

MAYOR OF LONDON

A NATURAL CAPITAL ACCOUNT FOR PUBLIC GREEN SPACE IN LONDON

How it can shape future policy and decision-making



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Purpose of this document

The Mayor, in partnership with the National Trust and Heritage Lottery Fund, has produced a [Natural Capital Account for London's Public Green Spaces](#)¹. The account provides an assessment that reveals the economic value of public green spaces. A natural capital account extends traditional financial accounting by identifying the benefits of assets that are generally not recorded in economic terms.

This document sets out some of the headline results. It also identifies how the account can inform decisions that will help to secure the long-term funding and investment needed for London's public green spaces to help meet the commitment of the Mayor to make London a National Park City.

What is natural capital?

Natural capital is the elements of nature (assets) that provide benefits to people, whether directly or indirectly. These assets include ecosystems, species, freshwater, land, minerals, the air and oceans, as well as natural processes and functions. Benefits can include goods (such as timber and food) and services (such as clean air and water).

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

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

Why do we need a natural capital account?

Public green spaces are essential for maintaining a good quality of life, especially in urban areas. A cornerstone of city planning policy has been the protection of public green spaces for sport, recreation and the protection of natural heritage. All London boroughs have maintained a network of public green spaces, even though this is a discretionary service rather than a statutory duty.

Public sector funding constraints has resulted in all local authorities exploring how to reduce costs. The impact of this has been investigated and summarised in the [State of UK Public Parks report](#), published by the Heritage Lottery Fund (HLF) in 2016².

There is concern that the drive for short-term savings could lead to long-term costs. A natural capital account can help to inform and improve decision-making by framing public green spaces as economic assets, and highlighting the range and value of benefits

¹ https://www.london.gov.uk/sites/default/files/natural_capital_account_for_london_report.pdf

² <https://www.hlf.org.uk/state-uk-public-parks-2016>

that they provide. This approach is increasingly being supported by a national and London policy framework. This is set out in Appendix 1.

What does the natural capital account tell us?

Reducing funding for parks and green spaces is a false economy

- London's public green space have a gross asset value in excess of £91 billion, providing services valued at £5 billion per year.
- For each £1 spent by local authorities and their partners on public green space, Londoners enjoy at least £27 in value.
- Londoners avoid £950 million per year in health costs due to public green space.
- The value of recreational activities is estimated to be £926 million per year.
- For the average household in London, the monetary value of being in close proximity to a green space is over £900 per year.

Public green spaces supply other services too, such as temperature regulation and carbon storage. Green spaces in urban areas counter higher temperatures in summer months that can lead to ill health. These are smaller sources of value compared to those described above, but important nonetheless.

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

How does the natural capital account provide a platform for action?

The Mayor recognises that it is unhelpful to simply highlight that reducing spending and investment on public green space is unwise. London boroughs are facing significant budgetary constraints whilst the demand for the services they have to provide is increasing. The boroughs, and other owners and managers of public green space, have made cost savings and implemented other efficiencies (such as shared services) to address tighter budgets; but more needs to be done in reorganising the 'parks service' as local authorities and their partners prioritise delivery of statutory obligations.

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

Promoting the natural capital accounting approach

The Government has committed to including natural capital accounts in the UK [Environmental Accounts](#) by 2020³. This is to ensure that natural capital accounts can be used alongside other key indicators of economic performance. This is because the development of natural capital accounts has been flagged by the Natural Capital Committee as a fundamental activity that provides a strong signal to decision-makers of the importance of monitoring and valuing natural assets. The Office for National Statistics has been charged by Government to develop a [roadmap](#) to enable this⁴. They have produced a [natural capital overview](#) of the work towards progressing this objective⁵.

The *Natural Capital Account for London's Public Green Spaces* is a significant contribution to the work necessary to ensure that natural capital accounting is applicable in an urban context and can be applied effectively to urban green infrastructure.

Establishing a London Green Spaces Commission

The Mayor will establish a Green Space Commission to work with London boroughs to explore more sustainable models of management and delivery for their parks and green space services into. The primary purposes of the Commission will be to:

1. promote the socio-economic value of London's public green space asset as a coherent and functioning infrastructure for London (i.e. promotion of the London Natural Capital Account)
2. examine the existing model of service delivery for public green spaces; highlight innovation in thinking about the purpose and function of public green space; and, propose alternative approaches
3. determine the most suitable future models that would be best able to secure long-term funding and investment for London's public green spaces

The London Green Spaces Commission will expand upon and provide a London focus to the [Future Parks](#) and [Rethinking Parks](#) initiatives that have begun to test new delivery models across a number of UK local authorities^{6,7}.

Influencing Government policy

In response to report following the public parks inquiry by the Communities and Local Government Select Committee, the Government has established a [Parks Action Group](#) which has been charged with bringing forward proposals to address some of the issues faced by public parks across England⁸. The Mayor anticipates that his Green Spaces Commission will work closely with the Parks Action Group to ensure the best ideas and proposals are brought forward that will benefit London and other major cities where public green spaces are particularly valuable and important to an increasingly urbanised population.

³ <https://www.ons.gov.uk/economy/environmentalaccounts>

⁴ <http://webarchive.nationalarchives.gov.uk/20160106130009/http://www.ons.gov.uk/ons/rel/environmental/uk-natural-capital/natural-capital-accounting-2020-roadmap--interim-review-and-forward-look/index.html>

⁵ <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/methodologies/naturalcapital>

⁶ <https://www.nationaltrust.org.uk/features/our-vision-for-the-future-of-parks>

⁷ <https://www.nesta.org.uk/project/rethinking-parks>

⁸ <https://www.gov.uk/government/news/government-pledges-500000-for-new-action-group-to-grow-future-of-public-parks>

The Mayor will also lobby hard to ensure that key proposals and initiatives in the Government's forthcoming 25 Year Environment Plan respond to and support his work to ensure sufficient support and resources are available to invest in public green spaces – an asset base which will become increasingly important in responding to the social and environmental challenges faced by cities.

Making London a National Park City

The natural capital account demonstrates that London's green spaces are a highly valuable asset, and investment in them provides good value for money. We know also that Londoners appreciate and demand good quality green space. London is set to be home to over 11 million people by 2050. We will have to adapt and innovate policy, practice and the way in which we make investment decisions to ensure we maintain and improve London's public green space.

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

APPENDIX 1: Natural Capital Accounting – the policy context

National

The HLF [State of UK Public Parks](#) report provides an assessment of funding and investment across the country. It shows that there have been year-on-year reductions to most local authority parks budgets since 2010, including those of London boroughs⁹. The majority of London boroughs expect further reductions of between 10-20 per cent up to 2020.

The Communities and Local Government Committee subsequently conducted a [Public Parks Inquiry](#) to investigate how public parks and green spaces should be supported, now and in the future¹⁰. The Committee's [report](#) recommends that local authorities should publish strategic plans¹¹. These should:

- recognise the role of parks and green spaces beyond their contribution to leisure and recreation;
- set out how they could be managed to better support wider local authority agendas, such as promoting healthy lifestyles, tackling social exclusion and managing flood risk, for example.

London

A [Green Infrastructure Task Force](#) was established in 2015 to investigate the purpose of parks and green spaces, and highlight how the benefits they provide can be better understood and valued¹². Key recommendations of the Task Force included the need to:

- rethink parks and green spaces as a 'green infrastructure' that provides essential services and benefits
- develop a natural capital accounting framework to reveal the economic value of this green infrastructure

The London's Assembly's [Park life](#) report reinforces the importance of properly understanding the value of parks and green spaces to Londoners and London's economy¹³.

Consequently, the Mayor's draft [London Environment Strategy](#) embraces the concept of green infrastructure and commits to making London a National Park City to provide a more engaging narrative to promote the economic, social and environmental benefits of the city's natural capital¹⁴. The key objectives of the draft strategy are set out below.

⁹ <https://www.hlf.org.uk/state-uk-public-parks-2016>

¹⁰ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/inquiries/parliament-2015/public-parks-16-17/>

¹¹ <https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/45/45.pdf>

¹² <https://www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/green-infrastructure-task-force-report>

¹³ https://www.london.gov.uk/sites/default/files/environment_committee_-_park_life_report.pdf

¹⁴ <https://www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/draft-london-environment-strategy-have-your-say>

Draft London Environment Strategy - aim and objectives

London will be a National Park City where more than half of its area is green; where the natural environment is protected and the network of green infrastructure is managed to benefit all Londoners

Objective 5.1 Make more than half of London green by 2050

Objective 5.2 Conserve and enhance wildlife and natural habitats

Objective 5.3 Value London's natural capital as an economic asset and support greater investment in green infrastructure

The strategy also proposes the establishment of a Green Spaces Commission. This will help London's boroughs to better understand and evaluate the benefits provided by their public green spaces, and use this to develop more sustainable models for maintaining and investing in these vital assets.

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