
Report to CABINET (Part A)

Oldham Community Leisure (OCL) – Utility Benchmarking

Portfolio Holder: Cllr Elaine Taylor, Deputy Leader and Cabinet Member for Culture & Leisure

Officer Contact: Neil Consterdine, Assistant Director Youth, Leisure & Communities

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Date: 15th March 2023

Reason for Decision

Utilities Benchmarking can be carried out where there are extraordinary fluctuations in the utility market. OCL have served notice on the Council invoking the Utility benchmarking clause in the Contract and the details are included in Part B .

Executive Summary

There have been ongoing discussions with OCL regarding increased energy costs for both gas and electricity in 2022/23. OCL have provided detailed figures detailed in Part B.

We have also had internal discussions with Finance and Legal colleagues to understand the Utility benchmarking provisions in the Contract and it has been concluded that OCL has the contractual right to undertake a benchmarking exercise due to the fluctuations in the utility costs, which they have done so.

Recommendations

Option 1: Accept the requirement for Utility Benchmarking under the terms of the contract and work with OCL as detailed in Part B. Other options are also presented in Part B of the report..

Oldham Community Leisure (OCL) – Utility Benchmarking**1 Background**

- 1.1 Oldham Council and Oldham Community Leisure Limited (OCL) are party to a Leisure Management Contract in respect of leisure facilities in Oldham, which contract 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.
- 1.2 Increasing utility costs for Leisure Centres has and will further have impact as detailed in Part B of the report.
- 1.3 Under clause 20 of the Contract, it states that the utility benchmarking exercises shall be carried out in accordance with Schedule 18 (Utilities Benchmarking).
- 1.4 OCL has served notice on the Council under the above and subsequently carried out the Cost Benchmarking Procedure in accordance with the Contract for the 2022/23 financial year.
- 1.5 OCL have provided the results of the Cost Benchmarking Procedure to the Council and the last estimate, which is detailed in Part B of the report.
- 1.6 The Council is required to confirm to OCL if it accepts the Cost Benchmarking Proposal.
- 1.7 Link to Corporate Plan and Priorities:
 - 1.7.1 - Healthy, safe & well supported residents
 - 1.7.2 - A great start & skills for life
 - 1.7.3 - Better jobs and dynamic businesses

2 Current Position

- 2.1 A summary of the current position is provided in Part B of the report.

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 20th March 2023.

4 Preferred Option

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

5 Consultation

- 5.1 n/a

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 20th March 2023

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- 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 20th March 2023.
8. **Co-operative Agenda**
- 8.1 In terms of our Council Co-operative Charter, we work with OCL to ensure that they will deliver in line with our FORWARD values.
- 8.2 The company is an Oldham based company that is detailed in Part B of the report
- 9 **Human Resources Comments**
- 9.1 Any HR implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20th 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 20th March 2023
- 11 **IT Implications**
- 11.1 None
- 12 **Property Implications**
- 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 20th March 2023.
- 14 **Environmental and Health & Safety Implications**
- 14.1 None
- 15 **Equality, community cohesion and crime implications**
- 15.1 Full equality, community cohesion and crime implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20th March 2023.
- 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 20th March 2023.
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 EE-03-22
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19 **Background Papers**

19.1 None

20 **Appendices**

20.1 Appendices are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 20th March 2023.