£	£
Basingstoke	4	113p	Yes	4,768	1,192
Bicester	4	75p	Yes	4,648	1,162
Bingham	4	76p	Yes	6,300	1,575
Folkestone	3	7.5p club m 60p centre m 113p non m	Some	4,922	1,641
Guildford	4	100p	No	11,024	2,756
Meadway	2	80p	Yes	4,768	2,384

#### Other Activities Not Designated

In view of the difficulties in extracting from the accounts the details of income from the various sports, all the receipts from activities except those for swimming, squash, and coaching and instructional courses were totalled together under this item. Included under this heading, therefore, are the receipts from activities in the main hall, ancillary hall, outside facilities and from the various activity rooms used by club and casual participants.

#### Spectators

Centres usually charge a small amount for the admission of non participants to the centre (eg parents bringing children to the centre to use the swimming pool). This realises a small yet significant income.

#### Coaching Fees

Where courses have been run at the centre the income is shown under this item. It represents the net cost of the courses, the instructors fees having been deducted since their fees were normally paid on a casual basis and are not shown under staff salaries. No deduction, however, has been made for the cost of the space at the centre occupied by these courses.

### Bar and Catering

All the centres investigated offered bar facilities while the catering varied from a single snack bar to a full restaurant.

The profit made by the bar in proportion to the catering varied according to such factors as their design, layout and relative size and management policy concerning the amount of school use of the centre (the school children being excluded from using the cafeteria during school hours).

Centre	Total catering profit	Profit on bar	Profit on catering including vending
	£	£	£
Basingstoke	2,069	1,015	1,054
Bicester	3,863	1,727	2,136
Bingham	5,320	no breakdown available	
Folkestone	10,639	8,048	2,591
Guildford*	4,946		
Meadway	5,841	5,165	676

\* Catering and bar concession let to outside caterers

### Membership

Membership schemes were operated at Folkestone and Basingstoke (both Trust schemes) but not at the other centres. At Folkestone the membership scheme was an important part of the income realising £10,310 out of a total income of £77,881 (13%). At Basingstoke membership represented £4,366 out of a total income of £59,324 (7%).

### Special Events

Under this item the income from spectator events, dances etc held at the centre has been included. At the six centres it did not represent a significant item of income.

### Sale and for Hire of Equipment

Whilst equipment for sale or hire was offered to centre users it was regarded by management more as an amenity than as a serious profit making venture. Consequently the returns on this item were usually modest.



Local Authority Including LEA Contribution

There was a wide variation in the manner in which the local authority subsidised the running costs of the centre:-

1. Where a Trust scheme operated and the facility was not a local authority provision there was agreement on two aspects:-
  - (a) payment by the LEA for use of the centre by schools
  - (b) a subsidy by the local authority which effectively covered the deficit on the year's running.
2. Where the centre was provided by the local authority but was not a dual provision scheme a charge was made to the LEA for use by school on a locally agreed formula.
3. Where the centre was a dual provision scheme there was an agreement between the local authority (eg the District Council) and the LEA (the County Council) on two aspects of the centre's costs:-
  - (a) the proportion paid towards capital costs and loan charges
  - (b) the proportion paid towards annual running costs.

These varied from centre to centre:-

Centre	Proportion towards capital costs	Proportion towards running costs
Bicester	LEA 50% LA 50%	50% 50%
Bingham	LEA 36.3% LA 63.7%	50% 50%
Meadway	LEA 60% LA 40%	60% 40%