

**The Royal Parks**

**Corporate Plan 2013-2016**

**CONTENTS**

- 1 Purpose and Corporate Objectives**
- 2 CEO Foreword**
- 3 Background and Context**
- 4 TRP Corporate objectives**
- 5 Key Performance Targets**
- 6 Internal and external environment**
- 7 Implementation & measurement**
- 8 Resourcing**
- 9 Strategic Risks**
- 10 Review 2014-2016**

**Appendix 1- review of recent achievements**

**Appendix 2- funding sources graph**

## **1. Purpose and Corporate Objectives of The Royal Parks (TRP)**

### **Purpose**

To manage the Royal Parks effectively and efficiently, 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.

## **2. Chief Executive Foreword**

The Royal Parks occupy a unique place at the heart of the capital. With over 5000 acres of parkland in our care and with 300,000 trees, the parks are important historic landscapes yet also play a vital role in the living fabric of the city. The parks also provide valuable habitats for wildlife: The Regents Park is the largest wetland area in central London, whilst Richmond Park is one of the country's largest National Nature Reserves and is also a designated Site of Special Scientific Interest and a European Special Area of Conservation.

The parks welcome around 40 million visitors each year and cater for a diverse range of visitors.

TRP plays a significant role in tourism and the wider London economy. Research shows that visitor numbers to the parks are increasing and that those who do visit are staying longer. Visitor satisfaction levels across the parks average over 98%. The public subsidy per park visitor is low and amounts to only around 40p, which compares favourably with other London visitor attractions.

TRP relies on three main sources of income – Government grant (c. £14.1m in 2013/14), self-generated income (c. £18.4m), and grants from other sources (c. £1.9m.) Over the last decade the Government subsidy has declined and TRP has developed commercial income streams including catering, events and licensing in order to meet the funding gap. Self generated income now accounts for 60% of TRP's income and is likely to grow.. Without commercial income streams, TRP would be unable to maintain the estate to its current high standards.

We will continue to look for operational savings. Some of these will derive from upfront investment, for example to reduce power and water costs. We will also look at improving efficiency in procuring our goods and services. We will also continually review the core TRP staff resource to ensure it is used effectively in the right places.

Over the next year we will explore with DCMS the benefits, costs and flexibilities which might flow if TRP's status changed from an agency of DCMS. We will also investigate the potential of new income streams that might help mitigate the effect of funding cuts to our core budget funding.

### **Impact of further funding reductions**

The impact of the required savings are forecast to bite before we reach 2015-16. As a response we looked carefully at costs and made savings whilst trying to maintain standards. In order to protect our public lavatory provision we are introducing charges for use of public toilets from 2014-15.

TRP is also facing additional costs to control the spread of tree diseases. The additional investment is necessary to protect the landscape and biodiversity of the estate.

We will reprioritise our maintenance regime, postponing some repairs and refurbishment when we can. We need however to be alert to the danger that failing to invest in the park infrastructure could lead to more serious unintended consequences later on.

### **Growth**

While our commercial revenue could grow further, it must do so in a way that does not undermine the intrinsic qualities of the park. We must also be conscious of the legislative framework in which we operate and the views of stakeholders.

Through our Better Buildings programme we are seeking to continue to grow income from our physical assets, including residential lodges and other built assets.. The Magazine building in Kensington Gardens is an example of an additional revenue stream that has been developed. The Serpentine Gallery Trust has invested multi millions of capital into our asset and will from 2014 pay a six figure annual rental.

TRP will also investigate the potential opportunities for better use of other underutilised assets including the Nursery sites at Hyde and Regent's Parks,

We also work with commercial partners to help fund assets such as the Richmond Park Golf Course, and with charities and local authorities to help fund facilities such as playgrounds.

We have developed improved contract terms on some of our events programme where we now receive a fixed fee and a share of profit.

We are working with the Royal Parks Foundation to encourage more charitable giving such as the recent example of Tiffany sponsoring a programme of restoration to water features in Kensington Garden. We will also continue to seek new revenue streams such as from sponsorship, and advertising.

Tensions remain between those who believe that too much commercialisation threatens the intrinsic qualities of the parks and those who accept that unless more income is generated investment in the green spaces and park infrastructure will reduce and the quality of the parks could decline. The ongoing challenge for TRP during the years ahead is to ensure that a balance is struck that allows income growth without damaging the core qualities of the parks. If income cannot be grown further to meet funding reductions, reductions in standards and services are inevitable.

While protecting core services, TRP has already looked to alternative funding models for our education, sport, cultural offers, and apprenticeship scheme. TRP has also exited from non core activities such as the arts programme.

We are grateful for the range of support we receive from many different sources. In the past decade we have received funding from the Heritage Lottery Fund (HLF) to fund the restoration of Bushy Park and from Sport England and others to develop the Hub and sporting facilities at Regents Park. We currently receive funding from The London Marathon Trust towards the cost of new play equipment at various playgrounds and from HLF towards improvements to the Isabella Plantation in Richmond Park. Our commercial partners have also made significant improvement to some of the buildings in the parks, such as Pembroke Lodge and Richmond Park visitor centre, and the new Boathouse in Hyde Park. The Royal Parks Foundation provides education services in Hyde Park and Kensington Gardens and supports a

range of projects across the parks through a wide range of fundraising activities, including the Royal Parks Half Marathon. (further details are found on <http://www.supporttheroyalparks.org/> )

### **Other key elements of delivery Plans**

TRP is seeking substantial funding for a programme of restoration and improvements at Brompton Cemetery, which contains some of TRP's most outstanding structures.

TRP completed a refurbishment programme of 18 toilets in 2013 prior to concluding a tender which transfers responsibility for the operation of toilets over the next five years to a single third party. The tender will allow for the introduction of charges to offset the considerable cost of keeping these public toilets open. Income generated is only expected to fund about one third of the full cost of this non statutory provision. Our toilets are attracting greater patronage with many local authorities in surrounding boroughs closing facilities or introducing higher charges than TRP proposes.

TRP will continue to undertake a programme of works across the estate,. These include a major refurbishment of the Duke of York Statue, revetment works to the Bushy River, resurfacing of various footpaths, a lighting scheme in Birdcage Walk, irrigation improvements in Richmond and Regent's Parks, and further conservation works to the Albert Memorial.

TRP will continue with an active procurement regime which over the period of this plan will see new contracts awarded covering Grounds maintenance (the green spaces) and works (the hard infrastructure-excluding toilets), also retendering a variety of income generating concessions including car parking, some catering outlets and events.

TRP will implement a project portfolio management function from 2014 to help ensure that our project expenditure is optimised to provide the highest amount of delivery against our corporate objectives and priorities.

### **Background & context to The Royal Parks**

The Parks are held in right of the Crown and are managed by the Secretary of State (Culture, Media and Sport). TRP was established on 1 April 1993 as an Executive Agency of the Department of National Heritage, renamed in July 1997 the Department for Culture, Media and Sport (DCMS). The DCMS Management Agreement sets out the powers and responsibilities delegated to the Agency. TRP is subject to Central Government and Cabinet Office instructions in the way it operates, for example pay and procurement rules. It cannot create reserves to balance expenditure across financial years, nor to fund capital improvements.

The Royal Parks Board is appointed by the Mayor of London. It sets TRP's strategic direction and, with the Minister, oversees the performance of the Agency.

Collectively, the Royal Parks are the most visited attraction in the UK. TRP will commission new customer research to help develop a new stakeholder strategy.

TRP has very high levels of contracted-out operations (staff costs are just 15% of total cost). TRP contracts have already leveraged the value of the brand to secure better returns both in terms of cost reductions and share of returns. TRP will seek to maintain the core offer through greater commercial activity. We have to actively seek and negotiate deals to deliver higher income.

TRP works with a range of different organisations to help us enhance the parks, maintain and improve the park environment and biodiversity, deliver improved services and facilities and meet our statutory obligations. These include The GLA, Local Authorities, DCMS, the Heritage Lottery Fund, Transport for London, the Environment Agency, the Metropolitan Police, Natural England, The Royal Parks Guild, Friends of the Parks and the Royal Parks Foundation. Our relationship with these and many other organisations remains important in the years ahead given the level of activity in the estate.

The Agency and TRP's Board are working with the Royal Parks Foundation to develop a complementary approach to philanthropy and fund raising and are working towards agreement over how to prioritise areas requiring funding.

#### **4. Corporate Objectives**

1. To conserve and enhance sustainably, for the enjoyment of this and future generations, our world class natural and built historic environment and our biodiversity
2. To engage with our visitors, stakeholders and partner organisations and understand their views
3. To manage the Parks efficiently and secure investment in the Parks' assets and services through an appropriate combination of government funding, commercial income and philanthropy
4. To be a centre of professional excellence where people want to work

#### **5. Key Performance Targets**

2013-14

1.i Secure ISO 14001 accreditation by March 2014.

1.ii Reduce the Accumulated Works Maintenance Liability (March 2010 - as amended 31st December 2012) by £500k by the end of March 2014.

1.iii Increase the area of habitat under active conservation management by at least 2 Hectares by end of March 2014 and undertake a minimum of 4 targeted surveys per annum to measure and record change in species richness and habitat quality.

2.i Publish an interim stakeholder strategy by October 2013 tested against market research by March 2014.

3.i Generate commercial income of £16m and additional third party funding of £2m by 31 March 2014.

3.ii Complete procurements that deliver future savings of at least £0.5m per annum.

3.iii Secure first stage funding from HLF for improvements to Brompton Cemetery.

4i Improve the EFQM "People Results" score to a minimum of 51–60% by end March 2014

4.ii Achieve an engagement index score of 73% in the Civil Service staff survey 2014 and improve by 10 percentage points the number of staff who state within that survey that they "want to stay working for TRP for at least the next three years.

4.iii Complete a skills audit of all Royal Park staff by the end of March 2014.

We will agree further KPT's for 2014-15 and 2015-16, prior to the commencement of each financial year.

## 5. Internal & external environment

The following key assumptions are made:-

- DCMS will remain our parent and funding department for the duration of the plan and there will be no change to our status as an executive Agency
- Vote public expenditure will decrease in line with announcement made
- We will maintain our entertainment licences (under the Licensing Act 2003)
- Issues and /or incidents relating to terrorism and/or threats to national security or welfare do not have any major long term impact on the utilisation of the parks.
- Outbreaks of disease or virus within the wildlife population can be managed within current resource levels and do not have any major long term impact on the utilisation of the parks.
- Further significant climate change or unusual adverse weather conditions do not occur within the specified period of the plan and that necessary early mitigation plans to ensure long term sustainability are affordable within stated funding levels.
- DCMS and the GLA take a supportive view of proposals to develop and protect income streams.

## 6. Implementation of the Plan and measuring success

Through the Management Agreement and associated letters of delegation, the Chief Executive is the Accounting Officer for TRP, and is responsible within the terms of delegation for the delivery of the organisation's objectives and for meeting the key performance targets.

The strategy and plan for TRP is owned by the Executive Committee and approved by The Royal Parks Board. Performance against KPT's will be managed by the Executive Committee.

The Chief Executive has delegated responsibility for the delivery of each of the Corporate Objectives and KPT targets to a member of the Executive Committee. Ownership of the supporting business plan objectives and targets will be delegated by the Executive Committee, to responsible individuals. Letters of delegation (financial and otherwise) that are cascaded through the management team will be reviewed following assessment of the Chief Executive's delegations.

## 7. Resources and expenditure plans

### Resource Budget

#### Income

	2013-14	2014-15	2015-16
	£k	£k	£k
DCMS Grant-in-Aid- current year cash	13,275	12,552	11,297
DCMS Grant in Aid – non cash	2,300	2,362	2,400
DCMS Grant-in- Aid- funding to pay prior year creditors	3,500	2,500	1,000
Capital	857	895	1,850
Catering	3,095	3,135	3,135
Event Fees and permits	7,346	7,484	7,584
Licenses & Rents	3,027	3,174	3,355
Car parking	1,250	1,211	1,241
Other	5,562	2,728	2,348
<b>Total income</b>	<b>40,212</b>	<b>36,041</b>	<b>34,210</b>

#### Expenditure

Salaries – Administration & Operational	5,209	5,187	5,240
Support costs	2,452	2,083	2,083

Landscape Maintenance & Development	10,199	7,817	7,710
Works Maintenance	7,751	7,688	6,826
Nursery & Other Horticulture	1,932	1,815	1,864
Service Contracts	2,275	2,172	2,248
Other Operating Costs	2,175	2,467	2,439
Capital Expenditure	2,419	1,950	2,400
Non Cash Charges	2,300	2,362	2,400
<b>Total Expenditure</b>	<b>36,712</b>	<b>33,541</b>	<b>33,210</b>
Creditors- Grant in Aid	3,500	2,500	1,000
<b>Total</b>	<b>40,212</b>	<b>36,041</b>	<b>34,210</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.

	STRATEGIC RISK	MITIGATION APPROACH
COI	Lack of resource capacity to meet all our obligations and also make a positive impact	<ul style="list-style-type: none"> <li>• Park Managers monitor progress against Park Plans</li> <li>• Director of Parks &amp; CEO have regular visits to Parks</li> </ul>
	Loss of status eg, Green Flag and Richmond Park National Nature Reserve	<ul style="list-style-type: none"> <li>• Monitor impact of climate change and visitors</li> <li>• Attain ISO 14001 status</li> <li>• Engage with DCMS, Natural England, etc on best practice</li> </ul>
	Increased disease and pestilence on wildlife & trees reduces beneficial habitat and impact on biodiversity	<ul style="list-style-type: none"> <li>• Monitor DEFRA guidance</li> <li>• Daily monitoring by wildlife officers</li> <li>• Regular monitoring by Ecologist for the Oak Processionary Moth and collaborate with the Forestry Commission on research</li> <li>• Regular inspections for Massaria</li> <li>• Programme of work to inhibit algae blooms in the Serpentine</li> </ul>
	Increased use or change of use by visitors damages landscapes	<ul style="list-style-type: none"> <li>• Monitoring of changes by Park Managers (e.g. <i>desire lines</i>) and take action as necessary</li> <li>• Events contracts provide for reinstatement funding</li> </ul>

CO2	Major accident or incident at event or attraction brings Health and Safety into question and impacts on reputation	<ul style="list-style-type: none"> <li>• Good pre-planning</li> <li>• On-site monitoring during events</li> <li>• Debrief after events</li> </ul>
CO3	Unable to find funding for identified key projects	<ul style="list-style-type: none"> <li>• Manage budgets closely</li> <li>• Regular monitoring by ExCom &amp; Board</li> <li>• CEO to liaise with Foundation over future funding requirements and priorities.</li> </ul>
	Increase in anti-social behaviour and damage	<ul style="list-style-type: none"> <li>• Monitor Police and Park Management Reports</li> <li>• Use Safer Parks Panel meetings to target police operations</li> </ul>
CO4	Major infra-structure failure in year requiring diversion of other funding allocation	<ul style="list-style-type: none"> <li>• Regular review of estate</li> <li>• Prioritisation of maintenance</li> <li>• Backlog maintenance report to be refreshed</li> </ul>
	Failure of contractors to meet defined service level of contract requires more direct staff involvement	<ul style="list-style-type: none"> <li>• Park Managers monitor contractor KPIs</li> <li>• Regular meetings with Director of Estates</li> </ul>
CO5	Economic downturn impacts on income and increases bad debtors and ability to deliver greater value for money	<ul style="list-style-type: none"> <li>• EXCOM monitor income and bad debts monthly</li> <li>• New income streams sought to grow external income</li> </ul>
	Local Authorities restrict our ability to hold events	<ul style="list-style-type: none"> <li>• Stakeholder management plan</li> <li>• Careful monitoring of events</li> <li>• Stakeholder meetings</li> </ul>
	Funding from DCMS is further cut or future funding reductions require in year action to reduce operational costs	<ul style="list-style-type: none"> <li>• Regular re-forecasts to DCMS</li> <li>• Develop contingency plans and prioritise projects</li> </ul>
	New projects/activities are seen as controversial with certain groups of users	<ul style="list-style-type: none"> <li>• Stakeholder meetings and engagement</li> <li>• Enhanced use of web</li> </ul>

		engagement
CO6	Failure to get best vfm from contracts	<ul style="list-style-type: none"> <li>• Benchmark with similar land owners</li> <li>• Review against OGC rates.</li> <li>• Strategic plan of procurements and review scope of tender activities</li> </ul>
	Failure to scope/manage projects effectively	<ul style="list-style-type: none"> <li>• Regular monitoring by PAG and Programme Boards</li> </ul>
	Failure to invest in staff or reward performance, recruitment restrictions limit ability to match skills with roles	<ul style="list-style-type: none"> <li>• Monitor occasions when advertised posts go unfilled</li> <li>• Review succession plans</li> <li>• Monitor reasons for resignations</li> <li>• Complete skills audit</li> </ul>
	Inadequate procedures and training	<ul style="list-style-type: none"> <li>• Review and amendment of procedures</li> <li>• Provision of training and use of civil service on line training.</li> </ul>
	Inappropriate use of IT and consequential possible loss GSI accreditation and/or paper loss	<ul style="list-style-type: none"> <li>• Whistle Blowing policy</li> <li>• Training</li> <li>• Equipment Audits</li> </ul>
	Failure to meet Cabinet Office Information Assurance Compliance Review	<ul style="list-style-type: none"> <li>• On-going review</li> <li>• Undertake independent assessment</li> </ul>

## **Appendix I - Review 2009-2013**

Since TRP published our last Corporate plan we have achieved a range of major objectives:-

### **Hosting the Olympic and Paralympic Games**

In 2012 all of our parks hosted 2012 Games celebrations and events. Our parks provided spectacular backdrops for 11 Olympic and Paralympic sporting competitions and saw Team GB and Paralympics GB win 24 medals, including 11 golds. The Olympic Torch Relay visited five of our parks and Hyde Park hosted BT London Live, the largest free to access event of its kind ever to be held in the UK, with over 800,000 visitors. Over one million spectators enjoyed the 2012 sporting action in our parks, including 400,000 watching Road Events for free. The Mall welcomed Team GB and Paralympics GB athletes at the finale of 'Our Greatest Team Parade'.

### **Royal wedding**

The wedding of their Royal Highnesses Duke and Duchess of Cambridge in 2011 involved an intense period of planning and organisation by TRP. The wedding footprint incorporated Green, St James's – including part of the ceremonial route through Horse Guards Parade Ground and along The Mall - and Hyde Parks. In our capacity as host for some of the official aspects of the day, and as a vital component of the plans to accommodate the anticipated crowds of approximately 1 million people, the Agency worked with approximately 50 partners, including the Royal Household, DCMS, Westminster City Council, Transport for London and the Metropolitan Police, to plan for the day. A crowd management model was developed with the delivery partners so all aspects of the wedding were coordinated, with the parks designated a key role in ensuring the day was enjoyable and safe for all. This included identifying viewing areas for the public in the parks and the most appropriate access routes into and out of our venues. In order to ensure those who lined the ceremonial route - or who were in St James's, The Green or Hyde Parks - were entertained throughout with day, big screens, confetti canons and live music.

### **Diamond Jubilee**

In 2012 TRP hosted a weekend of Diamond Jubilee celebrations. This started with a Jubilee Family Festival at the beginning of June in Hyde Park, attracting large family audiences. A spectacular Jubilee Concert and beacon lighting ceremony was held in front of Buckingham Palace. This was followed by the Ceremonial Procession along The Mall to Buckingham Palace for the balcony appearance in front of the huge crowds that gathered in St James's Park. The Mall was also the location for the Diamond Jubilee concert. An estimated one million visitors enjoyed the events that were programmed.

### **Building of new Richmond Park golf clubhouse**

The project to improve the golf provision at Richmond Park by Glendale Golf PLC concluded with the new clubhouse opening in April 2013.

### **Redevelopment of the Open Air theatre site in Regents Park**

This £3m project funded by the Open Air Theatre Trust and sponsors saw the construction of a new box office, dressing room complex and office suite.

### **Better Buildings**

The aim of the Better Buildings Programme is to deliver contracts that increase the quality of key property assets in order to produce an additional net income from these assets of £1m per annum by the end of the 2014/2015 financial year and £2.5m by the end of 2019/20. At the end of 2012-13 there were 17 lodges within the portfolio, generating a net profit of £650,000. The multi million pound Magazine project funded by the Serpentine Gallery, sees a refurbished Magazine in Kensington Gardens opening in 2013 as a new visual arts space

under the management of the Serpentine Gallery. This will be a significant cultural addition to the estate, introduces a new catering facility to this part of Kensington Gardens, and will include an extension designed by Zaha Hadid. This will also bring in additional annual income to TRP from this asset.

### **Bushy Park restoration programme**

The Heritage Lottery Fund supported programme undertook a range of multi faceted projects. The Pheasantry Welcome Centre in the Woodlands Gardens and the Upper Lodge Water Gardens opened in 2009. The Welcome Centre provides a café, toilet facilities and a small information point. The Upper Lodge Water Gardens were the centrepiece of a major restoration project with funding assistance from HLF. The 18th century Baroque-style collection of pools, cascades, basins and canal disappeared beneath undergrowth and silt through the 20th century and their existence was largely forgotten until the 1990s. The now Grade I listed Diana Fountain which forms the centrepiece of the park was fully restored.

### **Works programmes**

A large range of refurbishment and improvements have been carried out over the past four years which includes resurfacing of 3.5 miles of roads, the restoration of the Queen Victoria and Albert Memorials, The Italian Gardens in Kensington Gardens and numerous gate restorations; Compliance with statutory legislation such as improvements to the Serpentine and Pen Ponds reservoirs; Upgrade projects to the infrastructure to improve energy efficiency and carbon reduction such as street lighting refurbishment, gas boiler and water pipe renewals.

Significant work was undertaken to improve the water quality of the Serpentine to enable the Olympics to be held, such as the installation of new aeration system and a new bore hole to increase through put of water.

These and many smaller projects have helped deliver a reduction in the backlog accumulated maintenance liability on our estate from £58m in 2006 to £48m.

### **Cycling initiatives**

The last few years has seen a series of major improvements for cyclists in the parks including the introduction of new cycle paths and other facilities.

### **Education**

In 2011-12 we entered into new arrangements which effectively outsourced education provision through initiatives with the Field Studies Council and the Royal Parks Foundation, including jointly building the new £2m Lookout education centre in Hyde Park.

### **Play**

TRP has undertaken major improvements to 10 of our playgrounds including the Princess Diana, Princess of Wales Memorial playground in Kensington Gardens, and introduced the first senior outdoor fitness centre to TRP in Hyde Park and created 2 playful spaces in Kensington Gardens and The Regent's Park

### **Apprenticeship scheme**

TRP has reviewed and retendered the arrangements for providing apprentice opportunities in the Parks with its grounds maintenance contractors and classroom based learning is now provided through Warwick University. This has confirmed TRP's commitment to providing on the ground training combined with classroom learning.

We have also been developing expertise and responses to tree diseases including oak processionary moth and massaria.

**Large events**

Apart from our iconic summer concerts which attract leading international musicians we have continued to host a range of attractions across the parks at other times including London Marathon, Royal Parks Foundation Half Marathon, World Triathlon, Taste, Winter Wonderland, Frieze Arts Fair, BBC Last night of the Proms. St James' Park, incorporating The Mall and HorseGuards Parade Ground, also hosts a variety of national ceremonies, including Trooping the Colour and processional routes for visiting Heads of State.

# The Royal Parks

Resource + Capital Cash Funding



