



MP4 Stakeholder workshop
24th of November 2011



Workshop 3

Funding / Finance

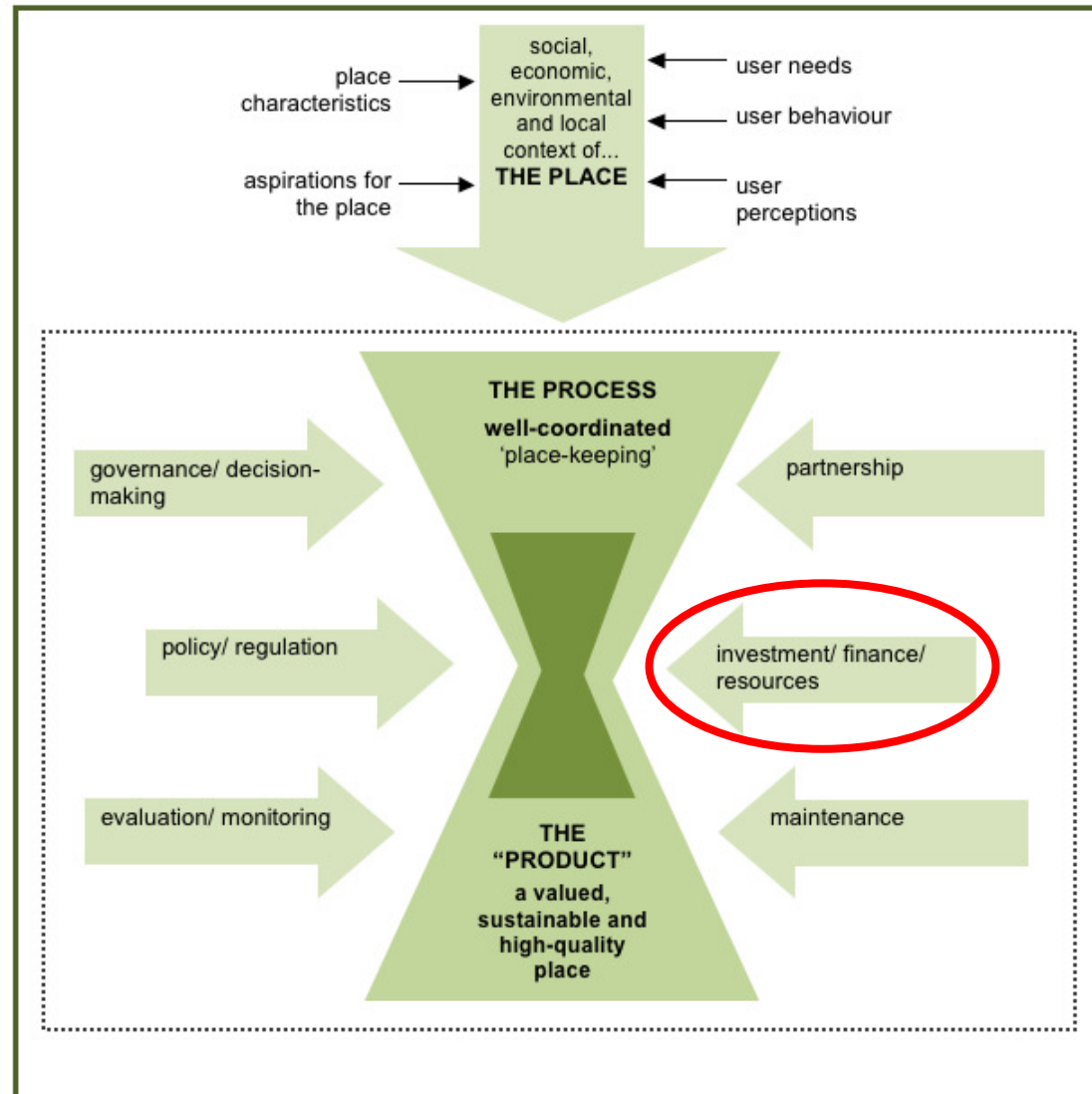


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Is it place that matters –
or is it money that matters?

Funding / Finance





Funding / Finance



- Financial/economic value of open space: a public asset and of relevance for the property market
- Place-making investments are available from different sources - usually from public budgets, but increasingly also from charities and private sector
- Funding is fundamental for place-keeping – especially long-term funding available
- Place-keeping costs are under threat of budget-cuts
- Not only money but quality matters in place-keeping
- Safeguarding investments vs. destroying public assets



Several approaches in finance



Experience from the MP4 pilots

- Place-making budgets come from different sources and funding programmes (multiple funding pots)
- Focus mainly on the regular public budget for the maintenance of open spaces
- Budgets for long-term management are not calculated at the beginning or not available at the start

Several approaches in finance

Other experiences, e.g. MP4 case studies

- Business Improvement Districts (BIDs) invest in additional place-making and place-keeping – in Hamburg proprietors invested € 26 Mio. since 2005 (45 % for pm and 20 % for pk)
- Bürgerpark Bremen is raising funds for the long-term management eg. in an annual public lottery
- UK's Heritage Lottery Fund is financing mainly place-making activities



Several approaches in finance



On a generic level

- Different budgets for place-making and place-keeping
- PK-funding may not be in place when PM starts
- PM of new spaces supposed to be paid from the normal public budget
- PM is quiet often increasing costs for PK
- Parks with 'Green Flag' status or very prominent spaces are more likely to have more funding for PK from either public or private sources



Pitfalls and successes



Experience from the MP4 pilots

- Plans and agreements shall include long-term management from the beginning
- Co-production of open spaces requires co-management and co-funding of PK
- If budgets come from several sources, one loss might put the whole budget at risk
- A mix of sources enhances the responsibilities of several stakeholders for place-keeping (“You take care of what you pay for”)



Pitfalls and successes



Experience from the MP4 pilots

- Positive results of integrative planning might lead to additional public funding
- Capital funding opportunity overrides the place-keeping problems (“It will be dealt with sometime in the future”)
- Too many specialists in a process might lead to higher costs
- Politicians prefer to open redesigned spaces – they are not interested in the long-term maintenance

Pitfalls and successes

Other experiences, e.g. MP4 case studies

- Compulsory BID levy avoids free-riders (“No benefit without payment”)
- Risk that BIDs fund place-keeping activities which should be public ‘standard’
- Studies show the significant influence of open spaces on property values, e.g. the housing-market (= economic benefit of place-keeping)

Key questions

- Is it possible to create a combined investment and maintenance budget for open spaces on a multi-year basis?
- Shall budgets for place keeping be an integral part of the material investment or can it be arranged in an other way?
- Cuts to public spending are/will creating huge problems for PK: How to allocate the money that is available fairly?
- How to approach and convince new stakeholders without money?



Key questions



- How can different funding schemes and regulations be handled?
- Do new places/spaces have to cost more money in their long-term management?
- What kind of new or adjusted policies do we need?