26/27 L&R Budget Setting Review

Date: 21st October 2025
To: Leisure & Recreation Committee
From: Andrew Briggs – Ops Manager
Subject: Budget Setting Report
Priorities: Provide a high standard of services and facilities, Protect and Improve our Environment, Promote Inclusivity

1. Introduction

This report provides a review of the Leisure & Recreation (Cost Centre 200) budget and associated operational pressures for the 2026/27 financial year. It sets out the current midyear performance, identifies core issues driving overspends, and proposes a revised, realistic budget structure aligned with statutory responsibilities, inflationary trends, and the council's expanding asset base.

It also considers the financial implications of the Moredon Sporting Hub and recommends that this remains a separate cost centre to improve financial transparency and strategic decision making.

Key findings:

- Current 2025/26 budget: £73,000
- Projected 2025/26 YE: c. £108,000 (c. - £35,000)
- Proposed 2026/27 budget: £157,000 (Cost Centre 200)
- Projected Cost Centre 200 precept impact: 3.0% – 3.5%
- Indicative separate Moredon budget (compliance, routine works and maintenance only): c. £50,000 - £60,000

Of the proposed £157,000 budget, approximately £30,000–£35,000 is attributable to Year on Year inflationary cost increases alone.

2. Context and Service Overview

The Leisure & Recreation budget is central to the council's statutory and discretionary service delivery. It covers the management and maintenance of:

- 16 buildings
- 19 play areas
- 9 allotment sites
- 10 adult football pitches and associated changing rooms
- Extensive green spaces, parks, and tree stock

The asset base has expanded significantly in recent years (notably with the addition of Moredon Sporting Hub and Moredon Community Centre), placing sustained pressure on budgets that have remained flat for consecutive years.

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3. Current Financial Performance – Month 6 (2025/26)

3.1 Leisure & Recreation (Cost Centre 200)

Category	Annual Budget	YTD Actual	% Spent	Projected YE	Variance
Income	£44,000	£18,758	42.7%	£38,000 – £40,000	-£4,000 – £6,000
Expenditure	£73,000	£54,729	75.0%	£108,000 – £115,000	C. +£35,000
Net Position	(£29,000)	(£35,971)	–	(-£68,000)	-

Month 6 Budget.pdf

Observations:

Annual Budget Allocation

Cost Code	2022	2023	2024	2025
200/5510 (Compliance)	£25,000	£15,000	£15,000	£15,000
200/5515 (Maintenance)	£30,000	£25,000	£20,000	£20,000

Annual YE Expenditure

Cost Code	2022	2023	2024	2025
200/5510	£50,184	£32,343	£37,529	-
Variance	**-£25,184**	**-£17,343**	**-£22,529**	-
200/5515	£29,053	£43,951	£31,918	-
Variance	£947.00	**£18,951**	**£11,918**	-

- Compliance, tree works, and additional grounds budgets are already overspent midyear.
- Green Flag expenditure is 176% of budget, reflecting accreditation and biodiversity work (Some costs to be reallocated to EMR339)
- Income is below profile due to reduced bookings and system misuse (see Section 4.2).
- As part of the wider review of Leisure & Recreation service delivery, councillors are asked to consider the introduction of a dedicated budget allocation for cleaning staff

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associated with the operation of sports pavilions, changing rooms, and associated welfare facilities.

At present, cleaning provision for these facilities is delivered either through general staffing budgets or ad-hoc agency support.

- Budgets have absorbed Moredon Hub works as no site specific code available for it.

4. Key Financial Pressures

4.1 Statutory Compliance & Maintenance

Compliance costs are underbudgeted. The council currently spends around £2,000 – £2,400 per building annually, compared with a budget equivalent of just £937.00 per building.

To help with coding, the following split is proposed for 2026/27:

- Statutory Compliance
- Compliance Remedial Works
- Routine Maintenance
- Reactive Repairs
- Emergency Repairs

4.2 Income Streams and Existing Revenue Generation

While expenditure pressures have increased substantially due to inflation, compliance obligations, and asset growth, the council continues to successfully generate a range of revenue streams that directly offset pressures on the precept and support long-term financial sustainability. These income sources reflect the council's proactive approach to commercialising assets, creating partnerships, and maximising the value of its estate.

The following recurring income agreements are currently in place:

Source	Description	Annual Value
American Football Club	Seasonal hire agreement for sports pitch use	£6,669
Penhill United FC	Annual hire fee for pitch usage	£4,265
Floodlight Storage Fee	Additional charge for lighting storage	£250
InPost Parcel Lockers (x3)	Annual licence fees for parcel locker installations (new)	£3,600
Kiln Lane Parking Licence(s)	Parking and land use licence income	£6,500

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Source	Description	Annual Value
Swindon Tuition Centre – Parkside Hub	Annual licence fee for education service use of Parkside Hub	£12,500
Moredon CC Social Club	Annual lease/licence fee for community social club	£10,000
PTCC Tenants	Annual rent/licence income from commercial tenants	£45,000

This recurring income provides a critical contribution to the council's overall financial position and helps to mitigate reliance on precept funding. Furthermore, it demonstrates the council's commitment to developing a mixed revenue model, balancing statutory funding with commercial and community income streams.

Strategic Considerations

- **Growth Opportunities:** Opportunities exist to further commercialise underutilised spaces, extend partnership use agreements, and explore additional licensing arrangements across the estate.

While these revenue streams do not eliminate the need for increased budget allocations — particularly in statutory and maintenance areas — they provide a meaningful and sustainable contribution to the council's operating model and should be strategically protected and reinvested.

4.3 Income Challenges

Income projections have been negatively impacted by:

- Loss of Abbey Meads bookings as activity transferred to Moredon Hub.
- Misuse of the booking system by league football clubs (non-booked and unpaid matches).

Officers are reviewing booking systems and enforcement processes to prevent future revenue leakage.

4.4 Inflationary Pressures and Cost Escalation

- **CPI (Consumer Price Index):** 3.8% (annual rate)
- **RPI (Retail Price Index):** 4.6% (annual rate)

Inflation remains one of the most significant structural pressures on the council's Leisure & Recreation budget. Since the last substantive budget uplift in 2021/22, the cumulative rise in prices has fundamentally changed the cost base for service delivery, even before accounting for the expanded asset portfolio and increased statutory requirements.

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Financial Year	CPI (Annual Avg)	RPI (Annual Avg)	Commentary
2021/22	5.1%	7.5%	Inflation begins to surge post-pandemic
2022/23	9.1%	12.6%	Peak inflation – record increases in energy, labour, and contracts
2023/24	6.7%	9.1%	Inflationary pressure remains high across all service areas
2024/25 (proj.)	3.8%	5.2%	Gradual moderation but still well above BoE target
2025/26 (proj.)	3.0%	4.3%	Forecast stabilisation, but cumulative effects remain significant

Collective Impact on Budgets

Over the past four years, CPI has risen cumulatively by around 27% and RPI by around 38%. Had the current Leisure & Recreation budget (£73,000) been indexed annually to CPI, it would now stand at approximately £92,700. Indexed to RPI, that figure would be closer to £100,700.

This demonstrates that a significant proportion of the proposed uplift to £157,000 is attributable to inflation alone, even before considering increased asset management responsibilities or statutory requirements.

Effects on Key Budget Lines

The following areas have seen the greatest cost escalation since 2021:

- Statutory compliance and testing contracts: +25 - 35% (reflecting contractor price rises, certification costs, and regulatory changes).
- Utilities, cleaning products, and consumables: +30 - 45% (energy costs remain volatile, and cleaning/maintenance materials have risen sharply).
- Grounds maintenance**:** +35%+ (fuel, transport, and specialist contractor inflation).

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5. Proposed 2026/27 Budget (Cost Centre 200)

Budget Line	2025/26 Budget	Projected YE	2026/27 Proposed
Statutory Compliance	£15,000	£35,000	£30,000
Compliance Remedial Works	–	–	£10,000
Routine Maintenance	£20,000	£40,000	£15,000
Reactive Repairs	–	–	£20,000
Emergency Repairs	–	–	£5,000
Tree Works & PPM	£5,000	£10,000	£12,000
Additional Grounds Maintenance	£7,000	£10,000	£10,000
Sports – Programmed Works	£25,000	£25,000	£30,000
Sports – Remedial Works	–	–	£5,000
Sports Equipment	–	£537	£2,000
Sports Line Marking	–	£3,000	£5,000
Green Flag / Parks	£1,000	£1,765	£3,000
Parkside Hub Café Ops	–	–	£10,000

Total Proposed 2026/27 Budget: £157,000
Increase: +£86,000 (+120%)

6. Indicative Moredon Budget (Separate Cost Centre)

Budget Line	2026/27 Proposed
Building Statutory Compliance	£8,000
Site Remedial Works	£12,000
Routine Site Maintenance	£15,000
Sports Planned Maintenance	£20,000
Sports Remedial & Repairs	£5,000

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Indicative Total: £60,000

7. Precept Impact Modelling

Scenario	Description	L&R Budget	Precept Impact
A – Inflation Only	£73,000 + 4% inflation	£75,920	0.2%
B – New L&R Budget	£157,000 total	£84,000 increase	~3.9%

(*Based on precept baseline £2,156,928*)

8. Earmarked Reserves and Income Strategy

- **Allotments:** Surplus income (including lease/parking) to be EMR'd annually.
- **Sports:** Surplus hire income to be EMR'd to fund future pitch works and facilities.
- **Parkside Hub:** Surplus revenue to be EMR'd for future operational costs and capital reinvestment.

9. Conclusion

The Leisure & Recreation budget requires revision to reflect the true cost of delivering services, maintaining a growing asset base, and meeting community expectations.

The proposed restructure, increasing the budget from £73,000 to £157,000, is not discretionary growth it is a necessary correction to support compliance, asset integrity, and sustainable service delivery.

The proposed uplift of the Leisure & Recreation budget from £73,000 to £157,000 represents an additional **3.9% impact on the total parish precept**. This would increase the L&R service's share of the precept to around **7.3%**,

Separating Moredon Sports Hub into its own cost centre will allow for better governance and clearer decision making while ensuring the core L&R service remains financially sustainable and focused on its statutory and operational priorities.

Members should also note that the council's Grounds Maintenance contract and vehicle fleet will require renewal in 2027, with likely increased leasing or capital costs, particularly if transitioning to electric vehicles.

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10. Recommendations

It is recommended that Council:

1. Moredon Sporting Hub has a dedicated separate cost centre for budgeting, monitoring, as to improve transparency and enable more strategic oversight and is considered as part of the overall budget setting process.
2. Approve the restructuring of Cost Centre 200 as set out in Section 5, introducing new budget lines and allocating realistic funding levels for statutory compliance, maintenance, and service delivery.
3. Approve a recommended increase of the L&R budget to £157,000 for 2026/27.
4. Agree that surplus income from allotments, sports clubs, and Parkside Hub be ringfenced into EMRs annually.
5. A dedicated cleaning budget be established from 2026/27 onwards, specifically assigned to the changing rooms. Est £8,000 – £12,000 PA.
6. Direct officers to explore alternative income channels, implement improved booking systems and enforcement measures to capture and secure all income due.
7. Undertake a full coding review with officers to ensure recurring expenditure is correctly allocated and accurately reported in future budgets.
8. That all recommendations are submitted as part of the Councils overall 26/27 budget setting process.