Assets and liabilities — what’s that park worth?

Putting a cash value on a park’s assets may be a challenging exercise but, says David Lambert, it may be the only way to secure long-term revenue funding.

The average park is viewed by members and Treasury staff as a black hole. One damn thing after another needing to be repaired — sucking in funds to keep it at a standard just above the point where the public will complain. They are negative assets: fiscally, the return you get on a park is generally miniscule in comparison to the spending required for its upkeep; a franchise or two, some tennis courts receipts, the occasional commercial event. In that sense the income and outgoings spreadsheet makes grim reading.

A park or a play area may be linked to a cash-value for a year or so after a major refurbishment, but, unlike the value of a building, a leisure centre say, the figure soon drops off the headlines and out of corporate thinking. In fact, your average park is worth hundreds of thousands of pounds: big trees, buildings, furniture, railings, play equipment, sports equipment, lights. It’s just that we’ve been extraordinarily remiss about counting it all up and identifying just what a park is worth.

Of course, if a park has just been the subject of a restoration programme, the cash values are readily available. Each of those benches cost £1,000, that play area cost £150,000, that CCTV system cost £50,000, that path £30,000, that

£100,000. We persist in seeing those as expenditures, whereas they can equally be seen as value. Likewise, there is a relatively straightforward methodology (the Helliwell System) for putting a cash value on amenity trees, to balance against the regular expenditure on maintaining them.

And apart from those obvious cash values, which are easily added to the balance sheet for a park, we can go further afield. Take for example, the value of the park as an educational resource: although widely recognised in general terms, this is rarely given a cash value. Generally, a parks service does not charge for school visits but that does not mean the visits don’t add to the value of the park. A simple means of starting to calculate that value would be the cost of keeping those children in school for the day or half-day that they are in the park. This ‘avoided cost’ (the term coined by the management of Centennial Parklands in Sydney) can be added to the asset value of a park. The value of a warden or ranger’s time if it is not charged, can also be added to the asset column, to augment the saving or value of that visit to the school.

Other free provision, such as angling, tennis, football or bowls could be given a value based on its commercial

some basic data-collection on user-numbers but such data-collection has long been recognised as essential ammunition in the battle for budgets.

If you look around the park, there are potentially many such non-fabric elements which could be factored into the asset column. For example, the Heritage Lottery Fund has encouraged many authorities to count up the time spent working in a park each year by volunteers, time which can be given a cash value, at standard day rates for professional, skilled and non-skilled work. Or what about the value of the training courses that staff attend? Not all spending can be transformed into asset value but a good deal can.

It may be that, as Alan Barber has remarked, there are two separate exercises here: one, an evaluation of the...
more complex, of the value of the benefits. For example, if we know that proximity to a park raises property values by ten to 25 per cent, it would be perfectly feasible to come up with a cash valuation for that benefit. If every property value adjacent to a park benefits from a ten per cent premium as a result of the park or the shade cast by the trees, then that too can be added to the balance sheet — 50 properties at £25,000 a time. That’s relatively simple but putting a cash value on, for example, the health benefits of a good-quality park may be more challenging, although not impossible. Could we, for example, base it on the unit-cost of a hospital bed and the proposition that access to good-quality green space cuts recuperation time by x per cent? This seems a horribly crude and

of pleasure and delight. But pleasure and delight have cut no ice with funders over the past 30 years and there’s no sign that they will in future. And, anyway, the whole measurement culture is horribly crude and utilitarian. We need to be able to say, “This park is an asset worth x, maintenance of which is nothing more or less than good, responsible asset management, just as it would be for the leisure centre down the road, and neglect of which is nothing more or less than poor asset management.”

Although time-consuming to set up, such an approach would transform a park from a negative to a positive asset, at which point good practice on asset management would click-in. Unless and until we get a lot cuter about identifying the cash value of parks, we will never be able to make the case for millions of capital investment and all the central government ‘leadership’ hasn’t effected the necessary change in attitudes when it comes to tough decisions about cash.

In the absence of a statutory requirement, identifying that positive asset value could be the first step in cracking the toughest of all the nuts —

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