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**Report to CABINET (Part A)**

# **Oldham Community Leisure – Contract**

**Portfolio Holder:**

Councillor Elaine Taylor, Deputy Leader and Cabinet Member for Culture & Leisure

**Officer Contact:** Katrina Stephens, Director of Public Health

**Report Author:** Neil Consterdine, Assistant Director Youth, Leisure & Communities, Pritesh Patel, Sport Leisure & Wellbeing Service Manager

**15<sup>th</sup> March 2023**

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## **Reason for Decision**

A decision is required seeking permission to move forward with the extended term of the Leisure Management contract between Oldham Council and Oldham Community Leisure Limited (OCL), and the proposed contract variations (as detailed in Part B). This contract is in respect of leisure facilities in Oldham, which commenced on 28 March 2013 for an initial term expiring on 31 March 2023 (Contract). The term can be extended for a period of up to 5 years.

## **Executive Summary**

The Leisure Management contract initial term (10 years) is due to expire on 31 March 2023, but under the terms of the contract this term can be extended for a period of up to 5 years.

## **Recommendations**

It is recommended to:

Agree a contract extension of five years from 1 April 2023, together with the contract modifications detailed in part B.

Explore alternative future delivery models for leisure services.

Agree the financial requirements in respect of the contract, as detailed in part B

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**Oldham Community Leisure – Contract****1 Background**

- 1.1 In December 2012 Cabinet approved the recommendation to appoint Oldham Community Leisure (OCL) following a competitive process as the preferred bidder for a new 10 plus 5-year contract to operate and manage the Council's leisure facilities. The contract became operational in April 2013. The current contract, without the 5-year optional extension, ends 31<sup>st</sup> March 2023.
- 1.2 OCL delivers the leisure offer through operating leisure centres owned by the Council, and a wider community offer.
- 1.3 The council works in close partnership with OCL to ensure that the outputs and outcomes it requires from the services are met and that continuous improvement is achieved throughout the Contract Period.
- 1.4 A performance monitoring system is in place with the aim of providing reasonable and prudent checks, while focusing on KPIs which confirm that a high quality of service is being delivered and measuring the contribution of the service to the Council's outcomes. OCL are performing well.
- 1.5 The level of subsidy the Council provides is low in comparison to other GM authorities and many nationally. Overall financial performance is positive.
- 1.6 To support the monitoring of the performance of OCL, in addition to the contracted quarterly performance meetings, monthly monitoring meetings are also in place.
- 1.7 Prior approval was given by Cabinet to undertake negotiations with OCL around the contract extension and any required contract modifications and part B includes the outcome of those negotiations.
- 1.8 Links to Corporate Priorities
- Healthy, safe and well supported residents
  - A great start and skills for life
  - Better job and dynamic businesses

**2 Current Position**

- 2.1 The Leisure contract, which is for a 10 plus 5-year term, is due for consideration this financial year with the extension (if approved) beginning 1 April 2023. If an additional 5-year extension is agreed the contract would finish at the end of March 2028.
- 2.2 Since the pandemic, the last lockdown & enforced closures, financial performance and other measures including membership numbers have continued to improve and show a positive trend, albeit new challenges are faced with a substantial increase in energy costs.
- 2.3 Overall the operational performance of the OCL main sites remains positive with many high performing areas when compared to industry performance benchmarks. Review and analysis show that OCL are delivering a good level of service at a financially affordable

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price in relation to the core contract with Oldham Council. In addition, over the contract term so far, they have delivered a number of 'added value' services, including work with older people, local participation events and outdoor activities.

### **3 Options/Alternatives**

3.1 Full option implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.

### **4 Preferred Option**

4.1 That Cabinet considers the detailed report in Part B of the agenda.

### **5 Consultation**

5.1 Colleagues from across the council including finance, legal, and procurement colleagues have been in regular dialogue with OCL.

### **6 Financial Implications**

6.1 Full financial implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.

### **7 Legal Services Comments**

7.1 Full legal implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.

### **8. Co-operative Agenda**

8.1 The OCL contract supports the Councils cooperative values and often goes beyond what is set in the contract including running community events, supporting the leadership of the Borough and working with the voluntary sector.

### **9 Human Resources Comments**

9.1 Full HR implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.

### **10 Risk Assessments**

10.1 Full risk implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.

### **11 IT Implications**

11.1 None

### **12 Property Implications**

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- 12.1 None
- 13 **Procurement Implications**
- 13.1 Full procurement implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.
- 14 **Environmental and Health & Safety Implications**
- 14.1 None
- 15 **Equality, community cohesion and crime implications**
- 15.1 None
- 16 **Equality Impact Assessment Completed?**
- 16.1 Full equality impact implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 EE-03-22.
- 19 **Background Papers**
- 19.1 Background papers are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.
- 20 **Appendices**
- 20.1 Appendices are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20<sup>th</sup> March 2023.