

Report Title: **Trust Budget 2014/15**

Report of: **Nigel Watts, Finance and Resource Director, Alexandra Palace Charitable Trust**

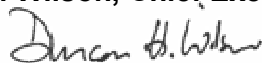
1. Purpose

1.1 This paper sets out the proposed outline budget for the Trust for the year ended to 31 March 2015.

2. Recommendations

2.1 The Board is asked to approved the outline budget,

Report Authorised by: **Duncan Wilson, Chief Executive Alexandra Place and Park Trust**



Contact Officer: **Nigel Watts, Director of Finance and Resources, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4340**

3. Executive Summary

3.1 The Trust's outline budget has been prepared in the context of a four year planning exercise.

3.2 More detailed departmental budgets are in the process of being drawn up and will be presented for approval at the next APPCT Board meeting

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 N/A

6. Trust Revenue Budget

Table 1 shows the proposed revenue budget for the Trust for 2014/15.

The trading company gift aid is shown as growing by just less than 1% compared to our forecast outturn for 2013/14. The 2014/15 budget reflects the loss of a valuable exam customer. Although we expect to be able to grow other business to compensate for this it will limit our overall growth.

Trust expenditure is budgeted to grow by £162k (7.7%). £100k of this (4.8%) is for additional fabric maintenance costs. The remainder (2.9%) is an allowance for inflationary increases and additional community and learning costs. Depreciation is budgeted to increase as we increase our capital expenditure. Of the £110k increase in the loan repayments, £60k relates to the Ice Rink loan and £34k to the SIF loan for the Great Hall lights.

Table 1 – Trust Revenue Budget 2014/15

£'000	2013/14	2013/14	2014/15	Change
	Budget	Forecast	Budget	vs F'cast
Trading Company Gift Aid	750	929	938	9
Trust net expenditure excl Regen	(2,150)	(2,105)	(2,267)	-162
Depreciation	(122)	(122)	(132)	-10
Interest	(78)	(75)	(78)	-3
Deficit Before Regen	(1,600)	(1,373)	(1,539)	-166
Regen net of HLF grants	(850)	(720)	(1,009)	-289
Deficit after Regen	(2,450)	(2,093)	(2,548)	-455
add back: depreciation	122	122	132	10
less: Loan repayments	(153)	(153)	(263)	-110
Cash Deficit	(2,481)	(2,124)	(2,679)	-555
Financed by:				
Underspend b/f	870	870	896	
LBH Annual Allocation	2,150	2,150	2,150	
Virement to Capital	-	-	(340)	
Underspend c/f	(539)	(896)	(27)	
	2,481	2,124	2,679	

7. Trust Capital Budget

The Trust's Capital budget for 2014/15 is shown in Table 2 below. To keep the Park and Palace open and running to an acceptable level there is an urgent need to increase the level of capital expenditure over the £500k annual grant provided by LBH. In 2013/14 we were able to increase expenditure to £814k by drawing down on previous years' underspends. We also need to start the design work for the Panorama room replacement. In total, we need a budget of £1.2m (Table 2).

Table 2 – Trust Capital Budget 2014/15

£'000	2013/14 Budget	2013/14 Forecast	2014/15 Budget	Change vs F'cast
Basic maintenance	814	814	500	-314
Fabric maintenance plan*	-	-	200	200
Essential works for utilities etc	-	-	250	250
Design for panorama room replacement	-	-	250	250
Gross Capital Expenditure	814	814	1,200	386
Financed by:				
Capital underspend b/f	314	314	-	
LBH Capital Grant	500	500	500	
New Borrowing (indicative)	-	-	400	
Virement from revenue	-	-	340	
Capital underspend c/f	-	-	(40)	
	814	814	1,200	
*additional expenditure over current Europa budget				

We propose to fund the additional £700k of capital expenditure through a mixture of virement from the revenue budget and new borrowing. Any borrowing proposal will be supported by a detailed business case and presented to the Board at a later meeting.

8. Legal Implications

- 8.1 The Council's Head of Legal Services has been consulted in the preparation of this report, and has no comments.

9. Financial Implications

- 9.1 The Council's Chief Financial Officer notes the proposed budget for the financial year 2014/15. As stated in paragraph 7, any decisions on taking on additional borrowing to fund capital expenditure will need to be carefully assessed before any agreement is given.