

NOTICE OF MEETING

ALEXANDRA PALACE AND PARK BOARD

**Monday, 26th March, 2018, 7.30 pm - The Londesborough Room,
Alexandra Palace Way, Wood Green, London N22**

Members: Councillors Joanna Christophides (Chair), Ann Waters (Vice-Chair), Bob Hare, Jennifer Mann, Anne Stennett and Charles Wright

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

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 & 25 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 - 8)

- i. To confirm the unrestricted minutes of the Alexandra Palace and Park Board held on 20 February 2018 as an accurate record of the proceedings.

7. CHIEF EXECUTIVE'S REPORT

Verbal update.

8. 2018/19 TRUST BUDGET (PAGES 9 - 16)

9. 2018/19 TRUST BUSINESS PLAN (PAGES 17 - 18)

10. ITEMS OF URGENT BUSINESS

To consider any items admitted at 2 above.

11. ANY OTHER ITEMS OF UNRESTRICTED BUSINESS

12. EXCLUSION OF THE PUBLIC AND PRESS

Items 13-24 are 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), and Para 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

13. APTL LICENCE AGREEMENT (PAGES 19 - 42)

14. 2018/19 TRUST BUDGET (PAGES 43 - 48)

15. 2018/19 TRUST BUSINESS PLAN. (PAGES 49 - 68)

16. EAST WING OPENING PROGRAMME (PAGES 69 - 78)

17. EAST WING FINANCES REPORT (PAGES 79 - 86)

18. 2018 SUMMER FESTIVAL (PAGES 87 - 92)

19. STRATEGIC VISION

To follow.

20. TRUSTEE INDUCTIONS

21. EAST WING RESTORATION PROGRAMME BOARD UPDATE (PAGES 93 - 104)

22. BOARD WORK PROGRAMME (PAGES 105 - 106)

23. BOARD DECISIONS TRACKER (PAGES 107 - 110)

24. MINUTES (PAGES 111 - 118)

To confirm the exempt minutes of the Alexandra Palace and Park Board held on 20th February 2018 as an accurate record of the proceedings

25. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

26. ANY OTHER EXEMPT ITEMS OF BUSINESS

27. FUTURE MEETINGS

Philip Slawther, Principal Committee Co-ordinator
Tel – 0208 489 2957
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Bernie Ryan
Assistant Director – Corporate Governance and Monitoring Officer

River Park House, 225 High Road, Wood Green, N22 8HQ

Friday, 16 March 2018

**MINUTES OF THE MEETING OF THE ALEXANDRA PALACE AND
PARK BOARD HELD ON TUESDAY, 20TH FEBRUARY 2018, 7.30
pm**

PRESENT:

**Councillors: Joanna Christophides (Chair), Ann Waters (Vice-Chair),
Bob Hare, Jennifer Mann, Anne Stennett, Charles Wright,**

Non-Voting Members Nigel Willmott, Jason Beazley and Val Paley

185. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

186. APOLOGIES FOR ABSENCE

Apologies for absence were noted from Duncan Neill.

187. URGENT BUSINESS

The Chair advised the Board that there was one new item of urgent business on the garden centre, this contained exempt information and would be taken at items 16 and 32.

188. DECLARATIONS OF INTERESTS

There were no declarations of interest.

189. QUESTIONS, DEPUTATIONS OR PETITIONS

Jacob O'Callaghan, Friends of Alexandra Park and Palace Conservation Area Advisory Committee, submitted a number of questions to the Board.

- a. The Trustees were requested to consider, whether all parts of all of the items listed as exempt should be classified as exempt.
- b. Whether the Trustees would reconsider plans for the Theatre, which did not include provision for physical infrastructure so that community theatre groups could perform in the theatre.
- c. Whether the Trustees would support the implementation of the London Living Wage for all employees of the Charity and its subsidiaries as it was in the best interests of the Charity.

The Chair advised that the Board was required to make decisions as a collective entity; not based on individual trustees. The Chair made the following points in response to the questions raised.

- a. That the designation of items as being exempt was done in accordance with statutory guidance and that the determination was made in conjunction with Democratic Services and Legal Services at Haringey Council. Furthermore, the Chair commented that whilst the Board was a Council Committee, the Trustees of the Board were required to make decisions in the best interests of the Charity. Recent ICO (Information Commissioners Office) findings determined that where a local authority was the corporate trustee of a charity, that charity law governance had primacy, and that the draft reports between executive staff and trustees were not subject to Freedom of Information requests.
- b. The need for a lighting and PA system is recognised and an item included on the fundraising list.
- c. It is the stated ambition of the Trustees and Directors of the Trading Subsidiary to sign up to the London Living Wage and we have been working towards this. The majority of staff are currently paid on or over this level but we have not yet created a sufficiently robust financial situation to be able to achieve 100%. The Trust and the Trading Subsidiary review pay annually. It was last looked at in October 2017 and the Directors of the Trading subsidiary and Trustees supported the undertaking of a review of pay across both organisations, which aims to complete in 2018/19.

190. MINUTES

The minutes of the meeting on 2nd November were agreed as an accurate record.

191. CHIEF EXECUTIVE OFFICER'S REPORT

Louise Stewart, Chief Executive introduced a report which provided an update on current issues and projects at Alexandra Park and Palace, as set out. The following arose from the discussion of the report:

- a. In response to a question about communications staff, the Board noted that a Communications Manager had been employed and that most of their work would focus around the Trust.
- b. In response to a question around the response levels to the volunteer programme, the Board was advised that responses had been good and that there had been a lot of interest in volunteering.

The Board noted the information contained in the report.

192. 2018/19 BUDGET OVERVIEW

Dorota Dominiczak, Director of Finance and Resources introduced a report which set out the draft 2018-19 Budget for APPCT. The following arose from the discussion of the report:

- a. The Director of Finance advised that there were some key underlying assumptions within the budget: That the LBH capital and revenue grants remain the same in 2018/19 and that the West Yard and East Wing projects are scheduled to be completed by Summer 2018. In order to balance the finances for the East Wing project; the Trust may have to use the fundraising balance from the reserves, as agreed with LBH.
- b. In response to a question as to whether there would be any expected increases to leases and rents in next year's budget, the Board was advised that that turnover from leaseholder rents was lower than the same point last year, however these tended to be variable and could be significantly impacted by the weather, for instance.
- c. The Chief Executive agreed to breakdown the costs of the Strategic Leadership line on the budget report to the March Board. **(Action: Louise Stewart).**

The Board noted the draft APPCT budget.

193. TRUST'S FINANCIAL RESULTS

The Board received and noted a report which set out the APPCT financial performance including an annual forecast for 2017-18.

The Board was advised that they were welcome to meet with the Executive team and go through the financial results on a one-to-one basis if they wished (Board to note).

194. ARTS FESTIVAL CONTENT PRESENTATION

The Board received a presentation on the Kaleidoscope Arts festival. The following points were noted in response to the discussion of the report:

- a. The Board was advised that there would be a road closure in place from Thursday to Sunday; the Board would be informed of the timings of the closures when agreed by the Safety Advisory Group. A comparison, in terms of size of the event, was made with Red Bull Soap Box race.
- b. The Board was advised that noise monitoring would be conducted throughout the festival and that there would be a dedicated phone number to report incidents.
- c. In relation to a question about the position of the stage and seating area, the Board was advised that the stage would be facing the Palace and that the embankment would form a natural amphitheatre. There would also be a disabled access platform.
- d. The CEO reminded the Board that the Trust, when applying for the Park event licence, had stated that the growth of events in the Park would be gradual.

195. FUNDRAISING UPDATE

Louise Stewart, Chief Executive introduced a report which provided an update on the fundraising campaign to support the East Wing Restoration Project and wider charitable objectives.

The following arose from the discussion of the report:

- a. In response to a question, the Board was advised that a number of possible candidates had been identified for the development board but that no decisions had been made yet. The Board would have an opportunity to provide an input into this before any final decisions were taken.
- b. In response to a question about whether Google had been approached about getting involved with the BBC studio project, the CEO advised that a number of large organisations had been approached and work was continuing to develop relationships.
- c. In response to a query about receiving funding as part of the Community Infrastructure Levy (CIL), the CEO advised that APPCT had submitted responses to planning applications and in relation to Wood Green regeneration plans, which outlined the impact on the park and set out a list of items that the Trust would like to be funded through CIL.
- d. In relation to difficulties in securing additional funding from trusts and foundations, the CEO advised that it was an extremely competitive environment and the project was viewed as being already well funded.

196. HEALTH AND SAFETY POLICY

The Board received the Health and Safety Policy and cover report. The CEO advised that, in contrast to previous iterations, the Policy reinforced the personal responsibilities of the directors of APPCT and APTL as the controlling mind of the organisation.

RESOLVED

- I. That the APPCT Board approves the updated Health and Safety Policy attached at Appendix 1 of the report.

197. COMPLAINTS POLICY

RESOLVED

- I. That the APPCT Board approves and supports the implementation of the proposed Complaints Policy as set out at appendix one of the report.

198. CONFLICTS OF INTEREST POLICY

The Board considered the Conflicts of Interest Policy as set out. The Chair advised that FRAC had raised concerns with the fact that Board members may be unaware of APTL's suppliers and it was proposed that this would be set out to future Board members as part of their induction.

RESOLVED

- I. That the Board approved the Conflicts of Interest Policy
- II. That individual Board Members complete the Conflict of Interests Disclosure Form, taking into account the list of suppliers attached at Appendix 2 of the report.

199. POLICIES REVIEW REGISTER

RESOLVED

- I. The Board noted the Board Level Policy Review Register.

200. NEW ITEMS OF URGENT BUSINESS

The Board received a presentation on the planning application for the Alexandra Palace Garden Centre redevelopment. The following points were raised by the Board in response to the presentation and also reflected comments and advice from the SAC & CC.

- a. The Board emphasised the need to ensure that the development is carried out in accordance with the agreed plans.
- b. The Board stipulated that the covered areas should not be permanently enclosed.
- c. The Board raised a general concern about creeping extension to the development's footprint.
- d. The Board emphasised the need to ensure that the gradient for the path through the landscaped/wild flower area was done in such a way as to prevent a steep drop off. The Board also highlighted wider safety issues around the access point; specifically about ensuring that it was wheelchair accessible and that it was away from the road and vehicular traffic.
- e. Concerns were raised about disabled access to the public toilets and whether there would be a sufficient gap between the toilets and the proposed office building. In response, management from the Garden Centre advised that this would be considered as part of the design and that the development as a whole would be compliant with all the necessary regulations.
- f. In response to a query on the storage area, management from the Garden Centre advised that delivery was done very different in the industry from 20 years ago and the use of wholesale suppliers required additional space and storage demands.

201. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

That the press and public be excluded from the remainder of the meeting as items 18-32 contained exempt information as defined in Schedule 12a of Part 1 of Local Government Act 1972; Paragraph 3 – information relating to the business or financial affairs of any particular person (including the authority holding that information).

202. GOVERNANCE

The recommendations in the report were approved.

203. STRATEGIC RISK REGISTER

The recommendations in the report were approved.

204. PROCUREMENT POLICY

Noted.

205. LEARNING AND PARTICIPATION ZONE CONTRACT AWARD

Noted.

206. EXEMPT 2017/18 BUSINESS PLAN PROGRESS REPORT Q3

Noted.

207. PAY REVIEW

Noted.

208. PENSIONS

Noted.

209. STRATEGIC VISION

Noted.

210. DRAFT FRAC MINUTES - 1ST FEB 2018

Noted.

211. DRAFT APTL MINUTES - 23RD OCT 2017 & 1ST FEB 2018

Noted.

212. EAST WING RESTORATION PROJECT PROGRAMME BOARD

Noted.

213. BOARD WORK PROGRAMME

Noted.

214. BOARD DECISIONS TRACKER

Noted.

215. MINUTES

Noted.

216. NEW ITEMS OF EXEMPT URGENT BUSINESS

Noted.

217. AOB

None.

218. FUTURE MEETINGS

The next meeting date was noted as 26th March 2018.

CHAIR: Councillor Joanna Christophides

Signed by Chair

Date

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Alexandra Palace

ALEXANDRA PARK AND PALACE **CHARITABLE TRUST BOARD**

26th March 2018

- Report Title:** Alexandra Park and Palace Charitable Trust – 2018/19 Budget
- Report of:** Dorota Dominiczak, Director of Finance and Resources
- Report Authorised by:** Louise Stewart, Chief Executive Officer, Alexandra Park and Palace Charitable Trust (APPCT)

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

Local Government (Access to Information) Act 1985

Appendix 2 contains exempt information as defined in 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)

Purpose: This paper sets out the draft 2018-19 Budget for Alexandra Park and Palace Charitable Trust.

1. Recommendations

To approve the APPCT Budget for 2018/19 financial year.

2. Executive Summary of 2018/19 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 2018-19 total incoming resources are £5,381,000 (Table 1). Included in this amount are: unrestricted funds of £3,545,000 and restricted funds of £470,000 (for capital maintenance of the Palace and Park). Also included is the East Wing Project funding of £1,366,000 required to complete the construction works (refer to 4(g) and 4(h)).
- 2.3 In addition to these sources of funding the Trust will draw funds from its reserves, which at 1 April 2018 are estimated to be £9.9m. These reserves are represented mainly by the restricted HLF funds committed to the Regeneration Project.

- 2.4 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.
- 2.5 The 2018/19 Trust budgeted spend on direct charitable expenditure is £12.3m (Fundraising activities, strategic leadership and support costs and capital projects).

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

APPCT	Year 2017/18 Budget £	Year 2017/18 Forecast £	Year 2018/19 Budget £
Income			
Unrestricted	3,409,217	3,413,297	3,545,052
Capital Fund	470,000	470,000	470,000
East Wing & Activity Plan	0	153,066	1,366,254
Total Incoming Resources	3,879,217	4,036,363	5,381,306
Direct Charitable Expenditure			
Running and maintaining the Park	(528,704)	(534,440)	(556,125)
Running and maintaining the Palace	(2,239,463)	(2,218,714)	(2,186,640)
Creative Learning	(23,042)	(20,304)	(25,025)
Regeneration	(219,494)	(223,276)	(251,629)
West Yard Storage	(1,664,912)	(1,665,761)	(982,632)
East Wing & Activity Plan	(15,925,780)	(15,828,450)	(7,518,726)
Direct Charitable Expenditure	(20,601,395)	(20,490,946)	(11,520,777)
Raising funds	(115,079)	(115,106)	(132,700)
Strategic Leadership	(349,095)	(351,850)	(352,041)
Support Costs	(177,139)	(192,295)	(214,701)
Total Outgoing Resources	(21,242,708)	(21,150,196)	(12,220,219)
Net Movement in Trust Funds	(17,363,491)	(17,113,833)	(6,838,913)
Balance Sheet extract:	1 April 2017	30 Nov 2017	31 Mar 2018
	£	£	£
Resources available as total Reserves	27,052,451	20,464,620	
Including:	£	£	
HLF Grant Claims due	18,674,168	13,529,891	
Estimated Reserves at 31 March 2018			£9,938,618

4. Incoming, Funding and Loans

4.1 Table 2 – 2018-19 Income - breakdown

APPCT	Trust's total income			Note
	Budget	Forecast	Budget	
	2017-18	2017-18	2018-19	
Trust Income	£	£	£	
HC Grant - Operational	1,950,000	1,950,000	1,950,000	(a)
HC Grant - Capital	470,000	470,000	470,000	(b)
Palace APTL Licence	300,000	300,000	300,000	(c)
Palace Leases and recharges	67,000	67,577	67,000	(d)
Park Leases and recharges	160,517	167,634	172,052	(e)
Creative Learning	11,700	8,086	6,000	(f)
Donations and grants -Regeneration Project	0	153,066	750,756	(g)
Regeneration Project – additional funds	0	0	615,498	(h)
Gift Aid	920,000	920,000	1,050,000	(i)
	3,879,217	4,036,363	5,381,306	

- (a) The 2018/19 annual operational grant (unrestricted) from our Corporate Trustee is £1,950,000 (confirmed).
- (b) The 2018/19 Capital grant (restricted) from our Corporate Trustee is £470,000 (confirmed).
- (c) The APTL licence fee is receivable from the Trading Company (APTL) and is set at £300,000 for 2018-19. The licence permits APTL's commercial use of the Palace.
- (d)&(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 2018/19 annual income from this source (unrestricted) is budgeted at £239,000. The increase on 2017/18 is due to renegotiated lease from CUFOS and rental income from Go Ape.
- (f) Creative Learning income represents fees receivable from events and fees charged to schools for workshops and educational activities and such activities are not expected to break even. The Creative Learning programme is funded part by HLF and contribution from the Trust's funds. (See 5.3).
- (g) Donations and grants are a restricted source of income for The Regeneration Project. The fundraising target of £1,094,000 has not be achieved leaving a shortfall of £751,000 underwritten by the Corporate Trustee.
- (h) On 28 February 2018 Wilmott Dixon Construction Ltd has issued 3 Extension of Time delays which means that at present the value assigned to the Extension of Time is £615,498. At the time of approving the 2018/19 Budget it is prudent to incorporate this amount into the total of funds required by the Trust to complete the East Wing and Theatre Project.

- (i) The forecast for 2017/18 trading profit on commercial activities of APTL is £1,050,000 and this amount will fund the Trust in 2018/19. The amount is sufficient for the Trust to have a balanced unrestricted funds position in 2018/19.

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 £556,000; this is £22,000 higher on 2017/18 because of an additional provision for Park security (for example on New Year's Eve) and a provision for legal costs on various tenancy matters (rents reviews, lease re-negotiations), cost recovery depends on the type of negotiation.
- 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 £2.2m.
- 5.3 Creative Learning costs represent a proportion of salaries paid to 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 for directly supporting the East Wing Project but not funded from the HLF budget, for example the Project Director fees and a percentage of the salaries and on-costs of the team. The 2018/19 cost is £251,000 and is higher on previous year as it now includes a provision for professional fees of a Curator (a cost not supported by the HLF funding).
- 5.5 West Yard Project construction works started in 2016/17 and progressed slowly throughout 2017/18. The Project's completion is now anticipated in 2018-19. The remaining budget for construction works is £982,632 (contracted to Kier Constructions).
- 5.6 The East Wing project started in 2015-16 and progressed to the main construction works in 2017-18 at a budgeted cost of £15.8m. The Project is progressing towards completion – East Court in summer 2018 and the Theatre in November/December 2018. The 2018/19 costs are £7.5m (this includes the budgeted construction costs and the value of Extension of Time as known in March 2018).

6. Fundraising costs

This covers the costs of fundraising activities to raise funds for the Regeneration Project. The budget of £132,000 (£17,000 increase on 2017/18) has been allocated for fundraising costs as the Trust remains committed to fundraising and a need to invest in this activity for the future.

7. Strategic Leadership costs

This represents salaries and on-costs of the leadership team, the estimated initial costs of implementation of governance improvements and the Strategic Vision work; in total £352,000; both projects started in 2016/17.

8. Support costs

This represents the office running costs including IT support, postage, printing and office administration and supplies.

9. Annual Capital Expenditure

- 9.1 Capital Projects (outside the East Wing Project and the West yard Project) are funded from Haringey Council's capital grant. The 2018/19 capital grant agreed by the Council is £470,000. The projects planned for 2018/19 are detailed in the table below. These works include projects already approved to progress to procurement (the four named projects); and an amount of as yet to be finalised projects. The Trust retains a level of flexibility in the programming of these works to provide for unforeseen urgent works during the year.

Balance of funds available at 1/4/2018		408,176
2018-19 HC capital grant		470,000
		878,176
Allocated to the West Yard Project		- 200,000
Allocated to Regeneration Project		- 35,000
Funds available till 1/4/2018		643,176
Works schedules in 2018-19:		
West Hall Duct	14,000	
Roof access installation	278,230	
Basement works	52,946	
Roof Area 7	170,000	
Not approved for procurement (March 2018)	128,000	
	643,176	
Capital works against available budget 2018-19		643,176

10. Loan commitments

APPCT 2018-19 Budget	capital amount due	annual repayment	remaining term of loan	instalment payment due date
West Yard Loan	2,500,000	122,000	33 years	Due August 2018
Ice Rink main loan	1,576,000	164,000	8 years	Due April 2018
Lighting loan (SIF)	233,583	44,417	5 years	Due April 2018
	4,322,583	330,417		

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

11. Conclusion

- 11.1 We are grateful to the Corporate Trustee for maintaining their financial support for the Trust for 2018/19 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 preserve the Palace building for future generations.
- 11.2 The East Wing Project has been challenging. A number of matters have had to be addressed to progress to completion. The main construction works are scheduled to finish in September 2018. Although the costs of the construction works have been kept under control and within a given budget, additional costs have been recently quantified for Extension of Time. The 2018/19 Budget has been prepared on the assumption that the funding for these additional costs will be secured (different options are being currently considered).
- 11.3 The fundraising target of £1,094,000 has not been achieved, leaving a shortfall of £751,000 to fund the construction costs. The 2018/19 Budget is prepared based on the assumption that the remaining balance is underwritten by the Corporate Trustee, as agreed by the Trustee in their letter to HLF on 15th February 2015. However fundraising activity will continue.
- 11.4 The West Yard Project completion is anticipated in 2018-19 and the construction works costs are budgeted within the contracted amount of £2.5m.
- 11.5 The Trust has loan commitments of £330,417 in 2018/19 and the unrestricted cash resources are budgeted to ensure that these commitments are met when due (April 2018 and August 2018).

12. Legal Implications

- 12.1. The Council's Assistant Director of Corporate Governance has been consulted in 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. The budget presented to Trustees contains the normal suite of income and expenditure assumptions that would be expected for an organisation of this nature, size and complexity.
- 13.2 However, there are two risks that are outside the normal run of business for the trust that need to be addressed.
- 13.3 Firstly, the opening and operation of the Theatre is a significant event and with it there are risks. These risks flow from understandable incomplete knowledge of the costs of operation of the venue and the performance of ticket sales.
- 13.4 Secondly, the East Wing Restoration project is reporting a significant overspend. A range of actions are proposed to meet the overspend and for the purposes of this budget they are assumed to be successful. However, there is a risk that the actions

will not be successful in either driving the final account outturn down, maintaining it at its current projected level or realising the income assumed to meet the additional cost.

- 13.5 Given these two factors it would be prudent at this stage in the financial cycle to review all contractually uncommitted discretionary expenditure with a view to curtailing it to provide a buffer so that should the assumptions underpinning the opening of the theatre and/or the recovery plan for the East Wing Restoration Project not be realised there is financial capacity to absorb this variance.

14. Use of Appendices

Appendix 1

Income and Expenditure – unrestricted funds

Appendix 2 – EXEMPT (in Part 2 of agenda pack) - Notes supporting Table 1
(Appendix 1)

Appendix 1:

Table 1 - Unrestricted – Budget 2018-19

APPCT 2018-19 Budget	Unrestricted Income and Expenditure			Notes
	Budget	Forecast	Budget	
	2017-18	2017-18	2018-19	
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	67,000	67,577	67,000	(a)
Park Leases	160,517	167,634	172,052	(b)
Creative Learning	11,700	8,086	6,000	(c)
Gift Aid	920,000	920,000	1,050,000	(d)
Total Incoming Resources	3,409,217	3,413,297	3,545,052	
Overheads				
Cost of Sales	0	4,715	0	
Wages & Salaries (including pension & Ni)	749,756	736,590	771,007	(e)
Other Wage Costs (Agency,Welfare,Travel)	5,916	12,609	17,595	(f)
Maintenance and Repairs - Palace	329,004	327,248	329,004	(g)
Maintenance Contract Park	329,550	329,555	329,556	(h)
Maintenance and Repairs - Park	178,794	189,231	195,860	(i)
Security Control Contract	488,100	500,677	507,800	(j)
Pest Control	9,000	9,000	6,000	(k)
Rates & Insurance	381,891	372,350	375,356	(l)
Office costs (tel, postage, stationery, copiers)	96,150	112,837	120,000	(m)
Utilities (15% allocation)	80,556	80,573	86,596	(n)
Software & IT	48,842	47,854	51,910	(o)
Sundries, Meeting & Subscriptions	35,725	35,709	45,930	
Marketing, Advertising & Design	26,868	26,441	28,900	(p)
Legal & Professional	199,096	197,947	267,850	(r)
Banking Costs	600	267	1,500	
APTL Cost recharges	78,060	78,060	78,060	(s)
Total Outgoing Resources	3,037,908	3,061,663	3,212,924	
Unrestricted Result (cash reserve)	371,309	351,634	332,128	
Loan commitments:				
West Yard loan	122,000	122,000	122,000	
Ice Rink main loan	164,000	164,000	164,000	
Ice rink SIF loan	13,000	13,000	repaid	
Lighting SIF loan	44,417	44,417	44,417	
Unallocated 2018-19 cash reserve	27,892	8,217	1,711	

ALEXANDRA PARK AND PALACE
CHARITABLE TRUST BOARD
15th March 2018

Report Title: 2018/19 Trust Business Plan

Report of: Louise Stewart

Report Authorised by: Louise Stewart, Chief Executive Officer, Alexandra Park and Palace Charitable Trust (APPCT)

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

Purpose: The attached 2018/19 Business Plan (Appendix 1) sets out the priorities and performance measures for the Trust in 2018/19.

Local Government (Access to Information) Act 1985

Appendix 1 contains exempt information as defined in Schedule 12a of the Local Government Act 1972; information relating to the business or financial affairs of any particular person (including the authority holding that information).

1. Recommendations

1.1 To provide feedback and comment the draft Trust Business Plan 2018/19, attached at Appendix 1.

2. Background

2.1 The draft business plan has been compiled in recognition that the teams are stretched in the delivery of their annual work programmes and this year will be particularly demanding with the pressure of the completion of two construction projects.

2.2 The finances of the Trust are under pressure and some of the work we would wish to do will need to be curtailed due to lack of resource. The Business Plan focuses on delivery priorities in the key delivery areas.

2.3 The key sections to draw the Boards attention to are,

- 2.3.1 Section 3 - 2018/19 delivery priorities - The work of the Trust has been placed into four sections,
- Strategic Leadership and management
 - Property and estate management
 - Development programmes
 - Resource management
- 2.3.2 Section 4 – Performance Management – Identifies how each of the priorities will be measured
- 2.4 Sections of the plan that are not yet complete are,
- 2017/18 highlights – this will be completed in early April after the Q4 report is completed.
 - Financial Summary - will be completed in early April
 - Appendix 2 The budget - will be added after the Board meeting when the Board have had the opportunity to discuss and agree the budget for 2018/19
 - Appendix 3 The strategic risk register - will be added before the final plan is circulated to the Board.

3. Risks

- 3.1 The Strategic Risk Register will be reviewed by the Executive Team and appended to the Business Plan. The Finance Risk & Audit Committee will review the register and a Board Workshop will be held for new 2018/19 Board members following their induction.
- 3.2 The risk in relation to the business plan is that the team identify actions that cannot be resourced. The regular reporting during the year will update the Board on progress and which actions may need to be put on hold. This is a dynamic business plan and reporting process, which suits the reality of delivering a demanding programme with limited resources.
- 3.3 As in previous years once completed a summary Business Plan is published on the Alexandra Palace website.

5. Legal Implications

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

6. Financial Implications

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

7. Use of Appendices

Exempt Appendix 1 – 2018/19 Trust Business Plan – DRAFT Exempt

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of the Local Government Act 1972.

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