



December 2010

# North Lanarkshire Leisure

Social Impact Evaluation - Release date December 2010



# Research Publication Notices

## Charity and Education Group

Baker Tilly produces a range of research and other material on Social Impact and related topics. Further information can be found at the following website:

<http://www.bakertilly.co.uk/socialimpact>

## Citation notice

Citation should conform to normal academic standards. Please use the reference provided or where a paper has entered into print elsewhere, use normal journal / book citation conventions.

## Copyright

The copyright of all publications of work commissioned from Baker Tilly remains with the relevant Baker Tilly company or LLP, from whom permission should be sought before any materials are reproduced. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission, provided that full acknowledgement is given.

## Disclaimer

This project has been commissioned by, but does not necessarily reflect the views of North Lanarkshire Leisure Limited. All field work for the report was undertaken during April and May 2010 with finalisation of the content in June 2010. Baker Tilly Corporate Finance has co-ordinated its preparation, and has selectively challenged and checked the data gathered and applied in this report, and the calculations and logic derived but this should not be taken to imply that figures produced by North Lanarkshire Leisure Limited have been audited or are the subject of formal or informal verification. Consequently Baker Tilly Corporate Finance LLP and all and any other Baker Tilly entities, principals and staff accept no liability to any party relying on the figures so included.

## Contact details

Baker Tilly Corporate Finance LLP  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH  
T: 0141 307 5000  
E: [jim.clifford@bakertilly.co.uk](mailto:jim.clifford@bakertilly.co.uk) or  
E: [stuart.mccallum@bakertilly.co.uk](mailto:stuart.mccallum@bakertilly.co.uk)

North Lanarkshire Leisure Limited  
The Time Capsule  
100 Buchanan Street  
Coatbridge  
ML5 1DL  
T: 01236 437756  
E: [haughj@nlleisure.co.uk](mailto:haughj@nlleisure.co.uk)

## North Lanarkshire Leisure Limited (“NLL”) Opening Remarks

Following a Best Value review carried out in 2005, North Lanarkshire Council (NLC) created North Lanarkshire Leisure Ltd (NLL) to provide sport and recreation services on behalf of the Council. The Best Value review indicated that delivery via a Charitable Trust, such as NLL, would provide a much more direct, customer focussed service. During 2008, a review of the outcomes achieved by NLL was carried out, which clearly showed that the Council had made the right decision for the communities of North Lanarkshire. The performance since 2003 has resulted in an increase of over 1million user sessions each year, over 21,000 active monthly members of Access NL, 25% income and activity growth together with increased investment in quality facilities and services in addition to higher level of efficiencies for the Council than in previous years. Specifically we have delivered our key target to increase activity levels and bring more members of our community into sport, leisure, health and fitness.

Never before have we been able to quantify the full impact Charitable Companies like NLL have on the local community. However, the innovative and proactive approach taken by NLL in commissioning this report, has addressed this. Based on the NLL activities and services evaluated by Baker Tilly, NLL contribute in excess of £41million economic benefit to the residents of North Lanarkshire, through value for money services, innovative diversionary programmes and improving the health of the participants in sport & recreation.

This is a truly outstanding statistic that demonstrates the economic benefits provided by NLL: 4 times the level of public funding it receives and that only measures part of the business, there is much more.

At a time when tough decisions are required to manage Britain’s public finances, it is imperative that the Council can demonstrate the impact and outcomes of its public spending decisions. This report goes a long way towards that aim and I applaud the project team, and the authors, for their insightful and pioneering report.

**Councillor Jim McCabe**  
**Leader of the Council**  
**North Lanarkshire Council**



North Lanarkshire Leisure Ltd (NLL) is a charitable company formed in September 2006 by North Lanarkshire Council (NLC) to deliver sport and recreation. As a charity in receipt of public funding, NLL is well aware of the significant pressures that will come to bear on local authorities over the next public spending review period. That is why NLL has taken the innovative step of applying a relatively new methodology to measure the economic impact it has on the local and wider community it serves via this report.

The Social Return on Investment (SROI) methodology applies proxies to measure the impact an organisation has. Through this exercise, undertaken in partnership with Baker Tilly’s social impact specialists, NLL has been able to measure both its economic and social impact. This has shown that NLL contributes £41m a year back into the community, more than double the total income of the charity.

The spending review framework presented to Parliament by The Chancellor of the Exchequer in June this year, affirmed the Government’s commitment to “protect as far as possible the [public] spending that generates high economic returns”. This report clearly demonstrates the economic return from a forward-thinking, innovative charity and will help to justify its place in the delivery of public services in North Lanarkshire.

**Councillor Jim Logue**  
**Chairman**  
**North Lanarkshire Leisure Limited**



## North Lanarkshire Leisure Limited (“NLL”) CEO’s Foreword

North Lanarkshire needs leisure, just like so much of the UK, but North Lanarkshire Leisure (NLL) is about so much more than that.

This report shows that “so much more” much more graphically than any brochure, poster or presentation. With health, and particularly obesity levels, being a key concern in political, medical and social circles in North Lanarkshire, one of the worst affected areas in the UK, NLL’s active and highly effective involvement in the programme to address those issues is exciting and striking.

The measurement of the benefits in this report has followed the increasingly widely accepted Social Return on Investment methodology, recognised in 2009 by the research work of Scottish Enterprise and embodied in a Treasury paper. Consistent with many other SROI evaluations supported by leading advisors in the field, this one has focussed on:

- Key, but not all, areas of NLL’s operations
- The wide beneficiary base, which includes parents, children, schools, social services, emergency services, employers, and the local NHS.
- The change for beneficiaries that results from NLL’s work and involvement
- Placing a value on that change, linking into the wide range of research into these areas already available, and
- Discounting any change that would have happened anyway, or which is attributable to others, not least through NLL’s active and innovative approach to partnering with local agencies.

So what are we managing to deliver: how much benefit do we bring to North Lanarkshire? We have identified around **£41m a year**, more than double the total income of the charity. And that’s not all our services. This arises from evaluating conservatively the health benefits from all sites but only three of the many specialist programmes.

What are we at NLL going to do about this? We certainly won’t be resting on our laurels! We need to continue to develop this important work:

- Better access for those least able to participate unaided
- More sites to reduce the challenge for individuals of getting to their local sports facilities
- More education, more encouragement and more creative programmes for inclusion
- More partnering with other public, private and third sector agencies to improve collective impact in this way
- Further developing our evaluations in line with this study.

This is a highly professional and carefully researched study. The validity of data, linking validated internally generated material with published governmental and other statistics, has been well addressed. Baker Tilly’s involvement has brought a robustness to the study that would have been harder to achieve unaided.

Our thanks must go to Baker Tilly’s Social Impact specialists, who so skilfully and sympathetically worked through the project with us. They brought the rigour and critical appraisal of top flight research but balanced this with guiding us in our own learning, through their action research approach. We now not only believe in and understand the results of the work, but we also have already embedded it into our culture and systems: this has to be the right approach.

I would also like to thank and pay tribute to the internal analysis driven forward by our staff and coordinated by Janet Haugh, Financial Controller. This work demanded a new approach to demonstrate a new way forward.

This is an exciting and high impact report. It reflects the significant impact of NLL and the huge needs in North Lanarkshire. We are greatly encouraged by these results...**economic impact of over £41m a year and rising!**

**Blane Dodds**  
**Chief Executive**  
**North Lanarkshire Leisure Limited**



## North Lanarkshire Leisure Limited (“NLL”) Introductory Comments from Jim Clifford

NLL is one of a number of high quality and forward-thinking Third Sector organisations that is taking seriously the need to explain its social impact: what it is doing for the Big Society.

For some time NLL and others have publicised their social contributions in qualitative terms, not least through disclosure in annual accounts required by the SORP. They tell an interesting story, with NLL being clearly focussed on social and health improvement in one of the most challenged areas for this in the UK. However putting a financial value on that adds so much colour, even where, as in this case, not all of the organisation is evaluated. £41m a year from a fraction of that in annual public funding, and that from only part of the activities is, by any standards, a striking contribution.

Following the work by new economics foundation over the past decade, and latterly the Scottish Enterprise-sponsored work, the Social Return on Investment methodology has been published in a Cabinet Office paper. Leading commentators and researchers, including nef, New Philanthropy Capital, SROI Network, and ourselves and Cass Business School recognise that, although there are some wrinkles to be ironed out, this as a practical and workable solution to demonstrating social impact. With such a need to focus on this during times of cuts in public funding in the wake of the recent Comprehensive Spending Review and increased social pressures, this is needed now more than ever. It is rightly described by NPC in their recent position statement as “an incredibly useful tool.”

The methodology used in this research project, and indeed the majority of similar projects we are undertaking, is Action Research, also known as Action Science. This allows the organisation to be supported by the researcher in learning about itself. In this context, it gathers quality information, from those that best understand it, building in relevant, validated third party data, and giving the organisation the knowledge to be able to embed it in its performance monitoring systems: all in one go. It works, and delivers results cost-effectively.

This is a carefully-constructed, conservative, informed and exciting piece of work that adds to our understanding of social impact. I look forward to it both informing the ongoing development of the SROI methodology and becoming the foundation for more focussed development of NLL’s mission.

*Jim Clifford*

Baker Tilly Corporate Finance LLP

Telephone: +44 (0)7860 386081

E-mail: [jim.clifford@bakertilly.co.uk](mailto:jim.clifford@bakertilly.co.uk)



**Jim Clifford** is Head of Charity and Education Advisory Services, and Chairs the Public Sector Group at Baker Tilly. He was the lead author of the social impact protocol for Sector Skills Councils, published earlier in 2010. He is undertaking research into evaluative protocols for transactional decision making (linking Social Impact with conventional valuation and brand valuation) with Professors Palmer and Bruce at Cass Business School’s Centre for Charity Effectiveness. He has recently been appointed as a director of the Centre for Public Scrutiny.

# Contents

Definitions of Terms..... 6

1. Executive Summary and Key Findings..... 7

2. Introduction..... 11

3. Concepts and methodologies used ..... 15

4. Overview of evaluated activities ..... 18

5. Summary of evaluation approaches ..... 22

6. Conclusion..... 26

**APPENDICES**

A. Activities by site ..... 29

B. Notes on Action Research..... 34

C. Detailed notes on evaluated activities ..... 37

D. Detailed evaluation models used ..... 39

# Definitions of Terms

The following definitions apply throughout this document, unless the context requires, otherwise:

Term	Definition
<b>NLL</b>	North Lanarkshire Leisure Ltd
<b>Management</b>	The Board of Directors of North Lanarkshire Leisure Ltd
<b>GVA</b>	Gross Value Added (a measure of economic productivity after deducting direct costs such as employment costs)
<b>NLC</b>	North Lanarkshire Council
<b>CRB</b>	Criminal Records Bureau
<b>GP</b>	General Practitioner
<b>Passport to Leisure</b>	NLL's Discounted membership scheme
<b>Management Fee</b>	An agreed level of financial support provided each year to NLL from NLC
<b>AccessNL</b>	NLL membership scheme
<b>NLL Management</b>	Chief Executive and Finance Director
<b>SROI</b>	Social Return on Investment

# 1. Executive Summary and Key Findings

## Background to this report

- 1.1 North Lanarkshire Leisure Ltd (“NLL”) was formed in 2006 following a decision by North Lanarkshire Council (“NLC”) to spin off the running of its leisure facilities into a separate charity. NLL is partly funded by NLC (c£9.4m in 2009 of total revenue of c£18m). NLL’s objects are:
- ▶ Sport;
  - ▶ Recreation;
  - ▶ The advancement of health; and
  - ▶ Social welfare.
- 1.2 There are a range of publications / assessments (see Appendix D) which indicate that regular participation in exercise and sport has benefits for both public services (including the NHS) and the wider economy (in terms of productivity and effectiveness at work). NLL promotes participation in physical activity in the North Lanarkshire area by way of a number of programmes and schemes, including the AccessNL membership programme which we understand to be widely recognised for its success in attracting members.
- 1.3 North Lanarkshire is an area of considerable concern from a health perspective. With high levels of obesity, and low levels of fitness and participation in exercise, it suffers all that these factors bring in terms of problems medically, at work and in the home.
- 1.4 Around 4m visits to NLL facilities (on an annualised basis for new sites/site closures) are made annually, and around 21,000 people are signed up as regular members. With innovative outreach programmes into the community, NLL sees itself as not just an efficient and effective deliverer of quality leisure services, but also a leading agent for change.
- 1.5 This report charts how much change NLL effects, and how it does that, sharing the burden and the gain with other Third and Public Sector agencies in Scotland.
- 1.6 The purpose of this report is to evaluate the benefits to key stakeholder groups (including but not limited to NLC and NHS Lanarkshire) within the local area from a number of activities and sites, including:
- ▶ Health and wider economic benefits;
  - ▶ The Swimming programme;
  - ▶ The NHS referrals programme;
  - ▶ The AccessNL membership scheme; and
  - ▶ Site-specific projects at the Shotts, Wishaw and Keir Hardie centres.
- 1.1 We have worked with an SROI Project Team of NLL staff, including representatives of each project and the Finance Director, using Action Research (see Appendix B) as a methodology for gathering and testing data and assumptions. All field work for the report was undertaken during April and May 2010 with finalisation of the content in June 2010.

- 1.2 This report includes:
- ▶ An overview of social impact and other key methodologies used in this work;
  - ▶ An analysis of the activities and outcomes of the above programmes and centres;
  - ▶ An overview of how those outcomes may be measured using financial proxies;
  - ▶ An overview of the results of the evaluation; and
  - ▶ A detailed presentation of the models and assumptions used in the evaluation.
- 1.3 To the greatest extent possible, Baker Tilly has obtained evidence to support inputs and assumptions used in evaluation models. Where no evidence was available, NLL have used assumptions that they believe to be reasonable as inputs to the model, and Baker Tilly has reviewed and challenged those assumptions during the course of the research.
- 1.4 NLL Management has reviewed the contents of this report and the models and have agreed that, to the best of their knowledge and belief, the assumptions used for the purposes of this report are accurate and/or reasonable for the purposes of this SROI Project.

## Results of the evaluations

- 1.5 In this exercise, we have identified a smaller number of key assumptions and worked with the project representatives to develop a prudent result at a high level. We believe that it is important to present a more defensible, prudent analysis than one which is overly complicated and risks overstatement
- 1.6 Detailed models and commentary thereon are included as Appendix D to this report. The overall findings by project are summarised below:

Project	Calculated benefits (£000)
Savings to NHS and wider economy (all sites)	25,582
Swimming programme	1,920
NHS programme	6,417
AccessNL	2,528
Specific projects at Keir Hardie, Shotts and Wishaw	4,568
<b>Total impact</b>	<b>41,015</b>

- 1.7 This evaluation therefore does not extend to specific funded projects other than those in the three centres listed (which have been extrapolated out where appropriate), together with swimming, NHS and AccessNL. It does include the evaluated benefits from all, or the majority of, generally funded activities.
- 1.8 These benefits take reasonable account of the key areas of deduction required in SROI evaluations (three standard areas plus risk, which is also needed). These are:
- ▶ Deadweight - gains that would have happened anyway;
  - ▶ Alternative attribution - where part of the gain is more reasonably attributable to a partner or third party; and
  - ▶ Displacement - where the gain is tempered by a lesser dis-benefit.

- 1.9 Based on the SROI Project scope and the specific areas of NLL activities / services provided, the table above highlights that NLL generated benefits of some £41m.
- 1.10 NLL's total revenue for 2009 was c£18 million, and is expected to be c£20 million for 2010 (including a management fee from North Lanarkshire council of c£9.4 million for 2009/10 and £10.2 million for 2010/11).
- 1.11 On this basis, the impact of the benefits evaluated exceeds NLL's total annual funding by at least £31 million to £32 million and total revenue by £21 to 23 million.
- 1.12 NLL estimate that the specific areas of NLL activities / services selected for the SROI Project as above accounts for some 50% to 80% of its total activities.
- 1.13 The outputs and outcomes delivered out of the funding (which itself has remained largely static) has increased significantly between 2005 and 2010. NLL Management estimate that the proportional funding increase required to deliver these additional projects within the original Public Sector model would be circa. £3m. This therefore represents an additional economic benefit of delivery.
- 1.14 We also note that, in common with most SROI evaluations, it is not practicable or cost-effective to evaluate every aspect of the effect of the projects. This relates often to the wider well-being and less proximate benefits from NLL's work. Hence the projects shown above may not reflect full evaluations of benefits including:
- ▶ Personal satisfaction and better social life;
  - ▶ Improved educational outcomes;
  - ▶ Crime reduction;
  - ▶ Social inclusion;
  - ▶ Improved health and safety aspects of improved swimming confidence,
  - ▶ Wider tourism / hospitality aspects of events that NLL run and organise,
  - ▶ Brand value of NLL,
  - ▶ All the aspects of youth lifestyle inclusion and positive aspects of change,
  - ▶ Enhancing the environment; and
  - ▶ Development of professional sportspeople (including sport specific coaching) may encourage wider participation.
- 1.15 Where specific evidence exists, we have sought to evaluate these benefits as noted in the report (e.g. social inclusion, reduced healthcare costs). However, many of these outcomes which could be considered as attributable to NLL were perceived to be either too remote or subject to uncertainties to be evaluated reliably, and as such have not been included.
- 1.16 As this evaluation does not seek to measure the benefits from the further benefits listed at §1.14, the value of these outcomes would be incremental to the value shown above. Hence the evaluations shown above are lower than the full value of the outcomes potentially generated by NLL.

## Conclusions from the evaluations

- 1.17 In the words of New Philanthropy Capital in their recent positioning statement on SROI, it is an “incredibly useful tool.” This is apparent here as a significant financial value, based on sound and researched third party data, emerges, even with only part of the specifically funded project work being evaluated.
- 1.18 The totals of £41m p.a. of economic and social gain set against around half that in total turnover, and around a quarter of that is public funding (the most relevant comparison) are striking. They provide a fascinating insight into the wider social impact of leisure facilities in an area, and draw the reader into wanting to know how it is done: what is NLL doing that it achieves so much?
- 1.19 That enquiry not only tells us more about its activities, but also highlights that this is only a partial evaluation of the wider gains from NLL’s work. These wider gains (New Philanthropy Capital describe several of these as “social wellbeing”) are nonetheless of significant social value, and should not be disregarded for their lacking financial measures.
- 1.20 This review highlights the huge importance of independent charities like NLL to what the Coalition Government are terming “the Big Society”. NLL takes that local and regional responsibility seriously, and is leading the way in using Third Sector-owned leisure facilities to support social and welfare change and inclusion.

## 2. Introduction

### Overview of North Lanarkshire Leisure

- 2.0 NLL is a Scottish registered charity, which was spun-off from “NLC” in September 2006. Its objectives are:
- a. Sport;
  - b. Recreation;
  - c. The Advancement of Health; and
  - d. Social Welfare.
- 2.1 NLL works in partnership with NLC and other strategic partners (including but not limited to NHS Lanarkshire) to deliver and improve sport, leisure and health opportunities throughout the North Lanarkshire area to the East and North East of Glasgow.
- 2.2 NLL operates 16 leisure facilities to the East and North East of Glasgow, including 14 leisure and sports centres and two golf courses. Further detail of the facilities at each site is shown at Appendix A.

### The impact of sport and exercise

#### Economic damage from physical inactivity

- 2.3 The importance of physical activity is increasingly being stressed by Local and National Government bodies and other agencies, including, most recently, the NHS Change 4 Life campaign. This is particularly an issue for North Lanarkshire, which was found to be in the upper quartile of NHS regions in Scotland with the highest obesity rates<sup>A</sup>.
- 2.4 The Chief Medical Officer’s (“CMO”) 2009 Annual Report<sup>B</sup> suggests that the direct costs of inactivity equate to £5m p.a. per Primary Care Trust, and estimates the total annual cost to the NHS of inactivity and obesity combined at some £5bn to £6bn. Indeed the Foresight report concludes that the cost (including a proportion of the costs of treating obesity-related diseases) amounts to some £7.5bn<sup>C</sup>. The CMO’s report also highlights that 61% of men and 71% of women aged over 16 years fail to meet the minimum recommendation for physical activity (2009, p.22).
- 2.5 The Scottish Government reports that the direct cost to the NHS in Scotland of obesity was in excess of £175m, and infers that the cost to the NHS of people being overweight could add a further £137m to this<sup>D</sup>. In addition, the report suggests that some 2.6 million work days are lost in the Scottish economy as a result of obesity, with people that have a Body Mass Index greater than 30 having 51% more short and long term sickness absence than those in the normal weight range<sup>D</sup>.
- 2.6 The British Heart Foundation published a document in February 2010 – Costs of Physical Inactivity factsheet sheet which noted the following statistics:

<sup>A</sup> Obesity in Scotland – An Epidemiological Briefing 2007

<sup>B</sup> ‘2009 Annual Report of the Chief Medical Officer’, Department of Health, 2009, p.22

<sup>C</sup> ‘Foresight – Tackling Obesity: Future Choices – Project Report’, 2<sup>nd</sup> Ed., Government Office for Science, 2007, p.40

<sup>D</sup>RR Donnelley, ‘Preventing Overweight and Obesity in Scotland - A Route Map Towards Healthy Weight’, The Scottish Government, 2010, p.33

- ▶ The economic costs of sickness absence and worklessness associated with working age ill health are over £100 billion per year – greater than the current annual budget for the entire NHS, and
- ▶ The chronic diseases associated with physical inactivity contribute to sickness absence quite significantly: in 1998, there were over 18 million days of medically certified sickness absence attributable to obesity.

2.7 According to [www.patient.co.uk](http://www.patient.co.uk), two in five adults in the UK are overweight and a further one in five are obese. It has been found that 65.1% of adults in Scotland are overweight (including 26.8% who are obese)<sup>D</sup>.

## The benefits of physical activity

2.8 The summary of work defining the damage caused to the economy by physical inactivity shows that the benefits of exercising include reduced costs to the NHS and increased productivity. A number of studies have concluded that, aside from higher sickness absence, being overweight is likely to lead to reduced productivity when in the workplace.

2.9 The Government's current recommendation is that adults should take 30 minutes of moderate exercise at least five times a week. However, it has been found that there is a strong link between socioeconomic status and participation rates for physical activity: for example, the rate of walking as a leisure time activity among men of social class I is some 38% higher than men of social class V<sup>E</sup>

2.10 The Cabinet Office's 2002 report<sup>F</sup> highlights the wider benefits of sport, including:

- ▶ Personal satisfaction and better social life;
- ▶ Improved health (both physical and mental)
- ▶ Improved educational outcomes;
- ▶ Crime reduction;
- ▶ Social inclusion; and
- ▶ Enhancing the environment.

## NLL's role in promoting physical activity

2.11 NLL works to promote exercise and sport in its local community through the provision of reduced cost access to high quality facilities (in comparison to privately owned operators), combined with a number of programmes aimed at improving participation rates. NLL offers over 20,000 fitness classes every year, with trained fitness instructors on hand to provide personalised fitness plans and advice, as may be required.

2.12 We understand from NLL that the AccessNL membership scheme is recognised as one of the most successful scheme of its type in Scotland, with around 21,000 members. Around 4 million visits (on an annualised basis for new sites/site closures) to NLL facilities are made each year.

<sup>E</sup> 'At Least Five A Week – evidence on the impact of physical activity and its relationship to health, a report from the Chief Medical Officer', Department of Health, 2004, P.13

<sup>F</sup> 'Game Plan: A strategy for delivering Government's sport and physical activity objectives', Cabinet Office, 2002, p.44

## Scope and purpose of this report

2.13 Baker Tilly has been engaged by NLL to investigate the social impact of activities relating to three projects and three leisure centres. The projects and centres selected for study, which are considered to be representative of the spread and depth of NLL's activities, are:

- ▶ Swimming programme;
- ▶ NHS programme;
- ▶ AccessNL;
- ▶ Wishaw Sports Centre;
- ▶ Shotts Leisure Centre; and
- ▶ Keir Hardie Centre.

2.14 We have worked with an SROI Project team of NLL staff, including representatives of each project and the Finance Director, using Action Research (see Appendix B) as a methodology for gathering and testing data and assumptions. Action research has been used as it:

- a. Enables the research to stay close to the data;
- b. Enables the theory – that is the answer to the research – to emerge from the data as it is gathered;
- c. Promotes a cyclical revisiting of the data through the research process which promotes internal validity and triangulation of the results: that is the data gathered and the conclusions drawn are better tested;
- d. Through encouraging the organisation itself to learn from the process of the research, its staff are better able to embed the results and benefit from them in developing future strategy: the work can be more useful.

2.15 This report includes:

- ▶ An overview of social impact and other methodologies used in this work;
- ▶ An analysis of the activities and outcomes of the above programmes and centres;
- ▶ An overview of how those outcomes may be measured using financial proxies;
- ▶ An overview of the results of the evaluation; and
- ▶ A detailed presentation of the models and assumptions used in the evaluation.

### Reliance on work by NLL

2.16 During the course of our work with NLL, we have relied on information and explanations provided by them including:

- ▶ The nature, outcomes and beneficiaries of their activities; and
- ▶ The assumptions used in evaluating the impact of their services.

2.17 Where possible, we have attempted to validate their assumptions based on independent data or data extracted from NLL's management information systems. Nevertheless, NLL is responsible for making the assumptions used in this report, and has confirmed that they are, to the best of their knowledge and belief, accurate and reasonable.

### Aim of this report

2.18 The aim of this report is to evaluate the benefits generated by the services set out above, and, where possible, to provide guidance on the use of these models and results to measure the social impact of NLL's remaining activities.

## 3. Concepts and methodologies used

### Social Return on Investment (“SROI”)

- 3.1 The SROI methodology has been developed in order to help organisations to “...[measure and quantify] the benefits they are generating” (per Lawlor, Neizert & Nicholls writing in the SROI guide, 2008). This approach was piloted in the UK through the Measuring What Matters programme during 2002 and has evolved since then as further work has been done to develop the framework around it.
- 3.2 It is increasingly being seen as an “incredibly useful tool”<sup>G</sup> by a number of organisations and key commentators within the Third and Public sectors in the push to measure and evaluate social impact..
- 3.3 There are three ‘bottom line’ aspects of social return:
- ▶ *Economic*: the financial and other effects on the economy, either macro or micro;
  - ▶ *Social*: the effects in individuals’ or communities’ lives that affect their relationships with each other; and
  - ▶ *Environmental*: the effects on the physical environment, both short and long term.
- 3.4 Our primary focus has been on economic and social benefits, rather than environmental benefits, as any environmental benefits generated would appear, for NLL, to be too far removed from the intended purpose of the original services provided and appear to be too difficult to measure reliably. Where environmental benefits arise from the work of NLL, we have noted the nature of the benefit as an unmeasured additional benefit.
- 3.5 The benefits of using SROI include:
- ▶ *Accountability*: organisations are able to give both the numbers and the story that supports them;
  - ▶ *Planning*: SROI provides a change management tool to assist in the direction of resources towards the most effective services and to assess the viability of potential additional services;
  - ▶ *Cost and time effectiveness*: the measures produce an analysis of the most cost and time effective activities; and
  - ▶ *Simplicity*: impacts can be reduced to a simple comparison of the cost of funding NLL and the benefits that flow from its core activities to facilitate analysis and give a clear indicator of types and ranges of success.
- 3.6 SROI takes total measurable outcomes, discounted to present value where the benefits occur in the future or are recurring over a period of time, and deducts:
- ▶ *Deadweight*: Outcomes that would have occurred regardless of the intervention;
  - ▶ *Alternative attribution*: Outcomes that arise as a result of intervention by others; and
  - ▶ *Displacement*: Outcomes that are negated or compromised by disadvantages arising elsewhere either in terms of social, economic or environmental damage.

<sup>G</sup> Copps, J. and Heady, L. 2010. *Social Return on Investment: Position Paper, April 2010*. London. NPC. From [www.philanthrocapital.org](http://www.philanthrocapital.org)

- 3.7 A review of academic work and practical examples of SROI in use by the Third Sector suggests that the measures fall into three patterns, which we have used in this work:
- a. *Economic benefit created*: where there is an impact on earning capacity or productivity;
  - b. *Costs saved or not wasted*: where the intervention results in a saving, either in the cost of another intervention or in a consequential cost (e.g. introducing prevention to save on the cost of a cure). This may be seen in either removing the need for or increasing the effectiveness of an alternative intervention; and
  - c. *Alternative or cheaper sourcing*: where one intervention directly replaces another more expensive one.
- 3.8 In identifying these benefits, a key underlying requirement is to consider not only the positive contribution that NLL makes, but also the economic damage that is avoided by having it in place. Much of our report involves the quantification of the damage to stakeholders that would result based on these implications. By avoiding this damage, NLL contributes to the economy just as meaningfully as where the effect is an incremental benefit.

### Addressing issues concerning the use of SROI

- 3.9 Overall, we feel that SROI is a vital tool to provide the Third Sector with a means to evaluate its wider contribution to Society. However, there are several issues to consider when applying this, that are worthy of mention:
- a. SROI, as it is typically presented, tends to ignore the risks associated with the benefits generated. In the course of our work with NLL, we have encouraged the project representatives to consider the achievable benefit created, and to build in reductions to assumptions to account for risks, where necessary;
  - b. A robust SROI analysis must consider the proximity of the benefit created to the actions of the organisation that is seeking to claim ownership of that benefit. We have encouraged the project representatives to focus only on outcomes that are directly attributable to their activities and, where necessary, obtained evidence of the link between the outcome and NLL's activities;
  - c. SROI is typically presented as a ratio of the value of the benefits achieved per pound spent to achieve those benefits. This may be useful internally to each organisation as a measure of performance relative to prior periods. However, the use of this ratio to compare organisations is inherently flawed due to sector and organisation-specific factors that reduce the level of comparability between organisations. Hence, we do not present the results of this report in the form of a ratio;
  - d. There is a danger that organisations seeking to evaluate their impact using SROI may create calculations that are extremely granular to the extent that they become open to accusations of 'spurious accuracy'. In this exercise, we have identified a smaller number of key assumptions and worked with the project representatives to develop a prudent result at a high level. We believe that it is important to present a more defensible, prudent analysis than one which is overly complicated and risks overstatement; and

- e. SROI does not take account of the interrelationship of Social Impact and brand value. By creating greater Social Impact, the recognition and perceived quality of an organisation's brand is likely to improve, thus increasing the value of that brand. In turn an entity with a stronger brand may use that to enhance the social impact of its project work. We have noted that NLL believes that it has a strong, well-recognised brand in the area it serves, which augments its ability to deliver positive outcomes.

## Research methodologies

- 3.10 We have worked with an SROI Project team from NLL to carry out an Action Research process (see Appendix B). In this we commenced by holding a meeting with the SROI Project team to determine the key services that the relevant NLL projects and centres provide, the outcomes of these services and the beneficiaries. Three further meetings were held, interspersed with the SROI Project team testing out the conclusions from each interview by practical application in their work, then reporting the results back to the next meeting.
- 3.11 Based on this research, we have discussed with the SROI Project team potential means of evaluating the impact of these services by substituting financial measures (proxies) for the outcomes described. We have relied on the data and assumptions provided by staff at NLL in our analysis; Baker Tilly have acted to facilitate NLL's understanding of the methodologies we are using to evaluate the impact but are not responsible for the assumptions used in the evaluations shown in this report.

## 4. Overview of evaluated activities

### Understanding the services

- 4.1 For the purposes of this report, we have not set out to evaluate the impact of all services provided by NLL. Rather, we have focused on the key projects and outcomes that NLL believes to be representative of the majority of its work.
- 4.2 As part of this study, we have evaluated the benefits to the local NHS and the wider economy resulting from increased participation in regular exercise. In so doing, we have extended the data used to cover the user base of NLL as a whole rather than focusing only on the three centres named earlier in this report.
- 4.3 This evaluation therefore does not extend to specific funded projects other than those in the three centres listed, together with swimming, NHS and AccessNL. It does include the evaluated benefits from generally funded activities.
- 4.4 For each project and centre, we have discussed with NLL:
  - a. The nature of the service(s) provided;
  - b. The identification of the direct and indirect beneficiaries;
  - c. The nature of the benefits derived from the service;
  - d. Where relevant, the identification of other agencies or companies that could provide a similar service; and
  - e. The likely cost of providing equivalent services through alternative sources.
- 4.5 This discussion was developed to consider how financial measures can be substituted into the place of service outcomes, so that they can be measured. The results of this discussion are shown below for each project and the three centres.

### Overview of evaluated services

#### Swimming programme

- 4.6 The swimming programme is broken down into three key projects:
  - a. Swimming lessons for schools;
  - b. Private swimming lessons; and
  - c. Free access during school holidays to swimming ('wet') and other leisure ('dry') facilities.
- 4.7 An overview of these projects and their outcomes is shown below:

Project	Overview	Outcomes
School swimming lessons	Daytime swimming lessons are run for schools during term time, using qualified instructors provided by NLL.	<ul style="list-style-type: none"> <li>▶ Schools that would otherwise pay commercial rates achieve a saving;</li> <li>▶ Teacher time is diverted to other activities, as CRB cleared NLL staff lead the lessons; and</li> <li>▶ Children are encouraged to participate in a broader range of sports and exercise.</li> </ul>
Private swimming lessons	Weekly swimming lessons are provided to users of all ages and abilities.	<ul style="list-style-type: none"> <li>▶ Local NHS costs are reduced as users' health improves reducing the need for healthcare interventions; and</li> <li>▶ Discounted rates generate savings for those users that would otherwise learn at an alternative provider.</li> </ul>
School holiday programme	Free of charge access is provided for 5 to 12 year olds to wet and dry facilities during school holidays. In excess of 100,000 free sessions were provided in 2009.	<ul style="list-style-type: none"> <li>▶ Young people are encouraged to participate in sports outside school PE lessons;</li> <li>▶ Other agencies (including the police) save the costs of interventions that would be required in the absence of holiday activities for young people; and</li> <li>▶ Parents are able to save on some holiday childcare costs without taking time off work.</li> </ul>

## NHS Programme

- 4.8 NLL takes referrals from GPs and other NHS professionals in relation to specialist post-operative exercise regimes, including conditions such as:
- a. Chronic obstructive pulmonary disorder;
  - b. Stroke;
  - c. Multiple Sclerosis;
  - d. Back pain; and
  - e. Other musculo-skeletal conditions.
- 4.9 Specialist referral patients are given 11 free sessions with a personal trainer tailored to the specific needs of the patient. NLL's work includes the development of an 'exit' plan to ensure that the patient's fitness and exercise regime is maintained going forward. Historically, 21% of these users go on to take full membership of NLL after the free sessions have ended.
- 4.10 In addition, NLL accepts referrals from GPs and social services for patients whose current condition or family history suggests that they require a tailored exercise programme in order to cure current and prevent future illness. Each referral consists of eight free sessions with a personal trainer, preparation of a longer term exercise plan, and reduced membership fees.
- 4.11 An overview of the key projects and outcomes is shown below:

Project	Overview	Outcomes
Specialist medical Referrals	Patients with known conditions (such as those shown above) are referred to NLL for 10 to 12 week exercise/rehabilitation programmes, delivered by personal trainers.	<ul style="list-style-type: none"> <li>▶ Patients recover more quickly and achieve improved fitness, thereby reducing future healthcare costs;</li> <li>▶ The NHS obtains free access for patients to NLL's facilities and trainers, resulting in a saving compared to the cost of in-house provision;</li> <li>▶ Exercise regimes promote faster recovery, therefore helping patients back to work earlier.</li> </ul>
Exercise Referrals	Patients that are at risk of suffering from health problems as a result of family history or lifestyle are referred for 8 free sessions with a personal trainer, followed by a reduced rate for 'AccessNL' membership for the first four months.	<ul style="list-style-type: none"> <li>▶ Patient fitness is improved, leading to a reduction in healthcare costs;</li> <li>▶ Patients receive free advice from professional trainers followed by reduced cost membership.</li> </ul>

4.12 In addition to these outcomes, the local NHS benefits from access to high quality facilities that it would otherwise need to fund internally, or cancel the programmes, as most private health clubs lack the specialist staff needed to deliver these programmes.

4.13 The NHS programme also includes the work of NLL's Fitness Motivators, who visit schools to encourage increased participation in exercise amongst young people.

4.14 In general terms, it is expected that increased participation in sport leads to an improvement in user mental health, although this is likely to be difficult to quantify reliably and is subject to many other factors specific to each user. Hence, this has not been measured in this study.

## AccessNL

4.15 The AccessNL scheme is NLL's membership programme, which currently includes some 21,000 members. The scheme offers members full access to all NLL fitness sites and all classes run at those sites, together with access to qualified staff that help them to produce a personalised fitness programme.

4.16 AccessNL is respected as one of the most successful scheme of its type in Scotland, based on the number of members. The recently opened Broadwood facility has already attracted over 1,500 members in the first quarter post opening in January 2010.

4.17 Alongside the mainstream programme, NLL has an inclusion project aimed at the socially disadvantaged or those with drug and alcohol problems. Membership fees are funded by other agencies at passport to leisure rates (i.e. a discount of 50%).

4.18 An overview of the key projects and outcomes is shown below:

Project	Overview	Outcomes
AccessNL	Membership scheme provides unlimited access to NLL's fitness facilities	<ul style="list-style-type: none"> <li>▶ Users gain access to high quality facilities at a discounted rate compared to equivalent commercial providers;</li> <li>▶ Users meet their regular exercise needs, thereby improving their health and fitness. For those that would not otherwise participate, this results in a saving in the cost of interventions by the NHS.</li> </ul>
Passport to leisure	Discounted memberships are provided to lower income users	<ul style="list-style-type: none"> <li>▶ The cost of interventions by the local NHS is reduced through increased participation in exercise.</li> </ul>
Inclusion scheme	Users with social disadvantages are provided with membership, funded by other agencies.	<ul style="list-style-type: none"> <li>▶ Users are encouraged to participate in sport, thereby improving their health and fitness;</li> <li>▶ Users are less likely to require interventions from other agencies, as participation in sport engages users and promotes better mental health.</li> </ul>

## Sports centres

4.19 We have worked with representatives of the Shotts, Wishaw and Keir Hardie sports centres to evaluate the health and economic benefits arising from participation in sport and exercise across all NLL centres. We have also identified some site-specific projects for evaluation.

4.20 A summary of projects and outcomes is shown below:

Project	Overview	Outcome
Improvement to health	NLL encourages and facilitates participation in sport and exercise.	<ul style="list-style-type: none"> <li>▶ General research supports the assumption that people who exercise regularly are less likely to suffer illness, resulting in lower future costs to the NHS;</li> </ul>
Improvements to the Economy	NLL promotes fitness and health among users, who are therefore less likely to suffer illness.	<ul style="list-style-type: none"> <li>▶ Participators in exercise, being less prone to illness, are less likely to have time off work, thereby improving productivity;</li> </ul>
Social inclusion projects	Free access to a range of indoor and outdoor facilities, co-ordinated by NLL staff in partnership with other agencies, is offered to young people near these three centres. This provides a structured activity in areas where youth provision is otherwise minimal.	<ul style="list-style-type: none"> <li>▶ Reported crime has reduced in the areas surrounding these centres by c37% compared to the previous year;</li> <li>▶ Fire Brigade call outs for wheelie bin fires have reduced from 10 every weekend to none.</li> </ul>
Sports clubs	Local football clubs and sports clubs have access to high quality facilities at a lower rate than similar commercial providers.	<ul style="list-style-type: none"> <li>▶ More people are encouraged to participate via clubs, thereby improving health and fitness;</li> <li>▶ Those that would join a club regardless of the cost are able to do so at a discounted rate.</li> </ul>

4.21 The savings for the local NHS that result from specific projects shown earlier in this section and the sports clubs (above) are to be deducted from the total healthcare intervention savings in order to minimise the risk of double counting benefits.

## 5. Summary of evaluation approaches

- 5.1 Section 4 provides an overview of the outcomes of the projects to be evaluated. We have considered, in conjunction with the project representatives, how these outcomes may be measured using the evaluation approaches discussed above in section 3.
- 5.2 From the above, it is clear that the outcomes generated fall into five broad categories, subject to minor variations in the nature of project-specific assumptions. These categories are:
- a. Reduced costs of healthcare interventions by the NHS;
  - b. Productivity gains from reduced sickness absence;
  - c. Beneficiary savings due to discounted access to facilities;
  - d. Inclusion work results in savings in the costs of interventions by other agencies; and
  - e. Site specific projects result in reductions in specific types of intervention by other agencies.
- 5.3 The table below matches the broad outcome categories described above to the three evaluation approaches discussed earlier in this report (§3.7) and describes, in general terms, the approach that we have taken to evaluating these outcomes:

Outcome	Model(s) used	Approach
Reduced costs of intervention for the NHS	▶ Costs saved or not wasted	<ul style="list-style-type: none"> <li>▶ The number and age of beneficiaries is derived from data extracted from NLL's management information system.</li> <li>▶ From the general research conclusions about link between physical activity and reduced healthcare costs assumption made that this activity reduces the cost of healthcare by £450 to £750 p.a., depending on the user's age profile. A series of identical models is used to calculate the benefits based on varying physical condition.</li> <li>▶ A deduction is made to the number of users to account for the fact that a proportion would access other facilities or would exercise at home (i.e. deadweight).</li> <li>▶ A deduction is made to the calculated benefit to account for the benefits attributable to other bodies such as the NHS and sports clubs (i.e. alternative attribution).</li> <li>▶ No deductions are made for displacement, as it was not felt that the provision of NLL facilities results in harm being caused elsewhere in society.</li> </ul>
Productivity gains from reduced sickness absence	▶ Economic benefit created	<ul style="list-style-type: none"> <li>▶ The total number of regular users calculated based on NLL data is used, multiplied by the percentage of the population of NLL's area that is economically active (c78% per Nomisweb)</li> <li>▶ Average Gross Value Added at basic prices per worker ("GVA") for North Lanarkshire is £35,000. (This is taken as a measure of annual economic productivity per employed user (source ABI – compiled for Scottish Executive 2006 – www.keyindicators.org).</li> <li>▶ NLL have provided an assumption for the number of days sickness absence avoided per regular user due to exercise- based on a reduction of 1% of a working year (47 weeks x 5 days x 1% = 2.35 days).</li> <li>▶ A deduction is made for users who would participate in exercise by other means (i.e. deadweight).</li> <li>▶ A deduction is made to the calculated benefit to account for the benefits attributable to other bodies such as the NHS (i.e. alternative attribution).</li> <li>▶ No harm is believed to be caused to society as a result of NLL's activities (i.e. displacement).</li> </ul>
Savings to beneficiaries due to discounted access to facilities	▶ Alternative cost	<ul style="list-style-type: none"> <li>▶ The total number of regular users is reduced to account for the proportion of users that would not otherwise pay to access alternative facilities.</li> <li>▶ An annual saving per member is calculated based on an assumed annual cost per member at a commercial gym.</li> <li>▶ The number of members that would access other facilities is then multiplied by the saving per member.</li> <li>▶ Two models have been used, as different assumptions are needed for passport to leisure members, in particular the proportion that would join a commercial gym is significantly lower than for other users.</li> <li>▶ Deadweight is accounted for by removing the saving for those users who would not pay to access an alternative.</li> <li>▶ Based on our discussions with NLL, no deductions were felt to be required for alternative attribution or displacement as no harm is done and no other agencies are involved in the schemes and projects in question.</li> </ul>

Outcome	Model(s) used	Approach
Other agency resources are redirected due to other interventions as a result of inclusion work	▶ Costs saved or not wasted	<ul style="list-style-type: none"> <li>▶ The number of users is derived from NLL user records.</li> <li>▶ An assumed cost of alternative interventions is used, based on reports from and discussions with other agencies.</li> <li>▶ A deduction is made for the cost to other agencies of running the scheme (i.e. displacement).</li> <li>▶ The net saving per user (i.e. after displacement) is then multiplied by the number of users.</li> <li>▶ A deduction is made to account for the proportion of benefits that are attributable to funders and other agencies.</li> </ul>
Site-specific projects achieve savings in other agency intervention costs	▶ Costs saved or not wasted	<ul style="list-style-type: none"> <li>▶ The number of incidents pre- and post-project commencement is derived from other agencies including the police and fire brigade.</li> <li>▶ The reduction in incidents in the period after commencement of the project compared to the number prior to the project is calculated.</li> <li>▶ An assumed cost per incident is derived from NLL's discussions with other agencies.</li> <li>▶ Deductions are made to account for the improvement that would have occurred in any case or due to other interventions (i.e. deadweight and alternative attribution), based on discussions with other agencies.</li> <li>▶ As no harm or additional cost is believed to have been caused by these projects, no deduction for displacement was felt to be required.</li> </ul>

5.4 A detailed analysis of the individual models used to evaluate each of the three projects and centres, together with a detailed description of the assumptions and sources used is provided at Appendix D.

## Avoidance of double-counting

5.5 The economic benefits model has been used several times in this evaluation. The number of visits used in the main model includes visits by users on exercise referrals from the NHS, sports club members and users of swimming lessons which in turn are included separately alongside the main benefits model. In order to avoid double counting, we have excluded from the main economic benefits model:

- ▶ Members on exercise and specialist referrals;
- ▶ Economic and healthcare benefits derived from swimming users; and
- ▶ The healthcare benefits calculated for sports clubs.

5.6 Given that users either benefit from incremental gains from exercising or, for those that would exercise in any case, from achieving a cost saving compared to alternative, there is a clear interrelationship between the membership cost savings and economic benefits models. We have adjusted the number of beneficiaries in the economic benefits and cost saving models to ensure that the wider economic benefits only relate to those members that would be unlikely to join a commercial alternative if NLL did not exist, and cost savings only relate to those who would join an alternative. This reduces the risk of double-counting or overstating the value of benefits derived.

5.7 The broad assumption used is that around 65% of existing users would not participate in sport in the absence of NLL (in line with the trend for the wider population) and that 35% would participate in alternative activities. This is based on local rates of participation, which indicate that some 34% of the wider local population is likely to participate in activity equivalent to walking at least two miles per week. Such a level if cut-off (two miles a week) is unlikely to meet the Government's five-a-week recommendation, and so to say that 35% would achieve adequate exercise in the absence of NLL appears a prudent assumption for the purpose of this evaluation.

## 6. Conclusion

### Results of this evaluation

6.0 Based on the results of our discussions with NLL, as summarised above, and on the results of the evaluation models (Appendix D), the evaluated benefits of the selected NLL activities may be summarised:

Project	Calculated benefits (£000)
Savings to NHS and wider economy (all sites)	25,582
Swimming programme	1,920
NHS programme	6,417
AccessNL	2,528
Specific projects at Keir Hardie, Shotts and Wishaw	4,568
<b>Total impact</b>	<b>41,015</b>

6.1 The table above shows total benefits from this evaluation to be c£41 million. NLL believes that this represents 50% to 80% of its activities. Benefits from other activities, particularly any projects run at sites that were not part of this study, would be incremental to the total shown above.

6.2 NLL's total revenue for 2009 was c£18 million, and is expected to be c£20 million for 2010 (including a management fee from North Lanarkshire council of c£9.4 million for 2009/10 and £10.2 million for 2010/11).

6.3 On this basis, the impact of the benefits evaluated exceeds NLL's total annual funding by at least £31 million to £32 million and total revenue by £21 to 23 million.

6.4 Note this only includes the benefits calculated from the relevant areas of NLL as noted in the report therefore if all the areas of NLL were evaluated the benefits would be likely to be greater.

### Other outcomes not evaluated

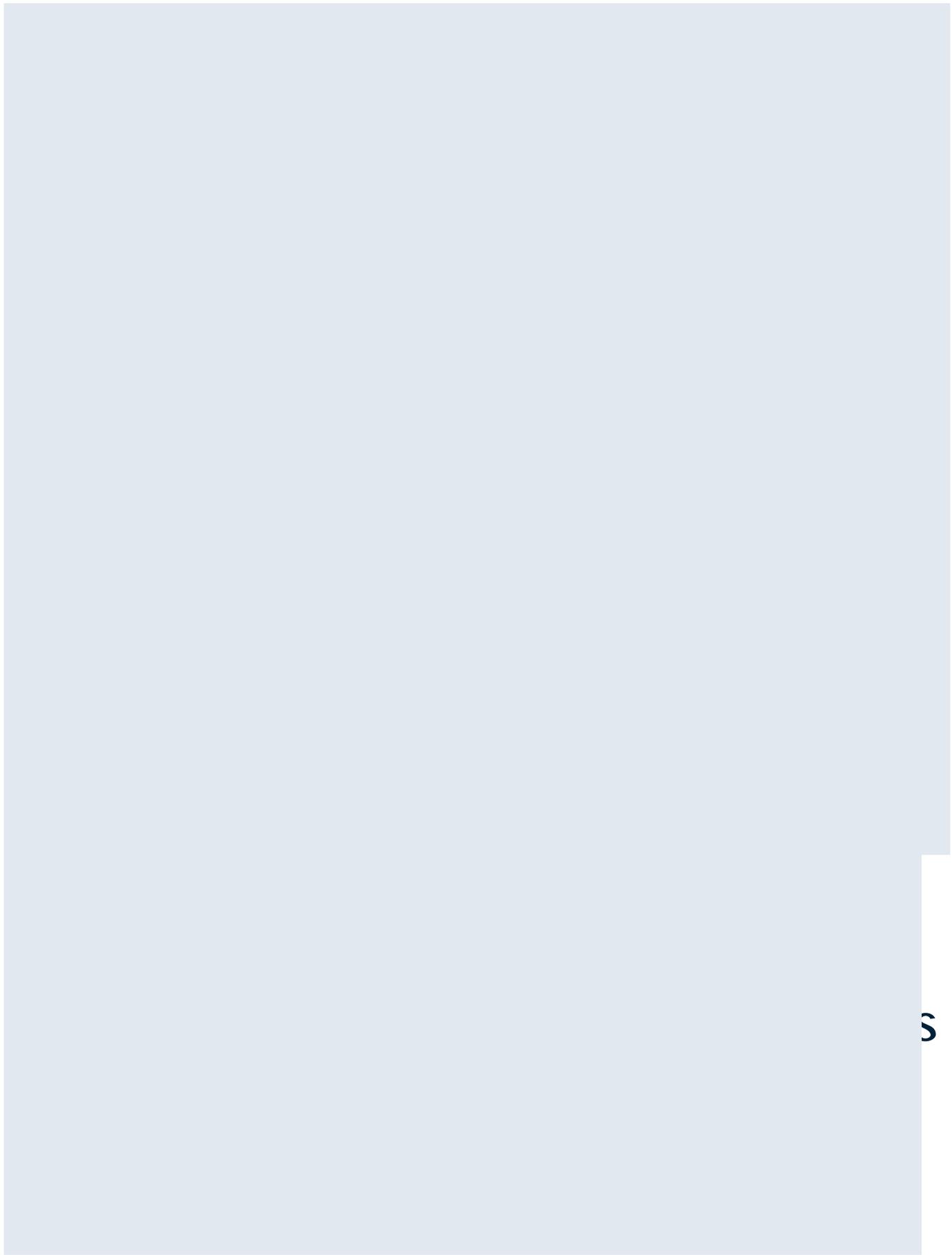
6.5 During the course of our meetings with NLL, it has become clear that a key outcome of its work is an increase in participation in sport and recreational pursuits which in turn aids the advancement of health and improves aspects of social welfare in North Lanarkshire. In addition to the health benefits, there are other, less tangible, benefits that arise from Sport, including:

- ▶ Personal satisfaction and better social life;
- ▶ Improved educational outcomes;
- ▶ Crime reduction;
- ▶ Social inclusion;
- ▶ Improved health and safety aspects of improved swimming confidence,
- ▶ Wider tourism / hospitality aspects of events that NLL run and organise,

- ▶ Brand value of NLL,
- ▶ All the aspects of youth lifestyle inclusion and positive aspects of change,
- ▶ Enhancing the environment; and
- ▶ Development of professional sportspeople (including sport specific coaching) may encourage wider participation.

Where specific evidence exists, we have sought to evaluate these benefits as noted in the report (e.g. social inclusion, reduced healthcare costs). However, many of these outcomes which could be considered as applicable to NLL were perceived to be either too remote or subject to uncertainties to be evaluated reliably, and as such have not been included (although with further research data their inclusion might be reliably achieved). Any impact arising from the benefits of developing as a professional sportsperson shown above would be incremental to the total evaluated benefits in this report. For example, we have only considered NLL's role in reducing crime and increasing social inclusion in relation to specific projects rather than making broader assumptions in relation to North Lanarkshire as a whole, as this is subject to too many variables and alternative attributions.

6.6 The outputs and outcomes delivered out of the funding (which itself has remained largely static) has increased significantly between 2005 and 2010. NLL Management estimate that the proportional funding increase required to deliver these additional projects within the original Public Sector model would be circa. £3m. This therefore represents an additional economic benefit delivered by NLL that is not included in the total impact of £41m stated above.



S

# A. Activities by site

## 1. Airdrie Sports Centre

Area	Description
<b>Main Hall</b>	Multi Purpose 10 Badminton Court Sports Hall. Two divisional curtains enable the hall to be divided into three areas. The hall can cater for 5-a-sides, badminton, volleyball, basketball and a host of other indoor sports.
<b>Team Changing</b>	7 team changing rooms service the external pitches.
<b>Jungle Safari</b>	A modern well equipped children's soft play area. On two levels with parents spectator seating with CCTV monitors for the upper floor area. (Up to 25 children accommodated for parties etc)
<b>Squash Court</b>	One regulation court available.
<b>Studio</b>	Small area available for aerobics / martial arts classes.
<b>Activ8 Kids Gym</b>	Purpose built Kids gym equipment for 7 – 14 year olds. Instructor led classes.
<b>Gym with dedicated changing.</b>	Refurbished in December 2008 this extensive modern CV and strength gym houses the latest Technogym equipment and voted best in class.
<b>Area</b>	<b>Description</b>
<b>Sports Pitch Provision</b>	2 x full size grass football pitches; 1 x full size floodlit blaes football pitch; 1 x full size floodlit synthetic pitch suitable for both football and hockey.
<b>Athletics Provision</b>	Surrounding one of the grass pitches is a 6-lane 330 metres blaes running track.
<b>Skate Park</b>	Opened 2004, floodlit and suitable for skateboards, BMX bikes and roller blading.
<b>BMX Track</b>	There is a fully approved BMX track within the grounds of the Centre.

## 2. Aquatec Motherwell

Area	Description
<b>Leisure Pool</b>	A free form pool which ranges from 0m at the beach area to 1.2m at the deepest point of the pool. The leisure pool incorporates a flume, a spa bath, two water cannons, a waterbed area, geysers, bubblers, wild water channel and a linked outdoor pool and children's fun pool.
<b>Gymnasium</b>	An extensive spacious state of the art modern gymnasium housing a range of 136 Cardiovascular and Resistance equipment. This area also houses a spinning studio, 2 exercise studios (which can be hired separately), weights areas and activ8 kids gym area. Satellite TV and exercise integrated functionality is provided.
<b>Health Suite</b>	A modern Health Suite, incorporating two sauna cabins, Steam Room and relaxation area with a TV.
<b>Meeting Room</b>	A dedicated room which can be booked for meetings or small classes.
<b>Vending Area</b>	This area houses vending machines.
<b>Pool Viewing Gallery</b>	The spectating area overlooks the swimming pool. Incorporating a soft play area for small children

## 3. Birkenshaw Sports Hall

Area	Description
<b>INTERNAL FACILITIES</b>	
<b>Main Hall</b>	A 3 badminton court multi purpose sports hall. Sports accommodated - 5-a-side football, badminton, basketball, netball and a host of other indoor sports.
<b>EXTERNAL FACILITIES</b>	
<b>Outdoor Facilities</b>	A full size grass pitch is adjacent to the Centre. A blaes BMX track is also available.

#### 4. Broadwood

Area	Description
<b>Main Hall</b>	Multi purpose 4 badminton court hall with divisional curtain enables the hall to be divided into two smaller halls. The hall can cater for badminton, volleyball, basketball, short tennis and a host of other indoor sports.
<b>Aerobics Studios</b>	Bright modern air conditioned aerobic / dance studios complete with fitted sound systems and large mirrors.
<b>Fitness Gym</b>	State of the art gymnasium housing 90 pieces of latest Technogym resistance and cardiovascular equipment, also including a large selection of Technogym pure strength equipment.
<b>Spin-fit Studio</b>	Area comprises 25 Techno-gym spin bikes for group cycling exercise classes.
<b>Fundamentals Soft Play area</b>	A Large, three level soft play area for tots, toddlers and juniors up to 1.4m. With a café area, toilets and party room, this is the perfect place to take the kids.
<b>Meeting Room</b>	A purpose built meeting room with full audio-visual facilities. Suitable for boardroom style for 14 people, up to 30 when set theatre style, catering facilities are also on hand.
<b>Martial arts Studio</b>	Fully kitted out and permanently matted for martial arts, this studio hosts all of our varied martial arts clubs.
<b>Cafeteria</b>	A relaxing seating and refreshment area with extensive catering menu including healthy options and Costa coffee.
<b>3G Pitches</b>	Outdoor 3 <sup>rd</sup> Generation pitches are available for casual play, training, and matches. Dedicated team changing rooms are available for all users.
<b>Stadium</b>	Hosting Clyde F.C, the stadium function suites are available for hire for conferences, meetings and parties.

#### 5. Coatbridge Golf Course and Driving Range

Area	Description
<b>Clubhouse</b>	The Clubhouse is serviced by a large car park and overlooks the first tee. It contains ladies and gents toilets, showers and lockers. The Clubhouse also contains a Golf Shop, where a wide selection of golfing items are available for purchase.
<b>Golf Course</b>	18 Hole Golf Course, 5830 yards, Scratch 68, Par 68.
<b>Driving Range</b>	18 floodlit bays with a stock of 10,000 golf balls. 300m Range with target tees and distance markers.

#### 6. Iain Nicholson Recreation Centre

Area	Description
<b>Main Hall</b>	A 3-court badminton Granwood sprung floor. A divisional curtain enables the Main Hall to be divided into three smaller halls. Sports accommodated - badminton, volleyball, basketball, 5-a-side football and a host of other indoor sports.
<b>Gym</b>	A modern gym containing life fitness weight resistance and cardio vascular equipment.
<b>Multi Purpose Room</b>	Bright wooden floored utility room can be divided into two by means of folding doors and can be used as a Dance Studio / Aerobics and Martial Arts area.
<b>Health Suite</b>	The sauna cabin is the ideal way to relax after a stressful day, also located within the area is a cooling off/relaxation area

#### 7. John Smith Pool

Area	Description
<b>Cafe Area</b>	A vending and seating area adjacent to reception allows main pool spectating.
<b>Main Pool</b>	A traditional deck level 25m x 13m 6-lane pool with floating floor ranging in depth from 1.0m at the shallow end to 3m at the deep end.
<b>Changing Facilities</b>	A bright open plan Changing Village.
<b>Health Suite</b>	Comprises a traditional eight person Sauna and eight person Steam Room with relaxing lounge area.
<b>Fitness Room</b>	A modern gymnasium housing a range of Cardio Vascular and Resistance equipment.

## 8. Keir Hardie

Area	Description
Reception	A bright enclosed reception area.
Main Hall	A 3-court badminton multi purpose sports hall with a sealed vinyl on granwood floor. Activities available include 4/5-a-side football, badminton, volleyball, netball, basketball and a range of other indoor sports.
CV Gym	The gymnasium houses a mix of Cardio Vascular equipment.
Conditioning Gym	A range of fixed weight machines.
Free Weights Gym	A weight room for the serious weightlifter with a variety of free weights and benches.
Open Plan / Vending Area	An open plan area with seating which houses vending machines (hot and cold drinks and confectionery).
Area	Description
Outdoor Sports Pitches	New top quality 3 <sup>rd</sup> Generation synthetic floodlit facility (due to open in March 2009). One grass pitch located adjacent to the facility with one grass pitch nearby, changing for both on site.

## 9. Kilsyth Swimming Pool

Area	Description
Main Pool	The Main Pool is a 25m 4-lane traditional deck level pool. Pool depth ranges from 1m to 2 metres.
Leisure Pool	The pool is a free form leisure pool ranging from 0.8m to 1.0m. A feature includes a dragon located in the central island, water fountains and water cannon.
Health Suite	The Health Suite consists of a six-person sauna, six-person steam room and six person Jacuzzi/spa bath with small relaxation area.

## 10. Kirkwood

Area	Description
<b>INTERNAL FACILITIES</b>	
Reception	An open plan area.
Main Hall	A 3-court badminton hall with Granwood floor. Sports accommodated - 5-a-side football, badminton, volleyball, netball and a host of other indoor sports.
Team Changing	1 team room including shower and toilet facilities. 5 team rooms with separate shower and toilet facilities. 1 referee room including shower and toilet facilities.
Function Suite	A large well appointed function suite .
Lounge / Function Area	Large open area overlooking the Main Hall.
Office Accommodation	Located to the rear of the reception.
Meeting Room	A small room located on the upper floor and overlooking the Main Hall.
<b>EXTERNAL FACILITIES</b>	
Football Provision	Two full size blaes football pitches.

## 11. Placerigg Golf Course

Area	Description
Clubhouse	The Clubhouse is serviced by a large car park and contains the Starters Office / Shop, male and female changing, toilets, showers and locker facilities. Part of the Clubhouse is leased to Palacerigg Golf Club. Small items of golf equipment for sale. Snacks are available in the Clubhouse.
Golf Course	Henry Cotton designed 18 hole golf course, 6,444 yards over 200 acres, Scratch 71, Par 72.

## 12. Shotts Leisure Centre

Area	Description
Main Hall	A 3-court badminton multi purpose sports hall, with semi sprung floor. The main hall can cater for 4-a-side football, badminton, basketball, volleyball, netball and a host of other indoor sports.
Leisure Pool	A 3 lane 25m deck level pool ranging in depth from 1m to 1.3m. The pool incorporates a variety of fun features including water cannons, 3 bubble beds, massage jets, waterfalls, bubble bursts, spa pool and children's lagoon.
Kids Pool	Children's plunge pool 5m in length x 3.6m breadth. The leisure pool ranges from 0.10m at the shallow end to 0.40m at the deep end.
Health Suite	A modern Health Suite incorporating Sauna Cabin and Steam Room. A relaxation area with drinks fountain.
State of the art Gym	Latest state of the art gymnasium incorporating 36 pieces of Cardiovascular, Resistance equipment and entertainment systems.

### 13. Sir Matt Busby Sports Complex

Area	Description
<b>Gym</b>	A newly refurbished bright and modern gym with 45 stations, ideal for gentle exercise or a thorough workout. Programme cards available.
<b>Main Hall</b>	A multi purpose 4 badminton court sports hall with a semi sprung wooden floor. The main hall can cater for 5-a-sides, badminton, volleyball, basketball and a host of other indoor sports and leisure activities.
<b>Main Pool</b>	Traditional 25m 6 lane pool. The depth ranges from 0.9m at the shallow end to 4.0m at the deep end. Bather load – 104 people.
<b>Teaching Pool</b>	Traditional 12.5m x 6.5m teaching pool with a uniform depth of 0.6m. The teaching pool is adjacent to the main pool. Bather load - 27.
<b>Spin Studio</b>	Fully air conditioned studio for spinning and other aerobic exercises. Can be used as a training room with TV and computer access point.
<b>Health Suite</b>	The large Health Suite area consists of aerotone, two sauna cabins, a steam room, three hot rooms and a large relaxation lounge.
<b>Massage Room</b>	9.30am - 12.30pm every Tuesday (ladies only). To book please contact centre.
<b>Catering Facilities</b>	Refurbished cafeteria overlooks the pool.
<b>Multi Purpose Room</b>	A dance studio catering for a variety of activities such as aerobics, yoga, martial arts, meetings, lectures and small seminars.
<b>3rd generation Synthetic Pitch</b>	Full size floodlit rubber granule filled synthetic floodlit full size football pitch. Can be split into 3 sevens areas with self supporting changing.

### 14. Tryst Sports Centre

Area	Description
<b>Main Pool</b>	The main pool is a traditional 25m 6-lane pool. Pool depth ranges from 1.2m at the shallow end to 2m at the deep end with spectating area. Bather load - 104.
<b>Improvers Pool</b>	A traditional 12.5m x 7.50m pool, adjoining the main pool. Pool depth ranges from 0.9m at the shallow end to 1.2m at the deep end with spectating area. Bather load - 30.
<b>Teaching Pool</b>	The pool is 12.5m x 7.5m. Pool depth ranges from 0.4m at the steps to 0.9m at the deep end with spectating area. Bather load - 30.
<b>Health Suite</b>	A modern health suite containing sauna, steam room and vanity area coupled with a relaxation room with vending facilities.
<b>Main Hall</b>	Multi purpose 8 badminton court hall with divisional curtain enables the hall to be divided into two smaller halls and a further curtain can divide courts 7 & 8. The hall can cater for 5-a-sides, badminton, volleyball, basketball and a host of other indoor sports.
<b>Aerobics Studio</b>	Bright modern air conditioned aerobic / dance studio complete with fitted sound systems and large mirrors.
<b>AccessNL Gym</b>	Recently refurbished large gymnasium housing 100 pieces of latest Technogym both free weights and cardio vascular equipment.
<b>Conditioning Room</b>	Recently refurbished extensive free weights and resistance equipment area.
<b>Squash Courts</b>	2 glass backed squash courts.
<b>X-Bike Room</b>	Area comprises 22 Techno-gym x-bike cycles for group cycling exercise classes.
<b>Activ8 Gym</b>	Area houses a range of cardio vascular and resistance equipment for children between 7 – 16 years and was one of the first of its kind to be opened in the country.
<b>Kids Activity Area</b>	There are two kids areas catering for different age groups. Baby Zone – under 2s. Tuesday, Wednesday and Thursday Toddlers – over 2s. Monday to Friday
<b>Meeting &amp; Training Room</b>	A multi purpose room with a television, video, overhead projector, screen and seating for up to 30.

## 16. Wishaw Sports Centre

Area	Description
<b>Main Pool</b>	A traditional 25m 6-lane deck level pool ranging from 1.2m at the shallow end to 2m at the deep end. The pool hall has terraced seating to accommodate 200 spectators. Bather load - 108.
<b>Teaching Pool</b>	A traditional 13m x 7m teaching pool. The teaching pool ranges from 0.75m with step entry at the shallow end to 0.95m at the deep end. Bather load - 30.
<b>Toddlers Pool</b>	A three level freeform fun pool 10.3m long x 3.6m wide with an average depth of 0.25m. The main features of the Toddlers pool are the bubble burst, slides and many water fountains. Bather load - 12.
<b>Health Suite</b>	Health Suite contains a sauna, steam room and a jacuzzi / spa bath and relaxing lounge area.
<b>Main Hall</b>	A 6 badminton court multi purpose hall with semi sprung maple floor. A curtain enables the hall to be divided into two smaller halls. Sports accommodated - badminton, volleyball, basketball and a host of other indoor sports.
<b>Lesser Hall (Sports Hall 2)</b>	A 4 badminton court multi purpose sports hall with a polyurethane seamless sports surface. Rebound boards are located on one side of the hall with fixed speakers for class music entertainment installed. Sports: five-a-side football, badminton, volleyball, netball, basketball and fitness classes.
<b>Squash Court</b>	Two courts are served by a common spectator's gallery.
<b>Free Weights Gym</b>	A selection of 14 fixed resistance equipment and free weights and benches are available.
<b>AccessNL Conditioning &amp; Cardio Vascular Gym</b>	Large spacious gym with a selection of 42 cardio vascular equipment, 18 fixed resistance equipment and free weights are available over two floors.
<b>Multi Purpose Rooms</b>	There are two multi purpose rooms located within the facility catering for dance, exercise and martial arts classes. One multi purpose room doubles as a toddlers activity Monday - Friday mornings.
<b>Meeting room</b>	Meeting room located within the foyer for club use.
<b>Outdoor Sports pitches</b>	Adjacent to the facility, there are two full size floodlit blaes pitches, three full size grass pitches (one of which is floodlit) and 3 synthetic floodlit tennis courts. There are 3 third generation 5-a-side football pitches and a full size third generation 11's (3x7's) pitch which are FIFA approved surfaces.
<b>Outdoor Athletics Track</b>	8-lane floodlit 400m all weather synthetic running track with central reservation. Competition Standard fully equipped track including throws and jumps facilities.

## B. Notes on Action Research

Action Research, or Action Science as some, including Gummerson<sup>H</sup> prefer to call it, is a recognised and respected research approach originating in the social sciences arena, which involves the researcher and the researched jointly learning in and investigating the research area. Whilst primarily a qualitative methodology, it can be constructed in such a way as to gather and test data with levels of validity that would constitute scientific research (as opposed to casual enquiry) whilst retaining the proximity to that data that best comes from working with those who are involved with it.

The researcher works with the researched jointly to investigate an issue of common interest. Together they gather data, test and validate it, and draw interpretations and conclusions from it.

Action research is hence an iterative research methodology that is intended to bridge the gap between theoretical research and the practical realities of the real world. As Gustavsen puts it:

*“The point is to understand the world as it is by confronting it directly; by trying to grasp the phenomena as they really are.”*<sup>1</sup>

Reason and Bradbury (2001) define Action Research as *“a participatory, democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview... It seeks to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities.”* (2001, p.1).

In simplistic terms, Action Research is collectively learning from experience by sharing that experience with others and taking action to bring about change by building on that experience.

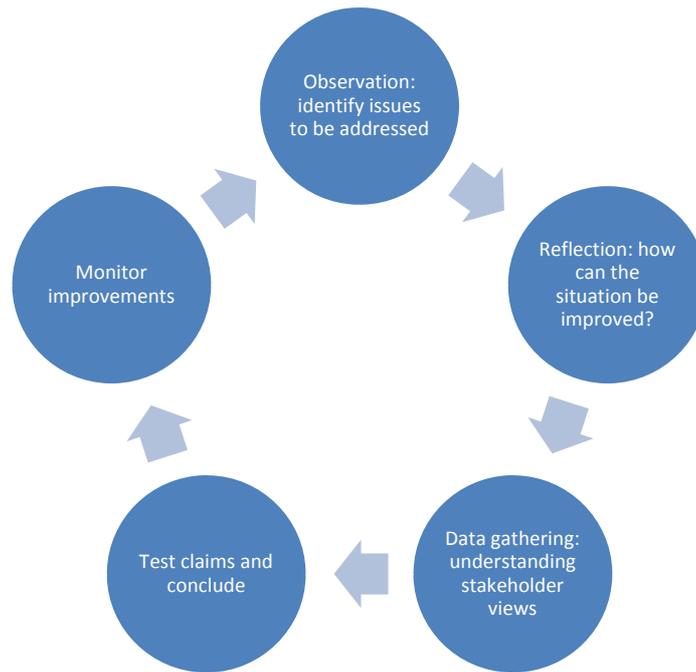
In our work with NLL, it has been vital that we gained an understanding, not just of how its activities could *theoretically* be benefiting the local area, but of how it creates benefit in practice. Theoretical research on SROI methodologies gives us a view on where the benefits may lie, but only through an iterative process of discussing, developing and refining our understanding can we get a true picture of where the benefits of NLL’s activities actually lie.

The process of conducting Action Research may be summarised using the diagram shown below:

---

<sup>H</sup> Gummerson, E. 2000, *Qualitative Methods in Management Research*. 2<sup>nd</sup> Ed. Thousand Oaks, Ca. Sage Publications

<sup>1</sup> ‘New Forms of Knowledge Production and the Role of Action Research’, Bjorn Gustavsen, *Action Research* 2003; volume 1 at p.153



The diagram shows an iterative five stage approach to Action Research. We describe below how our approach fits with this model:

1. **Observation:** from our initial discussions with NLL, it is clear that a lack of understanding of its Social Impact may weaken their position when negotiating with funders, thus damaging their ability to continue their work. However, it is also clear that by improving awareness of the extent of their impact on the local area, NLL can further improve its brand recognition, and therefore, potentially, its user base;
2. **Reflection:** by using Social Impact measurement tools such as SROI, we believe it is possible to begin to increase understanding of the benefits NLL generates;
3. **Data gathering:** we have discussed the services that NLL provides with a team of project representatives, and the outcomes these services produce and identified the key beneficiaries. We have discussed a range of possible methods of evaluating these services using the three models discussed at §3.7 of this report to cover the concept of value from the perspective of all key stakeholders;
4. **Test claims and conclude:** many of the assumptions used in the evaluation models (Appendix D) are based on data gathered by NLL's management information systems. We have obtained copies of the supporting records for such data. Where, an assumption was required, we have encouraged NLL to be prudent in order to avoid overstating benefits. In some cases, assumptions have been informed by data from external sources combined with the use of judgement. We have obtained copies or records of any research;
5. **Monitor improvements:** it is hoped that this work will result in improved awareness of NLL's activities among stakeholders (including funders), and therefore address the risks identified at stage 1 of the process.

Having reached a stage where an improvement is expected, the iterative nature of Action Research allows for further studies to be carried out in future to build on the work presented in this report, including ongoing measurement of benefits and the use of similar methodologies to assess proposed future projects.

Clearly, wherever data already exist to quantify a benefit, they are to be used. However, the absence of observed data, Action Research allows us to gain an accurate perspective on the real benefits that are generated. In some cases it will be impossible to observe the impact, as to do so would require a comparison between a world in which

NLL exists and one in which it does not, all other factors being equal. Clearly such comparison will never be possible, and so we must rely on the common-sense and judgment of NLL, based on their real-world experience.

Where data may be, but is not currently, observed, our work allows us to refine the list of useful data that may be gathered in future as a basis for refining the measurement of the economic benefit that is generated. This project may therefore act as a platform for identifying further Action Research projects that will develop detailed measurement tools.

Any outline of a research methodology would be incomplete without looking at broader criticisms of it in management science circles. Criticisms of action research are several, but most emanate from proponents of statistical sampling and questionnaire-based research methodologies. In brief, these tend to surround the following areas, each of which is shown with a brief response related both to theory and to this research in particular.

### **How can you assert validity when all the data is of internal origin?**

Bypassing the theoretical debates about the validity of different data sources and the extent to which all are, to some degree, partly objective and partly partisan, the key point here is that the data is not all of internal origin.

Many of the measurement criteria within the financial proxies are:

- ▶ from publically available data sources, often validated Government data;
- ▶ from appropriately structured pilot studies;
- ▶ from research appropriately undertaken by the subjects' own research team; or
- ▶ separately sense-checked or reviewed by the research team.

### **It is not true research because the researcher influences, and is involved in the outcome.**

It is true that the researcher is involved in the sense that “the action researcher... may help clients make more sense of their practical knowledge and experience...”<sup>J</sup>.

This is consistent with the second of the seven principles of SROI: Measurement with people.

If the researcher facilitates the better collection and interpretation of data from the researched and leaves them with an understanding and knowledge to enable them to embed that in future action, then this active involvement must be seen as a virtue and not a weakness. It improves the understanding of data gathered and at the same time, seeks to embed the results in the organisations (the final stage of the SROI process).

Berg<sup>K</sup> summarises the strengths of action research in these fields as follows:

- ▶ “a highly rigorous, yet reflective or interpretative, approach to empirical research;
- ▶ the active engagement of individuals...in the research enterprise;
- ▶ the integration of some practical outcomes related to the actual lives of participants in this research project;
- ▶ a spiralling of steps...”.

We have found, in this study and other similar ones, that Action Research provides an ideal foundation approach for developing a Social Impact Evaluation and embedding it in the organisation.

<sup>J</sup> Gill, J. And Johnson, P. 2002. Research Methods for Managers. 3<sup>rd</sup> Ed. London, Sage. p.92.

<sup>K</sup> Berg, B. 2009. Qualitative Research Methods for the Social Sciences. 7<sup>th</sup> Ed. Upper Saddle River, NJ. Pearson. .248.

## C. Detailed notes on evaluated activities

The SROI Project team have provided the following summaries of the activities evaluated in this report.

### Swimming

Despite school swimming lessons not being a National Entitlement in Scotland like it is in England, NLL has strived to, not only maintain the programme but enhance the quality of the provision. Since 1996 the programme has increased from an initial 60 schools taking part to all 128 Primary Schools plus 4 Special Educational Needs Schools this last academic year. The programme has also been increased in duration from 10 to 12 weeks and time, from 40 – 45 minutes with every child of one Primary School stage receiving lessons in their local swimming pool. This last year has seen another radical change, whereby the children also receive a 45 minute dry side activity, led by a fully qualified sports coach, alongside their swimming lesson.

NLL operates a Learn to Swim programme which is not only extremely popular but very much in demand by the residents of North Lanarkshire. The Learn to Swim programme is open to our very youngest residents (i.e. 6 weeks) up to our oldest, as one can never be too young or too old to learn! The programme has seen a dramatic increase over the years from around 1500 babies/children and adults taking part in weekly lessons to just over 3000 per week. The programme has also increased in length and now operates 48 weeks of the year with classes of 30/45 and 1 hour duration depending upon ability level.

Swimming is not only one of the best and all inclusive activities but very much a life skill and as such NLL has strived and will continue to strive to increase capacity and opportunity for all.

### AccessNL

The AccessNL membership scheme was launched in October 2003; the membership scheme allows unlimited access to all Fitness Suites (including a personal programme), Fitness Classes, Sauna/Steam Rooms and Swimming Pools at 12 facilities throughout North Lanarkshire. Before its inception customer usage and income was at an all time low, customers had to pay individually for each session i.e. Gym, class, swim, thus making our facilities/centres much more expensive than any private sector.

The scheme has grown from strength to strength with over 21,000 members paying a monthly direct debit, one of, if not the biggest membership scheme in Scotland. A part of its great success was the launch of the corporate membership scheme with over 42 different corporate company employees receiving a reduced membership price, this equates to 25% of our total membership.

In October 2008 we launched our family membership package, which means parents could add their child onto their membership from as little as £5 per month, for unlimited access. This has proven to be very successful with over 2,500 juvenile members.

### NHS Benefits

'Get Active' - NL Leisure's Exercise Referral programme was established in 2001 to address declining levels of physical activity and to provide an access point for a range of individuals with 'low risk' health conditions to take up exercise instead of opting for a medical intervention. Referrals are accepted from a number of agencies both health based and community based to attract clients who may not traditionally come through the doors of a Sports Centre as a lifestyle choice! Referring agencies include GP Practices, Hospitals, Smoking Cessation Services, Social Work, Condition Management, Keep Well etc. This is a subsidised programme to enable people to try physical activity in a safe environment and to provide a structured approach for them to pick up some positive lifestyle habits.



## D. Detailed evaluation models used

### Detailed summary of model results

The table below shows a detailed summary of the results of the models used, together with page references for each model within this appendix:

Project	Calculated benefits (£)	Appendix D ref.
<b>General benefits</b>		
Healthcare and general economic benefits	20,699,985	p.42
Economic productivity gains from reduced absence	4,881,913	p.43
<b>Total economic benefits</b>	<b>25,581,898</b>	
<b>Swimming project</b>		
Savings to local schools	665,781	p.46
Savings to swimming lesson users	466,250	p.47
Free holiday sessions for 8 to 12 year olds	788,108	p.48
<b>Total benefits from the swimming project</b>	<b>1,920,139</b>	
<b>NHS project</b>		
Exercise referrals	2,572,116	p.50
Specialist referrals	3,844,892	p.51
<b>Total benefits from NHS projects</b>	<b>6,417,008</b>	
<b>AccessNL</b>		
Cost savings for members	844,454	p.53
Healthcare cost benefits for child members	366,240	p.54
Savings to local services from inclusion work	1,317,600	p.55
<b>Total benefits from AccessNL</b>	<b>2,528,294</b>	
<b>Site-specific projects</b>		
Savings to local services from inclusion projects	2,152,954	p.57
Benefits for sports clubs	2,415,013	p.58
<b>Total benefits from site-specific projects</b>	<b>4,567,966</b>	
<b>Total evaluated benefits</b>	<b>41,015,305</b>	

## Economic benefits and damage avoided through exercise

### Results of the models

Two evaluation models have been used to consider the impact of increasing participation rates on the economy:

- ▶ Value of lost productivity through increased sickness absence; and
- ▶ Value of avoided costs to the NHS and damage to the wider economy.

### Assumed number of beneficiaries

The total number of AccessNL members is 21,000. The total number of visits by non-members in 2009 was c2.7 million (on an annualised basis for new sites/site closures). On average, members make c48 visits to NLL facilities per annum, implying that there are around 56,000 non-member beneficiaries making regular use of NLL's facilities:

Number of users	Assumptions	Calculation	Total
Number of non-member visits per annum (exc. NHS referrals)	2,675,791		
Average number of visits per annum per member	48		
<b>Number of non-member beneficiaries</b>			<b>55,746</b>
Proportion of AccessNL members aged under 16	8.7%		
Number of Access NL members aged under 16	1,831		
Proportion that would participate in alternative activities	35%		
<b>Number of members that would not access other facilities</b>	<b>1,190</b>		
Proportion of AccessNL members aged 16 - 40	59.8%		
Number of Access NL members aged 16-40	12,554		
Proportion that would participate in alternative activities	35%		
<b>Number of members that would not access other facilities</b>	<b>8,160</b>		
Proportion of AccessNL members aged 40 - 50	18.0%		
Number of Access NL members aged 40-50	3,780		
Proportion that would participate in alternative activities	30%		
<b>Number of members that would not access other facilities</b>	<b>2,646</b>		
Proportion of AccessNL members aged 50+	13.5%		
Number of Access NL members aged 50+	2,835		
Proportion that would participate in alternative activities	20%		
<b>Number of members that would not access other facilities</b>	<b>2,268</b>		
<b>Total AccessNL members</b>			<b>21,000</b>
<i>Memo: Total AccessNL members that would not use alternatives (aged 16 and over)</i>		13,074	
<b>Total users</b>			<b>76,746</b>

The above total is likely to be understated, as non-members are less likely to visit with the same regularity as members. The data above represents an 'implied' number of regular users so that this assumption can be matched to data from external sources that highlight the annual benefits of regular exercise.

In models shown below, user numbers are used as follows:

- ▶ Members who would not access an alternative, plus non-members are used to evaluate the incremental health and economic benefits of exercise. Non-members are assumed to be unlikely to travel out of the area to access alternative facilities in the absence of NLL.
- ▶ Members that would access alternative facilities in the absence of NLL are used to evaluate benefits arising from the saving compared to commercial alternatives.
- ▶ The above numbers include sports club users and swimming lesson users. These are evaluated separately.

The proportion of the population in employment may be estimated as follows:

- ▶ Population statistics highlight that 78.7%<sup>L</sup> of the population in North Lanarkshire is economically active;
- ▶ Hence, of the user base of NLL of 76,746, around 54,161 are likely to be economically active.

Research shows that 65.1% of the population in Scotland are overweight, including 26.8% who are obese. Assuming that NLL's total implied user base of some 76,746 would otherwise fall into this trend, it is assumed that 35% of users aged 16 to 40 would remain of a healthy weight. This proportion has been reduced for older age groups (as shown above) to reflect the perceived likelihood of people changing exercise habits later in life. We have reduced the number of users taken into the health and economic benefits models by these proportions in order to account for deadweight.

The results of the above are that c32% of AccessNL members would participate in other activities in the absence of NLL. This does not appear to be inconsistent with the local participation rate for walking over two miles a week of c34%. Given that walking two miles in a week is unlikely to meet government guidelines for exercise, and the obesity rate for North Lanarkshire is above average for Scotland, a deadweight deduction of 32% does not seem to be unreasonable.

NLL have assumed that non-members would not use an alternative facility in the absence of NLL,

### Estimating the health care and wider economic cost of physical inactivity per person

Academic research has shown that physical inactivity, being overweight and obesity increase NHS costs and lead to damage in terms of economic productivity. These models calculate the damage that would occur in the absence of NLL, were users to fall into the pattern typically shown by the wider local population in the absence of access to facilities for regular exercise.

---

<sup>L</sup> Source: Nomis July 2008 – June 2009

Health and wider economic benefits (all sites)	Assumptions	Calculation	Benefits (£)
<b>Health benefits (16-40)</b>			
Proportion of members aged 16-40	59.8%		
Number of users aged 16-40		41,485	
Assumed annual saving per beneficiary (£)		450	
<b>Total annual saving (overweight)</b>			<b>18,668,123</b>
<b>Health benefits (40-50)</b>			
Proportion of users aged 40-50	18.0%		
Number of users aged 40-50		12,680	
Annual saving per beneficiary (£)		500	
<b>Total annual saving (obese)</b>			<b>6,340,108</b>
<b>Health benefits (50+)</b>			
Proportion of users aged 50+	13.5%		
Number of users aged 50+		9,794	
Annual saving per beneficiary (£)		750	
<b>Total annual saving (obese)</b>			<b>7,345,247</b>
Benefit due to other agencies (e.g. NHS campaigns)	30%		
Deductions to avoid double counting from Swimming programme and Sports clubs			(1,947,449)
<b>Total health benefits (excluding members that would join an alternative)</b>			<b>20,699,985</b>

The annual cost per overweight or obese person to both the NHS and the wider economy, for the UK as a whole, may be estimated as follows:

- ▶ Population of the UK (2008): 61.4 million<sup>M</sup>.
- ▶ Population of Scotland (2008): 5.2 million<sup>M</sup>.
- ▶ £15.8bn total cost to NHS (derived from the Foresight report<sup>N</sup> as at 2007 which uses seven times direct NHS costs of c£2.3bn) divided 60% of the population who are overweight or obese<sup>O</sup> (i.e. c36.84m) = £429 average additional annual costs per overweight or obese person for the UK as a whole.

Applying the 'seven times direct costs' approach, used by the Foresight report to convert direct NHS costs to total economic costs, the direct NHS costs for Scotland of £312m may be converted to total annual costs of c£2.2bn. Based on 65.1% of the population of Scotland (i.e. c3.4m people) being overweight, this equates to an annual cost per person of c£647 (i.e. total costs to NHS and the wider economy).

We also note that the Scottish Economic Report: February 2003<sup>P</sup> considers the impact on NHS costs in relation to the cost per inpatient episode of £1,575. The National Institute for Clinical Excellence states that the annual cost of a typical anti-obesity drug (excluding the cost of other interventions) is estimated as £537 per patient<sup>Q</sup>.

<sup>M</sup> Source: [www.statistics.gov.uk](http://www.statistics.gov.uk)

<sup>N</sup> 'Foresight – Tackling Obesity: Future Choices – Project Report', 2<sup>nd</sup> Ed., Government Office for Science, 2007, p.40

<sup>O</sup> Source: [www.patient.co.uk](http://www.patient.co.uk)

<sup>P</sup> G, Gillespie & D. Melly, 'Scottish Economic Report': February 2003, Section C

On the basis of the above, the cost of being overweight and obesity appears to fall in the range of £400 to £1,575 p.a. per patient, depending on the severity of the case.

The number of users included in the model is based on non-members plus those members that are assumed not to use an alternative in the absence of NLL (i.e. they are unlikely to travel out of the area to access similar facilities). This is because the incremental benefits for the local economy and health service only relate to those users who would not otherwise take the appropriate amount of exercise (i.e. those for whom a saving is genuinely achieved).

The models shown above assume that:

- ▶ 41,485 users (after deducting for deadweight) are aged 16 to 40 (based on the proportion of members in this age group). For each user who would otherwise be inactive, a cost of £450 per annum in additional care costs and other economic damage is assumed;
- ▶ 12,680 users (after deducting for deadweight) are aged 40 to 50. For each user who would otherwise be inactive, a cost of £500 per annum in additional care costs and other economic damage is assumed; and
- ▶ 9,794 users (after deducting for deadweight) are aged over 50. For each user who would otherwise be inactive, a cost of £750 per annum in additional care costs and other economic damage is assumed.

## Estimating the cost of lost productivity due to sickness absence

Avoided sickness absence	Assumptions	Calculation	Benefits (£)
Total users (less those that would access alternatives)	68,820		
Proportion of users that are economically active	78.7%		
Number of economically active beneficiaries (age 16 to 60)		54,161	
Average GVA per employee per annum (£)	35,000		
Number of days sickness avoided per user per annum	2		
Economic damage of one day of sickness absence		96	
<b>Annual saving to local economy from improved health</b>			<b>12,204,782</b>
Benefit due to other interventions	60%		
<b>Annual saving to local economy from avoided sickness absence</b>			<b>4,881,913</b>

Given that the average GVA per head for North Lanarkshire is £35,000 and the % of people being economically active of c78.7%<sup>R</sup>, the following assumptions have been used:

- ▶ 54,661 beneficiaries (i.e. 78.7% of total users who are economically active that would not participate in other activities);
- ▶ Average assumed GVA per head in North Lanarkshire of £35,000<sup>S</sup>;
- ▶ Assuming a 1% increase in sickness absence without exercise (i.e. 2.35 days out of 235 working days per annum), this takes into account feedback from employers that use NLL's corporate memberships and evidence from the local NHS of a 2% reduction in sickness absence following the introduction of a corporate membership scheme with NLL; and
- ▶ GVA per day is calculated based on 365 days for prudence (a typical working year is likely to be c240 days).

<sup>Q</sup> Press Release NICE 2001/010 Issued 9 March 2001

<sup>R</sup> Source: Nomisweb

<sup>S</sup> Source: ABI (data compiled by the Scottish Executive)

60% of the benefits calculated have been attributed to other interventions including the promotion of fitness in government campaigns as well as NHS and other local agency interventions.

## Accounting for deadweight, alternative attribution and displacement

Deductions have been made as follows:

- ▶ Deadweight is accounted for by removing those users who are statistically likely to remain healthy from the number of beneficiaries (see above);
- ▶ A deduction for alternative attribution has been made of 30% to account for the role of the NHS and other agencies in promoting healthier lifestyles and the likelihood that facility users would be more likely to choose a healthy lifestyle than the normal population; NLL has arrived at this assumption as it believes that its contribution is significant due to its role in providing facilities and personalise fitness advice to ensure that users maintain their fitness in the long term;
- ▶ Whilst the local government funding for NLL could be used for other purposes, the cost of funding is not felt to represent displacement, as the council would be obliged to provide facilities itself in any case. As is shown above, the cost to the council of providing the facilities through NLL is lower in real terms than the pre-2006 cost, hence no deduction for displacement is required; and
- ▶ In order to avoid double counting benefits, the health benefits calculated for specific projects are deducted from the above total.

## Annual saving per user compared to research findings

Average saving per user	£	No. Of users	£
Total health and other benefits (after deductions)	20,699,985		
Users (excluding those that would access alternatives)		63,959	
<b>Average saving per user</b>			<b>324</b>
Total productivity saving (after deductions)	4,881,913		
Economically active users (excluding those that would access alternatives)		54,161	
<b>Average saving per user</b>			<b>90</b>
<b>Total saving per economically active user</b>			<b>414</b>

After deductions for alternative attribution, the annual saving due to NLL falls to £414 per user. This at the low end of the range calculated above of £400 to £1,500. Before deductions (for deadweight), total benefits of some £38m result in an average saving per economically active user of £825. This may be compared to the average cost per overweight person in Scotland of some £647 per annum (see above). Given that North Lanarkshire ranks as one of the worst regions in Scotland for obesity, it is does not appear to be unreasonable for the cost per overweight or obese person to be above average. Hence, these results represent prudent evaluations.

## Swimming programme

The NLL Swimming Programme offers reduced cost access to facilities and tuition for school PE lessons and children. These models seek to calculate the saving based on benchmarked prices at alternative providers. They also calculate the health care cost saving per user using the methodology shown above.

NLL's holiday free access scheme results in savings for the local economy in that they reduce the likelihood that employees will take unauthorised sickness absence for childcare, or reduce the likelihood of other agency interventions being required where children are left unattended.

### Results of the models

After discussion and debate with the SROI Project team at NLL four models have been used which are considered to adequately encapsulate and value the benefits of the swimming programme:

- ▶ Savings to local schools due to reduced price access to facilities and the redirection of teacher time to other work, compared to an in-school PE lesson. School swimming lessons are an entitlement in North Lanarkshire, hence schools would be effectively be forced to find alternative means of provision in the absence of NLL's facilities;
- ▶ Cost savings to swimming lesson users due to reduced price teaching;
- ▶ Improved health of users, leading to a reduction in NHS and other damage to the local economy that would otherwise occur if users were not physically active; and
- ▶ Savings in holiday childcare and other costs resulting from free access to facilities for children aged 5 to 12.

The results of and key assumptions to these models are shown below.

### Evaluating savings to schools

The results of the model are shown below:

Swimming programme - saving to schools	Assumptions	Calculation	Benefits (£)
<b>Savings for Schools</b>			
Number of classes using NLL facilities	165		
Number of 12 week sessions taken per school (class of 30)	1		
Cost of a 12 week session at NLL (£)	404		
Equivalent cost of alternative provider	2,880		
Saving per 12 week session		2,476	
Proportion of schools that would not use commercial alternatives		66%	
<b>Total annual lesson cost saving to schools</b>			<b>138,904</b>
<b>Value of teacher time diverted to other work</b>			
Number of classes using NLL facilities	165		
Number of hours per week at NLL facilities (wet and dry)	1.50		
Number of weeks	12		
Cost of teacher per hour (salary)	21.8		
Value of rediverted resource per school		392	
<b>Total teacher time saving</b>			<b>64,598</b>
<b>Health benefits from school swimming</b>			
Number of swimming lesson users	4,445		
Proportion that would otherwise be overweight or obese	65%		
Annual saving per beneficiary (£)	400		
Alternative attribution (e.g. NHS campaigns)	60%		
<b>Total annual health benefits from swimming</b>			<b>462,280</b>
<b>Total savings to local schools</b>			<b>665,781</b>

## Key assumptions

NLL management information shows that:

165 classes of up to 30 children received swimming and dry PE tuition for a 12 week period from NLL during 2009;

The cost of 12 weekly lessons of 1.5 hours (including wet and dry activities) at NLL is £404; and

There are few, if any, comparable providers of swimming facilities in North Lanarkshire. Swimming is an entitlement for all schoolchildren in the area, hence schools would be obliged to find an alternative means of delivering swimming lessons. A review by NLL staff of commercial rates highlights that an equivalent 12 week programme would be likely to cost around £8 per session per child (i.e. £2,880 for a class of 30).

A 66% deduction is made to account for the fact that many schools would not be financially able to use a commercial provider due to the additional cost, hence the benefit is only applied to the proportion of schools that NLL believes would use an alternative commercial provider, if one existed. This appears to be prudent, given that schools would be obliged to deliver swimming tuition under current NLC provision rules, and assumes that in the absence of NLL this rule would have to be changed.

Given that teachers tend to take the opportunity to carry out other work while the children are in the care of trained NLL staff, we have used the hourly salary as a proxy to put a value on that time (children are supervised by NLL staff for 1.5 hours per visit). Assuming a teacher salary of £21.80 per hour (including all costs of employment), the value of teacher time redirected to other work (including lesson preparation and marking) would be £64,598. This benefit would not occur if schools delivered PE lessons in-house. Teacher salary is used as a proxy for the value of their time, given that the alternative work done during NLL sessions would otherwise be completed outside working hours.

No deductions were felt to be required for alternative attribution in the cost saving models, as no other agencies are involved in this provision. Displacement is accounted for by only considering the saving achieved, hence the additional cost paid by schools (and ultimately parents) is not included in the benefits.

The evaluation of health benefits uses assumptions as per the economic benefits model (discussed above). A deduction of 60% is made to account for the role of school PE lessons in helping children to meet their exercise targets each week.

## Evaluating savings to swimming lesson users

The results of the model are shown below:

Swimming programme - swimming lessons	Assumptions	Calculation	Benefits (£)
Cost savings to swimming lesson users			
Number of swimming lessons	17,365		
Number of lessons per annum	1		
Cost per lesson at NLL (£)	3.90		
Cost per lesson at alternative provider (£)	8.00		
Saving per lesson (£)		4.10	
<b>Total saving from reduced swimming lesson costs</b>			<b>71,197</b>
Health benefits from swimming			
Number of swimming lesson users	2,171		
Proportion that would otherwise be overweight or obese	65%		
Annual saving per beneficiary (£)	400		
Alternative attribution (e.g. NHS campaigns)	30%		
<b>Total annual health benefits from swimming</b>			<b>395,054</b>
<b>Total benefits from swimming lessons</b>			<b>466,250</b>

## Key assumptions

NLL management information shows that:

- ▶ 17,365 swimming lessons were undertaken during 2009 with NLL;
- ▶ NLL charges £3.90 per lesson; and
- ▶ On average users took 8 lessons per block.

A review of commercial swimming lesson prices by NLL shows that lessons would otherwise cost users around £8.00 per hour, compared to £3.90 at NLL.

The evaluation of health benefits uses assumptions as per the economic benefits model (discussed above).

## Evaluating benefits of free holiday sessions

There are three potential models that can be used to measure the benefits from this programme:

- ▶ The value of economic productivity lost due to unauthorised sickness absence as parents take time off to care for children (at a rate of some £96 per day per employee). Anecdotal evidence suggests that at least one key employer has seen a reduction in absence during holidays since this programme was introduced;
- ▶ The cost to other services of interventions to care for unattended children, given that the scheme is for children of an age that they cannot legally be left unattended. If such children were to be left unattended, this would be a police or social services matter; or
- ▶ The cost to parents of finding holiday childcare providers for the children at an average cost of c£5 per hour, less a deduction to allow for childcare provided by non-economically active family members. This assumes that no illegal or dishonest activity takes place

Given the value of economic productivity per employee and the uncertainties around potential costs to other agencies for caring for children that cannot legally be left unattended, it was felt that the cost of childcare model is the most prudent and reasonable reflection of the benefits generated of the three potential models outlined above. Unlike the other options, it assumes that parents do not act illegally or dishonestly, which is felt to be a more appropriate starting point from which to approach an evaluation.

The results of the model are shown below:

Swimming programme - holiday sessions	Assumptions	Calculation	Benefits (£)
Free swimming sessions			
Number of free sessions given in 2009	50,531		
Typical duration of visit (hours per day)	2.0		
Average cost of childcare (£ per hour)	5.00		
Total saving		505,310	
Proportion of children that would not be in childcare	33%		
<b>Total childcare cost saving</b>			<b>338,558</b>
Free dry activity sessions			
Number of free sessions	67,097		
Typical duration of visit (hours per day)	2.0		
Average cost of childcare (£ per hour)	5.00		
Daily saving		670,970	
Number of free session days per annum			
Proportion of children that would not be in childcare	33%		
<b>Total childcare cost saving</b>			<b>449,550</b>
<b>Total benefits of free holiday sessions</b>			<b>788,108</b>

## Key assumptions

Whilst free access is itself a benefit, it is highly likely that attendance would significantly fall if NLL charged for these sessions, or it is unlikely that allowing a child to spend a day unattended at a leisure centre would be considered as an alternative by parents. The most obvious alternatives would be:

- ▶ As 5 to 12 year olds cannot legally be left unattended during the day, a parent would need to take time off work; or
- ▶ The children would be left in the care of a childminder, estimated at c£5 per hour.

As shown above, the cost in terms of GVA lost by a parent taking time off work in excess of their annual leave would be c£96 per day. NLL have assumed a lower rate of £10 per day (2 hours at £5 per hour assumed childcare cost) as a proxy for the saving to the local economy achieved through this scheme.

This does not appear to be unreasonable when compared to the costs to the police and other agencies arising from the worst case of children being left alone, or the damage to the economy from unauthorised work absence by parents.

A deduction of 33% is made to account for the local unemployment rate of c8%, and allowing for 25% of children to be left in the care of family members. This does not appear to be unreasonable in the context of the local economic activity rate of 78.7%.

No deduction for alternative attribution was felt to be needed as no other agencies are involved in the provision of free holiday sessions.

## NHS programme

NLL works alongside the local NHS to improve patient rehabilitation (thereby reducing the cost of post-operative care) or reduce the risk of existing conditions worsening (which could result in more costly medical intervention). It also results in accelerated return to work, thereby benefiting the local economy.

### Results of the models

After discussion and debate with the SROI Project team at NLL three models have been used which are considered to adequately encapsulate and value the benefits of the NHS programme :

- ▶ The saving achieved by the NHS from free access to NLL's facilities compared to alternatives;
- ▶ The healthcare benefits in the year of referral arising from improving fitness levels; and
- ▶ The saving to the economy from earlier return to work from NLL's post operative rehabilitation programmes.

The results of and key assumptions to the models are shown below.

### Evaluating the impact of exercise referrals

The results of the model are shown below:

NHS programme - exercise referral	Assumptions	Calculation	Benefits (£)
<b>Exercise referral programme</b>			
Number of referrals per annum	1,648		
Number of free sessions per referral	8		
Typical cost per session for non-member (£)	26.5		
1 month free membership and 3 months half price	99		
Saving per referral		311	
<b>Total cost saving from exercise referrals</b>			<b>512,116</b>
<b>Healthcare cost saving from exercise referrals</b>			
Number of referrals per annum	1,648		
Saving per referral	2,500		
Total healthcare cost saving from exercise referrals		4,120,000	
Proportion of saving attributable to NHS intervention	50%		
<b>Total healthcare cost saving attributable to NLL</b>			<b>2,060,000</b>
<b>Total economic benefits from exercise referral programme</b>			<b>2,572,116</b>

NLL management information shows that:

- ▶ 1,648 referrals to the exercise programme were made during 2009;
- ▶ Under the scheme 8 sessions are provided free of charge (neither the NHS or the referee pays);
- ▶ NLL personal trainers would ordinarily be charged out at £26.50 per hour; and
- ▶ Each referee receives one month free membership and three months at half price (i.e. based on annual membership value of £320 this equates to a saving of £67).

The savings to the economy are calculated using the methodology outlined above under economic benefits of exercise. However, given that these referrals are made for higher risk or already obese patients, NLL feel that it is reasonable to use a higher assumed saving per person of £2,500. This is in line with the cost of two inpatient events per annum. Whilst this is higher than the range of averages shown from other studies, NLL feel that this group of users are higher risk and therefore more likely to be incurring above average costs.

Given that the NHS plays a role in identifying the patient need and making the referral, a deduction of 50% is made to account for the benefit that is attributable to them.

No public funding is diverted to this project, hence there does not appear to be any displacement.

In the absence of this scheme, it is felt to be highly unlikely that patients would be able to achieve an improvement on their own without incurring substantial costs. Hence, NLL believe that there is no deadweight.

## Evaluating the impact of specialist referrals

The results of the model are shown below:

NHS programme - specialist referral	Assumptions	Calculation	Benefits (£)
<b>Alternative sourcing cost savings from specialist referrals</b>			
Number of referrals per annum	1,291		
Number of free sessions per referral	11		
Economic cost per session	26.5		
NHS funding per session	-		
Saving to NHS per session	26.5		
Saving per referral		292	
Annual NHS programme funding	2,500		
<b>Total cost saving from specialist referrals</b>			<b>373,827</b>
<b>Healthcare cost saving from specialist referrals</b>			
Number of referrals per annum	1,291		
Saving per referral	5,000		
Total healthcare cost saving from exercise referrals		6,455,000	
Proportion of saving attributable to NHS intervention	50%		
<b>Total healthcare cost saving attributable to NLL</b>			<b>3,227,500</b>
<b>Productivity gains from accelerated rehabilitation and reduced sick leave</b>			
Number of referrals per annum	1,291		
Proportion of referees in employment	78.7%		
Average GVA per day per worker (£)	96		
No. of days earlier return to work	5.0		
Saving per referral		479	
Proportion of saving that would be achieved through alternative NHS rehabilitation projects	50%		
<b>Total productivity gain from accelerated return to work</b>			<b>243,566</b>
<b>Total economic benefits from specialist referral programme</b>			<b>3,844,892</b>

NLL management information shows that:

- ▶ 1,291 referrals were made to this scheme during 2009;
- ▶ 11 sessions are provided free of charge under the scheme, specifically tailored to meet the rehabilitation needs of the patient; and
- ▶ NLL personal trainers would ordinarily be charged out at £26.50 per hour.

The savings to the economy are calculated using the methodology outlined above under economic benefits of exercise (see p.40). However, given that these referrals are made for patients who have already been diagnosed and, in most cases, operated upon for fitness-related conditions, NLL feel that it is reasonable to use a higher assumed saving per referral of £5,000. This is broadly in line with the cost of three inpatient events<sup>T</sup>. This assumption does not appear to be unreasonable, given:

- ▶ The high risk nature of these patients' conditions;
- ▶ Accelerated rehabilitation is likely to reduce the need for and frequency of NHS post-operative interventions during the year of referral and in future; and
- ▶ The context of the costs of patient rehabilitation (e.g. stroke victim rehabilitation costs are estimated at c£30,000 over five years).

NLL have used the sickness absence avoided model (see above under economic benefits) to calculate the benefits from an earlier return to work, based on the following assumptions:

- ▶ 78.7% of the referrals to this scheme were economically active; and
- ▶ Patients were able to return to work on average 5 days earlier than would otherwise have been possible as a result of the rehabilitation work carried out by NLL. This does not appear to be unreasonable, given the length of unassisted rehabilitation times for these conditions.

NLL receives NHS funding of £2,500 per annum for specialist referrals. This has been deducted from the benefits as displacement.

As noted above, a deduction is made for alternative attribution to the NHS under the healthcare and productivity gains models, but no displacement or deadweight deductions are felt to be necessary.

---

<sup>T</sup> G, Gillespie & D. Melly, 'Scottish Economic Report: February 2003, Section C

## AccessNL

AccessNL offers users reduced cost access, compared to local alternative providers, thereby allowing those users that would in any case choose to access facilities (i.e. those for whom no incremental health benefits were calculated above) to achieve a cost saving. Child memberships promote fitness, and therefore lead to a reduction in the costs of care to the NHS.

Inclusion projects associated with AccessNL reduce the likelihood of other agency interventions being required. Anecdotal evidence suggests that the retention rate for social workers locally has improved since these projects commenced. It is assumed that these individuals would otherwise be likely to require interventions by police or social services, who are typically the referrers of users to this scheme.

### Results of the models

After discussion and debate with the SROI Project team at NLL two models have been used which are considered to adequately encapsulate and evaluate the benefits from AccessNL:

- ▶ Membership cost savings compared to commercial alternatives; and
- ▶ Other agency resources redirected as a result of inclusion work.

The results of and key assumptions to the models are shown below.

### Evaluating membership cost savings

The results of the model are shown below:

Access NL - membership fee savings	Assumptions	Calculation	Benefits (£)
Savings due to reduced membership fees (passport to Leisure)			
Number of passport to leisure members	9,870		
Proportion that would join an alternative	1%		
Average cost of membership (£ per annum on direct debit)	216		
Average cost of alternative membership	600		
Annual saving per member that would join alternative		384	
<b>Annual membership saving</b>			<b>37,901</b>
Savings due to reduced membership fees (non-passport to Leisure)			
Number of passport to leisure members	11,130		
Proportion that would join an alternative	38%		
Average cost of membership (£ per annum on direct debit)	408		
Average cost of alternative membership	600		
Annual saving per member that would join alternative		192	
<b>Annual membership saving</b>			<b>806,553</b>
<b>Total membership cost savings</b>			<b>844,454</b>

NLL management information shows that:

- ▶ 9,870 members are able to access discounted memberships at 50% of the full price membership package;
- ▶ 11,130 members have full price membership; and
- ▶ Full price membership costs £408 per annum if paid by monthly direct debit (£216 for passport to leisure).

It is assumed that the majority of passport to leisure members would not join an alternative, as these members tend to have lower incomes, and as such would be unlikely to be in a position to afford a commercial gym membership.

38% of full membership fee payers are assumed to be likely to join a commercial gym, which is broadly in line with local participation rates of c35% (those walking at least two miles per week) but marginally increased to account for the apparent inclination of members towards regular exercise. NLL believe that this assumption balances the relatively low participation rate of c35% (which includes non-centre based participation), with the fact that higher income NLL members are more likely to have an interest in gym membership.

Overall, the assumed proportion of the membership likely to join an alternative gym is calculated as c20%. In the context of weekly participation of walking at least two miles or more of c34%, this does not appear to be unreasonable.

This model accounts for the benefits to members that were excluded as deadweight from the economic benefits model. Those members for whom economic benefits were relevant are excluded here as deadweight as they would not be likely to participate in exercise in the absence of NLL.

NLL allows families memberships including children for £5 over the cost of adult memberships paid by the family (for the first three children – others are included free of charge). We have not included the benefits of child membership in the calculation above as commercial gyms are unlikely to welcome child members, hence no saving would be possible.

## Evaluating the impact of child members

The results of the model are shown below.

Healthcare benefits due to access for children	Assumptions	Calculation	Benefits (£)
Number of under 16 members	1,831		
Annual saving per intervention		400	
Total healthcare saving		732,480	
Proportion of saving due to others e.g. Schools PE lessons	50%		
<b>Total saving due to NLL intervention</b>			<b>366,240</b>

Under 16s were excluded from the economic and healthcare savings models shown above (given that they are not of employment age). The model above uses the same principles as the main healthcare benefits model, but the annual saving has been reduced by £50.

The deduction for alternative attribution has been increased in this model to 50% to account for the role of school PE lessons in helping children to meet their exercise targets.

## Evaluating the impact of inclusion projects

The results of the model are shown below:

Access NL - inclusion work	Assumptions	Calculation	Benefits (£)
Resources redirected due to inclusion work			
Number of memberships granted under inclusion scheme	720		
Cost of membership (£)	160		
Cost of alternative intervention (e.g issuing an ASBO)	3,210		
Saving per intervention		3,050	
Total saving from inclusion work		2,196,000	
Proportion attributable to funders	40%		
<b>Total resource redirected due to NLL inclusion work</b>			<b>1,317,600</b>

NLL management information shows that 720 memberships were issued in 2009 under funded inclusion projects at passport to leisure rates (i.e. half-price).

These members are referred by other agencies seeking to avoid disaffection or disengagement with society on the part of the referees. The work done by NLL's inclusion team has a marked effect in reducing the need for other agencies to intervene: for example, anecdotal evidence suggests that social worker retention has increased in North Lanarkshire, due in part to the burden that is lifted by NLL's work.

On the basis that these individuals have been identified as a high risk of requiring interventions by other agencies, NLL have assumed that the alternative would be a cost across all other agencies of £3,210 per annum (broadly in line with 60% of the total cost of issuing an ASBO). The annual cost of membership of £160 is deducted from this avoided cost to account for displacement.

NLL have applied a deduction of 30% to account for the benefit attributable to other agencies arising from the funding of these memberships and their work in identifying the referral opportunity.

## Site-specific projects

Specific inclusion projects at the Keir Hardie, Wishaw and Shotts centres have been cited by local police, fire brigade and other services as a key driver of reduced anti-social behaviour in the local areas surrounding these centres. By reducing and preventing anti-social behaviour, these projects reduce the need for, and therefore removing the cost of, intervention by other agencies.

### Results of the models

The benefits calculated in the Economic benefits models are attributable to the sites in proportion to the number of users attend each site.

In addition to these general benefits, we have used three models to identify specific benefits from projects at the three sites included in our review:

- ▶ Other agency resources redirected due to reduced interventions;
- ▶ Cost savings for sports clubs; and
- ▶ Healthcare benefits for sports club members (deducted from the wider economic and healthcare savings models above to avoid double counting).

The results of and key assumptions to the models are shown below.

### Evaluating social inclusion projects

The results of the model are shown below:

Site-specific social inclusion projects	Assumptions	Calculation	Benefits (£)
<b>Keir Hardie Friday night project</b>			
Annual number of crime reports before intervention	220		
Reduction in incidents post intervention	53%		
Cost per alternative intervention by other agencies (£)	3,210		
Reduction in number of incidents		116	
Total cost of avoided interventions		372,360	
Proportion of benefits due to scheme partners	60%		
<b>Value due to NLL</b>			<b>148,944</b>
<b>Shotts Saturday night project</b>			
Annual number of crime reports before intervention	922		
Reduction in incidents post intervention	33%		
Cost per alternative intervention by other agencies (£)	3,210		
Reduction in number of incidents		304	
Total cost of avoided interventions		976,675	
Proportion of benefits due to scheme partners	60%		
<b>Value due to NLL</b>			<b>390,670</b>
<b>Other Saturday night projects</b>			
Annual number of crime reports before intervention	1,844		
Reduction in incidents post intervention	33%		
Cost per alternative intervention by other agencies (£)	3,210		
Reduction in number of incidents		609	
Total cost of avoided interventions		1,953,349	
Proportion of benefits due to scheme partners	60%		
<b>Value due to NLL</b>			<b>781,340</b>
<b>Saving to Fire Brigade due to Friday/Saturday projects</b>			
Reduction in number of weekly hoax/wheelie bin fire call outs attributed to NLL by Fire Brigade	10		
Cost per call out (£)	1,600		
<b>Saving due to NLL</b>			<b>832,000</b>
<b>Total savings due to site-based social inclusion projects</b>			<b>2,152,954</b>

## Key assumptions

Local police have provided data that shows the reduction in crime in the area surrounding the three leisure centres after the commencement of the Friday and Saturday projects at Keir Hardie, Shotts and Wishaw.

On the basis that each reported crime requires time to investigate, even if no conviction follows, there is a cost both to the police, and potentially to social services and other agencies in order to engage with the offender. NLL have assumed that the average saving per crime reduced is £3,210. In the context of the cost of issuing an ASBO of £5,350, this does not appear to be an unreasonable average.

Other agencies have been involved with this project, although the concept and ground work for these projects came from NLL. A deduction has been made to reflect the input of other agencies including social services and the local police force of 60%.

The local Fire Brigade near the Wishaw site has informed NLL that on Saturday nights the number of wheelie bin fire call outs has fallen from c10 to nil since the project began. The Fire Brigade has informed NLL that the cost of a call out of this type is up to £2,300 – to be prudent £1,600 (excluding the cost of replacing the wheelie bin) has been used.

No additional funding has been provided for these projects, hence there is no displacement.

NLL believes that in the absence of their intervention, other agencies would not have been able to match the improvement by other means, hence NLL do not believe that a deduction for deadweight is required.

## Evaluating the benefits to sports clubs

Sports club use of NLL facilities	Assumptions	Calculation	Benefits (£)
<b>Keir Hardie football clubs</b>			
Number of football clubs using pitches (weekly)	5,184		
Cost per session	24		
Cost per session at alternative facility	50		
Number of weekly sessions per club	1		
Cost saving per session		26	
<b>Total saving to clubs</b>			<b>134,784</b>
<b>Shotts and Wishaw football clubs</b>			
Number of football clubs using pitches (weekly)	27,994		
Cost per session	24		
Cost per session at alternative facility	50		
Number of weekly sessions per club	1		
Cost saving per session		26	
<b>Total saving to clubs</b>			<b>727,834</b>
<b>Healthcare benefits due to sports clubs (not included in other healthcare benefits)</b>			
Number of club members	7,961		
Proportion that would access other leisure facilities	35%		
Annual saving per intervention	500		
Total healthcare saving		2,587,325	
Proportion of saving due to the club	40%		
<b>Total saving due to NLL</b>			<b>1,552,395</b>
			<b>2,415,013</b>

NLL management information shows that:

- ▶ 85 football clubs use facilities at Keir Hardie, Shotts and Wishaw on a weekly basis for around 40 weeks per annum;
- ▶ Sports clubs with total membership of c8,000 use the facilities at Keir Hardie, Shotts and Wishaw; and
- ▶ The cost of hiring a football pitch for a weeknight session is £23 to £32 for 45 minutes.

NLL has benchmarked its football pitch prices against local competitors. Commercial alternatives range from £55 to £70 per hour for 2 x 7s pitch hire. The model above assumes rates per 45 minute session of £24 for NLL and £50 for competitors.

The saving compared to competitors is felt to be representative of the saving to any sports club for the hire of a facility at NLL compared to a commercial provider.

A 50% deduction has been made to the number of clubs benefiting from the saving, as it is likely that a number of clubs either would not exist in the absence of NLL's facility or would informally use local parks. Hence, no saving is actually achieved (i.e. deadweight).

The cost of using NLL's facility is deducted from the benefit to account for displacement.

No other agencies are involved in NLL's provision; hence no deduction is required for alternative attribution.

Health and other economic benefits are calculated using the same assumptions as for the general economic benefits model (above). However, a deduction of 40% is made to account for alternative attribution in respect of the role of the sports club itself in achieving the benefits. To some extent this may be a circular argument, as without NLL many of the clubs would not exist, but the saving might not be achieved in the absence of the club. NLL believes that this rate of deduction is a fair reflection of the contribution it and the club make to the local economy.

Jim Clifford – Principal, and Head of Charity and Education Advisory Services  
+44 (0)7860 386081  
jim.clifford@bakertilly.co.uk

---

Stuart McCallum – Corporate Finance Director  
+44 (0)141 354 5292  
stuart.mccallum@bakertilly.co.uk

---

Chris Theobald – Associate  
+44 (0)1923 657753  
chris.theobald@bakertilly.co.uk