

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Yes	03/9/2026
Relevant Group Head review	Yes	10/08/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)		08/09/26
This item is on the Forward Plan for the relevant committee	Yes	
	Reviewed by	
Finance comments (circulate to Finance)	AB	03/09/2026
Risk comments (circulate to Lee O'Neil)	LO	04/09/26
Legal comments (circulate to Legal team)	LH	02/09/26
HR comments (if applicable)		N/A

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	02/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	14/08/26
Commissioner engagement		
	Delete as applicable:	No issues Comments in S. 7
Confirm final report cleared by MAT		

Community Wellbeing Housing Committee

29 September 2026

Title	Leisure Operating Contract Performance: April 2025 – March 2026
Purpose of the report	To inform and assure
Report Author	Terry Collier - MAT SRO Kamal Mehmood – Strategic Lead, Leisure & Community Development
Ward(s) Affected	All Wards
Exempt	Report and appendices C, D, & E - no Appendix A, B - yes
Exemption Reason	Appendices A and B contain exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice authority's commercial interests.
Corporate Priority	Services
Recommendations	Committee is asked to: To receive Places for People Leisure (PfP) Annual Report for the period April 2025 to March 2026, and acknowledge the performance against the Leisure Operating Contract (LOC)
Reason for Recommendation	To ensure that the Committee as a key stakeholder in the performance of the leisure centres, is appropriately informed of performance for the previous financial year.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
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- Representatives of Places Leisure are in attendance to present their annual report to the Committee (Appendix A) - This report provides an overview of the Leisure Operating Contract (LOC) monitoring arrangements and sets the context for the annual report. - The report highlights the performance, challenges, and achievements throughout 2025/26.	To give Members of the Committees an opportunity to review the annual performance of the Leisure Centre Operator against the LOC.
This is what we want to do about it	These are the next steps
Receive the report and acknowledge the performance of the Leisure Centre Operator for the period April 2025 – March 2026.	- Consider comments and/or suggestions made by the Committee. - Continue to monitor the LOC.

2. Background

- 2.1 In October 2024 the Council entered into a contract with PfP to operate Eclipse and Sunbury leisure centres for a period of 10 years, with the option of a 5-year extension. April 2025 to March 2026 represents the first full financial year of the contract.
- 2.2 PfP are responsible for the day-to-day management of the Council's two leisure centres, staffing, all activities, cleaning and maintenance. They are also responsible for community outreach and delivering a range of opportunities to groups that use the centre.

3. Contract Specification, Performance Management and Reporting

- 3.1 The contract specification sets out the Council's requirements in terms of Performance Management and Reporting and briefly covers the following:
- Partnership Philosophy and Governance
 - Strategic Priorities
 - Operational, Service and Performance Reporting

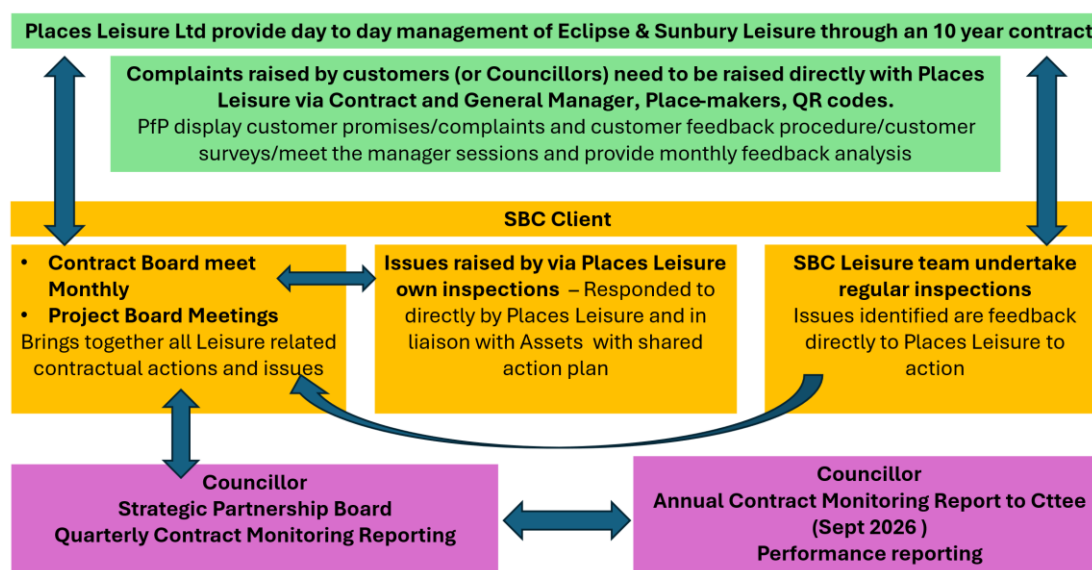
3.2 Partnership Philosophy and Governance

- 3.3 There is a comprehensive monitoring and reporting programme overseen by the following groups:

Group	Composition	Frequency
Contract Monitoring Group	Contract Manager (Strategic Lead for Leisure), Assets Officer Leisure Operators Contract Manager	Monthly
Strategic Partnership Board	The Chair of Community Wellbeing and Housing Committee Group Head of Community Wellbeing and Housing Assets Team representative Contract Manager (Strategic Lead Leisure & Community Development) Regional Director (Operator) Contract Manager (Operator)	Quarterly
Joint Liaison Group (Sunbury Manor School)	Sunbury Manor Management School Representatives (2) Local Authority representatives (2) Operator representative	Termly

- 3.4 The Chair of Community Wellbeing and Housing Committee sits on the Strategic Partnership Board, representing the Community Wellbeing and Housing Committee, to ensure councillors are actively involved in contract management and sighted on emerging issues and progress.
- 3.5 Diagram below illustrates the leisure contract monitoring mechanisms, and how issues are considered and addressed.

Leisure Contract Management



3.6 Strategic Priorities

3.7 The Strategic Priorities, Appendix B, include focus on greater participation amongst hard-to-reach groups; increased engagement with target communities through outreach programmes that increase physical activity levels and deliver improved social outcomes. Each Strategic Priority has associated key performance indicators.

3.8 PfP produce monthly, quarterly and annual reports to demonstrate their progress against the strategic outcomes and performance indicators.

3.9 Operational, Service and Performance Reporting

3.10 A Performance Management Framework provides a methodology for identifying the Operator's performance against standards set out in the LOC. These standards are expressed in the Services Specification.

3.11 Appendix C provides an overview of the Performance Framework.

3.12 We have also introduced a comprehensive internal checklist to evidence that key aspects of the LOC monitoring have been completed. Please see Appendix D: LOC internal checklist

3.13 The contract management was also subject to a positive internal audit in the Autumn of 2025, a small number of recommendations that the auditors had have been implemented and have been reported back to Audit Committee.

4. Performance and Key Achievements

4.1 The Council has a positive working relationship with Places Leisure, who have embedded themselves within the community, actively supporting a range of community initiatives. Whilst there is always room for improvement there has been lots of positive outcomes to report on for the year.

4.2 Data for the Strategic Priorities captured during 2025/2026 is intended to establish a baseline for future years. Please see Appendix B

4.3 A summary of the year's performance of the leisure contract is highlighted below.

4.4 Attendance

4.5 Eclipse Leisure Centre is proving to be very popular with attendance figures exceeding 675,000 over the year, with many people travelling from outside the borough to use the facilities.

4.6 Sunbury had just under 157,000 visitors, bringing total attendance across the contract over 832,000 attendances for the year 2025/2026.

4.7 Membership

4.8 The leisure centres have experienced significant membership growth over the year. Actual fitness memberships far exceed their expectations at the time they submitted their bid. At the end of 2025/2026 Places Leisure report over 6,300 fitness members across the contract and over 5000 at Eclipse alone. To put this in context, when preparing their bid Places Leisure envisaged

fitness memberships would reach maturity by the end of 2028/2029, with a total of 5,944 fitness members across the contract.

- 4.9 While fitness memberships have exceeded expectations the number of swim memberships and the numbers in swimming lessons is lower than predicted. Across the contract as of March 2026, they had 592 swim members.
- 4.10 Eclipse's learn to swim programme has 1,830 participants enrolled, falling short of their bid projection of 2,100 participants by this stage of the contract. This has been attributed to the closures associated with the teaching pool moveable floor.
- 4.11 Now that the pool has fully re-opened, a key target going forward will be to increase the numbers of people enrolled in lessons.

4.12 Customer feedback

- 4.13 A customer complaints policy is available on PfP's website and is on display in each leisure centre. However, customers are encouraged to raise issues as they arise with the on-site team. Customers can provide feedback by phone, email, online, or via QR codes displayed across the centres.
- 4.14 In response to Council requests PfP have also introduced Customer Experience Boards where information is displayed.
- 4.15 In addition, PfP conduct mystery shopper exercise and customer surveys.
- 4.16 In 2025/2026, 75% of 1922 customer surveys completed in relation to Eclipse scored their experience of the centre as 7 out of 10 or above, with 38% scoring 9 or 10. This amounts to a Net Promoter Score¹ of 12.9. For Sunbury leisure centre 83% of 646 surveys completed scored their experience at the centre 7 or above, with 41% of respondents scoring 9 or 10, achieving a Net Promoter Score of 23.4.
- 4.17 In April 2026, PfP introduced software to analyse the customer feedback from QR codes and online forms. Feedback is logged whether the submission was a comment, compliment or a complaint; and analysed to indicate which area of the centre or activity the comment related to; response times; and where appropriate resolution times. This is now submitted as part of the quarterly report, which will give us greater insight moving forward.
- 4.18 Key areas of customer feedback relate to the cleanliness of the centre and concerns around various building issues: the closure of the learner pool, delays to the opening of the steam room and sauna, customer comfort in relation to ventilation and humidity and issues around parking. It should be noted that these are outside of PfP's control and relate to issues linked to the construction of the Eclipse.

¹ The Net Promoter Score is calculated by deducting the percentage of "detractors" (those scoring the service between 0 and 6) from the percentage of "promoters" (those scoring 7 or above).

- 4.19 In response to feedback about the cleanliness of the centre the Council's Leisure Team introduced additional site visits to ensure standards at both centres are of a high standard. As a direct result standards have improved.

4.20 Wider partnership working

- 4.21 PfP are proactively engaged with Spelthorne Healthy Communities Partnership Board, contributing to initiatives that benefit population health and wider health objectives of this group. As of 31 March 2026, they had 833 interactions with customers via referrals from health professionals through their Good Boost program and Move through Menopause with 61% uptake rate and 50% completion.
- 4.22 They deliver a range of initiatives and support groups that reduce isolation and improve mental and physical health, enabling people to be active and challenging inactivity. The range of activities they hosted included:
- Spelthorne Parkinson's Group;
 - Dynamo Ukraine; SBC project supporting Ukrainian Refugees.
 - Premiership "Kicks" initiative delivered by Brentford FC Community Sports Trust, supported by the Council and funded by grant funding from the Surrey Police Crime Commissioner and Premier League;
 - Surrey Community Games free training sessions and Football Games Day;
 - Schools' indoor athletic meeting;
 - Football tournaments and swimming galas.
- 4.23 The operator is in contact with the Chair of the Spelthorne School Sports Association for Primary Schools and working with them to maximise opportunities for local schools moving forward.
- 4.24 PfP has worked with Staines Swimming Club to deliver swimming galas during the year. A further gala took place in July and one is also booked for November 2026.
- 4.25 They have taken on responsibility for the Parasports group and sponsor the Staines 10k and Spelthorne Business Awards. They also contributed passes as prizes to the Spelthorne Youth Awards.
- 4.26 PfP have also been proactive developing an active community outreach programme which will be covered in more detail in the Operator's presentation to the Committee, Appendix A, and further detail is included in the Good News Stories, Appendix E.
- #### **4.27 Financial performance**
- 4.28 The contract finances are operated as open book accounts which are reviewed by the Council's Finance Team on a monthly basis.

- 4.29 In accordance with the Leisure Operator Base Trading Account (LOBTA) the Council received a management fee of £460k for the period April 2025/March 2026 which then rises by CPI in 2026/27 and subsequent years.
- 4.30 The success of the Centre was boosted by higher-than-expected memberships but also impacted by defects, latent defects and closure of various facilities at different times. The popularity of the Centre has also had an impact on expenditure with increases in cleaning and repair and maintenance costs. Staffing has also been significantly higher than bid projections which in part is due to increases in the Real Living Wage and National Insurance contributions. As these additional costs are not covered by contractual obligations they will not impact on the management fee.

5. Key Contractual Challenges

5.1 Rateable value

- 5.2 The Central Government Valuation Office are responsible for setting the rateable value of all business premises. The Valuation Office did not issue a rateable value for Eclipse until September 2025. The valuation was significantly higher than the estimated sum included in the tender pack. Whilst the rateable value is reviewed every three years as the Council had indicated a commitment to cover any increases in rateable value at the tender stage this has been factored into our budget.
- 5.3 The Council are exploring the possibility of challenging the valuation; and because the leisure centre car park opening was delayed the Council may also have grounds to seek a reduction from the valuation office. Whilst this can take several years to be resolved, it is not unprecedented. If successful a refund will need to be applied.
- 5.4 Until it can be resolved the Council will have to continue on the basis of the sum that has been set and accept the liability as set out in the contract.
- 5.5 If no reduction is made any increase will have a positive impact on the business rate income that the Council would benefit from, 50% of the cost of any refund would impact West Surrey Council.

6. Environmental performance of Eclipse

- 6.1 It is still too early to provide an accurate assessment of the environmental performance of the building. During the first year of operation the building was undergoing a commissioning phase with adjustments being made to optimise performance and responding to changing climate throughout the year. What we do know is that as anticipated it is performing better than a leisure centre of standard construction.

7. Risk implications

- 7.1 Regular monitoring allows the Council to hold the Operator to account and to ensure that the standards that we expect, as set out in the LOC are maintained. Without regular monitoring there is a risk to the Council's reputation should standards be allowed to slip.

- 7.2 If the Operator under-performs over a sustained period this could have a negative impact on public perception of the Council, the leisure centres being regarded as Council facilities, as well as impacting on any potential profit share that the Council could benefit from regular monitoring enabling the Council to hold the Operator to account and monitor their performance against the deliverables set out in the LOC.
- 7.3 Robust contract monitoring measures protect the Council's capital investment.
- 7.4 The Council's income is protected to a certain extent in the management fee set out in the LOBTA. However, further delays to the development of the mezzanine could impact on the income and profit the operator has profiled potentially delaying the point at which a surplus share may be able to be generated, as they envisaged that the mezzanine floor would be open in 2026. Proposals for the development of the mezzanine have been submitted to the Council and will be presented to Corporate Policy and Resources Committee (CPRC) in due course.

8. Financial implications

- 8.1 Management fee has been paid on a monthly basis in accordance with the LOBTA and was reindexed in October 2025 in line with CPI as per the contract.
- 8.2 As set out above the management fee moving forward will need to be adjusted in light of the Council's obligations under the LOC and a revised LOBTA agreed.
- 8.3 Members should be aware that further adjustments to the LOBTA maybe required for utility consumption which is currently higher than modelled predictions included in the specification for the operation of the facility. Investigations are ongoing into this matter.

9. Legal comments

There are no legal comments arising directly from the recommendation in this report, but it should be noted that annual performance reporting is a contractual requirement.

10. Commissioners' comments

- 10.1 Commissioners confirmed that all relevant Best Value implications have been taken into account.

11. S151 Officer comments

- 11.1 Monitoring financial performance of the centres is an important part of performance monitoring arrangements, and as noted in the report the management accounts are reviewed on a monthly open book basis. Elements

of the profit and loss are scrutinised and probed. Relevant financial implications have been referenced.

12. Monitoring Officer comments

- 12.1 Effective contract performance monitoring is essential in ensuring that the Council secures value for money and that services are delivered in accordance with the relevant contractual requirements. Regular scrutiny of performance supports transparency, accountability and the delivery of quality leisure services for residents.
- 12.2 As a contracting authority the Council should continue to monitor the operator's performance against the contractual obligations and take action where appropriate.

13. Procurement comments

- 13.1 Not applicable

14. Equality and Diversity

- 14.1 The Services provided adopt a holistic and inclusive approach to equality of access and participation for all users, regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.
- 14.2 The Active Communities Outreach Programme (a contractual requirement) is intended to increase opportunities for inactive and under-represented groups to engage in regular physical activity. The Programme targets the following priority groups,:
- Children and young people
 - Older people
 - BME groups
 - People with disabilities
 - Low-income groups
 - Women and girls
- 14.3 The Facilities and Services, including signage to and within the facilities, are fully accessible for people with disabilities as per the Equality Act 2010.

15. Sustainability/Climate Change Implications

- 15.1 Eclipse leisure centre is built to Passivhaus standards. Both Eclipse and Sunbury leisure centre are operated in an environmentally sensitive and sustainable manner to reduce energy consumption, minimise chemical usage, recycle appropriate non-hazardous waste and contribute to the delivery of the Council's policies for safeguarding the environment and promoting sustainability.
- 15.2 This year has also seen large energy efficiency measures put in place at Sunbury with an array of photovoltaic (PV) panels being installed on the roof

of Sunbury leisure centre towards the end of the reporting period. Work to replace the ageing boilers was also completed in April 2026. Both measures have been possible thanks to grant funding from Sport England's Swimming Pool Support Fund. We are working with Places Leisure to monitor their impact and to calculate the energy and cost savings these measures will bring. In the first two months of operation approximately 30% of the electricity used to run the centre was generated by the PV panels.

16. Local Government Reorganisation

- 16.1 LGR has not had a major bearing on the leisure operating contract as of yet. However, officers recognise a number of contracts with other operators exist across the boroughs that will ultimately make up West Surrey and over time the future authority may wish to give consideration to consolidating the contract and aligning the offer and price structure for residents in different areas of the new authority.
- 16.2 Opportunities also exist with regard greater income generation through the adoption of agency model for VAT recovery. Each authority is taking a view on whether to adopt an agency model or not based on their own circumstances and how long remains of their LOC. Some are electing to wait until after LGR to consider the matter. The financial benefits are real and significant and in due course a report will be presented to CPRC to consider Spelthorne's position on the matter.

17. Other considerations

- 17.1 None

18. Timetable for implementation

- 18.1 Not applicable

19. Contact

- 19.1 Kamal Mehmood – k.mehmood@spelthorne.gov.uk

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices:

Appendix A: Places Leisure Annual Report (Exempt)
Appendix B: Strategic Priorities and KPI Overview (Exempt)
Appendix C: Performance Management Framework
Appendix D: LOC internal checklist
Appendix E: Good News Stories