

# POLICY R2

Guidance notes for parish councils



## What is policy R2?

In the mid 1990s, during the preparation of the Local Plan, the council found evidence clearly identifying a particular need for outdoor sport and recreation facilities, throughout the district. Therefore, an appropriate policy was formulated in the Plan to secure provision in connection with all new residential development through the proper legal channels (planning obligations via a Section 106 Agreement). The policy concerned is called R2 simply because the policy is the second in the Recreation chapter of the Local Plan.

In terms of scrutiny, the rationale behind the policy was closely examined in the Public Inquiry related to the previous 1996 version of the Local Plan, and in 1999/2000 a further examination concluded that the policy remained appropriate to include in the currently adopted plan.

Policy R2 states:

R2 New residential development will be required to make provision for recreational open space (comprising facilities for communal **outdoor** sport and children's play) in accordance with a standard of 2.43 hectares per 1000 population. Additional amenity open space (including landscaped areas, public gardens and roadside verges) will be sought as appropriate. Further details of the District Council's open space requirements are contained in Appendix IV.

The policy aims to secure outdoor recreation provision by either,

- a) **On Site Provision** – on sites with 10 or more dwellings, the developer will be expected to set aside appropriate space for outdoor play and equip it for the purpose. For most medium scale residential schemes, this normally enables a children's play area to be provided. On much larger residential schemes, multiple play areas and sports pitches should be provided to address the demands imposed by the new population. Developers providing recreational open space on site will also be expected to provide a calculated long-term maintenance sum, which will be made available to the parish council.
- b) **Commuted Payments** - Where development schemes of 1-9 units are proposed, it is accepted that it would be unreasonable and often impractical to provide even a small play area on site and so a commuted payment is taken instead. The payment made by a developer reflects the number and size of the houses being provided and is paid to the district council. The payments made are controlled by a legal agreement (known as a Section 106 agreement) which clearly sets out that the funds are only to be used for outdoor recreation purposes in the locality of the development site and that if unspent after a period of 5 years the funds can be returned.

## How are the funds made up?

The quantity of funds collected is based on the cost of providing recreation facilities on a per household basis. The level of contributions to be made for an individual dwelling is reviewed annually and is increased in line with inflation (the calculation for 2006/2007 can be seen in appendix 1).

The basis of the policy, and the formula used to calculate the amount of contribution, recognises that there are different types of outdoor recreation need and that this can best be divided by age group. Thus, for the purposes of meeting these different needs funds are collected for two groups:

- Children - from birth to 12 years, and
- Youths and adults - anyone over 13 years.

Funds are collected in line with the differing recreation needs of these age groups, so spending should reflect the same requirements. For smaller parishes this requirement can be applied more flexibly, provided that, over a period of time, expenditure is balanced out to meet the recreation needs of both children and youths/adults. For example, in a case where a 'child' project requires the use of 'youth/adult' funds to proceed, the parish council would be required to demonstrate that a subsequent project would provide facilities aimed primarily at youth and adults.

Where parishes only have limited funds they are also encouraged, where possible, to work with neighbouring parishes in order to bring forward youth/adult recreation projects.

Where a proposed scheme has an ability to meet a recreation demand from all age groups, flexibility will be applied with regard to the release of funds related to each age group.

### **What sorts of schemes can the money be used for?**

As the Local Plan policy states, R2 funds are collected to specifically meet local needs for **outdoor** sport and recreation. Children’s play areas are the most frequently cited examples, however the following table sets out examples of what R2 **could** be spent on:

| <b>Children</b>                                       | <b>Youth</b>              | <b>Adult</b>                   |
|---|---------------------------|--------------------------------|
| Swings and slides                                     | Skateboard parks          | Football pitches / goal posts  |
| Activity centres                                      | Basketball courts / hoops | Cricket pitches / score boards |
| Springers   | Rebound walls             | Tennis courts / nets           |
| Fencing around recreation grounds and play facilities |                           |                                |
| Land purchase for recreational uses                   |                           |                                |

This list is not exhaustive, and there are obviously overlaps between the youth and adult facilities. R2 money can also be used to upgrade existing facilities, for example improving the drainage of a football pitch, providing floodlighting, new play bark, safety surfacing etc.

The following schemes are examples of projects that R2 money generally **cannot** be spent on:

- Bus stops,
- Extensions to village halls,
- Speed humps,
- Bins for the village green,
- General fencing,
- Indoor table tennis tables,
- Picnic benches,
- Tables and chairs
- Footpaths (that have no clear recreational use), and
- Project managers.

Parishes are encouraged to discuss with the district council what is and is not acceptable. It should be noted that Salisbury District Council is investigating whether funds for other community infrastructure could be secured from development in the same way that R2 money is collected. If this is possible, it will require the need for new planning policies to be drawn up and consulted upon. The council will aim to keep parishes informed on the progress with this exercise.

### **Keeping up to date with your R2 money**

It has always been the case that parish councils can request a balance of their R2 funds at any time, but the expiry of funds (leading to their return to the relevant developer) has highlighted the need for the issue of regular statements to keep parishes informed about the money they have available. In response, the fund monitoring system has now been developed to produce statements of funds, which the council will issue every April to coincide with the end of the financial year.

Parishes are still welcome to request additional statements as and when they need them to inform their decision-making.

### **Spending R2 money**

The expenditure of R2 funds is dictated by the legal agreement signed up to by the developer. The agreements clearly state that funds should be used for outdoor recreational purposes. Salisbury District Council has been as flexible as it can be in interpreting this definition, but with increasing frequency, proposals with no outdoor or recreational bearing are being brought forward that are not compliant with the terms under which the funds were contributed.

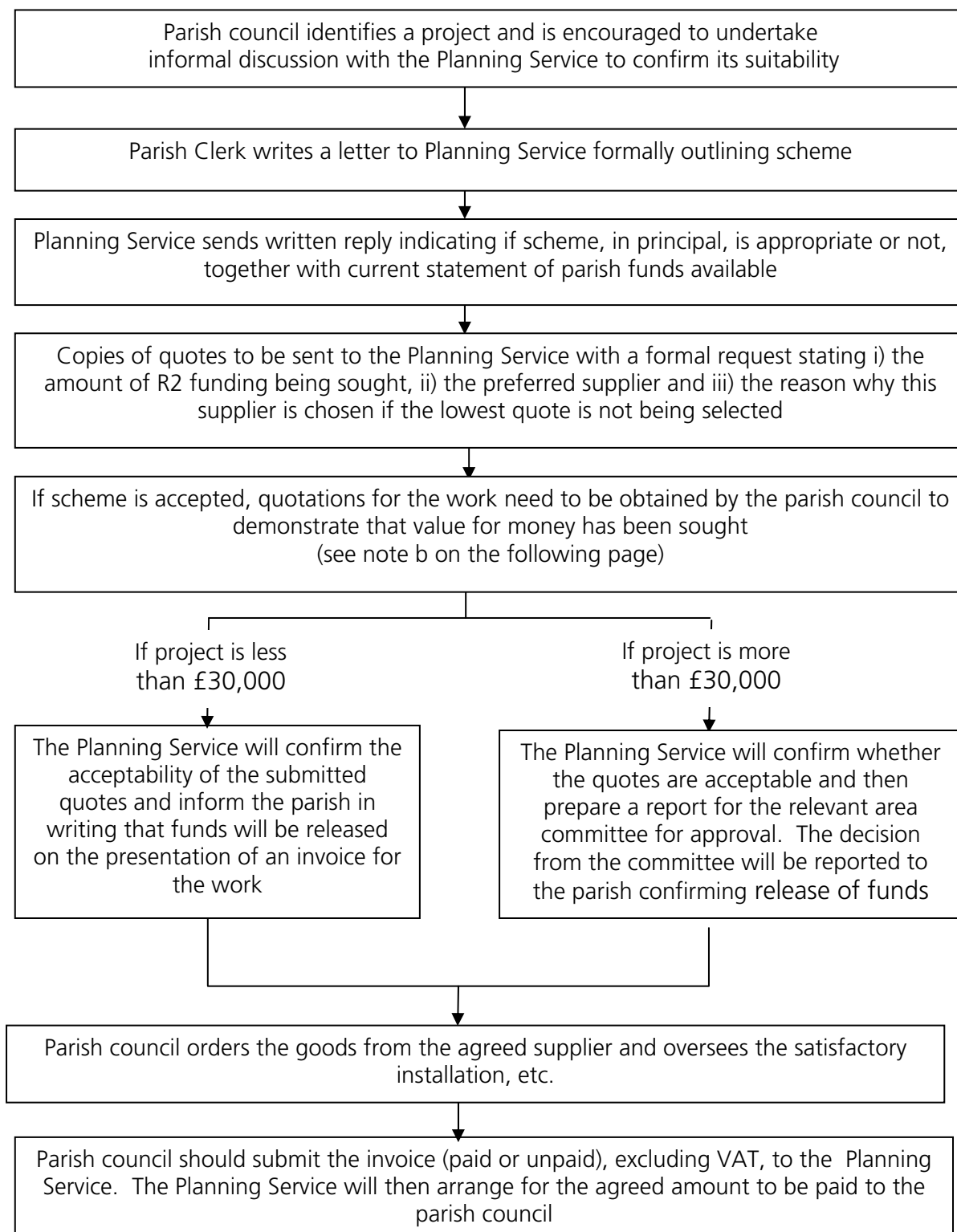
**For the avoidance of doubt, R2 funds will not be released to parish councils for schemes that do not address ‘outdoor recreation’ needs in their locality.**

In light of the statement above, parish councils are encouraged to undertake informal discussions with the Planning Service about any new proposals where R2 funds are likely to be used. Additionally, if there are any other queries about the process, parishes should ring or email to check before proceeding.

The diagram below outlines the process that parish councils should follow to seek the release of R2 funds. This guidance note does not introduce any new expectations on parish councils.

It is important that parishes follow the procedures set out above, in order to:

- a) ensure that all financial and audit requirements are met;
- b) enable parishes and officers of the council to be clear about the stages reached in each request;
- c) demonstrate to the contributing developer that their money has been spent in a considered way which is transparent and conforms with the provisions of the legal agreement.



**Supplementary notes related to this process diagram are set out below.**

**Important supplementary notes regarding the release of funds:**

- a) Requests for money that have not been preceded by the appropriate confirmation will not be considered. The number of quotes required will depend on the cost of the project. Details of this are summarised in the table below:

|  |                   |
|--|-------------------|
| No quotes or orders required             | £0 - £200         |
| 2 informal quotes and an official order  | £200 - £10,000    |
| 3 written quotes and an official order   | £10,000 - £30,000 |
| Formal competitive tendering is required | Over £30,000      |

- b) The amount of funds requested for any particular scheme should exclude VAT, as parish councils should be able to claim this back. For small parishes where the reclamation of VAT is not possible, VAT can be included.
- c) Where a scheme is being promoted/pursued by an organisation other than the parish council it will be expected that the parish council confirm in writing its support for the scheme and the release of funds. This measure is designed to ensure that the parish council retains overall control of the expenditure of R2 funds.
- d) Salisbury District Council cannot authorise the release of expired money (money which has passed its 5 year limit) unless the order for the works/equipment was placed prior to the expiry date of the funds.  

Given that statements of available R2 funds will now be provided on a regular basis, and also by ad hoc requests, it remains the responsibility of parishes to ensure that funds are spent ahead of their expiry.
- e) Where the total cost of a scheme exceeds the amount of R2 funds available, the parish council will be expected to demonstrate that the remainder of the project can be met from other sources before the district council will release the funds.
- f) Where a parish council has access to limited funds, or where certain funds need to be urgently spent ahead of an expiry date, phased recreation schemes will be considered where it can be demonstrated that parish have clearly considered how subsequent phases will be implemented and funded.
- g) It is recognised that some types of unusual equipment may have only one or two suppliers from which quotes can be obtained. In this situation, parishes should try to find a similar product to at least get some form of cost comparator. Where this is not possible, parishes should clearly state in their formal request that other quotes are not available.
- h) Where a scheme has ancillary costs (for example a parish orders some goal posts, but there is a labour cost for installation) submitted quotes need to cover all elements of work that exceed a cost of £200.

**Contacts**

Salisbury District Council has an officer who deals with the handling of R2 moneys and provides advice to Parish Councils. Accordingly, in the first instance, Parish Councillors, Clerks and other individuals should contact:

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**APPENDIX 1: TABLE SHOWING THE WAY IN WHICH 'CHILD' AND 'YOUTH/ADULT' FUNDS ARE CALCULATED**

| <b>Calculator for contributions:</b> |
|--------------------------------------|
| 1 bedroom = 2 adults                 |
| 2 bedrooms = 2 adults & 1 child      |
| 3 bedrooms = 2 adults & 2 children   |
| 4+ bedrooms = 3 adults & 2 children  |

|   |         |               |         |
|---|---------|---------------|---------|
| Fee per youth/adult                             | £369.87 | Fee per child | £421.64 |
| Administration charge is 5% of the total R2 fee |         |               |         |

| <b>No. of bedrooms</b>                 | <b>Total Adult R2 fee available for Parishes to spend</b> | <b>Total Child R2 fee available for Parishes to spend</b> | <b>Total R2 fee available for Parishes to spend</b> | <b>Admin charge</b> | <b>Total R2 fee including admin charge</b> |
|--|---|---|---|---------------------|--|
| 1 bedroom<br>(2 adults)                | £739.74   |   | <b>£739.74</b>                                      | £36.99              | £776.73                                    |
| 2 bedrooms<br>(2 adults & 1 child)     | £739.74   | £421.64   | <b>£1,161.38</b>                                    | £58.07              | £1,219.45                                  |
| 3 bedrooms<br>(2 adults & 2 children)  | £739.74   | £843.28   | <b>£1,583.02</b>                                    | £79.15              | £1,662.17                                  |
| 4+ bedrooms<br>(3 adults & 2 children) | £1,109.61   | £843.28   | <b>£1,952.89</b>                                    | £97.64              | £2,050.53                                  |

Example Calculation for a three bedroom house:

|                                 |           |
|---------------------------------|-----------|
| 2 (adults) x 369.87             | £739.74   |
| 2 (children) x £421.64          | £843.28   |
| Total R2 available for Parishes | £1,583.02 |
| Admin charge (5% of R2 fee)     | £79.15    |
| Total R2 fee                    | £1,662.17 |





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