

A strategic review of participation and latent demand for health and fitness in Warwick District

Executive Summary

As part of the Leisure Development Programme, officers have been progressing plans to invest in the region of £12 million at Newbold Comyn Leisure Centre and St. Nicholas Park Leisure Centre, with a significant proportion of this investment directed to increasing health & fitness provision in the form of extended gyms and fitness studios.

In considering such investment, it was felt vital that the Council should understand the current state of the local health and fitness market and identify the levels of latent demand that exist. To do so, officers have referred to a range of audits, reports and sources of data, and commissioned a residents' survey to understand the specific local perspective in respect of health and fitness participation and use of local facilities.

This report reviews 'The Indoor Sports and Leisure Strategy Needs and Evidence Report' published by Neil Allen Associates (NAA) in March 2014 and the subsequent Indoor Sports and Leisure Strategy. These two reports both highlight the opportunities for Warwick District Council (WDC) to increase the health and fitness provision in its facilities. It also considers the latest results from the Sport England Active People Survey which measures local participation in physical activity, and the updated Sport England Market Segmentation Model which identifies sporting behaviours in the local population by identifying 19 market types and allocates typical activity profiles to each type. In addition to Sport England evidence, officers have also considered research published by the Fitness Industry Association (FIA) which allows operators to calculate the anticipated demand for fitness provision from the local community.

Key findings from these sources can be summarised as follows:

- Warwick District residents are becoming more active over time, with those participating in activity on 3 or more occasions a week rising from 25.7% in 2005/6 to 29.8% in 2013/14. (Active People Survey)
- 58% of the local adult population fall into "types" that would engage in health and fitness activities if their personal requirements were met (Sport England Market Segmentation)

This review also revisited existing health and fitness provision in the District. Whilst the audit shows some growth in more specialised facilities providing a niche service there has been no significant additional provision in the local area. Officers are confident that the additional small facilities do not represent direct competition to the type of facilities that are planned for the Council's venues,

which would be designed to offer a value product to a wide range of the community.

It should also be noted that the population of Warwick District is growing and is likely to expand by 13,200 in the 10 years between 2015 and 2025. The capacity of the current health & fitness provision would not be sufficient to accommodate this increasing demand.

The final element of this review focussed on gathering views from residents in respect of their current levels of physical activity, barriers to participation, and the type of fitness provision that they would like to see in the future. The survey, undertaken in April 2015, confirmed that local people considered exercise to be of high importance. Furthermore, there appeared to be a desire to increase participation in exercise by most of those who responded. Of those who chose to conduct their exercise at leisure facilities a significant number used WDC facilities as their preferred venue and there was a suggestion that more would be inclined to do so if the investment went ahead.

In conclusion, the review has confirmed that the recommendations from the Neil Allen audit are still relevant and that, based on participation levels and existing provision, there remains a case for significant investment in expanding and improving the health and fitness provision at St Nicholas Park and Newbold Comyn Leisure Centres.

Introduction

As part of the Leisure Development Programme, which is reviewing the Council provision of sport and leisure and considering options for future management of these facilities, officers have been working with project managers Mace and architects B3 to develop a series of plans to invest in the region of £12 million at Newbold Comyn Leisure Centre and St. Nicholas Park Leisure Centre. A significant proportion of this investment is intended to be directed to increasing health & fitness provision in the form of extended gyms and fitness studios in these two facilities.

The investment proposal at Newbold Comyn Leisure Centre includes the introduction of a 100 station gym, 3 fitness studios (including a dedicated spin studio), plus new changing rooms for health & fitness customers. The refurbishment of St. Nicholas Park, includes the introduction of an 80 station gym with 2 new fitness studios and new changing rooms.

In considering such investment, it was important to give the Council assurance that there is a market for such extended facilities and that appropriate and significant levels of latent demand exist. To assess this situation, officers have referred to a range of audits, reports and sources of data, and commissioned a residents' survey to record the specific local view in respect of health and fitness participation and use of local facilities.

This report reviews the following documents and seeks to validate that the conclusions reached by each remain valid in 2015:

- The Indoor Sports and Leisure Strategy Needs and Evidence Report published by Neil Allen Associates in March 2014 and the subsequent Indoor Sports and Leisure Strategy.
- Strategic Leisure Options Appraisal – June 2014

This report also appraises the latest results from the Sport England Active People Survey. The Active People Survey measures local participation in physical activity. This report also considers the updated Sport England Market Segmentation Model, which classifies sporting preferences in the local population by identifying 19 market types and allocating typical activity profiles to each type. Officers have also considered research generated by the Fitness Industry Association (FIA) which allows operators to calculate the anticipated demand that can be expected for fitness provision by the local community.

Evidence

The Indoor Sports and Leisure Strategy Needs and Evidence Report - Neil Allen Associates (March 2014)

Neil Allen Associates (NAA) were commissioned to undertake an audit and needs assessment of indoor sports in the District in 2014. It was intended that the

outcomes of this audit would inform the Council's strategic planning in terms of leisure provision.

A full copy of the Indoor Sports and Leisure Strategy Needs and Evidence Report is available from officers. The report refers to the FIA's demand assessment which concludes that there was, at that time, a shortfall of between 61-138 stations (dependant on whether private health and fitness centres were excluded from the analysis). The report went on to recommend that an increase in health and fitness provision should be included as part of any future refurbishment programme in WDC facilities.

Updated position:

2015 research shows 8 facilities that were not included in the NAA audit. These facilities are either very small facilities with 15/20 stations specialising in personal fitness, nutritional-based fitness, or ladies only sessions, or in the case of 2 of the venues (Urban Fitness and Stoneleigh Performance Fitness), specialised facilities which cater for a niche market of Cross fit and strength and conditioning facilities.

The total provision in the district (2015) is described in the table below:

Leisure Facilities (ownership type)	Number of facilities	Number of Stations
Local Authority	4	100
Commercial	19	726
School/college/university	6	78
Total	29	904

In assessing the current level of provision and whether there is sufficient across the district, we have used the figures above, but excluded the provision made in educational establishments as this is rarely available for members of the public, leaving a total number of 826 stations.

The NAA report recommends that a successful local model would be one where the public sector percentage of stations should equal 50% of the total amount. With the inclusion of the 8 additional new facilities and the existing total of 826 stations, the current percentage is 26%. This would suggest that the public sector element of provision could be expanded to take a more appropriate share of the market, to help accommodate the latent demand and to provide additional facilities for the growth of the population of the District.

A further check is to look at the percentage of the population who can be accommodated by the current 826 stations.

Number of Stations	Average number of members per station	Total Number of Members	Percentage of the population
826	20 (industry standard indicator)	16520	14%
826	27 (current average in WDC facilities)	22302	19%

The table suggests that currently Warwick District has a membership base which could be between 14% and 19% of the overall population. Given that the UK average is 8%, the information suggests that the adult community in Warwick District experiences more provision of health and fitness facilities per head of population than the national average. This suggests a higher than average demand for health and fitness provision in the area.

Sport England Active People Survey

Sport England's Active People Survey provides the most comprehensive assessment of levels of adult sport across the country at a local authority, regional and national level.

The table below compares data at a local authority, regional and national level for 2005/6 and 2012/13 for three key indicators:

- Members of the population who currently are not participating in any activity
- Participation in sport and active recreation (adult populations 16+) for at least 30 minutes on at least 4 days over a month or 1 active session per week.
- Participation in sport and active recreation (adult populations 16+) for at least 30 minutes on at least 12 days over a month or 3 active sessions per week

Indicator:	Year:	Warwick			West Midlands			England		
		All	Male	Female	All	Male	Female	All	Male	Female
0x30	2005/06	44.0 %	40.1 %	47.8 %	53.3 %	48.7 %	57.6 %	50.0 %	45.1 %	54.6 %
	2012/13	41.5 %	38.2 %	44.7 %	50.0 %	45.3 %	54.4 %	47.0 %	41.9 %	51.9 %
1x30	2005/06	30.3 %	33.3 %	27.5 %	27.5 %	27.2 %	28.9 %	28.8 %	30.9 %	26.7 %
	2012/13	28.7 %	29.5 %	27.8 %	26.8 %	28.0 %	25.6 %	28.3 %	29.8 %	26.8 %
3x30	2005/06	25.7 %	26.7 %	24.7 %	19.5 %	22.3 %	16.8 %	21.3 %	24.0 %	18.7 %
	2012/13	29.8 %	32.3 %	27.5 %	23.2 %	26.7 %	20.0 %	24.7 %	28.3 %	21.3 %

The table indicates that **inactivity** has fallen in Warwick district by 3.5% over a period of six years. This is equivalent to 4,116 individuals. Assuming that this trend continues, along with the projected population growth of 13,200 in 10 years, this represents a growing customer base for health and fitness facilities and is evidence in support of the proposed investment in the Council's leisure facilities.

The indicator showing the trend for people participating once a week shows a very slight decline which Sport England consider to be insignificant and unlikely to influence the latent demand for health and fitness. It may also have been created by people increasing their frequency of exercise from 1x30 to 3x30. This supposition is supported by the overall reduction in inactivity.

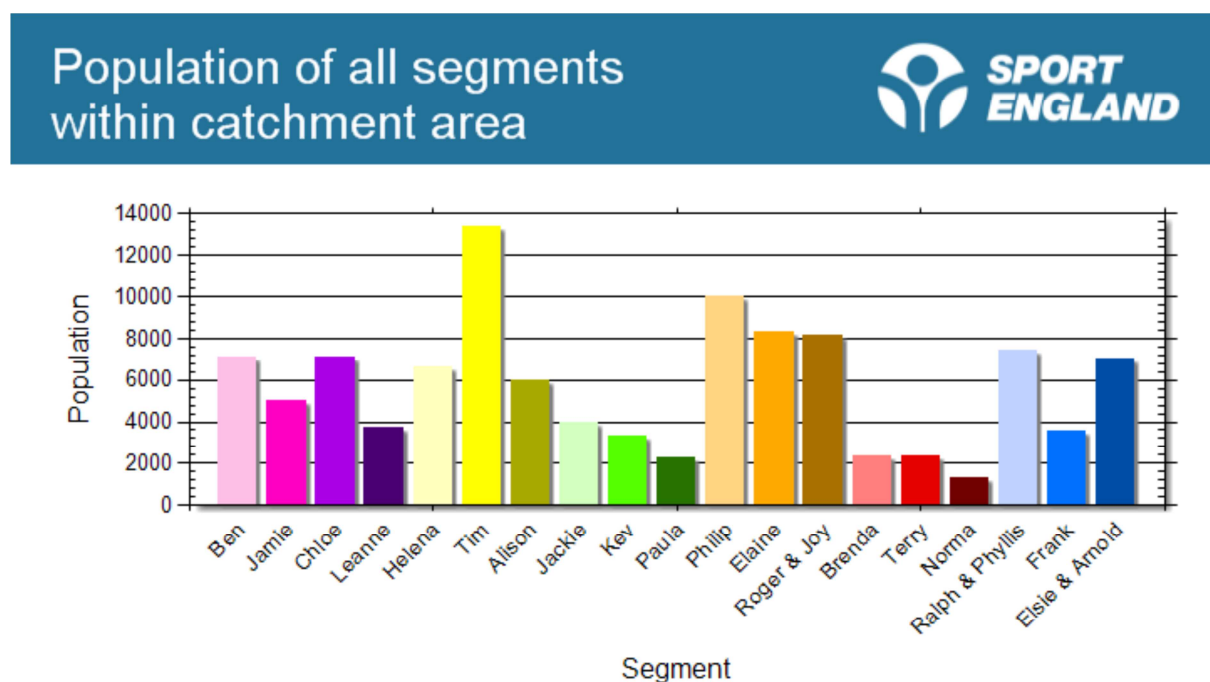
The final indicator shows that there is an increase of 4.1 % of the adult population (4,821 individuals) in Warwick District who are exercising on at least three occasions per week. This again supports the argument for increasing the provision of facilities at the leisure centres as the growing population is more likely to visit more often, which will require more space and equipment to accommodate the additional demand.

Sport England Market Segmentation

Sport England's Market Segmentation is a powerful tool, which identifies sporting behaviours in the local population by identifying 19 market segments by defining typical characteristics of people within each group. It is most useful in helping us to understand the general public's attitude to sport, their motivations and barriers to participation.

On reviewing the market segmentation data it appears that there have been no significant changes to the model since Neil Allen Associates conducted their research.

The table below reveals the Market Segments relevant to Warwick District.



The Market Segmentation information reveals that out of the above identified segments, 14 out of the 19 would participate in activity which would be related to health and fitness. When the segments are added together this gives a figure of 68,200 (58%) of the local adult population who would engage in activity related to the health and fitness facilities in the proposed investment.

It is acknowledged that whilst the Sport England market segmentation information suggests that 58% of the adult population would engage in health and fitness activity, it does not claim that they would become gym members nor does it indicate the frequency of usage. However, it seems reasonable to conclude that this data backs up data referred to above that the residents of Warwick District have a higher than average propensity to participate in health and fitness activity and therefore provision of such facilities should be a priority for the District if this demand is to be met.

It therefore appears relevant to explore average current levels of gym memberships in the UK and apply this information to Warwick District.

Fitness Industry Benchmarking

The Fitness Industry Association (FIA) publishes guidance which allows operators to estimate the number of gym members who would join a facility based on the amount of gym equipment provided. This suggests that the industry average is that a gym will attract 20 members for each piece of equipment provided.

In comparison, each piece of equipment at WDC facilities is generating 27 members. This suggests that demand for health and fitness in Warwick District is higher than the industry average.

Competitor Analysis

As described above, there is a broad range of health and fitness provision in the District. What is equally evident is that within the provision are some very distinct types of health and fitness facilities which each attract a specific type of user. NAA concluded that this is not uncommon, and that there is a place for such a mixed economy of provision.

It is concluded that the main competition for Newbold Comyn and St. Nicholas Park appears to be Warwickshire Golf and Country Club, Nuffield Health and Fitness and to a lesser degree, Pure Health Club who have a similar mix of facilities.

The Warwickshire and Nuffield Health and Fitness could be described as premium facilities, which offer high quality facilities at a premium rate. In addition, it appears that both these facilities have a range of added products as part of the membership, for example a broad range of fitness classes, a significant relaxation and spa offering and premium catering facilities in addition to the core gym offering.

Pure Health is a more specialized facility offering free weights as its core product, but it is in small premises and is more typical of the other smaller operators in the 5km radius of Newbold.

St. Nicholas Park and Newbold Comyn currently offer a more affordable membership option, and both have the benefit of having a 25m pool on site for those wishing to combine gym activities with swimming. The Council facilities have operated for many years on the basis that they would offer quality gym facilities at an affordable price, and would promote the facilities as being accessible for all sectors of the community. This strategy has been successful and memberships have grown steadily over many years, to the current position where there is little capacity for further growth in members or expansion of the offering available. With the proposed investment, it is envisaged that the Council facilities could not only increase the capacity of the gym, but benefit from a more modern approach to exercise provision, a significantly increased range of

group exercise classes and provide modern, dedicated changing facilities. All of these developments would place the Council facilities in a position where they could realistically achieve significant growth in membership numbers and provide opportunities for a wide range of customers.

Residents Survey

In April 2015 a residents' survey was conducted across the District. A postal survey was sent to a random selection of 5,000 residents living within 5 km of Newbold Comyn Leisure Centre, St. Nicholas Park Leisure Centre and Abbey Fields Swimming Pool. In addition, residents could also access the survey on line via the WDC website. Finally, surveys were available at WDC leisure facilities for customers to complete. In total 934 surveys were completed and analysed and provided data that was then compared against the data from Sport England.

Key results from the Survey:

- The postal survey generated a response rate of 13%. It is usually expected that a postal survey to residents of a specific area or a specified group will generate a response rate of 11%. The higher figure generated here demonstrates that health and fitness is an important matter to the local population.
- 98% of all respondents said that exercise/activity was very important or important to them. This is to be expected in a survey asking questions about this subject, as one may presume that people who are not interested in exercise will not complete the survey.
- 48% said they probably or definitely don't do as much exercise as they would like to.
- 18% thought it very likely and 46% thought it quite likely, that they would increase the amount of exercise in the near future. This indicates the likely latent demand for health and fitness in this sample.
- 53% of the sample group uses a leisure facility or health club for at least some of their activity. Over half of the respondents who use a leisure facility use a WDC facility for their exercise. The figure suggests that the community is supportive of WDC Leisure facilities and are active users, although this will be slightly skewed by the fact that the survey was available in hard copy in WDC centres and not in others.
- Out of the 53% who said that they used a leisure facility, 41% indicated that they used a gym and 26% said that they attended group fitness classes.

- 88% of those who expressed a preference wanted either more specific group exercise classes or generally a greater range of classes at identified times.
- 14% of those surveyed who don't currently participate in fitness classes, said they would start if there was a greater range of classes that they enjoyed. This also indicates an unmet and latent demand.
- When asked about what improvements they would like to see at their chosen gym 44% of those who expressed an opinion wanted more gym equipment, more space or improved quality of equipment.
- When asked what would encourage those who do not currently use the Leisure Centres to do so, 30% would be strongly encouraged by an improved class programme, 37% would be strongly encouraged by improved buildings and 27% would be strongly encouraged by a better range of facilities and equipment.

From the survey, it has been concluded that by offering more equipment of a higher quality and greater variety in more appropriate buildings there could be a positive response from the community of Warwick District. Given the comments made, it could be argued that the proposed investment would encourage a significant percentage of the sample group to start engaging in activity at WDC leisure facilities, with current gym users potentially migrating to the WDC facilities from other gyms and non-users deciding to start using the facilities once the investment has taken place.

Conclusions

From the work described above, the following conclusions have been reached:

- The recommendations from the NAA Audit and Needs Assessment remain valid, including the need for significant increase in the provision for health and fitness in the Council-owned leisure centres.
- There remains a strong propensity for residents of the District to engage in physical activity and in particular in "health and fitness" related activities. These activities would include gym based fitness together with indoor and outdoor fitness classes.
- There is a wide range of health and fitness provision which caters for a diverse range of demand. The current market is strong but there is evidence that there remains latent demand which would be addressed through the proposed investment at Newbold Comyn and St Nicholas Park leisure centres.