

# Moredon Sports Hub

## Financial Update

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### 1. Salaries and Wages

As of the end of June, expenditure on salaries and wages totals £22.4k against an expected spend of £36.75k, based on three months of the annual budgeted amount of £147k.

This represents a favourable variance of £14.35k, primarily due to the timing of the onboarding of myself and Amy as replacements for our predecessors. The resulting saving of £14.35k is expected to be retained within the current financial year.

### 2. Agency Cost

Agency expenditure currently stands at £38.6k against a year-to-date budget of £84k. Expenditure is significantly higher than the expected for the first three months of the financial year, which would expected to be around £21k (£17.6K overspend)

The increased expenditure is primarily due to several operational factors.

- Duty Managers hours have increased significantly to provide cover during the management transition.
- As Vicki (catering Supervisor) has taken on a greater proportion of Duty Management responsibilities, this has created a corresponding requirement for additional agency cover within the café to maintain service levels.
- Becky's hours have been intentionally front-loaded during the early part of the financial year to support the preparation and submission of grant applications. While this has resulted in higher agency costs in the short term, it reflects a planned investment to secure funding opportunities. As noted, Becky has successfully secured approximately £33k in funding to support programme delivery, with a large proportion of this funding allocated towards covering associated wage costs. A budget allocation of £12k was initially provided by the Council to support Becky's role. With the additional grant funding secured, we are now better positioned to appropriately account for Becky's hours.

### 3. Café Expenses

As of the end of June, café expenditure totals £25.02k year-to-date against a budgeted spend of £94.74k. Based on three months of the annual budget, expected expenditure would be approximately £23.69k, representing an adverse variance of £1.34k.

The overspend includes the purchase of the multideck fridge, which was approved through at the FGP. Increased purchasing levels have also been driven by improved café revenue, reflecting

higher stock requirements to support increased trading activity. The additional expenditure is therefore aligned with the growth in café income and operational demand.

#### **4. Revenue Summary**

As of the end of June, total revenue generated is £98.84k year-to-date against a budgeted target of £361.60k. Based on three months of the annual budget, expected revenue would be approximately £90.40k, representing a favourable variance of £8.44k. 9.34% ahead of budget.

##### **Football Pitch Hire**

Football pitch hire income is currently £30.82k year-to-date against an expected £29.75k, based on the three-month profile. Following the additional usage secured through FC Abbey meads, I anticipate this income stream will continue to perform strongly and forecast a year-end surplus of approximately £10k against budget.

##### **Cycle Track Hire**

Cycle track hire income currently stands at £11.94k against a year-to-date expectation of £10k for the first three months. Income is expected to reduce during the winter months due to seasonal demand, alongside the impact of track cancellations resulting from ongoing maintenance issues. Despite these challenges, I am expect that the income target can be achieved by the end of the financial year.

##### **MSH Room Hire**

MSH room hire income currently totals £4.16k against a year-to-date expectation of £5k for the first three months. With several additional bookings expected, I am hopeful that this income stream will recover and achieve the annual target by year-end.

##### **Café Income**

Café income is currently £41.07k year-to-date against a budgeted expectation of £37.50k for the first three months, representing a strong performance. This is particularly positive considering the site was closed for several days in June and experienced reduced occupancy during the period of extreme heat, an estimated £2.5K-£3K loss in revenue. The continued growth in café revenue provides confidence that the annual income target should deliver a surplus.

##### **Fitness Classes**

Fitness class income currently stands at £5.86k against a year-to-date expectation of £5.75k, for the first three months, performing slightly ahead of profile and remaining on track to meet the annual budget.

#### **5. Year-End Forecast – Net Income Over Expenditure**

The current year-to-date position shows a net income over expenditure position of -£22.53k against a budgeted position of -£110.90k, with the three-month expected being a net expenditure position of -£27.73k. This represents a favourable variance against the expected position at this stage of the financial year.

Based on the current forecast, I am confident that MSH will achieve a net income over expenditure position by the end of the financial year. This forecast remains subject to any unforeseen changes, including potential impacts from track closures, maintenance requirements, or other operational factors that may affect income generation.

#### **6. Officer Recommendation – Continuation of Becky's Hours**

It is recommended that the additional budget provision for Becky's hours is approved to allow continued support for her role and the delivery of planned programmes. The current forecast indicates that the existing £12k budget allocation provided by the Council is expected to be fully utilised by mid-August (subject to annual leave adjustments).

Since the commencement of this arrangement, Becky has successfully secured additional grant funding, with approximately £20k expected to contribute towards supporting the cost of her role and associated programme delivery costs. The additional funding secured provides a stronger financial position and enables Becky's hours to be better aligned with the level of resource required to successfully deliver the funded programmes and associated activities.

Approving the additional budget will provide continuity of support, maintain delivery capacity, and enable the council to continue delivering key programmes, such as Limitless and Family cycling.