

# **THE DUKE OF YORK'S TRAVEL ARRANGEMENTS**

## **SUMMARY OF NAO FINDINGS**

### **Introduction**

1. Ian Davidson MP wrote to the Comptroller & Auditor General in July 2004 expressing concern about several aspects of The Duke of York's travel arrangements, including whether modes of travel selected have been wasteful or uneconomic. He asked the C&AG to examine in particular:
  - the extent to which The Duke used RAF and/or chartered aircraft and helicopters to travel to and from his engagements;
  - the extent to which sporting activities have determined The Duke's mode of travel;
  - whether the dates of golf tournaments have determined the dates of The Duke's engagements;
  - the percentage of travel costs met by the Royal & Ancient Golf Club<sup>1</sup> or any other outside agency; and
  - any other matters relevant to these issues.

This paper summarises our findings.

### **Overview of Royal Travel arrangements**

2. Since April 1997, the cost of the Royal Family's and the Royal Household's travel by air and rail for official engagements has been met by grant-in-aid from the Department for Transport (the Department). A Financial Memorandum between the Department and the Household, issued in agreement with the Treasury, sets out the terms of the grant. The Memorandum was last updated in 2002.
3. The Department oversees the payment of the grant and scrutinises the expenditure charged to it. To improve accountability and transparency, the Household produces an annual report on Royal public finances, which is subject to external scrutiny and audit by KPMG. The annual report includes detailed

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<sup>1</sup> The Duke of York was Captain of the Club from September 2003 to September 2004, the Club's 250<sup>th</sup> anniversary year. The Duke's assumption of the captaincy had been agreed in 2000.

information on the grant-in-aid for Royal Travel. Copies are placed in the libraries of both Houses of Parliament and are available on the Official Website of the British Monarchy ([www.royal.gov.uk](http://www.royal.gov.uk)).

#### **What constitutes an official engagement and therefore official travel**

4. The Financial Memorandum agreed between the Department and the Household defines official travel as travel by air and rail:
  - by Members of the Royal Family in pursuance of Royal functions; and
  - by members and staff of the Royal Households, where the journeys are undertaken directly in connection with Royal functions of Members of the Royal Family.
5. Members of the Royal Family are entitled to grant-in-aid for official travel, as are their staff and, where capacity permits, other officials. They meet their own costs, however, for private travel. In order to avoid confusion, combining private and public engagements in the same trip is actively discouraged.
6. Official travel is undertaken for State, representational or other Royal duties. In deciding whether a journey is official, the Household takes account of guidelines (*Guidance for Households on Royal Travel by Air and Rail*) agreed by the Department for Transport and approved by The Queen. The Royal Family carried out approximately 3,000 official engagements in 2003-04.
7. The Department and the Household pointed out that patronage of sporting organisations is a significant official role undertaken by Members of the Royal Family. They consider that, as sport plays an important role in national life offering recreational activities and also providing employment, it is appropriate that the costs of representational duties in support of UK sport should be met by the grant-in-aid. Therefore, when the governing body of golf, the Royal & Ancient, approached the Household in 2000 with a view to having a Member of the Royal Family as Captain for its 250th Anniversary Year from September 2003 to September 2004, The Duke of York agreed to undertake this role.
8. Travel to and from official engagements may be from any point to any point, provided the overall cost is reasonable in the context of the engagement. It has been agreed with the Department that all Royal engagements entered into the

Court Circular by the Household are deemed to be official. Private engagements do not appear in the Court Circular.

### **Modes of travel eligible for grant-in-aid**

9. The purpose of grant-in-aid is to enable the Royal Household to meet the costs of Royal Travel, including the costs of maintaining the air and rail travel capability. The Financial Memorandum agreed between the Department and the Household specifies that grant-in-aid covers travel involving the use of:

- No 32 (The Royal) Squadron of the RAF;
- The Queen's Helicopter Flight;
- chartered helicopter;
- chartered or scheduled flights;
- the Royal Train; and
- chartered or scheduled train services.

The *Guidance for Households on Royal Travel by Air and Rail* agreed by the Department states that grant-in-aid does not apply to private travel or travel by car.

### **Deciding on the mode of travel**

10. The Royal Travel Office, staffed by the Director of Royal Travel with two assistants, is responsible for organising the provision of travel services. In deciding on the appropriate mode of travel for any official engagement, the Household has regard to several criteria laid down in the Financial Memorandum agreed by the Department:

- safety and security;
- value for money;
- length of journey;
- transport consistent with the requirements and dignity of the occasion, taking into account whether the aircraft landing site is within the public eye;

- transport representing the most effective use of the Royal Family's time;  
and
- transport that minimises disruption to others.

11. Official engagements are planned many months in advance and co-ordinated, to make best use of the time of Members of the Royal Family and to accommodate suitable requests for appearances at events. Private secretaries notify the Royal Travel Office of the planned trip and discuss the modes of transport available. Generally, two or more options will be considered, with the relevant private secretary selecting the preferred option usually for the Queen's approval. Travel by No. 32 Squadron of the RAF, the Royal Train, The Queen's Helicopter or chartered flights must be approved by the Queen, as must any travel arrangements costing more than £2,500. A documented system introduced by the Household ("travel options forms") records the evaluation of different options, to provide a clear audit trail to justify the choice of mode of travel.
12. Whilst private secretaries of the various Royal households and the Royal Travel Office consider the costs of alternative forms of transport, value for money might not be the deciding factor, consistent with the other factors that may be taken into consideration (paragraph 10 above). The Household considers, for example, that time constraints between engagements may justify a more expensive mode of travel. The particular reasons for the selected mode of travel must, however, be explained and documented on the Household's "travel options forms". The *Guidance for Households on Royal Travel by Air and Rail* expects short journeys (of around one hour or 50 miles) generally to be undertaken by car, although this is not always practical. Travel by car in a rural area might take several hours even for a short distance, for example, in the absence of major trunk roads or motorways in the area. In cases such as these, private secretaries and the Royal Travel Office are likely to consider alternatives to a car.
13. Travel arrangements can be subject to change. For example, an engagement might have been planned around the use of the Queen's Helicopter or an RAF aircraft, which might then become unavailable at short notice due to another engagement. The Queen always has first call on the Helicopter or RAF aircraft. For other Members of the Royal Family, where they need helicopter flights on the same day, the longest journey takes precedence. In order for the other

engagements to be fulfilled, another means of transport would have to be arranged such as, a chartered flight from the commercial market at a higher cost.

### **Reimbursement of travel costs**

14. Depending on the nature of the engagement, the Financial Memorandum requires external organisations to reimburse some, or all, of the travel costs. Reimbursement is made at the equivalent rate for a commercial flight.

### **What we did**

15. We initially discussed the issues raised by Ian Davidson MP with Alan Reid, the Keeper of the Privy Purse, Stephen Cawley, Deputy Treasurer to the Queen, and Frank Evans, head of the branch responsible for Royal Travel matters at the Department for Transport. We then examined relevant documents, including the Court Circular and official forms supporting The Duke's engagements and decisions about his mode of travel.
16. Press coverage of The Duke's travel arrangements during the summer of 2004 referred to The Duke's accumulation of £315,000 in flight costs in 2003-04. Much of the cost of The Duke's travels related to four overseas visits. There were three official Foreign and Commonwealth Office (F&CO) visits and one was in The Duke's official capacity as Special Representative for International Trade and Investment. The Duke of York took up this role in 2001. He works on behalf of UK Trade & Investment (UKTI), the government body that supports UK companies trading internationally and encourages foreign investment, undertaking a wide range of official activities including: visits overseas in support of the UK's market sector and inward investment priorities; leading trade missions; and conducting business-focused tours throughout the UK. All four of The Duke's overseas visits in 2003-04 were at the request of government departments. In 2003-04, these journeys cost some £165,000, representing 52 per cent of The Duke's total travel costs of £315,000 in that year. The remaining £150,000 was spent on travel in the UK.
17. For The Duke's overseas engagements, the scope to consider different modes of travel (rail rather than air, for example) and different types of flights (scheduled rather than chartered or RAF flights, for example) is limited by safety and security considerations, as well as the nature of the destinations. For example, The Duke

used RAF aircraft for his engagements in Kazakhstan and Morocco, but scheduled flights to and from the Caribbean. The Duke's fourth overseas engagement was in Florence, where he used RAF aircraft as part of an itinerary that included other engagements in the UK.

18. We analysed the modes of travel used by The Duke for the 41 most expensive UK and overseas journeys (costing £2,500 or more) in 2003-04 and from April to June 2004. For our detailed testing, we focused on a sample of journeys made by The Duke in the UK, where there was greater scope to consider alternative modes of transport and where there was most commentary in the media about the presence of golf during his engagements. The sample (Annex A) consisted of 10 journeys during 2003-04 (constituting 20 per cent of The Duke's UK travel by cost and by the number of his journeys during that year); and 6 journeys over the period April to June 2004 (constituting 8 per cent of The Duke's UK travel costs, and 46 per cent of his UK journeys, during the period). We selected the sample taking account of different modes of transport, the apparent distances travelled, cost, and the nature of the engagements.

19. For each sample item, we considered:

- how far in advance the engagement had been planned;
- the nature of the engagement and whether it included golf;
- the form of travel and whether the least cost option was selected;
- distance travelled;
- time pressure between engagements, on the day or on preceding or subsequent days;
- any changes to the original approved travel option;
- any other factors influencing the travel arrangements; and
- any reimbursement of travel costs by third parties.

## **NAO findings**

### ***On the extent of use of RAF and/or chartered aircraft and helicopters***

20. The Duke carried out 39 of his 41 major UK and overseas journeys in 2003-04 and to June 2004 by travelling by RAF or chartered aircraft or helicopters (Annex B), using scheduled flights on the other two journeys. The Duke was not so

different from other Members of the Royal Family on journeys costing £2,500 or more (Annex C). For shorter journeys costing up to £2,500, however, The Duke did not use either scheduled flights or rail services for any engagement. By comparison, other Members of the Royal Family used scheduled flights or rail journeys more often.

***On the selection of mode of travel***

21. We found that The Duke's mode of travel was determined mainly by security concerns, the duration of journey time and the aim to save, and therefore make the most effective use of, The Duke's time. These considerations are consistent with the criteria set out in the Financial Memorandum (paragraph 10).
22. In 14 of the 16 UK journeys we examined, the Royal Travel Office considered that there were no options other than The Queen's Helicopter, or RAF or chartered helicopters or aircraft. The Office put forward scheduled flights or scheduled rail services as alternatives on two occasions. In both cases, the scheduled option was rejected in favour of travel by RAF aircraft or chartered flight, on the grounds that RAF or chartered flights would save The Duke time, consistent with the Financial Memorandum criterion concerning the most effective use of the Royal Family's time. As an example, travel by rail (which would have cost £97) was considered but rejected as an option for a return journey between London and Oxford in June 2003, based on the additional hour and a half travelling time that would have been involved and the potential unreliability of the train arrival time. The Queen's Helicopter Flight was chosen instead, at an expected cost of £1,014 (£917 more than the train).
23. Economy was considered when deciding between types of aircraft – RAF fixed wing or helicopter, or chartered flight. Of the seven journeys in our sample that involved shorter journeys, only one (from London to High Wycombe) involved travelling a distance of less than 50 miles. The Duke undertook this engagement by The Queen's Helicopter because it enabled him to undertake several engagements on the same day, including lunch and dinner engagements in London.
24. It is more economical to use The Queen's Helicopter than a chartered helicopter, which is approximately three times the cost. The availability of The Queen's

Helicopter cannot be guaranteed, however, such as when the journey of another Member of the Royal Family takes precedence (paragraph 13). We found one case where the mode of travel had to be changed at significantly increased cost. For a journey between Windsor and Portsmouth, The Queen's Helicopter was selected at an expected cost of £1,304. When the Helicopter became unavailable at short notice, a chartered helicopter was used instead at a cost of £3,989, reflecting the original consideration that a helicopter was the only mode of travel that would allow The Duke to fulfil the six engagements he had on the one day.

25. In the case of the return journey between London and Oxford in June 2003 (paragraph 22), The Queen's Helicopter was originally the preferred mode of travel at an expected cost of £1,014 (£917 more than the £97 it would have cost to travel by train). When the Helicopter became unavailable, a chartered helicopter was used at a cost of £2,939, tripling the original cost and costing £2,842 more than the option of travelling by train. We found no documentary evidence that The Household re-considered whether saving the Duke an hour and a half's travelling time, and doubt about train reliability, justified the extra costs involved in using a chartered helicopter. The Household told us that they did re-consider the mode of travel but concluded that no other option other than a chartered helicopter was suitable because The Duke's diary for the day had already been arranged.
26. Of The Duke's 52 official journeys in 2003-04, 37 were well spaced out in The Duke's diary and seven were 2 or 3 days apart, leaving sufficient time between engagements for them not to influence the choice of mode of travel. The remaining eight journeys took place on consecutive days, two of which were in our test sample. In these two cases, The Duke's engagements planned for the previous or following day determined the mode of travel:
  - in one case, an RAF aircraft was selected as the best option in preference to a scheduled flight for a late-night return journey from Scotland following The Duke's attendance at the Royal & Ancient Past Captains Dinner<sup>2</sup> in May 2003, prior to a flight to Canada the following day; and

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<sup>2</sup> It is customary for the Captain designate (as the Duke of York was at the time) to attend the Past Captains Dinner in the May before taking up the captaincy in September.



- in another case, a 10 am start after a reception on the previous evening, was the basis for using a chartered helicopter for a 30 minute flight each way between London and Warminster in Wiltshire. The alternative option would have been for The Duke to have travelled by car, which would have taken approximately two hours each way. This would have reduced by three hours the possible visit programme for the day, equating to the loss of about three separate engagements.

***On the extent to which sporting activities have determined The Duke's mode of transport***

27. We did not find any cases where the mode of travel was directly determined by The Duke's sporting activities. We found one case, involving The Duke's inauguration as Captain of the Royal & Ancient, where an RAF aircraft was selected (estimated cost £4,645) in preference to a commercial flight (which would have cost £254), on the basis that this would save The Duke one hour's travelling time in total whilst also allowing The Duke greater flexibility in his departure time from the Royal & Ancient following his inauguration, which included a round of golf. The Duke's next engagement was four days later.

***On whether the dates of golf tournaments have determined the dates of The Duke's engagements***

28. We found no evidence that The Duke of York's official engagements were planned around golf. From our review of a sample of official engagements, we found that requests were made several months in advance and were considered and entered into The Duke's diary and submitted for entry into the Court Circular, where appropriate. The dates of official engagements were not determined by the dates of golf tournaments.

***On the percentage of travel costs met by the Royal & Ancient Golf Club or any other outside agency***

29. Given that The Duke's captaincy of the Royal & Ancient would involve some exceptional costs, the Household agreed reimbursement rules with the Club. The costs of golfing engagements during The Duke's year as Captain that were purely golf would be borne by the Royal & Ancient, while any that also involved other Royal engagements would be met by the grant-in-aid with a contribution from the Royal & Ancient. The Household negotiated the level of reimbursement

(£318 per person<sup>3</sup> per trip) with the Royal & Ancient, based on the notional cost of a first class return ticket on a scheduled flight. The Household's annual report on Royal public finances for 2003-04 show that the Royal & Ancient reimbursed the Household some £3,200 in respect of The Duke's engagements at, or for, the Club (Annex D). On average, the reimbursements covered approximately one quarter of The Duke's travel costs on his engagements at, or for, the Club, an average shortfall of some £2,500 compared with the cost charged for helicopters, or by the Ministry of Defence for RAF aircraft.

30. A further £10,270 was reimbursed by United Kingdom Trade and Investment (UKTI) in 2003-04, constituting all of the costs of The Duke's journey to and from Florence promoting UK industry and fostering international relations. As UKTI is part of DTI, such reimbursements are funded by taxpayers.
31. Since April 2004, Royal Travel costs incurred on engagements for UKTI have been funded directly by grant-in-aid. Overseas engagements on behalf of the Foreign and Commonwealth Office are also funded by grant-in-aid from the Department.
32. Between April and June 2004, the Royal & Ancient reimbursed the Household a further £2,544 (Annex D) in respect of The Duke's engagements that combined golfing and other Royal engagements, some 13 per cent of the actual total costs incurred for these journeys. The Royal & Ancient also paid directly and in full for four golf-related journeys by The Duke, such as his attendance at the US Open Golf Championships in New York State, in June 2004.

## Summary

33. We found that:

- there are clear guidelines and criteria for determining official travel, the modes of transport funded by grant-in-aid and the consideration and selection of modes of travel, and also a documented system for recording the evaluation of different options, to provide a clear audit trail to justify the choice of mode of travel;

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<sup>3</sup> The Royal & Ancient pay towards the cost of travel of Household staff accompanying The Duke, such as his private secretary.

- the guidelines and criteria have been agreed between the Department and the Household;
- official engagements are planned many months in advance. We did not find any cases where the mode of travel was determined by The Duke's sporting activities. Nor did we find any evidence that The Duke of York's official engagements were planned around golf;
- The Duke carried out all but two of his major UK and overseas journeys by travelling by RAF or chartered aircraft or helicopters, using scheduled flights on the other two journeys;
- The Duke's mode of travel was determined mainly by security concerns, the duration of journey time and the aim to save, and therefore make the most effective use of, The Duke's time - consistent with the criteria set out in the Financial Memorandum agreed between the Department for Transport and the Household;
- the Royal & Ancient reimbursed the Household for some of the costs of The Duke's journeys that combined Royal and golfing engagements, based on the notional cost of a first class return ticket on a scheduled aircraft, as agreed with the Household. The reimbursements covered approximately a quarter of The Duke's travel costs charged by the Ministry of Defence for use of RAF aircraft or helicopters for those combined engagements. Those journeys relating entirely to golf were borne by the Royal & Ancient;
- United Kingdom Trade and Investment reimbursed the Household for all of the costs of The Duke's visit to Florence in January 2004 promoting UK industry and fostering international relations. As United Kingdom Trade and Investment is part of DTI, these reimbursements were funded by taxpayers; and
- Since April 2004, Royal travel costs incurred on engagements supporting UKTI have been funded directly by grant-in-aid from the Department. Overseas journeys on behalf of the Foreign and Commonwealth Office are also funded by grant-in-aid from the Department.

## **CONCLUSION**

34. We have shown our findings to the Department and the Household. They consider that the journeys we examined were consistent with the relevant guidance and criteria governing the use of grant-in-aid for Royal Travel.
35. Subsequent to our work, in December 2004, the Cabinet Office announced a review of the current arrangements for the provision of air travel for the Royal Family, Government Ministers and accompanying senior officials, taking into account safety, reliability, security and value for money. The review will be headed by Sir Peter Gershon, and is expected to report in the second half of 2005 and to make recommendations for improvement where appropriate. We will make our work on this matter available to Sir Peter.

## Annex A

### SAMPLE OF 2003-04 JOURNEYS EXAMINED BY THE NAO

Date	Net <sup>1</sup> Cost to grant-in- aid £	Schedule	Why selected for review	
			Mode	Other factors
02/05/2003	3,989	SHP- Portsmouth. Winchester – SHP	Chartered helicopter	Short Distance
05/05/2003	4,178	NHT – Leuchars - NHT	RAF aircraft	Press coverage that golf was involved
24/06/2003	2,939	KP - Oxford - KP	Chartered helicopter	Short Distance
17-19/09/03	3,201	NHT – Leuchars - NHT	RAF aircraft	Press coverage that golf was involved
08/10/2003	1,402	Ronaldsway - Belfast City Aldergrove - Ronaldsway	RAF aircraft	Less than £2,500
06-07/11/03	1,927	NHT – Edinburgh - LYN	RAF aircraft	Visit in area of location of Royal & Ancient
08-09/01/04	3,711	NHT - Birmingham - Florence - Edinburgh - NHT	RAF aircraft	Visit in area of location of Royal & Ancient
03-06/03/04	5,198	SHP - Coventry - Gaydon - Wakefield - Leeds.....SHP	The Queen's Helicopter	Short Distance
11-12/03/04	1,449	NHT - Leuchers - Prestwick – NHT	RAF aircraft	Visit in area of location of Royal & Ancient
19/03/2004	3,662	SHP - Warminster - SHP	Chartered helicopter	Short Distance
TOTAL	31,656			

### SAMPLE OF 2004-05 JOURNEYS EXAMINED BY THE NAO

Date	Net Cost to grant- in-aid £	Schedule	Why selected for review	
			Mode	Other factors
4-6/05/04	4,686	Leuchars – Northolt – Leuchars – Edinburgh - Northolt	RAF aircraft	Reimbursement and possibly golf involved
11/05/04	3,401	Northolt – Belfast	RAF aircraft	Reimbursement and possibly golf involved
13-14/05/04	2,398	Belfast – Leuchars – Marham	RAF aircraft	Reimbursement and possibly golf involved
18/05/04	681	London – High Wycombe – London	The Queen's Helicopter	Short Distance (30 miles each way)
25/06/04	2,936	Farnborough – Yeovilton – Farnborough	RAF aircraft	Short Distance
29-30/06/04	6,162	Northolt – Belfast – Leuchars – Northolt	RAF aircraft	Reimbursement and possibly golf involved
TOTAL	20,264			

Note 1: Total cost of the journey less any reimbursement

## Annex B

### ANALYSIS OF THE DUKE OF YORK'S MODE OF TRAVEL, 2003-04

Mode of travel	Journeys costing £2,500 or more	Percentage of total	Journeys costing less than £2,500	Percentage of total
Total number of Journeys	32		20	
Net Cumulative cost	£284, 445		£29,979	
RAF aircraft	13	41	5	25
The Queen's helicopter	5	16	13	65
Chartered helicopter	11	34	2	10
Chartered flight	2	6	0	0
Scheduled flight	1	3	0	0
Scheduled rail	0	0	0	0
Total	32	100	20	100

### ANALYSIS OF THE DUKE OF YORK'S MODE OF TRAVEL, 2004-05 (TO JUNE 2004)

Mode of travel	Journeys costing £2,500 or more	Percentage of total	Journeys costing less than £2,500	Percentage of total
Total number of Journeys	9		6	
Net Cumulative cost	£195,229		£11,194	
RAF aircraft	4	45	4	67
The Queen's helicopter	2	22	2	33
Chartered helicopter	1	11	0	0
Chartered flight	1	11	0	0
Scheduled flight	1	11	0	0
Scheduled rail	0	0	0	0
Total	9	100	6	100

## Annex C

### SUMMARY OF MODES OF TRAVEL USED BY THE DUKE OF YORK AND OTHER MEMBERS OF THE ROYAL FAMILY, 2003-04

#### Journeys costing £2,500 or more

Member of the Royal Family	Number of journeys costing £2500 or more	Mode of travel			
		RAF aircraft or The Queen's Helicopter	Chartered flight or helicopter	Scheduled flight or rail	Royal Train
Princess Alexandra	7	57%	43%	0%	0%
Duke of York	32	56%	41%	3%	0%
Duke of Kent	16	50%	50%	0%	0%
Princess Royal	63	43%	54%	3%	0%
Earl & Countess of Wessex	21	38%	43%	19%	0%
Duke & Duchess of Gloucester	15	27%	60%	13%	0%
Prince Michael of Kent	1	0%	100%	0%	0%

#### Journeys costing less than £2,500

Member of the Royal Family	Number of journeys in 2003-04 costing less than £2500 each	Mode of travel			
		RAF aircraft or The Queen's Helicopter	Chartered flight or helicopter	Scheduled flight or rail	Royal Train
Duke of York	20	90%	10%	0%	0%
Duke & Duchess of Gloucester	30	50%	0%	50%	0%
Duke of Kent	20	75%	0%	25%	0%
Earl & Countess of Wessex	12	75%	0%	25%	0%
Princess Royal	69	49%	4%	46%	0%

## Annex D

### REIMBURSEMENT OF THE DUKE OF YORK'S TRAVEL COSTS

#### 2003-04

Organisation	Purpose of trip	Actual Total Cost	Amount reimbursed	Percentage of cost reimbursed
<b>Total</b>		<b>£314,424</b>	<b>£13,452</b>	<b>4</b>
Of which:				
Royal & Ancient Golf Club	Attendance at meeting as Captain of the Club	£4,179	£468	11
Royal & Ancient Golf Club	Attendance at meeting as Captain of the Club	£4,325	£1,124	26
Royal & Ancient Golf Club	Attendance at meeting as Captain of the Club	£2,563	£636	25
Royal & Ancient Golf Club	Attendance at meeting as Captain of the Club	£2,403	£954	40
United Kingdom Trade and Investment	Promotion of UK Business abroad	£10,270	£10,270	100

#### 2004-05 (to June 2004)

Organisation	Purpose of trip	Actual Total Cost	Amount Reimbursed	Percentage of cost reimbursed
Royal & Ancient Golf Club	Representing the Club as Captain at various engagements (four in total)	£19,251	£2,544	13