

# Review of the R2 Policy

## Aim of the Review

The review was undertaken with the aim of investigating the Policy R2 of the local plan with respect to the scale of R2 contributions, how well the R2 process works with regard to the more minor planning applications for residential development and whether the procedure and management of the scheme could be improved.



## Background to the Review

In the mid 1990's the Council found, during the preparation of the Local Plan, evidence clearly identifying a particular need for outdoor sport and recreation facilities, throughout the District. Consequently, an appropriate policy was formulated in the Local Plan in order to secure provision of outdoor sport and recreation facilities in connection with all new residential development through proper legal channels (planning obligations via Section 106 Agreements). This policy has been carried forward to the latest version of the Salisbury District Local Plan – Policy R2.



When Salisbury District Council developed Policy R2 the Council was at the forefront of introducing a policy that made provision for recreational open space in respect of all residential development including a single dwelling. Today several Local Planning Authorities pursue a similar policy. Since its implementation, Policy R2 has been hugely successful in the provision of recreation facilities by developers and attaining financial contributions in order to satisfy requirements and has enabled the parks department and parish councils, in particular, to provide recreational facilities that they would have been unable to do without Policy R2.

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## Methodology

Officers were already assessing the effectiveness of this policy within the Forward Planning Department. Therefore members primarily drew on officer reports over 12 months to assist their deliberations.

The members also drew on their extensive experience of the operation of the R2 policy since it was introduced to assess which areas needed refinement.

The officers involved in the R2 process were interviewed by the members on three occasions over the year of the review.

## What Problems Were Identified with the R2 Policy?

At the outset of the review members felt that the system had resulted in new and improved facilities throughout the district. Despite this, they felt that the system did have a number of shortcomings. The main areas of concern were:

- (a) Money was spent on an ad hoc basis as projects were identified, there was no overall strategy.

- (b) In smaller settlements with limited development potential, it was often difficult to
  - ≠ identify a suitable project on which to spend the money; or
  - ≠ accumulate sufficient funds to commence a project.
- (c) The parish councils appeared to be under some pressure to spend funds within the five year period of receipt of money. There appeared to be no procedures in place to deal with the return of money. There was scope to identify if these sums should be proactively returned to the applicant or if the money could continue to be spent even if the sum had expired.
- (d) The spreadsheet / database in use to manage R2 monies was developed some years ago. It was not arranged in a user friendly format and this resulted in the spreadsheet being slow to use.
- (e) There was no system in place to provide parishes with annual or bi-annual statements of R2 funds; this was a result of it being difficult to extract information from the spreadsheets.
- (f) Associated with point (d) and the difficulty in extracting data in point (e), it was difficult for Forward Planning to monitor and advise the parish councils upon the age profile of the committed sums available without significant time input in each case.
- (g) There seemed to be no reconciliation between Forward Planning's spreadsheets and the management reports produced by Finance. A reconciliation should perhaps be performed at least twice a year.
- (h) Once a proportion of money from a payment code has started to be spent there seemed to be no 'official' way of calculating the interest and dividing this between the youth/adult and child split.



## 10 Steps to Better R2

Members and officers identified the following actions which could be undertaken to improve the R2 system.

- (1) Develop a database in Access that will contain all the necessary information in order for various statements and management reports to be produced quickly. This should restrict the possibility of human error and cut down the time spent processing data. This database will;
  - ≠ Produce reports such as statements of funds available and funds due to expire for each Parish Council. Hopefully this will further limit the issue of R2 sums reaching expiry
  - ≠ Enable the quick and easy reconciliation of



sums with those figures held by Finance

€ Reduce the overall time spent on R2 management

- (2) Produce an 'R2' newsletter to keep parish councils up to date with schemes that are being implemented in other areas of the District together with advice on any national initiatives. This will hopefully further encourage parish councils to spend the money available to them.
- (3) Ensure that an 'official' calculation is put in place for splitting the interest gained on youth/adult and child split.
- (4) Allocate a 'Lead Officer' with the responsibility of overseeing the operation and ongoing updating of the Scheme.
- (5) Add an administrative charge to the contributions requested through Planning Obligations. This administration fee will pay for a dedicated officer.
- (6) Extend the five year period in which funds can be spent to reduce the pressure on parish councils to spend money.
- (7) Widen the geographical area (to a reasonable degree) in which R2 money can be spent. This would allow surrounding villages to spend the R2 money should the designated village not be able to utilise the funds allocated.
- (8) Widen the scope of R2 to enable the collection of contributions for the funding of internal recreational facilities (and not just external facilities, as at present).
- (9) The current practice of determining the funding split (for child, youth/or adult facilities) of any funds according to the number of bedrooms existing within a new dwelling (or dwellings) should be discontinued. Instead, the recipient parish/ward should be able to determine the use (including target age group) of any funds allocated.
- (10) Reconsider (according to prevailing market conditions) the sums requested from developers as a result of the granting of a permission.

## Bibliography

€ Salisbury District Council Adopted Local Plan 2003 Policy R2 PPG17

€ Report from the R2 Officer dated November 2003

€ Report of the R2 Officer dated February 2004

€ Report of the Development Contributions Officer dated November 2004

All of these background papers are available on request from Democratic Services on 01722 434345 or by e-mail to [sdraper@salisbury.gov.uk](mailto:sdraper@salisbury.gov.uk)



# Achievements of the Review

**During the course of the review members and officers made several recommendations. As a result of these the following improvements have been made:**

- (1) Develop a database** - This has now been completed and enables the production of reports, statements and other information far more quickly.
- (2) Allocate a lead officer** - The Lead Officer for the scheme is the Team Leader, Forward Planning and Conservation.
- (3) Administration charge** - In March 2004, an administration charge was introduced on all R2 legal agreements, which has enabled the appointment of a Development Contributions Officer. Therefore this post is self-funding. The officer is responsible for processing the receipt of payments as well as being more proactive in advising parishes about the uses of funds and when funds are nearing expiry.
- (4) Newsletter** - A newsletter is now sent to parish councils every 6 months informing them of current projects underway and examples of best practice. The first issue was circulated on 26th November 2004.
- (5)** An official calculation has been put into place for splitting the interest gained on youth/adult and child split. The interest is split using the original figures.
- (6) Increasing the 5 Year Limit on R2 funds** — Officers have drafted a new S106 agreement, which is now being used. Although it does not extend the time period to 10 years, it puts the onus on the developer to contact the Council within 6 months of the date of expiry for a refund. If no request is made within this time period, the money can be kept indefinitely. The wording of the S106 agreement has also been changed so that if a specific project has been identified and allocated by resolution of a parish council/committee or delegated officer, the money can be retained for that project. The five year expiry date for the funds is timed from the commencement of the development itself.
- (7) Widening the geographical area in which funds can be spent** - There is already some flexibility which enables adjoining parishes to make use of R2 monies which would otherwise not be spent. The new Development Contributions Officer will be commissioning community area studies in Spring 2005 to identify any ways of delivering larger and better facilities, which meet the needs of a wider catchment area using R2 funds from a number of parishes. As part of the new Local Development Framework the R2 policy will be investigated to see if its scope can be extended for other purposes.
- (8) Check sums requested according to prevailing market conditions** - The amounts collected have been benchmarked against other authority areas and have been found to be entirely consistent with the cost of equipment.

