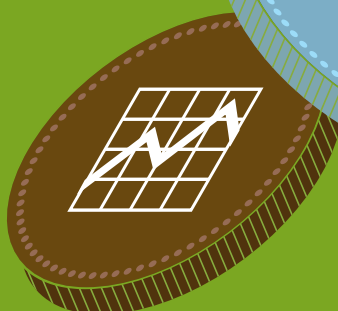
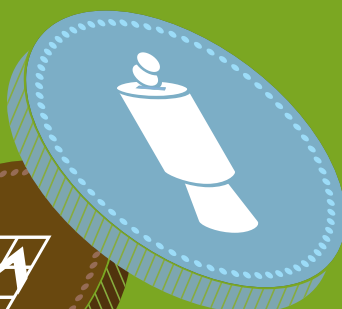
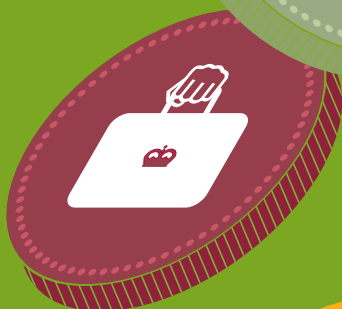


Paying for parks

Eight models for funding
urban green spaces



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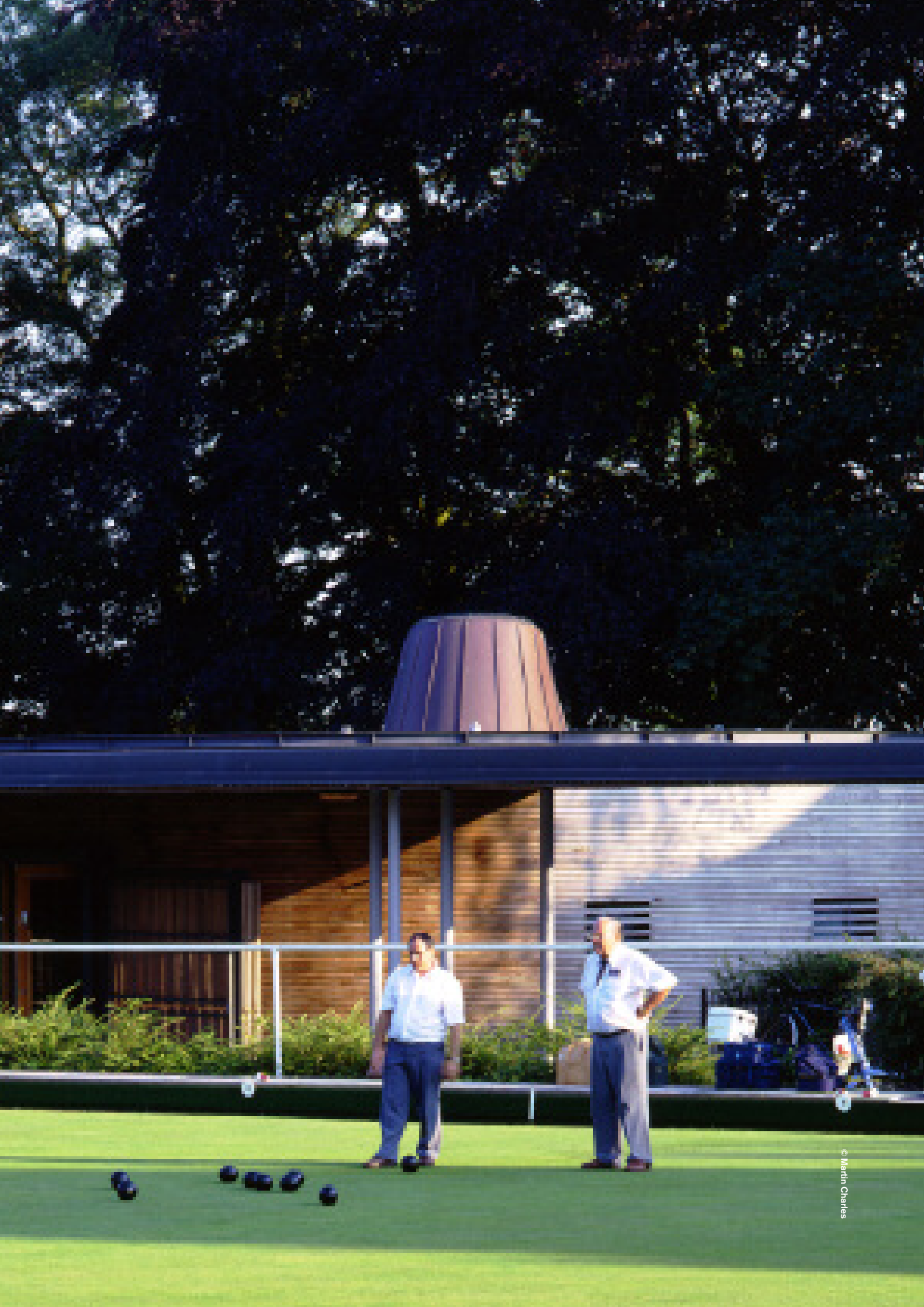
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Foreword

Parks are part of our heritage. Today, with a growing emphasis on leisure and with higher-density development, our parks are now playing an ever more important role in providing amenities and enhancing people's quality of life.

'Using a variety of innovative and different models for funding green space can result in better use of public money, and greater community involvement'

In recent years, many parks and open spaces in the UK have received significant lottery funding. Additional capital has helped a renaissance in our parks. The challenge we now face is ensuring long-term security for funding these green spaces. Neglected, poorly maintained green spaces can undermine the regeneration and revival of neighbourhoods. The Local Government Association (LGA) campaign, 'Closer to People and Places', emphasises the role for councils, working with their partners in the public, private and voluntary sector, creating places where people are proud to live.

The challenge for green space managers is to think more imaginatively about sources of revenue and capital funding for green space. This might be achieved partly through existing channels of challenge funding or departmental budgets; but solutions will be found in innovative partnership working and by demonstrating the benefits of green spaces to the authority's wider environmental and social ambitions. Using a variety of innovative and different models for funding green space can result in better use of public money, and greater community involvement.

This welcome research reinforces the importance of giving local communities greater say over the way their public services are run, and looks at ways voluntary and neighbourhood groups can get involved in the management and maintenance of green space. It also highlights the need for partners to work together in the delivery of projects that improve people's quality of life and economic prosperity.



Lord Bruce-Lockhart
Chair, Local Government Association

Executive summary

The last three decades of the 20th century saw a sustained decline in the quality of urban green spaces in England.¹ 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 workforce 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 Taskforce highlighted in 2002, was a significant decline in the quality of parks and a failure to meet the needs of increasingly diverse urban populations.

‘The challenge now is to ensure the long-term sustainability of 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’

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.

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 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.

1 Throughout this 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.

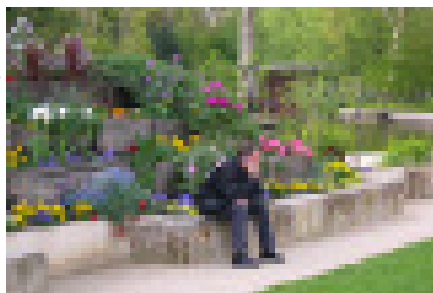
Eight models for funding urban green space



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.

© Nicole Collomb



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

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.



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.

© BTCV Green Gym



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

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.

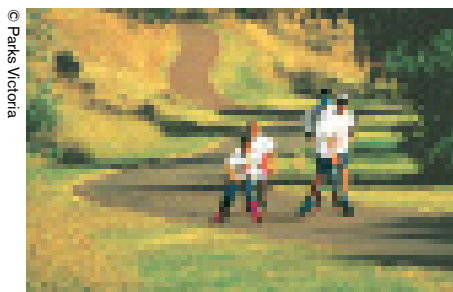
Weaknesses

- 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.



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.



© Parks Victoria

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

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.⁵

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.



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.



© Nicole Collomb

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

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.

⁵ The value of public space: how high quality parks and public spaces create economic, social and environmental value, CABI Space, 2004.



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.

© 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

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.



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.

© Michele Turiani



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

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-commercialisation and environmental damage unless managed carefully.



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.

© City of London



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

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

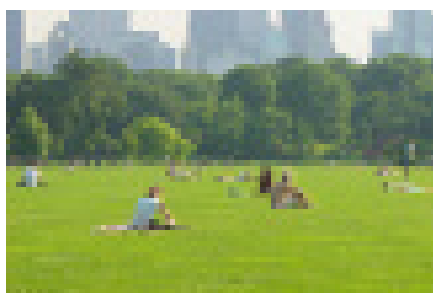
- the initial endowment needs to be big enough to yield the necessary income; securing such a large asset will be beyond most organisations
- managing the investment requires considerable financial expertise, which may not be available within a local authority.



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.

© 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

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.

Summary of 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. 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.
- 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 business improvement districts (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 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.

‘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’



WELCOME

Introduction

There is increasing political and public awareness of the value of good-quality parks, play areas and green spaces in improving the quality of life in England's towns and cities. *The value of public space*, published by CABI Space in 2004, outlined national and international evidence that made a case for the importance of green spaces. Value was measured in terms of their economic value; their positive impact on physical and mental health; benefits for children and young people; contribution towards reducing crime and anti-social behaviour; role in encouraging cultural, social and community cohesion; and the significant environmental benefits they can provide.⁶ In short, good-quality parks and green spaces can add value and deliver benefits across all these agendas, if properly resourced and managed.

'Although hugely welcomed, much investment has been via time-limited capital funding programmes. The intractable problem of how to find sustainable sources of revenue funding to pay for the appropriate levels of maintenance to sustain these improvements year after year remains'

However, the last three decades of the 20th century saw a sustained decline in the quality of green spaces in England. The government recognised this decline and, in January 2001, it appointed the Urban Green Spaces Taskforce to investigate the causes of the decline and advise government about what could be done to reverse it. In its final report, *Green spaces, better places*, published in May 2002,⁷ the taskforce noted the analysis of local authority revenue expenditure on parks that had been put forward by the *Public parks assessment* (PPA),⁸ and agreed that the deterioration in the quality of parks and green spaces was closely linked to a long-term decline in local authority capital and revenue funding.

Despite the dramatic loss of resources and quality that England's parks suffered at the end of the 20th century, there is now genuine cause for optimism. Greater priority given to investment in urban green space since the mid-1990s, largely from the lottery-distributing bodies and ODPM (now the Department for Communities and Local Government), has enabled local authorities, public bodies and community groups to bring about the refurbishment and renewal of a significant number of green spaces.⁹ Halfway through the first decade of the 21st century, the situation is beginning to be turned around – the quality of green space is now considered to be improving rather than declining. But, although hugely welcomed, much of this investment has been via time-limited capital funding programmes. The intractable problem of how to find sustainable sources of revenue funding to pay for the appropriate levels of maintenance to sustain these improvements year after year remains.

⁶ *The value of public space: how high quality parks and public spaces create economic, social and environmental value*, CABI Space, 2004.

⁷ *Green spaces, better places*, final report of the Urban Green Spaces Taskforce, Department for Transport, Local Government and the Regions, 2002.

⁸ *Public parks assessment: a survey of local authority owned parks*, Urban Parks Forum, 2001.

⁹ *Enhancing urban green space*, National Audit Office, 2006.



The difficulty in securing revenue funding for the day-to-day maintenance of green spaces was identified in the National Audit Office's 2006 report *Enhancing urban green space*.¹⁰ While this problem remains, large sums of public money will be wasted because the capital spent on refurbishing green space is likely to be lost as the restored spaces gradually decline due to inadequate maintenance. We risk a never-ending cycle of large areas of poor-quality urban green space that are restored with public money, then decline, then need more public investment to restore them to a good standard.

The challenge the green space sector faces, along with central and local government, is to ensure the long-term sustainability of funding and management for all types of parks and green spaces across the country. Many local authorities already feel that their imaginations have been stretched to the full in trying to make the most of limited resources for their parks and green space services. Therefore, in order to rise to this challenge, the identification of a wider, and perhaps more radical, range of funding models than is usually considered is needed.

This report describes a range of models for funding green space, drawn from England and abroad, which are or could be replicable within the English context. The report focuses on the challenges for publicly owned open space, traditionally reliant on revenue funding from local government. At the time of publication – October 2006 – it is particularly pertinent to the recommendations of the forthcoming Lyons review of local authority efficiency and the bidding process for the government's comprehensive spending review 2007 (CSR07). But after Lyons and CSR07 have been and gone, and regardless of what comes of them, this publication should be a useful and helpful tool for planners, people working in regeneration, parks departments, and other relevant council departments that are planning to create new parks or seeking to improve or maintain existing ones. It sets out, in one document, the many ways that green space can be funded, and what works best in which situations.

‘Many local authorities already feel that their imaginations have been stretched to the full in trying to make the most of limited resources for their parks and green space services’

Many lessons and models are replicable and transferable immediately given a bit of political will and lateral thinking. However, through CABE Space's research and the experience we have gained through our practical work supporting local authorities, it is clear that although there is certainly scope for more imaginative ways of funding green space to be adopted by many local authorities, there will still be a funding gap unless some of the more radical ideas and suggestions outlined in this report are adopted.



Strategic context

This section discusses the strategic context for the research:

- causes of decline in the quality of green space
- evidence of the value of green space
- recent policy developments.

Causes of decline in the quality of green space

The decline in the quality of urban green space in England in the last decades of the 20th century was clearly highlighted in the government publication *Town and country parks* in November 1999¹¹ and later supported by research done by the Urban Parks Forum (now known as GreenSpace), published as the *Public parks assessment* (PPA) in 2001.¹² Indeed, based on a survey of more than 2,000 local authority park managers in the UK, the PPA report noted that only 18 per cent of historic public parks were judged by the local authority managers that managed them as being in good condition. The condition of the majority of parks was thought to be either stable or declining and the percentage of those parks in decline was higher in the most disadvantaged urban areas.

However, there are now signs that, in general, the quality of urban green space has improved in recent years, despite the fact that many individual green spaces remain in a poor state. Evidence for this is found in the National Audit Office report *Enhancing urban green space*, which updated the results of the PPA survey by asking parks managers in urban local authorities their views on the quality of their green spaces five years after the PPA survey. In 2005, 84 per cent of urban local authorities believed the quality of their parks to be stable or improving, compared with less than 44 per cent in 2000.¹³

Funding

Evidence from both the PPA and the Urban Green Spaces Taskforce report *Green spaces, better places* indicates that, perhaps unsurprisingly, one of the main reasons for the deterioration in the quality of urban green space was the decline in local authority green space budgets, traditionally the main source of finance for parks and green spaces. In fact, from the mid 1970s to 2000/01, local authorities' overall capital spending on parks and green spaces declined from 25 per cent of total local authority budgets to 8.3 per cent.¹⁴ Sources of revenue funding declined similarly over the same period. Indeed, finding revenue funding for the management and maintenance of green space remains a critical problem today.

The fact that there is no statutory requirement for local authorities to provide parks and green spaces means that their provision and maintenance can be an easy area for savings within the restricted financial environment in which local authorities operate. Because of this, parks and green spaces that are dependent on local authority budgets for their funding – and the majority in England are – will be vulnerable, as the competitive nature of the local authority funding process tends to direct finance towards statutory services, or towards services that generate revenue. In addition, there is another reason why park revenue budgets are relatively easy to cut: in the short term, the effects of reducing the green space budget are often less noticeable than the effects of reducing the budgets for other services. One reason for this is that even if a park is run-down and unstaffed it is unlikely to have to be closed. In contrast, a dilapidated museum or swimming pool might have to be closed for health and safety reasons, potentially causing a local outcry. The parks' budget is, therefore, more attractive for budget cuts than other services if the council is financially constrained, yet conscious of the timescale of the local election cycle.¹⁵

11 *Towns and country parks*, House of Commons Environment, Transport and Regional Affairs Committee, 1999.

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

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

14 *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

15 *Green future: a study of the management of multifunctional urban greenspace in England*, Barber, A., University of Manchester, 2004.

Post-industrial Paris: Parc André Citroën, Paris, France. Built on the industrial site of a former car factory, this futuristic park is home to two immense glasshouses and borders the River Seine



In many cases, reductions in funding and the resulting deterioration in the quality of green space have led to a spiral of environmental, social and economic decline. For instance the 2003 survey of green space use, *The use of public parks in England*, revealed that the poor condition of green spaces in England was a major barrier to their use by the public and to reinvestment by public and private sectors.¹⁶

Although an array of grants has been made available to local authorities in the last few years,¹⁷ the evidence suggests that these additional sources of money have generally not been sufficient to make up for the cumulative financial shortfall in parks funding of the last few decades of the 20th century.¹⁸ Moreover, as these grants usually provide time-limited capital funding, they do not begin to address the revenue funding problem.

Nevertheless, some more recent initiatives have the potential to ameliorate the situation. One example, the safer and stronger communities fund (SSCF), was introduced for all local authorities in April 2005. It brings together funding from the Home Office and the Department for Communities and Local Government (DCLG) and is aimed at improving the condition of streets and public spaces in disadvantaged neighbourhoods.¹⁹ Similarly, Parks for People, a grant programme jointly funded by the Big Lottery Fund (BLF) and the Heritage Lottery Fund (HLF), is aimed at improving the quality, accessibility and safety of green spaces throughout England. A total of £90 million has been allocated for public parks in England for the period 2006-09.²⁰ Encouragingly, applicants for BLF funding for green spaces are required to identify means of funding the ongoing management and maintenance of the initial investment as part of the process of applying for the grant.

The increase in capital funding for green spaces over the last five years, along with the far higher priority that green space has been given by policymakers, does appear to have resulted in improvements in the quality of green space in general. Although it is difficult to prove direct links, there is a range of evidence suggesting this general improvement in quality is real.

Firstly, the National Audit Office reported that, in 2005, 84 per cent of green space managers believed that the quality of their green spaces was improving or stable, compared to just 44 per cent in 2000.²¹ Secondly, the number of parks in England and Wales awarded the Green Flag Award has grown from 55 in 2000²² to 423 in 2006. Finally, the local government user survey of local satisfaction with cultural and recreational provision performance known as best value indicator 119 (BV119) shows an increase in public satisfaction with parks, from 63 per cent in 2000 to 71 per cent in 2003.²³ Taken together these three indicators suggest some real improvements to the general quality of parks and green spaces in England.

16 *The use of public parks in England*, Sport England, 2003.

17 These include, for example, the Heritage Lottery Fund's urban parks programme, the single regeneration budget, European regional development fund, URBAN community initiative and money from English Partnerships and the regional development agencies.

18 *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

19 *Safer and Stronger Communities Fund: taking the agreements forward*, ODPM and Home Office, August 2005.

20 Parks for People replaces the Heritage Lottery Fund's public parks initiative, which closed in March 2006.

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

22 Green Flag Award winners 2005/06, the Civic Trust, 2005.

23 *ibid* *Enhancing urban green space*.

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

Management

Although financial pressures were one of the main reasons for the decline in quality of green spaces, other factors were responsible, too. In many local authorities, key contributors to the decline were a lack of political commitment to green spaces and a lack of modern management skills in parks teams. The deficiency in management skills is linked to many interrelated issues. These include: the poor image that the public has of parks work, making recruitment difficult; the often lowly place of parks departments within local authority organisational structures; the consequent lack of career prospects and training, resulting in recruitment and retention difficulties; and a lack of diversity among the people working in parks teams.²⁴ Research shows that,

in 2002, 56 per cent of local authorities did not have a strategy for green space development and that many regarded green spaces as an extension of the natural environment, which could 'get by' with minimal management and maintenance.²⁵ Since then some progress has been made: in 2005, about 40 per cent of urban local authorities had adopted green space strategies, and about 30 per cent had drafted strategies but had not yet formally adopted them.²⁶

One reason why many local authorities have been slow to take a strategic approach to their green space service is that the responsibilities for different aspects of urban green space management are often split across a range of directorates within the authority. Parks and green spaces that are predominantly for passive recreation do not always fit into larger leisure directorates. Green spaces then suffer from a loss of status compared to other services, particularly formal recreation and leisure services.²⁷ In one local authority, parks and green spaces were the responsibility of 18 different teams – the situation has since been addressed and parks and green spaces now sit within one directorate.²⁸

Research has consistently found that local authorities rarely have adequate databases of information about green space provision from which they can make appropriately informed management and funding decisions – although those with green space strategies tend to have better data than those without.²⁹ The majority of parks departments do not have the resources to collect sophisticated information about the number and profile of users nor to undertake cost-benefit analyses showing how the social and environmental benefits attributed to urban green space translate into financial returns. This lack of information has undermined the ability of managers and politicians to argue the case for greater investment in green space. It also leaves local authorities unable to track declining value or identify what resources are required to halt decline.³⁰ Further, reductions in skilled labour and decreasing investment in training provision have exacerbated the problem. A survey published in 2004 found that not one of the authorities taking part had qualified staff to discharge all five professional functions thought to be essential to the successful management of multifunctional green space systems.³¹

In addition, local authorities often take on responsibility for managing additional areas of open space, sometimes as a result of new housing developments or the rehabilitation of derelict land, which stretches already reduced budgets, contributing to a further reduction in maintenance standards and a subsequent deterioration of quality.³² Again, this shows the limitations of accessing finance for urban green space from a single source of revenue and not taking a strategic approach to the green space service as a whole.

25 *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

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

27 *A study of the management of multifunctional urban greenspace in England*, Barber, A. 2004.

28 Comment made at CABE Space expert seminar on *Urban parks: do you know what you're getting for your money?* 23 June 2006.

29 *Green spaces, better places*, final report of the Urban Green Spaces Taskforce, Department for Transport, Local Government and the Regions, 2002.

30 *Urban parks: do you know what you're getting for your money?* CABE Space, 2006.

31 *A study of the management of multifunctional urban greenspace in England*, Barber, A. 2004.

32 *Is the grass greener...? Learning from international innovations in urban green space management*, CABE Space, 2003 and *A study of the management of multifunctional urban greenspace in England*, Barber, A. 2004.

Refocusing policy on green space

'Attracting people back into city-centre living, a key component of revitalising the city economy, has been a central tenet of UK government policy'

In 1999, the Urban Task Force (UTF) published one of the most extensive reviews of the problems and needs of the country's urban areas. In calling for an urban renaissance to be achieved by reinvigorating the planning, design and management of urban areas,³³ the UTF gave public space a higher priority. Interest in the physical characteristics and quality of urban areas was raised and the ensuing Urban White Paper of 2001 embodied a number of priorities for change. The revitalisation of public space is similarly embodied in the concept of liveability.³⁴ The term, first used in this connection in the United States by then vice-president Al Gore, set out a political agenda that responded to the neglect of inner-city areas and the negative consequences of this, one of which was that economically active people could afford to abandon inner cities and enjoy a higher quality of life outside them. The parallels with the UK are striking and it is no coincidence that attracting people back into city-centre living, a key component of revitalising the city economy, has been a central tenet of UK government policy.

The idea of liveability encompasses a very wide range of measures, large or small, that have the potential to improve quality of life across communities. It is essentially about creating local environments where people actively wish to live and which they are proud to call their own. It takes into account the cumulative effect of the urban fabric, public spaces, roads, pavements, parks and green spaces, and facilitates civil and social processes for their improvement, from tackling anti-social behaviour to litter, pollution and transport. Prime minister Tony Blair first spoke about liveability at a conference in Croydon in June 2000.

'The one public service we all use all the time is the streets where we live. And in too many places, streets and public spaces have become dirty, ugly and dangerous... We need to make it safer for children to walk or cycle to school in safety. We need local parks which are well looked after and easily reached with a pushchair. We need streets to be free of litter, dog mess and mindless vandalism'³⁵

Having recognised the importance of the quality of the urban environment on people's quality of life, the government set up the independent Urban Green Spaces Taskforce to provide recommendations to the then Department of Transport, Local Government and the Regions, now the DCLG. It reported on the extent of existing knowledge about the state of green spaces and their benefits and contribution to liveability issues in public policy, and advised on a national strategy for improvements to green spaces across the country. Most of the 52 recommendations in the taskforce report *Green spaces, better places* were encapsulated in the Office of the Deputy Prime Minister's (now the DCLG) 2002 publication, *Living places: cleaner, safer, greener*, and included the setting up of CABE Space. It was clear that parks and green spaces were a vital element in a larger policy of creating liveability, evolving across seven government departments: DCLG, Department for Transport, Department of Health, Department for Culture, Media and Sport, Department for Education and Skills, the Home Office and the Department for Environment, Food and Rural Affairs.

Cleaner, safer, greener communities became the banner under which the government is co-ordinating the liveability agenda and promoting better public space. This policy approach is expressed in several initiatives and is a central component of the government's 2003 sustainable communities plan.

33 *Towards an urban renaissance: report of the Urban Task Force*, DETR, 1999.

34 In order to connect with the public on matters of improving the quality of public space, the phrase 'cleaner, safer, greener' has been adopted to express liveability and to resonate with popular recognition of priorities to achieve a better environment.

35 United Kingdom Parliament
<http://www.publications.parliament.uk>

Wider policy

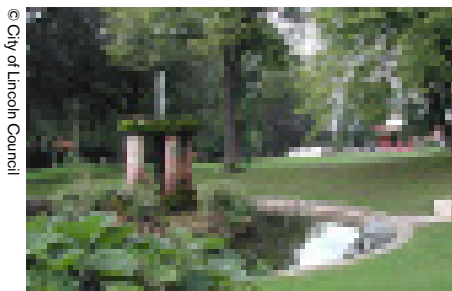
Developments at the national level have also influenced funding and management issues at the local level. Over the last 20 years, reforms in local government finance, such as budget capping and ring-fenced grants, have placed increasing financial constraints on local authorities and reduced local discretion to prioritise spending on services such as green spaces. The introduction of compulsory competitive tendering (CCT) in the 1980s had a damaging influence on the capacity of local authorities to deliver high-quality green spaces. For instance, CCT tended to favour contractors who would bid low and survive by disregarding the specified level of maintenance.³⁶

Although CCT has now been replaced by best value, which places a far greater emphasis on achieving value for money from services, the legacy of CCT is still being felt in many local authorities.³⁷ Although the quality of green spaces declined because of over-dependence on the increasingly vulnerable local government revenue source, current initiatives in local government policy and practice may provide an opportunity for funding green space in the future.

36 Evidence presented by John Newton to the select committee inquiry into town and country parks in 1998, as cited by *A study of the management of multifunctional urban greenspace in England*, Barber, A. 2004.

37 Comment made at CABE Space expert seminar on *Urban parks: do you know what you're getting for your money?* 23 June 2006.

Evidence of the value of green space



Trees for all: Lincoln Arboretum was designed and constructed in 1870. It remains a valuable community resource and won a Green Flag Award in 2006

There is a growing awareness that the wide-ranging benefits of good-quality green space can significantly improve the quality of life in urban areas. These benefits are covered in more detail in the Urban Green Space Taskforce's reports and in the CABE Space publication *The value of public space*.³⁸

Reducing crime and fear of crime

Run-down public spaces, of all types, can encourage anti-social behaviour and add to the fear of crime. In contrast, spaces that are visibly cared for can be off-putting for vandals. A reduction in vandalism can lead to savings to the local authority repair budget, helping to offset the cost of better general maintenance. In addition, there is evidence to suggest that well-designed and well-maintained open space, in conjunction with programmes of diversionary activities for young people, may provide savings to police authorities and local businesses, as levels of crime and anti-social behaviour are reduced.^{39 40}

Sports, culture and education

Cultural and sporting activities are crucial to children's education and general physical, social and emotional development. Arts, sport and creativity feature strongly within the national curriculum and wider school activities.⁴¹ Increasing community access to culture and leisure opportunities can also play a vital part in neighbourhood renewal and make a valuable contribution to greater social inclusion among poorer communities.⁴² In this way, green space provision can link in with other policy initiatives and can offer savings in the areas of educational and social development.⁴³ Sports and recreational use is also a potential area for encouraging private sector enterprise.

Improving physical and mental health and well-being

As a healthier, more active population reduces the strain on acute clinical services, potential savings can be identified for local health providers, primary care trusts (PCTs) and the NHS.⁴⁴ Commentators suggest that lack of physical activity in the UK equates to around 2-3 per cent of NHS annual costs, which translates into around £1.5 billion per annum, at 2004 prices.⁴⁵ Indeed, the importance of promoting a healthy and active population is recognised and encouraged in HM Treasury's independent report, *Securing good health for the whole population*.⁴⁶

Biodiversity and natural processes

Good-quality green space in urban areas, both at ground level and as part of buildings, can bring a wide range of environmental benefits. These include: significant reductions in air pollution; absorbing carbon dioxide; providing passive cooling, which moderates the urban heat island effect, thus reducing the cost of mechanical cooling; ameliorating wind speeds and humidity; supporting biodiversity; and reducing storm-water run-off and flooding.⁴⁷ In addition, green spaces are potential sites for alternative energy production and local composting schemes that can encourage social enterprise and partnership working.

Economic value

Good-quality urban green space can generate economic value in itself.⁴⁸ Research published by CABE Space⁴⁹ suggests that properties within a defined sphere of influence of good-quality green space command a premium in terms of sales and rental value. Leading developers also recognise that it is possible to generate higher values from sales of new developments if the environmental quality of the communal spaces is high. Economists are increasingly developing methodologies for costing and pricing the benefits of 'green goods' and infrastructure such as urban green space. For example, the Treasury can now legitimately price carbon as part of the economic appraisal of new

38 *Urban Green Spaces Taskforce report working group 1: reviewing current information*, ODP, 2004 and *The value of public space: how high quality parks and public spaces create economic, social and environmental value*, CABE Space, 2004.

39 *Safer places: the planning system and crime prevention*, Office of the Deputy Prime Minister and the Home Office, 2004.

40 *Decent parks? Decent behaviour?* CABE Space 2004.

41 *Unlocking the potential of the urban fringe: a consultation*, Groundwork and the Countryside Agency, 2004.

42 *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

43 *Green spaces – the secret ingredient*, Hawkhead, T., 2004 <http://www.groundwork.org.uk>

44 *The Green Flag Award scheme – 8 years on*, Lewis, K. ILAM Places and Countryside seminar, Birkenhead, 2004.

45 *Green cities, and why we need them*, NEF Pocketbook 9, New Economics Foundation, 2004.

46 *Securing good health for the whole population*, HM Treasury, HMSO, 2004.

47 *England forestry strategy: a new focus for England's woodlands, strategic priorities and programmes*, Forestry Commission, 2004. *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

48 *EP outlook: tiny acorns, mighty oaks*, English Partnerships, 2002.

49 *Does money grow on trees?* CABE Space, 2005.

development,⁵⁰ and increasingly we will see the economics of 'green goods' being factored in at an early stage in projects, making investment in their ongoing maintenance economically more attractive.

Employment and commercial investment

Aside from direct employment in the green space sector itself, and the impact of higher property values on expenditure and job creation, high-quality green space is a factor in attracting commercial investment to an area.⁵¹ Urban green spaces also have huge potential as resources for the training and education of young people interested in working in the growing land-based and environmental industries sectors.

50 *The green book: appraisal and evaluation in central government*, HM Treasury, 2003.

51 *Urban Green Spaces Taskforce working group 6: resources*, Department for Transport, Local Government and the Regions, 2002.

Relevant recent policies

'Urban green spaces also have huge potential as resources for the training and education of young people interested in working in the growing land-based and environmental industries sectors'

Since the late 1990s, significant changes have occurred in local government policy and implementation. Initiatives have included: the introduction of best value; 'freedoms and flexibilities'; three-year financial settlements; the Gershon efficiency review; and the Lyons review of local government finance and functions. Good overviews of such initiatives and the impact they have had on local government are provided in Martin and Bovaird (2005)⁵² and Stoker (2003).⁵³ The Local Government Act of 2000 introduced wide-ranging powers for local authorities to undertake initiatives to improve the economic, social and environmental well-being of their areas and, unless actions are expressly prohibited by legislation, to charge for discretionary services and create trading companies. All of these have a direct applicability to green space.⁵⁴

In addition, the planning gain supplement (PGS), which the government has proposed for implementation in 2008, would tax the increase in land value resulting from planning approval. The money raised from the tax would help fund infrastructure and community facilities and create an important new funding stream. In December 2005, the government launched a consultation assessing the merits of PGS and its ability to work in practice.

National policy developments on local government have had particularly important implications for green space funding and management. These initiatives, which are part of wider developments in local government that aim to create greater flexibility in service delivery, include local area agreements (LAA) and neighbourhood management arrangements. These provide the opportunity for more devolved decision-making and engagement at a local level, particularly in regard to the local environment and local quality-of-life issues.⁵⁵

52 *Meta-evaluation of the local government modernisation agenda: progress report on service improvement in local government*, Martin, S. and Bovaird, T., Office of the Deputy Prime Minister, 2005.

53 *Transforming local governance: from Thatcherism to New Labour*, Stoker, G. 2003.

54 Local Government Act 2000, Stationery Office, 2000; Local Government Act 2003, Stationery Office 2003.

55 *The future of local government: developing a 10-year vision*, Office of the Deputy Prime Minister, 2004.

Local area agreements

The aim of LAAs is to draw together plans for local services and agree a combination of both central government and local area targets.⁵⁶ By providing a single framework within which government departments can allocate additional funding, for example from the safer and stronger communities fund (SSCF), the agreements seek to simplify funding streams from central government and give more flexibility for local authorities to concentrate on local priorities.

In developing LAAs, local authorities are expected to work with local strategic partnerships (LSPs), which have been established to involve local people and agencies in the delivery of local services and in the drawing up and implementation of sustainable community strategies for improving the economic, social and environmental well-being of their areas. Although it is not certain that local authorities will, in practice, choose to use LAAs to fund green space rather than other services, they will have more autonomy to provide funding for this service, draw down additional finances from government departments and involve a

56 *Local area agreements: a prospectus*, Office of the Deputy Prime Minister, 2004.

57 *The future of local government: developing a 10-year vision*, Office of the Deputy Prime Minister, 2004.

58 Press release from Office of the Deputy Prime Minister dated 21 July 2005: <http://tinyurl.com/oluxs>

59 *Planning: creating local development frameworks – a companion guide to PP512*, Office of the Deputy Prime Minister, 2004.

wider range of stakeholders in urban green space management if they want to. Indeed, in the government's overarching vision document on the future of local government, it is envisaged that liveability issues are particularly suited to the more decentralised arrangements offered by LAAs.⁵⁷

The government has committed £1.3 billion to more than 100 of the most disadvantaged local authorities, working under LAAs, to promote cleaner, safer and greener communities in these areas.⁵⁸ Local development frameworks are also being promoted by government among local authorities to facilitate a more strategic approach to spatial planning at local level.⁵⁹

Neighbourhood management

In 2005, the government outlined policy proposals to establish greater neighbourhood management, aiming to help deprived communities work with local service providers to join up those services, be more responsive to local needs and so improve local outcomes.⁶⁰ At the time of publication, the forthcoming Local Government White Paper is likely to set out a vision for a significant shift of powers and responsibilities from central government to local government, and from local government to the voluntary and community sector.⁶¹ Coined as 'double devolution',⁶² or devolution to and from the town hall, neighbourhood management is based on the concept of a neighbourhood charter that would set out what people can expect in their local area from central government, local government, other service providers and the voluntary and community sector. As a means to fund and implement the charter, a number of strategies are proposed that could be used for green space. These include:

Different management options

These include options such as arrangements to be consulted by the service provider about the allocation of services and resources in a locality, or a neighbourhood body that has its own funds and resources undertaking its own initiatives or spending programmes. In this way, people in the local neighbourhood can be consulted on green space issues and/or green spaces can be managed by neighbourhood arrangements in accordance with local needs and preferences.

Neighbourhood improvement districts

Neighbourhood improvement districts (NIDs) could raise additional revenue through the council tax for the provision of additional services (by the council itself or other organisations). To this end, the council would arrange for the local community to vote on a proposal for a NID and its levy. For example, a NID could be used to fund a new park warden. If this option is to be pursued, however, DCLG must first submit proposals to the Lyons Inquiry for full evaluation.

Community ownership

This refers to not-for-profit trusts, accountable to the local community, taking ownership of land or property – often derelict, underused and owned by the local authority in areas of low property demand – and transforming it into a local amenity from which revenue can be generated to be reinvested for the future benefit of the community. On this basis, not-for-profit trusts could be established to manage and facilitate funding for green space.

60 *Planning: creating local development frameworks – a companion guide to PP512*, Office of the Deputy Prime Minister, 2004.

61 Speech by Ruth Kelly MP, secretary of state for communities and local government, to the LGA conference on 5 July 2006, available at <http://tinyurl.com/qd2q6>

62 Speech by David Miliband MP, minister of communities and local government, on 18 January 2006 to the New Local Government Network's annual conference, available at <http://tinyurl.com/q8q83>



Eight models for funding urban green spaces

This section provides an overview of a range of models of funding and managing urban green space, drawn from England and around the world. The examples chosen have been generated by our research and scoping exercise, which involved the review of a large number of key documents and websites, and talking to key stakeholders.⁶³ The examples have been grouped under eight headings:



1 Traditional local authority funding



2 Multi-agency public sector funding



3 Taxation initiatives



4 Planning and development opportunities



5 Bonds and commercial finance



6 Income-generating opportunities



7 Endowments



8 Voluntary sector involvement

Jumping through hoops: basketball players make use of sports facilities in Acton Park, London Borough of Ealing

⁶³ The examples outlined here are not considered to represent best practice in everything they do. Rather, each one is considered to contain elements of innovation and good practice that could provide lessons about green space funding and management applicable to the UK.



1 Traditional local authority funding

In England and many other countries, most parks and urban green spaces are funded from local council budgets. Green space usually has to compete for this funding, alongside other services, from a general revenue budget financed by local taxation and/or central government transfers. The distribution of the budget is decided by politicians elected to the council. A good example of the commitment to promote secure funding for urban green space is in Paris.

Local authority collaboration, Lee Valley

The Lee Valley regional park was established in 1967 by an act of parliament to develop the areas along the River Lee in London, Essex and Hertfordshire for sport, recreation, leisure and nature conservation. The park is managed and maintained by the Lee Valley regional park authority. The park authority is financed by an annual levy from the council tax base of Hertfordshire, Essex and all of the London boroughs. The ceiling for the levy is determined by a formula set down in the act, adjusted annually to account for inflation. For 2006/07, the maximum allowable levy was £17.3 million. However, only 66 per cent of the maximum was to be raised, totalling £11.5 million. The authority would secure additional income of around £4.6 million from grants, fees and charges.

The idea of local authorities pooling resources to manage large areas of green space and achieve economies of scale is an interesting one. However, it raises a number of challenges, including balancing the management of a resource that serves local communities as well as attracting users from beyond the immediate vicinity.

The Lee Valley regional park authority is developing a new business plan for the period 2006-16 following a period of consultation with the London boroughs and key stakeholders. This strategic plan will enable the authority to consolidate its medium-term financial plan, which will include a longer-term levy policy. To initiate this process and as a result of extensive business and financial planning, members have approved retaining the annual levy increase at a maximum of 3 per cent over the three financial years to 2008-09. It is hoped that this three-year commitment will aid contributing councils in their financial planning.

Source: Lee Valley regional park authority

In the context of the increasing financial pressures that most local authorities face, and competing priorities for local and national finance, some authorities have introduced management initiatives to ensure greater transparency of green space finance and improve budgetary decision-making. These initiatives include life-cycle costing and internal competition schemes.

Similarly, the City of London Corporation, which manages parks in the City of London and beyond, tries to achieve greater financial transparency by factoring long-term maintenance costs into green space funding decisions. This method of assessing costs can lead to increased up-front investment in order to reduce the costs of maintenance in future years. An example of this could be the installation of automated irrigation systems or the planting of trees and shrubs that are tolerant to infrequent maintenance. This method also allows the corporation to estimate the maintenance costs associated with each space and incorporate these into its planning and budgeting processes.

Another way of funding green space is for local authorities to pool financial and management resources and adopt a combined regional or sub-regional approach. For example, the Lee Valley regional park in the east of London is funded by all of the London local authorities plus those of Hertfordshire and Essex.

Emscher Landscape Park, in the Ruhr Valley area of north-western Germany, provides an excellent example of an integrated framework for large-scale brownfield development through an innovative collaboration between regional and local government, the private sector, and not-for-profit groups.



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Local authority funding, Paris, France

In central Paris, revenue and capital funding for some 400 parks and green spaces is allocated from the city's annual budget. Green space policy is defined exclusively by the city's mayor, subject to the approval of the city council. Funding for green space is a chief priority of the administration and represents around 1 per cent of the annual budget, providing a consistent source of revenue. In 1996 the average spend per hectare was £40,000, almost 10 times as much as the English local authority average of £4,500 per hectare. In addition, reinvestment projects are required to reflect life-cycle cost, which allows budgetary decisions to be made on a longer-term cost and quality basis. Data is routinely collected on the performance of new parks, facilities and equipment, and used to make the case for future investment.

Sources:

Is the grass greener...? Learning from international innovations in urban green space management, CABE Space, 2003.

Valuing public parks, Barber, A., ILAM Places and Countryside seminar, Birkenhead, 20 September 2004.

Internal competition, Grün Stadt Zürich (GSZ), Zurich, Switzerland

As part of the city's infrastructure department, GSZ, in co-operation with other agencies, is responsible for the planning and management of green spaces. In an effort to achieve internal competition and reduce service delivery costs, GSZ introduced a cost-transparency calculation as a management tool to determine the costs and benefits of every 'product'. Green space management is divided among five groups, each of which has a manager, specific budget allocations and quality standards linked to cost. Intensity of usage is taken into account and managers have to sell their services at a specified cost and quality before they are allocated resources. This permits cost comparisons and internal competition. As GSZ relies on a fixed budget, any efficiency savings are split between the city of Zurich and GSZ but additional costs are borne by GSZ. The system is designed to make the administration more service-oriented.

Source: *Is the grass greener...? Learning from international innovations in urban green space management*, CABE Space, 2003.

Local authority co-operation, Emscher Landscape Park, Germany

Emscher Landscape Park is located in what was once the heartland of Germany's coal and steel industries. Post-war industrial restructuring left the area with a legacy of environmental contamination and serious economic and social problems. In 1989, the regional government established an international building and construction exhibition known as the Emscher Landschaftspark IBA. The IBA was given a 10-year remit to achieve the ecological, economic and urban revitalisation of the Ruhr Valley Emscher River, through collaborative partnerships with 17 local authorities, private industry, professional associations, and a range of not-for-profit groups.

At the beginning the IBA had only revenue funding for running costs, and had to rely on bringing together capital funding for projects from a variety of sources. Local government and private companies jointly financed most projects. Emscher Landscape Park projects have also received financing from existing state and national government structural development programmes and aid from the European Union. By the summer of 1993, funds spent on 134 projects totalled DM 2.5 billion, with some DM 1.7 billion coming from public sources. To date 178 projects have been realised, within an area of approximately 457 square kilometres, and there are 284 more projects in the pipeline. The achievements of the IBA's efforts in the Emscher Landscape Park represent one of the few integrated frameworks for regional brownfield redevelopment. Key to its success was the influential role of the chief executive of the IBA, who harnessed political support and momentum, crucial to the delivery of such a programme, and a co-ordinated approach to spatial planning which effectively translated down from the regional to the sub-regional scale, through to the local level and down to individual projects.

Sources:

International brownfields case study: Emscher Park, US Environment Protection Agency
<http://tinyurl.com/rxdm9>

Emscher Park: international building exhibition
<http://tinyurl.com/pxp6f>

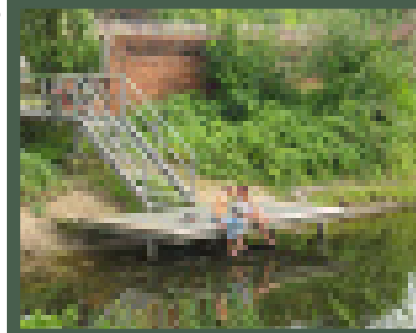
Emscher Landscape Park 2010

<http://tinyurl.com/mqqtwt>

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2 Multi-agency public sector funding

Given the wide-ranging benefits that good green spaces can deliver, it can be possible to access funding from a range of government departments and public agencies. The London Borough of Hillingdon and Hillingdon primary care trust, for instance, have recognised the links between public health and green spaces and have developed a partnership to contribute towards maintenance.

Green space health initiatives, London Borough of Hillingdon

Healthy Hillingdon is a local health promotion body jointly funded by the Hillingdon primary care trust and the London Borough of Hillingdon. It is founded on the premise that financial contribution towards health promotion initiatives that take place in urban green space can increase public health benefits, reduce the health budget by preventing illness and, at the same time, increase the quality and provision of green space. The British Trust for Conservation Volunteers' Green Gym scheme has provided important inspiration and evidence to support the idea.

Healthy Hillingdon has encouraged a wide range of health promotion schemes in the borough, such as contributing towards funding garden allotments which local people tend and maintain, and organising events that encourage greater involvement and use of the green space. Healthy Hillingdon is providing £25,000 to fund a one-year health promotion position. The postholder, based in the parks department, will facilitate public health projects in green spaces by working with local people and building community capacity to ensure that both the green spaces and the health benefits of the projects are sustained.

Sources:

Interview with representative from London Borough of Hillingdon.
Green Gym, British Trust for Conservation Volunteers (BTCV) <http://tinyurl.com/ztb76>

Good-quality parks and green spaces that are well staffed and provide a range of attractive facilities and activities for local communities are less likely to attract vandalism and other anti-social behaviour than spaces that are not well designed and maintained.⁶⁴ Therefore, in theory, further funding for park staff and activities could be derived from the savings in police resources that would otherwise have been spent in dealing with anti-social behaviour in parks. In addition, the quality of green space also affects police resources through the more indirect mechanism of business rates. In England, around 40 per cent of police funding is raised at the local level, predominantly from the council tax. Arguably, as the better design and maintenance of green space impacts on the general attractiveness of the area as a business location, greater stability is likely to be built into the overall tax take from business rates. However, tracking the costs and benefits of this across different agencies' budgets would be complex, and making a powerful case for transferring money from one organisation's budget to another would be very difficult. Nevertheless, there are precedents for police contributions to green spaces that support the case for exploring this approach further.

Partnership arrangements between public and not-for-profit organisations could also access criminal justice budgets to support green spaces. This is illustrated by a partnership in which Groundwork Thames Valley and other interested organisations work with the criminal justice system to reduce crime by providing employment opportunities for ex-offenders in green space maintenance. This employment scheme is facilitated by Blue Sky, a not-for-profit social enterprise.

Large areas of green space have also been able to maximise the funding opportunities from environmental agencies.



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⁶⁴ *Decent parks? Decent behaviour? The link between the quality of parks and user behaviour*, CABE Space, 2005.



Green spaces and youth diversion, SPLASH scheme

The primary aim of the SPLASH scheme (Schools and Police Liaison Activities for the Summer Holidays) was to reduce levels of youth offending by engaging young people in constructive activities over the summer holiday period, when rates of offending tend to increase. Administered by the Youth Justice Board, the SPLASH programme had a budget of approximately £2 million between 2000 and 2003, and was supported at the local level by partnerships involving local police, the local authority, social services, the voluntary sector and private businesses, which provide funding and organisational assistance. The scheme funded 105 projects in total, which comprised a wide range of leisure activities, including sports, organised walks and environmental projects. Many of these activities took place in urban green spaces that played an important role in making the activities accessible – in terms of cost and location – for young people. Evaluations found that crimes associated with youth offenders fell faster or increased less in areas where SPLASH initiatives were implemented than in comparable high-crime areas, the impact being particularly significant in areas where existing youth provision is limited.

In 2003, due to its success, SPLASH was amalgamated with a number of other school holiday programmes to become part of cross-government initiative Providing Activities for Young People (PAYP), which had a budget of some £45 million and ran until March 2006.

Sources:

Summer SPLASH schemes 2000: findings from six case studies, Loxley, C., Curtin, L. and Brown, R. *Crime reduction research paper series 12*, Home Office, 2002.

Youth offending: SPLASH interventions
<http://www.renewal.net>

Green spaces and ex-offenders, west London

Blue Sky was established in 2005 by Groundwork Thames Valley. The initial funding for this project was supplied by the Esmée Fairbairn Foundation, the Henry Smith Charity and the EXODUS Partnership; it is led by the South East England Development Agency and aims to increase the employability of ex-offenders across London and the south east. Blue Sky's principal objective is to support the work of the criminal justice system in protecting the public and reducing crime. Recognising that an ex-offender is up to 50 per cent less likely to re-offend if in full-time employment, Blue Sky aims to improve the social skills and employability of ex-offenders, provide them with mentoring and training, and move them into stable employment. Blue Sky's partners can be grouped into three categories:

- offender resettlement specialists: HM Prison Service, St Giles Trust, the National Probation Service and the Thames Valley Partnership
- skills and training providers headed by Groundwork Thames Valley, an independent charitable trust committed to social and environmental regeneration
- potential employers and labour markets: ClancyDocwra, a UK water construction company, and Community Initiative Partnership (CIP) in Hounslow, a not-for-profit company currently employing 1,000 people, 150 of them involved in parks and open space facilities management.

Source:

Interview with representative from London Borough of Hillingdon and Groundwork Thames Valley.

Green spaces and the environment, Colne Valley regional park

The Colne Valley regional park, west of London, was established in the mid 1960s. Eight local authorities and an environmental regeneration charity, Groundwork Thames Valley, work together to maintain and enhance the Colne Valley. To promote environmental benefits and maximise funding opportunities, Colne Valley regional park has established partnerships with various stakeholders, including:

- private companies, to support projects, either by making land available or providing access to funding via the landfill tax scheme
- the Countryside Agency, to support the park by disseminating good practice and providing grant aid for projects such as 'The countryside around towns'
- British Waterways, to improve access to the Grand Union Canal, which stretches across the park
- English Nature, to approve the designation of local nature reserves and advise on management of the park's 13 sites of special scientific interest (SSSI)
- the Environment Agency, particularly concerning flood alleviation works and water-based recreation projects.

Projects worth a total of £1.3 million were completed between 2003-06. This is in addition to local authority funding for the park's day-to-day work, running and maintenance.

Sources:

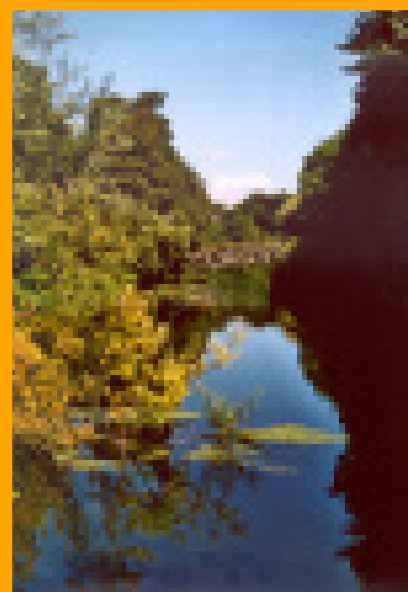
Team report, *North America/United Kingdom Countryside Exchange*, Colne Valley regional park, 2002.

Actions and vision for the Colne Valley regional park 2006-2009, Groundwork Thames Valley
www.groundwork-tv.org.uk

© Nick Turner



© Colne Valley Park snapshot competition





3 Taxation initiatives

In some countries, funding from local taxes can be directed specifically towards the management and provision of green space. For example, in Minneapolis, USA, the organisation responsible for green space in the city, the Park and Recreation Board, receives 9 per cent of a tax that is levied on residential property.

Parks charge, Parks Victoria, Melbourne, Australia

Parks Victoria is a statutory authority reporting to the Australian minister for environment. It is the custodian of an estate of around 4.1 million hectares that comprises national parks, marine national parks, marine sanctuaries, wilderness parks and state and metropolitan parks. A major source of funding for its metropolitan parks is a 'parks charge' levied on all domestic, industrial and commercial properties within metropolitan Melbourne. The rate and the revenue collected are administered by the state government's Department of Sustainability and the Environment. The tax is based on property value, but over 92 per cent of domestic properties pay the single (minimum) charge.

Source:
Annual report 2004/05, Parks Victoria, 2004.

Similarly, a significant contribution towards funding green space in Melbourne, Australia, and Seattle, USA, is received from a 'parks charge' (Melbourne) or 'pro-parks levy' (Seattle) that is imposed on residential, commercial and industrial property.

As an alternative to taxes levied across the whole area that is administered by a local authority, levies on property owners in business improvement district (BID) schemes have been used in the USA over the last 20 years or so to fund green spaces in specific neighbourhoods.

BID schemes are tax initiatives introduced as a means to combat declining commercial and business activity in inner-city areas and improve the business environment. Under the schemes, local authority funding is complemented by a self-imposed levy on local property owners who have voted to accept it. BIDs not only generally protect the quality of the public urban realm but can also provide better security, cleaning and maintenance.



© Parks Victoria



BID scheme, London Borough of Kingston-upon-Thames

In response to falling visitor numbers to the London Borough of Kingston, and research showing that the town centre services weren't meeting visitor, resident and staff expectations, local businesses in Kingston approved a 1 per cent supplement on their rates bill to invest in local improvements and enhance the viability and quality of the town centre.

The levy, introduced for five years from January 2005, is expected to generate £4 million, more than doubling the Royal Borough of Kingston's current spending on town centre services. Match funding has also been attracted from a range of bodies including the Government Office for London, the London Development Agency and Transport for London. Investment is directed towards five different areas:

- a cleaner environment: a team of environmental rangers on duty seven days a week to target known hot spots and provide clean-ups, introduce street washing and gum and graffiti removal and enhance planting for a brighter town
- safer streets: community rangers on duty to deter anti-social behaviour; appointment of business crime reduction co-ordinator to facilitate a 'joined-up' response to crime by business security staff, police, CCTV and rangers
- better transport and access: funding and promoting existing park-and-ride schemes to increase customer use by improving access to Kingston and reducing congestion
- marketing and promotion: appointment of a marketing, events and PR co-ordinator, media and advertising campaigns and an annual programme of events to promote Kingston as a destination of choice
- supporting small businesses: improving access to government-funded training, advice on business development, and seminars on issues relevant to small businesses and independent retailers, to create networking opportunities.

Kingston Town Centre Management (KTCM), a company limited by guarantee, has legal responsibility for the management of Kingston town centre and the BID. The KTCM management board includes representatives of Kingston's business community. Sub-groups covering safety and security, town centre environment, transport and access, special events and marketing report to the management committee. The Kingston Town Centre Management Group, representing the voluntary sector, local residents, interest groups, the local authority and emergency services, meets on a monthly basis to receive progress reports.

Source: Kingston First www.kingstonfirst.co.uk

The legislative framework required to operate BID schemes in the UK is now in place.⁶⁵ This enables local businesses to vote for a levy on their rates bill to provide investments in the local trading environment. In 2004, 22 pilot BID schemes were introduced across England and Wales to fund a range of activities including security, street cleansing, environmental improvements, marketing and promotions, and lobbying for support for small businesses. Following the pilot initiatives, a number of BIDs are being implemented. BID levies approved in Kingston-upon-Thames, for instance, demonstrate a willingness to invest in local amenity and environmental improvements from both the local authority and local businesses.

While funding for the public realm in the UK's BID schemes is largely directed towards general improvements such as street cleaning and litter and graffiti removal, in time direct funding might go towards green spaces. Whether this happens will depend heavily on the extent to which businesses link their commercial interests with the quality of local green spaces. Some local authorities in the USA have applied taxation structures based on neighbourhood assessments. In response to the voters' opposition to raising property taxes, maintenance assessment districts have been introduced that allow neighbourhoods to choose how much they want to spend on parks and other community spaces.



All images © Kingston Town Centre Management

⁶⁵ Local Government Bill (part 4), introduced into parliament in November 2002. The BID regulations came into force in 2004.





The recent UK policy document, *Citizen engagement and public services*, may lead to opportunities for local areas to raise additional taxation.⁶⁶ It is proposed that neighbourhood improvement districts (NIDs) could raise additional revenue through the council tax in a particular area for the provision of additional services, either by the council itself or by other organisations. This could include revenue to finance additional green space services, a new park warden or a neighbourhood manager for the local area. NIDs are, however, only at policy proposal stage and it is still unclear whether local authorities will adopt them and, more specifically, apply them to green spaces.

Tax incentives, such as tax credits or reductions, are another tool to encourage investment in local regeneration and the development of green spaces and the public realm. Under this approach, tax credits or reductions in taxes can be used as a means of stimulating local investment.

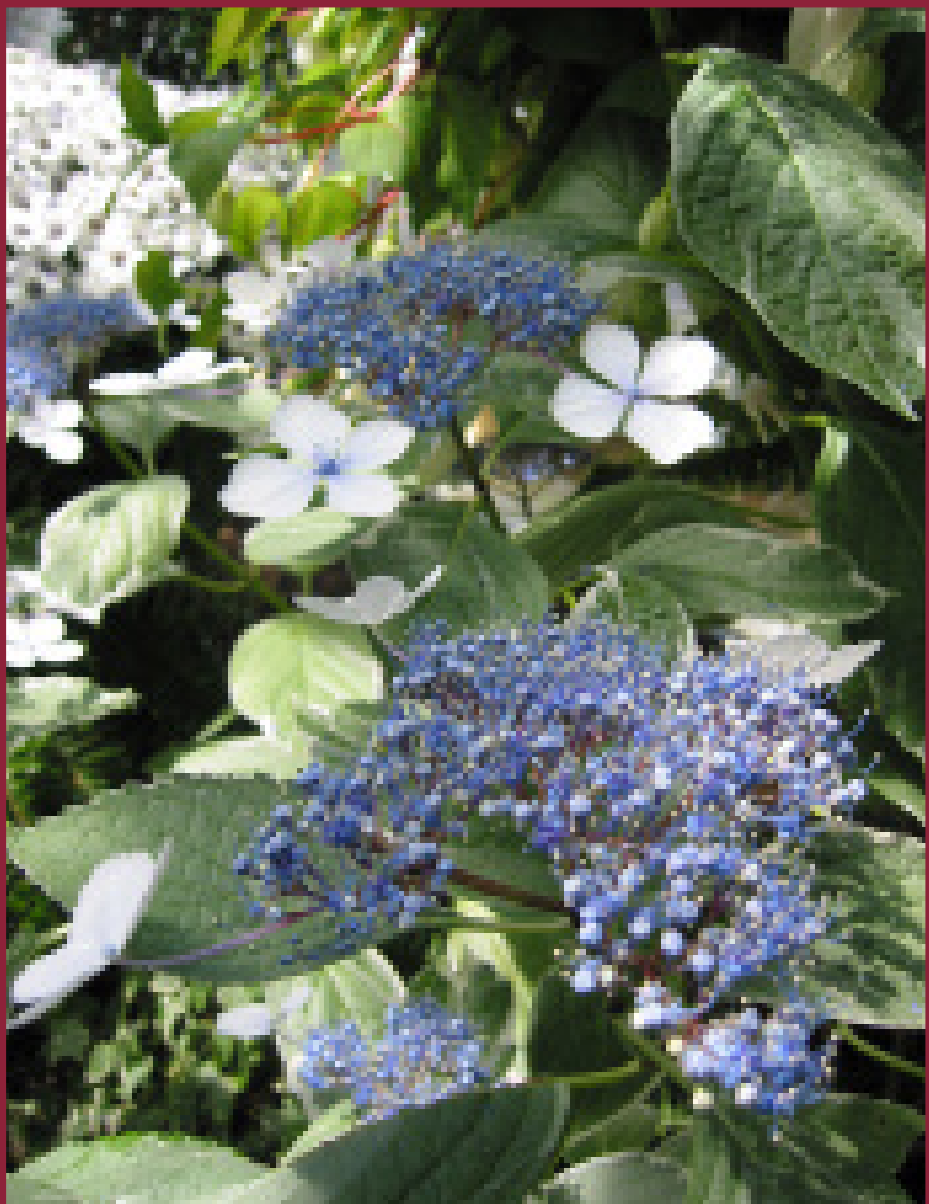
Green space levy on residential property, Seattle Parks and Recreation Board, Seattle, USA

In 2000, the Seattle Parks and Recreation Board introduced a pro-parks levy, which will raise up to \$198.2 million for parks and green space projects over a period of eight years, plus an anticipated \$1.98 million in interest earnings. Under the scheme, the average homeowner pays around \$92 per annum for the first few years, which rises to approximately \$112 in 2008, the final year. The levy provides funds for more than 100 projects all over the city that contribute to implementing park and open space priorities from existing neighbourhood plans, and is designed to supplement rather than supplant current levels of parks and recreation funding. Categories of funding include acquisition, development, environmental stewardship, maintenance and programming. There is also a specific acquisition and development opportunity fund for new projects identified by neighbourhood and community groups. A citizens' pro-parks levy oversight committee meets regularly to conduct project scheduling and make recommendations for the use of the opportunity fund.

In addition to the pro-parks levy, Seattle has used other financial mechanisms to raise extra funds for public space acquisition and restoration projects, such as the real estate excise tax (REET), tax increment financing (TIF), brownfield mitigation funds, grant matching, land banking, and private capital campaigns.

Sources:

Conservation finance, the trust for public land, Seattle Parks and Recreation Board, 2004
<http://tinyurl.com/rjmap>
Pro parks levy, City of Seattle
<http://tinyurl.com/rjmap>
Open Space Seattle 2100
<http://www.open2100.org/>



© Joshua Eckels



⁶⁶ *Citizen engagement and public services: why neighbourhoods matter*, Office of the Deputy Prime Minister, 2005.

Maintenance assessment districts, San Diego Park and Recreation Department, San Diego, USA

In San Diego, the Park and Recreation Department administers a programme of maintenance assessment districts (MADs) – a legal mechanism provided by California state law enabling property owners within a given area to vote to pay and receive services beyond the normal levels. This additional level of service is called a 'special benefit'. MADs in one form or another are used by cities throughout California.

MADs are usually used to pay for higher levels of landscape and maintenance services along roads and traffic islands, and also for additional park maintenance services such as mowing, weeding and the trimming of trees. MADs can pay for features such as historic replica lighting and children's play equipment, and for maintenance in natural open spaces. Thus, MADs permit communities in San Diego to assess for themselves the need for increased spending on their parks and open spaces. Under this arrangement, those living in the area vote by ballot to receive the special benefit. The additional charge or total of the 'willingness to pay' is calculated according to the proportional benefit received by each household, business, city facility and school. Then the resulting 'assessment' is added to each owner's property tax bill. Typically, landscape and maintenance work is handled by private contractors with administrative and budgetary oversight by the city. The San Diego municipal code also allows for not-for-profit groups to administer MAD contracts, overseen by city staff.

Source: *Maintenance assessment districts*, the City of San Diego <http://tinyurl.com/puyrk>

BID scheme, Bryant Park, New York, USA

In the 1970s, historic Bryant Park in Manhattan had declined into a haunt for drug dealers and users, as a result of a lack of resourcing and maintenance by the city's parks department.

In 1980, the Bryant Park Restoration Corporation (BPRC), a not-for-profit, private management company, was created to oversee the redesign and restoration of the park. The \$18 million project was funded from a combination of grants, state bond funds, city capital funds and private venture capital, with the majority of money being raised by charging a service fee to local businesses and property owners through a business improvement district (BID) scheme. The park reopened in 1991 with a budget six times the level under prior city management. Finally completed in 1995, the 15-year restoration project was the largest attempt to use private management backed by private funding for a public park.

In 2000, the BID raised \$750,000 towards the total management and maintenance budget of almost \$2.9 million. The Bryant Park BID mechanism provides secure and sustainable finance specifically for the park, ensuring its continued high quality, which contributes to higher local property prices. As the scheme draws from property owners and not occupiers, self-interested participation is maximised.

Sources:

A park agenda for the 21st century, the millennium vision, a supplement to *Parks & Recreation* magazine, Garvin, A., 1999.

Bryant Park, NY: Publicly owned, privately managed and financially self-supporting, Project for public spaces <http://tinyurl.com/rtbrpj36>
Bryant Park Restoration Corporation
<http://tinyurl.com/pyzha>

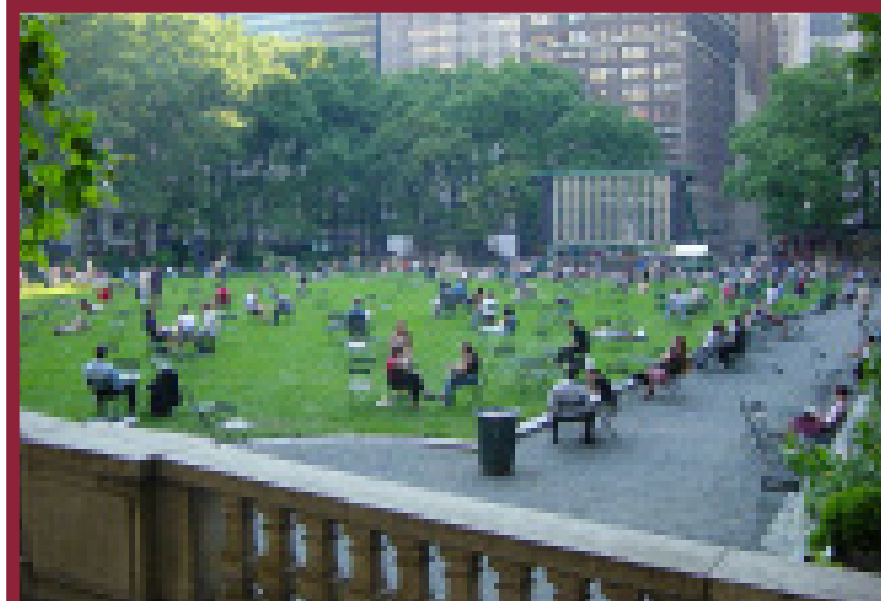
Green space levy on residential property, Minneapolis Park and Recreation Board, Minneapolis, USA

The local city charter gives the Minneapolis Park and Recreation Board (MPRB) the authority to levy a tax on residential property. The Board of Estimates and Taxation sets the tax rate, allocating about 9 per cent to the parks system. The rest of the MPRB's budget comes from the state of Minnesota aid programme (27 per cent) and a small amount from revenue income (for instance user fees and facilities rental). Unlike in most cities, this income from independent taxes makes Minneapolis' green spaces immune to budget shortfalls. Nevertheless, the agency seeks reliable, long-term funding to supplement its tax-based income from the Minneapolis Parks Foundation (a not-for-profit group) and revenue-generating public-private partnerships such as an indoor skate park. The board is also contemplating increasing income by charging for services such as car parking.

Source: Minneapolis Park and Recreation Board
<http://www.minneapolis-parks.org>

'Neighbourhood improvement districts could raise additional revenue through the council tax in a particular area for the provision of additional services, either by the council itself or by other organisations'

© Alan Barber





4 Planning and development opportunities

Planning agreements can fund the provision of green space in new residential and commercial developments. Usually employed by local authorities, planning agreements relate mainly to the funding of certain areas or development sites.

New development taxes, Milton Keynes

Located within an area of rapid housing growth, 70,000 new houses are expected to be built in Milton Keynes over the next 30 years. It is proposed that developers of new homes be required to pay the planning authority a tariff of about £20,000 for each home in order to get approval for new developments. Introduced in late 2005, this 'roof tax', worth 5-10 per cent of the cost of an average house, will be used to build schools, health centres, roads and other community facilities and could raise around £270 million. This system of standardised contributions marks a break from the site-by-site negotiations of Section 106 agreements and is England's first infrastructure tariff. Developers will pay part of the tax in advance, and about 75 per cent will be paid once the houses are completed.

Source: *Roof tax to help fund new homes*, The Guardian, 27 July 2005 <http://tinyurl.com/jbk7e>

In England and Wales, section 106 of the Town and Country Planning Act 1990 provides a legislative basis for planning obligations aimed at ensuring that new development results in appropriate social and environmental provision.⁶⁷ Section 106 (S106) agreements, therefore, require developers to contribute towards the infrastructure and services that the new development, or local community, will need. These can range from improvements to the public transport system, development of community buildings, or waste management, to restrictions on the use of land; but they can also include the provision of, or improvements to, green space.

ODPM circular 05/2005 *Planning obligations* provides the latest guidance from government on the use of S106, while *Planning policy guidance 17* (PPG17) makes clear that planning obligations can be used to reduce or remove deficiencies in the provision of green space and enhance quality.

Under negotiated development agreements, the Marston Vale Trust, a registered charity operating in the Forest of Marston Vale, has been allocated funding that was secured from developers and businesses for the management and maintenance of green space.

Private management fees, Canary Wharf, London

Canary Wharf, London's second largest financial centre, extends over 97 acres and contains 20 acres of landscaped open space. These green spaces, typically sized between 1-5 hectares, are owned by a private company, Canary Wharf Group plc, but are made publicly accessible.

Canary Wharf Group plc owns and manages the Canary Wharf estate. It maintains the estate's public open spaces and provides maintenance using a mix of in-house and external contractors. This is funded by management fees charged by Canary Wharf Holdings to tenants of buildings on the estate. Approximately £30 million a year is generated from this service charge and is used to support the management, security and maintenance of the common parts of the estate including roads, shopping centres, lighting and parks and green space. The group also undertakes the development and construction of buildings and facilities on the estate. For instance, Jubilee Park, a 10,000 square metre site constructed over the Canary Wharf Jubilee Line underground station, was completed in 2003. The design, by the father-and-son team of Jacques and Peter Wirtz from Belgium, was passed to Canary Wharf Contractors Ltd to construct. Canary Wharf Group plc is now responsible for the ongoing maintenance of this high-profile park.

Source: Interview with Canary Wharf Group plc
Canary Wharf Group plc www.canarywharf.com



© H.G. Esch Photography

⁶⁷ *Planning policy guidance 17: planning for open space, sport and recreation*, Office of the Deputy Prime Minister, 2002 and *Planning obligations*, ODPM circular 05/2005, Office of the Deputy Prime Minister, 2005.



Planning agreements, Bo01 district, Malmö, Sweden

The Bo01 district is a new mixed-use urban neighbourhood situated on reclaimed industrial dockland in Sweden's third largest city, Malmö. Located within one of Malmö's growth areas, the Bo01 district was planned as an exemplar of sustainable development: wind, solar and hydro power is produced locally and supplied to the site; residents are encouraged to use environmentally friendly forms of transport; and domestic waste is recycled at the point of collection.

The district makes use of a green space factor system as a means of creating and maintaining quality public green space. Based on a system of points, values are awarded to different sub areas according to the opportunities they afford for vegetation and ecology. The rule for housing area is that the average value for any green space or courtyard must not be lower than 0.5.

Thus, when building new houses and flats in the Bo01 district, developers are obliged to provide for the establishment and ongoing finance of green spaces. They can choose from a menu of green measures in order to reach the minimum score. For instance, every residential courtyard in Bo01 has to be provided with at least 10 green measures, including at least one large tree. Therefore, developers have planted trees and vegetation and have added water features and green roofs.

The long-term management of these green spaces is funded by charging maintenance or service fees to new property owners. The area's exceptionally high property prices and service charges ensure that the development is maintained to high standards.

Sources:

Innovative solutions from Denmark and Sweden to the design, management and maintenance of green space, Beer, A., 2001
<http://www.map21ltd.com>

Start with the park: creating sustainable urban green spaces in areas of housing growth and renewal, CABE Space, 2005.

Urban villages and the making of communities, Neal, P. (ed), 2003.



© Nicole Colomby

S106 contributions can be applied to fund the redevelopment or maintenance of existing public open space, either as a lump sum contribution or invested as an annuity by the local authority.⁶⁸ Annuities are not uncommon throughout the UK and are used by local authorities to fund the upkeep of public open space. An annuity, expressed as a 'commuted payment', is levied on new-build development to support the revenue requirements of the space in perpetuity. However, S106 was recently altered so that ongoing payments can apply only within the development site to which the agreement relates.⁶⁹

In Malmö, Sweden, the city planning authority ensures that private developers take responsibility for managing and maintaining green spaces in areas of residential development. To compensate for the open spaces they have built on, building contractors are required to provide new green spaces that are maintained by funding from service fees charged to the new property owners.

In England, the private sector also has responsibility for a number of green spaces in areas of regeneration and development. For instance, green space at Canary Wharf in London is owned and managed by a private company, Canary Wharf Group plc.

In other cases, the private sector has included provision for green space maintenance in new areas of social housing, establishing innovative schemes to fund and train green space caretakers using a small percentage of the rental income.

Social housing companies in green space management, Denmark

The DAB housing company is one of the biggest not-for-profit housing companies in Denmark. All its estates have caretakers living on site, their employment funded from the estate's rental income. The caretakers are responsible for maintenance duties such as cleaning and gardening, as well as liaising with tenants. Rents are increased by around 1-2 per cent per annum to fund repairs needing outside contractors, and tenants can access loans, with the assistance of DAB, to cover the cost of larger improvements.

Source: *Innovative solutions from Denmark and Sweden to the design, management and maintenance of green space*, Beer, A., 2001
<http://www.map21ltd.com>



© Guy Lambourne

S106 planning agreements, Forest of Marston Vale

Covering over 60 square miles in Bedfordshire, the Forest of Marston Vale is one of 12 community forests in England. This was established in 1991 to repair the landscape of the Marston Vale, damaged by decades of industrial use, by working with local communities to create a well-wooded countryside. The Marston Vale Trust is responsible for managing the forest through Marston Vale Services, its wholly owned operating company. Operating under planning obligations that relate to any new developments in the area, the forest team works closely with the planning authority and private developers to secure land for green space and draw down funding to create community woodlands. Before each negotiated arrangement, the Forest of Marston Vale team identifies and quantifies costs over a 25-year period to ensure that the woodland areas can be maintained in the long term. As a registered charity, the Marston Vale Trust is able to hold the 25-year delivery costs as restricted funds, guaranteeing their security and providing assurance for funding partners and planners that the funding will be used for green space. This model of negotiated planned agreements is approved by the Forestry Commission and has support from the DCLG.

Sources:

Interview with the managing director of the Forest of Marston Vale.

Breathing space: creating green infrastructure in the Marston Vale, Forest of Marston Vale, 2004.

⁶⁸ *Planning obligations*, circular 05/2005, Office of the Deputy Prime Minister, 2005.

⁶⁹ *Planning obligations*, circular 05/2005, Office of the Deputy Prime Minister, 2005.





5 Bonds and commercial finance

In the USA, as well as voting to increase neighbourhood taxation, constituents can vote to allow the local authority to issue bonds as another method to fund urban green space. Based on their assets, financial management plan and corporate position, local authorities can receive loan funding from bonds that can be repaid over a period of up to 30 years. Repayments can be funded through property taxation, commercial revenue streams and general taxation or sales taxes.

In the USA and many cities in Europe, tax increment finance provides an alternative way of funding regeneration and infrastructure schemes for green space development as part of a wider funding package. Tax increment finance involves raising funds for specific investment projects on the assumption that there will be an increase in municipal taxes as a result of new development. In many instances, commercial finance – such as bonds or prudential borrowing – can be accessed to fund investment and repaid through increased property taxation.

Research by CABA Space has identified a link between improvements to the quality of green space and higher property prices.⁷⁰ This supports the idea of using tax increment finance to fund green space projects.

However, in England, the amount that local authorities can borrow is restricted by government. In addition, they are not allowed to issue voter-approved bonds, limiting the scope for capital market involvement in directly funding the public realm. Bonds are sometimes used for transport and major infrastructure projects, in which secure, long-term revenue streams can be predicted with certainty or else underwritten independently.

That said, the Local Government Act 2003 has introduced greater financial flexibility and provided local authorities with a new prudential borrowing power. The act allows councils to borrow without the consent of central government as long as they remain within their own affordable borrowing limits. The act has also revived opportunities for the councils to issue bonds for capital projects.

Opportunities to involve commercial finance in the provision and maintenance of the public realm are likely to be limited, as these projects do not relate well to typical lending criteria or credit metrics. Potentially, however, this problem could be overcome in either of two ways:

- In circumstances where capital market funding is required, urban spaces such as parks could incorporate commercial uses that generate revenue. Such uses could include restaurants, shops or cafeterias. In many cases, this would require the local planning authority to apply a pragmatic approach to land-use policy. These uses would need to demonstrate a return upon which funding could be leveraged.
- Local government or, alternatively, a suitable regeneration organisation could provide a bridging guarantee to underwrite repayments in principle. This guarantee is particularly important in the initial years of lending when these revenue-generating uses have no track record of revenues upon which to secure finance.

Bond issues, Portland, Oregon, USA

The city of Portland is renowned for its achievements in integrating investment in public infrastructure such as public space and transportation with the long-term planning and development of a high-quality urban environment. Bonds have been used to part-fund a new tram in the city, the metropolitan area express, on the basis of expected tax property value increases. The existence of the tram has managed to reduce urban sprawl, and the income from the higher-density housing development in the area is now contributing towards funding the tram and repaying the bond. Portland's Park System is considered to be the third best funded system in the United States after Seattle and Minneapolis, using a range of funding mechanisms.

Sources:

Funding sustainable communities: smart growth and intelligent local finance, Falk, N., Town and Country Planning Association, 2004.
Open Space Seattle 2100
<http://www.open2100.org> resources section



⁷⁰ Does money grow on trees? CABA Space, 2005.



‘Research by CABE Space has identified a link between improvements to the quality of green space and higher property prices. This supports the idea of using tax increment finance to fund green space projects’

Bond issues, St Louis, Missouri, USA

In support of the efforts of the not-for-profit organisation Forest Park Forever to finance capital improvements in the park, the city of St Louis issued \$17 million worth of bonds for the improvement of Forest to be repaid through the city sales tax. Once the bond has been repaid, the revenue from the same city sales tax will also be directed towards the park.

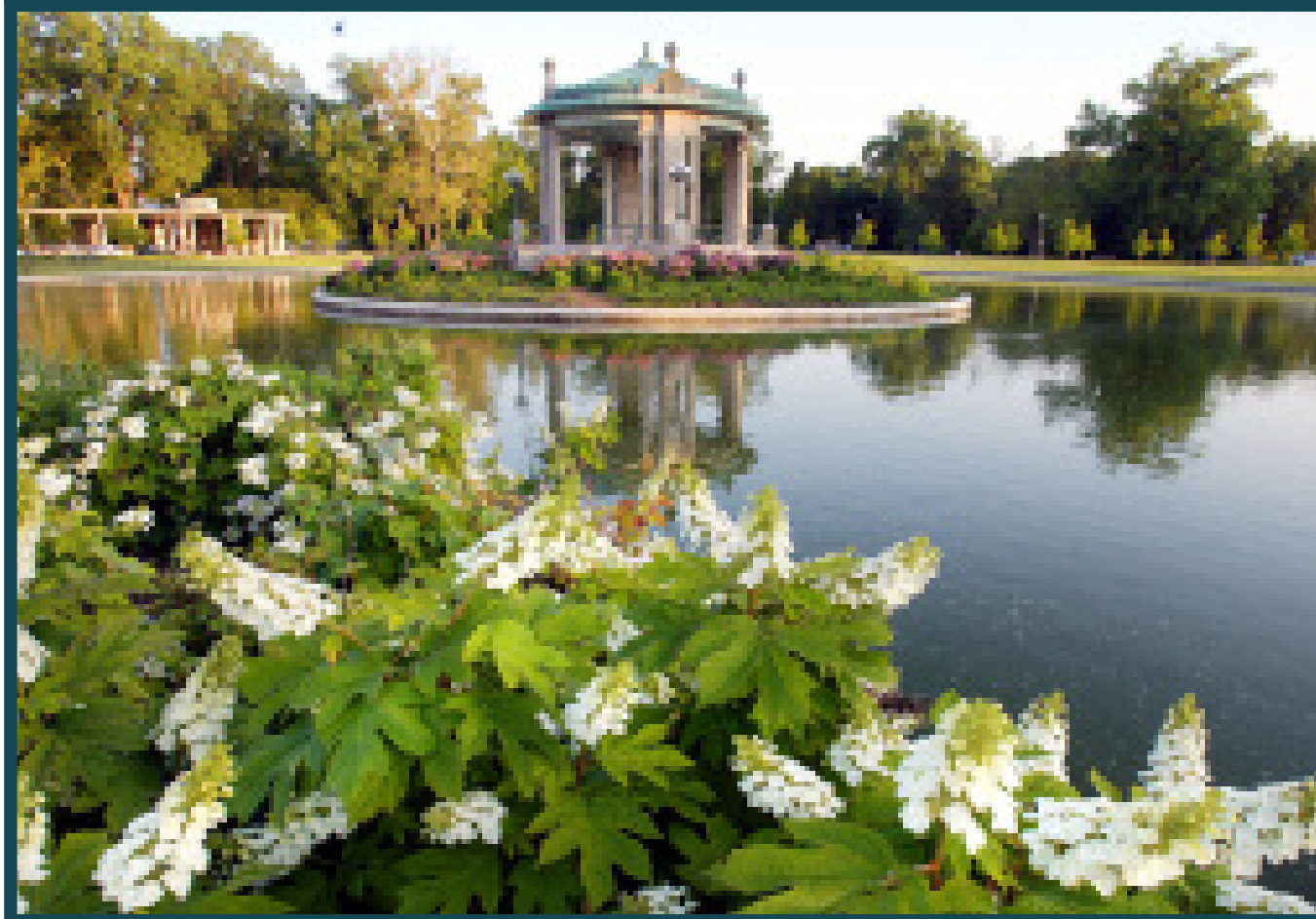
Source: *Public parks, private partnerships*, Schwartz, A. et al., Project for Public Spaces, 2000.

This notion of bridging finance or a bridging guarantee is commonplace in other areas of regeneration policy and small and medium-sized enterprise (SME) development throughout the UK. For example, the London Development Agency’s small firms loan guarantee scheme provides loans to SMEs and helps them access lower-cost finance.

Local government involvement, as a potential guarantor of finance for trusts, or as a direct customer of the capital markets, is greatly facilitated by the prudential system of local authority finance. This system has given local government the ability to leverage debt finance from assets – which, in the case of many authorities, are substantial. Consequently, some local authorities have approached the markets to assist in funding needs, although most have chosen to remain with the public sector loans board as a source of finance.

Nevertheless, there is no doubt that local authorities now enjoy greater financial flexibility. Indeed, there is much to be said for local authorities offering guarantees as part of a broader package of regeneration initiatives. This could be a particularly important vehicle for accelerating the redevelopment of brownfield land, since the likely success of this ‘guarantee’ approach could be less dependent on the strength of the local property market and more reliant on the pragmatism and application of planning policies, an area for which local authorities themselves have direct control.

© Forest Park Forever





6 Income-generating opportunities

In green space sites, business opportunities such as sponsorship and the management of sports facilities, restaurants, cafés, festivals and events are other ways in which private sector funding can be sourced. One way of accessing funding from private business is by granting licences or franchises.

Franchises and licences, Mile End Park, London

In the London Borough of Tower Hamlets, east London, Mile End Park generates around 50 per cent of its annual budget from income-generating opportunities sited within the park.

Previously consisting of strips of derelict wasteland, Mile End Park was overgrown, neglected and considered by local residents to be unsafe. In the mid 1990s, the Mile End Partnership brought together the local authority, the East London Business Alliance and the locally based Environment Trust to raise around £25 million to regenerate the park. Funding sources included the Millennium Commission, English Partnerships and the single regeneration budget. Mile End Park has since been revitalised into a well-known, mixed-use park; it includes an ecology park and arts park pavilions, a karting track and an iconic bridge known as the Green Bridge which incorporates shop units within its lower level. The park generates income from the lease of these shop units, along with revenue from the kart track, café franchises and the hire of the pavilions for weddings, conferences and exhibitions.

Source:

Mile End Park <http://www.mileendpark.co.uk>

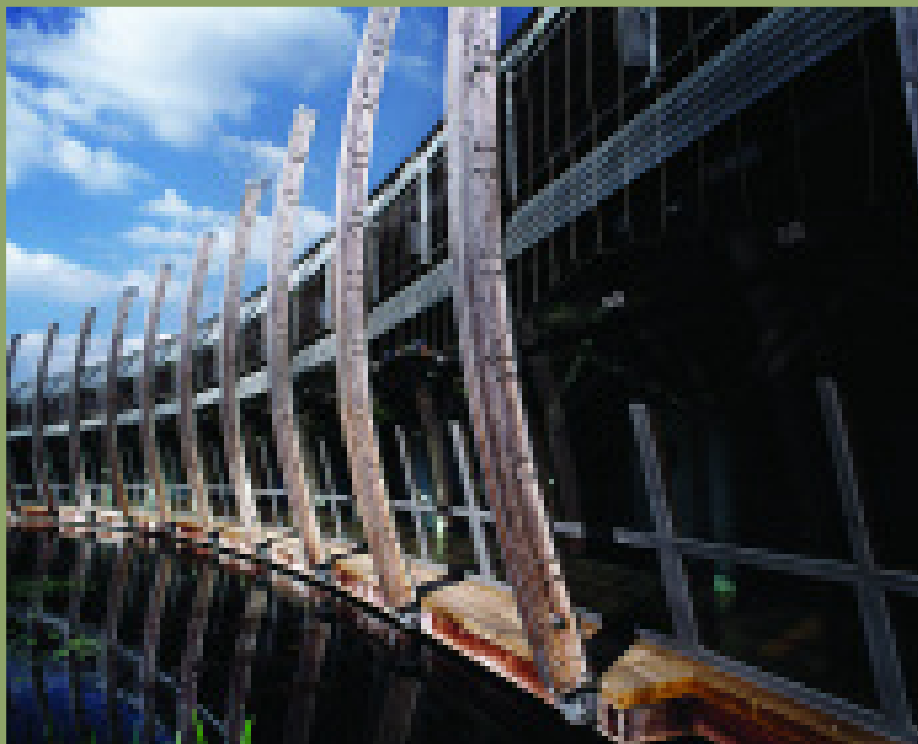
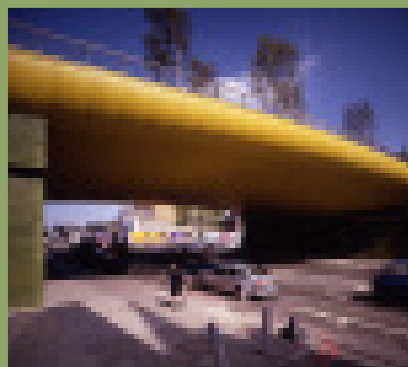
Does money grow on trees? CABE Space, 2005.

In Sacramento in the USA, concession fees and franchises are a core funding source which have helped to turn a problem-ridden city park into a vibrant town square.

In some places, where green spaces have special attractions, entry charges are levied. In New York, USA, for instance, the city authority has introduced a scheme of requesting donations for some public recreation centres, including gyms, green spaces and museums.

Sponsorship of areas within green spaces has been used as a method to access funding from private business. In the USA, some green spaces are linked to branded product sponsors. This also takes place in England, but to a lesser extent. For instance, Brockwell Park Lido, in the London Borough of Lambeth, raised £100,000 of funding in 2001 from a bottled water company. In other cases, private companies have developed specific arrangements with local authorities to finance green spaces in return for wider publicity. Alternatively, green spaces have been established as part of wider private sector area regeneration schemes and have included revenue-generated facilities to ensure long-term maintenance. One example of this approach is Post Office Square in Boston, USA.

Green spaces can also provide opportunities to develop the social economy and capture value from social enterprise projects.



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Commercial activities, Plaza Park, Sacramento, USA

Authorities in the city of Sacramento have regenerated Plaza Park, an underused city-centre park, into a popular and vibrant public area. In the early 1980s, as part of a downtown revitalisation effort, the Sacramento Housing and Redevelopment Agency invested \$213,000 in the redesign of Plaza Park. It also funded the organisation of events, including a farmers' market, to attract users back to the park. As a result, the management of a new office building opposite the park decided to commit a further \$250,000 to fund additional improvements such as the renovation of toilet facilities into a café. The management of the park was subsequently handed over to a private not-for-profit organisation, the Downtown Partnership. Whilst the city authority funds the park's maintenance costs, the Downtown Partnership manages and organises park events and operations.

The park café is the highest revenue-generator per square foot in Sacramento. Lease payments from the café go to the Downtown Partnership, which uses this money for park events such as Friday night concerts; the concerts can raise as much as \$40,000 a year.

Sources:

Activities and concessions turn problem park into 'town square': an Urban Parks Institute success story, Project for Public Spaces. 2005
<http://www.pps.org>
 City of Sacramento
<http://www.cityofsacramento.org>
 Downtown Sacramento Partnership
<http://www.downtownsac.org/>

It is important to note that the sale of sections of parks to secure revenue should be conditional on a high-quality green space strategy that clearly identifies excess green space, based on a thorough assessment of provision, distribution and need.

Donations of funds by private individuals, businesses and organisations can also be substantial sources of income over time.

Fees and fines have also been used as a mechanism to deliver funding for green space. For instance, in Curitiba, Brazil, for every tree that is felled during development two must be planted or donated to the city. This has helped maintain the local environment and reduce plant stock costs to the city.

More broadly, following recent policy initiatives in England, neighbourhood bodies in certain circumstances may be able to levy fixed penalty notices.⁷¹ Indeed, the government's Clean Neighbourhoods and Environment Act allows powers for authorised officers or employees of parish and community councils to levy fixed penalty notices for 'environment crimes' such as dumping litter, graffiti and flyposting. Revenue from these penalty notices could, in principle, be reinvested back into the community and used to improve the local environment and maintain areas of green space. In addition, penalty notices will help to increase environmental awareness and improve environmental behaviour.⁷²

Another potential source of funding for green spaces is the opportunity they can provide for hosting environmental initiatives such as alternative energy production. Waste management initiatives such as local green waste recycling and composting could be integrated into the design and management of urban green spaces, and alternative energy fuels could be grown and sold to fund green spaces. This is being developed as a new income source for farmers in Northern Ireland but could be transferred to the green space sector.

Voluntary fees, New York, USA

In 1995, New York began requesting a donation (in the \$10-\$25 range) for the use of public recreation centres. This annual donation entitles donors to a membership card and to use of all the public recreation facilities. People who claim they cannot afford a donation of any amount are asked to fill out a form and are then granted a free membership card. The parks department is now considering introducing a 'sweat-equity' programme so that those on state benefit or low incomes can do some work in the centres in return for their free membership card.

Source: The Trust for Public Land
<http://www.tpl.org>



© Alan Barber

⁷¹ *Citizen engagement and public services: why neighbourhoods matter*, Office of the Deputy Prime Minister, 2005.

⁷² The government is clear that fines should not be seen as revenue-raising mechanisms. Nevertheless, the ability to offset the high cost of cleaning up environmental crime, for instance unauthorised dumping of rubbish, could increase the total funds available to local authorities for looking after the environment, including green spaces.





Private sector regeneration, Post Office Square, Boston, USA

In Boston, the private sector has developed an area of green space known as Post Office Square and made provision for ongoing finance by incorporating a restaurant and an underground car park. As part of the regeneration of the whole area, the green space was developed on the site of a dilapidated parking garage. The idea was taken forward by a consortium of business owners and property developers, who established the not-for-profit Friends of Post Office Square. The parking garage was replaced by a seven-level underground parking facility that was covered with a 0.7-hectare park costing \$2 million. To raise capital funds for the development, local businesses were sold individual shares of \$65,000, along with the right to a monthly parking space. The purchase agreements included a cumulative 8 per cent dividend to be paid to shareholders when the debt relief is complete. In total, around \$80 million was raised for the project (\$30 million from the shares and a \$50 million bank loan). The 24-hour parking garage generates approximately \$8 million a year, which covers debt service, taxes and the \$225,000 operating costs for the park. After the debt has been paid, the Friends of Post Office Square has arranged for the city of Boston to receive all profits from the garage. These funds are to be allocated to other neighbourhood parks as well as to the city's general fund.

Sources: *Inside city parks*, Harnick, P., the Trust for Public Land and Urban Land Institute, 2000.

Funding opportunities may exist in other forms of alternative energy production such as landfill gas, biomass, solar and hydro-power. In addition, the emissions trading scheme (ETS) has been highlighted as a possible source of funding for green space. At present, however, the funding opportunities under this mechanism are limited, as the first phase of the ETS, which started in January 2005 and ends in 2007, is unlikely to include any auction of permits. Although it is still unclear where money from the ETS will be directed, this could provide a source of funding for green space in the future.

Partnerships between the public and private sector also provide opportunities to develop alternative ways of financing green space. Local authorities and the private sector commonly enter into special purpose funding vehicles (SPVs), for instance, to promote regeneration in the UK. Local authorities typically contribute land to the SPV, which in turn is developed for composite uses, potentially incorporating high-quality green space. Recurrent revenue requirements associated with the space could also be met under the SPV by the bonding of commuted payments drawn from private developers in planning agreements.

Bradford City Council, in particular, has used this mechanism to pursue regeneration and environmental improvements. The SPV concerned has been able to debt-finance its operations, using local authority land as security and unlocking grant-aiding opportunities that need match funding. Third-party developers (external to the SPV) have then been contracted by the SPV to minimise risk and leverage best value from the funding vehicle. In another example in England, Liverpool City Council established an SPV to regenerate Sefton Park, by redeveloping the Palm House, a grade II* listed Victorian glasshouse, within the park.⁷³

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Child and healthcare initiatives, London Borough of Merton

Merton council has sold off part of a local park to allow for the development of a childcare unit, doctors' surgery and other healthcare facilities such as a pharmacy. This centre will help to increase usage of the park. It is also planned to use income generated by a new café to pay for park maintenance and fund provision of a new playground and better park lighting.

Source: London Borough of Merton
<http://www.merton.gov.uk>

⁷³ For further information see
<http://www.palmhouse.org.uk/>





Gifts for parks programme, Vancouver, Canada

The Vancouver Board of Parks and Recreation was established in 1886 with a mission to preserve, enhance and be an advocate for the city's parks and recreation services to benefit people, communities and the environment. It is unique because it has an autonomous and separately elected committee, rather than one appointed by the city council. The gifts for parks programme was introduced by the board in 1986 as a single-item donor project, but has now evolved into an expanded fund-raising initiative with a high level of public and business participation: up until the end of 2003, the programme had raised around \$3 million in donations, with donors purchasing park amenities such as benches, trees, fountains, picnic tables and sculptures. Donations are accepted on a 10-year contract, during which time the board guarantees to repair or replace the item if it is damaged. To balance high donor interest against limited site availability, the programme places a premium on benches in popular locations such as the waterfront.

Source:
Vancouver Board of Parks and Recreation
<http://www.city.vancouver.bc.ca>



Using land for renewable energy production, Northern Ireland

In Northern Ireland, a partnership between a renewable energy supplier (Green Energy UK) and a wind turbine manufacturer (Proven Energy) has opened up the possibility for farmers to utilise their land in order to earn additional income by developing and using natural power.

Proven Energy manufactures small, domestic-size wind turbines, all suitable for light agricultural use. Green Energy UK buys the renewable energy from farmers and offers flexible contracts specially designed for farmers' needs. The installation of one 15-kilowatt wind turbine should enable farmers to earn over £1,000 per annum from the sale of units of electricity. In addition, they are expected to derive significant annual savings as a result of generating their own electricity.

Sources:
Proven Energy Ltd <http://www.provenenergy.co.uk>
GreenEnergy <http://www.nef.org.uk/greenenergy>

'Partnerships between the public and private sector also provide opportunities to develop alternative ways of financing green space'





7 Endowments

Although not widely used in England, endowments are another way to fund green space and have proved to be an extremely successful way of securing a long-term, protected source of income. An endowment is an asset that generates income: the income, or part of it, is used to fund the green space while the capital remains invested. An endowment could take the form of an investment in the stockmarket which generates interest, for instance, or a property portfolio that generates rental income.

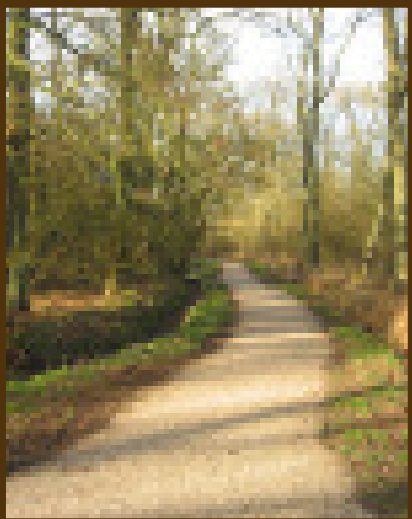
Endowments, the Parks Trust, Milton Keynes

Following the dissolution of the Milton Keynes Development Corporation in 1992, £18.5 million of property assets held by the corporation were transferred to the new Parks Trust along with the ownership of a network of 4,500 acres of green space. The Parks Trust now has an asset base of around £70 million, which consists of mainly commercial property and stock market investments. The trust has managed to grow its asset base by careful stewardship, spending only the income generated by the assets and leaving the capital intact. It also generates significant income from its green estate, for example from sport and recreation, grazing, willows for cricket bats, events and licences.

Unlike a local authority, the trust has no ability to generate income from local taxation and therefore long-term financial planning is essential. It has to be sure it can maintain its green spaces in perpetuity from the income generated by the asset base.

The trust continues to take on new green space provided it is offered with a commuted sum, which is calculated on a formula based on the annual cost of maintenance. It believes its model is a good one and worth replicating elsewhere. The big advantage is that it is totally focused on managing the green space to the highest possible standard. It has no competing priorities for its expenditure and all income it generates, and any savings made, stay within the enterprise.

Source: Interview with the managing director of the Milton Keynes Parks Trust.



Milton Keynes Parks Trust is another example of an organisation that funds the management of large areas of green space from an endowment. The trust is a registered charity and private limited company that maintains green spaces throughout Milton Keynes, a new town built on a greenfield site. The trust's income is largely derived from a commercial property endowment, given to it by the Milton Keynes Development Corporation, the government-funded organisation that was set up to build the town of Milton Keynes. The parks trust has grown its endowment through planning and development deals, generating income from its activities, and long-term financial planning.

The Land Restoration Trust (LRT) also manages an endowment fund as a way of supporting the maintenance of public open space. The LRT takes on the upkeep of derelict spaces and brownfield land previously owned by public agencies and private business. Derelict land that is creating a financial burden to the current public or private owner is transferred to the LRT on the agreement that the trust will develop the land into public open space and ensure that it is maintained, usually by a third party such as a local not-for-profit organisation. Usually when land is transferred to the LRT, the previous owner pays a capital sum to the trust, as an endowment, which is placed in an investment fund. This helps fund the maintenance of the land in the future.

As with the Milton Keynes Parks Trust, long-term financial planning is central to the management of the LRT's endowment to ensure that spending is strictly controlled and that the level of interest gained is sufficient to provide for maintenance and protect the fund. With this in mind, the LRT is exploring other opportunities to supplement the income stream and increase the size of the investment. These include developing community events, visitor attractions, wind power and residential and commercial development.

Endowments, the City of London Corporation

The City of London Corporation manages over 4,200 hectares of green space in and outside Greater London, including Hampstead Heath, Highgate Wood and Epping Forest, and works closely with the local authorities in which they are situated. The corporation's funding comes primarily from property investment funds established over hundreds of years, which provide an income stream to support green spaces. Indeed, the endowment is also used to fund other activities both within and outside London, including a number of independent schools and the Smithfield, Billingsgate and Leadenhall markets. Many of the city's open spaces are managed as registered charities.

Source: Interview with representative from the City of London Corporation.





Endowments, the Land Restoration Trust, Liverpool garden festival site

Created by a partnership comprising English Partnerships, Groundwork, the Forestry Commission and the Environment Agency, the Land Restoration Trust (LRT) aims to deal with dereliction in brownfield sites and green spaces across England. The trust takes on derelict, neglected land transferred from public and private organisations, and seeks to develop and maintain it as an area of public open space. This maintenance is funded from an endowment, which is supported from the trust's property portfolio and from upfront capital payments made to the trust by the previous owners of the land.

The LRT and a private developer are taking responsibility for the derelict open space that was previously the site of the Liverpool garden festival. The local authority retains ownership of the land but will transfer responsibility for maintenance and development on a 99-year lease. This will permit residential development on one part of the site, providing finance for the LRT to develop and maintain the green space on the rest of the land, utilising community groups and social enterprise.

Source: Interview with representative from the Land Restoration Trust.

Endowments, the National Trust, back-to-back housing, Birmingham

The National Trust, working in partnership with the Birmingham Conservation Trust, has taken ownership of Birmingham's last surviving court of 19th-century back-to-back working people's housing, now reopened as a visitor centre. With funding raised from over 20 charitable trusts, the Heritage Lottery Fund and the European Regional Development Fund, the Birmingham Conservation Trust provided the initial capital investment to restore the buildings. The National Trust established an endowment of around £760,000 to underwrite the operation of the houses over a 70-year period.

Source: Interview with representatives from the Birmingham Conservation Trust and National Trust.

The National Trust manages an endowment to contribute towards the ongoing maintenance of property, including open space. In considering whether to take responsibility for land and buildings, the National Trust first makes an evaluation of them. This involves an initial assessment of four main issues that include:

- merit: is the land or building of sufficiently high quality and of interest to the National Trust?
- threat of development: will ownership of the land or building by the National Trust ensure protection from future development?
- management of the property: how can the property best be managed?
- public access: can ownership by the National Trust guarantee access to the public?

If these questions can be answered satisfactorily, the trust then considers a range of finance issues to determine if an endowment can be suitably adopted for the property, including land. The assessment of the endowment is based on a method known as the 'Chorley formula', which essentially involves an analysis of:

- the projected annual expenditure
- the projected annual income
- the projected income from other sources such as commercial activities on the property
- the projected costs of management and maintenance
- a contingency fee to allow for unforeseen events.

The formula is used to calculate what endowment would be necessary to fund maintenance for 70 years. If a large enough endowment is available the building or property is transferred to the National Trust. The initial financial assessment is applied to each property and the endowment is established and ring-fenced on a case-by-case basis. This means that the endowment is safeguarded for each property but opportunities are restricted to build a national endowment fund for distribution. The National Trust, however, can use its other funds to acquire additional property and make additional investments in certain areas of regeneration need.

In addition, donations and fundraising activities can be used to build or develop an endowment. In this case, the holder of the endowment provides an assurance that although the funding will be invested over the long term, the interest will be used to support activities in particular areas identified by the donors or fundraisers. Fundraising initiatives and donations for green spaces could therefore be held in an endowment, invested over the long term and grown to provide a sustainable source of finance from the interest gained.





8 Voluntary sector involvement

The voluntary and not-for-profit sector is an important stakeholder in urban green space development at the neighbourhood level. Voluntary and not-for-profit organisations can provide an important resource by contributing additional labour, providing public stewardship of green space and assisting in community development and outreach.

It has been estimated that the value of the input to the parks sector made by voluntary and community sector groups is at least £35 million a year (GreenSpace, 2003).⁷⁴ Raising funds to attract alternative flows of money for green space is one of the central activities of park 'friends' groups and other not-for-profit organisations. With their substantial capacities and expertise, not-for-profit organisations have been involved in raising donations from corporations and individuals and collecting money from events. In addition, voluntary and community groups have co-operated on programmes that train young people in gardening and related activities, and provide the opportunity of employment in green space maintenance or environmental management. In Indianapolis, USA, for example, the city authorities have established partnerships with church organisations to maintain neighbourhood parks.

In England, the engagement of the voluntary and not-for-profit sector in the management and maintenance of green space is increasing. In recent years, various public and private initiatives have been introduced to facilitate greater community involvement and provide voluntary and not-for-profit organisations with the resources and skills to help transform and maintain green space in their area.⁷⁵ Under these schemes, organisations such as Groundwork, GreenSpace, the BTCV and Community Service Volunteers have provided professional support for community development and capacity building and acted as facilitators of local community development.

'It has been estimated that the value of the input to the parks sector made by voluntary and community sector groups is at least £35 million a year'

Friends groups, Partnerships for Parks, New York, USA

Partnerships for Parks is a joint programme of the New York City Parks Department and City Parks Foundation, an independent not-for-profit organisation. The idea behind Partnerships for Parks is to mobilise local residents to take stewardship of their parks, especially smaller ones that have limited capacity to raise private money. The partnership's \$2 million operating budget is funded jointly by the city and private donations, which are raised by the City Parks Foundation. Partnerships for Parks encourages and assists local volunteers who participate in city-wide clean-up and greening events. It has also launched 'catalyst' projects, which aim to build a constituency for parks support.

Sources:

Green future: a study of the management of multifunctional urban greenspace in England, Barber, A., University of Manchester, 2004.
Public parks, private partnerships, Schwartz, A. et al., Project for Public Spaces, 2000.



© Partnerships for Parks

⁷⁴ GreenSpace (2003), the community network project final report. Note that the figure of £35m is likely to be an underestimate: the calculation was based on the time contributed multiplied by the minimum hourly wage. However, often the work done by volunteers is relatively skilled and could

legitimately be valued at a higher rate.

⁷⁵ These include, for example, Marks & Spencer Youth Environment Programme, Barclays SiteSavers, United Utilities Landcare, the government's Living Spaces scheme, Doorstep Greens and initiatives promoted by the Land Restoration Trust.



Not-for-profit partnerships, Red Cross Garden, London Borough of Southwark

Red Cross Garden in the London Borough of Southwark is owned by Southwark Council but leased and managed by Bankside Open Spaces Trust (BOST), a not-for-profit charitable organisation. The garden was originally laid out in 1887 by Octavia Hill and is situated within an area of Southwark that has few areas of open green space; in particular, it lacks large areas of green space.

BOST works with a range of organisations to facilitate community involvement and volunteering in the parks and open spaces in north Southwark. It has 40 regular volunteers, of which 15 volunteer in the management and upkeep of Red Cross Garden.

BOST supports a small steering group of local people, businesses and council officers who meet regularly to talk about the maintenance and upkeep of parks in north Southwark and to discuss the organisation of events and activities to encourage local people to use these parks. For example, to celebrate the reopening of Red Cross Garden, BOST organised a community event that was attended by over 200 people, including Princess Anne. The day's activities included maypole dancing, a puppet show and Victorian hat-making.

In addition, BOST sub-contracts works to other organisations such as those for the homeless and people with special needs. This encourages wider participation and involvement and provides maintenance contracts at a competitive rate. Although the park is financed by the council's parks department budget, BOST's charitable status provides the opportunity to attract funding, albeit in more limited amounts, from private donations and grants from the Heritage Lottery Fund and the DCLG. Furthermore, Southwark Council provides in-kind support to BOST, for example advice about graffiti removal and ways to tackle anti-social behaviour.

Source: Interview with representatives of Southwark Council and BOST.

Friends groups, for instance, have been set up to help maintain a number of urban green spaces. By building on the level of capacity at the neighbourhood level, city-wide voluntary and community groups have also developed as support organisations for green space. In these arrangements, not-for-profit organisations work to develop community and political support for green space, facilitate partnerships with other sectors and provide sports and educational programmes.

In the USA, for example, Partnerships for Parks in New York and the Boston GreenSpace Alliance are city-wide, not-for-profit organisations that aim to support green space in their respective cities. The organisations' focus is establishing city-wide networks or coalitions of constituents that are advocates for green space and can mobilise financial and political support from local communities, individuals, corporations and local government. To gather support and promote park advocacy, the not-for-profit organisations also organise community events and educational programmes in parks. In addition, Partnerships for Parks administers seed grants that provide start-up funding for new groups to establish themselves and join the network.

Unlike friends groups, the voluntary and not-for-profit sector can take sole policy-making and management responsibility for an area of green space, with a financial allocation from, or assets endowed by, the local authority. For example, under an agreement negotiated with the city authorities in Richmond, Virginia, in the USA, responsibility for operating and maintaining the green space in the Maymont Victoria estate was transferred to a not-for-profit organisation.



©BOST





Not-for-profit ownership of green spaces, Coin Street, London Borough of Lambeth

Located in central London, Bernie Spain Gardens is an area of green space that is owned and managed by the Coin Street Community Builders (CSCB). CSCB is a development trust and social enterprise business set up by local residents which uses commercial income to cross-subsidise community activities that would otherwise be unviable.

In 1984 CSCB purchased 13 acres of derelict land on the south bank of the river Thames from the Greater London Council. This was funded by borrowing against revenue from temporary car parking on the site. Since then, CSCB has overseen the demolition of derelict buildings, the completion of the South Bank riverside walkway, the building of 220 co-op homes for families in need, the creation of Gabriel's Wharf market, and the refurbishment of Oxo Tower Wharf for mixed uses including shops, restaurants, retail design studios and flats. As part of this development, a riverside park, Bernie Spain Gardens, was created. This area of green space is managed and maintained by CSCB's in-house estates team. It is the location for an annual programme of festivals and events. Costs are met from CSCB's commercial activities elsewhere on the site.

Source: Coin Street Community Builders
<http://www.coinstreet.org>

In England, neighbourhood ownership of urban green spaces by non-profit trust organisations is encouraged in government proposals. The recent policy documents, *Citizen engagement and public services* (2005),⁷⁶ and *Community assets: the benefits and costs of community management and ownership* (2006)⁷⁷ outline how not-for-profit trust organisations, accountable to the local community, could take ownership of land and property. Such organisations could seek to transform the property into an amenity for local people, from which revenue can be generated that can be reinvested for the future benefit of the community. The amenity could be an area of urban green space or a community business, which could make a contribution towards green space maintenance.

As an alternative to outright ownership, partnership arrangements have been established in which local authorities retain ownership of green space but not-for-profit organisations undertake responsibility for specific functions. Maintenance, operations and fundraising can be shared between the local authority and the not-for-profit sector for specific green spaces within the neighbourhood. Depending on the relationship, the roles and relative degrees of responsibility of the partners can vary.

The city authority in New York, USA, for example, has contracted most of the day-to-day maintenance of Central Park to a non-profit organisation, the Central Park Conservancy.

Similarly, in London, Red Cross Garden is owned by Southwark Council but leased and managed by Bankside Open Spaces Trust (BOST), a not-for-profit organisation.

'Maintenance, operations and fundraising can be shared between the local authority and the not-for-profit sector for specific green spaces within the neighbourhood'



⁷⁶ *Citizen engagement and public services: why neighbourhoods matter*, Office of the Deputy Prime Minister, 2005.

⁷⁷ *Community assets: the benefits and costs of community management and ownership*, Department for Communities and Local Government, 2006.

Not-for-profit partnerships, Central Park, New York, USA

Central Park is the most frequently visited urban park in the United States, with around 25 million visitors a year. The Central Park Conservancy was established in 1980 to work with the City of New York to restore the park and improve its management. In 1998, the city signed a contract with the Central Park Conservancy to formalise the conservancy's role as the official manager of the park and converted the city's financial participation from an item-by-item budget allocation into a fee paid to the conservancy.

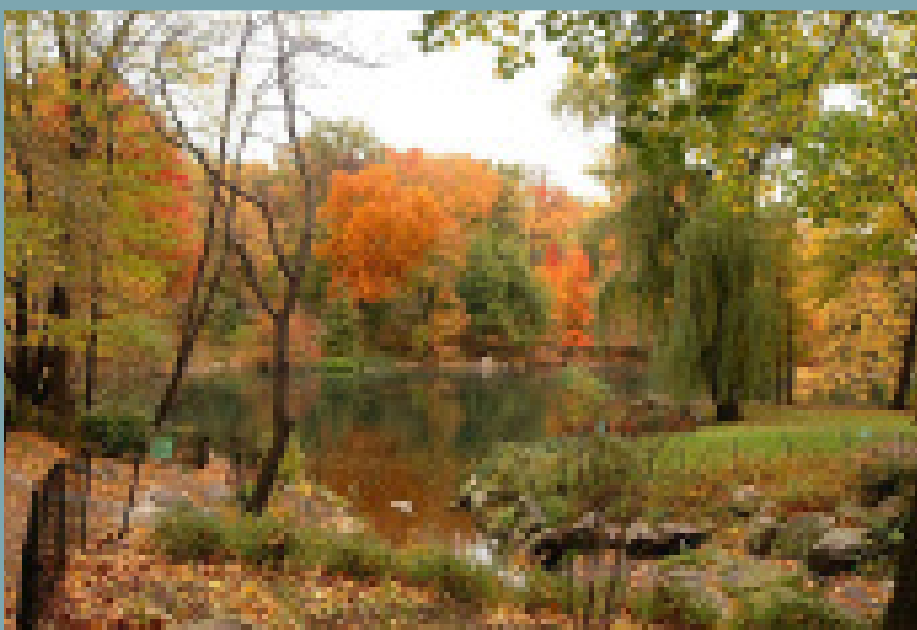
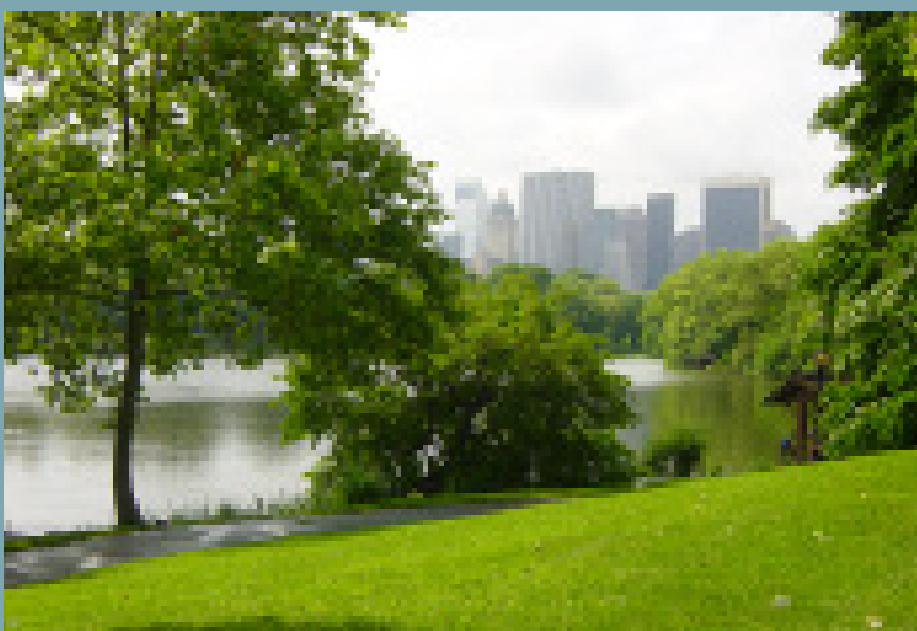
The conservancy is responsible for most of the day-to-day maintenance of the park, including: cleaning of facilities; playgrounds; drains and walkways; landscape maintenance; repairs and maintenance; and capital improvements. Under the terms of the agreement, the city pays the conservancy an annual fee based on the amount of money the conservancy raises and spends on the park, and on the amount of income the city generates from park concessions.

While receiving an annual fee from the city authority, the Central Park Conservancy strongly focuses on fundraising, and has raised and spent on the park more than \$325 million from individuals, corporations and foundations. The conservancy has also built an endowment of about \$120 million.

Promoters seem willing to pay to be associated with Central Park and its ambience. For example, the Disney Company paid \$1 million for the right to premiere *Pocahontas* on the park's great lawn. In addition, vendors in the park pay \$200,000 annually for the permit to trade. This revenue goes into the city's general operating fund and the city in turn factors this amount into the calculation of the conservancy's fee.

The Central Park Conservancy also aims to build community-wide involvement in the park, and seeks to promote the benefits of the park to a range of community groups. To this end, it has established partnerships with schools, neighbourhood and civic groups and user groups including sports groups, dog walkers and bird watchers.

Source: *Public parks, private partnerships*, Schwartz, A. et al., Project for Public Spaces, 2000.



Church groups, Indy Parks, Indianapolis, USA

Indianapolis' city parks department, Indy Parks, has developed unusual concession arrangements with seven churches to maintain 24 neighbourhood parks. The churches, which generally hire disadvantaged individuals, are responsible for minor maintenance and for sponsoring annual clean-up days.

Source: *Rebuilding the parks in Indianapolis*
Project for Public Spaces, 2004
<http://www.pps.org>





Can the eight models work here?

This section explores the extent to which the eight funding models and mechanisms could be used, in principle, to support green spaces in England. The structure of the section is as follows:

- Strengths and weaknesses of different funding models. This assesses and discusses the main strengths and weaknesses of the eight different funding approaches and, in doing so, tries to identify the critical factors that have underpinned these models.
- Applicability of different funding models. This provides an assessment of the extent to which each of the main funding approaches could be applied to finance green space in England.



Traditional local authority funding

‘In any local authority, having a committed manager in place to deliver the policies of a convinced politician is essential’

Capital and revenue allocations from local authority budgets are the traditional means of funding green spaces in most countries, including England, and are likely to remain one of the main sources. In common with other areas of local authority responsibility, the quality of resource management will have implications for the quality of service delivery. The following table provides an assessment of the strengths and weaknesses of local authority funding.

Model	Traditional local authority funding
Strengths	<ul style="list-style-type: none">– Local and national taxation provides an annual source of funding– Partnerships between and within local authorities could help to create synergies and pool resources– Can leverage other funding and influence other stakeholders in the public, private, voluntary and community sectors– Strategic management initiatives can reduce service delivery costs and liberate resources for other green space maintenance.
Weaknesses	<ul style="list-style-type: none">– Given competition for limited resources from statutory services, and annual funding cycles, the level of funding is unpredictable and it can be considered an easy source for cuts. This restricts long-term planning– Internal competition for money within local authorities and lack of appreciation of the value and wide-ranging benefits of good-quality green spaces can result in appointing lowest cost tenders and contractors, leading to a decline in quality– Partnership working can be difficult when urban green spaces span multiple local authority boundaries, and within authorities that have limited experience of cross-departmental working and strategic service delivery.

The evidence reviewed suggests there are a number of critical success factors that underpin good practice in the implementation of this funding approach:

- Strong political leadership and ownership of green space agenda: Paris is a good example of a local authority that creates green space policy at a high level, prioritises the delivery of good-quality green space, and allocates significant revenue and capital funding for it. In any local authority, having a committed manager in place to deliver the policies of a convinced politician is essential.
- More effective management and efficiency gains: these benefits are consistent with the UK government's modernisation and efficiency agendas and other similar initiatives elsewhere. Of course, this funding method can bring its own challenges in maintaining quality within the internal procurement markets for services created within local authorities.
- Benefits from local authority partnership arrangements: co-operative arrangements can pool resources and increase leverage.





Multi-agency public sector funding

A number of innovative approaches have already been adopted in England to access funding from a range of different government departments and agencies. The evidence presented in the previous section related to specific projects in which departments and agencies from the health, environment, justice and social services sectors were all providing some project-based funding towards investment in green space. To date, these initiatives have mainly been ad hoc in nature and in the initial or pilot stages of development. However, the safer and stronger communities fund (SSCF) could be considered the first step in central government formalising cross-departmental funding streams in England. The following table lists the strengths and weaknesses of multi-agency funding.

Model	Multi-agency public sector funding
Strengths	<ul style="list-style-type: none"> – Provides additional sources of finance to support cross-cutting goals such as better public health, reduced crime and anti-social behaviour, improved environmental infrastructure and the provision of better green space – Schemes for ex-offenders, for example, can provide labour for the maintenance of green space and help to encourage their integration into the labour market – Can encourage the development of partnership relations with other sectors and build community capacity.
Weaknesses	<ul style="list-style-type: none"> – In England, many initiatives to access funding from diverse public sector budgets are in the early stages of development and established funding streams are rare – Competing pressures on public sector budgets (for example the need to fund police, education and health) may limit funding for green space – Grant funding from external sources can lead to pressure within local authorities to cut green space budgets.

Given the proven mutual benefits that can be achieved in the areas of health, social services and crime, there are clear opportunities for developing multi-agency funding approaches. The critical factors for success include:

- Identifying and recognising the cross-agency synergies: this requires multi-sectoral stakeholders to recognise that synergies can be created, to understand that different policy and departmental objectives can be achieved by funding good green space, and that cost savings can be realised in the long term.
- Working together on a multi-agency basis: this relates to co-operation at both strategic and operational levels. The strategic level involves providing direction for departmental co-operation, determining goals, targets and common green space programmes, while the operational level requires engagement with a range of interested local stakeholders.





Taxation initiatives

‘It is vital to engage with other local stakeholders, maximise synergies with other funding initiatives and show how good-quality green space can improve the commercial and residential environment’

Revenue that is ring-fenced for green spaces can be raised from a variety of local taxation initiatives. Some of these schemes have limited transferability from one country to another, since local tax-raising powers are inextricably linked to the national fiscal context. Some taxation initiatives depend on a local mandate or are included as part of local development schemes. The following table discusses the strengths and weaknesses of taxation initiatives.

Model	Taxation initiatives
Strengths	<ul style="list-style-type: none">– Dedicated local taxation can secure reliable and significant levels of resources– Local taxation initiatives can ensure that green spaces benefit from any increases in property values that they help generate⁷⁸– In cases where the initiative is directed towards property owners, it can increase self-interested participation– Though not providing funding initially, tax incentives can provide a mechanism to encourage investment in local areas. Improvements for green space can be linked to the acceptance of the tax incentive.
Weaknesses	<ul style="list-style-type: none">– Local authorities in the UK do not have the autonomy to introduce dedicated taxation for green spaces and government is generally unwilling to impose new or additional taxes– Revenues from property taxes are open to competition for funding other public services– Neighbourhood taxation is based on a voluntary scheme, which means that the agreement of businesses and residents is required. Implementation heavily depends on local priorities, as green spaces have to compete with demands for funding other sectors– Tax incentive schemes involve an initial financial outlay and the return may take time to be realised– The linkage between green space development and regeneration of an area can be difficult to identify and quantify, which may inhibit the introduction of the tax.⁷⁹

⁷⁸ *The value of public space: how high quality parks and public spaces create economic, social and environmental value*, CABI Space, 2004.

⁷⁹ *Does money grow on trees?* CABI Space, 2005.

The evidence reviewed suggests there are a number of critical factors that underpin good practice in the implementation of this funding approach:

- Convincing local stakeholders of the benefits of green space: local stakeholders have to be encouraged to vote for increased taxes.
- Understanding the regenerative role of green spaces: this is necessary if tax incentives such as a business and/or residential rate reduction period are to be introduced.
- Developing integrated strategies: it is vital to engage with other local stakeholders, maximise synergies with other funding initiatives and show how good-quality green space can improve the commercial and residential environment.





Planning and development opportunities

There are clear opportunities for using planning regulations to provide additional investment for green space. Developers can make significant provision for the development and maintenance of green space in a number of ways. These can be built into the negotiations around the planning processes, incorporated into housing management fees or tied to the sale of private houses. In addition, in England the revisions to S106 (effective from July 2005) might offer increased opportunities to gain funding for green space. The following table discusses the strengths and weaknesses of planning and development opportunities.

Model	Planning and development opportunities
Strengths	<ul style="list-style-type: none"> – Can establish provisions for green space management and maintenance at the outset of a development, and create a steady funding source – Establishes mutual goals, as property developers contribute towards developing and maintaining green space that can, in turn, help to increase the value of land – By obliging property occupiers to contribute as part of their management or rental fees, finance for maintenance can be made secure and sustainable – Private companies have opportunities to generate other incomes to complement green space funding.
Weaknesses	<ul style="list-style-type: none"> – Financial return depends on existing property values – The opportunities rely on development, so this method is not a certain stream of funding – Green spaces have to compete with demands from other sectors such as affordable housing. Research from the DCLG shows that affordable housing has the highest value per planning obligation at around £250,000. In contrast open space receives £25,000⁸⁰ – Can be applied to fund green space only in new areas of development or on land adjacent to green spaces – Private ownership may lead to tensions over the transfer of public assets to commercial interests – The increasing emphasis on mixed tenure developments in England (for example developments that include private and social housing) can add complexity, especially in regard to ongoing maintenance charges.

80 Valuing planning obligations in England, Department for Communities and Local Government, 2006.

The evidence reviewed suggests there are a number of critical factors that underpin good practice in the implementation of this funding approach:

- Developing innovative ways of using resources: in social housing areas, a small portion of income derived from tenants' rent can for instance be used to train and employ an on-site caretaker for green space duties.
- Establishing long-term negotiated agreements: maintenance costs must be quantified at the outset to ensure that the terms of the planning agreement provide sufficient funding for good green space in the long term.





Bonds and commercial finance

‘Bonds or finance issued on the basis of an expected increase in property tax are particularly relevant as homeowners are often the direct beneficiaries of the green space investment’

In international cases, most notably in the United States, bonds and tax increment finance have been successfully employed to finance green spaces. Although government policy in the UK has largely focused on restricting local authority debt, recent reforms have given greater financial flexibility to local authorities. To date, however, English local authorities have not fully explored these new financial opportunities, as they are generally reluctant to increase debt unless a sustainable revenue source is secured. The following table lists the key strengths and weaknesses of bonds and commercial finance.

Model	Bonds and commercial finance
Strengths	<ul style="list-style-type: none">– Can provide an initial source of ‘front-loaded’ finance to fund green space projects– Can enable ongoing maintenance, as maintaining the value of the green space asset is important in sustaining the required investor rating– SPVs, private companies or trusts can access commercial finance and do not face the same debt restrictions as local authorities.
Weaknesses	<ul style="list-style-type: none">– This is a method of ‘front-loading’ funding, but does not provide additional finance. There are also restrictions on the amount that local authorities can borrow, limiting transferability. English local authorities are not currently permitted to issue voter-approved bonds– Revenue-generating assets situated in areas of green space need to yield sufficient financial return to support commercial financial instruments– Bonds are typically made available for transport and broader infrastructure projects, where secure, long-term revenue streams can be predicted with a greater element of certainty. The financial return on green spaces usually cannot be identified so easily.

The evidence reviewed suggests there are a number of critical factors that underpin good practice in the implementation of this funding approach:

- Including a recurrent revenue stream: bonds and commercial finance can be repaid over a period of up to 30 years on the basis of commercial revenue streams or taxation. Bonds or finance issued on the basis of an expected increase in property tax are particularly relevant as homeowners are often the direct beneficiaries of the green space investment.
- Maintaining a healthy local authority financial position: local authorities in a strong financial position can provide a guarantee in the initial years of lending.
- Creating linkage with other regeneration initiatives: local authorities can secure bonds or finance for green spaces that are included as part of broader area-based regeneration initiatives.





Income-generating opportunities

Various income-generating opportunities exist in relation to green spaces: licensing and franchising; sponsorship; entry fees; and fines. These are generally most relevant for areas of green space located in densely populated urban areas. Income-generating opportunities can exist in or near green spaces, or areas of green space could be included as part of new commercial developments themselves. The following table lists the strengths and weaknesses of this funding method.

Model	Income-generating opportunities
Strengths	<ul style="list-style-type: none"> – Development of green space land and inclusion of facilities brings additional private finance and spreads risks – Retaining ownership of the land provides the local authority with a long-term investment – Additional facilities (such as restaurants, festivals and alternative energy facilities) add to usage of green space and become attractions in their own right – Private gift donations provide a contribution to capital projects and can encourage outreach and involvement of the local business community.
Weaknesses	<ul style="list-style-type: none"> – Local authorities in England often face difficulties in ring-fencing any income that is generated from business developments in green spaces – The required commercial uses may not be appropriate for development in green spaces. Business development can lead to over-commercialisation of public parks – Paying for attractions and major events is contrary to the traditional concept that public green spaces are free – Events and festivals in themselves may cause additional and costly management burdens and repair works – Private sector involvement in fundraising initiatives depends on levels of corporate social responsibility.

The evidence reviewed suggests there are a number of critical factors that underpin good practice in the implementation of this funding approach:

- Complementing high-quality green space: while providing additional funding, income-generating opportunities can complement the area of green space by enhancing its quality, increasing usage.
- Ring-fencing funding from commercial activities: where income-generating opportunities are developed and managed by a private company or in a partnership with a not-for-profit organisation, the revenue can be ring-fenced for green space maintenance.
- Retaining land ownership: when green spaces are included in wider commercial and regeneration initiatives, local authorities need to retain property interests on or near the green spaces to maximise the return from the investment.





Endowments

‘The endowment must be protected so that it cannot be sold, or its income used to fund things other than the green space for which it was acquired’

Although not widely used in England to fund green spaces, endowments can provide a steady and secure income stream. Difficulties in developing this funding approach, however, include acquiring the endowment fund itself, protecting the fund from other competitive pressures, and the time and skills involved in building and continuously investing an endowment to provide a sufficient source of income. The following table assesses the strengths and weaknesses of this funding method.

Model	Endowments
Strengths	<ul style="list-style-type: none"> – Can provide a steady and secure income – Funding from other methods (for example, planning and development and income-generating opportunities) can be invested in the endowment to increase potential return – The endowment fund can include investments in property and other financial funds (for example, the stock market, gilts, gold and oil) to spread risks – Funding green spaces from a property portfolio can help to increase the value of property and raise the value of the endowment as well.
Weaknesses	<ul style="list-style-type: none"> – If the management of a green space is to be entirely funded by the income from an endowment, the size of the endowment will have to be very large in comparison to the value of the green space itself – securing an endowment of this size will be beyond most organisations – Endowments are usually invested in property, stocks and shares or other assets. Managing the investments of these assets to maximise income will require specialist financial skills that may not be available within local authorities – The endowment must be protected so that it cannot be sold, or its income used to fund things other than the green space for which it was acquired. This may be difficult within local authorities, but can be achieved by setting up an independent trust to manage the green space, to which the endowment is given.

The evidence reviewed suggests there are a number of factors that underpin good practice in implementing this funding approach:

- Protecting the endowment: in many of the most successful examples, endowment funds are held by independent charitable trusts that have the sole responsibility for funding green space.
- Long-term financial planning and management: to gain sufficient interest, endowments need to be established and secured for the long term. Comprehensive financial planning and management expertise are required to ensure that funds are invested in areas that will make a return and that spending on green spaces is in line with projected interest payments.





Voluntary sector involvement

The not-for-profit sector can be involved in a range of funding or resource activities in green spaces, including contributing additional labour, providing public stewardship, fundraising and assisting in community development and outreach. In addition, the management roles of the not-for-profit sector can include: friends groups that provide general assistance and support; partnerships, in which they have a degree of joint responsibility with local authorities; or having sole responsibility for green spaces. The following table provides an assessment of the strengths and weaknesses of this funding method.

Model	Voluntary sector involvement
Strengths	<ul style="list-style-type: none">– The not-for-profit organisation can focus on raising additional monies and tap additional sources of income. The charitable status of not-for-profit organisations can bring tax-relief benefits and so is particularly important in this regard– Voluntary organisations can contribute time and labour. Partnerships between local authorities and the community and voluntary sector can access lottery and regeneration funds– Partnership agreements can ring-fence funding for green spaces and prevent finance from being diverted by the local authority– The not-for-profit sector organisation has greater flexibility with regard to debt than public organisations, and often has a strong entrepreneurial culture to access funding from a variety of sources such as other business opportunities and commercial finance– Trusts can encourage all interested residents and stakeholders to become members or trustees– Trusts can focus on green spaces and so would not face the competitive pressures inherent within local authorities.
Weaknesses	<ul style="list-style-type: none">– Fundraising and donor programmes are more suitable for specific capital projects as they can be directly linked to new development initiatives. Funding for green space maintenance may therefore be limited– The democratic accountabilities of not-for-profit organisations are not always clear– The level of financial return for gift aid programmes and private sponsorship will be low in areas that are more deprived or where demand is low – not all private business organisations pursue corporate social responsibility objectives– Additional funding sourced by a non-profit organisation can lead to pressure on local authority parks teams to cut their green space budgets by an equivalent amount. However, this can work both ways: if additional funding is match-funded by the local authority, this can act as a deterrent to reducing the local authority's budget as the leverage doubles the loss.





The evidence reviewed suggests there are a number of critical factors that underpin good practice in implementing this funding approach:

- The benefits of not-for-profit ownership or management of green spaces: in some situations there have been clear benefits from transferring the ownership and executive responsibility to trusts. In these cases, trusts have been established on the basis of a secure source of finance, such as a property endowment, dedicated taxation initiative, commercial development or allocation from the local authority budget.
- Partnership arrangements: where funding is not sufficient to support a trust with sole management responsibility, partnerships with local authorities can be adopted. In having joint responsibility for the management and funding of green spaces, such partnerships can create synergies and work to each other's strengths to maximise funding opportunities.
- Mobilising local resources for maintenance and management: friends groups that operate at the local authority level can develop wide networks to advocate support for green spaces and facilitate community activity. These networks can share experience and develop 'seed' grants for new groups.

'Friends groups that operate at the local authority level can develop wide networks to advocate support for green spaces and facilitate community activity'



Walking tall: performers at an event in Central Park, the London Borough of Newham's most well-used park





Applying the funding models

This section provides an assessment of the extent to which each of the eight funding models could, in principle, be applied to finance green space in England. The section assesses opportunities for development; tests the application of different funding models to areas of high and low housing demand to establish how well each model works in different socio-economic environments; and identifies some of the key barriers to the application of these models.

For the purposes of this section, the following table provides a very simple categorisation based on four key criteria, namely property values, economic activity, residential income and dependence on public services.⁸¹

Distinguishing criteria for areas of high and low housing demand		
Distinguishing criteria	High housing demand area	Low housing demand area
Level of property market value	High	Low
Level of economic/business activity	High	Low
Level of residential income	High	Low
Level of dependence on public services	Low	High

⁸¹ It is important to note that the challenges faced on the ground in high and low demand areas are complex and multilayered. CABE Space's publication *Start with the park* (2005) discusses some of the challenges in more detail.

General issues of applicability

'The review of good funding practice has shown that recent changes to legislation in the UK could, in principle, feed positively into the funding of green space. However, it should not be assumed that these changes would automatically benefit parks and green spaces'

Before examining the applicability of the different models of funding to high and low housing demand contexts, we should first consider a number of overarching issues that will affect the extent of their applicability.

- Recent legislative changes have increased financial flexibility at local level: the review of good funding practice has shown that recent changes to legislation in the UK could, in principle, feed positively into the funding of green space. These include the introduction of business improvement districts (BIDs) and reforms in local government finance and S106. The new provisions offer greater financial flexibility at the local level and create a statutory environment that is more conducive to the use of a range of different models of funding. However, it should not be assumed that these changes would automatically benefit parks and green spaces.
- Greater competition for funding in low demand areas: given the greater pressure on public services in areas of depressed housing demand, green spaces face greater competition from sectors such as education, health and social services, and are afforded limited priority.
- Relatively deprived areas that do not qualify for government support will struggle: the 88 poorest local authorities in England, as measured by the government's indices of deprivation, qualify for considerable additional government funding to support neighbourhood renewal. The local authorities that fall just outside these 88 areas do not qualify for this additional assistance and therefore lose out on public money that could be used to enhance and revive local parks and green space. These areas will usually also struggle to generate private sector income due to their low levels of economic activity.
- Market-driven models are more applicable in high demand areas: the research has examined a number of market-driven models that include commercial uses of green spaces, bonds, endowments, leveraging funding from the private sector through the planning regulations and local taxation initiatives. These models are less likely to work in low demand areas where improvement to green spaces could be of greatest value.

Community spirit: Red Cross Garden is managed by Bankside Open Spaces Trust, a not-for-profit organisation working in Southwark's parks and open spaces



Traditional local authority funding

‘As there is no statutory requirement for local authorities to fund green space, the influence of green space managers in the budgetary decision-making process is often limited’

It is likely that some form of funding from the local authority will remain relevant for all green spaces, irrespective of whether they are located in areas of high or low housing demand. It is likely, however, that local authority funding will face a greater degree of competition within the budgetary decision-making process in low demand areas. This could restrict the flexibility to develop green space regeneration initiatives or adopt partnerships between local authorities. In cases of local authority funding, management initiatives can increase efficiency and reduce service delivery costs. The following table provides an assessment of the factors that impact on levels of local authority funding in areas of high housing demand, areas of low housing demand and those factors that are common to both contexts.

Model	Traditional local authority funding
Factors relating to high housing demand	<ul style="list-style-type: none">– Partnerships with the private sector can generate considerable additional income streams.
Factors relating to low housing demand	<ul style="list-style-type: none">– Competition from other priorities (for example, education and economic development) increases pressure on local authority budgets.– Areas of low housing demand are likely to receive central government regeneration funding, which may be used to support and create green space. However, some areas may not be deprived enough to qualify for central government assistance and will lose out on this source of assistance.
Factors relating to both high and low housing demand	<ul style="list-style-type: none">– Management initiatives can be developed to increase efficiency, reduce service delivery costs and liberate some resources for green space maintenance.– Strong local political support for green spaces, coupled with effective management and leadership skills within the green space officer team, can help build successful partnerships and unlock new sources of funding.

As there is no statutory requirement for local authorities to fund green space, the influence of green space managers in the budgetary decision-making process is often limited. However, some local authorities – both in areas of high housing demand and low demand – make green space a high political priority in recognition of its potential to deliver across a wide range of agendas.





Multi-agency public sector funding

Given that the funding that is potentially available from public agencies and government departments is discretionary, multi-agency funding for urban green space projects in both low and high demand contexts is likely to face strong competition from other projects and services. However, the opportunities for multi-agency funding are different in areas of high housing demand where there is likely to be a lower dependency on public services, and where residents and business are likely to place a higher priority on green spaces. However, it is usually in low demand areas that multi-agency funding has the potential to achieve the highest financial savings, because more public money is spent in these areas supporting deprived communities through social services, public healthcare provision, unemployment benefits and policing bills. Investment in improving the quality of urban green spaces in these areas may make a much more significant improvement to the quality of life of residents, which may in turn reduce the burden on the public purse.

Model	Multi-agency public sector funding
Factors relating to high housing demand	<ul style="list-style-type: none">– There is likely to be a lower dependency on public services, and residents and business are likely to place a higher priority on green spaces. Funding therefore can be used to enhance the value of good quality green space to existing communities.
Factors relating to low housing demand	<ul style="list-style-type: none">– Given the higher level of dependence on public services and the greater social need in these areas, the priority afforded to green spaces is likely to be reduced, in light of other seemingly more important pressures on public service budgets.– However, if the benefits of improving green spaces – for instance, associated reductions in crime or health budgets – are clearly communicated, low demand areas have the potential to achieve the most significant improvements to the quality of green spaces, resulting in the greatest financial savings.

Two barriers relating to the applicability of this approach should be considered here:

- The discretionary nature of this funding approach: there is limited incentive or expectation for departments/agencies to work together and establish synergies in the area of green space.
- Development of pilot initiatives: there is a need to evaluate the outcomes of multi-agency initiatives to determine the strengths and weaknesses of co-operation and provide an evidence base for developing common green space programmes and activities.





Taxation initiatives

‘As the success of taxation initiatives ultimately depends on the ability and willingness of local stakeholders – businesses and households – to pay, they are generally more applicable in areas in which the local economy is buoyant’

In England, the legislative environment has an important bearing on the transferability of taxation initiatives, as local authorities do not have the autonomy to raise specific taxes for green spaces such as a ‘pro-parks’ levy. Indeed, in cases where green space levies exist, such as the Lee Valley regional park, they have been established at a national level by Act of Parliament rather than by voluntary agreement between local authorities. Although the opportunities to develop taxation specifically for green space are limited, recent statutory reform has permitted the introduction of BID schemes that could be applied to fund green space. However, as the success of taxation initiatives ultimately depends on the ability and willingness of local stakeholders – businesses and households – to pay, they are generally more applicable in areas in which the local economy is buoyant. This is particularly true for local taxation initiatives that require a direct local mandate, such as BIDs and NIDs, or are centred on extracting contributions from housing developers. In areas of low housing demand, tax incentives are likely to provide a more appropriate option, whereas the BID schemes could be supported if supplemented by a comprehensive green space public investment strategy.

Model	Taxation initiatives
Factors relating to high housing demand	<ul style="list-style-type: none">– Local authorities do not have the autonomy to raise specific taxes for green spaces. However, given the propensity for new development, opportunities to use planning gain supplement (PGS) to provide funding for urban green spaces could be explored.– Funding for environmental improvements raised by BIDs could be directed towards green spaces in business areas. While only a policy proposal at present, NIDs could be employed in future to contribute towards green spaces.
Factors relating to low housing demand	<ul style="list-style-type: none">– Again, the restricted autonomy of local authorities to raise specific taxes for green spaces limits the applicability of this approach.– Low property demand will weaken the possibility for introducing ‘roof taxes’, while competition for other priorities such as economic development and crime will restrict funding for green spaces from BIDs and NIDs, if approved. BIDs and NIDs, however, could be employed if supplemented by significant public sector funding to provide initial investment as an incentive to introduce the initiative.– Tax incentives provide some opportunities to develop green spaces as part of wider regeneration initiatives.

In discussing the barriers to the application of taxation initiatives, a number of issues need to be considered:

- a general lack of awareness among residents and businesses of the value of funding high-quality green space
- inability of local authorities to influence business rates and introduce rate relief.





Planning and development opportunities

Planning regulations can, in principle, be used for the benefit of green space in areas of both high and low housing demand. However, the leverage that can be exercised by the authorities over the private sector is generally greater in areas of high demand, because the private sector return is generally greater. This is based on the premise that the amount of leverage is inextricably linked to property prices, which, in turn, are strongly linked to local demand. This also applies for green spaces that are incorporated as part of private housing developments, as this method depends on high property values and incomes. Although the opportunities from planning and development are generally more limited in the context of low housing demand, certain elements of the approach can be transferred. These include creating mixed-tenure housing developments and using a small portion of the rent, in social housing areas, to fund and train caretakers, whose areas of responsibility include green space management and maintenance. The following table assesses the transferability of planning and development opportunities to high and low demand areas.

Model	Planning and development opportunities
Factors relating to high housing demand	<ul style="list-style-type: none">– S106 and annuities may be applied to fund green spaces by incorporating stipulations into the development of new residential or commercial land.– The high levels of property values help to ensure that funding opportunities from developers can be maximised.– Private sector ownership of housing schemes can be readily transferred to areas in which housing demand and property values are high.
Factors relating to low housing demand	<ul style="list-style-type: none">– Lower property values and reduced development pressures may affect funding potential from planning agreements.– Competition from other priorities may limit the funding that is directed towards green spaces.





Bonds and commercial finance

‘A bond issue or commercial finance loan for green space could be guaranteed by a local authority if it was included as part of a wider area-based regeneration initiative’

Although recent local government reform has increased flexibility for local authorities, the ability to raise funding for green space using bonds and commercial finance strongly depends on the revenue-generating capability of green space facilities, such as franchises, events and synergies with other local facilities. This revenue-generating capability will be significantly greater in areas of high housing demand. However, although broadly limited in low demand areas, a bond issue or commercial finance loan for green space could be guaranteed by a local authority if it was included as part of a wider area-based regeneration initiative, supported with public and private investment.

Model	Bonds and commercial finance
Factors relating to high housing demand	<ul style="list-style-type: none">– Although government has generally tried to restrict local authority borrowing, the stronger financial position of local authorities in areas of high housing demand will provide a more secure basis on which to access bonds and commercial finance.– The stronger likelihood of developing business opportunities in high demand areas will enhance opportunities to access commercial finance.– If the commercial opportunities are sufficient to support private companies, SPVs or trusts in the management of green spaces, this will further increase the potential for accessing finance, as they do not face the same restrictions as local authorities.
Factors relating to low housing demand	<ul style="list-style-type: none">– The generally weaker financial position of local authorities in low demand areas will restrict the potential to issue bonds or access commercial finance.– Reduced demand for commercial opportunities will further weaken the possibility of accessing commercial finance.

A number of issues need to be considered if the model of transferring bonds and commercial finance is to be developed further:

- The inability of parks departments to guarantee a constant level of funding for green spaces from the local authority budget over the long term: as the revenue generated by commercial opportunities in green spaces can often be unpredictable, the inability of parks departments to secure long-term funding from the local authority budget, or draw funding from local taxes, reduces the capacity for planning and guaranteeing loan repayments over a 25-year period.
- The uncertainty and reluctance of local authorities to issue bonds: although reforms to local government finance were introduced in 2003, many local authorities have been reluctant to take on debts. The limited experience of issuing bonds means that local authorities may be unsure of their long-term costs and benefits.





Income-generating opportunities

As income-generating opportunities depend on high levels of economic activity and income, it is clear that this method of funding green space will be more relevant for areas of high housing demand. More modest schemes, however, could be applied in areas of low demand if complemented by government initiatives to support business development and regeneration. In this way, green spaces can be incorporated into wider physical commercial development schemes.

Model	Income-generating opportunities
Factors relating to high housing demand	<ul style="list-style-type: none">– Higher levels of residential income and economic activity provide a basis on which to develop income-generating opportunities.– New areas of development in a stronger property market will provide greater scope for income-generating opportunities, for instance the sale of alternative energy sources.
Factors relating to low housing demand	<ul style="list-style-type: none">– Lower levels of residential income and economic activity will reduce the financial return from income-generating opportunities.– Wider government initiatives to support enterprise in areas of regeneration and deprivation can provide incentives to the private sector.– Government initiatives to support the social economy can also be explored. Profits from these enterprises can be reinvested back into the community and directed towards green spaces.

A number of barriers relate to the applicability of using income-generating opportunities in the context of green space:

- Low levels of corporate social responsibility and philanthropy in the English private sector: successful transferability of certain aspects of this model depends on the ability of the public sector to convince the private sector of the benefits of investing in urban green space.
- The availability of brownfield or derelict land: the public and private sectors are frequently unwilling to release land that could be used for commercial development and regeneration.





Endowments

‘The sale of green space to secure revenue must be conditional on a high-quality green space strategy to identify appropriate provision against local needs’

As endowments require that funding or assets are invested in the long term and not used to fund green space immediately, this funding model could prove difficult to apply to areas of both high and low housing demand. The existence of higher property values in high demand areas, however, could increase the potential value of the endowment. Greater scope to employ other funding models in high demand areas will also ensure that endowment funds could be supplemented by other income. Endowment funds could be used in low demand areas with the development or sale of available direct land or, more controversially, with the sale of some green spaces – for instance an outright sale or commercial and residential development that can provide regular funding through an S106 agreement. The sale of green space to secure revenue must be conditional on a high-quality green space strategy to identify appropriate provision against local needs. This strategy must involve a thorough analysis of local needs and map current local green space provision.

Model	Endowments
Factors relating to high housing demand	<ul style="list-style-type: none">– High property values provide a greater asset if they are included as part of a property portfolio.– Greater scope and flexibility to develop other funding models can ensure that supplementary funding (such as S106 agreements) can be transferred into the endowment.
Factors relating to low housing demand	<ul style="list-style-type: none">– Greater competition from other sources can place pressure on the endowment and make long-term protection difficult.– Reduced demand for property will restrict opportunities to develop supplementary models (for example S106 agreements) and will reduce the size of the asset.

A number of issues need to be considered if the endowments model is to be developed further:

- Safeguarding the endowment: financial pressures and competition from other sources make it difficult for local authorities to adopt and safeguard endowments. One way of safeguarding these funds, however, is to transfer responsibility for endowments to charitable trusts, as they have sole focus on green space provision. Further, in cases where local authorities would be unwilling to transfer ownership of the green space assets to trusts, they could opt instead for long-term leasing agreements.
- Pooling endowment funds: broadly speaking, bigger endowment funds provide a larger return on investment and a more secure income. This helps to ensure that only the interest is used for green space maintenance and not the capital of the endowment fund itself. In contrast, greater pressure generally exists on smaller endowments, suggesting an opportunity for pooling endowment funds and creating economies of scale.





Voluntary sector involvement

At the more basic level of involvement in green spaces, for example providing assistance to local authorities, the transferability of the role of the not-for-profit sector will not generally depend on the levels of demand. Here, the main consideration is the level of organisational and community capacity within an area. That said, the higher levels of residential income and economic activity within high-demand areas are likely to increase the potential for not-for-profit organisations to access finance from fundraising and donor programmes. The more advanced levels of not-for-profit involvement – partnership arrangements and trusts in particular – are generally more applicable to areas of high demand. In these contexts, higher levels of income and economic activity can support alternative funding models to sustain partnerships and trusts. However, groups in areas of low housing demand may be able to access regeneration funding to support and develop activities.

Model	Voluntary sector involvement
Factors relating to high housing demand	<ul style="list-style-type: none">– Not-for-profit involvement strongly depends on the level of organisational and community capacity within an area.– Higher levels of residential income and economic activity will increase the potential to access finance from fundraising and donor programmes.
Factors relating to low housing demand	<ul style="list-style-type: none">– Although organisational and community capacity is the main consideration for transferability, lower levels of residential income and increased competition from other priorities might restrict the financial opportunities from fundraising and donor programmes.– Emphasis can be placed on non-financial contributions such as community development and outreach, maintaining public stewardship and contributing additional labour.– Groups in deprived areas may be able to access charitable and central government regeneration funding more easily than those in high-demand areas.

In order to transfer the involvement of the not-for-profit sector to funding and managing green spaces, a number of issues need to be dealt with:

- The need to increase the capacity and skills of the not-for-profit sector to enable groups to get involved and participate effectively: a lack of capacity will hinder opportunities for engagement and the ability of the sector to undertake an active role in funding and management.
- The need to ensure that a steady and secure revenue is sourced before trust organisations are established: this can create difficulties in transferring responsibility from local authorities and assessing the long-term viability of trust organisations.





Conclusions

This research has outlined examples of national and international models of funding for urban green space that are either being used or could be used to fund green spaces in England. These examples have been categorised into eight broad funding approaches which can be applied at different spatial levels. In general, many of the funding approaches, such as bonds and commercial finance and planning and development opportunities, relate to the financing of individual parks at the neighbourhood level on a case-by-case basis; traditional local authority and multi-agency funding methods broadly apply across a local authority area, and depending on the type of arrangement, taxation initiatives and involvement of the not-for-profit sector can focus on either neighbourhood or local authority level.

‘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’

The research has identified a number of potential funding mechanisms that go beyond traditional local authority funding and that, in principle, could be used to supplement existing sources of green space funding in England. A number of important themes have emerged in relation to the funding of urban green space and some key conclusions can be drawn from the research.

- There is a diversity of approaches to funding green space: a range of very different approaches can be used to fund sustainable and high-quality urban green spaces. The evidence reviewed strongly suggests that no one model can be singled out as the most effective or appropriate, in short a ‘one-size-fits-all’ approach will not work. However, whichever model or approach is taken it is always important to start setting up dedicated funding and management arrangements from the outset when planning a new space or the refurbishment of an existing space.
- A strategic approach to funding and management and the development of partnerships: successful urban green space funding has often been underpinned by a strategic approach to funding and management that incorporates a ‘portfolio’ of different funding sources and mechanisms. Moreover, successful models have often been based on the establishment of a long-term vision for a city’s green spaces, and the creation of partnerships that include public, private and voluntary sector stakeholders.
- The importance of context: 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, a tailored approach is required that takes these factors into account. For example, many market-led models succeed because they are implemented in large urban areas (often regional or state capitals) with dense business and residential populations. Similarly, the success of more traditional forms of local authority funding is often strongly linked to the local political context, for example the leadership shown by local political representatives and their ownership of the green space agenda.
- Market-driven models are more applicable in areas of high housing demand: this allows these areas greater flexibility to develop alternative approaches. In these contexts, available opportunities could even provide enough finance to replace local authority funding. Although market-driven models will generally face greater barriers to transferability in low demand contexts, evidence suggests that they could be applied if supported with public investment. Thus, public investment can complement alternative funding models and provide incentives for private sector investment.
- Enhancing the quantity and quality of resources: the evidence suggests that it is not just the amount of funding of green space that matters, but also how that funding is used. The study has shown that various management initiatives have been employed – for instance the creation of internal markets

within local authorities – to help enhance the impact and effectiveness of green space funding. Linked to this, the skills of the people in running green spaces, both at a management and an operational level, have a clear impact on the quality and the sustainability of the green spaces. The complexity and financial sophistication of some of the funding models outlined suggests that far greater financial and management skills are required than are currently found in many English local authorities, which could be a barrier to implementation.

- Although each of the funding models outlined could provide finance for green space, the level of additional or ‘new’ funding varies. Taxation initiatives, planning and development opportunities, funding raised by multi-agency initiatives and income-generating opportunities all provide further funding that could supplement local authority finance. However, while offering front-loaded expenditure that could be applied to inject investment, bonds and commercial finance have to be repaid over time. In addition, although voluntary sector involvement brings benefits in terms of management and accessing and facilitating alternative funding options, the actual funding from this sector for green space is limited.
- Legislative reform in England in recent years has created a statutory environment that is now more conducive to the transferability of some of these more sophisticated funding mechanisms. In particular, this relates to reforms of local government finance that provide flexibility to issue bonds and commercial loans, changes to S106 and the introduction of BIDs.
- With regard to developing ‘quick wins’, a number of models can be more readily applied to access finance in the short term. These include financial management initiatives within local authorities, planning and development opportunities, and income-generating opportunities. Other models require more long-term developmental work and radical thinking but could play an important role in funding green space in the future (bonds and commercial finance, taxation initiatives, multi-agency funding, endowments and voluntary sector involvement).
- Endowments have proved to be very successful as a way of 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, and high-level financial skills are needed to manage the investment portfolio.
- Although eight applicable funding models have been identified, a range of barriers that could hinder future development have also been highlighted. These include: the non-statutory and discretionary nature of funding green space; continued lack of awareness of the value of green space amongst key decision-makers and funders; inability of local authorities to influence local business rates; low levels of corporate social responsibility within the English private sector; the inability of parks departments to ring-fence funding; and the lack of financial management skills and capacity in many local authorities and in parts of the not-for-profit sector. These barriers need to be overcome if opportunities from each of the funding models are to be maximised.

‘Legislative reform in England in recent years has created a statutory environment that is now more conducive to the transferability of some of the more sophisticated funding mechanisms’





Summary

Given the evidence reviewed in the report and the knowledge accumulated through CAGE Space's work with local authorities and other key stakeholders in the green space sector, there are considerable opportunities to provide both existing and new parks and urban green spaces with the appropriate resources and assets to fund and manage them in a long-term sustainable way.

Whilst the focus of the strengths and weaknesses section has been on the transferability of the eight models to areas of housing growth and housing renewal, attention also needs to be paid to the ordinary urban green spaces across England. These kinds of spaces make up the majority of England's green space assets, and exist in areas which are neither beneficiaries of public sector pump-priming and regeneration monies, nor hotbeds of private sector investment and development. The applicability and transferability of some of the models identified to these more average areas may prove challenging.

Urban green spaces have come to be recognised as a vital component in delivering neighbourhood renewal and community regeneration, improving liveability, promoting health and well-being and creating thriving, sustainable towns and cities. This recognition now has to translate to a strategic commitment to bring more existing spaces up to more acceptable standards, and ensuring that all new spaces created are socially, economically and environmentally sustainable. The unresolved question is how all the capital investment that has already gone into improving our green spaces will be protected in the long term by ensuring there is enough secure revenue funding to maintain them.

It could be said that the history of the funding and management of publicly accessible green spaces has come full circle. The creation of formal urban green spaces in the 19th century was inspired and led by the private wealth of individuals before coming to be dominated by municipal leaders working through public subscription. In addition to the eight models examined in the report, there is potential for the green space sector to capitalise on recent media and private sector interest in the potential for a 21st-century model of philanthropy to supplement funding for social and environmental causes. The role of the regional parks forums⁸² in England could be instrumental in acting as a conduit between potential donors, public services and the voluntary and community sector. With the climate change and sustainability agendas becoming increasingly mainstream, the role of green space in mitigating against, and adapting to, the effects of climate change provides a further justification for investment in urban green spaces. This will require developing sophisticated thinking about the long-term 'whole life value' of investment in good-quality green space, and the economic, environmental and social benefits it can generate, which needs to be embedded within planning and decision-making processes in the public and private sectors, and at central, regional and local government levels.

It is evident that no single funding model will provide an effective solution for all of the huge variety of facilities and amenities included in accepted urban green space typologies, and that we need to fashion new arrangements that bind together public accountability and leadership, private income, and community interests. This research clearly shows that there are a growing number of examples where such new arrangements are being tested and applied, both in the UK and further afield. Capturing and sharing the learning from these examples, as this piece of research does, is important. Equally important, however, is the need for all those involved in developing and managing green spaces to agree a common set of priorities through which to influence future public policy and investment decisions in England. The following suggestions for a common set of priorities resulted from a joint CAGE Space and Groundwork

⁸² GreenSpace is developing a network of regional forums to focus on promoting the sustainable planning, design, management and improvement of parks, gardens and green spaces at a local, regional and national level. For more information see <http://tinyurl.com/okdhd>

Hands-on learning: the Epicentre, Meanwood Valley Urban Farm, Leeds, provides an interactive education and exhibition space for learning more about the environment

‘Ongoing revenue is essential to all models of long-term green space management. Local authorities need to consider future revenue requirements as part of long-term budget setting, while those leading grant-based approaches must build revenue into bids and submissions’

seminar which considered the long-term resourcing of green space⁸³ with key stakeholders.

1 Adopting a regional approach

Regional spatial strategies provide the opportunity to think about long-term land management at a sub-regional and regional level. The management of green infrastructure needs to be built into strategic thinking about housing market renewal areas, housing growth areas and city regions. The green space sector should also consider the efficiencies that could be achieved through city-wide, sub-regional or regional management structures or by contracting out management services to larger organisations.

2 Building revenue funding into management frameworks

Ongoing revenue is essential to all models of long-term green space management. Local authorities need to consider future revenue requirements as part of long-term budget setting, while those leading grant-based approaches must build revenue into bids and submissions. Properly costed asset management plans with short, medium and long-term timescales for capital and revenue expenditure are required to demonstrate the reasons parks and green spaces need more investment, and that there are strategic mechanisms in place to ensure value for money for the foreseeable future. Key to achieving this will be to capture and articulate the wider outcomes achieved through maintaining high-quality and accessible green infrastructure.

3 Filling the knowledge gaps

Despite major advances in recent years by CABE Space and key stakeholders in the green space sector, there remain significant gaps in knowledge and evidence about the costs, value and appropriateness of green infrastructure. Many local authorities and other bodies responsible for urban green space lack key management data that would help with long-term strategy, planning and resourcing. The sector needs to devise new ways of measuring the asset value of green space and demonstrating the positive contribution that well-managed and high-quality green infrastructure can make to regional competitiveness strategies, and what it costs to achieve that contribution.

4 Joining up government

Within central government, urban green space policy is led by DCLG, but other government departments and the government offices for the regions also have a strong influence on the effective delivery of high-quality urban green spaces. At a local level, management strategies can suffer due to differences in emphasis between central government departments and conflicts between national, regional and local interests and priorities. Emphasising the strength of the shared common agenda across government would help translate the delivery of the cleaner, safer, greener agenda to local authorities who need to follow a clear set of national policy priorities. Much has been achieved in the last five years in terms of moving urban green spaces up the public and political agenda. This has led to visible improvements in many urban green spaces all over the country. The challenge for the next five years is to identify and secure funding to ensure that the investment and improvements made to England's urban green spaces have a lasting impact and generate optimum value for public and private money.

83 *Sustaining green space investment – issues and challenges*, Wigmore, J. and Duxbury, G., 2006, paper prepared for joint Groundwork/CABE Space expert seminar, 18 January 2006.



Appendix A

Methodology

Original research by PwC LLP

Additional research by CABE Space and Groundwork

Terms of reference

CABE Space commissioned PricewaterhouseCoopers LLP (PwC) to explore a range of different methods of funding the long-term management and maintenance of urban green space. The researchers were asked to consider the strengths and weaknesses of current UK models and identify examples of funding models from elsewhere. Additional research and information has been provided by CABE Space and Groundwork. The study aimed to address the following questions:

- what are the current methods of funding the management and maintenance of public space?
- what are the strengths and weaknesses of these funding methods in delivering, maintaining and managing high-quality public space?
- how can examples of different funding models be developed and practically applied to English parks and urban green spaces?

The research also covered the following issues:

- the identification and understanding of current constraints for local funding of public space management in England
- the development of an appropriate scoping exercise to identify existing and potential methods of funding public space management
- an appraisal of existing funding models and the methods of accessing and channelling different funds
- an assessment and comparison of the political, financial and organisational structures and contexts within which such models exist
- a demonstration of the practical transferability and application of different funding models to a range of scales and socio-economic and environmental contexts.

Methodology

The research was divided into three phases: a document review; interviews with key people; and a review of national and international funding models.

The document review comprised an analysis of key documents about the funding of urban green space. The documents included: government reports and strategies; findings from research that was being done for CABE Space; information from funding organisations; and documents about national and international lessons from a range of funding models in the green space and other sectors. This phase also involved extensive internet research.

Interviews were conducted with representatives of a range of stakeholder organisations. These interviews gathered

information about: the strengths and weaknesses of current funding models and methods; the different conditions and contexts in which they were being used; the constraints of each model; and potential opportunities for, or sources of, funding. This phase included identifying and discussing different funding models being used in England and abroad.

The review of national and international funding models involved identifying and assessing national and international financial funding models that could be applied to English urban green spaces. This scoping exercise mostly consisted of desk-based analysis and interviews.

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Stakeholders consulted

Barclays Bank

Berkeley Group

British Land

Chelmsford Borough Council

City of London Corporation

Countryside Properties

Crest Nicholson

Croydon Tramtrack

Docklands Light Railway

Forest of Marston Vale

Forestry Commission

HM Treasury

Insurance Brokers

Land Restoration Trust

London Borough of Hillingdon

London Borough of Islington

London Borough of Southwark

London Development Agency

Milton Keynes Park Trust

Welsh Development Agency.

Appendix B

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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 spaces 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.

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