

**MAYOR OF LONDON'S REPORT ON
NATURAL CAPITAL ACCOUNTS FOR
PUBLIC GREEN SPACE IN LONDON**

Presented by the Head of Planning & Strategic Partnerships

SUMMARY

The Greater London Authority recently issued a report on the value of public green space. "Natural Capital Accounts for Green Space in London" concludes that London's public green spaces have an annual value of £5bn – reflecting their benefit to health, general amenity, opportunities for exercise and the value of recreation.

It says that for every £1 spent on public green space, £27 in benefits is received through areas such as avoidable costs to the NHS, recreational activities and regulating the temperature in the capital.

The Regional Park is around 5% of London's open space and an extrapolation from the report's conclusions indicates that the Regional Park has a value of £250m a year for London with considerable extra benefits being spread through Hertfordshire and Essex.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 Ascribing values to the natural environment or natural capital as a way of attempting to provide justification for their retention and as a reference point for capital and revenue funding has been a vexed issue for a number of years. Natural capital refers to '*environmental assets that may provide benefits to humanity*' (DEFRA 2017). Whilst across both Europe and the US there are many small scale examples of where this could successfully work, the UK has been slow to integrate this into funding equations for open spaces.
- 2 Born out of a commitment in the Government's Natural Environment White Paper, the Natural Choice (2011), Government established an independent advisory body, the Natural Capital Committee, in 2012. This had a clear objective, that the current generation would be '*the first to leave the natural*

environment in a better state than it inherited. During its life it published three reports which focussed on methodological, measurement and reporting frameworks, accounting principles and the incorporation of natural accounts into project appraisals. The final report identified an agenda for government with the aim of improving natural capital focussing on those areas of highest benefit.

- 3 The report concludes with some 'big numbers' on the likely societal benefits of investment in the natural environment. For example, across the UK 250,000ha of woodland planting would generate £500m and wetland creation on around 100,000ha upstream from towns and cities could result in cost benefit ratios of 3:1. In terms of the health benefits of 'urban green spaces' it concluded that they could deliver £2.1bn in reduced treatment costs. The methodology developed through this research was used to inform studies into the value of several National Parks to the national economy.
- 4 In part driven by some of the conclusions of the Natural Capital Committee, officers from the Authority, with a range of other stakeholders involved in the management of green spaces across London, were invited to be members of the GLA's Green Infrastructure Task Force in 2015. At the heart of the group's work was a need to consider alternative funding models in an era of cuts in park budgets. Alternative funding models designed to support new investment and revenue funding of green spaces were explored, although most of these were again primarily derived from Europe and the US.
- 5 In 2017 the Regeneration and Planning Committee considered a report on the Mayor's draft Environment Strategy (Paper RP/01/17). This identified the potential for eco-system services and the development of a natural accounting framework for London's green spaces. It is this approach which forms the basis of the recently published report.

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- 6 Parks and green spaces comprise 38% of London's land area, by far the largest use amounting to 31,000ha (76,600a). The Regional Park within London has an area of 1,558ha (3,850a), 5% of the capital's total.

The study catalogues open spaces as follows:

- parks and formal gardens;
- natural and semi-natural urban park amenity;
- outdoor sports facilities; and
- allotment and community gardens.

- 7 The report identifies several areas which highlight the intrinsic value of parks and open spaces through either their direct or 'avoided' contributions. The report considers that the key risk factors to health including physical inactivity and mental health are reduced by London's network of public parks and open spaces. Physical inactivity leads to increased risk of cardiovascular disease, diabetes, obesity, colon and breast cancers (Chief Medical Officer 2011) but the report identifies that the presence of a network of parks and open spaces across London reduces the incidence of these leading to £582m per annum of 'avoided costs' to the NHS.
- 8 Furthermore, the report identifies that the network of parks and open spaces

leads to £370m of avoided costs for mental health. These are particularly high in those areas where there is a good network of green spaces, in contrast to central London where there are particular challenges in the provision of space.

- 9 The physical and mental health benefits of London's parks are over £950m a year.
- 10 The report identifies other benefits including the value of recreation, estimated to have an annual economic benefit of £930m, the contribution to carbon storage at £8m per annum and reducing the heat island effect as green spaces reduces urban temperatures by around 2 degrees during heat waves, valued at £594m.
- 11 The report identifies other benefits including increases in the value of homes. House buyers will pay more for locations in close proximity to amenities including parks, schools and doctors surgeries. This is particularly marked around the major green spaces in central London including Hyde Park, Regents Park, Richmond Park and Hampstead Heath. It highlights some work carried out in San Francisco where there are a series of 'green benefit districts' which examined how households close to parks pay a small premium based on their proximity to local parks.
- 12 The report concludes that for every £1 spent on publicly accessible green space alone £27 is received back in benefits.

APPRAISAL

- 13 The determination of values from green spaces is a complex issue. Although the report lacks detail it has attempted through the application of high level metrics to provide a rationale to economic arguments for the investment, protection and maintenance of public green spaces throughout the capital.
- 14 Whilst the methodology to assessing value involving the use of high level metrics does raise questions, its conclusions are likely to form part of the justification for the Mayor's policies to protect the Green Belt and Metropolitan Open Land.
- 15 Extrapolating from the report's conclusion that parks bring London £5bn of annual value, it is possible to conclude that Lee Valley Regional Park brings £250m of value.
- 16 The Regional Park's unique mix of world class sports and leisure venues and award winning parklands means that it offers people more ways to be active than other parks, and this variety is part of the reason that it attracts visitors from every single London borough and all districts of Essex and Hertfordshire. Visitors can choose from enjoying nature and wildlife in the outdoors; gentle exercise such as walking, jogging or cycling on surfaced pathways; more formal exercise through canoeing, horse riding, organised cycling, ice skating etc, or take part in many other activities such as volunteering, camping or boating.
- 17 All of these activities contribute to the 'avoided costs' in paragraphs 7 and 8, reducing the bill to the NHS for physical and mental health. Furthermore, the Regional Park also accommodates a range of flood storage measures, reduces the heat island effects and allows for the storage of carbon.

ENVIRONMENTAL IMPLICATIONS

- 18 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 19 The report focuses on the value of green spaces and not just on their price expressed through contributions to the levy.

HUMAN RESOURCE IMPLICATIONS

- 20 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 21 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 22 There are no risk management implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 23 There are no equality implications arising directly from the recommendations in this report.

Author: Stephen Wilkinson, 01992 709 828, swilkinson@leevalleypark.org.uk

BACKGROUND REPORTS

Natural Capital Accounts for Public Green Space in London,
HLF, National Trust and Mayor of London

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