

## FINANCE

### 1.1 PLACE-KEEPING - AN ISSUE THAT MATTERS

Open spaces are highly relevant locally and citywide. They can range from the small pocket-park in a neighbourhood to a large park of citywide or even regional importance. They can be either grey (squares and streetspace) or green (parks), and can fulfil multiple functions for social life: cultural activities; biodiversity and ecosystems; and business environments.

They also have an economic value for both public and private sectors through individual and commercial spending power and the proven impact on surrounding property values. So the role of place-keeping (maintenance, care, joint responsibility and ownership in the broadest sense) within the long-term safeguarding of open spaces is not only important for cohesion within local communities but can create economic benefits as well.

Why must it be sustainable? Because in economically difficult times, place-keeping budgets are the first to suffer, despite their significant contributions to health, wellbeing and local economy. And while funding is available for construction and retrofitting, it is not available for maintenance or staffing; and while political credit exists for exciting new open spaces, it does not do so for their day-to-day management. Poor or non-existent place-keeping can lead to a waste of resources due to the cost of future regeneration when it is cheaper to systematically maintain.

### 1.2 WHY IS IT AN ISSUE FOR POLITICIANS?

For place-keeping to become an integral part of planning, design and economic improvement at the most fundamental level, the baton must be carried by the politician who has it in his/her power to ensure it is given the same level of importance within masterplanning and regeneration as place-making.

And place-making needs to be accorded the same gravity as other dimensions of well planned urban infrastructure. Economy and prestige, and health and happiness have their roots in, and benefit from, well designed open spaces sustainably cared for long term.

There is a political choice to be made: safeguard open space investments and their positive effects or condemn them, their surrounding communities and local businesses through underfinancing.

### 1.3 THE FIVE THEMES

MP4 analysed some of the many good place-making and sustainable place-keeping examples throughout Europe which bring together public and private stakeholders and create strong, longstanding partnerships.

This process identified five themes particularly pertinent to quality, sustainable place-making and place-keeping, namely: governance, partnerships, finance, policy, and evaluation. These are the catalysts for enduring open spaces and enriched neighbourhoods.

This document deals with Finance. Its four sister documents each discuss one of the following themes: governance, partnerships, policy and evaluation.

Sheaf Valley Park, Sheffield



## 2 FINANCE - KEY ISSUES

In the MP4 context finance refers to **capital and revenue funding of both place-making and place-keeping, budgeting issues and procedures, core financing for capital one-time investments and additional long-term funding from operational budgets for management costs.**

In practice **place-making investments are available from different sources** – commonly from public budgets but increasingly also from the third sector (e.g. charities) and the private sector (e.g. businesses). Examples of public-private investments in the open space are described below. In practice multiple funding is fairly common for the creation or redevelopment of open spaces – with all its impacts on project management and decision-making procedures becoming more complex and demanding. Regular public budgets are usually the basis for the place-keeping of open spaces, although these budgets are no longer sufficient. The result is that place-keeping is commonly reduced to basic cleaning and minimum maintenance only to fulfil mandatory safety regulations on public ground. The diverse qualities and potential impacts of open spaces are often neglected, and the deterioration of those spaces is obvious in many places around Europe.

It's also obvious that countries in the North Sea-Region have **different cultures regarding funding.** Countries from continental Europe still have a more state-centred approach and focus more on public funding (e.g. higher taxes or budget shifts), meanwhile the Anglo-Saxon countries focus more on the third sector (e.g. trust and charities) and private investments to co-finance or even replace public funds.

A key problem regarding sufficient funding for place-keeping is the fact that **budgets for long-term management are customarily not calculated at the beginning of a design process** as an integral part of it. As a consequence open spaces are quite regularly re-

designed or newly developed with unsettled perspectives regarding their maintenance and insufficient budgets. Another problem is that Local Authorities have restricted possibilities to lever additional funding for place-keeping apart from other public sources, e.g. from national or European funding schemes that usually focus on capital investments. The situation is quite often even worse when new place-making increases the costs of place-keeping due to different materials, plants or additional spaces – although high quality design could also reduce costs for maintenance, if it's well planned in partnership with all relevant stakeholders from the beginning.

On local and regional level **competition between open spaces can be found quite often in practice.** High-profile developments in prominent locations gain more political support and attendance than standard open spaces in average neighbourhoods. If all these spaces have to compete for funding from the same limited budgets, the very prominent spaces are more likely to receive the money due to higher political interest and broader public awareness.

**A multiple funding strategy for open spaces can lead to a multiple stakeholder strategy** in the implementation and on-going place-keeping. This might complicate the decision-making process due to intensified needs for co-operation and communication and might affect the democratic accountability of decisions, but a mix of sources could enhance the responsibilities of the several stakeholders for place-keeping ('You take care of what you pay for' = sense of ownership). It is worth the effort to choose the integrative way of planning and this will probably be the most effective strategy for place-keeping in the long run.

## 3. EXPERIENCE FROM THE MP4 PARTNERSHIP

### 3.1 BUSINESS IMPROVEMENT DISTRICTS (BIDs), DE

**Hamburg, Germany: private proprietors taking financial responsibility**

The legislative model of BIDs allows joint proprietor investments in additional place-making and place-keeping activities on public ground 'on top' of public services – with a spatial focus on commercial districts and city centres. In Hamburg proprietors have already invested 26 million Euros since 2005, of which 45% for place-making and 20% for place-keeping.

The compulsory BID levy avoids free-riders ('No benefit without payment') and helps to convince proprietors to become active in the area-based initiative.

To date, a prerequisite legislation for the creation of BIDs is in effect only in the UK, parts of Germany and as a model in the Netherlands. In Hamburg the BID model was transferred to residential areas as Neighbourhood Improvement Districts for the first time in Europe. This could open new opportunities for the physical development of housing estates and similar neighbourhoods.

Dancing Towers, St Pauli, Hamburg



Further information:  
BIDs and NIDs  
[www.urban-improvement-districts.de](http://www.urban-improvement-districts.de)

The following projects from the MP4 context demonstrate new approaches in the funding of place-keeping activities across Northern Europe.

### 3.2 EMMEN REVISITED EMMEN, NL

**Local businesses making a difference.**

Emmen Revisited (ER), a joint-venture organisation between Emmen Municipality and the Housing Corporations operating within the municipality since 1998, aims to improve the social and living environment in urban districts and villages.

The ER regeneration project in the village Barger Compascuum involved local shopkeepers in the redevelopment of the village centre. Business people had influence on the new design and invested private money in the place-making, e.g. for lighting, plants and seats in the open space. Now implementation is complete, they also now actively support the ongoing place-keeping together with residents and the Municipality.

Barger Compascuum Village Centre



Further information:  
Emmen Revisited  
[www.emmenrevisited.nl](http://www.emmenrevisited.nl)

### 3.3 CITY OF GOTHENBURG, SE

**Calculation of cost implications**

As an integral part of planning procedures, the Municipal Park and Landscape Administration from Gothenburg City Council is calculating not only investments for place-making but also cost implications for place-keeping from every proposed project and plan. The estimated budget for management is calculated at the end of each year and (usually) approved the year after. As a result the responsible administration is receiving additional money for new open spaces to cover the raised costs. This is a result of senior officials and the politicians in the Park and Landscape committee arguing their case in order to convince other politicians of the long-term cost implications from new or additional open spaces.

Lövgärdet



Further information:  
Gothenburg  
[www.goteborg.se](http://www.goteborg.se)

### 3.4 GREEN ESTATE SHEFFIELD, UK

**Social enterprise doing business**

Green Estate Ltd from Sheffield is a social enterprise with a commercial arm. It is an unconventional land management company operating across a spectrum of neighbourhood renewal and landscape management on mixed tenure housing estates. The social arm focuses on the place-keeping of existing parks and open spaces and engages in 'place-making' when parks/green spaces are being developed. To reduce the former reliance on grant funding, Green Estate has a number of enterprises to generate income, including landscape management, grounds maintenance, green waste recycling and composting, green roof installation and the Sheffield Manor Lodge Heritage Site. Green Estate has a highly skilled team of staff which includes landscape architects, landscape managers, qualified arboriculturalists and Royal Horticultural Society-qualified staff. Funding comes from a mixture of public projects and commercial projects, allowing Green Estate to move from 100% grant funded in 2004 to 100% self-sustaining today.

Manor Lodge, Sheffield  
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Further information:  
Green Estate  
[www.greenestate.org.uk](http://www.greenestate.org.uk)

# 4. KEY FINDINGS AND POLICY RECOMMENDATIONS

After analysing the practice of place-making and place-keeping around Northern Europe and implementing innovative open space pilots in five partner cities the transnational MP4 partnership comes to the following key findings and policy recommendations on place-keeping finance based on practical experience:

- The direct and indirect economic values and benefits of open spaces need political acknowledgement and public awareness – as the other values of open spaces
- To safeguard investments in open spaces a guaranteed funding of long-term management is essential – otherwise the capital investment will be in vain sooner or later
- Place-keeping levels should be defined by the responsible public authorities (from standard to advanced) with respective cost-implications to give a transparent and comprehensible overview of the reality in practice for all stakeholders involved
- A careful cost-benefit analysis should be carried out at the beginning of a place-making process to calculate the running costs of the new design and the potential economic, social and environmental benefits of the



Botanical Gardens, Edinburgh



Vardens Park, Copenhagen



Barger Compascuum

new open space if it's well-kept. Although the multiple benefits of open spaces are difficult to be measured they should be recognised and valued at least

- Ways in which place-making can reduce place-keeping efforts and costs should be identified without compromising the quality and benefits that a high quality design can bring. Quality design doesn't have to lead to increasing running costs in general
- Generated income from open spaces (e.g. from commercial uses or cultural events) should be spent on these spaces again, e.g. in form of a dedicated revolving budget for citywide open spaces in general or for a specific space
- Private investments for additional activities 'on top' of public activities and services should be supported with political decisions and prerequisite legislation where necessary, as is the BID legislation in Germany, Netherlands and UK to support private initiatives
- Mix-funding from different public sources needs consistent and simplified regulations for spending to support its use and to allow public administrations to be creative and flexible

MP4 is a European project (2008-2012) that focuses on innovative approaches for planning and designing, maintaining and using private and public open spaces. MP4 stands for 'Making Places Profitable, Public and Private Open Spaces.' It was funded through the European Union Interreg IVB programme for the North Sea Region. The nine project partners in six countries demonstrated how place-making, which is improving open spaces physically, can offer positive social and economic benefits on the long run. Its main aim, however, was to identify transferable successful methods of sustainable, long-term maintenance (place-keeping) and to influence planning policies from European level downwards to local neighbourhoods to ensure place-keeping is not only incorporated into citywide masterplans, but given as much consideration as place-making in every open-space investment.

**For more information on MP4, please visit [www.mp4-interreg.eu](http://www.mp4-interreg.eu).**



City of Göteborg



The University of Sheffield.

HCU

HafenCity Universität Hamburg



Lawaetz-Stiftung