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25 March 2024

To: All Members of the Alexandra Palace and Park Board

Dear Member,

Alexandra Palace and Park Board - Wednesday, 27th March, 2024

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

7. 2024/25 BUDGET (PAGES 1 - 4)

To consider and approve.

8. CAR PARKING CHARGES REVIEW (PAGES 5 - 8)

To consider and approve the recommendations.

11. EXEMPT 2024/25 BUDGET INFORMATION (PAGES 9 - 12)

To consider any commercial information.

Yours sincerely

Boshra Begum, Senior Democratic Services Officer

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

27 MARCH 2024

Report Title: 2024/25 Budget

Report of: Richard Paterson, Director of Finance and Resources

Purpose: This report seeks approval of the 2024/25 Budget for Alexandra Park and Palace Charitable Trust.

Local Government (Access to Information) Act 1985 - N/A

1. Recommendations

1.1 To approve the budget position for 2024/25.

2. Alexandra Park and Palace Charitable Trust

2024/25 Budget

- 2.1 At the meeting on 26 February 2024, the Trustees were presented with a draft, outline Budget position of an in-year deficit of £1,012,000, £579,000 worse than is expected in 2023/24.
- 2.2 With this in mind, it was agreed that more work would be done to reduce the deficit and these figures would be represented to Trustees before the budget was approved.
- 2.3 A lot of work has taken place on both the Trust and the APTL budget and listed below are the changes that have been made in order to reduce the deficit.
- Fundraising target increased by £10,000.
 - Car Parking income increased by £100,000 (in line with the recommendation included in the Car Parking Charge paper).
 - Theatre School income included as this had been left out in error.
 - Staffing changes to reflect a rephasing of some posts (£43,000).
 - Utility costs reviewed:
 - Reduced due to the unit cost being forecasted to fall further from 1 October 2024 (£168,000).
 - Costs reallocated between the Trust and APTL to reflect consumption and demand (£233,000) more accurately.

2.4 This reduces the overall deficit by £544,000, to **£468,000** as per the table below.

Table 1: 2024/25 Trust Budget

TRUST	Original 2024/25 Budget	REVISED 2024/25 Budget	Variance
Grants	1,755,000	1,755,000	0
Gift Aid	2,000,000	2,000,000	0
Leases	246,319	246,319	0
AP Licence	300,000	300,000	0
Other Income	142,715	152,715	10,000
Turnover	4,444,034	4,454,034	10,000
Carparking and Donations	369,500	496,501	127,001
Cost of Events (Learning / Fundraising)	(16,350)	(76,000)	(59,650)
Interest Receivable		0	0
Salaries & Wages (admin)	(1,244,480)	(1,142,127)	102,353
Other Admin Expenses	(3,818,118)	(3,855,053)	(36,935)
Energy Costs	(746,500)	(345,400)	401,100
Total Overheads	(5,825,448)	(5,418,580)	406,868
Surplus / (Deficit)	(1,011,913)	(468,044)	543,869

3. Risks

3.1 The above doesn't come without risks:

- Car parking income doesn't hit the increased income target and the price increase encourages more visitors to use public or other means of transport.
- Ongoing inflationary pressures puts additional pressure on the cost base.
- Fundraising targets are not met due to pressures in the wider economy.
- Energy costs do not fall in line with forecasts.

4. **Legal Implications**

- 4.1 The Council's Head of Legal & Governance has been consulted in the preparation of this report and has no comments.

5. **Financial implications**

- 5.1 The Council's Chief Financial Officer has been consulted in the preparation of this report. The continued focus on diversifying income streams and reductions in costs are to be welcomed. Clearly the budget, like most any budget, is built on assumptions and these need to be monitored throughout the financial year.

6. **Appendices**

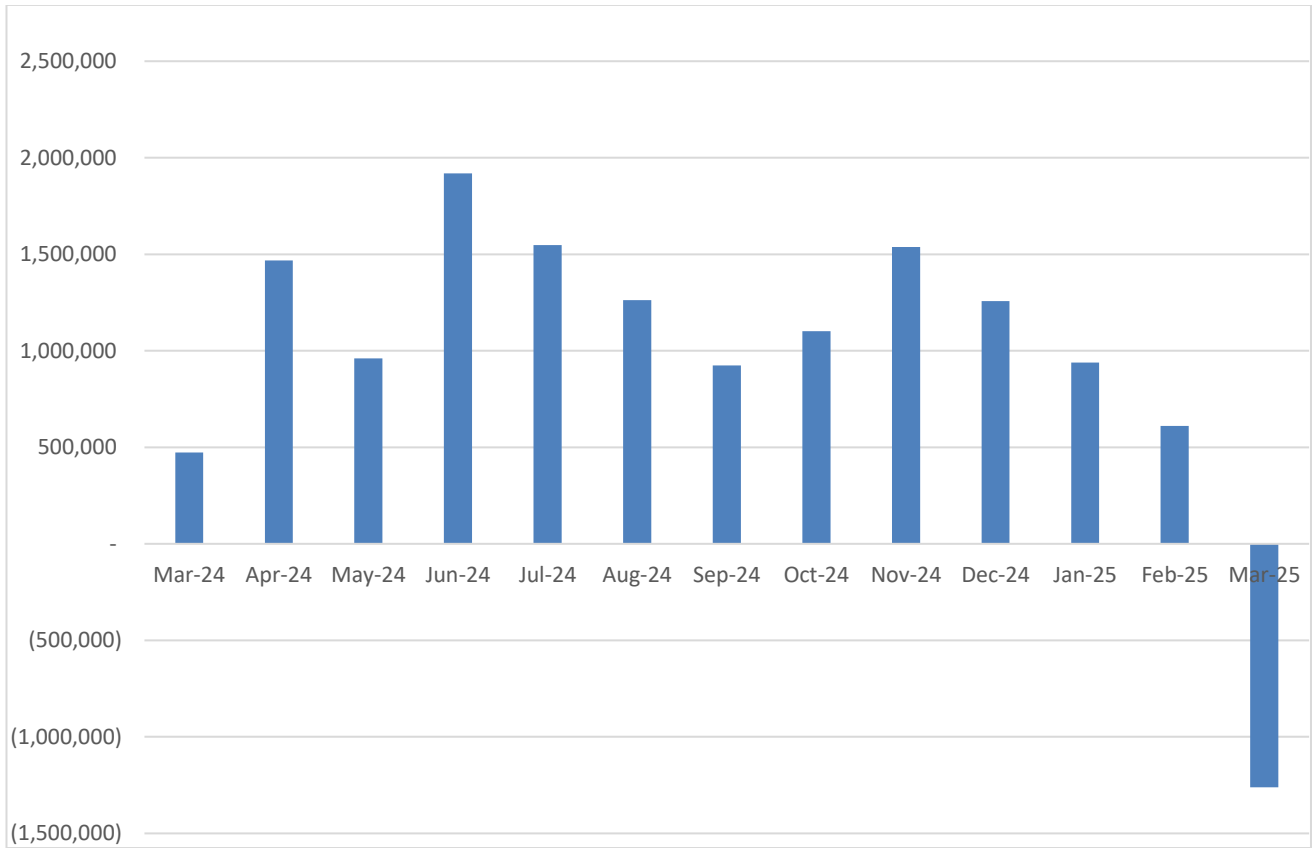
Appendix 1 – Cashflows

7. **Background Papers**

None

APPENDIX 1

Cashflow for Trust (including energy uplift and pay award)





ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

27 MARCH 2024

Report Title: Car Park Charging

Report of: Richard Paterson, Director of Finance and Resources

Purpose: To gain approval to increase car parking charges at Alexandra Palace as outlined below.

Local Government (Access to Information) Act 1985 - N/A

1. Recommendations

- 1.1 With the exception of the first 30 minutes which will remain free, to approve the increase in car parking charges to a flat rate of £1.75 per hour.

2. Introduction

- 2.1 In April 2019, Integrated Transport Planning Ltd (ITP), an independent expert consultancy firm, were asked to provide support to APPCT to inform a review of existing car parking arrangements at APP. Following this review, ITP helped APP develop proposals for the introduction of parking charges across the site.
- 2.2 From 11th November 2019 to 10th January 2020 (60 days) we asked stakeholders, beneficiaries, visitors and local residents for views on the proposals via an online survey. 2,121 completed surveys were received. We also held a series of informal drop-in sessions at Alexandra Palace for people to meet with APPCT staff to talk about the proposal and share their views, attended by approximately 20 people in total.
- 2.3 On 14 September 2020, the Board approved the introduction of car park charging and this went live in July 2023 with the tariffs that are in place today. These are as follows:

Tariff	Cost
30 mins	Free
30 mins to 1 hour	£1.50
1 to 2 hours	£3.00
2 to 3 hours	£4.50
3 to 4 hours	£6.00
Up to 24hrs	£8.00

2.4 As a result, the Palace is forecasting income of £335,500 in 2023/24 from car parking alone.

3. Context

3.1 It was agreed at the September 2020 Board meeting that the Trustees would approve any changes to the tariffs. This paper sets out our proposal.

3.2 The projected income for next financial year is lower than required. The Trust is forecasting a deficit for next financial year of £468,000 and this is simply not sustainable in the short or medium term.

3.3 Given the financial position of the Corporate Trustee and the pressure all local authorities are under, the need to diversify and increase alternative income streams has never been greater.

3.4 Therefore, despite the impact this will have on some of our regular customers, an increase is recommended.

4. Options

4.1 Various options have been modelled and are set out below.

	Percentage of Users	Current Charges	OPTION 1	% increase	OPTION 2	% increase	OPTION 3	% increase
1 Hour	22.3%	£1.50	£1.75	17%	£1.50	0%	£1.73	15%
2 Hours	28.8%	£3.00	£3.50	17%	£3.00	0%	£3.45	15%
3 Hours	18.7%	£4.50	£5.25	17%	£4.50	0%	£5.18	15%
4 Hours	12.8%	£6.00	£7.00	17%	£6.00	0%	£6.90	15%
5 Hours	6.0%	£8.00	£8.75	9%	£7.75	-3%	£9.20	15%
6 Hours	3.6%	£8.00	£10.50	31%	£9.50	19%	£9.20	15%
7 Hours	1.7%	£8.00	£12.25	53%	£11.25	41%	£9.20	15%
8 Hours	3.0%	£8.00	£14.00	75%	£13.00	63%	£9.20	15%
9 Hours	1.7%	£8.00	£15.75	97%	£14.75	84%	£9.20	15%
10 Hours	0.8%	£8.00	£17.50	119%	£16.50	106%	£9.20	15%
11 Hours	0.3%	£8.00	£19.25	141%	£18.25	128%	£9.20	15%
12 Hours	0.1%	£8.00	£21.00	163%	£20.00	150%	£9.20	15%
24 Hours	0.3%	£8.00	£42.00	425%	£42.00	425%	£9.20	15%

- Option 1 – increase the price to £1.75 per hour, with no cap on the total charge payable.
- Option 2 – maintain the pricing for those staying less than 5 hours, with the charge increasing to £1.75 for every hour thereafter with no cap.
- Option 3 – increase all the charges by 15%, in line with the current charging methodology.
- Option 4 – do nothing and the prices remain unchanged.

4.2 **Option 1 is recommended** for the following reasons:

- This yields the highest increase in income.
- The increase will yield an additional £100,000 and the income, based on current projections, will increase from £396,500 to £496,500, an increase of 25%.
- It ensures those parking more than 4 hours pay a fair price for every hour they park.
- It simplifies the tariffs and the information that will be displayed across the site.
- It will disincentivise car drivers from leaving their car overnight or for long periods of time as this presents a security risk to the site.

4.3 The new tariffs would be presented something like the following:

Tarriff	Cost
30 mins	Free
30 mins to 1 hour	£1.75
per hour thereafter	£1.75

5. **Risks**

5.1 The risks include:

- Negative stakeholder perception - there is a risk that stakeholders, including staff, students, and visitors, may perceive the increase in parking charges as an additional financial burden, leading to dissatisfaction or resistance.
- Reduced accessibility – it reduces the accessibility of the venue to those on lower incomes.
- Community relations damaged - negative publicity or community backlash could damage our reputation and goodwill.
- Enforcement challenges – higher charges may increase the number of people not paying at all, increase the cost of collection.
- Financial risk – the change drives down usage and therefore income.
- Perception of value - There is a risk that stakeholders may question the justification for the increase in parking charges if they do not perceive a corresponding improvement in parking facilities, services, or amenities.

6. **Legal Implications**

The Council's Head of Legal & Governance has been consulted in the preparation of this report and comments that the car parking charges must be reasonable because under section 105 of the Charities Act 2011 the Charity Commission has authorised the introduction of reasonable parking charges for cars and other motorised vehicles using the car parks.

7. **Financial implications**

7.1 The Council's Chief Financial Officer has been consulted in the preparation of this report and has no comments.

8. **Appendices:** None

9. **Background Papers:** None

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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