



Annual Report and Accounts 2015-2016



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CHAIRMAN'S STATEMENT

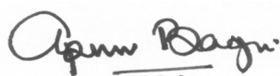
Twenty three years ago, The Royal Parks (TRP) was established to manage 5,000 acres of historic parkland and a range of other public spaces across London. In the period since then, the capital has seen many changes, perhaps most significantly, the rapid growth in population.

As the city has become increasingly crowded, the role of the parks is ever more important for those seeking respite from the urban crush. Our visitor numbers have risen exponentially and the estate now welcomes around 77 million visitors each year. While this means more people now enjoy the beauty of the estate, one consequence has been greater pressure on the parks' infrastructure and a developing range of different views about how to manage the green spaces. Balancing the needs of these visitors is an ongoing challenge and all of us at TRP believe in listening and doing all that we can to reasonably address issues of concern. The positive engagement between TRP, its Friends and many stakeholders over the past year is a credit to all of those involved.

Another less welcome change over the last two decades has been the emergence of environmental challenges in the form of new pests and diseases, such as Oak Processionary Moth and Massaria. Their ongoing march across the parks has continued this past year and additional resources have been allocated to try to contain their impact. More information is set out elsewhere in this report. I very much hope that some of the gloomier projections about the impact that these diseases will have on London's tree stock proves to be too pessimistic, but this issue will continue to be a major threat to our parks over the next few years.

After more than two decades The Royal Parks in its current incarnation as a government agency is coming to an end. This is a significant change and gives me a sense of optimism knowing the new opportunities that the organisation's proposed new charitable status could bring. While agency status initially proved to be very successful, in recent years, given the change to a wholly different funding model with an emphasis on self generated income, it has been far less so. If current plans are agreed it will mean that The Royal Parks and The Royal Parks Foundation (the independent charity that raises money for the parks) will come together as a new charitable public body with a new Board, new terms of reference and charitable objectives.

On behalf of the current Board I would like to thank all of those whose hard work has made the parks the stunning assets we see today. This includes current and former staff, contractors, volunteers, donors, Friends, the police and the wide range of other stakeholders on whom we depend. Thank you all.



Apurv Bagri
Chair
11 July 2016

CHIEF EXECUTIVE'S FOREWORD

I am very pleased to introduce The Royal Parks' Annual Report for 2015/16.

It was an enormous privilege to join the organisation as Chief Executive last summer when my predecessor, Linda Lennon, stood down. I would like to thank Linda for the achievements included in this report that were delivered under her leadership.

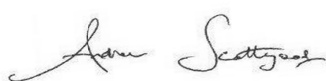
This has been an enormously challenging time for The Royal Parks as we prepare to change our status from an executive agency of government to a new charitable public body. This seeks to bring together the existing organisation and our partner charity, The Royal Parks Foundation. There is still much work to do but we aspire to achieve the change before the end of the 2016/17 financial year.

The new status is very much about being able to use the public funds we receive and other monies that we generate ourselves, more effectively. The greater financial flexibility the new status will bring will make longer term planning much easier. This is an evolutionary change rather than any radical departure from the way that the parks have been managed up to now. The priority will continue to be to maintain the estate to its current high standards and keep on providing high quality services to our visitors.

One of our key achievements this year has been the development of a Sustainability Strategy which has involved input from all parts of the team. Our aim is to embed sustainable practices in all we do right across the organisation. This includes a sustainable approach to the way we generate income, procure for goods and services, having effective recycling and energy policies, protecting biodiversity and encouraging sustainable transportation. We want The Royal Parks to be exemplars in sustainability practices and the new strategy is setting us on the right path.

This report includes highlights from across the estate but special mention should be given to Brompton Cemetery. Often referred to as a hidden gem, it is one of the finest Victorian cemeteries in the country with astonishing historical, aesthetic and biodiversity value. Thanks to a grant from the BIG Lottery Fund and Heritage Lottery Fund, and through the generosity of a range of donors, the cemetery is being restored to its former glory and should be completed in the next two years. There are plans to inject new capital investment in other parts of the estate in the next few years and I hope to be able to highlight some of the successes next year.

In his introduction, the Chair thanked the many supporters that help make the parks the fantastic places we see today, but I would like to give special thanks to my dedicated team who work so hard. I am sure that they, like me, feel honoured to be part of the long line of custodians of these exceptional places.



Andrew Scattergood
The Royal Parks Chief Executive
11 July 2016

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 April 1, 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

One of the highlights in the annual Bushy Park calendar is Chestnut Sunday and this year's event has been no exception. As one of the biggest events organised by TRP, it attracted more than 10,000 visitors who descended on The Avenue to watch a parade of decorated vehicles and costumes, as well as visiting numerous stalls, enjoying the funfair and watching historical re-enactments of times gone by.

This year has also seen a number of construction projects. Building improvements were carried out to TRP property used by the landscape maintenance contractor, including new storage, tractor and equipment facilities. This will help deliver an improved landscape maintenance service for the public.

A new building was also completed at the Pheasantry for the 20+ volunteer gardeners. TRP has recognised the huge value volunteers bring to the parks by providing much needed facilities for them as well as an improved shed and tool storage area.

And it is not just volunteers who play a vital role in the parks. The Friends of Bushy and Home Parks also play a pivotal role; this year the group, working with TRP, led on a project to install Trompe L'oeil panels for the arches at the Water Gardens.

The ever popular children's playground has been under the spotlight with repairs and refurbishment carried out, including to the turf and play equipment. A makeover has been given to a number of gates including Church Grove (inner), Hampton Wick and Sandy Lane Gates.

Further improvements have also been made across others areas of the park. New landscaping in the Pheasantry Woodland Gardens has seen a new rhododendron border featuring some stunning species. To help create a much improved Woodland Garden area, the parks team

has also carried out a sensitive removal of the invasive weed species, *Rhododendron ponticum*.

Bushy Park staff, volunteers and contractors have been undertaking the identification and control of Oak Processionary Moth (OPM) and working in partnership with the Forestry Commission and others in implementing the programme including the removal of 1,200 nests. Further details of the control of OPM are provided in the arboriculture section of this report.

The Green Park and St James's Park

It has been a year of commemorative events in St James's Park and The Green Park. Playing host to a number of high profile events, the parks have provided a magnificent backdrop as the nation marked anniversaries during the past 12 months.

Among the biggest was the VE (Victory in Europe) Day 70th anniversary commemoration which included a star-studded 1940s themed concert 'A Party to Remember' on Horse Guards Parade Ground. Broadcast to an audience of millions across the UK, a line-up of international musicians and celebrities entertained thousands on a beautiful evening in May.

The following day, the nation continued to remember as a Service of Thanksgiving was followed by a reception for veterans in St James's Park, hosted by the Royal British Legion. The reception included a fly-past by two Hurricanes and a Spitfire as well as period vehicles parked in St James's Park.

Another 70th anniversary was marked later in the year as the Royal British Legion and Ministry of Defence hosted a service on Horse Guards Parade Ground attended by more than 1,000 veterans to mark Victory in Japan (VJ) Day.

And the years continued to be clocked up as the 200th anniversary of the Battle of Waterloo was marked with a parade through St James's Park which included bands from Poland, the Netherlands, Finland, Switzerland and France alongside British military bands and 200 school children.

Other high profile events during the year have included the Queen's Birthday Parade, State visits and the State Opening of Parliament.

St James's Park also has a long affiliation with top quality sporting events, and as usual, has played host to some of the country's most famous, which include the finishing line for the 37,000 runners in the London Marathon, the Royal Parks Foundation's Half Marathon and the Mayor of London's Ride London weekend which, for the first time, saw the men's elite race start and finish in the park.

Victoria Tower Gardens, in the shadow of the Palace of Westminster, has also been under the spotlight this year. TRP completed phase two of a playground refurbishment which involved a real sense of community; not only were the public's views sought in its redevelopment but a competition was also held to design new railings to surround the playground. The scheme also included revamped toilet facilities and the opening of a refreshment kiosk. Events were held throughout the year to raise the profile of the new playground including themed walks and arts and crafts events.

Next to the playground have been further developments with the opening of a new education centre for the Palace of Westminster.

With St James's Park and The Green Park being among the busiest with a combined estimated 31.2 million visitors each year, they have benefitted from a team of London Ambassadors who have been on hand to provide valuable tourist and local information to park visitors. In addition, a programme with Team Westminster Ambassadors has got underway to provide information during forthcoming key events.

There has also been a diverse range of other events throughout the year; working with TRP's independent charity, the Royal Parks Foundation, volunteers got involved in a number of environmental projects including: the laying of wildflower turf; with the Crown Estate providing lighting on the handrails of the Duke of York steps to improve safety; and a hugely popular art project where TRP partnered with the Mall Galleries, National Gallery, and artist in residence Alex Hirtzel to undertake a range of community-led activities culminating in an exhibition to promote the important role of pollination in nature.

Finally, sustainability has been a key priority for TRP, and St James's Park has played its own role. A new water system has been installed to provide well water for irrigation, removing the need to use mains water. This included re-commissioning a reservoir on Duck Island which has lain empty for years. This will help reduce water wastage and it is hoped this will be expanded to provide water for public toilets in the park.

Greenwich Park

During the past year improvements to the historic environment included a major landscaping project around the grade II listed St Mary's Lodge and internal refurbishment of the building which operates as a catering outlet.

Environmental projects were also in focus this year with the sinking of a new borehole which now supplies water for an improved irrigation system in the Flower Garden and supplies the water to flush the Blackheath Gate toilets. This not only saves money but reduces the impact on the environment. Another behind the scenes project was the removal of asbestos cement board cladding from the machine sheds and barn in the Nursery Yard.

Volunteers play a big part in helping to run the park. Thanks go to the Friends of Greenwich Park for funding and organising the series of summertime, bandstand concerts, and funding the second year of a community archaeology project. Volunteers worked alongside a professional archaeologist to excavate the remains of the 17th century Keeper's Cottage. Finds included a Roman brooch.

Thanks are also due to TRP's wildlife and orchard volunteers and education partner, the Field Studies Council, for the programme of schools and adult education visits organised throughout the year.

Hyde Park

It has been yet another busy and hugely successful year for Hyde Park, which plays home to some of the The Royal Parks' biggest annual events.

Income from Hyde Park Winter Wonderland and Barclaycard Presents British Summer Time Hyde Park (BST), as well as the many other events held across the parks, provide essential finances without which the parks could not be maintained to their current excellent standard. More on events later in this report.

Among the positive pieces of work to come out of hosting events is reinstatement of the Parade Ground, whereby new turf is laid after a busy events season. This year, the park team has built on the success of previous events to ensure the area was in tip top condition to be opened in time for the Easter holidays which is traditionally the busiest time after the Christmas break.

Aside from the traditional family concerts and activities, the park also hosts a number of ceremonial and anniversary events including gun salutes and, during the past year, the high profile 10th anniversary of the 7/7 London terrorist attacks which was marked with families at the 7/7 Memorial towards the eastern edge of the park.

But Hyde is not just about events, it has so much more to offer its 12.8 million visitors each year.

The famous Apsley Arch, which welcomes visitors from the Hyde Park Corner area, has been cleaned and restored. The project included removing years of pollution which had left the Portland stone a dull colour. The large ceremonial gates at the arch were also sandblasted to remove years of paint which had obscured the fine detail of the ironwork. It has also allowed the park team to restore broken bits of stone, and repair the anti-pigeon protection.

Another prominent feature in the park is the bandstand, which was not only a focal attraction at Winter Wonderland but has also undergone a major renovation. The zinc roof was replaced and some of the original intricate ironwork details were restored to bring it back to life. Services, including lighting, have been installed so it can be used in the evenings. The steps and platform have also been upgraded to meet modern safety standards, and it has been given a new modern colour scheme to ensure it is in-keeping with its environment.

Hyde is such a diverse park, especially its wildlife, flora and fauna. Among the biodiversity improvements made have been new bird and owl boxes and meadow enhancements with wildflowers such as yellow rattle planted. These weaken dominant grasses and allow other grasses and flowers found in acid grassland to thrive. There has also been regeneration of shrub beds to encourage cover for nesting and ground foraging birds, and a selection of new trees are being planted which provide a greater value for wildlife such as those which provide early nectar, berries and seeds.

For anyone who has strolled through Hyde Park during the spring and summer, you will know what wonderfully colourful displays are on show, including the floral displays in the rose garden beds, the Victoria border and the dell garden, as well as shrub improvements around

the Cavalry Memorial and tree planting across the parks, including the reinstatement of a historic tree ring to the north of the Serpentine.

Kensington Gardens and Brompton Cemetery

One of the biggest projects to get underway in Kensington Gardens this year has been the construction of the Marlborough Gate Cafe close to the Italian Gardens. Work started on the 70-seat facility in December, including outside seating, and has now been opened in time for the popular summer season. Serving barista style coffees, teas, pastries, and other light foods the facility will provide another valuable income stream to continue maintaining the Royal Parks to their exceptional standard.

Another popular area that has undergone further enhancement is the South Flower Walk. The third phase of restoration, completed this year, included a new seating area and improved planting at the western end, and the creation of a new landscaped link path at the eastern end taking visitors directly from the Walk to the Albert Memorial. These enhancements have been well received and have improved trading at the catering outlets located at each end.

The biggest success this year has been confirmation of a massive multi-million pound grant from the BIG Lottery and Heritage Lottery Funds for the restoration of Brompton Cemetery (more about this later).

In the latter part of the year TRP commenced the management of scrub and removal of unwanted woody material as part of the overall aim of improving biodiversity. We also completed a suite of ecological surveys to benchmark existing flora and fauna, including a comprehensive ground flora survey of the cemetery. The cemetery team has also been busy undertaking routine repairs to some memorials and have undergone a specific package of training.

Trees have also been at the centre of attention in Kensington. The second phase of tree planting as part of the ongoing tree strategy has been undertaken including six new Elms planted on the West Row of the Dials area as well as a stronger group of Sweet Chestnut. Three Scots Pine trees have been introduced to the Fir Quarter, as was originally referenced in the historic planting scheme by Charles Bridgeman. Heron baskets have also been installed in trees on the eastern side of the Long Water.

There has been further conservation work carried out on the woodlands and glade areas alongside the Long Water and hedge laying has been carried out on Buck Hill alongside West Carriage Drive. Linked to conservation work has been traditional meadow management undertaken by shire horses through Operation Centaur with help from volunteers, thanks to the Royal Parks Foundation.

There have been further improvements to cycling facilities in Kensington, including alterations to Mount Walk which have helped slow down cyclists to make it a friendlier and calmer pathway for all park users and access improvements have been made to Black Lion Gate and Palace Gate.

The success of the Diana, Princess of Wales, Memorial Playground continues to grow and, for the second year running, visitor numbers have exceeded one million.

There has also been a focus on sustainability in the Gardens with a trial of new recycling facilities installed along the northern edge of the park.

The Regent's Park and Primrose Hill

One hundred trees were planted last year as part of the park's largest horticultural project. The Sunset Boulevard cherry trees have been given a new home on Chester Road thanks to a fundraising drive by the Royal Parks Foundation.

Queen Mary's Gardens also won national recognition when it was named in the national media's Top 10 rose gardens in the UK; in fact, the only free, entirely public garden to feature. The gardens have also seen a number of improvements, including replanting along the Triton Borders around the Goetze Fountain, the Broad Walk, the Island and Cascade and the Bay Border which runs along the northern edge of the path from Chester Road Gates to the heart of the gardens.

The protection of habitats and TRP's ambition to produce the best horticultural results has been supported by a living soils project, which has involved improving the soil flora and fauna to improve the ornamental displays and sports turf, so TRP can reduce its reliance on artificial fertilisers.

There has also been further traditional hedge laying taking place in the more rural areas of the park and Primrose Hill.

Following a successful project to improve water quality in the lake in Queen Mary's Gardens, focus has been placed on the main lake, and this year significant improvements have been made to the water quality to improve its appearance and reduce the large algal blooms seen in recent years.

The largest and busiest centre for outdoor sport in central London at The Hub continues to go from strength-to-strength with about 300,000 people using the facilities this year. The centre is also attracting new groups including many junior sports clubs - the most recent being The Regent's Park Royals Rugby Club which now has about 200 members. Lacrosse is also growing in popularity at The Hub with large female and youth participation.

One of the biggest annual events in The Regent's Park is the Frieze Art Fair. Improvements were made to last year's event, including one of Frieze's most popular attractions, the free sculpture park. For the first time TRP was able to secure a three-month installation of nine of the 16 pieces of art in the park by notable artists, including Richard Serra, Kathleen Ryan, William Turnbull, Tony Cragg and Conrad Shawcross.

One of The Regent's Park's biggest attractions is its wildlife population. Last year's bird breeding season went well with 24 pairs of heron breeding, making this the largest heronry inside the M25. Also born were three pairs of Great Crested Grebes, three pairs of Little Grebes, six pairs of Reed Warblers and, for what is believed to be the first time, Sedge Warblers bred in the reed beds around the Boathouse.

There were record numbers of Redstarts and Whinchats in autumn with some unusual bird appearances including Wood Warbler, Grasshopper Warbler, Tree Pipit, Pied Flycatcher and two Hobbies. A Kingfisher also arrived in late August and stayed throughout the winter, and among the new species in the park was a Cetti's Warbler.

But it has not just been about the birds; The Royal Parks Foundation has been leading a hedgehog survey funded by a local benefactor which has provided a wealth of knowledge about the breeding population. This data will help TRP manage the landscape in a way that is as supportive as possible for what is believed to be the last breeding population in central London. TRP has instigated a number of management changes as a result of this work, for example leaving long grass next to hedgerows and installing 50 hedgehog boxes around the park to provide more secure hibernation sites.

TRP's wildlife has also benefitted from the appointment of a wildlife apprentice supported by a grant from the Berkeley Foundation. The apprentice will gain wildlife experience across all the parks to help acquire skills and knowledge to attain a level 2 NVQ in Environmental Management.

Richmond Park

A major project for Richmond this year has been the restoration of two sections of the Beverley Brook which has seen a variety of works undertaken to enhance the river bed as well as the installation of protective fencing and new planting. Elsewhere, the Gallows and Danns ponds have been de-silted and had invasive weed removed.

There has been further restoration work carried out to replant areas of the Isabella Plantation with a wide range of unusual trees and shrubs following the removal of most of the invasive *Rhododendron ponticum*.

At Pembroke Lodge there has also been additional planting on the new terrace beds as well as the completion of the spectacular new rose garden pergolas.

The Poets Corner area of Pembroke Lodge was also refurbished with a new sign and benches set in new landscaping.

In the wider park more work has been carried out to protect the ancient trees, by erecting protective fences as well as continuing our programme to create future tree pollards of a variety of species. Trees and shrubs have also been planted around the Robin Hood and Pembroke Lodges car parks to screen these from view.

A range of educational courses have been run in diverse subjects such as earthworm and grassland species identification, and bat monitoring.

The built environment has also been at the centre of a number of projects. The restoration of White Ash Lodge got underway with a view to future rental opportunities.

There have been further repairs undertaken at Pembroke Lodge car park. The Ham Gate toilets have been refurbished and extensive repairs have been carried out to the listed park

wall. Works funded by the London Marathon Trust have taken place at Pen Ponds car park to improve access, specifically for the world class wheelchair athletes that use this as a training base. It has also provided a more pleasant and accessible space for visitors to the Pen Ponds Cafe.

The first polo match for over 20 years took place and other equestrian activities, such as continuing conservation work and carriage rides have also taken place in partnership with Operation Centaur.

A successful open day was supported by a wide range of volunteers and stakeholders with several thousand members of the public passing through and learning more about the park.

Volunteering continues to take centre stage with hundreds of volunteers supporting the park in many ways such as the operating the Information Centre, wildlife recording, rhododendron clearance, walks and talks, gardening in the Isabella Plantation and the running of our partner charity, the Holly Lodge Centre.

With such a vast park come the daily management issues faced by the park team. Among them this year has been the retendering of the event and stable licenses which will help continue bringing in valuable income for TRP. An extensive traffic survey has been carried out to help future management planning for the park. Issues surrounding cyclists' use of the park roads continue to dominate the local political agenda and much time is spent working with our stakeholders to manage this situation as best we can for all park visitors.

The experience of staff, contractors and volunteers at Richmond Park in dealing with Oak Processionary Moth (OPM) as a pest species is being used across the parks. Further details of the control of OPM are provided in the arboriculture section of this report.

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 an open and informal way, targeting park users who do not regularly engage with us. Regular meetings regarding our major events continue to be an invaluable way of hearing stakeholder views and making future improvements.

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

We have worked closely with Transport for London and the Mayor's Office to help promote their consultations on the Cycle Superhighway, specifically those going through St James's, The Green, Hyde and The Regent's Parks and Kensington Gardens, and encouraging those who have an interest in the Royal Parks to make their views known.

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

There have been continuous improvements at our major events with feedback from previous events and from our numerous stakeholder engagement sessions providing valuable information to build on lessons learnt. Stakeholder views are also a key element to numerous projects across the parks; in particular this year was the reopening of the new Horse Ferry Playground in Victoria Tower Gardens. The refurbishment of the play equipment and reopening of the toilets was led by community input including a public competition to design new railings surrounding the playground.

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

As we move closer to creating a new organisation to manage and fundraise for the Royal Parks, we have kept a wide spectrum of stakeholders up-to-date with the latest information through a range of channels including digital activity, face-to-face meetings and direct mailings. This has given us a chance to ensure they are fully aware of the changes, and answer their questions. We have also supported important communications around the construction of the Cycle Superhighways across the Royal Parks by ensuring stakeholders have been made aware of the latest developments and construction dates, and posted information on our website and social media. We issued the Major Events schedule to stakeholders across all parks for events affecting them and sent thousands of letters to residents with information for the Barclaycard Presents British Summer Time Hyde Park and BBC Proms events.

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

As market research shows more people would prefer to use online methods to access information about the parks, we have continued to expand our social media channels by testing live streaming of key activities and events on Periscope and using Vine to promote videos. We have also launched a new corporate video to promote the diverse range of attractions and activities the parks offer; this has been displayed at major events including Barclaycard British Presents Summer Time Hyde Park and on numerous websites. Since launching on Twitter in the previous year, our audience has expanded to more than 7,000 followers.

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 and other key issues affecting the parks such as the creation of a new charity. We have undertaken a number of feature pieces to raise awareness of and to educate visitors about our parks, including public safety advice during the deer rutting season, the threat to habitats and condition of the parks by public activities such as mushroom foraging.

Status change

Plans to change the way The Royal Parks are managed in the future were given the go ahead by the government this year.

The Department for Culture, Media and Sport (DCMS) approved plans by The Royal Parks Agency and the Royal Parks Foundation to create a new public corporation. The process of applying for charitable status from the Charity Commission is now underway.

The new charitable body will take over the role of managing the parks from The Royal Parks Agency (TRP), which spent £34.9m maintaining the 5,000 acre estate in 2015-16. It will also build on the role of fundraising currently undertaken by the Royal Parks Foundation (RPF).

Of the £34.9m annual cost of managing the parks, about 64 per cent is self-generated through events, sponsorship, donations, catering, grants, lottery funding, licences, rental income from lodges, filming and photography. The rest of the Parks' funding (36 per cent) comes from a DCMS grant.

With more than 77 million visitors a year (Ipsos MORI 2015) and decreasing government funding, maintaining high standards and a public satisfaction rate of 98% (Ipsos MORI 2015) is becoming increasingly challenging.

It is hoped that what the public see and experience in the parks won't change dramatically, but how they are managed will.

The new charity will be increasingly self-sustaining, and so will be able to manage the parks even more efficiently, with better services provided at a lower cost while maintaining excellent visitor satisfaction.

One single charitable body at arm's length from government can also present a more compelling case for support to corporate sponsors, private donors and charitable trusts, as well as attracting new volunteers.

Both organisations are now working together to create the new body, including the appointment of a new chairman and board of trustees, and it is hoped it will be launched by the end of the financial year (2016/17).

Events

Our eight Royal Parks have a long and historic tradition of hosting events. They 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.

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 activities and sport; one of the UK's largest restaurant festivals, Taste of London; the weekend festival of cycling – RideLondon which sees cyclists of all abilities race through London taking in St James's, The Green and Richmond Parks; and the ever popular Hyde Park Winter Wonderland, Europe's number one Christmas destination.

2015/16 was an exceptionally successful year for events in the Royal Parks, with more than four million visitors from across the globe enjoying and experiencing our events and in turn, contributing vital funds which go back into conserving and enhancing the parks for current and future generations to enjoy.

As custodians of these unique spaces we understand the need to balance the inclusion of events in open spaces while maintaining space 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.

After each major event we work with event organisers to take forward feedback and learnings. For Hyde Park major events, one of the main areas where we have focussed our energy is in sound management. We understand the issues faced by the local community and therefore have a dedicated team which now actively work at events to monitor and reduce sound impact. Because of this proactive approach and the lessons learned we have continued to reduce complaints in this area. For example across all concerts in 2015 there were a total of 32 complaints, down from 37 in 2014. We have a helpline for the local community which is operational throughout events and we encourage anyone with feedback to get in touch.

Overall across the Royal Parks complaints related to events from park users, local residents and those attending events have reduced. Across 14 of our largest events, we have reduced complaints from 81 in 2014, to 79 in 2015. This is a small reduction but nevertheless a reduction and we are committed to improving this.

The Royal Parks needs to generate around 65 per cent of its own income. Around a third of this income comes from hosting events. 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.

Sustainability Strategy

This year saw the completion of The Royal Parks' Sustainability Strategy which provides a structure which identifies the economic, environmental and social topics that are important to The Royal Parks and its stakeholders, and to describe the approach for delivering a high level of sustainability in everything The Royal Parks does.

The strategy is aimed at ensuring all staff and contractors working to maintain, conserve, support and improve these unique green spaces understand what sustainability means both in terms of day-to-day activities, as well as longer-term planning. Furthermore, that by aligning efforts across all of our operations and activities, and embedding sustainability as a key organisational driver, we are a UK leader in the sustainable management of parks and green open spaces.

The strategy consists of four sustainability pillars:

- Conserve and enhance the unique landscapes, built heritage and biodiversity
- People, education, fairness and improving wellbeing
- Mitigation and adapting to climate change
- Sustainable growth - providing environmentally excellent and financially viable green open spaces to the public

The strategy records what The Royal Parks currently does, describes where the organisation wants to be and what areas need to be addressed to get there. It will also guide decision-making and support evaluation of performance against set criteria.

The strategy covers current sustainable activity within The Royal Parks, and balances the need to have a framework which applies to all parks, whilst respecting the uniqueness of each park and its local environment. The strategy also describes practical measures for sustainability that will aid the development of the current environmental management system and help to embed social and economic sustainability across all park operations. More on sustainability appears later in this report under 'Performance Report'.

Brompton Cemetery

Brompton Cemetery, managed by TRP, secured a further £4 million Parks for People funding from the BIG and Heritage Lottery Funds this year to protect the future of this historic and nationally important site. As well as this grant, TRP will invest a further £1.2million in the project with a commitment from the Royal Parks Foundation to raise an additional £500,000.

The 39 acres (16 hectares) of publically accessible green space is one of the oldest designed Grade I heritage listed garden cemeteries in the country and is home to some unique and historic monuments including its picturesque chapel, with Benjamin Baud's dramatic design inspired by St Peter's in Rome.

Among the 205,000+ people buried there are notable figures from history including suffragette Emmeline Pankhurst and Queen Victoria's surgeon Sir Thomas Spencer Wells as well as former Chelsea Pensioners and Victoria Cross holders.

The £6.2million project will see the garden cemetery undergo a major facelift which will help recreate Baud's vision that was influenced by the famous landscape designer and cemetery expert, John Claudius Loudon in 1840.

The project aims to reflect the needs of a wide range of visitors and local communities while protecting the wildlife and retaining the unique character of the cemetery.

It involves:

- transforming the North Lodge, with two small pavilion extensions, into a visitor centre, Friends office and cafe with accessible toilets;
- restoring the majestic chapel, central colonnades and catacombs;
- conserving the historic landscape, buildings and monuments;
- maintaining and improving existing habitats for wildlife conservation and ecological enhancement;
- improving the community use of the garden cemetery with facilities and activities;
- developing and delivering a volunteering programme to help conserve and interpret the cemetery by engaging visitors and local communities;
- improving the funerary business to reinvigorate it as a working cemetery where families can lay their loved ones to rest; and
- presenting the 19th and 20th century history of the site in a 21st century way

Walking and Cycling

TRP has continued to support initiatives that promote walking and cycling as safe sustainable modes of transport. As well as a number of individual projects across the parks, TRP has worked closely with the Mayor's Office and Transport for London on routes for the Cycle Superhighways and central London Grid of Quietways. We aim to find solutions that address the concerns and balance the needs of all our visitors.

Our vision is to make the parks some of the best places in the capital to walk and cycle, which means they not only have to make the routes safe for cyclists but also for all other users including pedestrians, children, runners and horse riders. Other projects undertaken to improve cycling includes:

- improved signage and information;
- promoting safer cycling with a range of initiatives including cycling campaign events;
- bikeability and cycle safety checks;
- improvements to a range of junctions, entrances and exits to the parks to make them better for all visitors; and
- developing behavioural change initiatives to encourage park users to be considerate to each other and respect these wonderful spaces.

Arboricultural

Oak Processionary Moth (OPM) was first introduced into England in 2006 and was subsequently found at Richmond Park in 2009 and Bushy Park in 2010, the inner parks in 2012/ 2013, The Regent's Park in 2014 and Greenwich Park in 2015. The Royal Parks along

with all other affected landowners have a duty to manage the consequences that this pest represents.

TRP is represented on the OPM Advisory Group established by the Forestry Commission (FC) in 2012. Between 2012-16 the FC has received additional Department for the Environment, Fisheries and Rural Affairs (DEFRA) funding to implement a more proactive management strategy across London. Over the course of the year TRP carried out an active control programme and has established a risk based zoned approach to the control of OPM and removal of nests. Richmond Park is being actively used to undertake scientific research into control methods and to train arboricultural teams involved in the control of this pest.

OPM has been found in all eight Royal Parks, Brompton Cemetery and all 33 London Boroughs; it is now a pest species that landowners across London and the SE will need to manage and control.

Outside of its core tree risk management responsibilities the arboricultural team has also been busy with a number of other projects.

A continuing programme of soil de-compaction works has been undertaken in Lancaster Walk in Kensington Gardens and Constitution Hill in The Green Park. This deep air injection breaks up the layers of compaction which have built up over the years, improving the trees' rooting environment and health.

The 'Massaria disease of Plane' study is now in its fourth year with three different groups of London Planes being used to compare different methods of organic soil improvement. TRP has been monitoring and analysing the amount of Massaria in each and has also had laboratory studies carried out on the types and amounts of micro organisms and fungi in the soil. The aim is to see if there can be a reduction in the effect of Massaria by improving the Plane's vitality and ability to resist disease through natural soil management techniques.

The team has also carried out feasibility surveys and future disease impact studies to feed into the latest Greenwich Park Avenue Strategy which will be a cornerstone of a future Heritage Lottery Fund bid.

TRP is also taking part in studies into the use of garlic to control Bacterial Canker of Horse Chestnut. The biological compound, Allacin, is extracted from garlic and used either internally or externally to suppress the bacteria which cause the stem lesions and slow death of the Horse Chestnuts. This is being trialled in Kensington Gardens and will be further evaluated next year.

Supporting the Parks

The Royal Parks Foundation

www.SupportTheRoyalParks.org

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.

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 2015/16, the Foundation raised or committed more than £957,000 for the benefit of the Royal Parks and their visitors, as follows:

Donations and sponsorship - £444,000: This year the Foundation has raised more than £444,000 in general donations and sponsorship. Amongst other things, this funding will support: a three-year commitment to the post of Conservation Officer; restoration of an avenue of 100 cherry trees in The Regent's Park; support for the Chapel as part of the Brompton Cemetery Conservation Project; the pelicans of St James's Park; new benches in Richmond Park and Kensington Gardens; and a hedgehog conservation programme in The Regent's Park in partnership with ZSL London Zoo.

Education and community engagement - £438,000: In addition to general donations, the Foundation funded and delivered a £438,000 education and community engagement programme across the parks, including: introducing 10,000 visitors of all ages to the magic of the natural world at the Hyde Park Education Centre; work with Operation Centaur and four schools as part of an anti-bullying programme focused on 11 to 14-year-olds; family open days; and a series of guided walks, including a new walk introducing the Pet Cemetery as part of London Month of the Dead.

Royal Parks Foundation (USA) - \$107,500

The Foundation would like to thank its sister charity, RPF (USA) for a gift of \$107,500 (£75,000) towards a variety of projects across the Royal Parks.

Many other organisations and individuals have also given gifts of time and talent for which the RPF is very grateful: Halcyon Gallery, which continue as principal education partner, Stavros Niarchos Foundation, Bloomberg, The Meyer Family, A D Charitable Trust, Artemis, Royal London, Deloitte, Fitness First, Marks and Spencer, Virgin Money Giving, Steel Charitable Trust, The Mercers' Company, Wolfson Foundation, The Prince's Charities, and those donors who wish to remain anonymous.

Royal Parks Foundation Half Marathon: this cornerstone of the Foundation's wellbeing programme goes from strength-to-strength. Since launch, it has raised an estimated £25million for 400 charities across the UK, including the Royal Parks Foundation.

Volunteers: All of the above is achieved with the help of more than 500 individual and corporate volunteers. The Foundation is immensely grateful to them for their time, expertise, energy and commitment.

Partners, Volunteers, Friends, Education and Community Partnership

The education and lifelong learning programme continues to be delivered by three main agencies.

Each one provides a wide range of activities to ensure the public has an opportunity to learn and value the biodiversity and heritage of the parks.

This year, The Holly Lodge Centre provided learning to 5,381 students at Richmond Park, the Field Studies Council to 4,600 students in Bushy, Greenwich and The Regent's Parks and The Royal Parks Foundation to 3,666 students from the Education Centre in Hyde Park and Kensington Gardens. Each agency also delivers community activities to respond to public need.

Community engagement programmes showcase some great examples of how The Royal Parks works with many partners, volunteer groups, individuals and specialist agencies. This year, one such project, A Right Royal Buzz, in St James's Park developed a new partnership with the Mall Galleries and The National Gallery. This project appointed artist in residence Alex Hirtzel, who helped increase public understanding of the environment and fostered a close working relationship with the local community. More than 400 people got involved with the art sessions and more than 5,000 visited the community and artist's work.

TRP needs the continuing support of all the valuable volunteers and partner organisations, such as Liberty Drives, Companion Cycling and the Horse Rangers Association and the Holly Lodge Centre - each providing support to vulnerable sections 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.

This year Brompton Cemetery Friends Group have been instrumental in working with The TRP's project team to complete a successful conservation project application to the HLF and BIG Lottery and will continue to be important in the delivery and legacy of the project.

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.

The Isabella Plantation Heritage Lottery Fund came to an end this year with an extensive evaluation now being carried out. This will provide TRP with recommendations and learning opportunities for any future applications. Volunteers will continue to work and support the Isabella gardeners on a weekly basis and a series of information guides have been added to the resources available for visitors to the plantation. Accessibility was key to the projects

progress and there are now specific route maps to help visitors navigate their way while learning about the plantation. These maps also help those with mobility difficulties.

The Royal Parks Guild has continued to develop and support many projects, in particular this year the ‘Apprentice Master Class Programme’ has held two sessions to help build its and TRP’s relationship with other organisations, to help support horticulture training and to network across London. The Guild is a volunteer organisation made up of people who have had a relationship with the parks either as a direct employee, concessionaire, contractor or volunteer and who have a lifelong commitment to the parks.

Health & Safety

TRP 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.

The focus on safety data collection and analysis in previous years resulted in a targeted improvement programme, and recorded incident numbers for 2015/16 are 20% lower than the previous year.

The Royal Parks continues to strive for excellence in health and safety performance and is well placed to meet the challenges of the coming year as the organisation evolves.

PERFORMANCE REPORT

Overview

An overview of performance of The Royal Parks can be found in the Chairman's Statement and Chief Executive's Foreword on pages 6 and 7 respectively.

History of The Royal Parks

On April 1, 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 nine 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.

Strategy and Performance

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 Principal 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 (to 31 July 2015)

- Andrew Scattergood - Chief Executive (from 17 June 2015)
- Colin Buttery - Director of Parks and Deputy Chief Executive
- Simon Betts - Director of Estates (to 31 August 2015)
- Iain McDowall - Director of Estates (from 01 September 2015)
- Greg McErlean - Director of Programmes, Projects and Information Services
- John Swainson - Director of Resources (to 14 March 2016)
- Sian Williams - Interim Director of Resources (from 1 February 2016)
- Liz Mullins - Director of Communications, Commercial and Events

It is worth noting that Caroline Rolfe officially took up post as the Director of Resources on 4th April 2016.

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

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

The corporate objectives for 2015-16 are as follows:

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.

Details of performance targets are noted in the performance analysis below. Further information on the role of the Board is set out in the Governance Statement on page 35.

Key issues and 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. The principal risks which caused greatest concern during the financial year are:

- a) diseases to our trees, such as Massaria and 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) a review of the policing model for The Royal Parks estate, with potential reduction in police resources, presenting 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 lack of reserves to cushion short-term variations in income and expenditure, and introduction of new taxes on activities undertaken in the parks.
- e) accident or injury involving visitors, contractors, concessioners or staff

Going concern

The financial statements have been prepared on a going concern basis. Future financial provision has been made for TRP in the following ways:

- Exchequer grant in aid funding has been agreed for TRP under the Comprehensive Spending Review settlement through to 2019-20
- TRP's change of status to a charitable public corporation is due to become effective towards the end of the 2016-17 financial year and management are confident that the going concern basis will remain valid

Performance summary

Overall costs this year are lower than the preceding year, 2015-16 realised broadly the same levels of income mainly due to the success of major events 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.

Further details of plans are contained in The Royal Parks' Corporate Plan.

PERFORMANCE ANALYSIS

KEY PERFORMANCE TARGETS 2015/16

Target	Status at April 2016
1.i Produce a sustainability strategy by end of December 2015 followed by an action plan by 31 March 2016	Strategy completed by December. Work on the Action Plan completed. <i>MET</i>
1.ii Prepare an outline business case on the future of enhanced horticulture provision at the Hyde Park nursery by end of December 2015	Business case produced to timescale. <i>MET</i>
1.iii Identify, prioritise and package built heritage restoration projects in the TRP estate by end of December 2015	Packages identified and scoped in December 2015. <i>MET</i>
2.i Deliver on-line sports and events booking system by end of March 2016	Events booking system in place. <i>PARTIALLY MET</i> The system was in place by the end of March 2016 for event bookings but was not yet fully configured for sports bookings.
2.ii Produce a communications strategy supported by market research by end of December 2015	This has been postponed until the new organisation is in place. <i>NOT MET</i>
3.i Complete and submit to DCMS the full business case (FBC) for a change of status by end of January 2016, that supports the long-term viability and protection of the estate	FBC submitted on 25 September. <i>MET</i>
3.ii Self generate at least £23.5m of income by 31 March 2016, from a variety of income sources including philanthropic giving	£23.2m of income generated. <i>NOT MET</i> This was due to delays on the Brompton cemetery project and the associated payments due to TRP to enable completion of the project.
4.i Deliver 80% of the TRP Capability Plan actions by end of February 2016	Target reached. <i>MET</i>
4.ii Complete terms and conditions review by end of August 2015	Report was completed in August 2015. <i>MET</i>

Financial Position of The Royal Parks

The Royal Parks is funded via the DCMS Supply Estimate. The Royal Parks allocation for 2015-16 was a resource budget of £12.887m (of which £2.362m was non-cash) plus £3.105m capital. £13.130m of grant in aid was actually received in year. It is anticipated that the balance of funding to pay creditors of £5.0m will be received from DCMS in 2016-17, subject to Parliamentary approval (£4.5m in 2014-15). In 2015-16 £23.203m (£23.267m in 2014-15) was generated as income. Net operating costs in 2015-16 were £11.701m (£13.785m in 2014-15).

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 income to cover 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 5-7 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 has received approval, after exploring with DCMS future options, to change status to a charitable public corporation, which will 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 approved by HLF and the Big Lottery Fund for £4.5 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 £52m. Any future reduction in income could see this backlog increasing.

Report on Sustainability

Sustainability

As custodians of these unique spaces, The Royal Parks purpose is “To manage the Royal Parks effectively and efficiently, balancing the responsibility to conserve and enhance the unique environments with creative policies to encourage access and to increase opportunities for enjoyment, education, entertainment and healthy recreation.”

The Royal Parks faces increasing challenges, including the need to increase self-generated income; increasing visitor numbers, putting pressure on park maintenance and services; a significant and ageing infrastructure; and the impact of climate change on the park environment, including extreme weather conditions and pests and diseases. Sustainability is at the heart of addressing these challenges, ensuring that The Royal Parks continues to provide parks of the highest quality, celebrated for their history, heritage, ecology, landscapes and buildings, and with high visitor satisfaction - all of which remain freely accessible.

The Royal Parks currently operates a proactive management approach to sustainability, based on the ISO 14001 environmental management system (EMS). ISO 14001 sets out the criteria for an effective system and maps out a framework for an organisation to follow. Following a review, the Executive Committee (ExCom) and Board have agreed to aspire to operational excellence in sustainable management, through areas of the organisation working towards embedding sustainability at the highest level of their governance.

Governance and assurance

The Royal Parks continue to use the EMS standard ISO 14001 to implement and monitor its environmental programmes. The strategic Green Housekeeping Group is the means by which The Royal Parks' different departments assist in delivering sustainability objectives. This group is headed by the deputy CEO of The Royal Parks, sponsored by the Head of Park Services and implemented by the new Sustainability Manager. The Green Housekeeping Group helps to oversee a number of environmental and social work streams including, waste and water management and energy conservation. A number of other work streams have been set up to meet other sustainability action plan objectives. The Royal Parks also utilises local champions to assist in promoting the sustainability message. The Sustainability Manager reports on a quarterly basis to the ExCom meeting on performance against the action plan. The ExCom group is represented by the Directorship of The Royal Parks. This ensures sustainability is a key part of The Royal Parks agenda and day-to-day decision making.

Policy and achievement regarding environmental matters

Excellent environmental practices are at the heart of The Royal Parks' work and it has achieved ISO 14001. The Royal Parks gained re-accreditation in March 2014 to the environmental management system (EMS) standard – ISO 14001. In order to maintain this international recognised standard, TRP has to undergo surveillance audits every six months. The most recent external audit took place in March 2016 and focused on Kensington Gardens and Greenwich Park. I am happy to report that the audit was very successful, in no small part due to the hard work and effort put in by all those involved, and therefore The Royal Parks retained the ISO 14001 accreditation. A full range of programmes and activities can be found at www.royalparks.org.uk.

Collaborative Working

The Royal Parks continues to be engaged in initiatives looking at changing behaviours particularly around recycling and re-use of waste, for example contributing to the Keep Britain Tidy project on dog waste in Richmond and Bushy Parks, and a further waste management project across Kensington Gardens, Hyde Park and St James's Park. The Royal Parks also undertook a further waste communications and behaviour study in Kensington Gardens in order to follow up on last year's work and trial a number of the changes recommended. Key learnings from that study and previous studies are being implemented early in 2016.

Organisers and promoters of events in the Royal Parks have been encouraged to adopt sustainable 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	2012-2013	2013-2014	2014-2015	2015-2016
TOTAL Non Hazardous Waste (tonnes)	3,309	3,253	2,195	3,099
Landfill	830	19	124.1	629.7
Reused/recycled	464	1,109**	951.6	1176.3
Composted (percentage)	90+%	99%	93%	98%
Composted (Tonnage)	563.72	3,985***	4512.6	3171
Incinerated without energy recovery	1,583	0	94.5	36.3
Incinerated with energy recovery	440	2,125	1025.3	1256.6

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

The switch to greater use of abstracted water has continued.

Water Consumption

Water Consumption (Office Estate & Non-Office)	2012-2013	2013-2014	2014-2015	2015-2016
Supplied	132,133	292,902	184,809	132,489
Abstracted	808,723	763,490	851,256	528,952

Energy

A new vehicle fleet has been 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 next fleet renewal will be in 2019. The Royal Parks is looking to work alongside the Energy Saving Trust to understand how it can reduce travel emissions even further.

	2012-2013	2013-2014	2014-2015	2015-2016
Gross Emissions (1,000 tonnes CO2)				
Electricity: Non-Renewable	0	0	0	0
Electricity: Renewable	1,600	1,210	1,361	1,306
Electricity: Renewable Office	423	403	441	415
Electricity: Renewable Non- Office	1,177	807	920	891

Gas	2012-13	2013-14	2014-2015	2015-2016
Gas: Total	37	31	30	30
Gas: Office	27	23	24	24
Gas: Non-Office	10	8	6	6
Fleet Fuel (LPG, Diesel and Petrol)*	0.036	0.38	0.38	0.38
Other	0	0	0	0

Utility and Fuel costs	2012-2013	2013-2014	2014-2015	2015-2016
	£k	£k	£k	£k
Gas	174	136	128	129
Electricity	502	421	351	294
Water	378	412	284	211
Fuel	42	43	18	19
Total	1,096	1,012	781	653

General Waste

In August 2014 the landscape maintenance contracts were re-let with new specifications with a much more positive regime of recycling targets 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.

The target recognises that green waste is nearly 100% recycled and so is not part of the scope. However, options for the re-use of dog waste in anaerobic digestion are being explored and have been treated as part of the scope. The Sustainability Manager alongside park management has been adopting the principles of the TRP waste project and will be assessing options for changes in 2016.

The Royal Parks work to the waste hierarchy which seeks to reduce, reuse, recycle, or recover.

Green Waste

The composting operations within Kensington Gardens, Greenwich and The Regent's Park have now been under the waste regulations for a year, which has resulted in some significant improvement, in the process and quality of compost produced. 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 aim to compost in excess of 95% of green waste where possible and this has been consistently achieved. The green waste that cannot be recycled falls into the category of being mixed with other waste or in rare cases is contaminated, meaning it has to go into another waste stream. The composted material is then re-used on-site for spreading or given away for free to the relevant permitted bodies.

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 impact on the environment. Events are managed by third parties and their energy consumption is not included in the tables above. The Royal Parks request that event organisers effectively manage their energy consumption and reduce this where possible. Water consumption of both mains water and grey water is separately metered and is contained within the organisation's overall water consumption data. The Royal Parks encourage 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. Any disturbance to wildlife must be mitigated or remediated by event organisers.

Sustainable Procurement

The Royal Parks look 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 aiming to further embed sustainable procurement principles into its practice through the creation of the Sustainability Strategy will help to priorities our focus areas. The Royal Parks is working with our suppliers to understand and address the risks, such as resource scarcity and climate change, and to develop the scope for mitigation and adaptation strategies. The Royal Parks receive monthly reports its key performance indicators for energy in the works contracts and we 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.



Andrew Scattergood

Chief Executive

11 July 2016

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

DIRECTORS' 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
- Wesley Kerr - Broadcaster and writer
- 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 (to 31st July 2015)
- Andrew Scattergood - Chief Executive, The Royal Parks (from 17th June 2015)
- John Swainson - Director of Resources, The Royal Parks (to 31st January 2016)
- Sian Williams - Interim Director of Resources, The Royal Parks (from 1st February 2016)

Caroline Rolfe officially took up post as the new Director of Resources for TRP from 4th April 2016.

Further information on related party transactions is available in the notes to the accounts note 16.

Register of Interests

Details of company directorships and other significant interests held by board members which may conflict with management responsibilities can be found at the following webpage:

<https://www.london.gov.uk/what-we-do/environment/parks-green-spaces-and-biodiversity/parks-and-green-spaces/royal-parks-board>

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 11 days (2014-15 14 days) which includes disputed invoices, which cannot be separated in the statistics.

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.

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

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.

A handwritten signature in black ink, appearing to read 'Andrew Scattergood', written in a cursive style.

Andrew Scattergood

Chief Executive

11 July 2016

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.

As Accounting Officer, I can confirm that there is no relevant audit information of which TRP's auditors are unaware and I have taken all steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. I can also confirm that the annual report and accounts as a whole is fair, balanced and understandable.

The Principal 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. His 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.



Andrew Scattergood

Chief Executive

11 July 2016

Governance Statement

Scope of Responsibility

As Accounting Officer for TRP, I am responsible to the Secretary of State for Culture, Media and Sport and accountable to Parliament for TRP’s 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 TRP’s 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

TRP 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 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 2015-16 on the following dates: 24th June 2015, 8th October 2015, 14th December 2015, and 12th February 2016. A Board strategy event took place on 22nd September 2015.

Attendance at TRP Board Meetings: 2015/16

The Hon Apurv Bagri	4/4	Cllr Philippa Roe	2/4
Ruth Anderson	4/4	Cllr Denise Hyland	2/4
Wesley Kerr	4/4	Roger Bright	3/4
Andrew Fenwick	4/4	Lord True	3/4
Lt Col Sir Andrew Ford KCVO	2/4	Andrew Scattergood	4/4
Cllr Sarah Hayward	0/4	John Swainson	4/4
		Linda Lennon CBE (Left 31 July 2015)	1/1

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

Board’s Performance

The Board’s terms of reference have remained in place since new Governance arrangements came into effect on 1 January 2012. During the reporting year the Board reviewed its performance and considered that it had provided appropriate guidance, challenge and advice on the Agency’s key strategic challenges. In particular it concluded that it added value into the debate about the future direction of the Agency and the decision by Ministers to seek

charitable public body status for The Royal Parks.

Highlights of Board Committee Meetings

Key issues for the Board during 2015-16 included:

The Board took an active role in developments about how The Royal Parks could generate more revenue to offset reductions elsewhere. It considered measures that could be taken to potentially generate new income streams but which would not undermine the unique qualities of the estate. These included a new approach to corporate partnering and to catering provision.

The Board provided a strong input into the organisation's proposed new approach to sustainability. It oversaw the production of a sustainability strategy, supported by an action plan. The strategy and plan seek to be transformative and make The Royal Parks an exemplar in sustainability practices. In tandem, the Board has taken an active role in the development of transport principles for the organisation. This is a complex area that needs to balance the needs of all of those who visit the parks. Work on this is ongoing and the Board continues to be involved.

The Board also provided valuable insight and advice into the organisation's capital programme, in particular the development of the Hyde Park Nursery.

The Board was supported by two sub committees, The Audit and Risk Committee (ARC) and the Project Approval Group (PAG).

Audit and Risk Committee

The ARC, which met four times in the year, comprises four non executive members with financial and business expertise and is chaired by a non executive member of the Board.

Attendance and membership of the ARC was as follows:

Andrew Fenwick, Chair, Non Exec	4/4
Emir Feisal, Non Exec	4/4
John Collier, Non Exec	3/4
Roger Bright, Non Exec	3/4

The ARC reviews the effectiveness of the systems of internal control, challenges management upon the matters reported within the corporate risk register and the mitigations taken by management to reduce risk. The ARC provides advice on the Internal Audit Plan for the Agency, receives regular reports from Internal Audit and monitors the actions taken to implement recommended changes. They also review the Annual Report and Accounts, and any reports from External Audit.

Internal Audit is provided by the Government Internal Audit Agency (GIAA) and a total of 50 days resource is made available. 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 2015/16 financial year, which encompassed five internal audit reviews, resulting in three “substantial” assurance opinions (the framework of governance, risk management and control is adequate and effective), two “moderate” opinions (some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control) and one “limited” opinion (there are weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective).

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.

Project Approval Group

The Project Approval Group (PAG) is composed of three directors and two non executive directors. Its main meetings are held quarterly with attendance by non executive directors, in addition monthly meetings are held with internal staff and directors.

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. A formal project priority scoring methodology is utilised which scores and ranked individual proposals to assist in decision taking.

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, Toilets, Kiosks and Catering (TKC), Works, Lodges, Landscape and Water Boards.

Attendance and membership of PAG was as follows:

John Swainson, (Chair May 15 - Jan16) The Royal Parks	9/9
Liz Mullins, (Chair Feb 16 - Mar16) The Royal Parks	6/6
Andrew Scattergood, Chief Executive	5/5
Roger Bright, Non Exec	2/4
Ruth Anderson, Non Exec	3/4
Colin BATTERY, The Royal Parks	7/9
Greg McErlean, The Royal Parks	9/9

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 TRP's 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.

Change of Status

In October 2015 the Department for Culture, Media and Sport (DCMS) approved the full business case (FBC) for changing the status of its executive agency, The Royal Parks, and converting it into a charity. HM Treasury agreed the FBC in February 2016. The relationship with DCMS will change to a contractual one; the staff will no longer be civil servants. While it is for the Office of National Statistics and the Charity Commission to decide on the exact status, it is expected that the new organisation is likely to be classified a charitable public corporation. The Royal Parks Foundation, the existing charity supporting the Royal Parks, will also be part of the new organisation.

The work to prepare for change of status has been overseen by an implementation board chaired by a DCMS director and including relevant officials from DCMS (policy and finance teams), Government Legal Department, The Royal Parks Agency and the Royal Parks Foundation, the Greater London Authority and Cabinet Office. The Board considers risks and mitigations, including around reclaiming VAT, funding arrangements and timings. DCMS and TRP has been working closely with HM Treasury and HMRC on financial aspects. TRP has reviewed timing regularly at the implementation board. One of the main constraints will be allowing sufficient time for the new Trustees to understand the transfer arrangements and the business before formally taking on responsibility. A series of meetings and the subjects they will need to consider is already in draft and briefing is in preparation for them.

The Agency and the Foundation are working closely together to come together in the new organisation. TUPE consultations have begun and staff from both existing organisations are working together on a number of workstreams to cover subjects including legislation, the vision, structure, governance, communications, staff transition, system transfers and contracts. The majority of costs associated with the change of status are being borne by the Agency, with the Foundation also contributing.

The Agency and Foundation are also working closely on joint finance and HR systems based on the existing agency systems and validating the effectiveness of the revised solution. The Government announced in the March 2016 budget its intention to contract out the management of the Royal Parks. This will require a Contracting Out Order (statutory instrument) which will be laid before both Houses of Parliament and will require affirmative resolution. A recruitment process for Chair and Trustees of the new organisation was

undertaken during February and March 2016 by DCMS, for completion following the election of the new Mayor of London. Once the quorum of Trustees has been appointed they will be asked to approve charitable objects and register the organisation as a charity with the Charity Commission, with whom initial discussions have taken place. A company limited by guarantee in the name of The Royal Parks has been registered with Companies House, with the Secretary of State as guarantor and a DCMS director as director of the company. This director will be replaced by the Trustees when they are appointed. The timing of the change of status will become effective towards the end of the 2016/17 financial year.

Through this contract, the Secretary of State will provide resource funding, capital investment and the ability to raise funds using the assets of the parks. The new organisation will raise funds including through rents of properties within the parks, events, catering and other concessions, as well as lottery bids and seeking philanthropic donations which are already evolving from the former earlier model of Government funding. In return the new organisation will manage the Parks.

However the body is classified and like now, the parks will primarily be Crown lands, in the ownership of HM The Queen in right of the Crown. Government's statutory responsibility for its management will not change.

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.

One incident of data loss was reported to the Information Commissioner's Office (ICO) in April 2015 following a break-in at a Royal Parks' premise. Following disclosure of potential personal data loss, the ICO decided no further action was necessary as it did not believe the case met the criteria of its Data Protection Regulatory Action Policy. TRP launched its own independent investigation, and implemented a number of recommendations as a result.

The Risk and Control Framework

The risk management framework is aligned to the corporate aims, objectives and priorities as outlined above 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. Please refer to the section on key issues and risks in the Performance Report.

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

Risk Assessment

TRP's 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. All business units are required to produce and monitor risk registers as part of the annual business planning process and throughout the year. The key corporate risks are contained in The Royal Parks Corporate Plan.

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 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 2015-16 we were ranked 1st 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.



Andrew Scattergood

Accounting Officer

11 July 2016

REMUNERATION AND STAFF 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 2015, 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.

Remuneration of Senior Managers

Within the table below, the single total figure of remuneration for each director has been audited.

Single total figure of remuneration								
	Salary £000		Bonus Payments £000		Pension Benefits to nearest £000*		Total £000	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Linda Lennon (to 31 July 2015) <i>Chief Executive</i>	25-30 (full year equivalent 80-85)	80-85	-	0-5	6,000	9,000	30-35	85-90
Andrew Scattergood (from 17 June 2015) <i>Chief Executive</i>	60-65 (full year equivalent 75-80)	-	5-10	-	77,000	-	145-150	-
Colin BATTERY <i>Deputy Chief Executive and Director of Parks</i>	70-75	70-75	-	0-5	37,000	37,000	105-110	105-110
Simon Betts (to 31 August 2015) <i>Director of Estates</i>	45-50 (full year equivalent 65-70)	65-70	-	0-5	7,000	14,000	55-60	80-85
Iain McDowall (from 1 September 2015) <i>Director of Estates</i>	30-35 (full year equivalent 50-55)	-	-	-	38,000	-	65-70	-
Greg McErlean <i>Director of Programmes, Projects and IS</i>	65-70	65-70	0-5	0-5	23,000	22,000	90-95	85-90
John Swainson (to 14 March 2016) <i>Director of Resources</i>	55-60 (full year equivalent 55-60)	55-60	0-5	0-5	22,000	22,000	75-80	75-80
Sian Williams (from 1 February 2016) <i>Interim Director of Resources</i>	30-35 (full year equivalent 165-170)*	-	-	-	-	-	30-35	-
Liz Mullins <i>Director of Communications, Commercial and Events</i>	65-70	65-70	0-5	0-5	29,000	22,000	95-100	85-90

*Sian Williams was Interim Director of Resources from 1 February to 31 March 2016. The full year equivalent reflects the annualised daily rate basis whereas the full time equivalent salary band for the 2015/16 year was £55,000-£60,000

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 senior management team received benefits in kind.

Pension benefits

The CETV disclosures in the table below have been audited.

	Accrued pension at pension age as at 31-3-16 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-16	CETV at 31-3-15 (Revised)	Real increase in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
Linda Lennon	30 – 35 lump sum 100 – 105	0 – 2.5 lump sum 0 – 2.5	625*	607	4	–
Andrew Scattergood	15 – 20 lump sum 40 – 45	2.5 – 5 lump sum 5 – 7.5	222	163	39	–
Colin Buttery	40 – 45 lump sum –	2.5 – 5 lump sum –	768	672	30	–
Simon Betts	15 – 20 lump sum 45 – 50	0 – 2.5 lump sum 0 – 2.5	313**	312	6	
Iain McDowall	20 – 25 lump sum 70 – 75	0 – 2.5 lump sum 5 – 7.5	545	480	37	–
Greg McErlean	10 – 15 lump sum –	0 – 2.5 lump sum –	250	209	20	–
John Swainson	40 – 45 lump sum –	0 – 2.5 lump sum –	702***	641	4	–
Liz Mullins	15 – 20 lump sum –	0 – 2.5 lump sum –	223	188	14	–

* Linda Lennon left TRP on 31st July 2015 so the figure reflects the CETV as at this date

** Simon Betts ceased being a director of TRP on 1st September 2015 so the figure reflects the CETV as at this date

*** The CETV figure in the table above reflective of John Swainson’s last day of service which was 14th March 2016

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal

pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) 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 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. 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. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. 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% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (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 up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

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

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.

Fair pay disclosures

All disclosures in the table below have been audited. It is worth highlighting that there are two columns displayed for the 2015-16 financial year. The first includes calculations associated with Sian Williams who was the Interim Director of Resources from 1st February for a period of three months. The second column has been adjusted to exclude the calculations associated with this post to demonstrate a meaningful comparison with the previous financial year.

	2015-16	2015-16 (adjusted)	2014-15
	Remuneration £000	Remuneration £000	Remuneration £000
<i>Band of Highest Paid Director's Remuneration £000*</i>	165-170**	85-90	80-85
<i>Median Remuneration £000*</i>	32	32	33
<i>Ratio</i>	5.16***	2.66	2.51

*Excluding pension benefits.

** This is the annualised amount for the Director of Resources who was appointed on an interim basis from 1 February 2016

*** The increase in the ratio for 2015-16 is attributable to the Interim Director of Resources where pay is calculated on an annualised daily rate basis

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 banded remuneration of the highest-paid director in The Royal Parks in the financial year 2015-16 was £165,000-170,000 (2014-15, £80,000-85,000). This was 5.16 times (2014-15, 2.51) the median remuneration of the workforce, which was £32,442 (2014-15, £32,852).

No employees received remuneration in excess of the highest-paid director during 2015-16 or 2014-15. Remuneration during the year ranged from £16,000 to £169,000 (2014-15 £16,800 to £80,000).

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 2016 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.

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

There were no exit packages paid or agreed in 2015-16 or 2014-15.

Staff costs

This information has been audited.

	Permanently employed staff	Others	2015-16 £000 Total	2014-15 £000 Total
Wages and salaries	3,609	1,191	4,800	4,501
Social security costs	301	42	343	324
Other pension costs	714	90	804	701
Early departure costs	2	-	2	15
Total net costs	4,626	1,323	5,949	5,541

Average number of persons employed

	2015-16 Total	Permanently employed staff	Others	2014-15 Total
Directly employed	103	95	8	107
Other	17	3	14	13
Total	120	98	22	120

Staff report

Staff composition

The gender composition of the workforce is 59% male and 41% female.

Sickness absence data

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 2016 there were four long term sick absence cases within TRP

(2014-15 five cases). The average rate of sick absence for TRP staff is 2.4 days per member of staff excluding the long term sickness (2014-15 3.3 days).

Staff policies

TRP has been confirmed as a Two Ticks employer and as such complies with the action agreed to meet the five commitments regarding the employment, retention, training and career development of disabled employees. An external review of TRP’s two ticks recognition is scheduled for 2016. No significant Human Rights, environmental or social issues have arisen during the course of the financial year. The Royal Parks is an equal opportunity employer and we are committed to take action to ensure we meet our legal duties under the Disability Discrimination Act (1995), the Disability Equality Duty (2006) and more recently the Equality Act (2010). A Diversity Network group meets quarterly to review, monitor and promote equality of opportunity for our staff, volunteers and wider stakeholders.

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	10	4	2
II	5	3	0
III	2	0	0
IV and IV Upper	3	2	0
Total	20	9	2

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 is now a well established TRP corporate committee and met four times during the year. It benefitted from presentations which highlighted diversity considerations in relation to core subjects, including landscaping and recruitment, and these were open to interested observers from within TRP and its partner organisations. The network also reviewed and refreshed its forward agenda, setting a focus on engagement with comparable organisations in government and the charity sector.

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.

Expenditure on consultancy

As at 31 March 2016 expenditure on consultancy at TRP was £12,635 in comparison to £55,489 for the previous year.

Off payroll engagements

In 2015-16 TRP had three off-payroll engagements (2014-15 two) for more than £220 a day and that last for longer than six months. Assurance has been provided by the individuals that they are paying the correct amount of tax.

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT


Regularity of expenditure

TRP is required to report on the regularity of expenditure including losses and special payments in line with Managing Public Money requirements. In 2015-16 TRP had no losses or special payments to report. This is subject to audit opinion.

Long term expenditure trends

The table below shows actual outturn versus forecast for the past five financial years as well as projected outturn figures for the next two years.

Year	Outturn £'000	Forecast £'000
2011-12	15,308	16,416
2012-13	17,304	16,878
2013-14	13,934	14,132
2014-15	13,785	13,527
2015-16	11,701	13,630
2016-17 (projected)	15,723	-
2017-18 (projected)	-	-



Andrew Scattergood

Accounting Officer

11 July 2016

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 2016 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 and Staff Report and the Parliamentary Accountability disclosures within the Accountability 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 2016 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 and Staff Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance, Accountability and Parliamentary Accountability Reports 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 and Staff 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

13 July 2016

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

THE ROYAL PARKS ACCOUNTS 2015-16

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STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2016

		2015-16	2014-15
	Note	£000	£000
Income from sales of goods and services		-	-
Other operating income	4	(23,203)	(23,267)
Total operating income		(23,203)	(23,267)
Staff costs	2	5,949	5,541
Purchase of goods and services	3	25,534	27,572
Depreciation and impairment charges		2,146	2,002
Provision movement		(129)	167
Other operating expenditure	3	1,404	1,770
Total operating expenditure		34,904	37,052
Net Operating Expenditure		11,701	13,785
Other comprehensive expenditure			
		Note	2015-16
			2014-15
			£000
			£000
Net gain on revaluation of Heritage Assets & Property, Plant & Equipment		5, 6	6,052
			490
Total comprehensive net expenditure for the year			5,649
			13,295

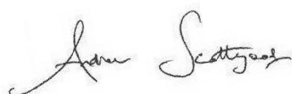
All income and expenditure relate to continuing activities

The notes on pages 58 to 73 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 £000	2015 £000
Non-current assets:			
Tangible Assets:			
Heritage assets	5,6	28,560	24,763
Property, plant and equipment	5	30,435	26,473
	5	58,995	51,236
Intangible Assets	7	104	98
Total non-current assets		59,099	51,334
Current assets:			
Trade and other receivables	9	1,881	2,130
Cash and cash equivalents	10	630	1,452
Total current assets		2,511	3,582
Total assets		61,610	54,916
Current Liabilities:			
Trade and other payables	11	(9,015)	(9,480)
Current Provisions	12	(189)	(422)
Total current liabilities		(9,204)	(9,902)
Total assets less current liabilities		52,406	45,014
Non-current liabilities:			
Provisions	12	-	(130)
Total non-current liabilities		-	(130)
Assets less liabilities		52,406	44,884
Taxpayers' equity			
General fund		31,725	29,569
Revaluation reserve		20,681	15,315
Total taxpayers' equity		52,406	44,884

The notes on pages 58 to 73 form part of these accounts



Andrew Scattergood
Accounting Officer
11 July 2016

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2015-16 £000	2014-15 £000
Note		
Cash flows from operating activities		
Net operating cost	(11,701)	(13,785)
Adjustments for non-cash transactions	3 1,814	3,144
(Increase)/Decrease in trade and other receivables	9 249	33
Increase/(Decrease) in trade payables	11 (465)	(3,314)
Use of provisions	12 (235)	(107)
Net cash outflow from operating activities	(10,338)	(14,029)
Cash flows from investing activities		
Purchase of property, plant and equipment	5 (3,600)	(2,587)
Purchase of Intangibles	7 (14)	(25)
Proceeds of disposal of property, plant and equipment	-	-
Net cash outflow from investing activities	(3,614)	(2,612)
Cash flows from financing activities		
Net Parliamentary cash funding received	13,130	17,582
Net financing	13,130	17,582
Net Increase/(Decrease) in cash and cash equivalents in the period	(822)	941
Cash and cash equivalents at the beginning of the period	1,452	511
Cash and cash equivalents at the end of the period	630	1,452

The notes on pages 58 to 73 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
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
Net Parliamentary Funding – drawn down from DCMS		13,130		13,130
Comprehensive expenditure for the year		(11,701)		(11,701)
<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			6,052	6,052
Transfers between reserves, in relation to depreciation		602	(602)	-
Inter-reserve transfer – Non-current assets		84	(84)	-
Balance at 31 March 2016		31,725	20,681	52,406

The notes on pages 58 to 73 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

I. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2015-16 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.

The financial statements have been prepared on a going concern basis.

I.1 Accounting Convention

The accounts have been prepared on a modified historical cost basis in which the Statement of Comprehensive Net Expenditure reflects the consumption of resources at their current value and the Statement of Financial Position shows the value of non-current assets at their value to the business by reference to current costs.

I.1a 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 Annual Review.

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 of 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 /archaeological sites.

Operational heritage land and buildings, comprising 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

Freehold land and buildings are revalued to fair value every five years on a rolling basis. In the intervening periods, the value of land and buildings are updated annually using desktop valuations.

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.

1.1b Income

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

1.1c 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.

1.1d Provisions

Provision was made in the accounts in relation to outstanding claims for personal injury.

1.1e 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.

1.1f 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.

1.1g 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.

1.1h 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. Asset valuation may now entail greater use of estimates

1.1i Operating Leases

Operating lease costs are charged to the Statement of Comprehensive Net Expenditure as incurred. TRP does not have any finance leases in 2015-16 (2014-15 nil)

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 COSTS

2.1 Staff costs comprise:

	2015-16 £000 Total	2014-15 £000 Total
Wages and salaries	4,800	4,501
Social security costs	343	324
Other pension costs	804	701
Early departure costs	2	15
Total net costs	5,949	5,541

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) - known as "alpha" are 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. You can find details 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 2015-16 employer's contributions of £737,149 were payable to the PCSPS (2014-15 £685,331) at one of four rates in the range 20.0 to 24.5 percent (2014-15 16.7 to 24.3 percent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of benefits accruing during 2015-16 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 £21,885 (2014-15 £17,914) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer

contributions are age-related and range from 8.0 to 14.75 percent (2014-15 3.0 to 12.5 percent) of pensionable pay. Employers also match employee contributions up to 3 percent of pensionable pay. In addition, employer contributions of £932 (0.5 percent; 2014-15; £1,275, 0.8 percent) 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 £2,133 (2014-15 £1,809). Contributions prepaid at that date were £0 (2014-15 £0).

2.2a 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 and Staff Report.

2.2.b The Board

Board members expenses are borne by The Royal Parks.

3. EXPENDITURE

		2015-16	2014-15
		£000	£000
	Note		
Landscape Maintenance	3 a	7,209	8,160
Works Maintenance	3.b	8,124	9,461
Landscape Development	3.c	1,431	1,639
Programme Management	3.d	540	168
Nursery	3.e	1,224	1,112
Utilities	3.f	896	855
Cleaning Contracts	3.g	1,527	1,232
Service Contracts	3.h	1,114	894
Advisory Consultancy		12	56
Implementation Support	3.i	1,074	1,289
Trees	3.j	774	654
Marketing & Communications	3.k	97	140
IT Equipment & Consumables	3.l	316	539
Furniture & Equipment		292	314
Telecommunications		262	238
Entertainment & Licences	3.m	115	63
Horticulture		285	302
Rentals under operating lease		132	148
Training		46	35
Animal Feed & Welfare		64	84
Other Programme costs	3.n	1,609	999
Total expenditure		27,143	28,382
Non Cash Items			
Depreciation and Amortisation	5, 6, 7	2,146	2,002
Loss on disposal of non-current assets	5, 6, 7	16	32
Fixed Asset revaluation	5, 6, 7	(262)	887
Auditors remuneration and expenses	3.o	41	41
Increase/(Decrease) in provisions	12	(129)	167
Total expenditure including non-cash items		28,955	31,511

3.a Landscape Maintenance

The reduction is mainly due to the full year impact of savings in the cost of core works following the commencement of new landscape maintenance contracts.

3.b Works Maintenance

Lower funds were allocated for resource works projects than last year, although this was largely offset by higher funds being allocated to capital works projects.

3.c Landscape Development

The drop in 2015-16 is largely due to completion of works on the Kensington Gardens Round Pond and Hyde Park Speaker's Corner improvement projects in 2014-15.

3.d Programme Management

Increased project management costs as a result of higher funds being allocated to projects by the Project Approval Group in 2015-16 when compared to the previous year. 2015-16 included energy projects under the spend to save category, financed by additional Parliamentary funding of £1 million from the DCMS.

3.e Nursery

The increase is due to the additional core maintenance that was required to the Hyde Park and The Regent's Park nurseries in 2015-16.

3.f Utilities

Water costs continue to reduce as a result of savings made following the employment of a specialised company to monitor our consumption. Electricity has increased on last year due to back dated charges.

3.g Cleaning

The increase in the cost of the toilet and office cleaning contract is offset by the increase in income included under 'Other Concessions'

3.h Service Contracts

We incurred higher security costs in 2015-16 following a break-in at a Royal Parks' premise. Additionally surveying support costs to our Estates team also increased.

3.i 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 reduction in 2015-16 is mainly due to the lower level of landscape related work carried out in comparison to the previous year.

3.j 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.k Marketing & Communications

Reduction from last year as 2014-15 included the completion of visitor research covering all the Royal Parks.

3.l IT Equipment & Consumables

Significant investment was made to upgrade IT hardware systems in 2014-15 in comparison with 2015-16. IT Technical support and maintenance costs were also higher in 2014-15.

3.m Entertainment & Licences

This year included higher compensation payable to the boating operator for loss of business during events. Additionally it also included a back dated charge relating to a licence for additional capacity at The Regent's Park from Camden.

3.n Other Programme costs

The increase in 2015-16 includes back dated parking costs arising from the introduction of a new concession contract, legal costs in respect our forthcoming change to a charitable public corporation, legal advice in respect of claims against The Royal Parks, and grants for river enhancement works to the Beverley Brook in Richmond Park.

3.o Auditors' Remuneration

This represents the external audit fee only with no non-audit services provided in 2015-16.

4. INCOME

		2015-16 £000	2014-15 £000
	Note		
Concessions: Catering	4.a	4,215	3,920
Car parking		1,967	1,900
Other		708	414
Licences and rents	4.b	3,894	3,508
Fees from events	4.c	8,772	8,989
Other fees and permits	4.d	1,127	1,064
Lottery and other grants	4.e	446	1,445
Services		81	49
Fundraising	4.f	-	193
Contributions to Works Costs		89	92
Bonds utilised for reinstatement		571	595
Sports		458	437
Other	4.g	875	661
Total income		23,203	23,267

4.a Concessions

Catering continues to see increases in concession income at a number of outlets. This has resulted from improved contract terms with concessionaires, higher visitor numbers and better product offers. Income from parking is reported before deduction of the operator's management charge. The increase in other concession income is due to the full year impact of our toilet contract.

4.b Licences and rents

Commercial licence income has continued to improve, with significant increases in Kensington Gardens, The Regent's Park and Bushy Park, although St James's Park has reduced. Income from ad-hoc licences was lower in 2015-16.

4.c Fees from Events

The small reduction from last year is due a number of one off events, including the Tour de France and Anniversary Games, which were held in 2014-15.

4.d Other Fees and Permits

Filming & Broadcasting, still photography and fees from small events are all up on last year, partly offset by a reduction in interment fees at Brompton Cemetery.

4.e Lottery and other grants

Lottery funding was much higher than last year, when significant monies were received from the Heritage Lottery Fund for the Isabella Plantation Access improvement project. Monies received for the development stage of the Brompton Cemetery conservation project did increase in 2015-16. Grants were down on last year, which had benefited from the receipt of a higher level of funds for cycling projects.

4.f Fundraising

No monies were drawn down from the Royal Parks Foundation in 2015-16.

4.g Other

The increase in 2015-16 is due to higher water and electricity recharges under the new toilet contract, various other recharges and sundry sales.

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 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
Cost or valuation								
At 1 April 2015	41,267	3,140	44,136	272	4,213	4,570	1,155	98,753
Additions	571	113	1,089	163	97	5	1,562	3,600
Disposals	(20)	-	-	(68)	-	(16)	-	(104)
Reclassifications	587	-	-	23	650	170	(1,467)	(37)
Revaluation	1,992	-	1,560	-	-	-	-	3,552
At 31 March 2016	44,397	3,253	46,785	390	4,960	4,729	1,250	105,764
Depreciation								
At 1 April 2015	22,117	1,433	19,373	175	966	3,453	-	47,517
Charged in year	1,194	66	359	50	252	182	-	2,103
Disposals	(14)	-	-	(60)	-	(16)	-	(90)
Reclassifications	-	-	-	-	-	-	-	-
Revaluation	(1,254)	-	(1,507)	-	-	-	-	(2,761)
At 31 March 2016	22,043	1,499	18,225	165	1,218	3,619	-	46,769
Net book value at 31 March 2016	22,354	1,754	28,560	225	3,742	1,110	1,250	58,995

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 2015-16 as at 31 March 2016. 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:

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Freehold Buildings	2015-16	2014-15
	£000	£000
Opening valuation		
At 1 April	2,365	2,365
Additions	108	-
Revaluation decrease	(551)	-
At 31 March	1,922	2,365
Depreciation		
At 1 April	1,657	1,646
Charged in year	11	11
Revaluation	(761)	-
At 31 March	907	1,657
Net book value at 31 March	1,015	708

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 75 years remained unexpired at 31 March 2016. The property is included in heritage assets at a gross current replacement cost of £3.614m (2014-15 £3.614m).

During 2015-16 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 an increase in Gross Current Replacement Cost of £3.552m and an increase in Net Current Replacement Cost of £6.314m of which £0.262m was credited through the SOCNE, and £6.052m was accounted for through reserves. In the prior year the proportion of the net revaluation (2014-15 £0.887m) which took net current replacement cost below historic net book value was charged to the SOCNE while the remainder (2014-15 £0.490m) 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 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
Cost or valuation			
At 1 April 2015	7,476	36,660	44,136
Additions	-	1,089	1,089
Reclassification	-	-	-
Revaluation	-	1,560	1,560
At 31 March 2016	7,476	39,309	46,785
Depreciation			
At 1 April 2015	1,558	17,815	19,373
Charged in year	-	359	359
Reclassification	-	-	-
Revaluation	-	(1,507)	(1,507)
At 31 March 2016	1,558	16,667	18,225
Net book value at 31 March 2016	5,918	22,642	28,560

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.

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.

	2015-16 £000	2014-15 £000
Cost or valuation		
At 1 April	565	585
Additions	14	25
Disposals	(64)	(45)
Reclassifications	37	-
At 31 March	552	565
Amortisation		
At 1 April	467	421
Charged in year	43	91
Disposals	(62)	(45)
At 31 March	448	467
Net book value at 31 March	104	98

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 64% (2014-15: 57%) 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 36% (2014-15: 43%, 2013-14: 28%) 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

	2015-16 £000	2014-15 £000
Amounts falling due within one year:		
Trade receivables	941	1,002
Impairment of Receivables	(127)	(98)
Other receivables	34	67
Value Added Tax	286	373
Prepayments & accrued income	747	786
	<u>1,881</u>	<u>2,130</u>

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

	2015-16 £000	2014-15 £000
Balance at 1 April	1,452	511
Net change in cash and cash equivalent balances	(822)	941
Balance at 31 March	<u>630</u>	<u>1,452</u>

The following balances at 31 March were held at:

Government Banking Service	629	1,451
Cash in hand	1	1
Balance at 31 March	<u>630</u>	<u>1,452</u>

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

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2015-16 £000	2014-15 £000
Amounts falling due within one year:		
Trade payables	321	427
Other taxation and social security	179	174
Accruals	7,239	6,849
Deferred Income	1,276	2,030
	<u>9,015</u>	<u>9,480</u>

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 2015	134	418	552
Provided in the year	2	58	60
Provisions not required written back	-	(188)	(188)
Provisions utilised in the year	(136)	(99)	(235)
Balance at 31 March 2016	-	189	189

Analysis of expected timing of discounted flows

	Early departure costs £000	Outstanding claims £000	Total £000
In the year to 2017	-	189	189
Between 2018 and 2022	-	-	-
Between 2023 and 2028	-	-	-
Thereafter	-	-	-
Balance at 31 March 2016	-	189	189

12.1 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 uncertain. Management judge that the claims included in the provision will be settled within the next year.

13. CAPITAL COMMITMENTS

	2015-16 £000	2014-15 £000
Contracted capital commitments at 31 March 2016 for which no provision has been made:		
Property, plant and equipment	925	708

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.

	2015-16	2014-15
	£000	£000
Obligations under operating leases comprise:		
Other:		
Not later than 1 year	96	99
Later than 1 year and not later than five years	177	273
Later than 5 years	-	-
	<u>273</u>	<u>372</u>

15. CONTINGENT LIABILITIES

There is a general unquantifiable contingent liability relating to an incident in one of the Royal Parks. TRP does not have sufficient information to assess the value of the liability at this time.

16. RELATED PARTY TRANSACTIONS

TRP is an Executive Agency of DCMS. DCMS is regarded as a related party. During the year, TRP 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, TRP has had various material transactions with the Royal Parks Foundation. TRP 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 Foundation has authorised grants amounting to £0.721m payable to TRP. During the year TRP received £0m from the Foundation (2014-15 £0.193m, 2013-14 £0.001m).

TRP has also had dealings throughout the year with other Government Departments and other Central Government bodies.

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

17. EVENTS AFTER REPORTING DATE

The Accounting Officer authorised these financial statements for issue on the Comptroller and Auditor General certification date.

The change in status is currently anticipated to be completed towards the end of the 2016-17 financial year.

The result of the referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

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

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