PARKS AND RECREATION COMMITTEE

Agenda Item:	Finance Report: Revised Revenue Budget 2026/27 and Draft Base Revenue Budget for 2027/28
Meeting Date:	Monday 2 November 2026
Contact Officer:	Responsible Financial Officer

Should Members have any queries about this report advance notice would be appreciated, in writing, by 12 noon on Monday 2nd November to allow for a full response at the meeting.

The purpose of this report is report to Members in relation to income and expenditure revenue budgets for the year to date, present projections as to the revised revenue estimates for 2026-27 and to present the proposed revenue estimates for 2027-28.

Background

Each year the committees review their estimates of income and expenditure so that proposals can be submitted to the Council in relation to revised revenue estimates for the current year and proposals for the next year.

Consequently this report presents Members with the revised budget for 2026/27 and the first draft of the revenue budget for 2027/28 for the cost centres which are the responsibility of this Committee. Please see attached document.

The budget process is ongoing and there is further work to undertake. Therefore this report will be subject to updates when this Committee's estimates are presented to the meeting of the Policy, Governance and Finance Committee on 23 November and for reasons explained later in this report some of those changes may be material.

Current Situation

For the Parks and Recreation Committee the following cost centres are in place and these are shown in the report. Cost centres, comprising three digits, typically represent a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

Cost centre	Service
201	Splash Park at the Leys Recreation Ground
202	The Leys Recreation Ground
203	West Witney Sports Ground
204	Burwell (Queen Elizabeth 2) Sports Ground
205	King George V/ Newland Recreation Ground
207	Moorland Road Play Area
208	Woodgreen/ Play Area
209	Eton Close Play Area
210	Oxlease Play Area
211	Fieldmere Play Area
212	Quarry Road Play Area
213	Ralegh Crescent Play Area/ Deer Park pitches
214	Park Road Play Area
215	Cedar Drive Play Area
216	Unterhaching Play Area
217	Waterford Lane Play Area
218	Windrush Place
220	Springfield Oval Play Area
230	Play Areas – Holding Budget

Within each cost centre income and expenditure is then allocated to a four-digit nominal ledger code; these codes are common across the cost centres. Nominal ledger codes further define the costs associated with the cost centre and correspond to a specific type of account, such as materials or staffing costs. Codes commencing with "1" are income codes; codes commencing with "4" are expenditure codes.

The format of this report is straightforward; the first two columns relate to the original budget from 2025/26 against the actual figures for last year. The middle columns relate to the current year's original budget, actual expenditure year to date, the projected budget to 31 March 2027, based on the latest estimates. The right-hand columns relate to the draft budget for 2027/28. Note that the financial software the Council uses shows this budget as "Agreed" when it should state "Proposed."

The Committee's revenue budget growth items for 2027/28, and its capital/special revenue projects programme for 2027/28 and beyond are dealt with as a separate budget item.

Budget parameters for 2027/28

Draft **revenue budgets** are prepared based upon current activities and projected patterns of income and expenditure. Any additional revenue expenditure is considered separately as Revenue Growth Items.

1. <u>Fees and Charges</u>

   Fees and charges for recreation services need to be considered. The Council is subject to inflationary pressures and so it is reasonable that fees and charges are increased to cover these. It should be remembered that services run at a net cost to the Council taxpayer – which is the ultimate reason they are provided by a local

authority. Fees and charges are set at a level at which a reasonable amount is then recovered by those actually benefiting from the service which has been paid for by all Witney council taxpayers. The CPI (consumer prices index) as of September 2026 was 3.5%. However this is expected to rise to around 3.75% later this year and some forecasts are that it could rise to 4% early in 2027. All these forecasts will be affected by the geopolitical situation and global trade policy which remain highly volatile. The RFO has a reasonably low level of confidence in any forecasts.

The Bank of England CPI target is 2%.
The recommendation is to add 3.5% to fees and charges.

2. Staffing Costs

The national pay award for 2025-26 was agreed at 3.3%.

The agreed budget parameter for 2027-28 is an increase of 3.5%.

3. Utilities

There remains massive uncertainty regarding gas and electricity prices and these will change depending on the increasingly unstable international circumstances. At this stage the RFO's working assumption is 15% but this will be subject to change during the budget cycle.

In relation to **water and sewerage charges** there have been large increases in recent years but there is no information online in relation to 2027-28. Services are being assessed on a case-by-case basis with an increase of 5% allowed.

Regarding National Non-Domestic Rates the increase for 2027-28 this will be announced in the government's budget but is normally based on the CPI in the autumn, which will be around 3.75%.

4. Insurance

The Council's Long-Term Agreement (LTA) with Zurich Municipal will apply during 2027-28, as agreed by the Council on 30th March 2026. The Council did go through a tender process earlier this year but as anticipated premiums increased sharply, reflecting the fact that they had not increased in terms of rating for five years.

The new LTA guarantees the same rate (insurance charge per £1K insured) for three years from 1st April 2026 although premiums will rise to reflect increased sums insured e.g., due to buildings inflation. Increased insured risks will impact the budget e.g., in relation to the Windrush Place Pavilion ends as of 31 March 2026.

The budget will be based on current year's premiums, known additional perils and a 4% inflation uplift.

5. Other expenditure lines

When considering the estimates the RFO examines each individual budget line, looking at the historic trends and known future developments so a flat percentage is not applied uniformly across the estimates. There are likely to be some areas e.g. fuel, where a steep increase will be proposed. However where a cost-of-living increase is applied, 3.5% will be used for 2027-28, revised down from 3.75%.

BASE REVENUE BUDGETS

Members may wish to note the following general comments:

1. The actual year to date figures are for the first six months of the financial year, the period April to September 2026 and include the recharges from central budgets.

2. **Income** - note the seasonal nature of the income in relation to sports facilities, with cricket skewed to the April – September period when income from football is skewed to the period from September.

3. All codes 4047 – **play equipment and area maintenance**. As agreed during 2025-26 a new system was introduced to account for these budgets. Instead of having 15 separate budgets across the different play areas, these were consolidated into one budget held under cost centre (cc) 230. When money is then spent on a play area it is recorded against that play area. Budget is then vired (transferred) to that specific play area budget and the amount in cc230 is reduced accordingly. Consequently Members will see that the amount remaining for play area maintenance this year is £11,292 from an original allocation of £15,320.

   Note that there is a separate play area capital budget of £75,000 (current year), under the capital budget cost centre 800. Capital budgets, including the major West Witney Project, are the responsibility of the Policy, Governance and Finance Committee although the other spending committees have a significant role in formulating and spending these budgets and officers do take the opportunity to update Members regarding projects.

   The same approach is now being taken in relation to the **sports equipment budget** (code 4046); the holding budget in 2026-27 amounted to £5,000, having been vired from cost centres 202 to 204, and this is then vired back to the individual cost centres as required.

4. At this stage in the budget the committees are asked to consider their spending. The funding of this spending and the utilisation of earmarked reserves is a matter which will be considered by the Policy, Governance and Finance Committee later in the cycle.

5. Members are reminded that for the 2026-27 estimates there have also been a number of changes in relation to the treatment of **property budgets**. Previously where a property was leased out this was represented in the accounts against the site where the property was located.

   For this Committee this affect the West Witney Clubhouse, the bowls club buildings and the Witney Projectile Range buildings. To remind Members - these were previously shown under the West Witney Sports Ground budget, cc203. However this inadvertently had the impact of distorting revenue budgets such as cc203. This is because the vast majority of expenditure in this cost centre was not related to these buildings, and those that are was recharged; whereas the income shown on these rentals represented 45% of the income shown on cc.203, thus understating the cost of operating the sports ground. In governance terms it should also be noted that whilst clearly spending committees have an interest, property matters in relation to leases etc are primarily a matter for the Policy, Governance and Finance Committee (PGF).

   These costs are shown under cost centre 501, under PGF, which consolidates all rented property income and expenditure. Some further virements from cost centres 202 and 203 to 501 in relation to costs directly related to these properties have been made in the current year.

6. It should be noted that a significant proportion of expenditure in the Parks and Recreation budgets relates to recharges from **central budgets**. The latter will be considered by PGF at its next meeting but for now Members may wish to note the following:
   (i) Works team recharges for the year to 30 September 2026 are based on timesheet analysis. This means that there will often be significant variation against individual cost centre budgets depending on what works have taken place on individual sites.
   (ii) The revised 2026-27 estimates are included at the same level as the original budgets; it is considered at this stage that expenditure outturn will be within these budgets. Note that this approach means that there will be some budget lines in relation to works recharges where the year-to-date figure is showing higher than the revised 2026-27 and proposed 2027-28 estimates. An example is at cost centre 216 Unterhaching Park. This will be rectified after final estimates are agreed but because it is an allocation of cost it does not affect the bottom-line.

(iii) The 2027-28 estimates are based at this stage on an overall inflationary increase of 3.5% in relation to the central budgets, noting that there may be some changes between individual cost centres 601 (works team), 602 (central support) and 604 (works depot).

7. There are major inflationary pressures on the Council and so increases have been kept as low as possible. If additional funds are required in-year then increased use of virements is encouraged i.e. funding an overspend on one budget from underspends elsewhere.

<u>Notes in relation to specific items</u>

Time does not allow for a commentary on every item in the accounts but some items of interest are detailed below:

Page 1 – Splashpark. Water/ sewerage charges below but this year due to late season reduction in operating hours during drought. £15,000 budget retained for 2027-28 would allow for hours to return to those agreed in June 2026 and allow for some contingency.

Page 1 onwards – football fees and charges income at codes 1020. The estimates across the sites are based on the income for the period October 2025 to September 2026.

Page 1 – cricket income at the Leys and associated costs – no provision at this stage, pending further developments.

Page 1 – ground hire Leys (code 1051/202) includes fairs and circuses; ground hire not charged/grant (code 1055/202) is the notional cost of hires which are not charged – Witney Music Festival, the Carnival, Pride etc – and is matched by expenditure at 4110/202.

Page 2 – water/sewerage charges the Leys (4012/202) increased with opening of changing rooms.

Page 2 – street furniture (4200/202) amounting to £2,448 is funded from earmarked reserve (infrastructure).

Page 2 onwards – 4037 (ground maintenance) across various sites. Costs have increased over budget due to inflationary pressures and also because where possible costs are allocated directly to sites rather than through the works overhead. Where increases have been necessary there have been some reductions in other-related budgets where this reflects expenditure patterns and is realistic.

Page 3 – cricket fees and charges West Witney (1021/203) – reduced during 2026 for period when facility not available; resumes to previous levels for 2027.

Page 3 – grant received (1170/203) relates to a grant from the Football Foundation specifically for West Witney.

Page 10- play equipment and area maintenance, Unterhaching Park (code 4047/216) – this includes £2,016 expenditure in relation to new sensory equipment.

Revenue costs of new and/or enhanced facilities

There are a number of major projects which are either due to take place or are currently in progress. These will result in either new or enhanced facilities and will therefore have revenue implications. These are all capital projects and are the responsibility of the Policy, Governance and Finance Committee. However on completion they will provide services which will come under the Parks and Recreation Committee.

These facilities are as follows:

(i) Cost centre 202 – revenue costs in relation to the 3G facility at West Witney.
(ii) Cost centre 213 – revenue costs in relation to the MUGA facility at Ralegh Crescent.
(iii) Cost centre 218 – revenue costs in relation to the pavilion and pitches at Windrush Place.
(iv) Cost centre 215 – revenue costs in relation to Cedar Drive Play Area.
(v) Cost centre 217 – revenue costs in relation to Waterford Lane Play Area.
(vi) Cost centre 220 – revenue costs in relation to Springfield Oval Play Area.

With regard to (i) and (ii) - the 3G facility at West Witney and the MUGA facility at Ralegh Crescent - it is anticipated that these may have revenue consequences during 2027/28. At present there is no provision in the revenue budget. Your officers will advise on an estimate in the RFO's report to the Policy, Governance and Finance Committee at 23rd November 2026.

With regard to (iii), the pavilion and pitches at Windrush Place, this facility is due to transfer from the consortium during the current financial year. This is shown at cost centre 218. The net budget for 2026/27 is £32,150. However of this sum works team overheads account for £26,908 and there is a further £13,250 of income. These costs are based on the operating model agreed in December 2025. For now I have assumed the same budgets for 2027/28, with an uplift for inflation. However it is likely this budget will need to be increased. Your officers will advise on an updated estimate in the RFO's report to the Policy, Governance and Finance Committee at 23rd November 2026.

With regard to (iv), (v) and (vi) – Cedar Drive, Waterford Lane and Springfield Oval Play Areas. These facilities are due to be transferred to the Town Council and budgets are already allowed for engineering inspections of the play equipment as well as play risk assessments for the first two and have been added in for Springfield Oval for 2027/27. There will be additional revenue costs in relation to these areas during 2027/28 although these are

understood to be modest. Your officers will advise on updated estimates in the RFO's report to the Policy, Governance and Finance Committee at 23rd November 2026.

Note also that the West Witney Project, including both capital and revenue implications, is the responsibility of the Policy, Governance and Finance Committee, reporting to the Full Council and so is not considered in this report.

Overall the budget estimates show:

Original 2026-27 revenue budget: £491,446(adjusted for virements to property)

Revised 2026-27 revenue budget: £471,631

Proposed 2027-28 revenue budget: £502,210 (increase of 2.2% on 2026-27 original)

Note the above figures will likely change when the revenue costs of new and enhanced facilities and works/ central budgets are considered by the Policy, Governance and Finance Committee.

The Council has major ongoing capital projects and is also taking on new facilities and this will be an important consideration in setting a balanced budget.

Corporate Strategy

The Council's Strategic Plan 2025–29 sets out the Council's long-term priorities and direction, supporting its mission to 'make Witney a great place to live, work and visit.' This report contributes to the delivery of the following strategic pillar of the plan:

1. A Forward Looking Town Council

Impact Assessments

The Town Council has a duty to consider the effects of its decisions, functions and activities on equality, biodiversity, and crime & disorder. Consideration should also be given to effects on the environment, given the Council's Climate Emergency declaration in 2019.

a) Equality – no implications directly resulting from this report.
b) Biodiversity - no implications directly resulting from this report.
c) Crime & Disorder - no implications directly resulting from this report.
d) Environment & Climate Emergency - no implications directly resulting from this report

Risk

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

The RFO has approached the budget with prudence so as accurate budget as possible can be set at this early stage, although there may be some opportunities to make savings if required to balance the budget. The budget must also be realistic; if adequate budgets are not set then service delivery is likely to be affected.

The provision of regular financial reports is part of the Council's risk management system.

Social Value

Social value is the positive change the Council creates in the local community within which it operates. Social value is not quantified in the financial reports but clearly the creation of social value is dependent on setting adequate budgets to meet the Council's objectives.

Financial implications

This report forms part of the Council's due diligence and a process in line with its Financial Regulations. The financial implications are detailed above and also in the attached appendices.

This report forms part of the Council's mechanisms for budgetary control, as it enables income and expenditure incurred to be reviewed and to be compared with the Council's budgets.

Recommendations

Member are invited to note the report and

1. Consider the revised base revenue budget for 2026-27 and the estimated base revenue budgets for 2027-28, as detailed in the draft estimates.
2. Make a recommendation to the Policy, Governance and Finance Committee regarding the budget.