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14 December 2007

To: All Members of the Alexandra Palace and Park Board

Dear Member,

Special Alexandra Palace and Park Board - Monday, 17th December, 2007

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:

4. **OPERATING BUDGET - REPORT OF THE GENERAL MANAGER ALEXANDRA PALACE - TO ADVISE THE BOARD OF THE 7 MONTH RESULTS TO THE END OF OCTOBER 2007 AND THE FORECAST FOR THE FULL YEAR 2007/08 (PAGES 1 - 8)**

**EXEMPT AGENDA ITEMS**

6. **APPOINTMENT OF NON-EXECUTIVE DIRECTORS - REPORT OF THE CONSULTANT DEVELOPMENT MANAGER - TO AGREE THE APPOINTMENT OF 2 NON-EXECUTIVE DIRECTORS TO THE TO THE BOARD OF APTL) (PAGES 9 - 24)**
7. **REPLACEMENT LICENCE FOR APTL - REPORT OF THE CONSULTANT DEVELOPMENT MANAGER - TO ADVISE THE BOARD OF THE NEED FOR A REPLACEMENT LICENCE TO ALLOW APTL TO RESUME TRADING AND TO CONSIDER SUCH A REPORT (PAGES 25 - 40)**
8. **FUTURE OF THE ASSET - CONSEQUENCES ON APTL - REPORT OF THE DIRECTOR OF CORPORATE RESOURCES - LB HARINGEY (PAGES 41 - 42)**

Yours sincerely

Clifford Hart  
Non Executive Committees Manager



**Special Alexandra Palace and Park Board 17 DECEMBER 2007**

**Would Members of the Board please note the following comments of the Chief Financial Officer of the LB Haringey and read them in conjunction with the UNRESTRICTED report circulated for consideration.**

**Item 4 - OPERATING BUDGET - REPORT OF THE GENERAL MANAGER ALEXANDRA PALACE - TO ADVISE THE BOARD OF THE 7 MONTH RESULTS TO THE END OF OCTOBER 2007 AND THE FORECAST FOR THE FULL YEAR 2007/08**

The comments of the Chief Financial Officer will be **TABLED** at the meeting.

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**ALEXANDRA PALACE & PARK SPECIAL BOARD**On 17<sup>th</sup> December 2007

Report Title: **7 MONTHS RESULTS TO THE END OF OCTOBER 2007 AND FULL YEAR FORECAST 2007/8.**

Report of: **David Loudfoot, General Manager, Alexandra Palace & Park**

**1. Purpose**

- 1.1 To advise the Board of the 7 months result to the end of October 2007.
- 1.2 To advise the Board of the projected full year out-turn.

**2. Recommendations**

- 2.1 The Board are asked to note the income and expenditure for 7 months to end of August 2007 which are summarised at Appendix I.
- 2.2 The Board are asked to note the projected year end out-turn which is summarised at Appendix II and indicating an additional £925k of costs.
- 2.3 The board are asked to note that further work that will be undertaken to verify the extent of the additional costs and a further report made to the board.

Report Authorised by: **David Loudfoot, General Manager**.....

Contact Officer: Ken Harrington, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 2121.

**3. Executive Summary**

- 3.1 The 7 months result is tabulated against budget at Appendix I.
- 3.2 The full year forecast is tabulated at Appendix II.

**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 No specific background papers were used in compiling this report.

**6. Description**

- 6.1 The Board at its meeting on 6<sup>th</sup> February 2007 agreed to set its net budget estimate for 2007/08 at £740,000. This estimate reflected the limited direct activity of the charity post the transfer of the asset and mainly comprised the maintenance of the parkland, maintenance of the through road, maintenance of the buildings within the park (excluding the Palace), security within the park and professional fees associated with monitoring the development.
- 6.2 Arising from the uncertainty in respect of the actual date of receipt of the Order and subsequent transfer to the Firoka Group at that time the Board was advised that a further £65,000 per month was likely to be required for each month that the transfer of the asset was delayed beyond 31<sup>st</sup> March 2007.
- 6.5 The local authority subsequently formally agreed to provide financial support in accordance with that estimate.
- 6.6 Significant additional costs have been incurred directly as a result of the continuing delay in the transfer of the whole operation. These costs are specific in nature being attributable to items such as rates and insurances, security, repairs & maintenance on the main building and the professional fees relating to the development.
- 6.7 The original budget estimates assumed that any delay would not have been so protracted and as such have not fully allowed for the professional fees and other costs arising from the continuing delays in the transfer process.
- 6.8 The tabulation at Appendix 1 summarises the financial information.
- 6.9 The continuing uncertainty relating to the future of the development process means that future expenditure will exceed the original estimated profile of £65,000 per month.
- 6.10 Indications are that an additional £925k for 2007/08 will be required. However further work is needed to assess the extend of these costs and reasons for the variations. This will be reported to a future board meeting.
- 6.11 The tabulation at Appendix II summarises the projected end of year out-turn.

**7. Consultation**

7.1 N/A

**8. Summary and Conclusions**

8.1 The 7 months result is tabulated against budget at Appendix I.

8.2 The full year projection is tabulated at Appendix II.

**9. Recommendations**

9.1 The Board are asked to note the income and expenditure for the 7 months to the end of May 2006 contained in the report and summarised at Appendix I.

9.2 The Board are asked to note the projected out-turn summarised in Appendix II and indicating an additional £925k of costs.

9.3 The Board are asked to note that further work that will be undertaken to verify the extent of the additional costs and a further report made to the board.

**10. Legal and Financial Comments**

10.1 The Trust's Solicitor and the Chief Financial Officer have been sent a copy of this report.

**11. Equalities Implications**

11.1 There are no perceived equalities implications in this report.

**12. Use of Appendices / Tables / Photographs**

12.1 Appendix I – Summary of the budget versus actual for 7 months to October 2007.

12.2 Appendix II- Full year forecast 2007/2008.

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**ALEXANDRA PALACE  
BUDGET VERSUS ACTUAL  
2007-08  
£000's**

	Cumulative BUDGET MONTH 7	Cumulative ACTUAL MONTH 7	VARIANCE
Concessions/Leases	27	169	142
Community events	0	7	7
Sundry	3	5	2
<b>TOTAL INCOME</b>	<b>30</b>	<b>181</b>	<b>151</b>
Ice Rink Drinks/Food costs	0	(3)	(3)
<b>NET INCOME</b>	<b>30</b>	<b>178</b>	<b>148</b>
Salaries	(81)	(187)	(106)
Wages/Casuals	0	(100)	(100)
Contracted services	(182)	(618)	(436)
<b>PAYROLL &amp; CONTRACTED SERVICES</b>	<b>(263)</b>	<b>(905)</b>	<b>(642)</b>
<b>COSTS BEFORE OVERHEADS</b>	<b>(234)</b>	<b>(727)</b>	<b>(493)</b>
Fixed Overheads	(39)	(308)	(269)
Variable Overheads	(168)	(374)	(206)
<b>total</b>	<b>(440)</b>	<b>(1,409)</b>	<b>(969)</b>
additional budget for delay	(455)		455
<b>TOTAL TRUST OPERATION</b>	<b>(895)</b>	<b>(1,409)</b>	<b>(514)</b>

**ALEXANDRA PALACE  
BUDGET VERSUS ACTUAL  
2007-08  
£000's**

	Cumulative BUDGET MONTH 12	Cumulative PROJECTED MONTH 12	VARIANCE
Concessions/Leases	46	200	154
Community events	0	32	32
Sundry	5	17	12
<b>TOTAL INCOME</b>	<b>51</b>	<b>249</b>	<b>198</b>
Salaries	(140)	(395)	(255)
Contracted services	(313)	(1,029)	(716)
<b>PAYROLL &amp; CONTRACTED SERVICES</b>	<b>(453)</b>	<b>(1,424)</b>	<b>(971)</b>
<b>COSTS BEFORE OVERHEADS</b>	<b>(403)</b>	<b>(1,175)</b>	<b>(772)</b>
Fixed Overheads	(65)	(364)	(298)
Variable Overheads	(286)	(920)	(634)
<b>Total</b>	<b>(754)</b>	<b>(2,459)</b>	<b>(1,705)</b>
additional budget for delay	(780)		780
<b>TOTAL TRUST OPERATION</b>	<b>(1,534)</b>	<b>(2,459)</b>	<b>(925)</b>

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