



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

12 March 2026

Report Title: 2026/27 APPCT Charitable Trust Budget

Report of: Niki Cornwell, Finance Director

Purpose: This report seeks approval for the 2025/26 Budget for Alexandra Park and Palace Charitable Trust.

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

1. Recommendations

- 1.1 To approve the APPCT (Trust) Unrestricted Budget for 2026/27
- 1.2 To approve the increase in car park charges

2. Introduction

- 2.1 Like many charities operating in the cultural, heritage, and hospitality sectors, Alexandra Park and Palace Charitable Trust is encountering several significant challenges. These include economic uncertainty, rising operational costs, and increasing pressures within the labour market. Collectively, these factors create difficulties in maintaining a balanced budget for the Trust while also striving to grow the profit margin (Gift Aid) within the trading company and invest in the restoration and conversation of the site.
- 2.2 Across all the sectors that we operate in, we are vulnerable to external shocks, such as war impacting utilities and supply chain, climate change which we are experiencing first hand with the entire estate coming under significant pressure and impact from adverse weather conditions leading to cancellation of events or low footfall due to customers not wishing to attend in bad weather, and shorter dwell time / reduced spend.
- 2.3 The competitor landscape across all the Trusts subsidiaries Food & Beverage, Events, Theatre, Ice Rink also continues to grow and strengthen. Additionally, evolving customer, client, visitor and stakeholder expectations, particularly regarding sustainability and digital experiences, require significant investment in innovation.
- 2.4 Therefore, adapting to these challenges requires discipline and focus on our Strategic Vision and Goals, exemplary strategic planning, digital transformation and a strong policy for fundraising and support. All of which are set out in the Trusts Vision, Goals Strategic Plan (to be approved) and Operational Business Plan.

3. Vision, Mission, Purpose, Goals & Values

- 3.1 When preparing the annual budgets, APPCT adheres to its established strategic framework, as outlined below at high level.

- 3.2 Our Vision is to create **“A Sustainable Home For All That We Do”** *Enabling everyone to experience inspirational culture, world-class entertainment, unique heritage, life-enriching creative and educational opportunities and restorative green space. Forever.*
- 3.3 Our Mission as set out in our 1985 Act of Parliament is to **“To Repair, Maintain, Restore for the enjoyment of the public”**
- 3.4 Our Purpose is to **“Enrich lives, through great experiences, forever”**
- 3.5 Our 10 ambitious goals are: Build Climate Change Resilience, Safeguard Our Green Lung for London, Protect Our Heritage Assets, Restore Derelict Spaces, Strengthen Our Overall Resilience, Establish New, Exciting Partnerships Inspire, Engage Our Communities, Create A Great Place To Work, Provide Great Entertainment & Culture For All, Protect our Archives and Share our Stories in Innovative Ways.
- 3.6 Underpinning all our strategic aims are our Values; We are Collaborative, We are Passionate & Fun, We are Resourceful, We are Bold, We are Open & Genuine.

4. **Operational Business Plan 26/27**

4.1 Ahead of the 2026/27 financial year, Alexandra Park and Palace (APP) updated the Three Year Operational Business Plan aligned to provide clear direction on what will be a demanding year for the Charity and its subsidiaries. The Operational Business Objectives remain the same for the purposes of this report are outlined below:

- Ensure the achievement of financial and fundraising targets by fostering a culture of collaboration.
- Develop and implement a structured process for the collaborative planning, development and delivery of strategic projects and programs.
- Implement and enhance the "Brilliant Basics" framework to set and elevate standards across all areas and aspects of the organisation.
- Embed organisational strategies and policies by fostering a culture of empowerment and recognition.

4.2 Measures and metrics are set out in the Business Plan in detail; the following are examples for the purposes of the report and not an exhaustive list.

Example KPI's

- Trust to achieve a sustainable budget
- Revenue Growth Rate
- Gross Margin / Net Margin
- Donations per paying customer
- Basket donations
- Staff Turnover
- Mandatory Training Completion rate
- Net Promoter Score

5 **Financial Performance and 2026/27 Budget Considerations**

5.1 An important key performance indicator (KPI) in the Operational Business Plan is achieving a sustainable budget position for the Trust, following multiple years of operating at a deficit. The financial year 2025/26 forecasts indicate that the Charity is on track to achieve a small surplus after meeting its loan repayment obligations.

5.2 During the development of the 2026/27 Trust Budget, achieving a sustainable position has been achieved as a result of increases in income primarily through restoration levy and gift aid from the trading subsidiary. This puts the Trust in a position where now 70% of its income is self-generated fundraised income and 30% is from the grant from the Corporate Trustee,

Haringey Council. Nonetheless, the financial challenges remain, necessitating ongoing mitigation strategies.

5.3 Financial Challenges and Mitigation Strategies

Financial Challenges: Increases and unavoidable cost pressures, including:

- Business rates increases: Business rates have increased by over 350% over the last 2 years, as a result of removal covid relief measures and revaluations. The Government has acknowledged these pressures on venues and we are currently working to understand the current impact.
- General Cost Inflation: The trust continues to feel the impact of the increase in employers NIC in 25/26. Added to this rising construction and wage costs continue to affect the Trust's repairs and maintenance budgets.
- General Cost Inflation: Impacts on both gross and net profit margins of the subsidiary in turn impacting gift aid to the charity.

Mitigation Strategies: To mitigate a worsening deficit position, the Trust is implementing several strategies, including:

- Car Park Charges: The Trustee Board are asked to approve reasonable increases to take effect on 1st April 2026 and 1st April 2027, outlined in Appendix 1.
- Fundraising: Increased fundraising targets, including the introduction of a Patron Scheme, installation of Tap to Donate terminals, and the launch of a significant capital campaign targeting trusts and foundations.
- Insurance: New insurance brokers were appointed in December and a full review of insurance cover is being undertaken ahead of renewals for FY 26/27, a target for a reduction in premiums has been included in the budget.
- New Leases and Tenants: The new visitor attraction, Summit opened on 14th February '26, meaning a full years commission is represented in the budget for 26/27. The inhouse Boating Lake Café, opened in December '25.

Operational Efficiencies: In parallel, the Trust has undertaken a rigorous review of its operational costs to identify efficiencies and savings:

- Traffic Management review: A review of the operating model has identified a number of savings which are being worked through.
- Cost Reassignment: Redistribution of certain operating expenses under the cost-sharing agreement with the trading subsidiary.
- Process Reviews: A streamlining of processes is being undertaken in preparation for new business systems technologies.

Strategic Investments: Despite financial constraints, the Trust remains committed to strategic investments in alignment with its long-term objectives:

- People: Continued investment in staff and volunteer development, well-being to attract and retain talent within available resources.
- Technology & IT: Enhancing digital capabilities to drive operational efficiency and support the Trust's charitable mission.
- Repairs, Restoration, and Maintenance: Prioritising essential estate maintenance to support the needs of approximately five million annual visitors.

5.4 While achieving a sustainable budget for 2026/27, the Trust is committed to proactively addressing cost pressures through revenue generation, operational efficiencies, and targeted investments. Ongoing strategic measures will continue to strive towards a future of financial stability for the Trust.

5.5 The Trust currently has a reserves policy that states that 6 months of operating costs should be held in reserve. Currently there is no reserve held, so it is imperative that the trust builds surpluses over the next 5 years in order to put itself in a more financial sustainable position and ensure appropriate compliance with the Charity Governance code.

6 Restoration Levy

- 6.1 Restoration Levy is charged on tickets across the country at venues, museums historic attractions to help fund restoration, maintenance and repairs. At Alexandra Palace restoration levy is typically between £1.95 to £2.25 depending on the event. The Restoration Levy helps the Trust to cover essential works to enhance the visitor experience and preserve the historic building.
- 6.2 In 2025/26 the standard charge for the Restoration levy was £2.25, this was increased to £2.50 on 1st January 26.

7 Alexandra Park and Palace Charitable Trust Budget 26/27:

7.1 2026/27 APPCT (Trust) Budget

	2026/2027 Budget	25/26 Forecast Dec 25	Variance 26/27 Budget vs Forecast 25/26	Variance %
Income				
1.Restoration Levy in year	1,200,000	1,116,082	83,918	7%
2.Gift Aid PY (25/26)	1,518,128	1,275,597	242,531	16%
1.Restoration Levy in year (24/25)		91,324	(91,324)	
3.Grants	1,755,000	1,755,000	0	0%
4.Car Parking	907,608	814,835	92,773	10%
5.Leases	268,367	253,460	14,907	6%
6.AP Licence	300,000	300,000	0	0%
7.Creative Learning	30,000	30,521	(521)	-2%
8.Donations	105,000	81,407	23,593	22%
9.Other Income; Wire in the Sky, BBC Truck	170,624	69,502	101,122	59%
			0	
Total Income	6,254,726	5,787,727	466,999	7%
Expenditure				
10.Ops Costs	(1,119,428)	(951,901)	(167,527)	-15%
11.Salaries	(1,591,897)	(1,280,239)	(311,658)	-20%
12.Maintenance	(1,081,809)	(1,076,227)	(5,582)	-1%
13.Security	(978,662)	(1,002,268)	23,606	2%
14.Insurance	(628,563)	(633,845)	5,282	1%
15.Utilities	(344,337)	(324,712)	(19,626)	-6%
Total Expenditure	(5,744,696)	(5,269,193)	(475,504)	-8%
Surplus / (Deficit)	510,030	518,534	(8,504)	-2%
Loan Repayments	(503,531)	(503,531)		
Surplus / (Deficit) affter Loan repayments	6,499	15,003		

7.2 Assumptions:

Unrestricted income:

Overall, income within the Trust is increasing by 7%, £467k year on year largely due to the growth in Gift Aid and Restoration Levy alongside the new income stream generated by the Summit attraction.

1. Restoration Levy: The table above shows a £84k, 7% increase in Restoration Levy, we are reasonably confident in this given the Darts in 26/27 will see an increased capacity of 70,000 and restoration levy is accounted for in year.
2. Gift Aid: This is assumed to increase by 16% from £1.276m received in 2025/26 to £1.518m being received in 2026/27 due to the Trading performance of APTL during 2025/26. **This figure is still subject to audit and therefore could go up or down.** The increase in performance is mainly driven by an increase in the number of Darts sessions in 25/26 which also performed better than expected.
3. Grants: There is no inflationary increase in the amount to be received from the Corporate Trustee per the agreed terms.
4. Car Parking uplift of 10% is driven by price increases as outlined in Appendix 1, subject to Board approval.
5. Leases: An increase of 6% overall. This is an assumed 3% uplift on all contracts, plus £6k additional income from The Cricket Club due to their lease free period coming to an end.
6. APTL licence: There is no inflationary uplift assumed. Any uplift would have a corresponding negative impact on future gift aid. It is more critical to secure third-party income.
7. Creative Learning: Targets set to an achievable level based on 2025/26 income.
8. Donations: Targets have been increased by 22% to account for the introduction of a Patron Scheme and installation of Tap to Donate terminals.
9. Other new licences and leases: Increase of 59% is primarily due to the new attraction, Summit which opens in February '26.

Unrestricted expenditure:

Overall expenditure has increased year on year by £476k, 8% to cover inflationary increases, increases in rates and to make strategic investments in technology and key roles, which have been held for some time as a result of the previous challenging financial circumstances.

10. Operating costs: increase of 15% is mainly due to a £62K increase in Business Rates, inflationary increases in contracts such as IT.
11. Salaries are increasing by 20% due to the annual uplift of 3%, the inclusion of some new critical roles that had been held while the financial position was challenging.
12. Maintenance: Increase of 1% due to inflationary increase in some Fixed maintenance contracts, net by other efficiencies within building repairs and maintenance, such as equipment hire.
13. Security: 2% saving budgeted. Although there will be inflationary increases in the contract.
14. Insurance: A small decrease due to a softening of the insurance market has been included in the budget, our brokers are reasonably confident that this can be achieved as market conditions have improved.
15. Utilities: the current utilities contract, is on a further year's extension until Spring '27. Therefore the budget uplift reflects inflation assumptions of 3%,

8 Risks

- 8.1 As set out above the Trust has worked hard to ensure effective financial management and taken a proactive approach to identifying and mitigating potential budgets risks. However, that does not mean there are no risks, and the Trustees should note the following:

- Income shortfalls: Potential underperformance in fundraising and car park charging which are predicated on footfall and spend per head.
- Cost overruns: Unexpected increases in costs due to unforeseen emergencies in particular relating to the building and its infrastructure.
- Economic Challenges: Impact of external economic factors such as inflation, war, global turmoil impacting supply chains and utilities.
- Regulatory and Compliance Changes: Changes increasing financial obligations and pressures.
- Supplier & Contractual Dependencies: The material contract which is coming up for tender is the utilities contract. The aim will be to keep costs in line with past expenditure, and try to move to a greener tariff however there may be increases which to mitigate would require service cuts elsewhere.

8.2 While budget risks are inherent, the Trust remains committed to sound financial management and reporting and will continue to keep all stakeholders and trustees apprised of shifts in risk through our risk management reporting.

9. Car Parking Charges

In March 2025, Board approved a recommendation to increase parking charges to £2/hour. Several options were presented, and it was agreed that the £2/hour charge would yield the highest increase in income, whilst simplifying the tariff structure for customers and disincentivise customers from leaving their cars for prolonged periods or overnight. An increased Fee of £15 was also agreed and introduced in the paddocks for event & concert parking,

Given the financial position of the Trust and the fact it needs to provide a balanced financial position for 26/27 in light of the risks described above and generate a reserve we propose a 10% increase in car parking fees, as set out in Table 1.

Table 1 **Comparison Table**

	Old	New
	£2/hr	£2.20
1 Hour	£2.00	£2.20
2 Hours	£4.00	£4.40
3 Hours	£6.00	£6.60
4 Hours	£8.00	£8.80
5 Hours	£10.00	£11.00
6 Hours	£12.00	£13.20
7 Hours	£14.00	£15.40
8 Hours	£16.00	£17.60
9 Hours	£18.00	£19.80
10 Hours	£20.00	£22.00
11 Hours	£22.00	£24.20
12 Hours	£24.00	£26.40
24 Hours	£48.00	£52.80

The fee in the paddocks from 17:30 for event parking will be charged at £5 per hour at the discretion of APP. An hourly rate, is more effective than a flat fee and easier to manage and communicate to customers.

The rationale behind the increase is as follows:

A 20p increase across the tariff represents a 10% increase, which ensures the tariff structure remains in line with other car parks in the local area and to comparison destinations (see appendix one). It ensures those parking more than 4 hours pay a fair price for every hour they park.

The simplification of the tariffs and the information that will be displayed across the site remains. It will continue to disincentivise car drivers from leaving their car overnight or for long periods of time as this presents a security risk to the site.

The new tariffs would be presented as per the below table

Tariff	Cost
30 mins	Free
30 mins to 1 hour	£2.20
per hour thereafter	£2.20
Paddock Event parking after 17:30 per hour	£5.00

By applying the 10% hourly increase and continue with an increased rate in the paddocks, an additional income of £70,000 is forecast versus the forecast outturn for 25/26.

Risks

The risks include:

- If the charge increases are not approved, the Trust's budget will be in deficit and the Trust's ability to achieve its mission to 'restore, repair and maintain' will be in jeopardy;
- Negative stakeholder perception - there is a risk that stakeholders, including staff and visitors, may perceive the increase in parking charges as an additional financial burden, leading to dissatisfaction or resistance.

The mitigation is:

- to ensure that our communication is effective, highlighting that for every pound spent at Alexandra Park and Palace the visitor is supporting a charity and the preservation of a cultural heritage site for generations to come;
- Continue to proactively promote public transport, our shuttle bus service on certain events and carpooling where appropriate;

10. Legal Implications

The Council's Director of Legal & Governance has been consulted in the preparation of this report and has no comment.

11. Financial implications

The development of a Trust budget that broadly shows a balanced budget is to be welcomed. However, there are a number of assumptions about external factors (such as inflation, labour market pressures, changes in consumer sentiment) that if not realised could adversely impact the trusts financial performance. The budget and the assumptions underpinning it will need to be closely monitored during the coming year.

- 12. Appendices**
Appendix One: Comparison Table
- 13. Background Papers**
None

Appendix One: Comparable sites as of 08.01.2026

Site	Rate
Alexandra Palace CPZ	£2.31/hour
Dukes Avenue	£3.63/hour
Muswell Hill Broadway	£3.63/hour
Seven Sisters Road (Finsbury Park) event day	£6.30/hour
Royal Air Force Museum	0-3 hour - £8.50 3-6 hour - £11
Wembley Park, non-event day (red or pink parking)	0-1 hour - £2.50 1-2 hour - £3.50 2-3 hour - £4.50 3-4 hour - £5.50 4-5 hour - £6.50 5-6 hour - £7.50 6-8 hour - £11.50 8-12 hour - £15.50 12-24 hour - £28
OVO Arena Wembley event-day parking	Starts from £16.25/day
Wembley Stadium event-day parking	Starts from £40/day
O2 Arena event-day parking	£27 (pre-book) or £32.50/day
Any other O2 activity (shopping, cinema, skywalk)	0-2 hour - £7 2-4 hour - £11 4-6 hour - £15 6-9 hour - £17 9-12 hour - £18 12-14 hour - £22 14-18 hour - £28 18-24 hour - £52 (equivalent hourly rate of £3.5)