

Future Parks

www.futureparks.org

: vivideconomics

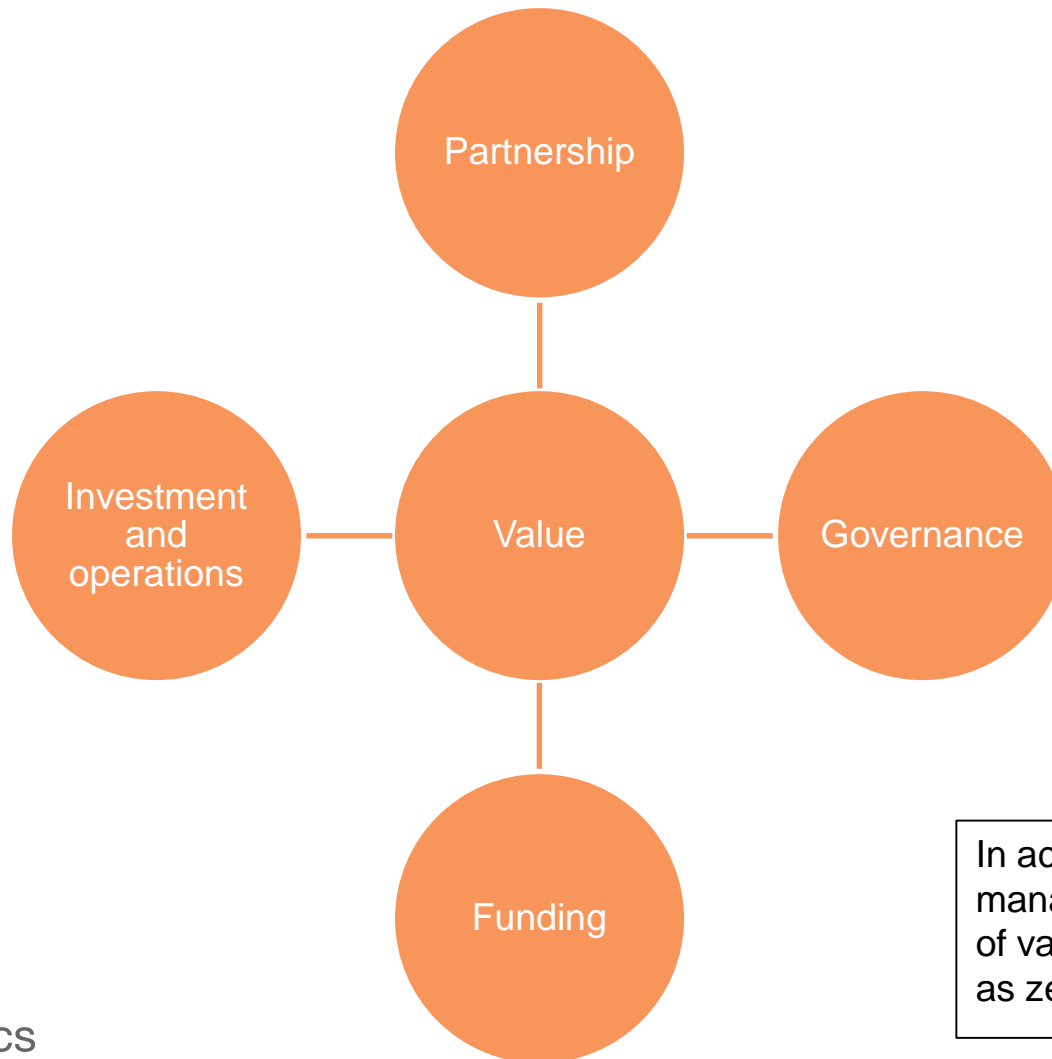
The economics of urban parks

Prosperous Cities Conference

London, 27th September 2016



Parks strategy relies on an understanding of value



In accounts used for management, absence of valuation is treated as zero value

Sheffield, as an example

For every £1 spent on parks services, £42 of benefits are generated

Parks assets are much greater than liabilities, but a modest 5 per cent of the residential property value of Sheffield

Figure 1. Relative asset values



Health benefits are a top priority for parks management

Table 3. Over half of services value is benefits to health

Service	Asset value for service, £ million	Share of value
Physical health	550	43%
House price uplift	230	18%
Mental health	150	12%
Carbon dioxide	120	9%
Air quality	90	7%
Temperature	80	6%
Crime	70	5%

Residents benefit most from parks expenditure

Table 2. Residents enjoy the greatest share of the parks' asset value

Beneficiary	Asset value to beneficiary, £ million	Share of value
Residents	470	36%
Businesses	300	23%
Health service providers	290	22%
Sheffield City Council	140	11%
Global society	120	9%

Local support
Residents benefit more than they contribute, so they would rather pay than lose the services

Invest to save
In the long run, the costs of running parks would pay for themselves through health service savings alone

Value of asset per hectare

Figure 2. Relative land values



£1,300 million



Higher for city
centre estate

£320,000/ha



Lower for
peripheral
moorland
estate



4,100 ha

Balance sheet for parks

Table 4. The natural capital accounts for Sheffield's parks

Assets	Value (£ million)					Total	Share of value	In financial accounts
	SCC	Public services (mainly health)	HH	Businesses	Global	Value	%	SCC
Baseline value								
Recreation	3					3	-	3
Parking	2					2	-	2
Lease (commercial and cafés)	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 management	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%		

Financial accounts show net liability even though parks are a net asset for the city

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Company Profile

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