

Prosperous Cities Conference: Summary Briefing for Delegates

Revealing the true value of greenspace in cities: Sheffield's parks natural capital account

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Introduction

Parks play an important economic role in city life. Many citizens of cities enjoy an extensive collection of public parks and green spaces, created in the past and maintained by contributions from residents over decades. These parks enhance the wellbeing of citizens in a number of ways. An understanding of the economic contribution of parks to the quality of life in cities empowers citizens and their representatives to make decisions around future strategy, spending, funding, partnerships and governance, and to monitor performance more confidently. Without this understanding, management is disadvantaged and funding is harder to justify.

The economic contribution of parks can be expressed as a natural capital account. This presentational device captures the overall economic, social and environmental value of the public parks and greenspaces through the value of the services they generate. The estimates are ideal for the purpose of illustrating relative and absolute magnitudes of value. The accounting framework is consistent in its form and principles with financial reporting, so that it can be read alongside a local authority's financial statements. It differs from financial statements in some of the valuation methods used, to suit the nature of the services addressed. It is possible to prepare the accounts in a transparent manner, using the latest published multi-disciplinary evidence and to test assumptions made in discussion with technical experts. 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.

The example of parks in Sheffield

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 smaller 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, and safety of themselves and their property. There are also benefits to employers; a healthier workforce results in raised productivity levels. The evidence suggests that health benefits is the most important category of outputs from parks, so the delivery of health outcomes ought to be a strategic focus from parks. This means that partnership working between parks managers and health service providers to target groups who would benefit the most should be central to parks management strategy.

Early evidence suggests that health service providers are major beneficiaries and can invest to save. The evidence so far indicates that parks services may offer attractive investment returns to

health service providers. This is because for every pound spent on parks services, the health benefits are many times greater.

It is beyond all doubt that expenditure on parks services is excellent value for money. For every pound spent currently by Sheffield City Council, on average £34 of services are supplied. Yet, parks appear as a net cost in financial statements. Despite the appearance from the 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 the services should be maintained. It also suggests that increases in spending might be worthwhile. One can compare parks spending with spending on other infrastructure, such as road building and enhancement: parks spending appears to perform 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.

Sheffield’s parks have a combined asset value of around £1.2 billion. The parks asset value is around 5 per cent of the asset value of residential property in Sheffield, which is around £27 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 Sheffield’s economy than is indicated by the expenditure on them.

Conclusion

In conclusion, the combination of financial and natural accounting data reveals the economic contribution of city parks. 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, directing resources towards the most valuable outputs and ensuring that valuable services are adequately supported. This would be impossible if decisions rely on financial statements alone. These accounts can be used to inform the parks management strategy, health service providers’ engagement with the future of parks services, funding arrangements and governance arrangements for the future of the parks service.

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The methodology, data and template for these accounts will be published on www.futureparks.org on 20 October 2016.