



Annual Report and Accounts 2014-2015

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CHAIRMAN'S STATEMENT

I am pleased to introduce The Royal Parks' annual report for 2014/15. This has been a year both of opportunity and challenge for the organisation with the prospect of further significant changes ahead.

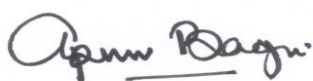
For many of us who visit the eight Royal Parks regularly, it has become apparent over recent years how much more popular they are becoming. This was confirmed recently by independent research revealing that there are now over 77 million visits to the estate annually, recording a 98 per cent satisfaction rating. This is a significant increase in numbers since research was last undertaken. That the parks are amongst the most visited and valued recreation sites in the country is a testament to the people who care for and protect them.

Those who come to the parks want to do so in the knowledge that they and their property will be safe. The officers who police the parks do all they can to enforce the law including Park Regulations. There is, however, understandable concern about possible new policing structures that could result in a reduction in the number of officers in the estate. This is something that is of concern to the Board and many stakeholders, and we and the executive team continue to work with the Metropolitan Police Service to identify the best model within the budgetary regime that will deliver a comprehensive and high quality policing service that reflects our specific needs.

Despite the immense popularity of the parks and the key role they play in London's tourism industry and ecology, we continue to face ongoing reductions in our government grant. The organisation now self-generates over 60 per cent of its running costs to maintain the parks to their current standard. Although it has managed to achieve this, there is a large maintenance backlog which now stands at around £56m.

For the parks to achieve stable, long-term sustainable finances, the current business model will need to change. I am pleased that the Department for Culture Media and Sport, working with The Royal Parks and others is actively looking at alternative organisational models that will offer greater financial freedoms and flexibilities going forward. They have the full support of the Board members in this endeavour.

Linda Lennon, The Royal Parks' Chief Executive, recently announced that after three years in post she is moving on to take on new challenges. I and my colleagues on the Board wish her well and congratulate her on all that she has achieved. We are also very grateful to all our staff, contractors, volunteers and other supporters for their continuing contribution and hard work. Between them they make these green spaces a very special place to visit.



Apurv Bagri
Chair
1 July 2015

CHIEF EXECUTIVE'S FOREWARD

It was over three years ago when I became Chief Executive of The Royal Parks. I well remember the feelings of exhilaration and excitement walking through Hyde Park to my office on my first day. Those feelings have never left me. Every day presents different challenges and the complexity of the organisation continues to surprise.

I am not alone in my deep love of the Royal Parks. It has some of the best supporters one could hope for. These include the many highly committed staff and contractors who do so much to make the organisation and the parks it manages so special. We also enjoy sterling support from a wide range of stakeholder and volunteer groups including the Friends of the Parks, the Royal Parks Foundation and Royal Parks Guild. There are a whole range of other organisations such as The Heritage Lottery Fund that, over the years, have provided valuable support without which we would not have been able to invest in the estate in the way we have done.

The pressure to increase income will only grow given the reduction in our government grant. Finding new ways to sustain existing income and generate new sources of funds continues to be one of the biggest challenges. It is also an area that can elicit strong feelings from our visitors. While millions attend the range of events and enjoy other commercial activities in our parks, some worry that there is a danger that the intrinsic qualities of the parks will be lost. I and my team are aware of such sensitivities and strive to keep a balance between the two elements. Fundamentally though, our role is to protect and preserve the parks for visitors to enjoy, and that remains our overarching priority.

How visitors travel to, through and within the estate has been subject of much debate this year, in particular the impact of the ambitious plans to increase and enhance cycle provision across London. The Royal Parks has long welcomed safe cyclists and has some of the most attractive cycle routes in London. However we must balance the needs of all park users and ensure that the measures we take do not present unacceptable operational and environmental hurdles or undermine our core principles. I very much hope that you enjoy reading the highlights from across the parks that are set out in this report. We can't include everything we would like to, of course, but I hope that we are able to provide a flavour of these unique natural environments, with their outstanding horticulture and complex biodiversity.

I am sorry that this is my last year in the Royal Parks and I wish my successor, Andrew Scattergood, the very best in continuing to lead this wonderful organisation.

Linda Lennon CBE

Linda Lennon CBE
The Royal Parks Chief Executive
1 July 2015

INTRODUCTION

The Royal Parks is responsible for managing and preserving more than 5,000 acres of historic parkland across London, including valuable conservation areas and important habitats for wildlife.

The Royal Parks are: Bushy Park, The Green Park, Greenwich Park, Hyde Park, Kensington Gardens, The Regent's Park & Primrose Hill, Richmond Park and St James's Park. The Royal Parks is also responsible for a number of other spaces in London, including Brompton Cemetery, Victoria Tower Gardens, the gardens of 10, 11 and 12 Downing Street and Grosvenor Square Garden.

The organisation 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 1993 Framework Document sets out the powers and responsibilities delegated to The Royal Parks.

HIGHLIGHTS FROM THE EIGHT ROYAL PARKS

Bushy Park

The past year has been a landmark one for Bushy Park, which is the second largest of the capital's eight Royal Parks.

Not only did Ipsos MORI reveal that the park receives an estimated 2.4 million visits per year*, but Natural England also designated it a Site of Special Scientific Interest (SSSI).

The park is home to a formal Baroque water garden and the beautiful Diana Fountain, which was cleaned and refurbished last year. It is also home to the famous Chestnut Avenue, which greeted about 10,000 visitors during the annual Chestnut Sunday Parade last May.

Located near Hampton Court Palace, Bushy Park's mixture of woods, gardens, ponds and grassland makes it a fantastic place to enjoy wildlife with roaming herds of Red and Fallow Deer.

The natural environment in Bushy Park has been at the forefront of a number of projects during the past 12 months. Improvements to flora and fauna in the Woodland Gardens have seen new plantings thanks to the Royal Parks Foundation and a fantastic team of volunteers.

A new native hedge was planted in the woodlands thanks to funding from The Friends of Bushy Park and Home Parks, and landscape improvements were designed and planted by apprentices in the Pheasantry Car Park. Volunteers have also played a key part in the extensive work to control the Oak Processionary Moth with 750 nests removed.

A number of other projects have also been completed, including works to trees in Lime Avenue to protect them from the deer, habitat improvements in the Brew House Fields through creating new Sand Martin and Kingfisher banks close to the reed beds, as well as bank repairs, de-silting and the control of Japanese Knotweed along the Longford River.

The Green Park and St James's Park

With an estimated 31.2 million visits each year*, The Green and St James's Parks are among the busiest of the Royal Parks.

This huge number of visitors is partly down to the central London location of the parks but also because they are at the heart of so many of the nation's major ceremonial events.

Last year, St James's Park hosted the presentation of new standards to the Household Cavalry, Her Majesty The Queen's Birthday Parade and Beating Retreat both by the Household Division and Her Majesty's Royal Marines.

It is not just ceremonial pageantry for which the parks provide an ideal background; world famous sporting events have also taken pride of place. The London Marathon finishing line,

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The Anniversary Games, Global Champions Tour show jumping and the Tour de France were hosted last year.

Events to mark the anniversary of the outbreak of World War I also saw a number of commemorations take place in the parks. HRH the Duke of Kent opened a Fields of Battle/Lands of Peace photography exhibition in St James's Park while in Victoria Tower Gardens the Spectra Art installation attracted 40,000 visitors when a beacon was lit for a week during the national service of reflection at nearby Westminster Abbey.

Both St James's and The Green Parks are steeped in history and this is evident through many of the magnificent statues which take pride of place. Among those which have undergone refurbishment in the past year are the memorial to Her Majesty Queen Elizabeth the Queen Mother, the Commonwealth Memorial Gates on Constitution Hill and the 328 ft high Duke of York statue.

Close to St James's Park and with a backdrop of the Palace of Westminster is Victoria Tower Gardens, which is also managed by The Royal Parks.

Last year, this area has undergone some major changes; working with the Parliamentary Estates Directorate, plans were drawn up for a temporary education centre which is expected to provide facilities for the next 10 years.

The Royal Parks has also enhanced play facilities in the Gardens as part of phase two of a restoration project which has also seen the relocation of the Spicer Memorial, and works started on restoring the public toilets ahead of reopening in 2015.

Greenwich Park

The Royal Parks' most historic location is in Greenwich, which dates back to Roman times and was enclosed in 1427. It offers spectacular views across the River Thames all the way to St Paul's Cathedral.

And it is this historical background which provided the ideal setting for a first-year Friends of Greenwich Park and the Royal Parks Foundation-funded community archaeology project, which saw volunteers and school children getting hands on experience during an archaeological dig in the park.

The estimated 4.8 million visitors* who visited Greenwich Park last year were treated to some of capital's most iconic events including the start of the London Marathon, the London to Brighton Classic Car Rally and the Tall Ships Festival – an armada of tall ships sailing up the Thames at Greenwich. It also hosts a number of important but smaller events such as The Friends of Greenwich Park's series of bandstand concerts featuring the local London Youth Orchestra and community jazz bands.

Greenwich Park is steeped in history, and hosts the Prime Meridian Line, the Royal Observatory, is the home of Greenwich Meantime as well as being part of the Greenwich Maritime World Heritage Site which is home to The National Maritime Museum and Old Royal Naval College.

Greenwich has had strong links to royalty ever since the land was enclosed by Henry V's brother, Duke Humphrey. Both Henry VIII and Elizabeth I were born in the Tudor Palace at Greenwich and enjoyed riding in the park. Here you can still see the remains of the famous Queen Elizabeth Oak, a hollow tree dated to 1290, under which Henry is claimed to have danced with Ann Boleyn. Generations of monarchs have taken this magnificent park to their hearts and enjoyed its large grassland enclosure which serves as a sanctuary for deer, foxes and birds.

Among the projects completed in this park last year were landscaping of the grade II listed St Mary's Lodge, completion of phase two of a major playground refurbishment and installation of a new borehole and irrigation system to help save money and ensure a more sustainable park by reducing the need to use tap water.

Hyde Park

The annual life of Hyde Park is one of the more diverse among the Royal Parks. It's vastness and rich landscape ensures its 12.8 million visitors* can escape the bustle of London life, while in contrast it also hosts some of the capital's largest outdoor events.

Last year saw the most successful Hyde Park Winter Wonderland with millions of festive visitors enjoying this hugely popular, free-to-attend event. We also reopened the Parade Ground as parkland earlier than usual with reinstatement work starting in January and most of it reopening in time for the Easter holidays.

Hyde Park hosted the second year of Barclaycard Presents British Summer Time Hyde Park (BST) which resulted in an even better event than last year.

Hyde Park covers 350 acres of historic parkland in the heart of London. It is home to a number of famous landmarks including the Serpentine Lake, Rotten Row and the Diana, Princess of Wales Memorial Fountain.

In 1866 Edmund Beales' Reform League marched on Hyde Park where great scuffles broke out between the League and the police. Eventually the Prime Minister allowed the meetings to continue unchallenged and since 1872 people have been allowed to speak at what is now become another famous landmark in the park - Speaker's Corner. Last year this area was further improved with a new layout, flower beds and lighting, and the resurfacing of footpaths.

There are a wide range of other attractions in the park ranging from the nature rich meadows to the beautiful Rose Garden with its strongly scented shrub roses and ever changing seasonal flower displays.

A strong emphasis is placed on horticulture in Hyde Park. Work has taken place in a number of garden locations over the last year including the regeneration of the old Edwardian shrubberies to make them visually more interesting and attract new wildlife.

The Dell Gardens were one of the jewels of Hyde Park in the early part of the 20th century but gradually declined, losing much of their original exotic plantings. The restoration of these gardens and the refurbishment of shrub beds at the Bandstand are examples where horticulture has become more prominent in the park.

The park also offers various formal recreational activities including open water swimming at the Serpentine Lido, boating, tennis and horse riding. These sit alongside a diverse range of opportunities for informal recreational pursuits throughout the year such as cycling, rollerblading or simply just having a leisurely walk around The Serpentine.

Sports facilities were given an added boost last year when reinstatement work improved the Old Football Pitches which sit on the site of the Great Exhibition which was organised by the Prince Regent (Albert) in 1851 to mark the end of the Napoleonic Wars. The pitches allow sports enthusiasts from all ages to book space for sporting activities.

Kensington Gardens and Brompton Cemetery

Hailed in one survey as one of the “coolest playgrounds in the world”, more than one million people visited Kensington Gardens’ most popular attraction last year - the Diana Princess of Wales Memorial Playground - making it a record breaker for this hugely popular facility.

Kensington Gardens has 242 acres planted with formal avenues of magnificent trees and ornamental flower beds which attract an estimated 10.4 million visits* each year.

During the year a targeted action plan was produced to address key areas of tree planting that will maintain the integrity of the Gardens’ most notable and historic tree avenues.

Alongside the Round Pond a number of poorly formed trees that form the Great Bow were replaced with 39 new lime trees. The Round Pond itself has undergone a major landscape investment to improve its presentation and safety; edges have been re-laid, paths leveled and a safety surface installed along the inside edges of the pond.

Two historic pathways have also been installed, replacing the single path which connected the Broad Walk to the Round Pond. Renewing these historic pathways has further reconnected Kensington Palace to the wider Gardens.

A number of other projects have also brought improvements to the landscape; a small swan island has been created in the Long Water as a nesting refuge for mute swans, the introduction of a new gravel beach in the Long Water just in front of the Henry Moore Arch will provide protection for waterfowl, and improvements have been made to South Flower Walk including new seating and planting.

Waste and recycling have also been high on the agenda. Behavioural studies have been undertaken to provide insight into people’s attitude towards litter and gain an understanding into how park visitors use bins. This study is directly influencing decisions around how The Royal Parks manage litter and waste to support increasing the level of recycling rates.

Good progress has also been made on the Heritage Lottery Fund conservation project in the nearby Brompton Cemetery. While outcomes are expected on the second phase of funding and planning applications, work has continued on surveying memorials and improving horticultural maintenance. Alterations to grass cutting regimes, re-edging pathways and the control of invasive species, such as the dense bracken and Japanese Knotweed, has been carried out to help other plants thrive and improve biodiversity.

The cemetery also hosted the first joint Royal Parks, Royal Parks Foundation and The Friends of Brompton Cemetery volunteer event. A group successfully helped to restore, prune and cut-back ornamental shrubs along the main avenue and we will be replicating these events in the future.

The Regent's Park and Primrose Hill

When it comes to wildlife, The Regent's Park has many national accolades to its name.

It houses the country's largest free-to-view waterfowl collection. Among the collection are a range of colourful northern hemisphere birds which are housed in the Longbridge Sanctuary at the north eastern side of the lake. The Friends of Regent's Park and Primrose Hill sponsored the reconstruction of the lake's interpretation board which was destroyed in the 2013/14 winter storms.

There has been further good news for birds in The Regent's Park; the rare Yellow Browed Warbler was spotted for, what is believed to be, the first time in inner London. It has also been a busy breeding time with the park's kestrels producing five young, the tawny and little owls two young each, as well as 22 breeding heron pairs.

The park now boasts what is thought to be the last remaining population of hedgehogs in central London, and last year saw an in-depth survey of the population and their habitats carried out. More than 60 volunteers spent over 1,000 hours gathering and analysing data for the research which was coordinated by the Royal Parks Foundation.

With The Regent's Park offering one of the largest open spaces for sport in London, at 100 acres, it has been a successful year for health and fitness; the Trim Trail – an outdoor gym – was refurbished with funds from the London Marathon Charitable Trust, the park has licensed even more personal and group trainers and The Regent's Park Royals junior rugby club has gone from strength-to-strength with numbers of girls and boys involved at almost 200.

The Regent's Park, which annually welcomes about 10.7 million visits*, was designed by John Nash and covers 395 acres, including Queen Mary's Gardens which features more than 12,000 roses of 400 varieties, and the restored William Andrews Nesfield's Avenue Gardens.

Among the landscape highlights are the Chester Road Cherry Trees which are being replaced with the variety 'Sunset Boulevard' thanks to added fundraising efforts from the Royal Parks Foundation, whose patron HRH The Prince of Wales has issued a message of support for the project.

Other notable projects in the park have seen the refurbishment of the café in Queen Mary's Gardens under the new name, The Regent's Bar and Kitchen, and a number of events hosted at The Regent's Park including Taste, two Frieze Art Fairs and the free Sculpture Park which saw contemporary art exhibited alongside more historic pieces.

Richmond Park

The beautiful Isabella Plantation nestled within the largest Royal Park – Richmond – has been the focus of further re-development during the past year.

The estimated 5.5 million visitors* who annually come to Richmond Park will now have the chance to see the restored project in all its glory.

New accessible pathways, signage an eco-friendly toilet system and a summer minibus service, run by volunteers, are just some of the highlights which have brought a new lease of life to the plantation. This has been supported through a new website and range of leaflets to attract a diverse range of visitors, particularly those with mobility difficulties.

An eye-catching rose garden has been planted at Pembroke Lodge, which has been refurbished and, thanks to a generous donation, The Poet's Corner now features new furniture and paths. Pembroke Lodge has hosted two masterclasses with apprentices from across London joining forces to discuss and evaluate landscape designs.

Richmond Park is London's biggest enclosed space, and is a National Nature Reserve, London's largest Site of Special Scientific Interest and a European Special Area of Conservation.

The royal connections to this park probably go back further than any of the others, beginning with King Edward I (1272-1307), when the area was known as the Manor of Sheen. The name was changed to Richmond during Henry VII's reign. And those royal links continued last year when HRH Princess Alexandra opened the new golf clubhouse and upgraded courses, driving range and academy course.

There has also been huge success with the ponds and streams project. This saw the opening of the Attenborough Pond, with the Friends of Richmond Park raising more than £32,000 to begin a project to carry out a wide range of ecological enhancements along the Beverley Brook.

The park has changed little over the centuries and, although it is surrounded by human habitation, the varied landscape of hills, woodland gardens and grasslands set among ancient trees abounds in wildlife, especially the deer herds which are recognised as some of the best park deer in the UK.

And work has continued over the past 12 months to protect this landscape; large areas of bracken have been treated to prevent further encroachment into acid grassland, groups of older trees have been protected through traditional chestnut fencing. We continue to create

new pollarded trees that are so important in ensuring the longevity of trees to create the trees of the future.

*Ipsos MORI visitor count and research survey, published 2015

Stakeholder Engagement

The Royal Parks Stakeholder Engagement Strategy, published in March 2014, commits us to publishing an annual summary of our stakeholder engagement. The strategy is about engaging more effectively, coordinating and targeting activity, engaging with a wider, more diverse audience through new and different channels, and raising awareness of the role of The Royal Parks and support for our objectives.

In reporting against the key principles of stakeholder engagement below, the examples given are not exhaustive but exemplify the range of “monitor,” “inform,” and “engage” activities undertaken.

1. *To seek, listen to and consider a diverse range of stakeholder views, knowledge and experience.*

We have continued to host bi-annual stakeholder meetings in all parks and attend friends groups’ annual meetings. Meet the Park Team events were held in every park in an open and informal way, targeting park users who do not regularly engage with us. Market research showed a 10 per cent increase in awareness by park visitors of The Royal Parks between 2013 and 2014.

2. *To carry out fair, open and meaningful consultation on significant issues affecting park users.*

Three consultations were held this year: Brompton Cemetery conservation project, the future management of the Old Football Pitches in Hyde Park, and about whether to permit commercial skating instruction across all parks. We received a good level of response to all consultations and have been open about decisions made.

3. *To be open about where stakeholder views have been taken into account.*

We have been clear following consultations where we have taken stakeholder views into account. For the Old Football Pitches, the majority of users did not want to either book or pay for pitches. We have decided to continue to operate a booking system to make it fairer for all those who want to use the area but without charging, and instead continue to subsidise the booking system and upkeep of the area. For the commercial skating instruction consultation, the majority of respondents said we should allow commercial skating instruction within the parks. We considered the feedback, monitored the temporary registration scheme, and have now implemented an annual registration scheme for commercial skating instructors.

4. *To engage with stakeholders at the earliest opportunity about issues relevant to or affecting them.*

We have continued community engagement across a number of projects, including proposals for the Marlborough Gate cafe in Kensington Gardens, the development of Gloucester Gate playground in The Regent's Park and a community arts project in Victoria Tower Gardens. We issued the Major Events Schedule to stakeholders across all parks for events affecting them and sent 9,000 letters to residents with information for the BST Hyde Park and BBC Proms events.

5. *To communicate information clearly and through different channels to maximise accessibility and understanding.*

Market research showed that 13 per cent of visitors used online sources before visiting, but 63 per cent would prefer to do so. In response we have expanded our social media reach, launching Twitter and increased Facebook followers to 272,000. Our redeveloped website has improved the visitor experience, particularly for mobile devices, and improved content, for example the website information on Isabella Plantation in Richmond Park.

6. *To continue to embed stakeholder engagement into our culture and our activities.*

We continue to meet key stakeholders to discuss local issues and concerns regarding major events. A new, dedicated events email address ensures better responses to comments or questions. We have undertaken a number of feature pieces to raise awareness of and to educate visitors about our parks, including advice to dog walkers during the deer rutting and birthing seasons.

Events

Our eight Royal Parks have a long and historic tradition of hosting events. We host around 30 major events and hundreds of small events every year, including some of the most prestigious cultural, musical and sporting activities in the world, as well as a multitude of smaller and local community events throughout the parks.

These include: The London Marathon, where runners line up in Greenwich Park to start the gruelling 26.2 mile run and finish in elation on The Mall in St James's Park, Barclaycard presents British Summer Time Hyde Park, which offers something for everyone, from headline superstars like The Rolling Stones and Black Sabbath to schools theatre and comedy, the world's greatest restaurant festival, Taste of London, the weekend festival of cycling – RideLondon which sees cyclists of all abilities race through London taking in St James's Park and Richmond Park, and the ever popular Hyde Park Winter Wonderland, Europe's No. 1 Christmas destination.

2014/15 was an exceptionally successful year for events in the Royal Parks, where millions of visitors from across the globe enjoyed and experienced our events and in turn, contributed vital funds which go back into conserving and enhancing the parks for future generations to

enjoy. As custodians of these unique spaces, we understand the need to balance the enjoyment and inclusion that events in open spaces can bring to the communities and visitors we serve locally, nationally and internationally, with the provision of spaces for quiet enjoyment and relaxation.

Since publishing our strategy document in 2014 – “*Hosting Major Events in the Royal Parks*” – we have continued to improve the events we currently host and are able to give clarity to stakeholders and event organisers about why we host events, the guiding principles by which we prioritise events, and our approach to hosting events.

The Royal Parks needs to generate more than 60 per cent of its own income. Approximately a third of this income comes from hosting events across the Royal Parks. Without our event income we would not be able to maintain the parks to the standards expected. The events we host offer opportunities to enjoy a diverse range of activities in the open space and in turn, not only support the parks but help to boost the wider London economy.

Visitor Research

A report released by Ipsos MORI last year showed that an estimated 77.7 million visits were made to the Royal Parks during 2013/14 with 98 per cent of visitors rating the park either excellent or good.

The research, which was carried out over several different seasonal periods in London’s eight Royal Parks provided a fascinating insight into which visitors are using the 5,000 acres of historic parkland and why.

As well as the overall quality of the parks, 92 per cent of visitors rated the tidiness and cleanliness of the parks as excellent or good and 96 per cent gave the same rating to the quality of the natural environment. One of the highest results related to safety, with 99 per cent of visitors saying they felt very or quite safe in the parks.

While most visitors to the parks came from the UK (71 per cent), of those visiting from abroad the greatest proportion came from Asia at 16 per cent. Overall, the majority of visitors, at 37 per cent, said they arrived on foot, others arrived by car, public transport, bike or coach.

The information will now be used by The Royal Parks to plan effectively, ensure resources are used in the right way and maintain the balance between users of the parks and the need to sustain the natural environment and ecology of the parks.

Interim Transport Strategy

During last year The Royal Parks undertook an extensive piece of work to produce an overarching document that considers the existing policies and guiding principles relating to transport affecting the parks. Partner organisations and stakeholder groups have assisted in identifying the key transport issues that The Royal Parks is facing and some possible future

solutions. The study has also helped to confirm a hierarchy where the environment and pedestrians have priority over all forms of transport.

The production of the Interim Transport Strategy was a key performance target for the year 2014/15. Although a draft strategy was produced and debated at The Royal Parks Board, it was concluded that there was need for further work and consultation before finalising a document covering the diverse transport issues. Work continues on this document with the clear aim to conclude the production of the transport position statement in 2015.

Landscape Maintenance Contract Re-Let

In March 2014, the new Landscape Maintenance Contracts were awarded covering all eight parks. The new contracts have a core annual value in excess of £6 million and represent the parks' largest contract value. The contracts were awarded on the basis of a seven-year contract, with the option of up to a three-year extension.

The new contracts started between 9 June and 4 August 2014, and a smooth transfer of contractor staff was achieved ensuring that the quality of park maintenance was consistently upheld. It was evident that park users did not experience any inconvenience or noticeable change in the parks. The three new companies, working in partnership with The Royal Parks, are: Turfsoil (Greenwich, Bushy and Richmond Parks), The Landscape Group (The Regent's Park and Primrose Hill) and OCS (Hyde, Green and St James's Parks, and Kensington Gardens and Brompton Cemetery).

The learnings from the contract re-let process are being used across The Royal Parks to help in the continuous improvement of our approach to achieving value for money. A major contracts board has also been established to assist in both the procurement and ongoing monitoring of contracts across the organisation.

Water Strategy

A water strategy has been written as a document to inform park operational and management plans going forward and its production was also a key performance target for 2014/15. It has been endorsed by both The Royal Parks Board and Executive Committee.

The new water strategy covers three areas of water management in the parks: water supply, rainfall and surface water management, and lake, river and water body management.

The purpose of the strategy, which will inform the developing Royal Parks sustainability strategy, was to review current management, visualise where we wanted to be in 2020 and how we would get there, taking into account public sector funding constraints, new sustainability initiatives and exploring what funding opportunities exist.

A prioritised action plan has been drawn up to inform park operational and management plans going forward.

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The Royal Parks is charged with balancing the historical, environmental and financial benefits of all park management plans, while adhering to existing and new legislation such as the Water Framework Directive and the EU Bathing Directive which focus on water quality.

The Royal Parks seeks to reduce mains water, recycle more and responsibly take natural water from aquifers beneath London to supply lakes, irrigation and public toilets with the aim of only using mains water when absolutely necessary or as drinking water.

The Royal Parks is currently re-using historic reservoirs for storage, and has made large savings in mains water consumption through leak detection, and sub-metering and monitoring.

The Royal Parks has also installed energy saving efficiencies across the estate. The parks contribute significantly to urban cooling, The Royal Parks has plans for water attenuation to mitigate against flooding or sewer overflows, cleaning up lakes and creating more water swales and ponds, all as part of responsible catchment management.

The Royal Parks has also been working with other external water catchment management partners to bring wider water and ecological benefits.

SUPPORTING THE PARKS

I. The Royal Parks Foundation

The Royal Parks Foundation www.SupportTheRoyalParks.org

The Royal Parks Foundation is the charity for London's eight Royal Parks. The Foundation helps protect and enhance the parks; raises funds for projects focused on heritage, education, wellbeing and nature; and increases understanding of the value of the Parks so that more people will wish to support and care for them.

In total, in 2014/15, the Foundation has committed circa £0.6 million for the benefit of the Royal Parks and their visitors, as follows:

Cash Grants - £192,760

This year, the Foundation contributed £192,760 in cash grants to the parks. Amongst other things, this funding supported: conservation work in Bushy Park, winter feed and veterinary care for the deer herds in Richmond, Bushy and Greenwich, a display area for the Wilson 50 collection of azaleas in the Isabella Plantation, care of Little Nell's statue in Hyde Park, Fountains in Richmond, Bushy and Greenwich, the Goldsmiths Gates in Richmond Park and support for the Queen Mary's Garden in Regents Park.

Community and public engagement

In addition, the Foundation funded and delivered a £0.3m programme of community and public engagement programme across the parks, including: introducing 11,000 visitors of all ages to the magic of the natural world at the Isis Education Centre in Hyde Park, work with 150 pupils from four schools as part of anti-bullying month in November, (tolerance for bullying behaviours was reduced by 62 per cent amongst participating groups), a 12-week programme with Operation Centaur's shire horses and women prisoners from HMP Bronzefield. This programme not only improved the personal skills and qualifications of offenders before their release from prison, it also delivered 108 hours of important conservation work with the shires in Richmond Park.

Direct Activities - £0.1m

The Foundation has also invested more than £0.1m into direct activities such as: a Hedgehog Conservation Programme in partnership with London Zoo in The Regent's Park, purchase of 120,000 narcissus Dutch Master bulbs for St James's Park, provision of new benches, and development of a three-year Corporate Volunteer Strategy for the Royal Parks.

All of the above is achieved with the help of 543 individuals and corporate volunteers. The Foundation is immensely grateful to them for their energy and commitment.

Royal Parks Foundation Half Marathon

Part of the Foundation's wellbeing programme, this event goes from strength-to-strength. Since launch, it has raised an estimated £21 million for 400 charities across the UK, including the Royal Parks Foundation.

2. The Royal Parks Partners, Volunteers, Friends, Education and Community Partnership

The community engagement programmes showcase some great examples of how The Royal Parks works with many partners, volunteer groups, individuals and specialist agencies. Each group responds to a range of public needs, some specialising in their park, area of expertise or community.

The education and lifelong learning programme for The Royal Parks is delivered by three main agencies, each one providing a wide range of activities to ensure the public have an opportunity to learn and value the biodiversity of the parks. Each year the agencies submit an annual report which is available to the public through their web sites. This year The Holly Lodge Centre provided lifelong learning to 6,221 people at Richmond Park. The Field Studies council provided lifelong learning educational activities to 5,098 people in Bushy, Greenwich and The Regents Park and The Royal Parks Foundation provided education to 5,123 people from the Isis Education Centre in Hyde Park and Kensington Gardens.

The Royal Parks needs the continuing support of these valuable volunteers and partner organisations, such as Liberty Drives in Hyde Park and Kensington Gardens, Companion Cycling and the Horse Rangers Association in Bushy Park and the Holly Lodge Centre in Richmond Park, which each provide support to a vulnerable section of the community, people who have special needs or mobility problems, and people who want to enjoy the open spaces but face challenges in doing so.

The Friends Groups provide volunteers who carry out walks and talks, share information through members' newsletters, support funding for park improvements, encourage people to engage in consultation, and support a huge variety of projects being developed. Two of the larger Friends Groups also manage information centres in the parks and volunteer for hands-on conservation work, sharing their skills and time in helping to maintain the parks.

Volunteers undertake wildlife recording, as well as providing support to education activities and community projects. More than 100 wildlife volunteers help conserve and enhance the parks' biodiversity and carry out surveys of birds, butterflies, beetles, flora and fungi.

A group of young people have also produced a video on the Isabella Plantation project, which is supported by the Friends, volunteers, gardeners and The Holly Lodge Centre. Another key partner is The Royal Parks Guild, which also brings volunteers to support The Royal Parks through historical research projects. Last year the Guild supported the Speakers Corner development and brought horticulture expertise to support The Royal Parks' apprentice programme and 'grow your own' volunteer gardeners training programme. There are many more projects which use the valuable skills of people who no longer work with The Royal Parks but who have a lifelong commitment to the organisation.

3. The Royal Parks Partners Apprenticeship Scheme

The Royal Parks apprenticeship scheme, which combines on the job horticultural training with recognised qualifications, has shown it can open up many doors around the world.

Of the eight apprentices who completed their course last year, some remained working for The Royal Parks while others have moved on to prestigious roles. Longwood Gardens - one of America's most famous botanical gardens - and Buckingham Palace are just some of the workplaces that now have Royal Parks' apprentices on their staff lists.

The highly successful programme, which was launched in 1962, has seen many of its young horticultural enthusiasts go on to become park managers and contract managers within the Royal Parks.

As apprentice gardeners based at one of London's eight parks, successful applicants are paid a salary to gain hands-on experience and earn recognised qualifications, over a period of about three years by working on a course which is designed to suit the candidate.

BEHIND THE SCENES

Health & Safety

The Royal Parks continues to seek ways to improve its Health and Safety Management System to meet the needs of the organisation, achieve strategic objectives and support service delivery.

This includes a new proactive monitoring strategy that encourages partnership working with service providers and key stakeholders. Ongoing improvements have resulted in increasingly efficient methods of working and innovations and opportunities to go beyond statutory compliance, when appropriate.

The Royal Parks' continues to provide internal advice and corporate oversight of health and safety during the delivery of major projects this includes the procurement and mobilisation of major contracts such as the Landscape Maintenance contracts in 2014.

The provision of strategic health and safety management information continues to evolve to meet the needs of the organisation. Improvements include re-focusing safety data and information reported by service providers, stakeholders and delivery partners as well as improvements in internal data collection and analysis.

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STRATEGIC REPORT

Section I –The Royal Parks’ objectives and governance framework Accounts Direction

The accounts have been prepared under a direction issued by HM Treasury in accordance with section 7(2) of the Government Resources and Accounts Act 2000.

Description of the Business

History of The Royal Parks

On 1 April 1993, The Royal Parks was established as an Executive Agency of the Department of National Heritage, now the Department for Culture, Media and Sport (DCMS), and is accountable to Parliament through the Secretary of State for Culture, Media and Sport who sets its policy framework and key performance targets and determines its level of resource each year. The Mayor of London is responsible for appointing The Royal Parks Board.

Statutory Background

There are eight Royal Parks in London - St James’s Park, The Green Park, Hyde Park, The Regent’s Park and Primrose Hill, Greenwich Park, Richmond Park, Bushy Park and Hampton Court Parks and Kensington Gardens - managed by the Secretary of State for Culture, Media and Sport on behalf of HM The Queen. The Royal Parks form part of the hereditary lands owned by the Sovereign in right of the Crown. Various monarchs enclosed the parks during the fourteenth to seventeenth centuries, primarily for hunting or as parkland gardens. By virtue of the 1851 Crown Lands Act, the Crown transferred the duties and the parks to the Commission of Works and Buildings and the management of the Royal Parks is now the responsibility of DCMS. The Royal Parks has responsibility for the management of all London’s Royal Parks except Hampton Court Park, which is the responsibility of Historic Royal Palaces.

The Royal Parks is also responsible for managing Brompton Cemetery, Victoria Tower Gardens, Grosvenor Square Garden, Canning Green, Poets’ Green and the Longford River (except in Hampton Court Home Park) and maintaining nos. 10, 11 and 12 Downing Street gardens.

Governance Structure

The Secretary of State for Culture, Media and Sport is the Minister responsible for The Royal Parks, supported by the Minister for Sport and Tourism. The Secretary of State determines policy objectives, financial framework and allocation of financial resources, including key targets, and also approves The Royal Parks Management Agreement. The Permanent Secretary is Accounting Officer for DCMS and has designated the Chief Executive as Accounting Officer for The Royal Parks.

The Royal Parks' Executive Committee

Executive Committee (ExCom)

The ExCom is responsible for the operational management of The Royal Parks and ensuring that the Senior Management Team is achieving organisational objectives. The names and roles of the ExCom members are shown below. The members of the Executive Committee are:

- Linda Lennon CBE - Chief Executive
- Colin Buttery - Director of Parks and Deputy Chief Executive
- Simon Betts - Director of Estates
- Greg McErlean - Director of Programmes, Projects and Information Services
- John Swainson - Director of Resources
- Liz Mullins – Director of Communications, Commercial and Events

ExCom members are paid employees of The Royal Parks, appointed under Civil Service Management Code conditions, and all parks and sections are represented on ExCom.

The Board

The Royal Parks Board meets quarterly and provides a strategic overview, guiding and challenging The Royal Parks to ensure performance is maintained and improved. Appointments to the Board are made by the Mayor of London.

Non Executive Board members are not remunerated. Further details are also given in the Governance Statement.

The Chief Executive is responsible for the operational and strategic management of The Royal Parks and is directly accountable to the Secretary of State for Culture, Media and Sport and the Permanent Secretary for performance against its key targets and financial management.

Corporate Objectives and Performance Targets

The Royal Parks' objectives and performance targets are set by DCMS and are formally reviewed quarterly by the Executive Committee.

Corporate Objectives and Key Performance Targets 2014-15

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.

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Details of performance targets are noted in section 2 below. Further information on the role of the Board is set out in the Governance Statement on page 40.

Section 2 – Our performance

The Royal Parks has offset grant in aid reductions from DCMS with increased self generated income. Overall costs this year are lower than the preceding year, 2014-15 saw income rise mainly due to the success of major events with further growth in attendances at Hyde Park Winter Wonderland both increasing income to The Royal Parks, and increased catering income. There was a large programme of projects undertaken across the parks, which are referred to in more detail under park highlights.

The Chief Executive’s foreword on page 5 and the review of the year on pages 7 to 17 and pages 28 to 31 of this report, examine activities for the year ended 31 March 2015. Further details of plans are contained in The Royal Parks Corporate Plan.

Key Performance Targets 2014-15

Target	Status at April 2015
<p>I.i Achieve and maintain ISO 14001 for 2014/15 including demonstrating continuous improvement to meet the enhanced designation regime.</p> <p>I.ii Publish updated assessment of accumulated works maintenance backlog by March 2015 accompanied by an updated prioritisation list in order to allocate funds.</p> <p>I.iii Engage with key stakeholders and produce an interim Royal Parks’ transport strategy by March 2015.</p>	<p>ISO has been successfully achieved. <i>MET</i></p> <p>Assessment and prioritisation list completed. <i>MET</i></p> <p>A draft ITS was presented to the The Royal Parks Board, it was decided that the ITS needed further consultation and editing. <i>NOT MET</i></p>
<p>2.i Implement, monitor and evaluate The Royal Parks Stakeholder Engagement Strategy by March 2015.</p>	<p>The Strategy has been implemented, monitored quarterly by ExCom and an annual summary of engagement is contained in the Annual Report.</p>
<p>3.i Generate 60% of The Royal Parks income to meet the reduction in Grant in Aid by 31 March 2015.</p> <p>3.ii Produce a strategy on The Royal Parks Effective Water Management by March 2015 including proposals to reduce mains water consumption.</p>	<p>Income target achieved. <i>MET</i></p> <p>Strategy completed and approved. <i>MET</i></p>

<p>4i Produce an organisational capability plan by December 2014 informed by the skills audit</p>	<p>Capability plan completed. <i>MET</i></p>
<p>4.ii Increase by 5% the “Learning and Development” score in the Staff Survey.</p>	<p>Staff Survey results have been published and this score was not achieved. <i>NOT MET</i></p>

Section 3 - Financial Position of The Royal Parks

The Royal Parks is funded via the DCMS Supply Estimate. The Royal Parks allocation for 2014-15 was a resource budget of £14.167m (of which £2.362m was non-cash) plus £1.495m capital. £17.582m of grant in aid was actually received in year. It is anticipated that the balance of funding to pay creditors of £4.5m will be received from DCMS in 2015-16 and subsequent years, subject to Parliamentary approval (£8.782m in 2013-14). In 2014-15 £23.267m (£21.833m in 2013-14) was generated as income, including donated assets. Net operating costs in 2014-15 were £13.785m (£13.934m in 2013-14).

Section 4 - Trends and factors likely to impact on future performance

The Royal Parks has seen its grant in aid decline by 40% (allowing for inflation) from 2009-10 to 2015-16. We have been successful in growing self generated income across a range of sources to offset this reduction. We now self generate more than 60% of our expenditure needs. Most of the services provided in the parks are now outsourced, we continue to seek improvements in financial terms through competitive tendering, by entering into long-term contractual relationships for many of these over periods typically five to seven years duration.

Increasingly, income generating contracts include a fixed fee together with revenue or profit share terms. Cost contracts are mostly based on fixed priced terms, with some ability for The Royal Parks to flex volumes and with inflation clauses built in. As an agency The Royal Parks is unable to hold reserves or have any flexibility over carry over of any unspent funding to future years. The Royal Parks is exploring with DCMS future options for a different status, which might permit greater freedom and flexibility.

The Royal Parks continues to seek third party funding of major improvements to our historic estate, a current example being the Heritage Lottery Fund (HLF) funding provided towards the restoration of Brompton Cemetery. An application has been made to HLF and the Big Lottery Fund (for their consideration later in the year) for multi-million, multi-year support towards a £5.7 million second stage restoration project at Brompton. The historic estate requires significant ongoing funding to maintain it in a good condition, the current assessment is that there is a backlog of repairs of £56m. Any future reduction in income could see this backlog increasing.

Key Relationships with Partners that may affect The Royal Parks long term position

The Royal Parks Foundation (RPF), a separate legal entity and charity, fundraises for improvements to the parks, particularly for matched funding for major projects. Without continuing support from the Foundation such projects may not proceed. As a registered charity, the RPF can reclaim, from HMRC, an extra 25p for every £1 given by income tax payers under the Gift Aid scheme. The RPF is an independent organisation and does not meet the accounting control criteria for consolidation into The Royal Parks accounts.

Section 5 - Strategic Risks

The aim of risk management is to understand the risks that will impact on our ability to deliver the Corporate Plan and ensure that the necessary mitigating actions are taken to limit risk and optimise our ability to deliver.

ExCom has identified key areas of risk and has in place reports and processes to underpin effective risk management. This is embedded at all levels within the organisation. Our risk management reports contain risk assessment (impact and probability) and highlight mitigation actions and management of residual risk. Long-term strategic risks will be reviewed alongside short-term operational risks, prioritising them appropriately to ensure that risks are captured and managed effectively to reduce their likelihood and, if triggered, to minimise impact. The key corporate risks are contained in The Royal Parks Corporate Plan. The principal risks which caused greatest concern during the financial year are:-

- a) diseases to our trees, such as Massaria, Oak Processionary Moth, where we undertake a programme of monitoring and control measures.
- b) staff retention and pay, due to ongoing pay restraint, we are increasingly reliant on temporary and contract resource to fill gaps in our capability.
- c) the prospect of a new policing model for The Royal Parks estate presents financial and reputational risks, including a perception that there could be an increase in crime in the estate and a threat to commercial income streams.
- d) financial funding risks associated with reduced government funding, self generated funding streams being uncertain, and without reserves to cushion short term variations in income and expenditure.

Further details of risk management are contained in the Strategic Report on page 22 and the Governance Statement on page 40.

Section 6 - Staff and social and community

Policy and Achievement of Policy on Employees

The Royal Parks' policy states that all eligible persons shall have an equal opportunity for employment and advancement on the basis of their ability, performance and aptitude for the work. There shall be no discrimination on the grounds of an individual's nationality, sex, race, colour, ethnic origin, religion, sexual orientation, marital status or disability.

Recruitment

Grade	Appointments (number)	Women (number)	Minorities (number)
I	4	2	1
II	7	2	
III	6	3	
IV and IV Upper			
Total	17	7	1

The above posts were recruited in Fair and Open completion in accordance with the Civil Service Commission recruitment principles, which are based on appointment to the civil service on merit. In addition there were six transfers from another government department, seven internal promotions and two fixed term appointments by way of exception to the Civil Service Recruitment Principles to cover specialist posts and backfill vacancies pending full recruitment campaigns.

The Diversity Network met four times during the year and benefitted from a range of presentations from external bodies about their work. These included presentations about the work of the Holly Lodge Centre in Richmond Park, the equine assisted learning scheme which is also operating in Richmond Park and the work of the Tennis Foundation in encouraging tennis for disabled people. The network also improved and tested our Equality Impact Assessment tools and guidance, and started to work on the updating of the The Royal Parks Talent Management Strategy.

Information Technology, Health and Safety and Marketing communications are produced to advise staff of developments and best practice in these areas. Staff are encouraged to contribute articles for these documents.

The Royal Parks considers it very important that employees understand its operations, aims and objectives. ExCom meets formally at least ten times each year, and Directors disseminate key decisions to staff. Staff are encouraged to observe at the meetings. The Chief Executive visits all park locations on a regular basis and there is an annual staff conference. All staff have access to the Management Agreement and have the opportunity to input to the Corporate Plan.

Pensions

Details of pension arrangements are provided in the Remuneration Report.

Policy and Achievement of Policy on Social and Community Issues

The Royal Parks' policies and activities seek to engage a wide range of communities and social groups. A full range of programmes and activities can be found at www.royalpark.org.uk.

Section 7- Sustainability

Sustainability

Sustainability sits at the heart of everything The Royal Parks does and is controlled by our environmental management system (EMS) - ISO 14001. Sustainability is also one of the organisation's key corporate aims - "To conserve and enhance sustainably, for the enjoyment of this and future generations, our world class natural and built historic environment and our biodiversity". A full range of The Royal Parks programmes and activities can be found at www.royalpark.org.uk.

The Royal Parks have a unique position in London as open green spaces, visitor attractions and daily commuter routes. Using this distinct opportunity The Royal Parks has a vision to promote and embed sustainability across all of The Royal Parks operations, to synchronise the already excellent work that is ongoing in the parks and to be a leading organisation in sustainable park management. Some of the key issues The Royal Parks faces over the next few years are sustainable growth both economically and environmentally and providing a financially viable and environmentally renowned green open space to the public while efficiently using its funds; climate change and climate proofing the parks against changes to water cycles, air quality; protecting and enhancing the natural environment & biodiversity; as well as ensuring we contribute to the social health of London's tourist and local population through education, sport and community engagement.

To help respond to these issues The Royal Parks is producing a sustainability strategy which will build on our current EMS and embed sustainability further across all of our operations. To support this The Royal Parks has appointed a new sustainability manager who will develop the delivery of sustainability through the organisation's work.

The strategic Green Housekeeping Committee is the means by which The Royal Parks' different departments assist in delivering sustainability objectives, overseeing a number of work streams including office recycling, water management and energy conservation. Within the organisation there also continues to be a strong focus on resolving outstanding utility accounts and moving away from estimated accounts. The Royal Parks also utilises local champions to assist in promoting the environmental message.

Collaborative Working

The Royal Parks continues to be engaged in initiatives looking at changing behaviours around recycling and re-use of waste, for example The Royal Parks engaged a specialist consultancy to undertake a behavioural and communication study into visitor motivations regarding waste, with the aim of improving rates of recycling. Key learnings from that study are being implemented in 2015-16. The Royal Parks is also working with "Keep Britain Tidy" on measures to reduce dog waste in Richmond and Bushy Parks, and a further recycling project in St James's Park, aiming to change behaviours and improve waste management. Organisers and promoters of events in the Royal Parks have been encouraged to adopt sustainable

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practices such as the introduction of “closed loop systems” where there is close control of materials coming on site and waste is streamed into recycling facilities.

Annual Waste Report

Waste	2011-12	2012-13	2013-14	2014-15
TOTAL Non Hazardous Waste (tonnes)	2,291	3,309	3,253	2,195
Landfill	0	830	19	124.1
Reused/recycled	184	464	1,109**	951.6
Composted (percentage)	90+%	90+%	99%	93%
Composted (Tonnage)		563.72	3,985***	4512.6
Incinerated without energy recovery	0	1,583	0	94.5
Incinerated with energy recovery	114	440	2,125	1025.3

Hazardous Waste (tonnes)	-	-	1	-
Landfill	-	-	-	-
Reused/recycled	-	-	-	-
Composted	-	-	-	-
Incinerated with energy recovery	-	-	-	-
Incinerated without energy recovery	-	-	1	-

Non hazardous waste figure excludes composted tonnage

**Recycled figures include 400 tonnes of recycled soil from Regent's Park

***Includes central parks and Regent's Park compost figures

General Waste

In August 2014 the landscape maintenance contracts were re-let with new specifications which require contractors to meet tougher waste management targets and requirements, including a target of recycling 40% of general waste. This target is to be achieved in partnership with the contractors within the first two years of the contract. It excludes green waste for which a recycling target of nearly 100% is achieved.

Options for the conversion of dog waste into energy are being explored. The Royal Parks work to the waste hierarchy which seeks to reduce, reuse, recycle, or recover. Although some segregation of recyclable material is undertaken through the park waste bins, the majority of general waste goes off site for segregation and the material that cannot be separated are used to generate energy rather than go to landfill.

Green Waste

The composting operations within Kensington Gardens, Greenwich and Regent's Park now fall under the waste permitting regulations and The Royal Parks is working alongside the Environment Agency to ensure the proper management of our operations. This will help ensure the compost product is of a high quality. The Royal Parks aims to compost in excess of 95% of green waste where possible and this has been consistently achieved. The composted material is usually re-used on-site for improvements to the parks.

Water Consumption

Water Consumption (Office Estate & Non-Office)	2011-12	2012-13	2013-14	2014-15
Supplied	268,378	132,133	292,902	184,809
Abstracted	728,949	808,723	763,490	851,256

The switch to greater use of abstracted water has continued.

Energy

A new vehicle fleet was delivered in April 2014 with a range of vehicles including electric and diesel cars making use of the latest euro diesel energy efficient engines. (Further information on commitments under operating leases is available in the notes to the accounts note 14). The Royal Parks is looking to work alongside The Energy Saving Trust to understand how it can reduce travel emissions even further.

Electricity	2011-12	2012-13	2013-14	2014-15
Gross Emissions (1,000 tonnes CO2)				
Electricity: Non-Renewable	0	0	0	0
Electricity: Renewable	1,528	1,600	1,210	1,313
Electricity: Renewable Office	473	423	403	393
Electricity: Renewable Non- Office	1,055	1,177	807	920

Gas	2011-12	2012-13	2013-14	2014-15
Gas: Total	26	37	31	28
Gas: Office	21	27	23	22
Gas: Non-Office	5	10	8	6
Fleet Fuel (LPG, Diesel and Petrol)	0.041	0.036	0.38	0.36
Other				

Utility and Fuel costs	2011-12	2012-13	2013-14	2014-15
	£k	£k	£k	£k
Gas	145	174	136	145
Electricity	379	502	421	407
Water	416	378	412	278
Fuel	37	42	43	20
Total	977	1,096	1,012	850

Shared Use of Buildings

A number of The Royal Parks buildings are shared with other organisations, such as the Metropolitan Police. In buildings where there are no separate metered supplies, energy consumption figures are split on the basis of proportions of occupancy of the building.

Sustainable Events

The Royal Parks strives to ensure that events have the minimum possible impact on the environment. Energy used at events hosted by a Royal Park is provided through the use of mobile generators and bottled gas supplies. Events are managed by third parties and their energy consumption is not included in the previous tables. The Royal Parks requests that event organisers effectively manage their energy consumption and reduce this where possible. Water consumption of both mains and grey water is separately metered and is contained within the organisation's overall water consumption data. The Royal Parks encourages event organisers to effectively manage their waste practices and to prevent the creation of waste in parks. If prevention is not possible then the re-cycle and re-use of materials is also encouraged.

Sustainable Procurement

The Royal Parks works to ensure that tenders and contracts always include sustainability criteria and that its core values are adhered to by contractors and concessionaires. The Royal Parks is working with our suppliers to understand and address sustainability risks associated with procurement of services and materials, such as resource scarcity and climate change, and to develop the scope for mitigation and adaptation strategies for these. The Royal Parks receive monthly reports on some Key Performance indicators for example on energy use and we do require our works and landscape maintenance contractors to also acquire ISO 14001.

Park Lighting

The energy consumption for electrical lighting on paths and roads is calculated based on hours of operation and the wattage of the lighting units. For gas lighting, supplies are metered.

Metering Variations

As some accounts have been based on estimated readings, the year-to-year metering figures can be misleading where these accounts are in dispute or awaiting resolution. The overall energy consumption during an extended period provides a better indication of energy efficiencies.

Linda Lennon CBE

Linda Lennon CBE

Chief Executive

1 July 2015

DIRECTORS REPORT

Treatment of Pension Liabilities in the Accounts

The Royal Parks policy for the treatment of pension liabilities in the accounts is explained in the notes to the accounts note 1.1e.

Further details of Civil Service pension arrangements are contained within the remuneration report.

The Board

The current Board members are:

Non Executive Board Members

- The Hon Apurv Bagri (Chair) - Group Managing Director, Metdist Ltd
- Ruth Anderson - Non-Executive Director, Ocado Group PLC
- Roger Bright CB - Former Chief Executive of The Crown Estate
- Andrew Fenwick - Vice Chairman, Brunswick Group LLP
- Sir Andrew Ford KCVO - Comptroller, Lord Chamberlain's Office
- Councillor Sarah Hayward - Leader of the Borough of Camden
- Councillor Denise Hyland- Leader of the Royal Borough of Greenwich (from 14 August 2014.)
- Wesley Kerr – Broadcaster and Writer
- Councillor Chris Roberts- Leader of the Royal Borough of Greenwich (until 3rd June 2014)
- Councillor Philippa Roe - Leader of Westminster City Council
- Lord True - Leader of the Borough of Richmond

Executive Board Members

- Linda Lennon CBE - Chief Executive, The Royal Parks
- John Swainson - Director of Resources, The Royal Parks

Further information on directors and changes during the year is set out between pages 40 to 43.

Further information on related party transactions is available in the notes to the accounts note 15.

Register of Interests

Registers of Interest are maintained for the Board, ExCom and the Audit Committee.

Sickness and Absence

We operate a sickness absence policy with similar provisions to those offered in the Civil Service.

Employees who are absent due to sickness are paid for a defined period providing they have complied with our sickness reporting and notification rules. Staff employed before 1 April 2014 are paid at their normal rate of pay for periods of sickness absence up to a maximum of six months in aggregate in any calendar year and thereafter half normal pay for six months' sickness absence provided that they have not had more than 12 months sickness absence on

half-pay in any four-year period. Employees employed after 1 April 2014 who are absent due to sickness are paid based on an accrual of entitlement according to length of service as follows:

- Up to 1 year: 1 month full pay and 1 month half pay
- 1-2 years: 2 months' full pay & 2 months' half pay
- Increasing accordingly each year until 5 years, where 5 months' full pay and 5 months' half pay is attained which is the maximum allowable

For the year ending 31 March 2015 there were five long term sick absence cases within The Royal Parks (2013-14 five cases). The average rate of sick absence for The Royal Parks staff is 3.3 days per member of staff excluding the long term sickness (2013-14 3.5 days).

Personal Data Related Incidents

Information security risk is managed through the Information Assurance Policy, which all staff must comply with. During the year we reassessed our data security and adopted a prioritised action plan to ensure procedures were compliant with Cabinet Office mandatory requirements. Information Assurance training was provided to all staff. Our policies and processes were measured against the annual Security Policy Framework and Information Risk return which was completed and reported compliance with Cabinet Office requirements.

No data losses were formally reported by The Royal Parks to the Information Commissioner's Office in 2014-15.

Payment of Creditors

The Royal Parks aimed to settle all valid invoices within 30 days of receipt (as specified in the CBI code) until December 2008 when the Cabinet Office issued instructions for the payment target to be set at 10 days, excluding disputed invoices. The Royal Parks achieved an average payment target of 14 days (2012-13 15 days) which includes disputed invoices, which cannot be separated in the statistics.

External Auditor

The accounts are audited by the Comptroller and Auditor General in accordance with the Government Resources and Accounts Act 2000.

No non audit work was carried out by the auditors during the year.

Disclosure of Information to Auditors

(a) So far as I, the Accounting Officer, am aware, there is no relevant audit information of which the entity's auditors are unaware, and

(b) I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. 'Relevant audit information' means information needed by the entity's auditor in connection with preparing the audit report.

Linda Lennon CBE

Chief Executive

1 July 2015

Linda Lennon CBE

REMUNERATION REPORT

The Royal Parks does not have a Remuneration Committee. Pay for the Chief Executive and Deputy Chief Executive is determined by the arrangements for Senior Civil Service (SCS), whilst other senior managers' (including Non SCS directors) pay and bonuses are determined as part of the annual pay remit process. Settlement of the latter is negotiated with the Trade Unions.

The Chairman of the Board and the Chief Executive meet annually to discuss the performance of Directors.

DCMS is responsible for the recruitment and employment of the Chief Executive and Deputy Chief Executive, taking advice from the Mayor of London and Chair of the Board as appropriate. All matters relating to their salaries are dealt with in accordance with DCMS policies and procedures. The Chief Executive's and Deputy Chief Executive's bonuses are determined by DCMS.

Other senior managers, below SCS, are paid employees of The Royal Parks, under the Civil Service Management Code conditions.

Contracts of appointment are open-ended and the notice period is between one and three months. There are no special terms for early termination of contracts, although the terms and conditions of the Principal Civil Service Pension Scheme (PCSPS) apply in respect of early retirement and severance. Details can be found at www.civilservicepensionscheme.org.uk.

The performance appraisal system, called the Performance Management Report, is based on the assessment of individual achievements against current objectives. Appraisals are carried out at six monthly intervals with other meetings as required, and an annual performance assessment is used as a basis for awarding performance-related pay.

The Royal Parks is subject to public sector pay policy and takes into account the directives on pay and related matters issued by HM Treasury. We currently set aside approx 1.1% of total salary for non-consolidated awards.

With effect from 1 September 2014, a pay award averaging 1% was implemented, the maximum allowed by HM Treasury.

The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Board members and ExCom members of The Royal Parks.

The figures in this Remuneration Report have been audited.

Remuneration of Senior Managers

Single total figure of remuneration								
	Salary £000		Bonus Payments £000		Pension Benefits to nearest £000*		Total £000	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Linda Lennon <i>Chief Executive</i>	80-85	80-85	0-5	5-10	9,000	(2,000)	85-90	85-90
Colin Buttery <i>Deputy Chief Executive and Director of Parks</i>	70-75	70-75	0-5	0-5	37,000	5,000	105-110	75-80
Simon Betts <i>Director of Estates</i>	65-70	65-70	0-5	0-5	14,000	9,000	80-85	75-80
Greg McErlean <i>Director of Programmes, Projects and IS</i>	65-70	65-70	0-5	0-5	22,000	17,000	85-90	80-85
John Swainson <i>Director of Resources</i>	55-60	55-60	0-5	0-5	22,000	22,000	75-80	75-80
Liz Mullins <i>Director of Communications, Commercial and Events</i>	65-70	60-65	0-5	0-5	22,000	17,000	85-90	80-85

*The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. As previous periods pension benefits are also recalculated the prior year figures are revised.

Remuneration

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by The Royal Parks and thus recorded in these accounts. Bonuses relate to the year in which they become payable.

None of the above staff received benefits in kind.

Pay Ratio

	2014-15	2013-14
	Remuneration £000	Remuneration £000
<i>Band of Highest Paid Director's Remuneration £000 *</i>	80-85	85-90
<i>Median Remuneration £000 *</i>	33	31
<i>Ratio</i>	2.51	2.86

*Excluding pension benefits.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

THE ROYAL PARKS – ANNUAL REPORT AND ACCOUNTS 2014-15

The banded remuneration of the highest-paid director in The Royal Parks in the financial year 2014-15 was £80,000-85,000 (2013-14, £85,000-90,000). This was 2.51 times (2013-14, 2.86) the median remuneration of the workforce, which was £32,852, (2013-14, £30,542).

No employees received remuneration in excess of the highest-paid director during 2014-15 or 2013-14.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The ratio is calculated by dividing the midpoint of the highest paid director's remuneration band by the median of the total annualised March 2015 remuneration of all staff (permanently employed and others). The latter is reported to the nearest £1,000 although the calculation of the ratio uses the exact number.

Pension benefits

	Accrued pension at pension age as at 31-3-15 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31-3-15 £000	CETV at 31-3-14 (Revised) £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Linda Lennon <i>Chief Executive</i>	30 – 35 lump sum 100 – 105	0 – 2.5 lump sum 0 – 2.5	607	573	6	–
Colin Buttery <i>Deputy Chief Executive and Director of Parks</i>	40 – 45 lump sum –	2.5 – 3 lump sum –	672	606	27	–
Simon Betts <i>Director of Estates</i>	15 – 20 lump sum 45 – 50	0 – 2.5 lump sum 0 – 2.5	312	297	12	–
Greg McErlean <i>Director of Programmes, Projects and IS</i>	10 – 15 lump sum –	0 – 2.5 lump sum –	209	179	17	–
John Swainson <i>Director of Resources</i>	40 – 45 lump sum –	0 – 2.5 lump sum –	641	586	16	–
Liz Mullins <i>Director of Communications, Commercial and Events</i>	10 – 15 lump sum –	0 – 2.5 lump sum –	188	162	13	–

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for classic and 3.5% and 8.85% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

New Career Average pension arrangements will be introduced from 1st April 2015 and the majority of classic, premium, classic plus and nuvos members will join the new scheme.

Further details of this new scheme are available at
<http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Reporting of Civil Service and other compensation schemes – exit packages (This information has been audited)

There were no exit packages paid or agreed in 2014-15 or 2013-14.

Linda Lennon CBE

Linda Lennon CBE
Accounting Officer
1 July 2015

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 7(2) of the Government Resources and Accounts Act 2000, the Secretary of State for Culture, Media and Sport with the consent of HM Treasury has directed The Royal Parks to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Royal Parks and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that The Royal Parks will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The Royal Parks as the Accounting Officer for the organisation. Her relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding The Royal Parks' assets, are as set out in Managing Public Money published by HM Treasury.

Linda Lennon CBE

Linda Lennon CBE
Chief Executive
1 July 2015

Governance Statement

Scope of Responsibility

As Accounting Officer for The Royal Parks, I am responsible to the Secretary of State for Culture, Media and Sport and accountable to Parliament for The Royal Parks’ operations and performance. I have responsibility for the development, implementation, and maintenance of a sound system of internal control, and for reviewing its effectiveness. This supports the achievement of DCMS and The Royal Parks policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Governance Structure

The Royal Parks is managed by the Executive Committee, which I chair. The Board is the responsibility of the Greater London Authority and accountable to the Mayor of London. Board appointments are made by the Mayor. The membership constitution of the Board was agreed between DCMS and the Mayor of London.

The Board consists of a non executive chair, nine other non executives and two executive directors, including the Chief Executive. Three non executives are appointed by the London Councils, and are Leaders of their respective councils. One member is appointed by The Royal Household, and six members are appointed through a selection process. The deputy CEO is invited to board meetings as an observer. Other expert attendees are called upon when required to inform discussion. Appointments are normally for a period of four years.

The Board is consulted on and helps develop the Agency’s overall strategies and policies.

Formal Board meetings were held during 2014-15 on the following dates: 3 June 2014, 16 September 2014, 2 December 2014, and 17 March 2015. A Board strategy event took place on 21 January 2015.

Attendance at The Royal Parks Board Meetings: 2014/15

The Hon Apurv Bagri	4/4	Cllr Chris Roberts (until June 2014)	1/1
Ruth Anderson	4/4	Cllr Denise Hyland (from August 2014)	2/3
Wesley Kerr	4/4	Roger Bright	4/4
Andrew Fenwick	3/4	Lord True	4/4
Lt Col Sir Andrew Ford KCVO	4/4	Wesley Kerr	4/4
Cllr Sarah Hayward	0/4	Linda Lennon CBE	4/4
Cllr Philippa Roe	4/4	John Swainson	4/4

The non executive Board roles are unremunerated but reasonable expenses are paid.

Board’s Performance

Earlier this year the Board reviewed its performance against its terms of reference. It concluded that it was continuing to provide effective strategic oversight of the organisation and offering appropriate challenge when necessary. The Board suggested the earlier it was alerted by the executive team to the major challenges and decisions facing The Royal Parks the more effective its contribution could be and proposed a new process of alerting it to emerging issues.

Highlights of Board Committee Meetings

Key issues for the Board during 2014-15 included

The Board visited Brompton Cemetery and saw the scale and complexity of the project to take forward its restoration. This followed a commitment by the Heritage Lottery Fund to allocate funding towards a programme of restoration. The Board recognised the opportunities and challenges of the restoration scheme and welcomed the engagement of the local community and the support of volunteers. It also considered the implications for the future management of the cemetery.

Following the Board’s earlier role in the development of a Stakeholder Engagement Strategy it considered how to maintain momentum and effective engagement particularly in light of the results of major research about the views of visitors, their priorities and the different ways that the parks are used.

The Board considered the challenges facing the estate in light of possible changes to the policing structure. It considered the key policing issues affecting the estate and emphasised that any new policing model must recognise the unique policing challenges of the park together with its specific regulatory framework.

The Board was supported by two sub committees - The Audit and Risk Committee (ARC) and the Project Approval Group (PAG) which replaced the Better Buildings Programme Board (BBPB) which sat until September 2014. The ARC is chaired by a non executive member of the Board and PAG by the Director of Resources. The Audit and Risk Committee, which met four times in the year, comprises four non executive members with financial and business expertise.

Attendance and membership of the Audit and Risk Committee was as follows:

Andrew Fenwick, Chair, Non Exec	4/4
Emir Feisal, Non Exec	4/4
John Collier, Non Exec	4/4
Roger Bright, Non Exec	4/4

The ARC reviews the effectiveness of the systems of internal control. The ARC reviewed regular reports from Internal Audit provided by the Government Internal Audit Agency (GIAA), reviewed the progress of actions taken to implement recommended changes, reviewed the annual report and accounts, and the reports from External Audit. They also reviewed and challenged management upon the matters reported within the corporate risk register and the mitigations taken by management to reduce risk.

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Internal Audit provides a total of 50 days resource for the Audit and Risk Committee. The Head of Internal Audit provides the Accounting Officer with an annual report on internal audit activity and an opinion on the adequacy and effectiveness of the systems of internal control. The Head of Internal Audit reported that his overall opinion is “Moderate”. This opinion is based on work conducted during the 2014/15 financial year, which encompassed five internal audit reviews, resulting in three “Substantial” (the framework of governance, risk management and control is adequate and effective) and two “Moderate” (Some improvements are required to enhance the adequacy and effectiveness of the framework of governance risk management and control) assurance opinions. The audit work found that “proportionate systems of governance, risk management and internal control are operating within a lean organisation”

The National Audit Office representatives attend the ARC meetings and examine The Royal Parks’ financial accounts and financial procedures at the end of each financial year.

The work of the ARC is reported each quarter to the main Board. It also provided recommendations for the Board to consider over approval processes of major procurement and investments.

The Better Buildings Programme Board was composed of the CEO, three directors and two non executive directors, one of whom is the Chair. The aim of the Better Buildings Programme was to 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. The Better Buildings Programme Board oversees all of the projects which comprise the programme. Its purpose was to provide challenge, support and oversight in order that the desired outcomes and planned benefits of the programme may be achieved.

Attendance and membership of the BBPB was as follows:

Ruth Anderson, Chair, Non Exec	2/2
Linda Lennon, The Royal Parks	2/2
John Swainson, The Royal Parks	2/2
Greg McErlean, The Royal Parks	2/2
Roger Bright, Non Exec	2/2

The Project Approval Group (PAG) is composed of three directors and two non executive directors, with secretarial and meeting support. The primary aim of PAG is to optimise the allocation of funds to projects. It considers various factors in making decisions, including financial and non financial measures linked to corporate objectives. During the year a formal project priority scoring methodology was adopted which scored and ranked individual proposals to assist in decision taking. The PAG reviewed the effectiveness of this after a years operation and suggested that further refinements should be made. In addition to individual projects, the PAG concluded that it would assist discussions if two themed strategic papers could be brought forward to each quarterly meeting. These would look at selected topics (Catering / Playgrounds / Sports etc) and on individual parks, setting out the strategic context, overall vision on each, gap analysis, medium term objectives and a summary of potential projects.

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PAG owns and administers, on behalf of the Executive Committee, the projects register which provides quarterly status reporting on project performance. It also oversees independent projects not subject to other governance arrangements. It delegates governance of many projects to subsidiary programme boards which have subject specific experts attending including the Cycling Board, the Toilets, Kiosks and Catering (TKC) Board, Works Board, Lodges Board, Landscape, Water and Car Parking Portfolio Boards. Its main meetings are held quarterly with attendance by non executive directors, in addition monthly meetings are held with internal staff and directors.

Attendance and membership of PAG was as follows:

John Swainson, (Chair) The Royal Parks	11/11
Roger Bright, Non Exec	3/3
Ruth Anderson, Non Exec	1/3
Colin Buttery, The Royal Parks	6/10
Greg McErlean, The Royal Parks	11/11
Liz Mullins, The Royal Parks	2/3

Board's assessment of compliance with the Corporate Governance Code

The Board aims to ensure that its governance arrangements follow best practice and follow the Corporate Governance Code to the extent that its size and status allows. The Board is content with the quality and content of information provided to it by the Executive which has enabled it to make informed decisions, meet its terms of reference and provide advice to the Accounting Officer. The only material departure from the provisions of the Code is that the Board has not established a nominations and governance committee as it was considered that the size of the organisation did not warrant it.

Localism

The Board is locally accountable through appointments made by the Mayor of London. In addition London Councils nominates three Council Leaders to sit on The Royal Parks' Board. Stakeholder groups are well established, cover all of the parks and focus on policy and operational issues. They include a wide range of organisations including elected representatives, visitor groups, concessionaires, the police and others.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental and The Royal Parks' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in The Royal Parks for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Board approves the risk management policy, which clearly states that responsibility for adequate risk management arrangements rests with the Board and the Chief Executive. All 'business units' (i.e. Parks and HQ sections) are required to produce and monitor risk registers as part of the annual business planning process and throughout the year. The Royal Parks has a Business Continuity Plan in conjunction with DCMS. This will ensure that if IT systems fail or there are other major incidents, The Royal Parks will be in a position to continue to operate effectively.

The Risk and Control Framework

The risk management framework is aligned to the corporate aims, objectives and priorities as outlined above. For 2014-15 there were four corporate objectives and eight key performance targets as set out in the Strategic Report on page 22. Risk analysis forms part of the strategic planning, business planning and investment/project appraisal procedures. Managers and staff at all levels have a responsibility to identify, evaluate and manage risks, and are equipped to do so through ongoing risk training and relevant guidance.

Based on an analysis of the identified risks, a summary risk register is produced, which is monitored and reviewed by the Board. A broad range of risks are identified including financial and business risks and those which are caused by natural events in the environment such as global warming, diseases to wildlife and fauna and flora.

We have clear financial delegations in place covering all staff at The Royal Parks.

Business Critical Models

The Royal Parks does not use any business critical models to make key decisions or determine policy.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework.

My review is also informed by the work of the internal auditors and the executive managers within The Royal Parks who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Board and the Audit and Risk Committee have advised me on the implications of the result of my review and a plan to ensure continuous improvement of the system is in place. Training was given to all staff on information assurance.

Each Director and Budget Holder has completed an Assurance Report confirming that they have carried out a range of responsibilities, which provides comfort that policies and procedures are being adhered to. These reports cover risk management and controls, actions on audit reports and effective management of financial and non-financial resources, incorporating specific guidelines issued by Finance, Personnel, Procurement, Health and Safety, IT and Policy and Strategy (including Records Management). Performance against Corporate Plan targets is measured and reviewed quarterly by the Board. In addition I have regular meetings with each Director to review progress in their areas of responsibility against

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their business plan targets, and following Internal Audit recommendations, additional assurance will be included in Directors' reports.

The Annual Civil Service wide employee engagement survey provides assurance on our leadership, management and communication with staff. In 2014-15 we were ranked 3rd out of all public sector organisations surveyed.

I am satisfied from the results of my review of the effectiveness of the system of internal control that systems are in place to give me reasonable assurance of their effectiveness. There are no significant internal control issues to report.

Linda Lennon CBE

Linda Lennon CBE
Accounting Officer
1 July 2015

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Royal Parks Agency for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the Royal Parks Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Royal Parks Agency and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of The Royal Parks Agency's affairs as at 31 March 2015 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Strategic and Director's Reports (including details of directors, progress against key performance indicators and the sustainability report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

2 July 2015

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2015

				2014-15	2013-14
	Note	Staff Costs £000	Other Cost £000	Income £000	£000
Administration costs:					
Staff Costs	2	1,834			1,842
Other Administrative Costs	3		2,796		1,744
Operating Income	4			(1,010)	(1,089)
Programme costs:					
Staff Costs	2	3,707			3,409
Programme Costs	3		28,715		28,772
Income	4			(22,257)	(20,744)
Totals		5,541	31,511	(23,267)	13,934
Net Operating Cost				13,785	13,934

OTHER COMPREHENSIVE EXPENDITURE

	Note	2014-15 £000	2013-14 £000
Net gain on revaluation of Heritage Assets & Property, Plant & Equipment	5, 6	490	277
Total Comprehensive Expenditure for the year ended 31 March 2015		13,295	13,657

The notes on pages 52 to 68 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 £000	2014 £000
Non-current assets:			
Tangible Assets:			
Heritage assets	5,6	24,763	26,176
Property, plant and equipment	5	26,473	24,813
	5	51,236	50,989
Intangible Assets	7	98	164
Total non-current assets		51,334	51,153
Current assets:			
Trade and other receivables	9	2,130	2,163
Cash and cash equivalents	10	1,452	511
Total current assets		3,582	2,674
Total assets		54,916	53,827
Current Liabilities:			
Trade and other payables	11	(9,480)	(12,794)
Current Provisions	12	(422)	(355)
Total current liabilities		(9,902)	(13,149)
Total assets less current liabilities		45,014	40,678
Non-current liabilities:			
Provisions	12	(130)	(122)
Total non-current liabilities		(130)	(122)
Assets less liabilities		44,884	40,556
Taxpayers' equity			
General fund		29,569	25,187
Revaluation reserve		15,315	15,369
Total taxpayers' equity		44,884	40,556

The notes on pages 52 to 68 form part of these accounts

Linda Lennon CBE

Linda Lennon CBE
Accounting Officer
1 July 2015

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

		2014-15 £000	2013-14 £000
	Note		
Cash flows from operating activities			
Net operating cost		(13,785)	(13,934)
Adjustments for non-cash transactions	3	3,144	2,507
(Increase)/Decrease in trade and other receivables	9	33	(16)
Increase/(Decrease) in trade payables	11	(3,314)	(660)
Use of provisions	12	(107)	(366)
Net cash outflow from operating activities		(14,029)	(12,469)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2,587)	(2,621)
Purchase of intangibles	7	(25)	-
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		(2,612)	(2,621)
Cash flows from financing activities			
Net Parliamentary cash funding received		17,582	13,251
Net financing		17,582	13,251
Net Increase/(Decrease) in cash and cash equivalents in the period		941	(1,839)
Cash and cash equivalents at the beginning of the period	10	511	2,350
Cash and cash equivalents at the end of the period	10	1,452	511

The notes on pages 52 to 68 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2013		25,256	15,665	40,921
Net Parliamentary Funding – drawn down from DCMS		13,251		13,251
Comprehensive expenditure for the year		(13,934)		(13,934)
<u>Non cash adjustments</u>				
Non-cash charges – auditors remuneration	3	41	-	41
<u>Movements in reserves</u>				
Net gain on revaluation of property, plant & equipment		-	277	277
Transfers between reserves, in relation to depreciation		481	(481)	-
Inter-reserve transfer – Non-current assets		92	(92)	-
Balance at 31 March 2014		25,187	15,369	40,556
Net Parliamentary Funding – drawn down from DCMS		17,582		17,582
Comprehensive expenditure for the year		(13,785)		(13,785)
<u>Non cash adjustments</u>				
Non-cash charges – auditors remuneration	3	41		41
<u>Movements in reserves</u>				
Net gain on revaluation of property, plant & equipment			490	490
Transfers between reserves, in relation to depreciation		469	(469)	-
Inter-reserve transfer – Non-current assets		75	(75)	-
Balance at 31 March 2015		29,569	15,315	44,884

The notes on pages 52 to 68 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

I. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2014-15 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of The Royal Parks for the purpose of giving a true and fair view has been selected. The particular policies adopted by The Royal Parks are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

I.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

I.1a Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme. This classification of expenditure and income as administration or programme follows the definitions set out in the 2014-15 Financial Reporting Manual (FReM) provided by HM Treasury.

I.1b Non-current Assets

Recognition

Land and buildings owned by, or in the guardianship of, The Royal Parks are treated as Non-Current Assets in accordance with the FReM.

Expenditure on assets, which became an integral part of the land, is written off in the year of expenditure. However, buildings, the legal title of which remains with the Sovereign, are treated as owned by The Royal Parks and are included in non-current assets. Lodges within the Parks, which are used as dwelling places, are valued based on the terms of occupation, or replacement cost, if this is lower.

Some of The Royal Parks' properties were acquired subsequent to the 1851 Act and are held in the name of the Secretary of State for Culture, Media and Sport. These properties are included in the Accounts at their 'open market value for existing use'.

Further details of the 1851 Crown Lands Act are included in the Statutory Background on page 22.

Classification

The land and buildings are classified under the FReM as either:

- Pure heritage assets (non-operational heritage assets);
- Operational heritage assets;
- Operational (non-heritage) assets.

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations and include listed buildings or buildings which directors consider have special significance in the landscape and will be required to be kept substantially in their current form due to planning restrictions.

In accordance with the FReM which follows the principles FRS30 in accounting for heritage assets, pure heritage land and buildings held by The Royal Parks in pursuit of its overall objectives, are included as Non Current Assets in the Statement of Financial Position where a reliable valuation is possible, otherwise they are held at nil value. The directors consider that the costs of ascertaining current values of these unique and varied assets cannot be justified.

Pure heritage assets include monuments, statues, fountains, bridges, walls, band stands and historic gates and both historic and recent monuments such as the Albert Memorial in Kensington Gardens and the 7-7 Memorial in Hyde Park. The Royal Parks has 114 of such assets which have not been included in the Statement of Financial Position, excluding bridges and walls, which are not individually recorded. Most of The Royal Parks' land and heritage assets, other than buildings, are not valued. Expenditure on creating new heritage assets is capitalised at cost, expenditure on maintaining them is expensed.

Examples of the pure heritage assets, which are not included in the Statement of Financial Position, are given in the appendices. Further examples appear on The Royal Parks website as factsheets – Monument facts. A more detailed study of these and buildings in the Royal Parks is published by The Royal Parks entitled "Buildings & Monuments in the Royal Parks" ISBN 1-898506-09-04.

Transactions and Policies of Acquisition and Disposal of off Statement of Financial Position Heritage Assets

The Royal Parks has no disposal policy, its heritage assets being inalienable, nor has it disposed of any heritage assets since it was formed in 1993. Where third parties seek to erect a new monument or heritage asset upon land under The Royal Parks guardianship, assurances of funding for such asset are sought, including full provision for future maintenance liabilities. Some monuments of note erected within the parks, which have been funded by third parties, remain in their ownership. There was no other acquisition of off balance sheet heritage assets in the past two years.

Maintenance and Preservation Policies of Heritage Assets

The Royal Parks has a programme of maintenance works undertaken which is informed by the Quadrennial Conservation report of all listed buildings and structures and condition surveys. We have adopted the "Protocol for the Care of the Historic Estate" appointed a Conservation Officer and use specialist consultants and contractors where appropriate. Priorities are assessed each year, and the cost is expensed through the Statement of Comprehensive Net Expenditure. A schedule of backlog maintenance requirements is maintained and this is used to assess priorities. The work undertaken each year will include repair and preventative maintenance. The Royal Parks Estate comprises a total of 195 listed buildings and structures, 683 unlisted buildings and structures and three scheduled monuments /archeological sites.

Operational heritage land and buildings, comprising of buildings in use by The Royal Parks, tenants or concessionaires which, in addition to being held in pursuit of its overall objectives, are also used for revenue generating or other non-heritage purposes. They are professionally valued and held on the Statement of Financial Position. The valuation method used depends upon the type of the building and its use.

Operational (non-heritage) land and buildings are professionally valued and held on the Statement of Financial Position.

Property, plant and equipment

Buildings are subject to revaluation under a rolling 5-year programme, the values are the lower of depreciated replacement cost and recoverable amount, which for The Royal Parks is the value in use based on actual rents, rather than market rents.

Assets are capitalised at and above the threshold of £5,000 on an individual value basis. Plant & Machinery, IT and Fixtures & Fittings are not re-valued as management consider any adjustment to be immaterial.

Assets in the course of construction are included in the Statement of Financial Position at cost to The Royal Parks. On completion of works assets are transferred to the appropriate category on the Statement of Financial Position and reflected at fair value.

Intangible assets

Intangible assets comprise IT software which is amortised in line with other IT assets.

Donated assets (including those funded by capital grants)

Assets donated by third parties, either by gift of the asset or by way of funds to buy the asset are capitalised at current value on receipt. Donated assets are re-valued, depreciated and subject to impairment in the same way as other assets.

Depreciation

Depreciation is provided on all non-current assets, other than freehold land and non operational heritage assets, at rates calculated to write-off the cost or valuation, to the estimated residual value, of each asset on a straight line method over its estimated useful life. Lives are normally as follows:

- Buildings including dwellings - up to 100 years
- Plant and machinery - 5 to 10 years
- Fixtures, Fittings - 3 to 20 years
- IT - up to 5 years

Contractor's assets

Property, plant and equipment excludes vehicles and equipment provided by the contractor responsible for grounds maintenance in the Royal Parks. The service contracts do not specify the assets required and the Board considers the value to be not material to the total contract value.

Off Balance Sheet Assets

Where third parties fund asset constructions and The Royal Parks contribute no finance and has limited control over the services provided during the period of the licences the assets are not capitalised by The Royal Parks. In the opinion of directors certain constructions do not meet the criteria to be considered as assets under IFRIC 12. The risks and rewards of the investments lie with the funder.

1.1c Inventory

Publication costs are expensed as we cannot provide a guarantee of sale. Stocks held for resale are valued at the lower of cost or net realisable value.

1.1d Income

All Income is shown net of VAT. All income is accounted for in the period(s) to which it relates.

1.1e Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non contributory except in respect of dependants' benefits. The Royal Parks recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, The Royal Parks recognises the contributions payable for the year.

1.1f Provisions

Early Departure Costs

The Royal Parks is required to meet the additional cost of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early or are made redundant. The Royal Parks provides in full for these costs when the early retirement or redundancy programme has been announced and is binding on the organisation.

Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, The Royal Parks discloses for parliamentary reporting and accountability purposes certain statutory and non statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.1g Value Added Tax

Where VAT is irrecoverable then costs include VAT. The Royal Parks elected to waive the exemption from charging VAT in respect of a right or interest in land or a licence to occupy land with effect from 1 October 2008.

1.1h Financing and Grants

Cash received through the Estimate process is treated as financing and credited to the General Fund.

Grants used to acquire specific capital items are credited to income in the Statement of Comprehensive Net Expenditure.

1.1i Use of Estimate

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at 31 March each year. Actual outcomes could differ from those estimates. Estimates have been made in arriving at impairment provisions for bad and doubtful debts based on the age of debt. Estimates have been made against injury claims made against The Royal Parks based on legal advice, but often incomplete information is available of the extent and cause of injury.

1.1j Impact of new International Financial Reporting Standards

Early Application of IFRS before Compulsory Introduction

No IFRS was adopted early.

There are no other standards and interpretations in issue but not yet adopted that The Royal Parks anticipate will have a material effect on its reported income or net assets.

1.1k Segmental Reporting- IFRS 8

The Royal Parks is managed as a single entity by the Board and ExCom and as such financial and management reports are produced upon one segment.

2. STAFF NUMBERS AND RELATED COSTS

2.1 Staff costs comprise:

		2014-15		2013-14	
		£000		£000	
	Note	Permanently employed staff	Others	Total	Total
Wages and salaries		3,570	931	4,501	4,272
Social security costs		290	34	324	330
Other pension costs		656	45	701	649
Early departure costs	1.1f	15	-	15	0
Total net costs		4,531	1,010	5,541	5,251

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but The Royal Parks is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk).

The below pension contribution figures include contributions relating to The Royal Parks staff seconded to other organisations. These values are not included in the pension costs reported in the above table.

For 2014-15 employer's contributions of £685,331 were payable to the PCSPS (2013-14 £654,652) at one of four rates in the range 16.7 to 24.3 per cent (2013-14 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2015-16, the rates are in the range 20.0 per cent to 24.5 per cent. The contribution rates are set to meet the cost of benefits accruing during 2014-15 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £17,914 (2013-14 £8,979) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2013-14 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £1,275 (0.8 per cent; 2013-14; £509, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £1,809 (2013-14 £1,042). Contributions prepaid at that date were £0 (2013-14 £0).

2.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

	2014-15 Total	Permanently employed staff	Others	2013-14 Total
Directly employed	107	97	10	104
Other	13	0	13	11
Total	120	97	23	115

2.3.a Salary and pension entitlements

Details of the remuneration and pension interests of the Chief Executive, Executive Board members and Executive Committee members of The Royal Parks are contained in the Remuneration Report.

2.3.b The Board

Board members expenses are borne by The Royal Parks.

2.3.c Exit Packages

Exit Packages are disclosed in the Remuneration Report.

3. OTHER ADMINISTRATIVE AND PROGRAMME COSTS

		2014-15 £000	2013-14 £000
	Note		
Landscape Maintenance	3 a	8,160	8,664
Works Maintenance	3.b	9,461	9,143
Landscape Development	3.c	1,639	2,124
Programme Management		168	125
Nursery	3.d	1,112	1,016
Utilities	3.e	855	969
Cleaning Contracts	3.f	1,232	1,009
Service Contracts	3.g	894	875
Advisory Consultancy		56	48
Implementation Support	3.h	1,289	977
Trees	3.i	654	696
Marketing & Communications	3.j	140	216
IT Equipment & Consumables	3.k	539	297
Furniture & Equipment		314	247
Telecommunications	3.l	238	181
Entertainment & Licences		63	64
Horticulture		302	293
Rentals under operating lease		148	121
Training		35	46
Animal Feed & Welfare		84	75
Other Programme costs	3.m	999	823
Programme cash costs		28,382	28,009
Non Cash Items			
Depreciation and Amortisation	5,6,7	2,002	1,963
Loss on disposal of non-current assets	5,6,7	32	0
Fixed Asset impairment	5,6,7	887	112
Auditors remuneration & expenses	3.n	41	41
Increase/(Decrease) in provisions	12	167	391
Total		31,511	30,516
Administrative/Programme Analysis:			
Administrative element of above costs		2,796	1,744
Programme element of above costs		28,715	28,772
Total		31,511	30,516

3.a Landscape Maintenance

The reduction is mainly due to the lower level of reinstatement works that were required following the hosting of several major events. Such works are funded by event organisers. Additionally there were reductions in the cost of core works following the commencement of new landscape maintenance contracts.

3.b Works Maintenance

There has been a relatively small increase on last year.

3.c Landscape Development

Significant reduction on last year is largely due to the lower level of works on the Kensington Gardens Round Pond and Hyde Park Speaker's Corner improvement projects in 2014-15.

3.d Nursery

The increase is due to the additional core maintenance that was required to the Hyde Park and The Regent's Park nurseries in 2014-15.

3.e Utilities

Water costs have reduced significantly as a result of savings made following the employment of a specialised company to monitor our consumption. Electricity and gas costs have increased slightly on last year.

3.f Cleaning

A new toilet and office cleaning contract has been entered into which transfers additional responsibility for utilities and internal premises maintenance to the contractor. Previously these other costs were reported under those cost categories. Revenue from admissions is included in income.

3.g Service Contracts

We experienced higher apprentices charges in 2013-14, which included disputed costs from the previous year. Surveys and report costs increased in 2014-15.

3.h Implementation Support

Relates to professional fees incurred in supporting the delivery of our detailed business objectives. Costs which are advisory in nature (e.g. appraisal of project options) are included in advisory consultancy. The increase over last year is due to the large amount of project work carried out in 2014-15. This included water supply projects, Victoria Tower Gardens improvement, the Isabella Plantation Access improvement project, the development stage of the Brompton Cemetery conservation project and various landscape development projects.

3.i Trees

Safety inspections are based on zoned risk assessment leading to a prioritised programme for each year. Annual expenditure is based on strategic and cyclical work requirements. A significant and increasing cost has been incurred in removing Oak Processionary Moth nests from Richmond and Bushy Parks. Additionally, we have also had increased costs associated with Massaria and its impact on London Plane trees.

3.j Marketing & Communications

Includes the completion of visitor research started the previous year. The reduction year on year is due to support costs for our website upgrade completed in 2013-14.

3.k IT Equipment & Consumables

Significant investment was made to upgrade IT hardware and software systems in 2014-15.

3.l Telecommunications

Upgrades to The Regent's and Bushy parks wide area network links and GSI lines.

3.m Other Programme costs

These include costs such as legal advice, recruitment, external printing, bad debts, office rates and compensation payments. Additionally from 2014-15 it also includes the management fee payable to our car parking concession operator.

3.n Auditors' Remuneration

This represents external audit fee only.

4. INCOME

		2014-15 £000	2013-14 £000
	Note		
Concessions: Catering	4.a	3,920	3,626
Car parking		1,900	1,585
Other		414	391
Licences and rents	4.b	3,508	3,279
Fees from events	4.c	8,989	7,207
Other fees and permits	4.d	1,064	1,046
Lottery and other grants	4.e	1,445	1,441
Services		49	103
Fundraising	4.f	193	1
Contributions to Works Costs		92	9
Bonds utilised for reinstatement	4.g	595	1,354
Sports		437	387
Other	4.h	661	1,404
Total		23,267	21,833

4.a Concessions

Catering has seen increases in concession income at a number of outlets, mainly resulting from improved terms within recently awarded contracts with concessionaires. From 2014-15 income from parking is reported before deduction of the operator's management charge, and this accounts for the increase from last year.

4.b Licences and rents

Commercial licence income has increased as a result of the opening of the new Serpentine Sackler Gallery in Kensington Gardens. Income from various ad-hoc licences has also increased in 2014-15.

4.c Fees from Events

The increase from last year is due to improved income from the Winter Wonderland event and a number of one off events, including the Tour de France and Anniversary Games.

4.d Other Fees and Permits

Filming & Broadcasting show a small increase on last year, offset by reductions in still photography and interment fees at Brompton Cemetery.

4.e Lottery and other grants

Lottery funding was higher than last year, with more monies being received from the Heritage Lottery Fund for the Isabella Plantation Access improvement project. Additionally monies were also received for the development stage of the Brompton Cemetery

conservation project. Grants were down on last year, which had benefited from considerable funding for various playground and cycling projects.

4.f Fundraising

Monies covering a number of projects were drawn down from the Royal Parks Foundation in 2014-15.

4.g Bonds utilised for reinstatement

Last year was much higher than normal as a result of income received for reinstatement following the 2012 summer concerts, where works were deferred until 2013-14.

4.h Other

The main reason for the large reduction from last year is the funding received to pay for repairs and reinstatement resulting from hosting of the London 2012 Games for works completed in 2013-14

5. PROPERTY, PLANT AND EQUIPMENT (including Heritage Assets)

	Land & Buildings excluding Dwellings £000	Dwellings £000	Heritage £000	Info Tech £000	Plant & Machinery £000	Furn & Fittings £000	Pmts on Account & Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2013	39,681	3,889	47,782	201	2,398	4,315	1,217	99,483
Additions	54	-	583	-	925	214	845	2,621
Disposals	(364)	-	-	-	-	(279)	-	(643)
Reclassifications	1,019	1	-	38	300	181	(1584)	(45)
Revaluation	(127)	(722)	(489)	-	-	-	-	(1,338)
At 31 March 2014	40,263	3,168	47,876	239	3,623	4,431	478	100,078
Depreciation								
At 1 April 2013	21,405	2,480	21,608	95	550	3,220	-	49,358
Charged in year	992	50	350	38	188	259	-	1,877
Disposals	(364)	-	-	-	-	(279)	-	(643)
Reclassifications	-	-	-	-	-	-	-	-
Revaluation	(250)	(995)	(258)	-	-	-	-	(1,503)
At 31 March 2014	21,783	1,535	21,700	133	738	3,200	-	49,089
Net book value at 31 March 2014	18,480	1,633	26,176	106	2,885	1,231	478	50,989
Cost or valuation								
At 1 April 2014	40,263	3,168	47,876	239	3,623	4,431	478	100,078
Additions	418	66	458	33	424	33	1,155	2,587
Disposals	(81)	-	-	-	-	-	-	(81)
Reclassifications	1,510	-	(1304)	-	166	106	(478)	-
Revaluation	(843)	(94)	(2,894)	-	-	-	-	(3,831)
At 31 March 2015	41,267	3,140	44,136	272	4,213	4,570	1,155	98,753
Depreciation								
At 1 April 2014	21,783	1,535	21,700	133	738	3,200	-	49,089
Charged in year	970	58	360	42	228	253	-	1,911
Disposals	(49)	-	-	-	-	-	-	(49)
Reclassifications	430	-	(430)	-	-	-	-	-
Revaluation	(1,017)	(160)	(2,257)	-	-	-	-	(3,434)
At 31 March 2015	22,117	1,433	19,373	175	966	3,453	-	47,517
Net book value at 31 March 2015	19,150	1,707	24,763	97	3,247	1,117	1,155	51,236

Land and buildings are valued in accordance with the accounting policy described at Note 1.1b. Deloitte LLP, a member of the Royal Institute of Chartered Surveyors, undertook the professional valuation of property for 2014-15 as at 31 March 2015. Property usage dictates whether VAT should be included in the valuation of a property. The Royal Parks has reviewed property usage and taken the valuation accordingly.

Depreciation has not been charged on freehold land, which is stated at its 1999 valuation of £20,000 plus £3,000 for land purchased in 1999-2000. The table above includes Freehold buildings as shown below:

Freehold Buildings	2014-15	2013-14
	£000	£000
Opening valuation		
At 1 April	2,365	2,365
Revaluation decrease		
At 31 March	2,365	2,365
Depreciation		
At 1 April	1,646	1,635
Charged in year	11	11
Revaluation		
At 31 March	1,657	1,646
Net book value at 31 March	708	719

Depreciation is not charged on pure heritage non operational assets.

Pembroke Lodge in Richmond Park is leased out to a concessionaire on a 97 year lease of which 76 years remained unexpired at 31 March 2015. The property is included in heritage assets at a gross current replacement cost of £3.614m (2013-14 £3.614m).

During 2014-15 the five-year rolling revaluation programme, for buildings, was continued with 20 per cent of properties subject to physical revaluation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The net result of this was a decrease in Gross Current Replacement Cost of £3.831m and a decrease in Net Current Replacement Cost of £0.397m of which £0.887m was charged through the SOCNE, and £0.490m was accounted for through reserves. In the prior year the proportion of the net revaluation (2013-14 £0.112m) which took net current replacement cost below historic net book value was charged to the SOCNE while the remainder (2013-14 £0.277m) was accounted for through the reserves.

Dwellings and heritage assets include residential lodges which are being refurbished under the Better Buildings Programme (see page 63). Assets under construction include costs of refurbishment of some residential dwellings.

6. Heritage Assets

Details of Heritage Assets and asset movements over the current and previous year are set out below.

	Non operational £000	Operational £000	Total Heritage Assets £000
Cost or valuation			
At 1 April 2013	6,258	41,524	47,782
Additions	-	583	583
Revaluation	1,218	(1,707)	(489)
At 31 March 2014	7,476	40,400	47,876
Depreciation			
At 1 April 2013	70	21,538	21,608
Charged in year	-	350	350
Revaluation	1,488	(1,746)	(258)
At 31 March 2014	1,558	20,142	21,700
Net book value at 31 March 2014	5,918	20,258	26,176
Cost or valuation			
At 1 April 2014	7,476	40,400	47,876
Additions	-	458	458
Reclassification	-	(1,304)	(1,304)
Revaluation	-	(2,894)	(2,894)
At 31 March 2015	7,476	36,660	44,136
Depreciation			
At 1 April 2014	1,558	20,142	21,700
Charged in year	-	360	360
Reclassification	-	(430)	(430)
Revaluation	-	(2,257)	(2,257)
At 31 March 2015	1,558	17,815	19,373
Net book value at 31 March 2015	5,918	18,845	24,763

The non operational heritage assets include one asset at valuation having a net book value of £3.05m. All of the operational heritage assets are land and buildings at valuation being subject to the rolling 5-year revaluation program described in note 1.1b.

During the year information has come to light that ownership of Hampton Court swimming pool has been asserted to vest with Hampton Pool Swimming Trust. This asset had previously been valued in the accounts since the formation of the agency in 1993. Having reviewed the circumstances of its original funding by the local authority, with no direct funding being provided by The Royal Parks, and with no direct operational control over the asset, it has been concluded that this asset should be written down to nil book value as a negative revaluation movement. In the opinion of the directors this write down did not warrant treatment as a prior year adjustment.

A review of heritage assets led the directors to reclassify 3 assets from heritage operational to land and buildings and one asset from land and buildings to heritage operational.

The table below sets out a breakdown of off balance sheet heritage assets by number:

Monuments	32	Band stands	4
Statues	31	Fountains	15
Other	32		

7. INTANGIBLE ASSETS

Intangible assets comprise software.

	2014-15 £000	2013-14 £000
Cost or valuation		
At 1 April	585	540
Additions	25	-
Disposals	(45)	-
Reclassifications	-	45
At 31 March	565	585
Amortisation		
At 1 April	421	335
Charged in year	91	86
Disposals	(45)	-
At 31 March	467	421
Net book value at 31 March	98	164

8. FINANCIAL INSTRUMENTS

As the cash requirements of The Royal Parks are partially met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Approximately 57% (2013-14: 62%) of The Royal Parks' revenue is derived from a diverse range of commercial income streams. Income from events is now year round rather than seasonal. The majority of our commercial income streams are guaranteed, with event income often prepaid, with no single source being more than 20 per cent of The Royal Parks' total income, which together with Parliamentary funding means directors consider that TRP is not exposed to significant credit risks.

Funding from DCMS is taken directly to Reserves (See Statement of Changes in Taxpayers' Equity). Given that 43% (2013-14: 38%, 2012-13: 41%) of income is from the Estimates process The Royal Parks is not subject to a material liquidity risk.

The Royal Parks has a Government Banking Service bank account and does not hold any other significant cash balances. It does not have any finance leases or loans, and as a result it is not subject to interest rate risk. The Royal Parks has no dealings with foreign currency and is not subject to currency fluctuation risk.

Provision has been made against certain specific receivables where the collectability is uncertain, having regard to the payment history of the receivable and specific knowledge of any dispute of the amount owed.

9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
Trade receivables	1,002	761
Impairment of Receivables	(98)	(96)
Other receivables	67	150
Value Added Tax	373	276
Prepayments & accrued income	786	1,072
	<u>2,130</u>	<u>2,163</u>

Contained within Trade receivables are amounts due from Other Central Government Departments (£0.578m) and Local Authorities (£0.107m). The Royal Parks is not materially exposed to concentrations of credit risk to a single trade receivable or group of receivables.

10. CASH AND CASH EQUIVALENTS

	2014-15 £000	2013-14 £000
Balance at 1 April	511	2,350
Net change in cash and cash equivalent balances	941	(1,839)
Balance at 31 March	<u>1,452</u>	<u>511</u>

The following balances at 31 March were held at:

Government Banking Service	1,451	510
Cash in hand	1	1
Balance at 31 March	<u>1,452</u>	<u>511</u>

The Royal Parks forms part of the Department for Culture, Media and Sport cash management group

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2014-15 £000	2013-14 £000
Amounts falling due within one year:		
Trade payables	427	583
Other taxation and social security	174	163
Accruals	6,849	7,853
Deferred Income	2,030	4,195
	<u>9,480</u>	<u>12,794</u>

Contained within Trade payables are amounts payable to Other Central Government Departments (£0.215m), Public Corporations and Trading Funds (£0.165m) and Local Authorities (£0.106m). The Royal Parks is not materially exposed to concentrations of liquidity risk to a single trade creditor or group of creditors.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Early departure costs £000	Outstanding claims £000	Total £000
Balance at 31 March 2014	132	345	477
Provided in the year	15	201	216
Provisions not required written back	-	(34)	(34)
Provisions utilised in the year	(13)	(94)	(107)
Balance at 31 March 2015	134	418	552

Analysis of expected timing of discounted flows

	Early departure costs £000	Outstanding claims £000	Total £000
In the year to 2016	4	418	422
Between 2017 and 2021	21	-	21
Between 2022 and 2027	21	-	21
Thereafter	88	-	88
Balance at 31 March 2015	134	418	552

12.1 Early departure costs

The Royal Parks meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amounts monthly to the PCSPS over the period between early departure and normal retirement date. The Royal Parks provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments. Where material discount rates provided by HM Treasury are used when arriving at the provision included in the statement of financial position.

12.2 Outstanding Claims

The Royal Parks has a number of outstanding claims for compensation for personal injury. Where management judge that there is likely to be a settlement a provision has been made, but no provision has been made where the outcomes are unlikely or uncertain. Management judge that the claims included in the provision will be settled within the next year.

13. CAPITAL COMMITMENTS

	2014-15 £000	2013-14 £000
Contracted capital commitments at 31 March 2015 for which no provision has been made:		
Property, plant and equipment	708	367

14. COMMITMENTS UNDER OPERATING LEASES

Total commitments under operating leases to pay rentals during the years following the year of these accounts are given in the table below, analysed according to the period in which Payments fall due. The leases are for vehicles and printers.

	2014-15 £000	2013-14 £000
Obligations under operating leases comprise:		
Other:		
Not later than 1 year	99	82
Later than 1 year and not later than five years	273	309
Later than 5 years	-	-
	372	391

15. RELATED PARTY TRANSACTIONS

The Royal Parks is an Executive Agency of DCMS. DCMS is regarded as a related party. During the year, The Royal Parks has had a significant number of material transactions with the DCMS and with another entity for which the DCMS is regarded as the parent Department: the Heritage Lottery Fund.

In addition, The Royal Parks has had various material transactions with the RPF. The Royal Parks Non-Executive Director, Andrew Fenwick is a trustee of the Foundation and also one of the directors of the Royal Parks Foundation Trading Company Limited, a wholly owned subsidiary of the Foundation.

The RPF has responsibility for the LookOut Education Centre and delivery of education in Hyde Park and Kensington Gardens. In 2012/13 an agreement was entered into for a licence of 20 years duration, with an option to extend for a further 5 years, at a peppercorn rent. Under the agreement the Foundation provides education and community engagement programmes to schools and the public and occupies the LookOut, with a team of education volunteers. The Royal Parks was not requested to make a contribution in 2014-15 (2013-14 £0.1m) towards the setting up costs incurred.

The Foundation has raised and is holding restricted reserves amounting to £0.838m, including £0.447m towards the restoration of the Italian Gardens, installation of a new fountain in St James's Park and drinking fountains across the estate. During the year The Royal Parks received £0.193m from the Foundation (2013-14 £0.001m, 2012-13 £0.112m).

During the year, no Board member, key manager or other related parties has undertaken any material transactions with The Royal Parks.

16. EVENTS AFTER REPORTING DATE

The Accounting Officer authorised these financial statements for issue on the Comptroller and Auditor General certification date. There were no events after the reporting date.

Appendices – Heritage assets – examples of Monuments not included in the Statement of Financial Position

Name of monument	Albert Memorial – Kensington Gardens
Description	One of London’s most ornate monuments. Includes: a gilded statue of Prince Albert, husband of Queen Victoria; groups of sculptures representing industrial arts and sciences and the continents of Europe, Asia, African and America; and a frieze of 169 leading musicians, poets, painters, sculptors and architects.
Location	Albert Memorial Road, opposite the Royal Albert Hall.
History\background	Commemorates the death of Prince Albert in 1861 from typhoid.
Designer	George Gilbert Scott
Dates	Unveiled 1872
Name of monument	Diana Fountain – Bushy Park
Description	Bronze statue of goddess (sometimes described as Arethusa) on a marble and stone fountain, surrounded by bronzes of four boys, four water nymphs and four shells.
Location	Centre of the round basin at the junction of Chestnut and Lime Avenues.
History\background	Designed for Henrietta Maria, wife of King Charles I and originally set in her garden at Somerset House. It was moved to the Privy Garden of Hampton Court in 1656. In 1712 the fountain and statue were moved to Bushy Park to the middle of Chestnut Avenue, designed by Sir Christopher Wren. The fountain was restored in 2009 as part of the Bushy Park Restoration Project.
Designer	Hubert Le Sueur
Dates	Statue designed in 1637
Name of monument	Duke of York statue – St James’s Park
Description	Bronze statue of the Duke of York on a 124ft column.
Location	At the top of the Duke of York Steps, on the north side of The Mall.
History\background	Installed in memory of Frederick William (1763-1827), Commander in Chief of the British Army and second son of King George III. He is probably <i>The Grand Old Duke of York</i> of the nursery rhyme.
Designer	Statue by Sir Richard Westmacott; column by Benjamin Wyatt.
Dates	1834

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Name of monument	Hylas and the Nymph statue – Regent's Park
Description	Grade II listed bronze statue of a boy and a mermaid on a stone pedestal, set in a stone-rimmed pond.
Location	St John's Lodge Garden, north east of Inner Circle.
History\background	Donated by the Royal Academy of Arts.
Designer	Henry Pegram
Dates	1933
Name of monument	Queen Victoria Memorial – Green Park
Description	Comprises the Dominion Gates, Memorial Gardens and the vast central monument to Queen Victoria. The monument is 25m (82ft) high and uses 2,300 tonnes of white Carrara marble. As well as Victoria, there are statues representing courage, constancy, victory, charity, truth and motherhood.
Location	At the south west end of The Mall, opposite Buckingham Palace.
History\background	Commemorates the death of Queen Victoria in 1901.
Designer	Central monument by Sir Thomas Brock; overall design by Sir Aston Webb.
Dates	Assembled 1906-24. Formal unveiling in 1911 by King George V.
Name of monument	General James Wolfe (1727-1759) – Greenwich Park
Description	
Location	Viewpoint near the Royal Observatory Greenwich, overlooking the north section of Greenwich Park.
History\background	The statue commemorates Wolfe's victory against the French at Quebec which secured Canada for the British. Wolfe, whose parents lived in Macartney House on the edge of the park, died in the battle. The monument, a Grade II listed structure, was a gift of the Canadian people.
Designer	Dr Tait Mackenzie
Dates	1930