

: vivideconomics

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

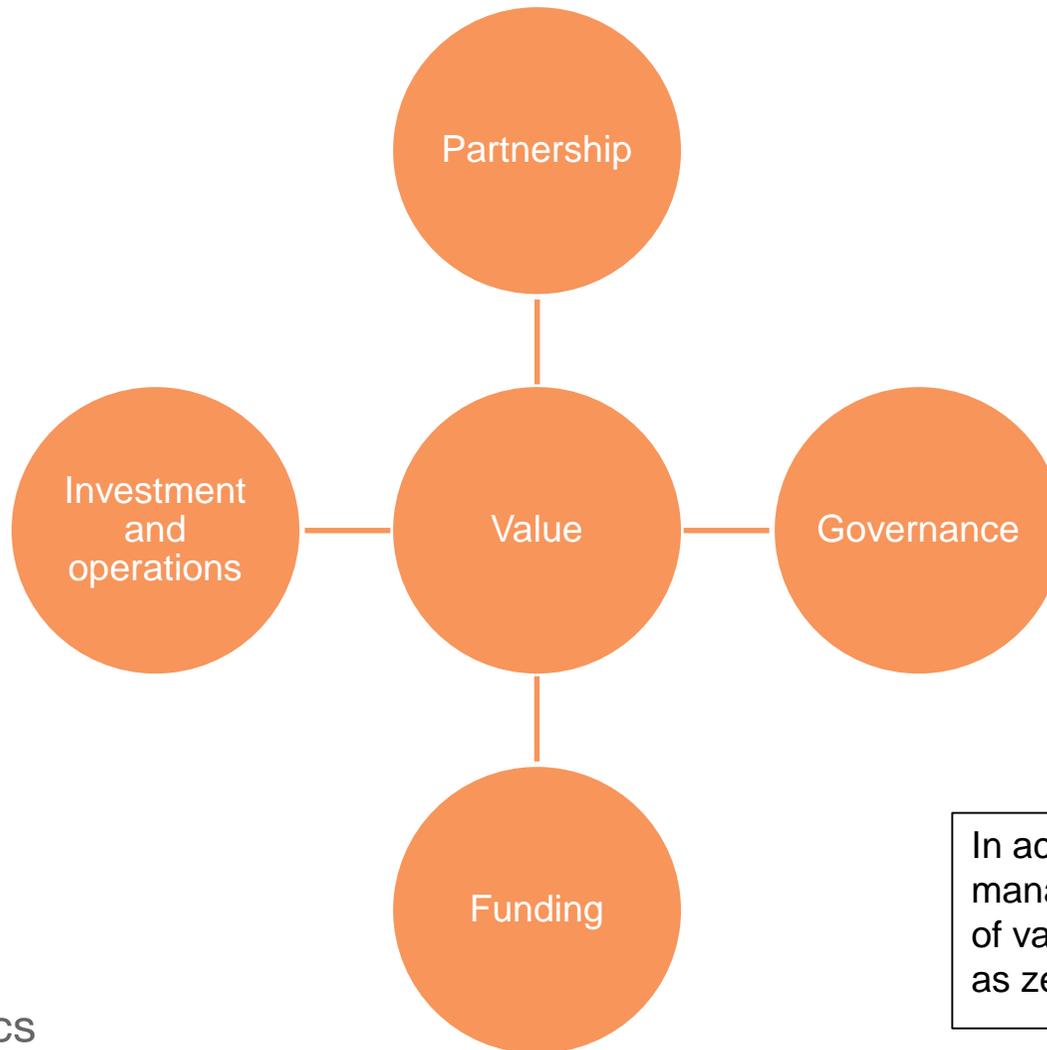
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**Growing Prosperous Cities Conference**

London, 27<sup>th</sup> 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

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**For every £1 spent on parks services, £34 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	46%
Mental health	150	12%
House price uplift	130	11%
Carbon dioxide	120	10%
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	40%
Businesses	300	25%
Health service providers	290	25%
Sheffield City Council	130	10%
Global society	120	10%

**Local support** Residents receive much more in wellbeing benefit than they pay in contributions, so they will not want to see services reduced

**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	12%	-
Physical health		216	338			554	46%	-
Grants	3					3	-	3
Residential property uplift			128			128	11%	
Clean air		49	49			89	7%	
Carbon storage in trees and soil					120	120	10%	
Temperature				84		84	7%	
Wildlife		4				4	-	
Crime	14		52			66	5%	
Flood risk management	2					2	-	
<b>Gross asset value</b>	<b>128</b>	<b>285</b>	<b>303-641</b>	<b>126-464</b>	<b>120</b>	<b>1,212</b>	<b>100%</b>	<b>20</b>
<b>Liabilities</b>								
Operational expenditure	(23)					(23)	62%	(23)
CAPEX (core + optional backlog)	(14)					(14)	38%	(14)
<b>Total liability</b>	<b>(36)</b>					<b>(36)</b>	<b>100%</b>	<b>(36)</b>
<b>Total net asset value</b>	<b>(1)</b>	<b>291</b>	<b>303-641</b>	<b>126-464</b>	<b>120</b>	<b>1,176</b>		<b>(16)</b>
<b>Share of net value</b>	<b>7%</b>	<b>23%</b>	<b>24%-51%</b>	<b>10%-37%</b>	<b>9%</b>	<b>100%</b>		

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

# Where next for city greenspace NCA?

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## Share the prototype

- Publish the methodology, template and guidance on *Future Parks* website, launching on 20 October [www.futureparks.org](http://www.futureparks.org) illustrated by the Sheffield data
- Explore strategic implications for parks strategy and financing with a local government audience – at the **Future Parks conference on 20 October in London** (Robin Smale from Vivid Economics presenting and on expert panel)
- Option for webinar to understand technical issues re methodology and learning from approach (with Vivid Economics team)

## Valuing London's parks and greenspaces

- Vivid Economics will be further applying and developing the methodology for London's greenspaces co-commissioned by GLA, HLF and NT, starting October 2016

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### 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.

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### Practice areas

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