

Report Title: **Proposals for additional sources of income – Scoping Report**

Report of: **Mark Evison, Park Manager**

1. Purpose

1.1 To consider the options available for additional sources of income.

2. Recommendations

2.1 That the Board consider the four options and decides which, if any, should be subject to a more detailed feasibility study by the Interim General Manager.

2.2 That consequently, any feasibility study be reported to the Board at a later date.

Report Authorised by: **Andrew Gill, Interim General Manager:**

Contact Officer: **Mark Evison, Park Manager,**
Alexandra Park & Palace Charitable Trust, Alexandra Palace Way, Wood
Green N22 7AY. Tel No. 020 8365 2121.

3. Executive Summary

3.1 Trustees requested that the Interim General Manager investigate options for the Trust to generate additional revenue by applying charges to the various vehicles using the site.

3.2 Four options have been identified by officers and these options have a range of legal, financial and practical implications.

3.3 Trustees are asked to consider these options and provide a steer for producing a more detailed feasibility study of one or more of these options.

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 Reference is made to correspondence between the Trust Solicitor, Charity Commission and various Alexandra Palace General Managers.

6. Description

- 6.1 At the board meeting of 24th November 2009, it was resolved that General Manager prepare a scoping report in respect of charging for use of car parks together with details of projected incomes, and also the legal process for seeking a change to primary legislation, and also to include the pros and cons of toll charging and costs of road maintenance of the private road.
- 6.2 The financial position of the trust is well documented, in summary the income is currently derived from four main sources:
- Alexandra Palace Trading Ltd (APTL) licence fee
 - APTL gift aid payment
 - park income (leases and licences)
 - community event income (e.g. circus, funfair and fireworks cash collection)
- 6.3 The current budget for maintaining Alexandra Palace Way and the other park roads and paths is £60,000.
- 6.4 This reports sets out some further options for generating additional income and outlines the legal, financial and practical impacts.
- 6.5 There are four options for generating additional income that can be considered, in no particular order:
- Implementing a toll on Alexandra Palace Way
 - Implementing a charging regime on the existing car parks
 - Construction of a multi-story car park
 - Enforcing road traffic infringements and collecting fines
- 6.6 Trustees are asked to consider the options as outlined below and recommend which options, if any are pursued by officers. A more detailed feasibility study will then be presented to the Board at a later date.

7 Implementing a toll on Alexandra Palace Way

- 7.1 A toll-road scheme was investigated by a previous General Manager. The view of the Treasury Solicitor in 1995 was that primary legislation would be required. This is because the Alexandra Park and Palace Acts and Orders 1900 to 2007 do not authorise charging save for specific purposes of which a road toll levy is not one.
- 7.2 The Trust Solicitor has advised that such primary legislation could take more than two years to complete. A private bill, which this would be, can only be lodged in November each year, the next opportunity being November 2010.
- 7.3 If permission was granted for a toll it would require significant infrastructure in the form of barriers and toll-booths. Construction and implementation would follow the parliamentary scheme taking perhaps a further 12 months.
- 7.4 If a toll was enforced, drivers could easily take alternative routes via public roads and leave the toll scheme with little traffic to collect fees from.
- 7.5 A toll would create difficulties with regard to leaseholders from the trustees, in particular the Garden Centre. It, together with its lawful visitors, have a right under the lease to pass over the trustee's land for access purposes without charge. Arrangements to permit this would need to be negotiated.

8 Implementing a charging regime on the existing car parks

- 8.1 The trustees may be authorised by an order made under section 17 or 26 of the Charities Act 1993 to levy car park charges. There are technical differences between these two sections which do not presently matter. Following an exchange of correspondence between the charity's solicitors and the Charity Commission in 2004, the Commission indicated it might be prepared to consider dealing with the matter under S26. Dependant upon the trustee's decision on this paper the issue will need to be revisited with the Commission.
- 8.2 A section 26 order is a comparatively more straightforward, cheaper and simpler process than a section 17 order or primary legislation. It is however the Charity Commission's scheme, made at the request of the trustees. The Commission may give directions for advertising and possibly consultation.
- 8.3 New infrastructure would be required including, road markings, signs and pay & display machines, this could be implemented within perhaps six-months after an Order.
- 8.4 There would be revenue generated from the ticket sales and fines issued. If the LBH model was followed the parking enforcement contractor would retain the fines and the palace would keep the income from ticket sales. However as any sales income and fine receipts are technically "trust monies" terms for engaging any enforcement contractor would have to be agreed.
- 8.5 It is envisaged that a sliding scale of charges would be applied so that the impact of such charges would vary according to the nature of the users. Such details would be fully explored during the feasibility stage.
- 8.6 It was estimated in 2005 that car park charging could generate between £750,000 and £1 million per annum, after initial setup costs.

9 Construction of a multi-story car park

- 9.1 The 1985 Alexandra Park and Palace Act authorises the trustees to let or licence land at the rear of the Palace, effectively part of the north service yard, for the provision of a car park. It also empowers the trustees or any other person, to make reasonable charges to the public for the use of such car park.
- 9.2 Increasing the overall available car parking capacity will increase the desirability of the palace as a venue and could increase hall bookings. Also, if more visitors attend the associated food and beverage sales could increase.
- 9.3 The cost of such a scheme could be extremely large, but could possibly be funded by prudential borrowing.
- 9.4 Planning permission would probably be required for this scheme and the timescale would be measured in years.

10 Enforcing road traffic infringements and collecting fines

- 10.1 Alexandra Palace Way has a speed limit of 20mph and a number of no-overtaking zones, pedestrian crossings and traffic lights. Enforcement of these is not currently carried out.
- 10.2 Permanent speed cameras are operated by the Camera Safety Partnership. A new camera requires a collision history of four KSI (killed or seriously injured) in 36 months. This is not the case on Alexandra Palace Way.

- 10.3 Mobile speed cameras are operated by the Metropolitan Police and a request has been sent for consideration. Other traffic infringements could possibly be enforced by cameras and generate fines.
- 10.4 The capital cost to install the cameras is potentially quite small and could be completed fairly quickly. Processing the penalty notices and pursuing those who do not pay could be difficult and would have potential cost implications as at present the only method of claiming the penalty fee is by complaint through the magistrate's court.

11 Summary

- 11.1 There are four main options for generating additional revenue considered in this report.
- 11.2 Trustees are asked to consider these options and advise officers which of the options they would like to be subjected to a more detailed feasibility study.
- 11.3 A feasibility study would include details of the potential cost of a scheme, information regarding likely timescales and the results of the appropriate consultation exercises.
- 11.4 Any feasibility study will be reported to the board with further information and details in order that Trustees make a decision whether or not to proceed.

7. Recommendations

- 7.1 That the Board consider the four options and decides which, if any, should be subject to a more detailed feasibility study by the Interim General Manager.
- 7.2 That consequently, any feasibility study be reported to the Board at a later date.

8. Legal Implications

- 8.1 The Trust's solicitor was provided with a draft of this report and his advice has been taken into account in the production of this final version.
- 8.2 The LBH Head of Legal Services has been sent a copy of this report.

9. Financial Implications

- 9.1 The LBH Chief Financial Officer has been sent a copy of this report.
- 9.2 The feasibility studies will attract the usual legal fees and officer time.
- 9.3 Each of the options if pursued will have initial set-up costs and ongoing revenue costs, however, additional income could be generated in the longer term. The scale of costs for any particular project is not known and would be determined by the feasibility study.

10. Use of Appendices/Tables/Photographs

N/A