

## **The Royal Parks Business Plan 2011 /12 V4 19 July 2011.**

### **Corporate Objectives and Key Performance Targets 2011/12**

#### Corporate Objectives

1. Conserve and enhance the natural and built environment, historic landscape and bio diversity of the parks for the benefit of our diverse audiences and future generations
2. Strengthen the organisation and its effectiveness through key transitions and continue to deliver better value for money

#### Key Performance Targets

1. Maintain Green Flag status in all parks
2. Host at least 5 test events for the Olympic games

#### **Purpose**

To manage the Royal Parks effectively, efficiently and entrepreneurially: balancing the responsibility to conserve and enhance the unique environments with creative policies to encourage access and to increase opportunities for enjoyment, education, entertainment and healthy recreation.

#### **Context**

This is a period of change for the Royal Parks.

The organisation reaches its 160<sup>th</sup> anniversary in 2011 and despite a track record of success and general public approval, it faces a number of challenges.

Government funding will be reduced by at least 3.2M starting in 2011/12 which will mean non core activities will be reduced, some core activities managed in more cost effective ways, the staffing reduced in some areas and an even greater emphasis placed, than hitherto, on self-help, and income generation. This year will be operationally very busy with the Royal Wedding, and the test events for the Olympic games, the preparations for which will make considerable demands on the organisation in the run up to 2012, which also includes HM the Queen's Diamond Jubilee. Also on the horizon are changes in governance and closer strategic links to Greater London Authority, probably in April 2013.

The organisation continues to enjoy many advantages in terms of its natural assets and locations, recognition, broad popularity (more than 37 million visitors per annum), and powerful resonance to contemporary life (the increasing recognition of the importance of quality green spaces).

Overall it needs to carefully balance maintaining the green spaces for the enjoyment of future generations with prudent husbandry of assets, including appropriate commercial development.

## **Economic Outlook**

Across the public sector the funding squeeze is putting pressure on delivery organisations like TRP. The public, many of whom will be experiencing the impact of the economic downturn, continue to demand the best from their Parks .

TRP relies on three main sources of income – Government grant (c. £15.710m in 2010/11), self-generated income, and grants from other sources (c. £15.048m). Over the last 16 years the grant from Government has been reducing and this has necessitated an increase in self-generated income. TRP has been very successful in maintaining services by raising extra income from commercial and other sources, This has created some tensions between the traditional view of parks providing an oasis of calm and a more commercial approach to self-sufficiency. This is an on-going challenge, but a sustained strategy to achieve greater non grant income is essential if services are not to suffer.

The parks are a seasonal business – and the majority of spend by visitors is weather dependent. That is why we have diversified our income generating programmes. In 11/12 areas such as retail, sponsorship, smaller space rental, digital activity and promotional partnerships will be explored to add further to the commercial portfolio. TRP is better placed than previously to exploit income generation but even so we will need to continue to provide a quality offer to ensure that we can invest in the fabric of the parks.

## **Customer Focus**

Collectively, the Royal Parks are the most visited attraction in the UK and the agency has a strengthening focus on the wants and needs of visitors. Customer survey results are very good (over 96% satisfaction levels) and we will work to uphold this standard. Maintaining support from a diverse and demanding group of stakeholders, and balancing their divergent interests is a challenge, and TRP is vulnerable to local campaigns against unpopular decisions. Working harder on communicating the financial difficulties faced by the parks, and building support for a balanced strategy will be increasingly important.

## **Collaborative Partnerships**

In a tough financial climate partnerships are key and happily this is one of TRP's strengths. The agency has an extensive network of partnerships from statutory bodies, including local authorities, the police, Transport for London, Army, GLA, LOCOG, Heritage Lottery Fund, Chelsea Football Club, National Maritime Museum, and Open Air Theatre. Our relationship with partners varies between one-off events (e.g.the London Marathon) to neighbours with a common boundary (e.g. London Zoo). One of our principal partnerships is with The Royal Parks Foundation, which is an independent charity set up to support the Royal Parks. In 2011 we strengthen that partnership with the opening of the Look Out education centre in Hyde Park which is funded by the Foundation and will be managed and largely funded by them.

We will also continue to build relations with park organizations across the UK developing close relations with City of London, Westminster, Newham, Lee Valley, Glasgow, Birkenhead and the Isle of White and across the globe (via the International Parks Forum). As well as developing bi-lateral relationships (e.g. with The Cabinet War rooms on Dig for Victory) some of our partnerships are multi-dimensional (e.g. Exhibition Road Cultural Group). We have benefited from joint funding of projects and collaboration on events with a very wide range of partners. Some of our partnerships have been targeted at developing

our internal capacity. For example, The Royal Parks Guild is supporting our apprenticeship scheme. We have also benefited from almost 1,000 volunteers giving their time and effort to the organization, saving around £2m in costs. During the financial year we will look to deepen these relationships and build new ones.

### **Stakeholder Engagement**

In a period of change, uncertainty, funding cuts and increased activity on a large scale (like the Olympics) winning the support of stakeholders will be more important than ever. Over the past four years we have developed breakfast meetings in each of the parks, where we engage with a wide range of major stakeholders, leading to improved partnership relations and working. We are working to broaden representation and to develop stronger communication with neighbour communities and via the internet with new audiences on Facebook, You Tube etc.

### **Team Working**

TRP has an expert and committed workforce, but with job reductions, organisational change and a very busy programme it will be a challenging year – the first of several. Key to success is that departmental leaders work together to complementary objectives (already established with the Olympics) shared sense of purpose and a commitment to delivering change to secure a strong future after the Olympics and the GLA transfer.

### **Major Projects**

The opening of the Look Out education centre in Hyde Park will be the culmination of a major project, one directed at the park users of the future. To be opening this exciting facility against a difficult financial background is ambitious and a strong signal of TRP's commitment to public service and improving access.

The Serpentine Gallery are redeveloping the Magazine building in Kensington Gardens which will open as a major gallery in 2012. This also provides a major new source of income to TRP.

The LHF funding development of the Isabella Plantation in Richmond Park will be initiated and could bring considerable benefits to opening up and improving public facilities in one of TRP's most loved gardens.

Commercial activity and fundraising have a greater focus going forward. Developing a commercial plan for usage of the nursery sites will probably bring considerable benefits within the next few years and an agreed plan will be decided in 2011. A retail board will be set up to explore the feasibility of shops in key park locations.

The Better Buildings programme goes from strength to strength and there are several more TRP buildings which we expect to develop as commercial assets including Rangers Cottage in Hyde Park.

## Resources and expenditure 2011/12

### Resource Budget

£k

#### Income

DCMS Grant-in-Aid	14,929
Capital	781
Depreciation ring fenced funds	2,100
Catering	2,600
Event Fees	3,843
Licenses & Rents	2,942
Car parking	1,850
Other	3,813
<b>Grant in aid</b>	<b>15,710</b>
<b>Earned income</b>	<b>15,048</b>
<b>Total income</b>	<b>32,858</b>

#### Expenditure

Salaries – Administration & Operational	5,314
Other Administration	2,773
Landscape Maintenance	6,408
Works Maintenance	6,847
Nursery & Other Horticulture	1,689
Service Contracts	1,177
Other Operating Costs	5,071
Capital Expenditure	1,479
Non Cash Charges (depreciation)	2,100
<b>Total Expenditure</b>	<b>32,858</b>

#### Strategic Risks

The agency uses a risk maturity model to measure progress on our approach to risk management and determining how well we have embedded our processes. Consideration of risk has been a key issue in the formulation of our plans.