

Briefing

Paying for parks Eight models for funding urban green space

The last three decades of the 20th century saw a sustained decline in the quality of urban green spaces in England¹. This is now beginning to turn around. Today the quality of green space is improving rather than declining. Greater public priority for investment has enabled local authorities, public bodies and over 4,000 community groups to bring about the refurbishment and renewal of many urban green spaces.²

The challenge now is to ensure the long-term sustainability of these improvements in the conditions of urban green spaces across the country. In many cases, this will require the identification of alternative sources of revenue and capital funding.

Funding for public parks and urban green spaces was significantly reduced between 1979 and 2000, losing an estimated £1.3 billion in total.³ Because parks and green spaces were not, and are not, a statutory service that local authorities are legally obliged to provide, they slipped down the political agenda, losing out to formal recreation and leisure activities that generated revenue, and statutory environmental services such as waste management and planning.

At the same time the skills base in green space management was wasting away. The parks sector was suffering not only from an ageing work force and a shortage of horticultural skills, but also from a critical lack of management, promotional, presentational and interpersonal skills. In 2003, 68 per cent of parks staff were over 40 years old and 92 per cent were over 30 years old, many staff were poorly motivated and the public perception that the work was low-skilled, mundane, physical, menial and boring was leading to difficulty recruiting

new blood into the parks sector.⁴ The result of these funding cuts and skills shortages, as the Urban Green Spaces Task Force highlighted in 2002, was a significant decline in the quality of parks and a failure to meet the needs of increasingly diverse urban populations.

More recently, a number of initiatives have been put in place by government to help enhance urban green space. These policies, together with significant investment from the national lottery, and in particular the Heritage Lottery Fund, have helped reverse the fortunes of many of our public parks. The number of Green Flag Awards is increasing and the National Audit Office recently noted a doubling of the local authority managers believing their parks and green spaces to be improving. However, in places throughout the country, it is still a struggle to find capital funding to improve those parks that remain run-down, and revenue funding to ensure that restored parks are maintained to a good standard and do not decline again.

Eight models for funding urban green space



1 Traditional local authority funding

In England, green space managed by local authorities is usually funded from the authority's general revenue budget, which is financed from local taxation and/or government transfers. Green space is one of many services funded from this budget and parks departments have to compete for the money. The decision about how the general revenue budget is distributed among competing services is made by councillors.

Strengths

- local and national taxation provides a relatively stable source of funding on an annual basis
- strategic thinking can enable pooling of resources between and within local authority departments, neighbouring local authorities and the voluntary and community sectors.

Weaknesses

- annual funding arrangements can result in financial uncertainty and an inability to think long term
- ring-fencing funding specifically for urban green space is unusual due to its non-statutory status, and has often been cut when savings have to be made
- partnership working can be difficult if urban green spaces span several local authority boundaries.



Paris, France: the city's policy for urban green space is defined exclusively by the city's mayor, subject to the approval of the council.



2 Multi-agency public sector funding

In England, funding can be accessed from a range of government departments and agencies for the delivery of projects that meet cross-cutting targets, for instance targets for public health, young people, crime or sustainable development. Often this money could be used to fund urban green spaces.

Strengths

- pooling of resources between different bodies can support mutual goals leading to efficiency savings and better value for money
- encourages the formation of partnerships and can build community capacity.

Weaknesses

- many initiatives that encourage collaboration are one-off and short term
- there is competition for resources from other areas, for example police and health services.



Hillingdon, London: Healthy Hillingdon is a partnership between the borough's parks department and the primary care trust, founded on the premise that encouraging greater use of urban green space can help promote public health and prevent illness.

The full report, *Paying for parks: eight models for funding urban green spaces* considers the main ways of funding the management and maintenance of urban green space that are being used throughout the world and recommends funding models that could be applied in England to parks and other urban green spaces in a range of contexts. The report focuses on publicly owned land and examines models for organisations working in this context.

The findings are based on an analysis of existing research and policy on the funding of urban green space, interviews with key organisations that have developed innovative approaches, and reviews of relevant national and international best practice.

The report:

- examines the economic, social and environmental benefits of green space, the reasons for the past decline in its quality and current policies for reversing that decline
- reviews national and international examples of funding for urban green space
- identifies eight funding models that could be used to support urban green space in England
- considers the benefits and drawbacks of the eight funding models and their applicability to areas of high and low housing demand.

For copies of the full report, visit www.cabe.org.uk/publications or telephone 020 7070 6700.

Footnotes

1 Throughout the report the terms 'urban green space' and 'urban green spaces' are used to include the full range of open space typologies identified in PPG17. For further information see <http://tinyurl.com/prls2>

2 *Enhancing urban green space*, National Audit Office, 2006.

3 *Public parks assessment: a survey of local authority owned parks*, Urban Parks Forum. GreenSpace, 2001.

4 *People need parks need people – the skills shortage in parks: a summary of research*, CABE Space et al. 2004.

5 *The value of public space*, CABE Space, 2004.



3 Taxation initiatives

In many countries levies on property, or tax credits, can be ring-fenced to fund the management and provision of urban green space.

Strengths

- dedicated local taxation can secure reliable and significant financial resources
- good quality urban green spaces can increase property values and create tax revenue when properties are bought and sold.

Weaknesses

- English local authorities have limited autonomy and freedom to impose additional local taxes
- an initial financial outlay is involved and returns from schemes may take time to be realised.



© Parks Victoria

Victoria, Australia: the primary source of funding for metropolitan parks is a 'parks charge' levied on domestic, commercial and industrial properties.



4 Planning and development opportunities

Planning agreements can ensure funding for the provision and management of urban green space in, and around, new residential and commercial developments.

Strengths

- can provide steady funding which is secured at the outset
- establishes mutual public and private goals as property developers are required to contribute to developing and maintaining publicly accessible green space that can in turn help to increase the value of their assets and investments.

Weaknesses

- the funding is susceptible to competition from other types of infrastructure such as public transport, community buildings and waste management
- can be used only for new development.



© Nicole Calomb

Malmö, Sweden: In the Bo01 district, the city planning authority ensures that private developers take responsibility for managing and maintaining green spaces in a number of new areas of residential development. Developers plant trees and vegetation, install water features and organise for long-term maintenance via the charge of service fees to new property owners.



5 Bonds and commercial finance

In some countries, local businesses and residents can vote to allow the local authority to receive loan funding from bonds that can be repaid, including interest, over a period of up to 30 years, to fund urban green space.

Strengths

- bodies created to access commercial finance are free from the financial restrictions that local authorities usually face
- can provide an initial and significant source of capital finance to fund urban green space projects.

Weaknesses

- typically used only for infrastructure projects with predictable revenue
- assets, in this case urban green spaces, need to generate enough financial return to make it economically viable
- English local authorities are not currently permitted to issue voter-approved bonds.



© Forest Park Forever

Missouri, USA: the City of St Louis issued \$17 million worth of bonds for improvements to Forest Park to be repaid through a city sales tax.



6 Income-generating opportunities

Opportunities for generating revenue income, such as licensing and franchising, sponsorship, entry fees and fines, are ways in which funding from the private sector and users of urban green space can be sourced.

Strengths

- generates extra money, spreads risks and increases usage of urban green space
- if ownership of land is retained by the local authority it provides a long-term investment
- can encourage the involvement of local businesses and stimulate the local economy.

Weaknesses

- difficulties in ring-fencing income within general public finance
- risk of over-commercialism and environmental damage unless managed carefully.



© OARF Space

Mile End Park, London: Mile End Park generates around 50 per cent of its annual budget from income-generating opportunities sited within the park, which include shop units, a go-kart track, café franchises and the hire of pavilions for weddings, conferences and exhibitions.



7 Endowments

Endowments provide long-term funding for urban green spaces from the interest gained on investments in assets such as property or the stock market.

Strengths

- steady and secure income which can be supplemented by the funding generated by other models
- financial risks can be spread across a range of investments
- investment in a property portfolio can help to increase the value of the property and subsequently the value of the endowment.

Weaknesses

- the initial endowment needs to be big enough to yield the necessary income; securing such a large asset will be beyond most organisations
- managing the investment requires considerable financial expertise, which may not be available within a local authority.



Green Flag Award Scheme © City of London

London: the Corporation of London manages around 4,000 hectares of green space in and around London using funding that comes primarily from historical property investments.



8 Voluntary and community sector involvement

Not-for-profit organisations and voluntary and community groups can contribute time and labour, raise funds and encourage community development and local ownership of urban green space.

Strengths

- charitable status of not-for-profit organisations brings tax-relief benefits, and can attract investment from sources that local authorities cannot
- partnership agreements between local authorities and not-for-profit organisations can increase opportunities for accessing lottery and regeneration funding.

Weaknesses

- fundraising programmes are usually more suitable for capital projects rather than longer term revenue funding, and many not-for-profit bodies struggle to survive financially due to the precarious nature of the income they rely on
- democratic responsibilities and accountabilities between the local authority and the voluntary and community sector are not always clear.



© Alan Barber

New York, USA: the not-for-profit organisation Central Park Conservancy has raised more than \$300 million from individuals, corporations and foundations and has taken over most of the day-to-day maintenance of the park including the cleaning of facilities, repairs and capital improvements.

Conclusions

– A range of very different approaches can be used to fund sustainable and high-quality urban green spaces. In short, a 'one-size-fits-all' approach will not work. However, whichever model or approach is taken, and whether a new space is being created or an existing space improved, it is important to set up dedicated funding and management arrangements from the outset.

– Successful urban green space funding is often underpinned by a strategic approach to funding and management that incorporates a portfolio of different funding sources, mechanisms and partnerships.

– The evidence clearly shows that the success of funding models is inextricably linked to the physical, political and social context within which the green space is located, and the assets and resources available. In order to fund urban green space effectively these factors must be taken into account in developing the funding strategy.

– Market-driven models are more applicable in areas of high housing demand which allows these areas greater flexibility to develop alternative approaches. However, the evidence also suggests that they could be applied in low demand contexts if supported with public investment.

– It is not just the amount of funding of green space that matters, but also how that funding is used. The skills and capacity of the people running green spaces, both at a management and an operational level, have a clear impact on the quality and the sustainability of those spaces.



Green Flag Award Scheme © Pamela Smith

– Although each of the funding models outlined could provide finance for green space, the level of additional or 'new' funding varies. In other words, the degree to which funding from each model supplements or replaces traditional local authority funding varies.

– Legislative reform in England in recent years has created a statutory environment that is now flexible to introduce some of these more sophisticated funding mechanisms, such as commercial loans or BIDs.

– Some models can be more readily applied to access finance in the short term. Other models require more long-term developmental work and radical thinking but could play an important role in funding green space in the future.

– Endowments can be very effective in ensuring a long-term income to fund green space maintenance. However, the size of the asset that must be invested to create the necessary income is a barrier to most organisations managing green spaces.

Solutions should also consider the range of barriers that could hinder the development of innovative funding models in England. These include:

– lack of awareness of the value of green space amongst key decision-makers and funders

– restrictions on the ability of local authorities to set and control local taxes and influence local business rates

– lack of financial management skills and capacity in many local authorities and the voluntary and community sector

– the vulnerability of funding for urban green space to cuts and competition from other services within local authorities

– low levels of corporate social responsibility and philanthropy in the English private sector

– the inability of many local authority parks departments to ring-fence funding.

The importance of seizing these opportunities to ensure the long-term success of urban green spaces is vital. These models provide the routes by which a more strategic and secure future for parks can be realised.

'A one-size-fits-all approach will not work. However, whichever model or approach is taken, and whether a new space is being created or an existing space improved, it is important to set up dedicated funding and management arrangements from the outset'

There is increasing recognition of the value of well-designed, managed and resourced parks and green spaces. Yet finding funding, in particular long-term revenue funding, remains a significant challenge. *Paying for parks: eight models for funding urban green space* responds by setting out the main funding mechanisms for green spaces, in the UK and abroad. Some could be replicated immediately, while others will take longer to implement and may require fiscal or legislative change. *Paying for parks* is a useful reference for parks and green space managers and regeneration professionals, as well as a call for a strategic rethink about how we resource these valuable assets.

1 Kemble Street
London WC2B 4AN
T 020 7070 6700
F 020 7070 6777
E enquiries@cabe.org.uk
www.cabe.org.uk

Commission for Architecture
and the Built Environment

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on architecture, urban design
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CABE Space is a specialist unit within CABE that aims to bring excellence to the design, management and maintenance of parks and public space in our towns and cities.

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