



Future Parks

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The contribution made by Sheffield's parks to the wellbeing of the city's citizens

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Introduction

For the first time it is possible to reveal the economic role parks play in Sheffield city life.

Today's citizens of Sheffield enjoy an extensive public parks and green space portfolio of around 4,100 hectares, created in the past and maintained by contributions from residents over decades. These parks enhance the wellbeing of citizens in a number of ways. Information, examined and presented here, on the contribution of the parks to the quality life in the city can be used to raise awareness of the value of the asset which the people of Sheffield use, pay for and which the City Council looks after. This knowledge will empower citizens and their representatives to make decisions around future strategy, spending, funding and institutions, and to monitor performance more confidently.

The approach uses natural capital accounting, designed to capture the overall economic, social and environmental value of the public parks and greenspace asset and the services that benefit society as a whole. The estimates are ideal for the purpose of illustrating relative and absolute magnitudes of value. The assessment presented below has been put together with great care. It employs an accounting framework which is consistent in its form and principles with financial reporting so that it can be read alongside the City Council's financial statements. It differs from financial statements in some of the valuation methods used, to suit the nature of the services addressed. The figures have been prepared in a transparent manner, using the latest published multi-disciplinary evidence and have been tested in discussion with national technical experts. Furthermore, they have been estimated in a deliberately cautious manner, choosing assumptions that are likely to under- rather than over-state a valuation, wherever assumptions are needed because of the absence of empirical evidence. The evidence base is not complete and certain, so there remain uncertainties over the impact the park has on wellbeing. Yet the figures are valid in revealing the orders of magnitude of value and relative levels of value of the parks and their services.

Findings

The parks make a substantial contribution to the health and wellbeing of the people of Sheffield.

Around 60 per cent of the benefits of the parks arise from their contribution to physical and mental wellness. The health benefits come through reduced circulatory diseases such as stroke, heart attack, diabetes, cardiovascular dementia and reduced burden of depression. The parks are also enjoyed for recreation, which is capitalised in the value of neighbouring properties, and there are further benefits to air quality, climate change and crime. Thus they contribute to some of the things which people care most about: quality of life including family life, health, recreational enjoyment, safety of themselves and their property, and overall a good place to live. There are also benefits to employers; a healthier workforce results in raised productivity levels. With health benefits as the most important outputs from the parks, the delivery of health outcomes ought to be a strategic focus from parks and this means close working with health service providers to target groups who would benefit the most.

Health service providers are major beneficiaries and can invest to save. Parks services offer attractive investment returns to health service providers. For example, if a health service provider

were to make an investment in an endowment yielding 3.5 per cent, the income from which was used to sustain parks services, they would receive returns of around 18 per cent in real terms, which is much higher than the return they could expect to receive from alternative conventional investments. Conventional commercial property investments have historically yielded around 9 per cent real terms in the UK and current UK government debt yields a negative real return.

It is beyond all doubt that expenditure on Sheffield's parks services are excellent value for money. For every pound spent currently by the Council, on average £42 of services are supplied. Misleadingly, parks appear as a net cost in the Council's financial statements. Despite the appearance from the Council's financial statements, there are few better ways to spend money than this. This is not a comment on whether spending could be made more efficient: it may or may not be so. It is a finding that spending should not be reduced if it leads to reduced services. It also suggests that increases in spending might be excellent value for money. In comparison with spending on other infrastructure, such as road building and enhancement, parks spending performs much better. For example, Department for Transport guidance stats that value for money is 'very high' if benefits outweigh costs by a ratio greater than 4:1, which coincidentally is the mean ratio for all major highways schemes between 2002 and 2010, calculated by the Highways Agency. In contrast, parks spending achieves a ratio of 42:1. Residents receive much more in wellbeing than they pay in contributions, so they will not want to see services reduced. Some of the value is capitalised in the value of their homes and for those that own their own homes, a reduction in parks expenditure would erode personal wealth.

Sheffield's parks have a combined asset value of around £1.4 billion. The parks asset value is around 5 per cent of the asset value of residential property in Sheffield, which is around £27 billion. Meanwhile, the present value of future expenditure to maintain parks is around £0.036 billion. Parks are thus an important asset to the city, but by no means as important as the housing stock, nor probably commercial and industrial assets, transport, health and education infrastructure. Nevertheless, they are a much more important component of the Sheffield's economy than is indicated by the expenditure on them.

In conclusion, the combination of financial and natural accounting data reveals the true value of the parks to the people of Sheffield. By showing how much of the parks asset value lies outside the financial statements, the accounts emphasise how important it is to account completely for the value of services. Through the use of comprehensive accounts, stakeholders can form well-evidenced views and more effectively participate in decisions. Those decisions can direct resources towards the most valuable outputs and can ensure that valuable services are adequately supported. This would be impossible if decisions rely on financial statements alone. These accounts may now be used to inform the parks management strategy, health services providers' engagement with the future of parks services, funding arrangements and institutional arrangements for the future of the parks service.

The full natural capital accounts are laid out in Table 1 for reference. Supporting notes to the accounts are also available.

Table 1. Natural capital accounts for Sheffield's parks

Services	Beneficiaries					Total Value	Share of value	In financial accounts
	Sheffield City Council	Public services	Residents	Businesses	Global			
Recreation	3					3	-	3
Parking	2					2	-	2
Leases (commercial, café)	10					10	1%	10
Fibre (timber)	2					2	-	2
Mental health		29	74	42		145	11%	-
Physical health		216	338			554	42%	-
Grants	3					3	-	3
Residential property uplift	109		128			237	18%	
Clean air		40	49			89	7%	
Carbon storage in trees and soil					120	120	9%	
Temperature				84		84	6%	
Wildlife		6				6	-	
Crime	14		52			66	5%	
Flood risk mgt	2					2	-	
Gross asset value	144	291	303-641	126-464	120	1,321	100%	20
Liabilities								
Operational expenditure	(23)					(23)	62%	(23)
CAPEX (core + optional backlog)	(14)					(14)	38%	(14)
Total liability	(36)					(36)	100%	(36)
Total net asset value	108	291	303-641	126-464	120	1,285		(16)
Share of net value	8%	23%	24%-50%	10%-36%	9%	100%		

Note: Benefits for households from residential property uplift are adjusted to avoid double counting of health benefits, leading to accrual of these benefits equally to the SCC and households

Source: Vivid Economics

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: vivideconomics

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