

Future Parks

www.futureparks.org

: vivideconomics

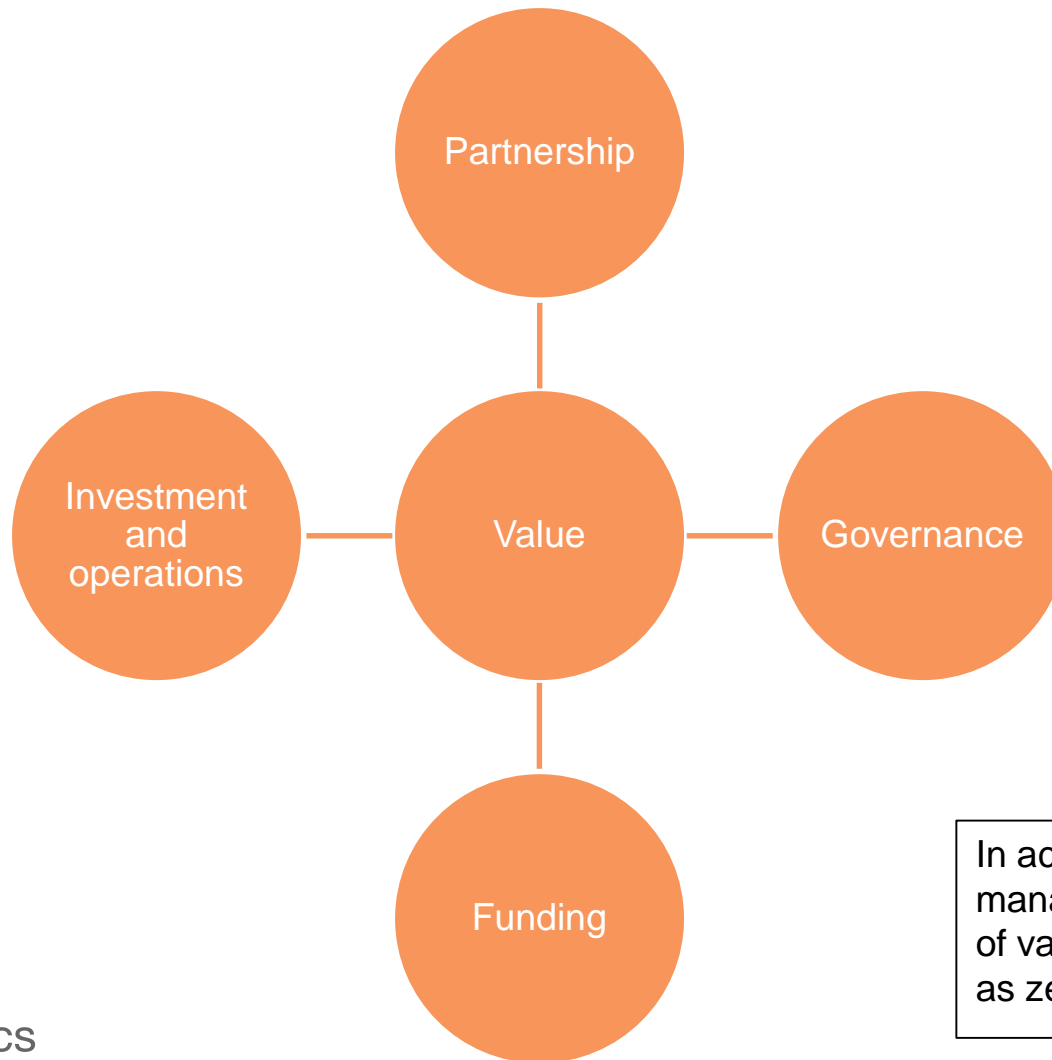
The economics of urban parks

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, £36 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	580	45%
Businesses	300	23%
Health service providers	290	22%
Global society	120	9%
Sheffield City Council	0	0%

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



£320,000/ha



Higher for city centre estate



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			237			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	35	291	412-750	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	(1)	291	412-750	126-464	120	1,285		(16)
Share of net value	0%	23%	32%-58%	10%-36%	9%	100%		

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

Contact us:
26-28 Ely Place
London EC1N 6TD
United Kingdom

Author contact details: Jason Eis
E: jason.eis@vivedeconomics.com

Company Profile

Vivid Economics is a leading strategic economics consultancy with global reach. We strive to create lasting value for our clients, both in government and the private sector, and for society at large.

We are a premier consultant in the policy-commerce interface and resource and environment-intensive sectors, where we advise on the most critical and complex policy and commercial questions facing clients around the world. The success we bring to our clients reflects a strong partnership culture, solid foundation of skills and analytical assets, and close cooperation with a large network of contacts across key organisations.

Practice areas

Energy & industry
Natural resources
Public & private finance

Growth & development
Competitiveness & innovation

