

Outcomes

- To measure and monitor the financial performance of the service
- To benchmark key performance indicators within the organisation and within the industry
- To maximise the financial performance of the centre given the wider social outcomes and objectives of the centre

PLAN

How do you set your financial, performance management targets for the short, medium and longer term?

EXAMPLES OF BEST PRACTICE

- Finance planning
- Annual budget
- Monthly performance
- Key performance indicators
- Monitoring process
- Capital investment
- Demographic and Social economic factors
- Market segmentation
- Assessment of competition
- SWOT analysis
- Supplier agreements
- Secondary sales/ spends
- Loss making services
- Sales and marketing processes
- Retention programmes
- Procedures and policy standards

GUIDANCE

- Does the financial plan link to the achievement of the business plan objectives and into either tendered budgets for a facility management contract or a medium term financial planning strategy of the council
- Is the financial plan simply set on last year's actual +/- x%, or have the management team fundamentally reviewed all areas of the business to determine how the centre can improve its performance in the following year
- Is the annual budget set on a monthly basis with unit as well as monetary targets with a detailed breakdown on how each income and expenditure line can be achieved through usage, prices, occupancy (and membership sales and projected cancellations in facilities)
- Have relevant key performance indicators (KPIs) been identified and targets set for example; number of members per station, swim income per m², income per court and casual income as a % of DD income; coaching course occupancy; referral schemes; events; holiday programmes; training programmes; target group programmes and membership schemes; grant programmes
- Is there a systematic review procedure in place, so that the month end accounts are provided within a specific period following the month end and is a review process in place for the senior management team to review them as well as the head office, department head and the centre management team
- Is there evidence of a business case for investment works including building and equipment quotes, income and expenditure projections including contingencies and allowances for a contribution to central costs and profit with strategic reasons for completing the works
- Are there proposals to meet any additional demand or improvement of current facilities, including change of use of facilities or improvement of ancillary facilities
- Has the service mapped the current users within key areas, such as fitness, swimming lessons, holiday activities and older people to assess the service's or specific centre's catchment for the type of product, to assess latent demand
- Is there evidence of completion of the mapping of postcodes for current fitness and health users and other activity users

Financial Management & Performance

- Is there evidence of an assessment of demand and supply in the catchment areas for key facilities including swimming pools, main halls, fitness and all weather areas
- Has Sport England market segmentation been considered
- Has the service undertaken any competitor analysis, including pricing, programming, quality and activity comparisons
- Has a SWOT (strengths, weaknesses, opportunities and threats) analysis been completed for the current business with senior managers of the service, strategic managers and stakeholders
- Is there evidence of open market tendering and procurement strategies for key suppliers and franchises to reduce expenditure, particularly energy and maintenance costs with a competitive process to engage key suppliers. This may be completed by head office or central procurement of a council; do they assess for Value for Money (VFM) utility tariffs, catering franchises, maintenance contracts, fitness equipment suppliers
- Is there evidence that secondary sales, for example catering, bars and vending have been considered and are positively contributing to net position
- Have any services where there is currently subsidy needed such as a crèche, GP referrals and specific programmes that contribute to wider objectives or other income streams been considered
- Has sales and marketing been developed to ensure that leads are generated and then converted into sales; are sales targets set in all areas.
- Is there evidence that retention programmes have been developed and monitored to keep existing customers; are attrition rates in place in all areas, not just fitness and health
- Procedures and policies are clearly developed, defined and documented as part of an integrated quality management system, for staff and where appropriate customers

DO

How do you communicate financial, performance targets to all the staff and stakeholders?

EXAMPLES OF BEST PRACTICE

- Management and staff involvement
- Responsibility for each key area
- Staff awareness
- Two way communication with the staff

GUIDANCE

- Have a range of managers and staff been involved in the finance and business planning process
- Do senior managers agree their budgets and disseminate information to all staff
- Do all managers and staff 'buy-in' to their targets and budgets as opposed to just believing that they have 'been given' the following years budgets
- Are senior managers responsible for each budget area, with front line staff also responsible and accountable for elements of achieving the budgets
- Once set, is the annual business plan broken down into monthly targets for all areas of income and expenditure and cascaded down to staff
- Does the service and all staff have access to monthly financial performance information
- Do staff know how well their "department" and the service is performing
- Do staff know how well their department/ service is performing compared to other Do staff know how they can influence the achievement of targets in the day to day operations of their job
- Are staff views taken on board with regard to how to improve performance
- Are there easy to read, up to date information charts in respect to performance available for staff

What training has been delivered to ensure that the staffs is aware of their responsibilities and understand the financial, performance management processes that are in place?

EXAMPLES OF BEST PRACTICE

- Business plan
- Staff training and training plan
- Advanced training



- Continuous performance development (CPD)
- Procedure and policy systems

GUIDANCE

- Is there evidence of training for all relevant staff in the business planning process
- Staff involved in the development and monitoring of the finance plan are trained in financial awareness and performance management
- The service's training programme has been developed and is being implemented, with records maintained on site, which includes elements for 'financial management and performance'
- Staff are encouraged to attend continuous professional development (CPD) courses/ seminars to assist and enable them to obtain additional knowledge and qualifications
- Management ensure that staff are trained in any relevant procedures and policies; and any changes actioned accordingly

What resources have been allocated to achieve these outcomes?

EXAMPLES OF BEST PRACTICE

- Planning process
- Review process
- Peer reviews of performance
- Systems and ICT provision
- External reviews of performance
- Additional external resource
- Sales and marketing
- Sales and retention
- Additional resources

GUIDANCE

- Is there time allocated for staff to be involved in the development of the financial planning process
- Is there time planned for staff to complete monthly reviews of financial targets and key performance indicators
- Is the responsibility for budgets evenly distributed across the management team, Is time provided for staff to keep up to date with the service's performance reviews
- Are independent and peer reviews completed on the performance of the service
- Does the ICT work to assist in efficient performance reviews
- Are any front of house systems linked to central finance and accounts systems
- Are the service's financial systems and processes efficient and effective for invoicing, purchase ledger, collection of DD, following up debtors, to name a few
- Have other ICT systems and products been developed/ purchased to assist in the monitoring of the service's performance
- Are resources available to access additional external information for example; demand and supply analysis, latent fitness/sports demand, customer insight, national governing bodies
- Are staff resources in place to specifically focus on sales and retention programmes for members and programmes across the service area
- What support has been provided from the company/ council to assist in the achievement of the financial performance

MEASURE

How do you measure your?

EXAMPLES OF BEST PRACTICE

- Financial objectives
- Budget monitoring and measurement
- Performance monitoring and measurement
- Non performance

- Investment programme
- Payment of profit share to partners

GUIDANCE

- Do the management measure the position of all financial strategy projections, including short, medium and long term targets
- Was the previous financial plan measured and were the financial objectives achieved
- Are annual projections measured against the previous year's and budget; can the service demonstrate an improvement in performance year on year
- Are the weekly and/or monthly budgets measured and if so how is the data reported
- Is the performance measured, not just on income and expenditure but other key performance indicators such as sales and retention, occupancy of key courses, food and beverage gross profits and yield per membership
- Are all actual staffing costs compared against target
- Have utility consumption targets been set and are the actual readings measured and compared against the targets
- Are sales targets set for departments and individuals in all areas and are the actual sales measured and compared against the targets
- Does the service know how well it has performed and are there any comparisons with other comparable service
- Where investment projects have taken place, has the projected performance been measured and achieved
- Has a performance surplus been measured and shared with the partners or re-invested back into the centre

REVIEW

How do you review what you measure?

EXAMPLES OF BEST PRACTICE

- Finance plan achievement
- Outputs and outcomes
- Action taken following reviews
- NBS efficiency report
- Benchmarking
- Stakeholder review
- Regular staff reviews
- Independent research
- Celebration of success
- Procedure and policy systems

GUIDANCE

- Is there the ability for the management team to change and/or amend aspects of the financial plan to ensure that it remains 'live' and 'real'; how do the staff improve the process of developing the business plan
- Are the measurable outputs and actions taken to achieve the objectives sufficient and/ or on course to meet the desired outcome
- Is there evidence of actions being taken if the performance is not meeting targets; is support provided to staff for any areas that are not meeting performance targets
- Following review of staffing resources have the staffing structures been realigned to meet the needs and demands of the service and programme
- Is there a process in place to review the energy action plan to further assist in the reduction of energy consumption
- Does the service regularly review the programmes and occupancy rates of the main facility/service areas



to assess opportunities to change where occupancy is low

- Following any national benchmarking survey (NBS) efficiency report or alternative benchmarking, for example within the company, can the centre demonstrate understanding of the meaning on the KPIs
- What actions can be demonstrated to have been taken following any of the benchmarking reports; who is responsible for delivering and setting actions and monitoring completion against deadlines.
- How are other stakeholders involved in the review of performance, for example other council departments, client or Sport England, particularly if they provide any capital or revenue finding
- Is there evidence that the staff are consulted in relation to the review of the financial plan objectives
- Are subsequent and/or additional actions delegated to staff in order that the desired outcomes can be achieved
- Are staff meeting minutes used to identify what actions remain outstanding but also track the action taken in order to achieve the business plan objectives
- Are all/any staff rewarded for success
- Management have a process in place to regularly review and update relevant procedures and policy systems

IMPACT

Has what you have done made a difference?

EXAMPLES OF BEST PRACTICE

- Impact on performance
- Usage
- Income and expenditure
- KPIs
- NBS

GUIDANCE

- Can the service management demonstrate improvements in all areas of the financial and business performance year on year
- Has usage increased in the service
- Has income increased across a range of departments within the service
- Have savings been achieved within the service's expenditure budget
- Has the service's deficit decreased or the surplus increased
- Are the results of the KPIs improving, both within the service and within the organisation
- Are the results of the NBS reports improving
- Have efficiencies been achieved within energy consumption and reduction in the centre's carbon footprint