

NOTICE OF MEETING

ALEXANDRA PALACE AND PARK BOARD

**Tuesday, 30th April, 2019, 7.30 pm - The Palace Suite, Alexandra
Palace Way, Wood Green, London N22 7AY**

Members: Councillors Anne Stennett (Chair), Sarah Williams (Vice-Chair),
Dana Carlin, Nick da Costa, Erdal Dogan and Bob Hare

Co-optees/Non Voting Members: Jason Beazley (Three Avenues Residents
Association (TARA)), Duncan Neill (Muswell Hill and Fortis Green Association),
Val Paley (Palace View Residents' Association) and Nigel Willmott (Friends of the
Alexandra Palace Theatre)

Quorum: 3

1. FILMING AT MEETINGS

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES FOR ABSENCE

3. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at items 10 & 19 below)

4. DECLARATIONS OF INTERESTS

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

5. QUESTIONS, DEPUTATIONS OR PETITIONS

To consider any questions, deputations or petitions received in accordance with Part 4, Section B29 of the Council's Constitution.

6. MINUTES (PAGES 1 - 6)

- i. To confirm the unrestricted minutes of the Alexandra Palace and Park Board held on 4 March 2019 as an accurate record of the proceedings.

7. REPORT FROM THE CHAIR OF THE FINANCE, RISK, RESOURCE AND AUDIT COMMITTEE (FRRAC) (PAGES 7 - 8)

To note the feedback from the FRRAC

8. 2019-20 BUDGET (PAGES 9 - 20)

To approve the Trust's budget for the financial year.

9. TRUST FINANCIAL RESULTS (PAGES 21 - 30)

To consider and note the financial performance.

10. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT (PAGES 31 - 36)

11. FUTURE MEETINGS

17 June 2019

12 September 2019

3 December 2019
4 February 2020

12. EXCLUSION OF THE PUBLIC AND PRESS

Items 13-19 are likely to be subject of a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972; Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information)

13. MINUTES (PAGES 37 - 38)

To confirm the exempt minutes of the Alexandra Palace and Park Board held on 4 March 2019 as an accurate record of the proceedings.

14. EXEMPT - DRAFT APTL LICENCE (PAGES 39 - 90)

15. EXEMPT - DRAFT COST SHARING AGREEMENT (PAGES 91 - 102)

16. EXEMPT - TRUST FUNDRAISING REPORT (PAGES 103 - 108)

17. EXEMPT - KALEIDOSCOPE YEAR 2 (PAGES 109 - 112)

18. EXEMPT - APTL CHAIR'S REPORT (PAGES 113 - 114)

19. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

Felicity Foley, Acting Committees Manager
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Bernie Ryan
Assistant Director – Corporate Governance and Monitoring Officer
River Park House, 225 High Road, Wood Green, N22 8HQ

Thursday, 25 April 2019

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**MINUTES OF THE MEETING OF THE ALEXANDRA PALACE AND
PARK BOARD HELD ON MONDAY, 4TH MARCH, 2019, 7.30 -
8.50 pm**

PRESENT:

Councillors: Anne Stennett (Chair), Dana Carlin, Erdal Dogan, Bob Hare,

**Co-optees / Non-voting members: Jason Beazley, Duncan Neill, Val Paley
and Nigel Willmott**

324. FILMING AT MEETINGS

Noted.

325. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors da Costa and Williams.

326. URGENT BUSINESS

None.

327. DECLARATIONS OF INTERESTS

None.

328. QUESTIONS, DEPUTATIONS OR PETITIONS

Jacob O'Callaghan addressed the Committee with his questions:

- 1. Are members of the APP committee fully aware of the advice from the Information Commissioners Office to the Council's Democratic Services that the Council should review its decision (made under the previous administration) not to respond to requests under the Fol and Environmental Information Regulations for information about Alexandra Palace and Park. (The ICO wrote to the Council that it had been relying on a decision that has subsequently been overruled at a tribunal.)*
- 2. Will she kindly now confirm all officers will duly co-operate with future Fol and EIR requests to the Council.*

The Chair responded to say that the Council have responded to the letter sent by the Information Commissioner's Office, and were awaiting a reply from them. No further comment will be made until this is had been received.

329. MINUTES

RESOLVED that

- i. The minutes of the Alexandra Palace and Park Board meeting held on 6 November 2018 be approved as a correct record;
- ii. The minutes of the Alexandra Park and Palace Statutory Advisory Committee meeting held on 29 January 2019 be noted; and
- iii. The minutes of the Joint Alexandra Park and Palace Statutory Advisory Committee and Alexandra Palace and Park Consultative Committee meeting held on 29 January 2019 be noted.

330. REPORT FROM THE CHAIR OF THE FINANCE, RISK, RESOURCE AND AUDIT COMMITTEE

RESOLVED that the report be noted.

331. FINANCIAL RESULTS

Dorota Dominiczak, Director of Finance and Resources, introduced the report as set out. The figures were based on November closing figures. Negotiations with Willmott Dixon and Kier were being finalised in relation to final accounts and completion of works.

In response to questions from the Board, Dorota advised that the capital funding comprised of £470k budget, and £630k Gift Aid top up (from 2017/18). Donations and grants (paragraph 4.8) were received from individuals, See Tickets, the theatre campaign and Paypal.

RESOLVED that the financial performance of the Trust and the pressure on the 2019/20 Trust budget be noted.

332. CAPITAL REPAIR AND MAINTENANCE PROGRESS REPORT

Emma Dagnes, Deputy Chief Executive, introduced the report as set out. In response to questions from the Board, Emma explained that the disposal of non-historic goods was expensive due to compliance with standards in relation to disposal of electrical equipment. With regard to the basement works, there had been some progress, which could be seen near the Panorama Room.

RESOLVED that the report be noted.

333. ANNUAL REVIEW OF RISK MANAGEMENT POLICY

Louise Stewart, Chief Executive, introduced the report as set out.

RESOLVED that the Risk Management Policy, including the risk appetite statement attached at Appendix 1 to the policy, be approved.

334. SERIOUS INCIDENT REPORTING POLICY

Louise Stewart, Chief Executive, invited questions from the Board. There had been no reportable incidents as defined by the Charity Commission Regulator. The policy would be shared with tenants and leaseholders to talk through the understanding and discuss any concerns. It was important for the Board to be aware that if an incident was required to be reported to the Charity Commission, an urgent meeting would need to be called.

RESOLVED that

- i. The Serious Incident Reporting Policy be approved;**
- ii. The responsibility for reporting be delegated to the Chief Executive, on the conditions outlined; and**
- iii. The policy be reviewed in 12 months or sooner, if the Charity Commission guidance should change significantly.**

335. ANNUAL REVIEW OF H&S POLICY

Louise Stewart, Chief Executive, introduced the report as set out. The main change to the policy was the emphasis that the policy was shared between the Trading Company and the Trust.

RESOLVED that the updated Health and Safety Policy, attached at Appendix 1 be approved.

336. CAR PARK CHARGING

The Chair reminded the Board of the comments made by the Statutory Advisory Committee and Consultative Committee: "The SAC and CC generally supported the proposal to consider a scheme for car park charging, in particular for a thorough consultation to take place, but the SAC emphasised that the Board should give particular consideration to the impact on local residents and various stakeholders and beneficiaries and invite discussion by the Board."

In response to questions from the Board, Louise Stewart advised that:

- A consultation plan would be put forward when ready, and the SAC would have the opportunity to comment, based on their remit.
- Charging for parking would not require a change to the Act of Parliament, but would require a Charity Commission Order.
- It was likely that consultation would be carried out online, however if requests for paper based consultation were received, then the team would look into the cost of providing it. Anyone could comment on the consultation, it would not be restricted to local residents.
- Haringey Council would have the opportunity to assess the impact of parking charges, and this would be provided to the Board as part of the decision making process.

RESOLVED that

- i. **The CEO be authorised to undertake work to develop a proposal for the Board's future consideration, which will include the results of consultation with stakeholders and beneficiaries; and**
- ii. **The comments from the SAC and CC in response to being informed of the Board's intention to consider introducing car park charges be noted.**

337. COLOUR FRAMEWORK

Louise Stewart introduced the report as set out. Papers for the Colour Framework had been circulated as part of the Statutory Advisory Committee pack on 29 January. The consultant's reports were not electronically available due to the large file size and hard copies were made available to Board Members.

RESOLVED that

- i. **The Colour Framework be approved; and**
- ii. **The feedback from the SAC/CC be noted.**

338. GOVERNANCE

Louise Stewart, Chief Executive, introduced the report as set out. There were two governance programmes – the improvement programme and the proposal for governance change. There were two recommendations for the improvement programme: update to the Land Registry to say that the Park and Palace was a registered charity; and the appointment of an independent member to FRRAC. The Board would be kept up to date on further progress.

RESOLVED

- i. **That permission be sought from the Corporate Trustee, Haringey Council, to update the Land Registry in relation to Alexandra Park and Palace Charitable Trust and its charitable status;**
- ii. **That an independent member with appropriate expertise be appointed on to the Finance, Risk, Resource and Audit Committee (FRRAC); and the proposed role description, selection process and appointment of individuals on to the selection panel as proposed be agreed;**
- iii. **That the progress made on the Governance Improvement programme be noted; and**
- iv. **The progress made on the Governance Change programme be noted.**

339. APTL NED APPOINTMENTS

Louise Stewart, Chief Executive, introduced the report as set out. The existing independent Non-Executive Director was due to step down, but had been asked to continue for three months to sign off the accounts and assist in the recruitment.

RESOLVED that

- i. **An appointment process for two independent, non-executive directors to the Board of the Trading subsidiary APTL be undertaken;**

- ii. **The role description and recruitment process recommended by APTL be noted;**
- iii. **The members of the selection panel be appointed as proposed; and**
- iv. **The term of office of the existing APTL Independent non-executive director be extended for four months.**

340. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

None.

341. FUTURE MEETINGS

30 April 2019

342. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the press and public be excluded from the remainder of the meeting as items 20-25 contain exempt information as defined in Section 100a of the Local Government Act 1972; Para 1 – information relating to any individual, Para 2 – Information which is likely to reveal the identity of an individual, and Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information).

343. MINUTES

RESOLVED that the exempt minutes of the Alexandra Palace and Park Board held on 6 November 2018 be approved.

344. EXEMPT BRAND REPUTATION AND PROTECTION

The recommendations were approved.

345. EXEMPT INSURANCE REPORT

The recommendations were approved.

346. EXEMPT LEASE CHANGES

The recommendations were approved.

347. EXEMPT APTL CHAIR'S REPORT

The recommendations were approved.

348. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

None.

CHAIR: Councillor Anne Stennett

Signed by Chair

Date



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

30th April 2019

Report Title: Finance, Resource, Risk and Audit Committee (FRRAC) Chair's report
Report of: Sarah Williams, Chair of FRRAC

Contact Officer: Natalie Layton, Executive Assistant Natalie.layton@alexandrapalace.com 020 8365 4335

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

1. Introduction

- 1.1 FRRAC is a non-decision making committee established by the Trust Board to support the Board in delivering its finance, resources, risk and audit responsibilities.
- 1.2 The minutes of FRRAC meetings are circulated to the Trust Board in each information pack.
- 1.3 This report highlights relevant considerations of the FRRAC at its meeting on 29th January 2019 and makes recommendations to the Board.

2. Recommendation: FRRAC recommends that the Board **approves** the 2019-20 Trust Budget (agenda item 8), subject to the inclusion of a 12 month cashflow projection and a fundraising target.

3. 2019-20 Trust Budget

- 3.1 FRRAC recommends the 2019/20 Budget to the APPCT Board for approval subject to the cashflow projection and a fundraising target being included.
- 3.2 We noted the deficiency of a reserve fund and that the Trust would need to review the budget in the event of an emergency or request a loan from Haringey Council.
- 3.3 We were assured that despite a lack of funds to implement strategic vision projects in 2019/20 some of the project concepts were being developed so that funding applications could be made.
- 3.4 FRRAC acknowledged the risk that the Corporate Trustee grant would reduce from 2020/21.
- 3.5 FRRAC supported prioritising projects that will generate income towards the costs of maintaining the Park and Palace but recognised that resource capacity restricted the development of strategic projects.

4. Trust 5 Year Business Plan

- 4.1 FRRAC were given a presentation on preparations for the 5 Year Plan, which will be ready in draft format in the summer for a Board Workshop in June/July.

5. Cost Sharing Agreement

- 5.1 FRRAC noted the Cost Sharing Agreement and the methodology for apportioning the costs properly between the Trust and the trading company.

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

30th April 2019

Report Title: 2019/20 Budget

Report of: Dorota Dominiczak, Director of Finance and Resources

Report authorised by Louise Stewart, CEO

Contact: Natalie Layton, Executive Assistant and Charity Secretary
Email: Natalie.layton@alexandrapalace.com, Telephone: 020 8365 4335

Purpose: This paper sets out the draft 2019-20 Budget for Alexandra Park and Palace Charitable Trust.

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

1. Recommendations

To approve the Trust Budget for financial year 2019/20.

2. Executive Summary of 2019/20 Budget

- 2.1 The Statement of Incoming and Outgoing Resources (Table 1) illustrates various activities undertaken by the Trust (revenue and capital), funded from unrestricted income, restricted grants and loans. The table demonstrates changes in the level of different activities and their financial impact on the Trust.
- 2.2 The 2019-20 total incoming resources are £5,046,000 (Table 1). Included in this amount are: unrestricted funds of £3,676,000, restricted funds of £470,000 (for capital maintenance of the Palace and Park). The designated funding of £500,000 for the construction of the East Court Creativity Pavilion is a result of our own fundraising efforts. We will continue our fundraising campaign for the Theatre and HLF project as well as for new Strategic Vision projects which will be undertaken when funds become available. The total fundraising target is set at £400,000
- 2.3 The 2019-20 total outgoing resources (Table 1) – restricted and unrestricted – are £5,908,000. They will be met from the 2019-20 incoming resources of £5,046,000 as well as from a remaining balance from the HLF grant of £1,500,000 available for drawdowns until November 2021.
- 2.4 The 2019-20 Budget is prepared on a break-even basis but with sufficient resources to fund its budgeted activities.

- 2.5 The unrestricted reserves remain at a very low level as the Trust expends all of its unrestricted funding each year on the maintenance of the Park and Palace leaving the Trust with no free reserves for any emergencies.

3. Table 1 - Statement of Incoming and Outgoing Resources – 2019-20 Budget

| APPCT | Year 2018/19 Budget £ | Year 2018/19 Forecast £ | Year 2019/20 Budget £ |
|--|-----------------------------|-------------------------------|-----------------------------|
| Income | | | |
| Unrestricted | 3,571,552 | 3,606,458 | 3,675,789 |
| Capital Fund | 470,000 | 1,103,000 | 470,000 |
| East Wing and Activity Plan | 1,116,254 | 531,166 | 500,000 |
| Fundraising - restricted | - | - | 400,000 |
| Total Incoming Resources | 5,157,806 | 5,240,623 | 5,045,789 |
| Direct Charitable Expenditure | | | |
| Running and maintaining the Park | (560,125) | (575,847) | (641,622) |
| Running and maintaining the Palace | (1,829,049) | (1,859,298) | (1,926,881) |
| Depreciation | (475,599) | (512,387) | (1,493,688) |
| Learning & Community | (25,025) | (29,113) | (32,110) |
| Regeneration | (251,629) | (232,123) | (143,376) |
| West Yard Storage | (782,632) | (620,349) | (50,000) |
| East Wing and Activity Plan | (7,959,776) | (7,700,481) | (897,734) |
| Direct Charitable Expenditure | (11,883,835) | (11,529,598) | (5,184,711) |
| | | | |
| Raising funds | (132,700) | (132,704) | (143,077) |
| | | | |
| Strategic Leadership | (352,041) | (350,658) | (341,146) |
| | | | |
| Support Costs | (214,701) | (211,022) | (238,492) |
| | | | |
| Total Outgoing Resources | (12,583,276) | (12,223,982) | (5,908,126) |
| | | | |
| Net Movement in Trust Funds | (7,425,470) | (6,983,359) | (861,637) |
| Balance Sheet extract: | 1 April 2018 | 31 December 2018 | |
| Resources available as total Reserves | £26,551,086 | £22,062,720 | |
| Represented by: | £ | £ | |
| HLF Grant Claims due | 7,264,569 | 1,501,927 | |
| Cash at bank: | | | |
| Main account - unrestricted | 39,301 | 1,207,267 | |
| HLF Project account - restricted | 1,466,671 | 527,439 | |
| West Yard Project account - restricted | 765,036 | 446,649 | |
| HC Capital Grant account - restricted | 514,521 | 637,925 | |
| Fixed assets/liabilities | 16,500,988 | 17,741,514 | |
| Resources available as total Reserves | £26,551,086 | £22,062,720 | |

4. Incoming, Funding and Loans

4.1 Table 2 – 2019-20 Income - breakdown

| | Year 2018/19 | Year 2018/19 | Year 2019/20 | Note |
|--|------------------|------------------|------------------|------|
| | Budget | Forecast | Budget | |
| | £ | £ | £ | |
| Trust total income | | | | |
| Incoming Resources | £ | £ | £ | |
| HC Grant - Operational | 1,950,000 | 1,950,000 | 1,950,000 | (a) |
| Capital income – Grants and Restoration Levy | 470,000 | 1,103,000 | 470,000 | (b) |
| Palace APTL Licence | 300,000 | 300,000 | 300,000 | (c) |
| Palace Leases & Recharges | 73,000 | 99,819 | 73,000 | (d) |
| Park Leases & Recharges | 172,552 | 177,382 | 186,789 | (e) |
| Learning & Community | 6,000 | 9,256 | 6,000 | (f) |
| Donations and Grants - Regeneration project | 616,254 | 455,819 | - | (g) |
| Donations and Grants - Creativity Pavilion | 500,000 | - | 500,000 | (g) |
| Donations and Grants - HLF Project | - | 75,347 | - | (h) |
| Fundraising target - new projects | - | - | 400,000 | (i) |
| Gift Aid | 1,070,000 | 1,070,000 | 1,160,000 | (j) |
| Total Incoming Resources | 5,157,806 | 5,240,624 | 5,045,789 | |

- (a) The 2019/20 annual operational grant (unrestricted) from our Corporate Trustee is £1,950,000 (confirmed).
- (b) The 2019/20 Capital grant (restricted) from our Corporate Trustee is £470,000 (confirmed). In 2018-19 an additional amount of £633,000 was designated to fund the capital purchases for the Theatre which were necessary to make the space operational before the opening season. These funds came from the 2017-18 Gift Aid as well as the 2018-19 Restoration Levy transferred to the Trust in advance of receiving the 2018-19 Gift Aid in December 2019.
- (c) The APTL licence fee is receivable from the Trading Company (APTL) and is set at £300,000 for 2019-20. The licence permits APTL's commercial use of the Palace. It should be noted that the total budgeted income to the Trust from APTL Activities is £1,882,000 from the Licence Fee, Restoration Levy and Gift Aid combined; 37% of the Trusts income.
- (d) and (e) Park and Palace leases and recharges represent annual lease income receivable from the tenants and recharged facilities costs as well as accidental repairs, if the Trust is entitled to recharge these costs under the terms of the lease. The 2019/20 annual income from this source (unrestricted) is budgeted at £260,000. £11,000 increase on 2018/19 in Park leases income is due to a rental income from Go Ape (turnover rent). The income from Palace leases remains flat at £73,000 (2018-19 income included a one-off repair recharged to tenant)
- (f) Creative Learning income represents fees receivable from events and fees charged to schools for workshops and educational activities. The Creative Learning programme is funded part by HLF and contribution from the Trust's funds. (See 5.3).

- (g) Donations and grants for the Regeneration Project represent the funds allocated for the settlement of the final construction account. The £500,000 for the Creativity Pavilion represents the grant available to us for creating a learning space in the East Court.
- (h) In 2018-19 the amount of £75,000 was generated through our public campaign for the Theatre. With the opening of the Theatre the seat campaign has been relaunched. However our fundraising efforts will be targeted towards critical capital expenditure and infrastructure. As the outcome is uncertain the budget does not carry any provision for income generated from donations.
- (i) The fundraising target has been set at £400,000 to fund charitable purpose projects and potential new projects aimed at delivering the Strategic Vision.
- (j) The APTL's profits of £1,160,000 are available to be transferred to the trust as Gift Aid to fund its unrestricted activities in 2019-20.

5. Direct Charitable expenditure

- 5.1 Running and maintenance of the Park includes the Park maintenance contract and its management as well as maintenance and repairs of properties in the Park leased to the tenants and accidental other repairs in the Park area. The total annual cost is budgeted at £639,000; this is 10% higher on 2018/19 spend because of: 1) provision for emergency park repairs outside the contracted works, 2) provision for legal works in obtaining a super injunction against trespassers and costs associated with cleaning and securing the park in case of incidents occurring.
- 5.2 Palace running costs include the in-house maintenance team, third party contracts for maintenance of specialist areas for example the lifts, shutters, catering equipment, Ice Rink plant; it also covers the building insurance and rates. The annual cost is budgeted at £1.9m and is £67,000 up on 2018-19 to cover the cost of an additional maintenance post and incidental expenditure relating to maintaining the newly opened East Court and the Theatre.

Depreciation of the Palace has been previously shown as part of the Palace running costs. However following the opening of the East side of the building newly capitalised costs of £20m are being depreciated over 25 years as required by APPCT's accounting policy and FRS 102 (accounting standards). The total annual depreciation charge of the Palace is now £1.5 m (previously circa £0.5m) and for transparency it is shown separately from other running costs of the Palace. In accounting terms the depreciation will be written off against a value of a separate designated building fund and as such it will have no impact on any available unrestricted resources of the Trust.

- 5.3 Creative Learning costs represent a proportion of salaries of the staff delivering these activities that are not funded by the HLF. The total annual cost is budgeted at £25,000.
- 5.4 Regeneration spending represents costs of supporting the East Wing Project not funded from the HLF budget and the costs of the Strategic Vision projects, for example the work to explore car park charging and the usage of the new spaces in the Palace. Following the opening of the East Side we have terminated two posts directly supporting the Project.
- 5.5 West Yard Project construction works started in 2016/17 and progressed with delays. The final completion and costs are subject to current negotiations with Kier Construction. A provision for legal and advisory costs have been made in the budget.

5.6 The East Wing project has been completed and the side welcomed its first visitors in December 2018. The 2019-20 budgeted costs represent a provision for the construction cost retentions and also a provision for the Activity Plan supported by the HLF fund until November 2021.

6. Fundraising costs

This covers the costs of fundraising activities to raise funds for Alexandra Palace to support its restricted and unrestricted projects. The budget includes a provision for additional support to professionally target funders for grants and sponsorship as new sources of income are critical to the future of the Charity.

7. Strategic Leadership costs

This represents salaries and on-costs of the leadership team and the estimated initial costs of implementation of governance improvements. The costs remain at the previous years' level.

8. Support costs

This represents the office running costs including IT support, postage, printing and office administration and supplies. The increase is represented by a new recharge of HR and Finance costs previously borne by APTL but representing support to the Trust.

9. Annual Capital Expenditure

9.1 Capital Projects (outside the East Wing Project and the West yard Project) are funded mainly from the Haringey Council's capital grant. The 2019/20 capital grant agreed by the Council is £470,000. The money is being spent on critical maintenance projects and projects relating to health and safety of the visitors on site. The Trust retains a level of flexibility in the programming of these works to provide for unforeseen urgent works during the year.

The Trust also manages cash resources from the Restoration Levy collected by APTL on a sale of tickets to its events. The funds from this source of income are estimated at c£400,000 pa. The 2018-19 allocation has already been advanced to the Trust and spent prior to the opening of the Theatre to enable the completion of works not paid by the HLF grant. The 2019-20 funds will not be available until December 2020 (as part of the 2019-20 Gift Aid) unless the APTL Board approves an earlier transfer to fund a critical project if no other funds are made available to the Trust.

10. Loan commitments

| APPCT 2019-20 Budget | capital amount due | annual repayment | remaining term of loan | instalment payment due date |
|-------------------------|--------------------------|---------------------|------------------------------|-----------------------------------|
| West Yard Loan | 2,500,000 | 122,000 | 32 years | Due August 2019 |
| Ice Rink main loan | 1,576,000 | 164,000 | 7 years | Due April 2019 |
| Lighting loan (SIF) | 233,583 | 44,417 | 4 years | Due April 2019 |
| | 4,322,583 | 330,417 | | |

The Trust has annual loan commitments of £330,417, which are fully funded from the unrestricted available cash reserves.

11. Conclusion

- 11.1 We are grateful to the Corporate Trustee for maintaining their financial support for the Trust for 2019/20 at the previous year's level. This enables us to achieve Trust's charitable objectives of maintaining and running of the Park and Palace and to enable the public to enjoy the facilities at Alexandra Palace, despite the increasing costs of delivery, goods, and services. It also enables us to carry on with the capital maintenance and repairs to conserve the Palace building for future generations.
- 11.2 The East Wing Project has been challenging throughout the duration of the project. The project has been funded by the Corporate Trustee as well as the HLF grant. It was completed in December 2018 and it is a great success story for the Trust and its funders.
- 11.3 The fundraising efforts have been successful and rewarded with gaining support from some external funders including a grant for our Creativity Pavilion in the East Court. The building works will start in 2019-20.
- 11.4 The West Yard Project, although not fully completed yet, provides a critical storage space required for the activities generating income for the Trust.
- 11.5 The Trust has the annual loan commitments of £330,417 which are being met from the unrestricted resources available.

12. Legal Implications

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

13. Financial Implications

- 13.1 The Council's Chief Financial Officer has been consulted in the preparation of this report, and has no further comments to add.

14. Use of Appendices

Appendix 1 – Income and Expenditure – unrestricted funds
Appendix 2 – Notes supporting Table 1 (in Appendix 1)

Appendix 1:

Table 1 - Unrestricted – Budget 2019-20

| APPCT 2018-19 Budget | Unrestricted Income and Expenditure | | | Notes |
|--|-------------------------------------|------------------|------------------|-------|
| | Budget | Forecast | Budget | |
| | 2018-19 | 2018-19 | 2019-20 | |
| Trust Income | £ | £ | £ | |
| HC Grant - Operational | 1,950,000 | 1,950,000 | 1,950,000 | |
| Palace APTL Licence | 300,000 | 300,000 | 300,000 | |
| Palace Leases | 73,000 | 99,819 | 73,000 | (a) |
| Park Leases | 172,552 | 177,382 | 186,789 | (b) |
| Creative Learning | 6,000 | 9,256 | 6,000 | (c) |
| Gift Aid | 1,070,000 | 1,070,000 | 1,160,000 | (d) |
| Total Incoming Resources | 3,571,552 | 3,606,458 | 3,675,789 | |
| Overheads | | | | |
| Cost of Sales | 26,000 | 27,399 | 29,000 | |
| Wages & Salaries (including pension & Ni) | 771,007 | 779,624 | 925,569 | (e) |
| Other Wage Costs (Agency,Welfare,Travel) | 17,595 | 13,986 | 14,703 | (f) |
| Maintenance and Repairs - Palace | 329,004 | 323,004 | 384,004 | (g) |
| Maintenance Contract Park | 329,556 | 329,555 | 329,556 | (h) |
| Maintenance and Repairs - Park | 199,610 | 221,561 | 217,710 | (i) |
| Security Control Contract | 507,800 | 522,877 | 532,500 | (j) |
| Pest Control | 6,000 | 13,980 | 21,600 | (k) |
| Rates & Insurance | 398,071 | 394,182 | 370,200 | (l) |
| Office costs (tel, postage, stationery, copiers) | 118,140 | 119,346 | 80,946 | (m) |
| Utilities (15% allocation) | 86,596 | 84,620 | 93,600 | (n) |
| Software & IT | 51,370 | 55,517 | 63,286 | (o) |
| Sundries, Meeting & Subscriptions | 19,930 | 15,307 | 24,830 | |
| Marketing and Fundraising | 31,300 | 30,966 | 41,300 | (p) |
| Legal & Professional | 268,100 | 253,897 | 194,040 | (r) |
| Banking Costs | 1,500 | 1,256 | 1,500 | |
| APTL Cost recharges | 78,060 | 78,060 | 22,056 | (s) |
| Total Outgoing Resources | 3,239,639 | 3,265,136 | 3,346,400 | |
| Unrestricted Result (cash reserve) | 331,913 | 341,322 | 329,389 | |
| Loan commitments: | | | | |
| West Yard loan | 122,000 | 122,000 | 122,000 | |
| Ice Rink main loan | 164,000 | 164,000 | 164,000 | |
| Lighting SIF loan | 44,417 | 44,417 | 44,417 | |
| Unallocated 2018-19 cash reserve | 1,496 | 10,905 | (1,028) | |

Exempt Appendix 2**Notes to Table 1:****(a) Palace leases**

Palace leases and facilities income represents lease income from two leases: Arquiva (National Grid) of £45,000 and Cornerstone Communications of £22,000. As per lease agreements we also have a right to recharge for certain utilities, insurance etc. but they are not going to be material and so no provision is made for this recoverable amount.

(b) Park leases

| property ref no | Lease dates | Rent 2019-20 | Notes |
|---------------------------|---------------------------------|--|---|
| APP1 | 2016-2021 2 years remaining | £10,000 | Lease renewed in March 2016 |
| APP2 | 2010-2024 5 years remaining | £5,688 | Index linked review next due 2020 |
| APP3 | 2016-2024 5 years remaining | £16,789 | Market Rate Rent review agreed 2015. New lease of 8 years from 2016 |
| APP4 | 2007-2027 8 years remaining | £2,895 | Market Rate rent review underway |
| APP5 | 2013-2024 5 years remaining | £28,670 Plus turnover rent for boats | Index linked rent review every 2 years |
| APP6 | 2008-2020 1 years remaining | £3,810 Plus turnover rent | Annual Index linked review |
| APP7 | 2003-2023 4 years remaining | £6,250 Plus £500 sub-letting licence for school use | Rent review every 5 years, next due 2018 |
| APP8 | 2005-2026 7 years remaining | £27,500 | Rent review based on turnover assessment 2014: no change. Next due 2019 |
| APP9 | 2015-2025 6 years remaining | £15,000 25% discounted rate | Stepped rent for years 1-3, market rate rent review year 5. |
| APP10 | 2016-2038 19 years remaining | £24,000 Plus turnover rent | Stepped rent for years 1-4 then turnover arrangement |
| SUBTOTALS | | Fixed rent £140,602 Plus Turnover rent Sub-letting £500 | |
| TOTAL LEASE INCOME | | Potentially £155,000 | |

We also charge four fitness groups for using the Park for their activities. These are £800 per annum per group.

Depending on the terms of a lease, for some tenants we have a right to recharge the cost of insurance, utilities and repairs. These recharges are on average £30,000pa

(c) Learning and Participation events

Income projection is modest at £6,000 and is for charging schools for educational sessions, families for daily activities and adults for tours with no allocation of costs as we aim to get a sponsor for such events.

(d) Gift Aid / Trading profit from APTL

The APTL's profits of £1,160,000 will be transferred to the trust as Gift Aid to fund its unrestricted activities in 2019-20.

TRUST OVERHEADS:**(e) Wages and salaries**

These include:

| | |
|--|----------------|
| Communications Manager | £29,000 |
| Maintenance team | £292,000 |
| Park management | £57,000 |
| Trust Leadership team | £176,000 |
| Fundraising office | £113,000 |
| Office administration | £25,000 |
| HR and Finance support | £110,000 |
| Learning and Participation (partially funded by HLF Project) | £25,000 |
| Regeneration team (partially funded by HLF Project) | <u>£98,000</u> |
| Total | £925,000 |

The costs of salaries, employer National Insurance and pension are £150,000 higher on previous year because of two new positions: a fundraising manager and a new maintenance post, and also because of a recharge of estimated HR and Finance support (previously borne by APTL only).

(f) Other wages costs (agency, welfare, travel)

This budget is £14,700 in total and includes: £8,000 for contractual private health insurance for the maintenance team, £4,000 for Trust's hospitality and £2,000 for training.

(g) Maintenance Palace - costs

This represents the costs of contracts for services provided by third parties – see table below, as well as costs of supplies of materials and equipment used by our own maintenance team to perform their daily duties of the Palace maintenance and repairs. (Salaries of maintenance team are included in Wages and Salaries costs)

Third Party Services:

The annual contracts commitment is £144,000 and includes specialist maintenance areas such as lifts, boilers, emergency systems and ice rink plant equipment.

| | |
|---|-----------------|
| Third party contracts | £144,000 |
| Supplies to materials for maintenance of the Palace | <u>£240,000</u> |
| Total | £388,000 |

Details of contract expenditure in exempt table (Schedule 12a of the Local Government Act 1972 Paragraph 3 – information relating to the business or financial affairs of any particular person (including the authority holding that information))

The allowance for materials has been increased in this budget by £50,000 to enable most critical works in the building.

(h) Maintenance Contract – Park

The contract with John O'Conner for the Park maintenance is at a contracted annual cost of cost of £330,000.

Details of the Contract are: a four year contract started in May 2016, at a core cost of £1,253,410, (£313,000 pa) with the optional use of additional provisional items (up to £64,816.80). Note: provisional items below at the Trust's discretion.

- 1) Cleaning, including: Litter collection and rubbish removal; Graffiti Removal: Herbicides to Hard Areas
- 2) Maintenance of grass areas; including Mowing; Preparation; Seed sowing; Leaf Clearance; Edging
- 3) Trees, shrubs and hedges; including Pruning; Planting
- 4) Bedding and herbaceous areas,
- 5) Conservation area
- 6) Winter duties
- 7) Play area; to be kept clean & tidy at all times.
- 8) Water features (lake, ponds and ditches)
- 9) Pitch and putt course; maintain greens, bunkers etc.
- 10) General items including eradication of knotweed; Gulley & drain clearance; maintenance of notice boards & benches.
- 11) Pest control operations

i) Maintenance and Repairs - Park

This budget reflects the projection of works not covered by the Maintenance Contract –i.e. outside the scope of contract and works that can't be completed by the in-house maintenance team. Examples include: maintenance and repairs of premises leased in the Park, paths and roads repairs, road and gully cleaning, playground maintenance. The annual spend varies year on year but 2019-20 is set at £217,000 (2018-19 £221,000, 2017-18 178,000; 2016-17 £162,000, 2015-16 £194,000).

(j) Security Control

The annual cost of security including car park guarding is £32,000

This includes provision of round the clock security services to the buildings and grounds on the estate of Alexandra Palace, N22 7AY, including: Security: CCTV / Alarm Monitoring, Control of Access & Security Passes, Emergency Response, Enhanced Security Requirements, Guarding Service, Key Holding, Lock up / Open Up of Affected Property, Patrols (Fixed Guarding), Patrols(Mobile), Reactive Guarding.

The 2019-20 budget has been increased by £25,000 on previous years to allow for incidental expenditure like security of North Yard when gates are broken, security of Park in case of trespassing etc.

(k) Pest control

The budget has been reduced in the previous years but the budget made available was unrealistic – hence a higher allocation in 2019-20 to cover the basic needs of pest control

(l) Rates and Insurance

The total cost of Rates and Insurance are as follows:

Insurance:

| | |
|--|----------------|
| Property combined (rebuild and terrorism) | £250,000 |
| Fidelity Guarantee | £6,000 |
| Engineering (damage and inspections) | £5,000 |
| Trustees indemnity | £500 |
| Directors and Officers liability | £1,000 |
| Employer and Public liability (shared with APTL) | <u>£25,500</u> |
| | £288,000 |
| Rates | <u>£82,000</u> |
| Total insurance and rates Trust | £370,000 |

The Property rebuild Insurance and Terrorism cover were both re-tendered in autumn 2018 as the previous five year contract is due to end on 31 March 2019. As part of the tender process we have undertaken a professional revaluation of the Palace and its dwellings to ensure that the asset has not been undervalued for the insurance purposes. The rebuilt valuation of the Palace and dwellings has been assessed at £344m. The tender process was also supported by a professional property risk survey. A new five year insurance contract has been agreed to insure a significantly higher value of the property of £344m (vs currently insured £230m) together with a terrorism cover at a very similar annual premium overall.

(m) Office costs including equipment hire

These costs include provisions for: office costs £25,000 (stationery and postage); equipment hire (£10,000 for office photocopiers repairs and maintenance under contract), £40,000 for a reactive maintenance (example: hire of a crane to inspect a storm damage), £18,000 for hire of equipment for periodic inspections of the building. The costs are lower on previous year as there is a new recharge introduced to APTL to reflect their use of telephones and stationery.

(n) Utilities

The utilities costs (water, electricity and gas) have increased on average 15% during 2018-19. The combined bills for utilities for Park and Palace of £770,000 previously are now estimated to be around £1m in 2019-20. The Trust recharges around 90% of this cost to APTL – but overall for Alexandra Palace the cost of utilities has not reached a level which we can't manage without assessing how we can reduce these costs. We are currently reassessing the infrastructure and our contracted prices through the Crown Commercial framework – further decisions will be communicated during 2019-20 to the Board.

(o) Software and IT

These costs include £25,000 provision for Internet access to the building, £18,000 for IT support contract with Technica (provided by a 3rd party) and £9,000 annual licence for FixIt (software used by the maintenance team). The increase represents higher charges agreed for Technica support to Alexandra Palace to reflect a volume and complexity of our IT requirements.

(p) Marketing and Fundraising

2019-20 budget for fundraising remains at £15,000 while the marketing/communications budget has been increased by £10,000 to £25,000.

(r) Legal and Professional

These costs include:

| | |
|--------------------------------------|----------------|
| Legal fees – governance advice | £30,000 |
| Legal fees – grants applications | £10,000 |
| Professional fees - general | £25,000 |
| Professional fees – strategic vision | £50,000 |
| Procurement legal advice | £10,000 |
| Car Parking – professional support | £50,000 |
| Audit fees | <u>£20,000</u> |
| | £194,000 |

(s) APTL cost recharges

This represents a provision for a cleaning of the building allocated to the Trust from APTL. Previously there was also a provision of £56,000 for a support of finance and HR now replaced with an allocation of actual costs.



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

30th April 2019

Report Title: Alexandra Park and Palace Charitable Trust Financial Results with annual forecast

Report of: Dorota Dominiczak, Director of Finance and Resources

Contact: Natalie Layton, Executive Assistant & Charity Secretary
Email: Natalie.layton@alexandrapalace.com , Telephone: 020 8365 4335

Purpose: This paper sets out the financial position of Alexandra Park and Palace Charitable Trust for the 11 months to February 2019, including the annual forecast of incoming and outgoing resources.

Local Government (Access to Information) Act 1985

N/A

1. Recommendation

To note the financial performance of the Trust.

2. Executive Summary of 2018-19 Forecast

- 2.1 The Statement of Incoming and Outgoing Resources (Table 1) illustrates various activities undertaken by the Trust, including revenue and capital funded from unrestricted income, restricted grants and loans.
- 2.2 Unrestricted Reserves (Appendix 1) – There are no concerns with regard to the unrestricted funds and the unrestricted cash flow to report in 2018-19. The annual revenue expenditure of £3,240,000 to maintain the Park and Palace is met from: the Corporate Trustee grant, the Trust's own generated income and Gift Aid from the trading subsidiary. The unrestricted reserves also support the annual repayment of the Trust's loans of £340,000.
- 2.3 The Trust requires c£1,160,000 gift aid donation from its subsidiary to support its unrestricted activities. The 2018/19 APTL's profit is tracking at least at this required level giving a reassurance to achieve a balanced financial position in 2019-20 if other unrestricted sources of income remain unchanged.
- 2.4 The East Wing construction project concluded on the 1st December. The process of due diligence on the final account is underway.

2.5 The West Yard construction project has progressed with a number of issues including delays which will be addressed before the final completion is achieved.

3. Table 1 - Statement of Incoming and Outgoing Resources – 2018-19 forecast

| APPCT Forecast based on 28 February 2019 | 2017/18 Audited £ | Year 2018/19 Budget £ | Year 2018/19 Forecast £ | Year 2018/19 Diff £ |
|--|-------------------------|--------------------------------|----------------------------------|------------------------------|
| Unrestricted | 3,418,618 | 3,571,552 | 3,622,100 | 50,548 |
| Capital Fund | 470,000 | 470,000 | 1,103,000 | 633,000 |
| East Wing & Activity Plan | 348,518 | 1,116,254 | 551,292 | (564,962) |
| Total Incoming Resources | 4,237,135 | 5,157,806 | 5,276,391 | 118,586 |
| Running and maintaining the Park | (534,493) | (560,125) | (602,437) | (42,311) |
| Running and maintaining the Palace | (2,210,772) | (2,304,648) | (2,338,993) | (34,345) |
| Learning & Community | (15,076) | (25,025) | (28,287) | (3,263) |
| Regeneration | (230,921) | (251,629) | (222,590) | 29,039 |
| West Yard Storage | (744,380) | (782,632) | (633,361) | 149,271 |
| East Wing & Activity Plan | (13,827,518) | (7,959,776) | (7,476,549) | 483,227 |
| Direct Charitable Expenditure | (17,563,160) | (11,883,835) | (11,302,217) | 581,618 |
| Raising funds | (97,287) | (132,700) | (101,171) | 31,529 |
| Strategic Leadership | (380,803) | (352,041) | (351,974) | 67 |
| Support Costs | (189,772) | (214,701) | (199,921) | 14,780 |
| Total Outgoing Resources | (18,231,022) | (12,583,276) | (11,955,283) | 627,993 |
| Net Movement in Trust Funds | (13,993,887) | (7,425,470) | (6,678,892) | 746,578 |
| Balance Sheet extract: | | 1 April 2018 | 28 Feb 2019 | |
| | | £ | £ | |
| Resources available as total Reserves | | 26,551,086 | 21,235,521 | |
| Represented by: | | £ | £ | |
| HLF Grant Claims due | | 7,264,569 | 1,293,449 | |
| Cash at bank: | | | | |
| Main account - unrestricted | | 39,301 | 555,101 | |
| HLF Project account - restricted | | 1,466,671 | 815,243 | |
| West Yard Project account - restricted | | 765,036 | 443,049 | |
| HC Capital Grant account - restricted | | 514,521 | 477,926 | |
| Fixed assets/liabilities | | 16,500,988 | 17,650,753 | |
| Resources available as total Reserves | | 26,551,086 | 21,235,521 | |

4. Incoming Funding

4.1 Table 2 – 2018-19 Income - breakdown

| APPCT | 2017/18 | Year 2018/19 | | |
|--|--------------------|--------------------|---------------|-----------|
| | Audited £ | Budget £ | Forecast £ | Diff £ |
| Unrestricted | Total Trust | Total Trust | | |
| 4.2) Unrestricted Grants | 1,950,000 | 1,950,000 | 1,950,000 | - |
| 4.3) Palace APTL Licence | 300,000 | 300,000 | 300,000 | - |
| 4.4) Gift Aid | 920,000 | 1,070,000 | 1,070,000 | - |
| 4.5) Park Leases and Recharges | 162,540 | 172,552 | 193,222 | 20,670 |
| 4.5) Palace Leases and Recharges | 78,659 | 73,000 | 96,759 | 23,759 |
| 4.6) Creative Learning | 7,419 | 6,000 | 12,118 | 6,118 |
| | 3,418,617 | 3,571,552 | 3,622,100 | 50,547 |
| Restricted | | | | |
| 4.7) Capital funds | 470,000 | 470,000 | 1,103,000 | 633,000 |
| 4.8) Grants and Other: East Wing & Activity | 268,050 | 1,116,254 | 465,819 | (650,435) |
| 4.8) Donation HLF Project | 80,468 | - | 85,472 | 85,472 |
| | 4,237,135 | 5,157,806 | 5,276,391 | 256,767 |

- 4.2 The Corporate Trustee has maintained the annual revenue grant of £1,950,000 and this enables the Trust to deliver its charitable purposes.
- 4.3 The APTL licence fee is receivable from the Trading Company (APTL) and is set at £300,000 for 2018-19. A review of the licence, which permits APTL's commercial use of the Palace is underway and will include an independent valuation.
- 4.4 The Gift Aid due from APTL is a critical source of unrestricted funding for the Trust. The 2018-19 Gift aid budgeted as £1,070,000 was transferred by APTL to the Trust in November 2018 as planned.
- 4.5 Park and Palace leases and recharges represent annual lease income receivable from the tenants and recharged facilities costs, as well as accidental repairs if the Trust is entitled to recharge these costs under the terms of the lease. The 2018-19 annual income from this source (unrestricted) is budgeted at £245,000. The positive variance is due to an uplift in expected rechargeable expenditure to tenants.
- 4.6 Creative Learning (CL) income represents fees receivable from events as well as fees charged to schools for workshops and educational activities, to cover the costs of delivery. The positive income variance relates to increased food and beverage sales at the CL events.
- 4.7 The Capital grant (restricted) in 2018-19 from our Corporate Trustee is £470,000 and has been maintained at the previous year's level. During 2018-19 the Trust designated additional funds of £633,000 (mainly from Restoration Levy) to the East Court project for

the purchases of the necessary capital items for the Theatre which were not funded by the HLF grant.

- 4.8 Donations and grants (East Wing, Activity Plan and Learning Centre) are a restricted income for the Regeneration Project. The 2018-19 budget included a delivery of Creativity Pavilion and as this project has been further delayed to 2019-20 this has been reflected in the accounts as a reduction in incoming and outgoing resources 'East Wing and Activity Plan'. Individual donations received to date for this period amount to £85,472 and were from the Theatre seat campaign.

5. Direct Charitable expenditure

- 5.1 Running and maintenance of the Park includes the Park maintenance contract and its management as well as maintenance and repairs of properties in the Park leased to the tenants and accidental other repairs in the Park area. The total annual cost is budgeted at £560,000 and currently tracking £42k over budget; c£30,000 of this amount was spent on legal and security costs incurred to remove the trespassers in the park.
- 5.2 Palace running costs include the in-house maintenance team, third party contracts for maintenance in specialist areas for example lifts, shutters, catering equipment, Ice Rink plant; it also covers the building insurance and rates. The annual cost is budgeted at £2,300,000 and currently tracking £34,000 over budget; £23,000 of this is attributable to costs of repairing of an accidental damage in the theatre subsequently reimbursed by our client.
- 5.3 Creative Learning costs represent a proportion of salaries paid to the staff delivering these activities; the remainder are funded by the HLF Activity Plan grant.
- 5.4 Regeneration spending represents the costs for directly supporting the East Wing Project which are not funded from the HLF budget, for example the Project Director fees and partly the salaries of the team and also various project marketing and PR expenditure. The annual cost is budgeted at £250,000 and currently showing £29,000 due to savings from phased out positions as elements of the project have been completed.

6. Fundraising costs

This covers the costs of fundraising activity to raise funds for the East Wing Project. The budget of £132,000 has been allocated to fundraising but underspent by £31,000 due to delays in various activities in 2018-19.

7. Strategic Leadership costs

This represents the costs of the senior leadership team and support costs expected to take the recommendations of the Governance Review forward and undertake next steps on the Strategic Vision work; no significant cost variance is reported.

8. Support costs

This represents the costs of running the office including: IT support, office administration and supplies. Saving in costs is due to rolling out new photocopiers and savings achieved in running costs.

9. Annual Capital Expenditure

- 9.1 Capital Projects (outside the East Wing Project and the West Yard Project) are mainly funded from either the Corporate Trustee annual capital grant or from the Restoration Levy collected by the Trading Subsidiary on sales of tickets to concerts and exhibitions.
- 9.2 The Trustee Board will receive an update on detailed capital works in a separate report at the Board meeting.

10. Loan commitments

| APPCT 2017-18 Budget | capital amount o/s 1.4.2018 | annual interest | annual repayment | remaining term of Loan | instalment payment due date |
|----------------------------|--------------------------------------|--------------------|---------------------|------------------------------|-----------------------------------|
| West Yard Loan | 2,461,000 | 82,000 | 122,000 | 33 years | Paid 13 Aug 2018 |
| Ice Rink main loan | 1,350,000 | 45,000 | 164,000 | 8 years | Paid 10 May 2018 |
| Lighting loan (SIF) | 189,500 | - | 44,417 | 5 years | Paid 10 May 2018 |
| | 4,000,500 | 127,000 | 330,417 | | |

All of the Trust's loan commitments are up to date.

11. Legal Implications

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

12. Financial Implications

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

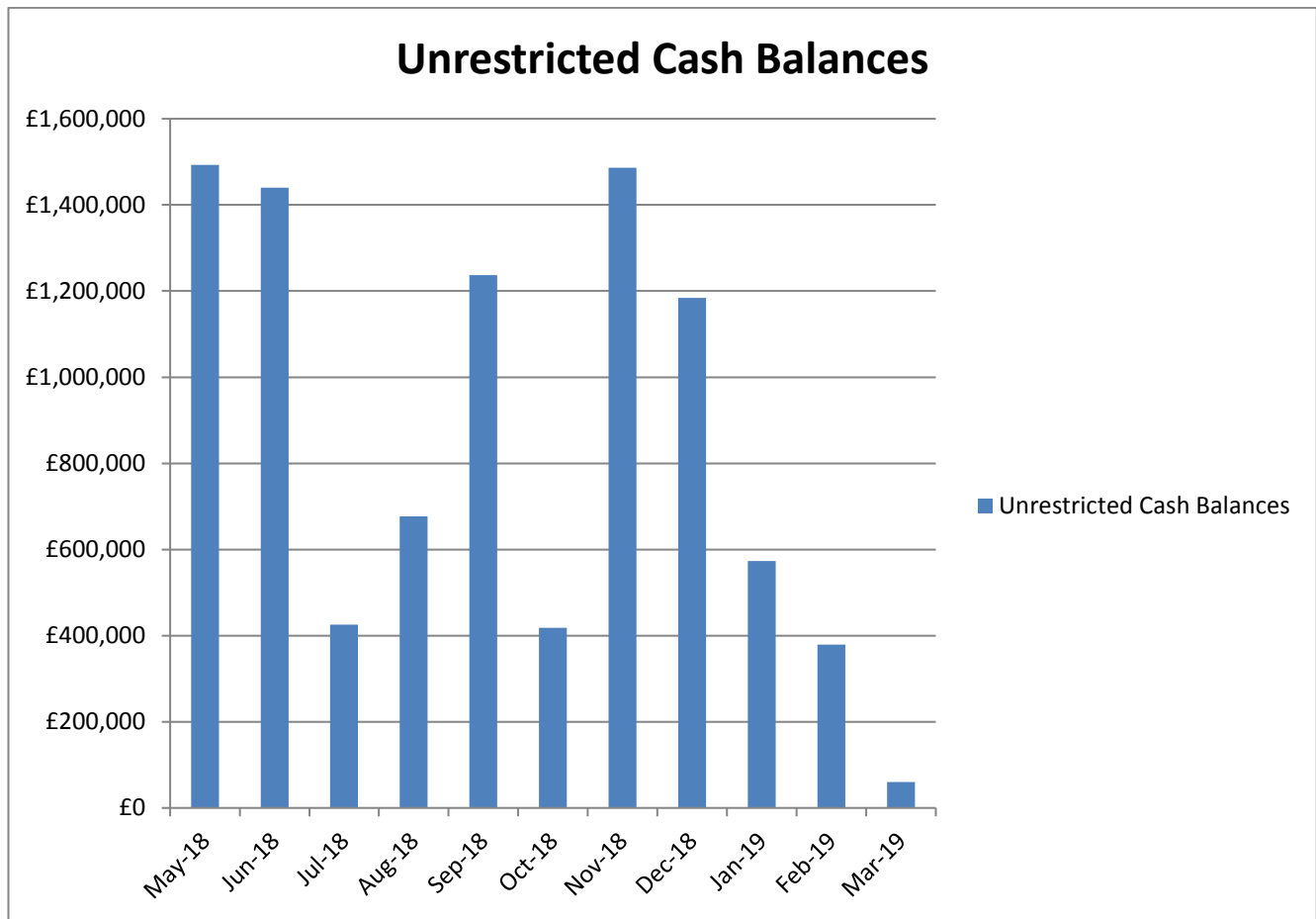
12. Use of Appendices

Appendix 1 - Income and Expenditure – unrestricted funds
 Appendix 2 - Unrestricted funds cash flow
 Appendix 3 - East Wing Project cash flow
 Appendix 4 - West Yard Project cash flow

Appendix 1 – Income and Expenditure – unrestricted funds only

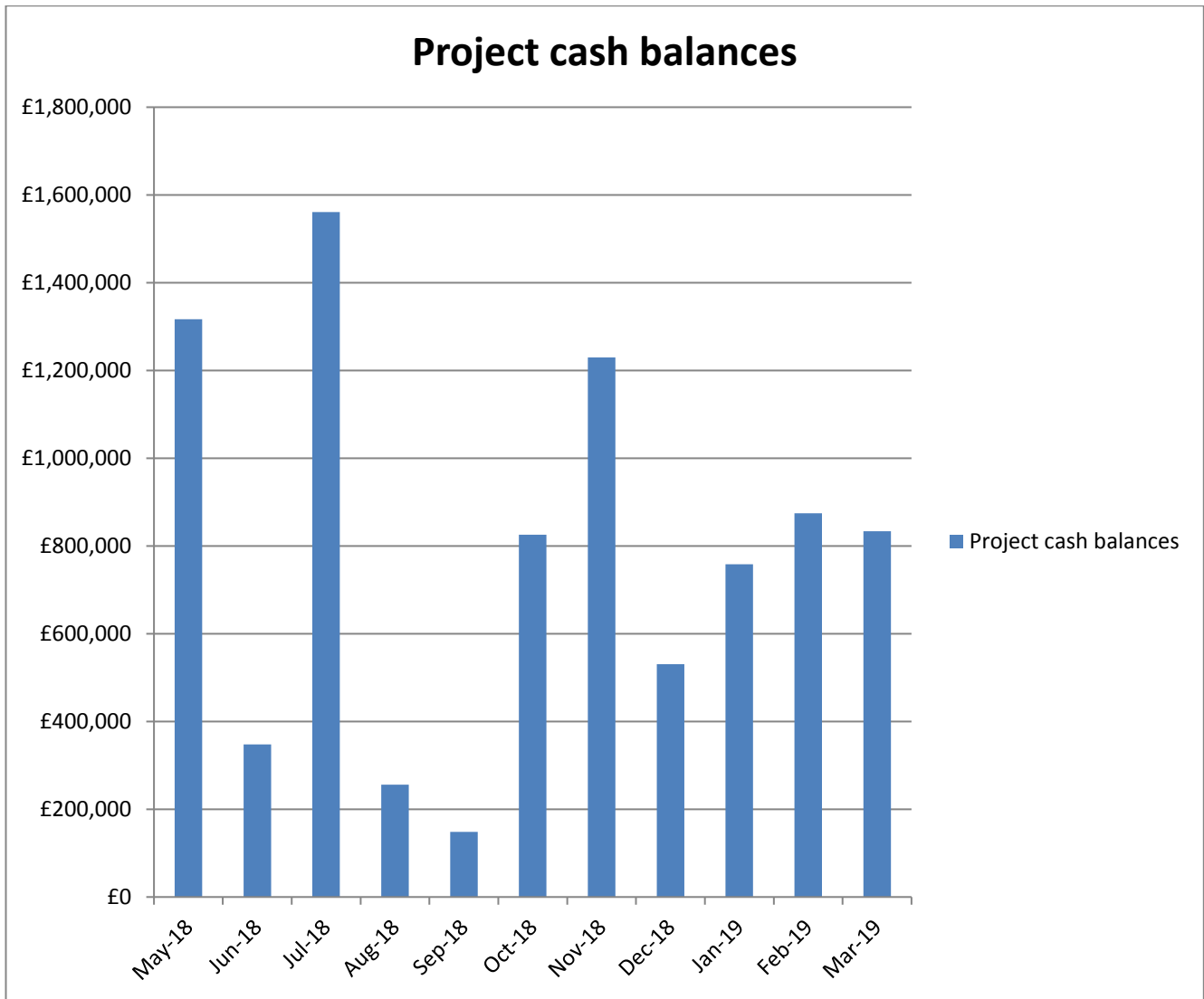
| | 2017/18 | Year 2018/19 | | |
|--|------------------|------------------|------------------|---------------|
| | Audited | Budget | Forecast | Diff |
| | Unrestricted | Unrestricted | | |
| Incoming Resources | £ | £ | £ | £ |
| HC Grant - Operational | 1,950,000 | 1,950,000 | 1,950,000 | - |
| Palace APTL Licence | 300,000 | 300,000 | 300,000 | - |
| Palace Leases & Recharges | 78,659 | 73,000 | 96,759 | 23,759 |
| Park Leases & Recharges | 162,540 | 172,552 | 193,222 | 20,670 |
| Learning & Community | 7,419 | 6,000 | 12,118 | 6,118 |
| Gift Aid | 920,000 | 1,070,000 | 1,070,000 | - |
| Total Incoming Resources | 3,418,617 | 3,571,552 | 3,622,100 | 50,548 |
| Overheads | | | | |
| Cost of Events including Learning and Fundraising | (4,965) | (26,000) | (4,008) | 21,992 |
| Wages & Salaries (inc Ni Agency & Welfare) | (675,075) | (771,007) | (779,621) | (8,614) |
| Other Wage Costs (Travel & Training & Recruitment) | (12,785) | (17,595) | (8,525) | 9,070 |
| Maintenance Contract Palace | (330,147) | (329,004) | (322,272) | 6,732 |
| Maintenance Contract Park | (331,418) | (329,556) | (330,216) | (660) |
| Repair & Maintenance Other | (147,344) | (199,610) | (230,102) | (30,492) |
| Security Control | (503,516) | (507,800) | (531,499) | (23,699) |
| Cleaning & Pest | (7,533) | (6,000) | (15,720) | (9,720) |
| Rates & Insurance | (372,352) | (398,071) | (394,180) | 3,891 |
| Office expenses (Hire,stationery) | (120,164) | (118,140) | (117,699) | 441 |
| Utilities | (88,064) | (86,596) | (90,033) | (3,437) |
| Software & IT | (47,146) | (51,370) | (62,508) | (11,138) |
| Sundries, Meeting & Subscriptions | (11,967) | (19,930) | (14,156) | 5,774 |
| Marketing, Advertising & Design | (35,825) | (31,300) | (34,164) | (2,864) |
| Legal & Professional (Contains Construction) | (204,438) | (268,100) | (224,579) | 43,521 |
| Banking Costs | (628) | (1,500) | (1,102) | 398 |
| APTL Cost recharges | (78,060) | (78,060) | (78,060) | - |
| Total Outgoing Resources | (2,971,425) | (3,239,639) | (3,238,444) | 1,196 |
| Result | 447,193 | 331,913 | 383,656 | 51,743 |
| <u>Loan Commitments</u> | | | | |
| West Yard loan | (122,000) | (122,000) | (122,000) | n/a |
| Ice Rink main loan | (164,000) | (164,000) | (164,000) | n/a |
| Ice Rink SIF loan | (13,000) | 0 | 0 | n/a |
| Lighting SIF loan | (44,417) | (44,417) | (44,417) | n/a |
| | (343,417) | (330,417) | (330,417) | n/a |

Appendix 2 – Unrestricted Funds cash flow



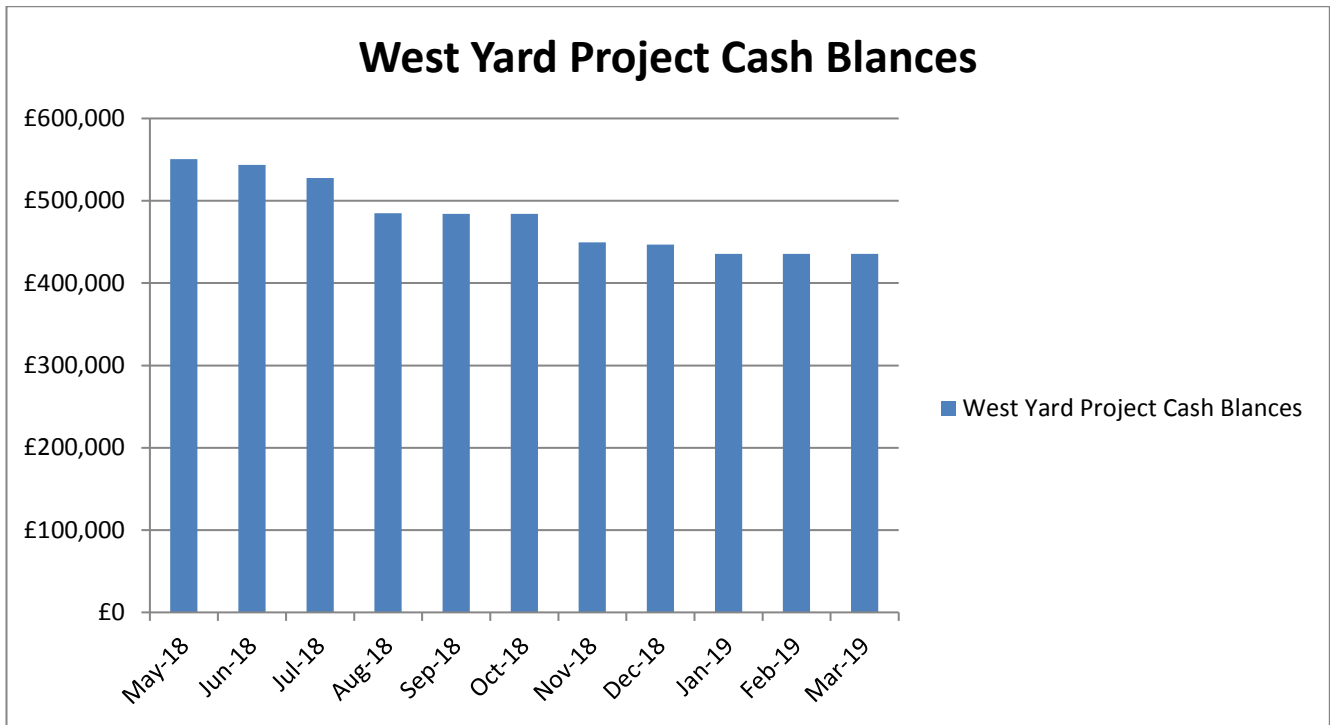
The above chart is a projection of unrestricted cash in the bank per month in 2018-19 i.e. cash funding the daily operations of the Trust. The Corporate Trustee grant cash flows the first 3 quarters of the year; the last quarter of the year is funded by a transfer of the 2017-18 Gift Aid in cash. Based on the current budget and forecast sufficient funds are expected to be available in 2018-19.

Appendix 3 – East Wing Project cash flow



A separate, restricted bank account serves the East Wing Project, which is funded through monthly claims submitted to HLF and accumulated restricted cash reserves.

Appendix 4 – West Yard Project cash flow



The cash funds which pay for the construction works are kept in a dedicated loan bank account to ensure separation of funds from the Trust's other activities.

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD
30th April 2019

Report Title: CEO's Update
Report of: Louise Stewart, Chief Executive Officer

Contact: Natalie Layton, Executive Assistant and Charity Secretary
Email: Natalie.layton@alexandrapalace.com , Telephone: 020 8365 4335

Purpose: This report updates the Board of Trustees on current issues and projects at Alexandra Park and Palace. It also provides additional information on the events programme and a range of activities of the Charitable Trust.

Local Government (Access to Information) Act 1985

N/A

1. Recommendation

- 1.1 To note the content of this report including the closure of Alexandra Palace Way from 10am on Friday 5th July until 5am on Monday 8th July for the Red Bull event.

2. Park Update

- 2.1 The electrical cable for Go Ape has now been installed. At the time of writing the final connection and testing is outstanding, it is expected to be complete by April.. This will enable to the generator and temporary cabin to be removed.
- 2.2 The Park Manager has been undertaking a programme of repairs and maintenance to broken toilets, to bollards and railings damaged by drivers, and vandalised Park furniture. The programme of tree safety work continues as advised by independent tree inspectors. A number of hard surface repairs have been made to footpaths around site.
- 2.3 In response to the antisocial and potentially dangerous parking on the Pavement in front of the Palace Building, the Trust has installed a barrier of bollards as a preventative measure. We have communicated this on social media. The reaction has been largely understanding and supportive. It is intended to replace the barrier with a more suitable solution, which has not yet been developed or costed. The Trust has no funds to deliver a more permanent solution to address this issue, at this time.

- 2.4 There has been an increase in anti-social behaviour from a small group of young teenage boys on BMX bikes around the site. We are liaising with the Police to address this issue.

3. East Wing and Theatre

- 3.1 In January, the Theatre's Trust annual Theatre's At Risk Register announcement event was held in the Alexandra Palace Theatre. It was attended by representatives from theatres across the country, Michael Ellis MP (Parliamentary Under-Secretary of State at the Department for Digital, Culture, Media and Sport) and Jack Dee, a Patron of the Theatres Trust.
- 3.2 Alexandra Palace Theatre had been on the at risk list since the register was created and, following the completion of the restoration project, has now been removed – delivering one of the trust's major objectives. It is one of only two theatres removed from the list this year because they were returning to live performance use. (Others were removed due to the fact that efforts to save them had failed).
- 3.3 Following the success of the opening season, the Theatre held further performances from the BBC Concert Orchestra, Dons of Comedy and The Little Orchestra in February and March. The BBC Concert Orchestra's performances on 6th and 16th February were broadcast on BBC Radio 3 and can be listened to online at: <https://www.bbc.co.uk/concertorchestra/events/by/date/2019>
- 3.4 Later in the year, the Theatre will be seen on ITV as the venue for The All New Monty 2019: Who Bares Wins, which will be raising awareness for regular checks for breast, testicular and prostate cancer. We also recorded an episode for a new BBC 4 series celebrating Victorian ingenuity – the episode filmed in the Theatre will focus on early cinema and some of the pioneering figures who worked around Alexandra Palace.
- 3.5 On 14th March we hosted the press night for our co-production, Richard III. The performance was attended by critics from key titles including Evening Standard, Time Out, Daily Telegraph, The Observer, Financial Times and Metro, as well as a number of online reviewers. The production was very well received with many commenting on the theatre's restoration.
- 3.6 Willmott Dixon Construction have officially handed over and vacated the site, returning only to resolve snagging issues. The East Court is now open to the public each day from 9am. The information desk is staffed by the visitor services team normally until 5pm but later if there is a performance in the Theatre or the East Court is in use for a function or activity.

4. Creative Learning

- 4.1 With the reopening of the East Court in March, the Creative Learning team has launched a family programme, which includes weekday morning sessions, and targeted weekend programmes that enhances the special bond through creative play between parents/guardians and their children (ages 12 and under). Families can experience a range of art forms and activities from arts and crafts making to dancing, drumming and song! This offers an ever-changing programme that includes hands-on activities developed in collaboration with teachers/artists, performers, tour guides, and curators. The programme offers regular activities that are either free or low cost.

- 4.2 The Transmitter Hall continues to be used for a host of different activities, such as Singing for the Brain and the monthly Wellness Café. Discussions are taking place with sponsors to support the redecoration of this space to make it more welcoming and more suitable for activities using colour, texture and layout, particularly for people with dementia. If the project goes ahead a team of apprentices from a local college will work on the project.
- 4.3 In March, students from Mountview's M.A. in Site-Specific Performance made a promenade performance piece inspired by APPCT's history in the basement for an invited audience. This is the first project in a 3-year relationship with Mountview site-specific course.
- 4.4 The Creative Learning team was awarded two grants to deliver the following projects:
The Tottenham Grammar Foundation awarded:
- £10,000 towards **Big Schools Day BAFTA Kids** (BAFTA: British Academy of Film & Television), which will take place in May. This is the first of two Big Schools Days at the Palace this year
- and
- £6,000 towards Biblio Buzz **The Alexandra Palace Children's Book Award**, which took place on 8th April. 25 schools across Haringey voted for their favourite book from a shortlist of 6 young authors. Young readers in all of the borough's 9 libraries were able to vote and children's book author, Michael Rosen was the Master of Ceremonies at the event.
- 4.5 The second Big Schools Day, Para Dance, an externally funded event for children with Special Education Needs in partnership with Para-dance and London Youth Games. This aims to engage with 400 pupils in schools across London.

Other activities:

- 4.6 Palace Uncovered will target secondary schools and further education colleges and will give students the opportunity to present work in the theatre whilst creating performance work for their qualifications. Artists will work with teachers to help facilitate sessions (so there is CPD attached to the programme) and the students get to perform their exam projects in our world-class venue.
- 4.7 Speech Bubble is an outreach project in partnership with London Bubble which uses drama as an intervention to support speech and language development in schools with a high volume of pupils where English is their second language. We aim to reach a target of 3 new schools in the East of the Borough.
- 4.8 Rhythm Stick - A club night run for and by people with disabilities. 15 NEETs (Young People Not in Education, Employment or Training) with disabilities will learn how to support an event over a 10-week training programme. The club night will create a safe space for adults with disabilities to socialise.
- 4.9 Haringey Has Pride - A community promenade performance with the final section taking place in the theatre – this project explores the history of LGBTQ+ issues in Haringey and is a partner project with Jacksons Lane. Regular rehearsals are taking place in the Transmitter Hall with Kay Adshead (published playwright who has had commissions at the Royal Court, Bush Theatre, Kiln Theatre, National Theatre & many more)

- 4.10 Creative Learning has taken a leading role in the design and delivery of a CPD event staged at the Bernie Grant Centre in May. This event showcases the work of cultural organisations and the opportunities they can provide to teachers in Haringey.
- 4.11 International Women's Day in March was celebrated in some of the learning and wellbeing activities.
- 4.12 As part of our aim to diversify our volunteer base we are developing a programme for Supported Volunteering opportunities across the Palace for people with early onset of dementia and people with learning disabilities.

5. West Yard Storage Building

- 5.1 The works to the main building and North West Tower are largely complete with 'snagging' works and defects taking longer to address. The new West Yard security gates have been working for 3 months and we are working with the events and security teams to refine their operation during 'event' and 'non-event' modes.
- 5.2 We anticipate the works will now be completed in May 2019 when the goods lift ramp and surface water attenuation tanks are installed in the North Yard, and Building Control sign off issued. The final sign off and installation of the new goods lift to go into production is anticipated during July 2019.
- 5.3 The outstanding matters, such as the control panel for the gates and external road treatments that may be subject to amendments, are nearer to concluding.

6. Events and noise management

- 6.1 Following another successful run of the PDC World Darts Championship, January saw 30,000 people attend events at Alexandra Palace.
- 6.2 In February we expanded our hire tenancy to 20 days which saw more than 60,000 people attend shows including a world-class music line-up featuring Chvrches, Frank Turner and Jungle.
- 6.3 After Richard III, Alexandra Palace Theatre's programme features comedy from Tommy Tiernan, Reginald D. Hunter and Ardal O'Hanlon plus music from Graham Nah, Archive and Yolanda Brown. We are also delighted to be hosting the Monteverdi Choir and the transfer of English National Opera's Olivier-nominated Paul Bunyan.
- 6.4 In March and April, The Great Hall will see a diverse range of exhibitions return, including Country Living, Crafting and Model Railway. We also have sold-out concerts from Anderson.Paak, The Free Nationals and Robyn.
- 6.5 Red Bull will take place on Sunday 7th July 2019 from 12:00 to 18:00 (gates open at 10.30am). Resident group representatives are reminded to notify their members that Alexandra Palace Way will be closed from 10am on Friday 5th July until 5am on Monday 8th July (two hours earlier than in previous years).

6.6 Table of noise complaints calendar Year to Date:

| Month | Event | No. of complaints |
|---|--|-------------------|
| July | Kaleidoscope Festival | 11 |
| August | The Great Fete | 4 |
| October | Chemical Brothers concert | 2 |
| November | Fireworks festival | 4 |
| December | 1 st Dec Theatre opening concert | 1 |
| | 8 th Dec Mosconi Cup | 1 |
| | 3 rd – 29 th Dec Darts | 6 |
| February | Jungle | 1 |
| | Parkway | 1 |
| March | School group making noise in Go Ape field | 1 |
| Total number of noise complaints received (2018/19 1st Apr-31st March) | | 30 |

6.7 Tottenham Stadium is now completed and operational. Pre booked shuttle buses on match and other event days are scheduled to pick up and drop off at Alexandra Palace Station. The Trust is assessing the impact of the shuttle buses on the operation of Alexandra Park and Palace, the road and car parking facilities.

7. Car Park charging project update

7.1 The Trust has undertaken a procurement process for expert support in readiness for the project to start in April 2019. One of the first tasks is to develop a timetable for the project, to include a period of consultation.

8. Recruitment of Independent Members

8.1 The recruitment campaign is now live for an independent member of the Trust's Finance, Resource, Risk and Audit Committee and two independent Non-Executive Directors of Alexandra Palace Trading Ltd.

8.2 The role descriptions are available on

- the <https://www.alexandrapalace.com/about-us/jobs/>
- Guardian, Exec Appointments, Charity Jobs websites
- and posted on appropriate social media channels..

9. Legal Implications

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

10. Use of Appendices

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