

# Investing in parks for climate adaptation



## Introduction

The IGNITION project, funded by the European Union's Urban Innovative Actions (UIA) fund, brought together twelve partners to accelerate investment in urban nature-based solutions across Greater Manchester. Since 2019, IGNITION has compiled evidence, researched finance solutions, developed business cases and identified priority areas for investment.

To accelerate investment in nature, IGNITION explored the potential of different urban greening interventions across Greater Manchester and created pilots that help inform the business case for investment.

This document is part of a suite of toolkits that provide a snapshot of IGNITION's work, summarising the key investment models investigated and the potential for replication.

This work also features in this webinar: [Green regeneration - designing and investing for multifunctionality](#).

## The case for innovative financing for parks

- Protecting, enhancing and creating urban parks is critical to adapt to climate change
- *Existing parks*, mainly managed by local authorities, have faced extensive funding cuts
- Local authorities are often unable to take on *new parks* or green spaces due to long term maintenance and management costs
- New funding streams are needed to invest in parks to boost climate resilience

Our urban environments include a whole host of parks and green spaces, from pocket parks to destination parks and larger multi-functional green spaces. They provide hubs for communities and nature, whilst also soaking up rainfall and benefiting the built environment surrounding them. There is substantial potential to maximise the functionality of our public parks, to help adapt our urban environments to the impacts of climate change.

85% of UK urban parks are managed by Local Authorities, however, long term funding changes have disrupted abilities to manage them to former standards. In Greater Manchester budget reductions for Parks staff in some districts have been up to 80% over the last decade. When faced with painful trade-offs between statutory and non-statutory public services, our parks and green

spaces can often be left out. Proposals to create new parks or green spaces often face viability challenges regarding maintenance and management costs.

Whilst funding has been significantly cut, the use and appreciation of parks and green space has grown. A survey of over 2000 GM citizens found that 84% visited parks at least once a week and 92% say they will continue to visit public parks at this frequency post-pandemic.

The IGNITION project has sought ways in which we can accelerate investment in our parks, to ensure that our parks not only survive but thrive.

## How can we support investment in public parks and green spaces?

IGNITION tested two approaches to this:

- **Parks Foundations** to support existing parks to become climate resilient
- **Parks Improvement Districts** to help Local Authorities and developers to install new parks with sustainable funding for long term maintenance

### Parks Foundation

A Parks Foundation is a charitable platform for public parks, that works hand in hand with the Local Authority. The Parks Foundation model is not unique to IGNITION - successful models have been created in [Bournemouth](#) and [Bristol](#) in the UK - but directing the funds specifically for climate resilience improvements is.

Parks Foundation are set up to work with existing parks stakeholders to generate additional income, coordinate volunteers and promote the use of parks. Having a charitable platform dedicated to public parks can enable Local Authorities to generate more diverse income from parks assets and combine funds over multiple years for parks improvement works. Foundations can also provide a much-needed additional resource to support volunteering opportunities, support community activities and help to promote parks for health and wellbeing through social prescribing schemes.

Through a Parks Foundation, a range of different funding opportunities can be maximised and combined, from a wider variety of sources such as parks building assets, concessions, trading, corporate social responsibility and philanthropy. One of these income streams includes public donations, research by the IGNITION team into public opinions on parks indicated that 90% of over two thousand parks users surveyed would be willing to donate to their local park.

### Parks Improvement Districts

Whilst the Parks Foundation model is targeted at enhancing existing parks, Parks Improvement Districts are focussed on ensuring new parks are financially sustainable over the long term. Having sustainable funding arrangements in place from the outset helps ensure high quality parks and green spaces are included in our rapidly expanding city region. IGNITION explored local authority and developer partnerships to deliver new green spaces and parks.

**Securing sustainable funding for new parks is just as important as the initial capital finance to ensure the benefits continue to be realised.** Where new parks and green spaces fall into public ownership this can increase pressures on public budgets. If revenues to cover maintenance and management costs cannot be secured this can impact installation.

Where new or improved public parks and green spaces are created, they generate value through higher property and land values, new opportunities for recreation and improved health. Alongside

regeneration and development projects there are opportunities to capture this value by implementing financial instruments to fund maintenance costs over the long term. These can include leases, taxes, levies, licenses, business profit shares, endowments and commuted sums.

To accelerate installation, the challenge is to capture the revenue generating capacity of the new green spaces to ensure that they can be sustainably financed over the long term.

## Business cases, pilots and pipelines

### Parks Foundations

#### *Parks foundation Greater Manchester Pipeline potential*

*The pipeline gives an insight into the potential for this model to invest in our parks for climate adaptation.*

- 379 public parks in GM
- 3933 ha
- 56 parks identified for investment in climate resilience

#### *Parks Foundation pilot project: Salford's parks*

The IGNITION pilot projects are gathering data on proposed funding models across multiple urban NBS, to provide a framework that could then be scaled up and replicated if successful.

To understand the scale at which parks and green spaces can help with existing flooding issues - which will only increase in severity as a result of climate change - the IGNITION project undertook in-depth analysis on Salford public parks. Salford City Council, a partner on the IGNITION project, has seen a 65% reduction in parks and green spaces budgets since 2010/11, with the rest of Greater Manchester experiencing similar percentage, compared to the national average reduction of 25%-35%. This has had a knock-on effect in reducing maintenance, planting schemes and community engagement.

- 12 of the 76 public parks in Salford have known surface water flooding issues
- The IGNITION team identified an area of 2191 m<sup>2</sup> where SuDS could be installed
- Estimated capital cost: £265,000
- Salford City Council are currently exploring options to accelerate funding for climate resilient features in parks and have already begun trial donations by partnering with the [Greater Manchester Environment Fund](#).





# Salford's brilliant parks

Our parks do more for us each year than meets the eye...

1,120 hectares

of greenspace  
across 76  
public parks



£16,468,000

worth of recreational  
health benefits - from  
tennis courts to park  
runs, our parks help  
make us healthier



8 Green Flag  
awards

recognising our  
parks as some of  
the best around!



1,400  
tonnes of carbon  
captured each year



£2,264,000

healthcare costs avoided  
via physical health benefits



£96,000

worth of air quality regulation,  
improving the air we all breathe



## How do these parks help us adapt to climate change, whilst restoring nature and helping the local economy?

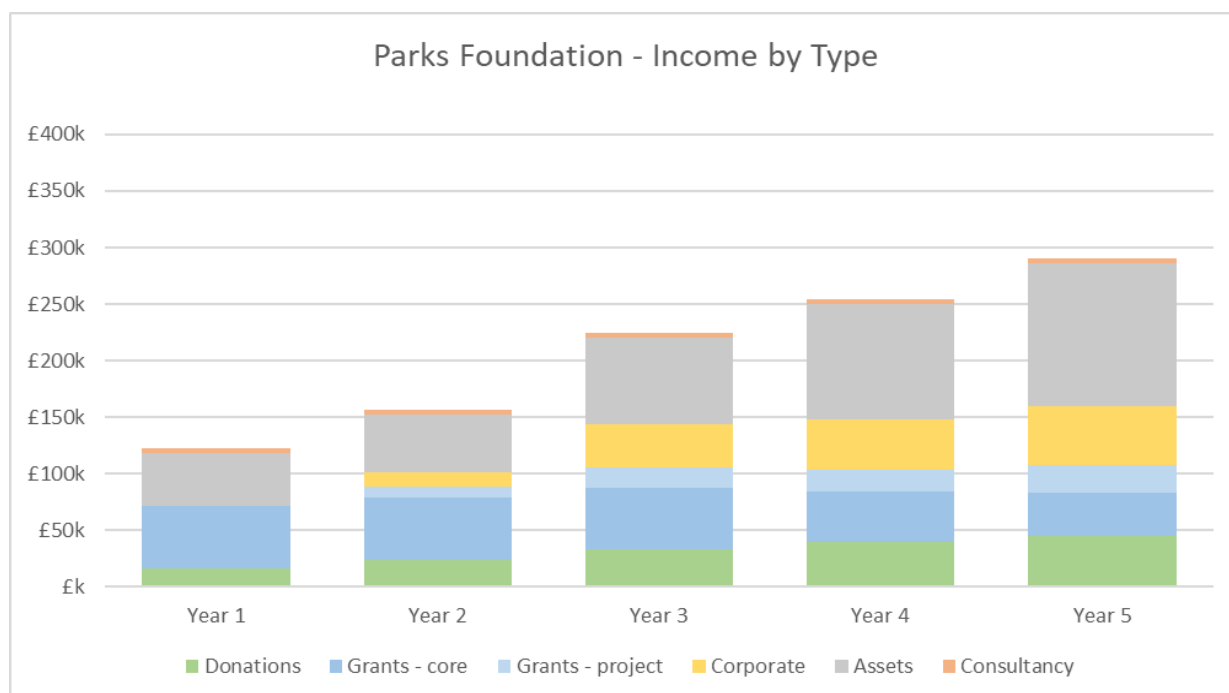
- 84% of rainwater runoff retained by parks
- 3°C air temperature reduction
- 9% reduction of particulate matter (PM<sup>10</sup>) in the air 50m inside a park
- 50% of parks visitors visit a local business before or after their visit

[For more parks performance stats visit the IGNITION evidence base.](#)

### *Parks Foundations: The business case*

Modelling to test the financial viability of a Parks Foundation at the district scale identified a potential income of £1.1 million over a 5-year period. Generating income requires staff resources, estimated costs for running a Parks Foundation totalled £830,000. **This could translate to a net surplus of £271,000 over five years.**

As a Foundation, the income would come from the ability to host events, concessions and business profit share arrangements with retail and hospitality units, individual giving, corporate income, car parking fees, grants and building hire, as it has done for other Parks Foundations in the UK.



### *Parks Foundations: Lessons from the IGNITION project*

- **Capitalisation** – a Parks Foundation proposal needs to be affordable and attractive for Local Authorities. Financial support will likely be necessary for the initial setup period.
- **Commitment** – establishing a Parks Foundation is a long-term commitment to working in partnership with a charitable organisation.
- **Political support** – parks management and maintenance are a sensitive topic and there is a risk of not gaining sufficient political support for the proposals.
- **Competition** - Parks Foundations can be perceived as in competition with existing charitable organisations. Engagement work to build partnerships with a range of existing organisations is essential.

- **Reputational risks** - a Parks Foundation could be viewed negatively by residents and visitors if the drivers and benefits are not clearly communicated.
- **Stability of income** – a proportion of the income of a Parks Foundation would rely on fundraising, which can be unpredictable.
- **Parks ownership** - a Parks Foundation does not own the park or green spaces, projects would require permission and close working relationship with Local Authority teams.
- **Skills and expertise** - to maximise income a Parks Foundation needs to access to entrepreneurial expertise which is an unfamiliar for parks and environmental sectors.

## Parks Improvement Districts

### *Parks improvement districts Greater Manchester pipeline potential*

The pipeline gives an insight into the potential for this model to invest in new parks

Greater Manchester has experienced high levels of regeneration and investment since the 1990s. Major development projects regenerate the city centre, attract investment and support business growth. Greater Manchester has a pipeline of over 1364 ha of urban land identified for future development, including housing, industry and office developments.

### *Parks improvement district pilot: Manchester City Council and Victoria North*

The IGNITION pilot projects are gathering data on proposed funding models across multiple urban NBS, to provide a framework that could then be scaled up and replicated if successful

Manchester City Council regeneration pipeline:

- MCC has at least eight regeneration sites on the way with planned green space improvement
- This represents at least 68 ha of green spaces to be created or improved in Manchester overall

Victoria North pilot:

- 7 new parks in 155 ha regeneration site (including 15,000 new homes)
- 46 ha new park and green space improvement, on predominantly MCC owned land. Some of these would be developed in advance of the residential properties.
- Capital cost covered by developers and other sources
- Maintenance costs of the new park would be paid for by Manchester City Council and would represent a considerable uplift to existing parks service costs

### *Parks improvement districts: The business case*

High quality green spaces are seen by the developer as key to the success of Victoria North. Options analysis identified a number of potential revenue generation mechanisms to maintain these new green spaces, including taxation, estate service charges, invested endowments, commuted sums, business profit sharing, business operation and licensing, parking fees and events. These options were reviewed by Officers, with estate service charges and a commuted sum being identified as the preferable options.

Financial modelling over a 25-year periods showed that this combination of financial mechanisms, a commuted sum and a service charge, could sustainably finance park maintenance and management costs over the long term. A commuted sum or another form of endowment is needed to account for the gap between the capital investment in the new parks and the first receipt of services charges from the new homes. Further work is ongoing within MCC to firm up the agreements, mechanisms and process required to put this into practice.



## *Parks improvement districts: Lessons from the IGNITION project*

- **Political sensitivities** – implementation of service charges can be a contentious issue as not all local residents are expected to pay above general taxation contributions. There can be a negative reaction to using services charges to pay for public spaces and a push from fee payers to privatise the spaces they are paying to maintain.
- **Time-lags** – use of service charges will not generate income until after the point at which a parks creation takes places leading to a period of no income.
- **Legal agreements** – inclusion of service charges in leases and freeholds requires legal advice and expert input to ensure they are retained despite tenancy transfers and property sales and rise incrementally to account for inflation.
- **Fairness** – implications of services charges could see residents in some parts of the city paying for parks and others with existing good quality green spaces not being charged.

## Beyond IGNITION: Financing parks for climate adaptation

### Parks Foundation

Whilst needing an initial start-up fund, a Parks Foundation could provide a means to generate modest annual income to invest in climate resilience improvements to public parks and green spaces. Parks Foundations have the freedom and flexibility to access a more diverse range of sources of income than Local Authorities and would not be impacted by other budget priorities or reductions. Funding generated would be used to cover expenditure on staff costs and the surplus would be used to invest in climate resilience.

A successful Parks Foundation requires significant engagement with parks users, and the willingness of residents, corporates and philanthropic organisations to donate, sponsor or purchase products linked to public parks and greenspaces.

GMCA will support Greater Manchester's 10 Council to research and explore whether the setup of a Parks Foundation could help their parks service.

Salford City Council will continue donation trials in their parks and continue to convene the Greater Manchester parks networks to support action and learning for parks investment.



RHS, City of Trees and Groundwork have strong links with community groups within parks across Greater Manchester and their expertise in both convening communities and from a deep understanding of public perceptions on green spaces, nature-based solutions and climate adaption will be key to ensuring a Parks Foundations longevity.

If you would like to trial this, please [contact Jo Regan](#) at Salford City Council.

## Parks Improvement Districts

Local Authorities across the UK will continue to require additional funds to maintain new and existing green spaces. This will often require consideration of all alternative sources of income which could be available, including mechanisms such as estate charges or endowments.

Analysis completed through IGNITION showed much more sustainable long-term maintenance and management costs by introducing alternative sources of income. Although there is still a shortfall in funds for maintenance this is vastly reduced by employing these mechanisms. The project has established a structure within which to identify a combination of funding, and highlighted how the financing of new parks needs to be addressed at a strategic level. It is likely the funding strategy outlined here will be considered as the new and improved green spaces are developed across Manchester pipeline of regeneration sites.

Taking this forward means engaging senior leaders and decision makers is key, given the potential political sensitivities. A clear narrative supporting the drivers for change whilst also articulating the challenges is essential.

Manchester City Council are continuing to work with the Victoria North development to ensure all new parks are supported and maintenance is identified. The impact of establishing this business case will influence the future of financing new parks.

## Key resources to progress investment in parks for climate adaptation

- Get an understanding of GM citizens opinions on parks from the IGNITION Parks citizens report
- Join the Greater Manchester parks network to connect with peers on progressing investment – [contact Jo Regan at Salford City Council to join](#)
- Read the '[Investing in a Greener Greater Manchester: A nature-based solutions investment guide for local authorities](#)' for an insight into the practicalities of investment
- Read the [Manchester City Finance Lab report](#) for insight into financing and managing new green spaces in the Northern Gateway
- Analyse the benefits of parks and green spaces in the [IGNITION parks and green spaces evidence base](#), to help identify potential innovative funding streams
- Use the Greater Manchester Green Infrastructure Explorer to gain spatial data on your park

## Other resources

- [How to set up a Parks Foundation Toolkit](#)
- [Rethinking Parks Programme](#)
- [Recreating parks: Securing the future of our urban green spaces](#)
- [Paying for parks: Eight models for funding urban green space](#)



## More information

Find out more about the IGNITION project by visiting the project website:

[www.IGNITIONgm.com](http://www.IGNITIONgm.com).



The Prince's  
Responsible  
Business Network



Manchester  
City of Trees



Environment  
Agency

GMCA

GREATER  
MANCHESTER  
COMBINED  
AUTHORITY



CHANGING PLACES  
CHANGING LIVES



MANCHESTER  
CITY COUNCIL



Royal  
Horticultural  
Society

Salford City Council



UK  
GBC  
Together for a better built environment



United  
Utilities

Water for the North West

MANCHESTER  
1824

The University of Manchester



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