Europarc Conference 2011

Financing Quality
Good Value for Money

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Chief Executive
The Challenge for National Parks and Protected Areas

• With a reduction in the public funding for Parks and Protected Areas how do we bridge the gap through voluntary and private sector partnerships?

• How can Parks and Protected Area bodies become more businesslike and commercially minded?

• What policy changes are desirable/required to enable Parks and Protected Area bodies to develop mechanisms to generate revenues/bridge the resourcing gap?
Presentation Themes

• Parks and Funding 2011
• Lee Valley Regional Park Authority Business Model
• Revenue Generating Funding Themes
• Opportunities for National Parks/Protection Areas
30 Years of a Declining Budgets for Parks in UK

- 1979-2005
  £1.5 billion reduction in Parks budgets
- 2010-14
  25% plus budget cuts
2011 Park Resourcing Model

3rd Sector
£

Public Sector
£

Private Sector
£

Public Sector led
2015 Park Resourcing Model

3rd Sector

£

Public Sector

£

Private Sector

£

New funding model
New Philosophy and Mindset?
Commercially focused and community centred

- “Work the assets”
- Private sector partnerships
- Maximise income generation
- New business models
- New operating models
- Community led to private sector led spectrum
Innovative Funding Models in 2011

- Centennial Parklands
- Milton Keynes Trust UK
- Royal Parks UK
- Cornwall Park NZ

These models are worth researching
Lee Valley Regional Park
Facts and stats

- 4,000 ha
- 4.5 million visitors per year
- Internationally recognised wildlife sites
- 8 Green Flags
- Four Olympic Venues
- Investors in Volunteers
Facts and stats

• 85% customer satisfaction
• £50m capital investment 2004 to 2010 (40% from external sources)
• £250m investment from Olympics
• £18m revenue budget 2010/11
• Many services delivered through third parties
• £7m cash income p.a.
Lee Valley Regional Park in 2011

- Sports participation
- Community
- Biodiversity
- Waterways
- Education
- Sports development
- Volunteers
- Events
- Facilities & Attractions
Vision for Lee Valley Regional Park 2020
A world class leisure destination

Our Mission
We will lead the delivery of a world class destination through a range of private and public sector partnerships whilst maximising value for money for the taxpayers of London, Essex and Hertfordshire
2010-13 Business Plan Key Themes

- Commercial focus
- Branding and marketing
- Olympic legacy
- New organisational/operational models
Olympic Venues in Lee Valley Regional park

- White Water
- Hockey & Tennis
- BMX
- Velodrome
Developing a Sustainable Funding Model: Current Lee Valley Business Model

- 65% of funding from region’s taxpayers
- 35% from cash income
- Modest commercial focus
- Mix of direct provision and contracted services
- Strong community focus
New Business Model

- Less than 50% funding from the taxpayer
- Strong commercial focus
- New operational models
- Greater community involvement and ownership
- New Brand for the LVRP
Fresh Commercial Approach

- Corporate partnerships
- Sponsorship
- Commercial leisure development
- Shared Services
- Branding & merchandising
Harnessing the Commitment and Energy of the Community and Volunteers
Greater Community Ownership

- “Friends of” group and Community/User Forums
- Professional volunteer programme
- Management of ‘local’ Parks by community groups?
Economy of Scale Through Public Bodies
Sharing Services

- Joint procurement
- Single service/contract across boundaries
- Politically challenging
  - Example: 5 agencies juxtaposed with parkland/open space management responsibilities
LVRPA Shared Services

- Environment Agency
- British Waterways
- Thames Water
- LB Haringey
- LB Waltham Forest
- Private owners
Commercial Leisure Opportunities in National Parks/Protected Areas

- Visitor Accommodation
- Activation Centres
- Branding
- Merchandising
- Sponsorship
Commercial Investment

- Visitor Accommodation
  - Lee Valley Park
  - Brecon Beacons
  - Lake District
  - Cairngorms
Visitor Attractions
Lake District

- Idea rejected
Sponsorship and National Parks

- US 2005 ‘National Parks to Seek Corporate Sponsorship’
- “Corporate Funds Will Alter Park Landscapes and Sway Policies”?
- Unilever 4 year $22mill sponsorship deal for National Parks
- Nature Valley in 2011- $550,000 funding of projects in 4 National Parks
Lake District National Park UK

- Sponsorship income 2007/8 £78k 2008/9 £114k
- 2010 Sprayway sponsorship of Lake District Volunteer Service
- All volunteers kitted out with Sprayway branded waterproof jackets and fleeces
Why does an Organisation/Destination need a Strong Brand?

- Identity
- Values
- Heritage
- Ambition
Images of Fresh and Dynamic Brands

- Lochness
- Cairngorms
- Lee Valley
Lee Valley Park Brand

- Leaflets
- Website
- Signage
Lee Valley Regional Park Straplines

- ‘Sport Nature and Discovery’
- ‘National Park for Active Sport’
- ‘World Class Leisure Destination’
Merchandising

New Forest National Park

Woodland Trust

Royal Parks
Are There New Organisational Models Which Can Enable Park Agencies to be More Commercial/Efficient?
New Organisational and Operational Models

- Public sector client/commissioner
- Private and voluntary sector delivery
- Shared services between Parks agencies/public bodies eg legal
- Tax efficient organisation e.g. Trusts
New Organisational and Operational Models

- Commercial freedom for Park agencies
- Borrow and invest
- Joint ventures
Endowment Funding from Development

- Does the Park/Protected Area have marginal land of little amenity or conservation value which could be sold/leased for development?

- A small geographical area can deliver a significant capital receipt which could result in a healthy endowment revenue stream.

- Is the sacrifice of a very small area for a revenue stream a price worth paying for the effective management/protection of the whole?
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