Valuing our parks & green spaces

Natural Capital in practice

Unlocking the value of London's greenspace assets

We've known for some time that parks are good for people. We have a welter of evidence to demonstrate the economic social and environmental benefits that accrue from good quality green space. Parks are places of employment and entrepreneurialism and are places where people acquire new skills; parks are places to stay healthy and act as the glue that binds communities together; parks moderate flood risk, pollution and urban warming and support bio-diversity.

But up to now, we haven't been able to describe the financial value of these benefits. This is important because pressures on public sector funding are making it increasingly difficult for parks asset managers to continue to deliver these important outcomes. The Corporate Natural Capital Accounting (CNCA) reports that we have prepared for Barnet and Barking and Dagenham Councils provide the evidence that public asset managers in both boroughs need to make the case for investing in green infrastructure.

The CNCA process assesses the quality of greenspace assets and the value of outcomes that they support. These outcomes include the impact of greenspace on property values, employment, current and future health costs and variety of environmental indicators. The values are combined into a Natural Capital Balance Sheet that compares the value of outcomes with the costs of sustaining these outcomes over time. For the London Borough of Barnet, the CNCA demonstrates a return on investment in green infrastructure in excess of 10 to 1.

In Barking and Dagenham, where the population will increase by over 45% over the next 20 years, the CNCA was able to quantify potential avoided health costs across the borough based on increasing rates of engagement with green space services over the same period. The study also demonstrates a significant correlation between obesity levels and the quantity and quality of green space provision across the borough.

The funding available to green space services will remain under considerable pressure for the foreseeable future. The value of the CNCA process lies in creating an evidence base that can inform outcomes-based decision-making around scarce resources and the strategic alignment of greenspace services with the statutory (as opposed to discretionary) responsibilities placed on public authorities. Equipped with this data, we can be more confident that parks can be even better for people in future.

Jon Sheaff is the Director of Jon Sheaff and Associates Landscape Architects

Valuing our parks & green spaces

Natural Capital Accounting

'Natural' capital is made up of the elements of the natural environment that benefit people directly or indirectly. These include ecosystems, species, fresh water, land, minerals, the air and oceans, as well as natural processes and functions. Benefits can include goods (such as timber and food), services (such as clean air and water) and less tangible benefits such as the better health resulting from access to nature.

In an urban context, natural capital assets are our parks, rivers, trees, and features such as green roofs that collectively form an essential green infrastructure designed and managed to:

- promote healthier living
- lessen the impacts of climate change
- improve air quality and water quality
- encourage walking and cycling
- store carbon
- improve biodiversity and ecological resilience

Natural capital accounting

Although natural capital has intrinsic value, the services and benefits it provides can be described in economic terms through a process known as natural capital accounting. **A natural capital account** is as a way of representing the value of natural capital alongside more traditional economic statistics by measuring its physical quantity or quality, quantifying the flow of services it provides and identifying beneficiaries from these services. **A Natural Capital Account for Public Green Spaces in London** has been published to illustrate the approach and identify the significant economic value of London's parks and green spaces.





Young Greater Spotted woodpecker in brockwell park

Why do we need a natural capital account for London?

- Public green spaces are essential for maintaining a good quality of life, especially in urban areas. Protecting our natural heritage and public green spaces for sport and recreation is a cornerstone of city planning policy.
- All London Boroughs maintain a network of public green spaces, even though this is a discretionary service.
- Public sector funding constraints mean all local authorities need to cut costs. The impact of this has been investigated and summarised in the **State of UK Public Parks 2016 report (PDF)** published by the Heritage Lottery Fund.
- A natural capital account can help to inform and improve decision-making by framing public green spaces as economic assets, and highlighting the range and value of benefits that they provide. This approach is supported by a national and London policy framework.

What does the natural capital account tell us?

- Reducing funding for parks and green spaces is a false economy
- London's public green spaces have a gross asset value of more than £91 billion, providing services valued at £5 billion per year
- for each £1 spent by local authorities and their partners on public green space, Londoners enjoy at least £27 in value
- Londoners avoid £950 million per year in health costs due to public green space
- the value of recreational activities is estimated to be £926 million per year
- for the average household in London, the monetary value of being near a green space is over £900 per year

Public green spaces offer other services too, such as temperature regulation and carbon storage. Green spaces in urban areas counter higher temperatures in summer months that can lead to ill health.

However, the economic benefits are not spread equally across or within London Boroughs. The account also indicates that there is a fairness and equality agenda that must be addressed in future funding and investment.

How can we act on the natural capital account?
London Boroughs face significant budgetary constraints while the demand for the services they must provide is increasing.

The boroughs, and other owners and managers of public green space, have made cost savings and implemented other efficiencies (such as shared services) to address tighter budgets. However, more needs to be done to reorganise the 'parks service' as local authorities and their partners prioritise their statutory obligations.

The Mayor has set out the ways in which he, in partnership with others, intends to help.

Promoting the natural capital accounting approach
The Government has committed to including natural capital accounts in the UK **Environmental accounts** by 2020. This means natural capital accounts can be used alongside other key indicators of economic performance.

The Natural Capital Committee has flagged the development of natural capital accounts as a signal to decision-makers that monitoring and valuing natural assets is important. The Office for National Statistics has been charged by Government to **develop a roadmap** to enable this. They have also produced a **natural capital overview** of the work towards this objective.

The natural capital account for London's public green spaces report contributes to this work by showing that natural capital accounting makes sense in an urban context and can be applied effectively to urban green infrastructure.

Establishing a London Green Spaces Commission

The Mayor will establish a Green Spaces Commission to work with London boroughs to explore more sustainable ways of managing their parks and green space services.

The Commission will:

1. promote the socio-economic value of London's public green space asset as a coherent and functioning infrastructure for London (for example, promoting the London Natural Capital Account)

2. examine the existing model of service delivery for public green spaces; highlight innovative thinking about the purpose and function of public green space; and, propose alternative approaches

3. determine the most suitable future models to secure long-term funding and investment for London's public green spaces

The London Green Spaces Commission will expand upon and provide a London focus to initiatives such as **Future Parks** and **Rethinking Parks.**

Influencing Government policy

The Government has established a **Parks Action Group** following the public parks inquiry by the Communities and Local Government Select Committee. The group will make proposals to address some of the issues faced by public parks across England.

The Mayor expects his Green Spaces Commission will work closely with the Parks Action Group to ensure the best ideas and proposals are brought forward to protect public green spaces in an increasingly urbanised population.

Making London a National Park City

The natural capital account demonstrates that London's green spaces are a highly valuable asset, and investment in them provides good value for money. We know also that Londoners appreciate and demand good quality green space.

London is set to be home to over 11 million people by 2050. We will have to adapt and innovate policy, practice and the way in which we make investment decisions, to ensure we maintain and improve London's public green space.

London as a National Park City provides an opportunity to promote why and how a more integrated approach to the planning, design and delivery of a 'green infrastructure' works to bring the economic, social and environmental benefits the city and Londoners need. It will also help individuals, communities, businesses and institutions appreciate their potential to contribute to making London a greener, more resilient city.



Lambeth Greenflag Parks

