

Report Title: **Trust Budget for the 12 months ending 31<sup>st</sup> March 2016**

Report of: **Jay Gohil, Interim Financial Controller, Alexandra Park & Palace Charitable Trust**

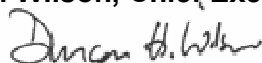
**1. Purpose**

1.1 This report requests approval for the Trust's budget for 2015/16.

**2. Recommendations**

2.1 The Board is asked to approve the Trust's budget for 2015/16.

Report Authorised by: **Duncan Wilson, Chief Executive Alexandra Place and Park Trust**



Contact Officer: **Jay Gohil, Interim Financial Controller, Alexandra Park & Palace Charitable Trust, Alexandra Palace Way, Wood Green, London N22 7AY.**  
**Tel No. 020 8365 4310**

**3. Executive Summary**

3.1 The Trust is budgeting a net revenue deficit of £3,396k for 2015/16, before Gift Aid and brought forward reserves are netted off.

3.2 The Trust's capital programme for 2015/16 is set at £400k, a 20% reduction from 2014/15.

3.3 The 2015/16 revenue and capital budgets are financed within the total available resources. They take into account the reduced provisional allocations from LB of Haringey in net revenue support to £1,900k (from £2150k in 2014/15) and capital support of £400k (from £500k in 2014/15).

3.4 This report was presented to, and noted by, the Finance, Resources and Audit Committee (FRAC) meeting on 13<sup>th</sup> January 2015.

**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 N/A

## **6. THE BUDGET PROCESS**

6.1 The draft revenue budget is based on the detailed budget submissions from budget holders, flexed to match our top down assessment of total available resources. It takes account of the assumption that the LB of Haringey's deficit support would reduce from £2,150k to £1,900k for 2015/16.

6.2 Also, there is the key assumption that the outcome of the HLF Round 2 bid submission, which is scheduled to be announced in late March 2015, will be successful – however, there would be limited revenue impact in 2015/16.

6.3 The Board is therefore asked to approve the draft budgets in this report subject to final approval at your next meeting, early in the new financial year 2015/16, to reflect appropriate and necessary changes to revenue and capital figures following the decision on our HLF Round 2 submission.

6.4 The final agreed budgets for 2015/16 will be profiled month-by-month before loading onto our financial accounting system, IRIS Exchequer, for subsequent use in budgetary control during 2015/16.

## **7. TRUST BUDGET**

7.1 The Trust draft revenue net deficit budget for 2015/16 (£3,396k) by department is shown in Table 1 where it is compared to the original net deficit budget (£4,430k) and forecast net outturn (£4,370k) for 2014/15.

7.2 The significant decrease of £1,034k (23.3%) comparing the original 2014/15 and draft 2015/16 budgets is primarily the result of savings in the Regeneration business area of £983k due to the provision for core Regeneration costs only, post HLF Round 1 where expenditure was necessary on fees and surveys to support the HLF Round 2 bid.

7.3 The other principal changes to note are (i) the assumption, as advised, that the LB of Haringey provisional revenue allocation will be significantly reduced from £2,150k to £1,900k (decrease of £250k or 11.6%), and (ii) the transfer of the Europa Maintenance Contract from external to internal provision with effect from November 2015.

7.4 On capital we have assumed, as advised, a continuation of the LB of Haringey annual allocation but at a lower level of £400k for 2015/16 i.e. a £100k reduction (20%) from the 2014/15 level of £500k. The available resources will be used for key projects including Fabric Maintenance Plan works; New Main Boiler; Fire Alarm System, Ice Rink Secondary Heating and gas main replacement(which alone will take up half of the allocation).

7.5 In addition, the APTL (internally funded) capital programme for 2015/16 totals £150k and comprises of a number of projects including investment in new and replacement equipment to support the business.

**TABLE 1**  
**ALEXANDRA PARK AND PALACE CHARITABLE TRUST**  
**Draft Budget 2015-16**

**REVENUE**

	<b>FULL YEAR</b>	<b>FULL YEAR</b>	<b>FULL YEAR</b>
	<b>2014/15</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>INCOME</b>			
Palace	280	280	280
Park	101	101	112
Learning and Other	14	14	14
<b>Total Before Regeneration</b>	<b>395</b>	<b>395</b>	<b>406</b>
Regeneration	-	-	-
<b>TOTAL</b>	<b>395</b>	<b>395</b>	<b>406</b>
<b>OVERHEADS</b>			
Palace (inc Fabric Maintenance)	1,773	1,712	1,720
Park	492	492	470
Learning and Our Heritage	127	112	111
Other (inc CEO, Office Man, Fundraising, Comms)	644	619	651
Ice Rink (Depreciation and Interest)	197	197	186
Depreciation (Non Ice Rink)*	228	228	284
<b>Total before Regeneration</b>	<b>3,462</b>	<b>3,361</b>	<b>3,422</b>
Regeneration	1,363	1,404	380
<b>TOTAL</b>	<b>4,825</b>	<b>4,765</b>	<b>3,802</b>
<b>NET DEFICIT</b>	<b>4,430</b>	<b>4,370</b>	<b>3,396</b>

\* Depreciation on Fixed Assets capitalised from 1/4/2009 is funded from the Designated Capital Fund. The appropriate transfer of funds is made at the year- end.

<b><u>CAPITAL</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Allocation	914*	914*	400

Includes brought forward resources, SIF fund allocation and annual allowance of £500k.

## 8. TRUST FINANCING POSITION

8.1 Table 2 below summarises the financing of the draft revenue and capital budgets and the impact on the level of reserves.

**TABLE 2 - Trust Financing Position**

<b><u>Revenue</u></b>	<b>FULL YEAR</b>	<b>FULL YEAR</b>	<b>FULL YEAR</b>
	<b>2014/15</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trust Deficit exc Gift Aid from APTL (as above)	4,430	4,370	3,396
Gift Aid from APTL	-900	-900	-1,107
Depreciation and Loan Interest Adjustment	-425	-425	-470
Adjusted Deficit	3,105	3,045	1,819
Ice Rink Prudential Loan Interest	71	71	64
Ice Rink Prudential Loan Repayment	200	200	210
Ice Rink SIF Loan Repayment	13	13	13
Great Hall Lights SIF Loan Repayment	0	0	42
Operating Deficit	3,389	3,329	2,148
LBH Revenue Allocation*	-2,150	-2,150	-1,900
Reserves & Underspends B/F	-1,794	-1,794	-615
Reserves & Underspends C/F	-555	-615	-367

\*2015/16 figure is provisional

<b><u>Capital</u></b>	<b>FULL YEAR</b>	<b>FULL YEAR</b>	<b>FULL YEAR</b>
	<b>2014/15</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
LBH Capital Allocation*	500	500	400
Campsbourne Play Centre Allocation	75	75	0
Great Hall Lights SIF Loan	230	230	0
Underspends B/F	109	109	0
Resources Available	914	914	400
Expenditure Programme	-914	-914	-400
Underspends C/F	0	0	0

\*2015/16 figure is provisional

**9. Legal Implications**

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

**10. Financial Implications**

- 10.1 The Council's Chief Financial Officer notes the proposed budget for 2015/16 and confirms the assumptions around funding from LB of Haringey are in line with the Council's plans.