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08 April 2016

To: All Members of the Alexandra Palace and Park Board

Dear Member,

Alexandra Palace and Park Board - Tuesday, 12th April, 2016

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:

**13. TRUST FINANCIAL REPORT (AND ANNUAL ACCOUNTS TIMETABLE) (PAGES 1 - 8)**

To receive the report of the Director of Finance and Resources which sets out the results for Alexandra Park and Palace Charitable Trust for the 11 month period ending 29th February 2016.

**15. STORAGE UNIT PROPOSAL (PAGES 9 - 12)**

To receive the draft minutes of the Joint Statutory Advisory and Consultative Committee meeting on 5 April 2016.

**21. EXEMPT CHIEF EXECUTIVE REPORT (PAGES 13 - 54)**

**23. EXEMPT - CREATIVE WORKSPACE (PAGES 55 - 58)**

**24. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT (PAGES 59 - 62)**

Yours sincerely

Felicity Foley  
Principal Committee Co-Ordinator

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**Report Title:** Alexandra Park and Palace Charitable Trust Financial Results

**Report of:** Dorota Dominiczak, Director of Finance and Resources, Alexandra Palace Charitable Trust

### 1. Purpose

This paper sets out the results for Alexandra Park and Palace Charitable Trust for the 11 month period ending 29th February 2016.

### 2. Recommendations

2.1 To note the performance of the Trust and the attached timetable for submitting the annual accounts.

2.2 To approve a salary increase of 2% for all Trust employees effective from 1st April 2016.

Report Authorised by: Louise Stewart, Chief Executive Officer, Alexandra Park and Palace

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### 3. Executive Summary

3.2 The report provides the financial results for the period ending 29<sup>th</sup> February. Variations since the figures were presented to the Board in February, include:

- An increase of £615k Gift Aid from Alexandra Palace Trading Limited, which will increase a balance of unrestricted reserves carried forward to 2016-17;
- £516k capital grant funds carried forward from 2014-15 and 2016-17 spent as planned on capital projects;
- Re-allocation of HLF project costs of 250k from 2015-16 to 2016-17 to allow for removal of asbestos before the works can continue.

3.3 The report recommends a 2% staff salary increase in accordance with the salary increase agreed by APTL in February for Trading Company staff. Staff salaries have not increased since October 2014.

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

N/A

**5. Local Government (Access to Information) Act 1985**

N/A

**6. Table 1 – Incoming Resources**

- 6.1 All sources of unrestricted income are shown in Table 1 below. The main source of income is the LBH's (London Borough of Haringey) operating grant of £1,900k.
- 6.2 £180k of income from Park and Palace leases is on target to be achieved. Income from Park Leases shows additional £48k income which represents the cost of maintenance and repairs recharged to tenants (see corresponding over-spending in maintenance expenditure).
- 6.3 APTL (Alexandra Palace Trading Limited, 'the Trading Company') is charged £190k for the use of the Palace premises. The Licence Agreement is due for a renewal in 2016-17 and an increased licence fee is being considered to reflect 1) use of the Palace premises as well as the Park for commercial activities and 2) increased commercial benefit (turnover) generated by APTL .
- 6.4 The Trading Company Gift Aid target has been revised to £1,712k (£615k up on budget) due to the exceptional performance of all trading activities, in particular because of additional income from events and associated catering offers.

**7. Table 1 – Overheads**

- 7.1 For the year-to-date most budgeted expenditure is on target. Under-spending on Legal and Professional fees is attributable to the hotel project as well as a Governance Review project and a Strategic Vision review – both were provisionally booked to start by the end of 2015-16 but have been delayed until 2016-17 (hence funds will be carried forward in reserves).
- 7.2 The Marketing, Advertising and Design budget has been under-spent due to a lack of resource in the Trust and the expenditure has been partly borne by the Trading Company.

**8. Table 2 – Designated Funds (Fixed Assets)**

- 8.1 Capital Grant funding from LBH for 2015-16 was £400k and in addition there was an agreed balance carried forward from 2014-15 of £116k making a total of £516k available. To date spending and committed projects are on target to expend this budget in 2015-16 – refer to Table 2 below for details.

## **9. Table 3. Restoration Project (Restricted Funds)**

- 9.1 The current forecast of incoming resources for the Heritage Lottery Fund (HLF) sponsored project in 2015-16 is £1,570k. In accordance with the HLF Agreement 70% of the Project's expenditure is funded by HLF and 30% by LBH and fundraising - £500k from LBH and £1,070k from the HLF.
- 9.2 The estimated total expenditure including pre-construction works carried up to 31/3/2016 was £250k higher than originally forecast but these works are now phased into 2016-17 pending asbestos removal and obtaining a clearance of asbestos-contaminated areas.

## **10. HR matters – Trust staff**

- 10.1 Alexandra Palace aims to promote a culture of working as one organisation, whether our employees are contracted with the Trading Company or the Trust. In recent years many contractual benefits have been aligned in both areas to ensure consistency in salaries offered and the benefits package.
- 10.2 Since a salary increase of 2% for all Alexandra Palace employees (APPCT and APTL) in October 2014 there has been no review of salaries until February 2016.
- 10.3 In February 2016 FRAC recommended and APTL Board approved a 2% salary up-lift for all APTL employees.
- 10.4 APPCT Board is asked to approve a salaries up-lift for all Trust employees effective from 1st April 2016 on the same basis i.e. 2%.

## **11. Annual Accounts**

Appendix 1 provides a timetable for submission of the 2015-16 Annual Accounts for information. Trustees are required to attend a workshop to consider the accounts and strategic risk register in detail at 6pm on 19<sup>th</sup> July 2016, prior to the Board meeting on the same evening.

Table 1 – Incoming Resources and Overheads

APPCT YTD and Forecast For 11 Months Ending 29th February 2016	YTD 29/02/2016			Year 2015/16		
	Budget	Actual	Diff	Budget	Forecast	Diff
<b>Unrestricted Activities</b>						
<b>Trust Income</b>	£	£	£	£	£	£
LBH Grant - Operational	1,738,000	1,889,620	151,620	1,900,000	1,889,620	(10,380)
Palace APTL Licence	174,163	158,330	(15,833)	190,000	190,000	-
Palace Leases	78,500	79,734	1,234	78,500	79,734	1,234
Park Leases	64,925	113,930	49,006	86,566	135,472	48,906
Learning & Community	3,150	22,601	19,451	3,200	22,651	19,451
Gift Aid	-	-	-	1,096,202	1,712,128	615,926
Other	33,300	41,369	8,069	47,830	55,729	7,899
	2,092,038	2,305,584	213,546	3,402,298	4,085,333	683,035
<b>Total Incoming Resources</b>	2,092,038	2,305,584	213,546	3,402,298	4,085,333	683,035
<b>Overheads</b>						
Cost of Sales	-	15,643	15,643	-	15,643	15,643
Wages & Salaries (including pension & Ni)	513,018	516,837	3,820	582,440	568,165	(14,275)
Other Wage Costs (Agency,Welfare,Travel)	45,683	21,505	(24,178)	48,460	50,632	2,172
Maintenance Contract Palace	460,450	375,487	(84,963)	495,450	445,376	(50,074)
Maintenance Contract Park	274,760	274,761	1	294,386	294,386	1
Repair & Maintenance Other	145,735	171,886	26,151	162,908	200,796	37,888
Security Control	425,850	417,899	(7,951)	464,100	456,149	(7,951)
Cleaning & Pest	2,000	241	(1,759)	2,000	241	(1,759)
Rates & Insurance	313,496	311,748	(1,748)	342,000	340,252	(1,748)
Office expenses (Hire,stationery)	98,337	102,134	3,797	107,410	108,910	1,500
Utilities	114,105	100,794	(13,311)	125,300	117,589	(7,711)
Software & IT	54,450	68,691	14,241	58,900	72,941	14,041
Sundries, Meeting & Subscriptions	38,823	16,632	(22,191)	41,845	18,317	(23,528)
Marketing, Advertising & Design	89,486	35,430	(54,056)	97,060	40,054	(57,006)
Legal & Professional	312,440	197,273	(115,167)	328,164	223,210	(104,954)
Depreciation (Unrestricted are loan Assets)	123,706	112,394	(11,312)	134,952	123,640	(11,312)
Interest on Loan Assets	58,300	63,595	5,295	63,595	63,595	0
Banking Costs	-	504	504	0	504	504
APTL Cost recharges	70,587	65,050	(5,537)	77,000	78,060	1,060
Contingency	20,000	-	(20,000)	35,000	0	(35,000)
<b>Total Outgoing Resources</b>	3,161,226	2,868,502	(292,723)	3,460,970	3,218,459	(242,511)
<b>Result</b>	<b>(1,069,188)</b>	<b>(562,919)</b>	<b>506,269</b>	<b>(58,672)</b>	<b>866,874</b>	<b>925,546</b>

Table 2: APPCT Designated Funds (Fixed Assets)

	£	£	£
	Received	Committed	Total
<b>LBH Capital Grants</b>			
LBH Grant - Capital 2015/16	100,000	300,000	400,000
LBH Grant - Agreed Carried Forward 14/15	-	115,991	115,991
<b>Total Grants</b>	<b>100,000</b>	<b>415,991</b>	<b>515,991</b>
	£	£	£
	Spent	Committed	Total
<b>Capital Expenditure</b>			
AC Units	6,461	-	6,461
Fire Alarm System	108,362	-	108,362
Roof Works	1,114	-	1,114
Sundries	412	-	412
Furniture	2,395	-	2,395
Generator – replacement of electric battery	12,577	-	12,577
Trend Control Ice Rink	13,674	-	13,674
Gas Main Replacement	200,000	-	200,000
Roof Repair Package Phase 1	-	85,096	85,096
Fabric maintenance	-	85,900	85,900
	<b>344,995</b>	<b>170,996</b>	<b>515,991</b>

Table 3. Restoration Project (Restricted Funds)

APPCT YTD and Forecast For 11 Months Ending 29th February 2016	YTD 29/02/2016			Year 2015/16		
	Budget	Actual	Diff	Budget	Forecast	Diff
<b>Regeneration RE6</b>						
<b>Trust Income</b>	£	£	£	£	£	£
Other	-	7,178	7,178	-	7,178	7,178
	-	7,178	7,178	-	7,178	7,178
Regeneration Grants	1,457,460	1,197,807	(259,653)	1,457,460	1,562,394	104,934
Match Funding	759,950	-	(759,950)	839,875	-	(839,875)
	2,217,410	1,197,807	(1,019,603)	2,297,335	1,562,394	(734,941)
<b>Total Incoming Resources</b>	2,217,410	1,204,985	(1,012,425)	2,297,335	1,569,572	(727,763)
<b>Overheads</b>						
Wages & Salaries (including pension & Ni)	63,844	46,928	(16,916)	69,644	50,997	(18,647)
Legal & Professional	1,679,506	1,198,466	(481,040)	1,883,530	1,466,702	(416,828)
Banking Costs	-	7	7	-	7	7
<b>Total Outgoing Resources</b>	1,743,350	1,245,401	(497,949)	1,953,174	1,517,706	(435,468)
<b>Result</b>	474,060	(40,415)	(514,475)	344,161	51,866	(292,295)

## 11. Legal Implications

The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

## 12. Financial Implications

The Chief Finance Officer has been consulted on this report. The estimated financial impact of implementing the proposed salary increase is c£6,000 and the Trust has confirmed that this cost can be accommodated within their overall financial resources.

## 13. Use of Appendices

Appendix 1 – Annual Accounts timetable



**Appendix 1****Alexandra Palace and Park annual accounts timetable**

<b>DATE</b>	<b>Event</b>
12 April 2016	CEO & Director F&R meeting with Deloitte auditors
23 <sup>rd</sup> May 2016	Deloitte audit begins (2 weeks information gathering)
21 <sup>st</sup> June 2016	Closure meeting with Deloitte Audit Team
30 <sup>th</sup> June 2016	Deloitte auditors present draft accounts to FRAC
19 <sup>th</sup> July 2016	<p><b>6pm – Annual accounts and strategic risk register workshop for Board members</b></p> <p>7.30pm – Approval of accounts at Board meeting</p>

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# MINUTES OF THE MEETING OF THE JOINT MEETING OF THE ALEXANDRA PARK & PALACE STATUTORY ADVISORY COMMITTEE AND THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE HELD ON Tuesday, 5th April, 2016,

PRESENT: *Italics denote absence*

## Advisory Committee Nominated Members of:

Alexandra Residents Association	Jane Hutchinson
Bounds Green and District Residents Association	<i>Ken Ranson</i>
Muswell Hill and Fortis Green Association	Duncan Neill
Palace Gates Residents Association	<i>Kevin Stanfield</i>
Palace View Residents Association	Elizabeth Richardson
The Rookfield Association	David Frith
Three Avenues Residents Association	Jason Beazley
Warner Estate Residents Association	<i>Jim Jenks</i>

## Advisory Committee Appointed Members:

Alexandra Ward	<i>Councillor James Patterson</i>
Bounds Green Ward	Councillor Clare Bull
Fortis Green Ward	Councillor Viv Ross
Hornsey Ward	Councillor Adam Jogee
Muswell Hill Ward	<i>Councillor Mark Blake</i>
Noel Park Ward	<i>Councillor Stephen Mann</i>
Council-wide Member	Councillor Eddie Griffith
Council-wide Member	Councillor Charles Wright

## Consultative Committee Nominated Members:

Alexandra Palace Allotments Association	Jenny Bourne-Taylor
Alexandra Palace Organ Appeal	<i>Hugh Macpherson</i>
Alexandra Palace Television Group	<i>John Thompson</i>
Alexandra Residents Association	Dermot Barnes
Alexandra Park and Palace Conservation Area Advisory Committee	<i>Colin Marr</i>
Bounds Green and District Residents Association	<i>Ken Ranson</i>
Friends of Alexandra Park	<i>Gordon Hutchinson</i>
Friends of the Alexandra Palace Theatre	<i>Nigel Willmott</i>
Heartlands High School	<i>David Cole</i>
Hornsey Historical Society	Rachael Macdonald
Muswell Hill and Fortis Green Association	<i>Chris Roche</i>
Muswell Hill Metro Group	<i>John Boshier</i>
Palace View Residents Association	Val Paley
St Mary's CE Primary School	<i>Frances Hargrove</i>
Warner Estate Residents Association	<i>Jim Jenks</i>

## Consultative Committee Appointed Members

*Councillor Pat Berryman*  
*Councillor Joanna Christophides*  
*Councillor Tim Gallagher*  
Councillor Liz McShane  
Councillor Anne Stennett  
Councillor Bob Hare

**55. FILMING AT MEETINGS**

Noted.

**56. APOLOGIES FOR ABSENCE**

Apologies for absence were received from:

Councillor Joanna Christophides  
Councillor Tim Gallagher  
Councillor Stephen Mann  
Councillor James Patterson  
John Boshier  
Gordon Hutchinson  
Jim Jenks  
Hugh Macpherson  
Colin Marr  
Kevin Stanfield  
John Thompson

As the Vice-Chair of the Joint Statutory Advisory Committee & Consultative Committee, and the Chair of the Statutory Advisory Committee, Councillor Adam Jogee chaired the meeting in the absence of Gordon Hutchinson.

**57. DECLARATIONS OF INTEREST**

None.

**58. URGENT BUSINESS**

It being a special meeting, under the Council's Constitution Part 4, Section B, Paragraph 17, no other business shall be considered at the meeting.

**59. WEST YARD STORAGE PROJECT**

Russell Eacott, Interim Project Director for the East Wing Restoration Project gave a presentation on the principles of a new storage building in the West Yard and asked for comments from the Committee in advance of the proposal being presented to the Alexandra Park and Palace Board at their meeting on 12 April 2016.

NOTED the following discussion points and comments:

- Concerns were raised over the timetable of this and the HLF East Wing Restoration Project, and the potential for loss of storage space while the West Yard was under construction. Russell Eacott explained that the scheduling of the project would delay the handover of the West Yard area to the contractor (who would work on other areas in the meantime) to allow for the construction of the storage building and eliminate the need for off-site storage.
- It was felt that a function space deflected from the HLF project, and that particular area of the Palace was an isolated area and it did not make sense to have a function room in this area when there were potentially other areas in the Palace which were not currently used, and could be brought into use. Russell Eacott responded that the provision of a function space would establish an income generating element to the proposal.
- With regards to sustainability, it was commented that the Palace should use this as an opportunity to build a structure which had a minimal economic impact, was as efficient as possible, and could be an exemplar structure for Haringey.

Members also commented on the financial implications of the proposal, and the Chair reminded Members that the remit of the SAC-CC was to provide comments on the planning proposal. All other aspects would be considered by the Board.

The general consensus of the SAC-CC was that this was an attractive proposal, which would be welcomed.

**RESOLVED that the comments made by the Joint Statutory Advisory Committee and Consultative Committee be provided to the Alexandra Park and Palace Board at the meeting on 12 April 2016.**

**60. DATES OF FUTURE MEETINGS**

NOTED.

CHAIR:

Signed by Chair .....

Date .....

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