

Background Report - Kirklees Open Space Supplementary Planning Document (June 2021) – Update to Financial Contribution Costs

1. Purpose of Report

- To set out the proposed update to the Kirklees Open Space Supplementary Planning Document (June 2021) to increase financial contribution rates that new housing developments are required to provide in lieu of providing on-site open space provision.
- To highlight that the financial contribution rates set out in the Open Space SPD have not been reviewed since the adoption of the SPD in 2021.
- To highlight that the proposed increases in rates are in line with inflation and will be reviewed annually in line with the Finance Procedure Rule (FPR) 11.1.

2. Background

2.1 The Kirklees Local Plan was adopted by the council in February 2019 and includes Policy LP63 (New Open Space) which requires new housing developments to provide open space, sport, and recreation provision on-site and/or provide a financial contribution towards new or improved open space off-site.

2.2 In June 2021 Cabinet approved the Kirklees Open Space Supplementary Planning Document (SPD), as part of a suite of Quality Places SPDs, which provides detailed guidance about the implementation of Local Plan policy LP63. This is available on the council's website at [Open Space SPD \(kirklees.gov.uk\) published June 2021](https://www.kirklees.gov.uk/open-space-supplementary-planning-document).

2.3 The Cabinet resolution included the following:

“3) That authority be delegated to the Strategic Director for Growth & Regeneration to make any further minor modifications to the documents that relate exclusively to factual updates, grammatical and formatting corrections for the purposes of publishing the documents.”

2.4 The Open Space SPD sets out the financial contribution costs per dwelling to be provided towards new or enhanced off-site provision within the vicinity of the development where appropriate. The financial contributions relate to different types of open space and are calculated using rates and triggers set out in tables 5 and 6 in the SPD, which states “that these figures will be reviewed periodically if the value of land and/or costs change.” These rates have not been reviewed since the adoption of the SPD in 2021 and it is considered they should be reviewed annually and increased in-line with inflation.

2.5 The Financial Procedure Rules 11.1 require that fees and charges must be reviewed at least once per annum. Service Directors have authority to implement new charges and amend existing fees and charges to achieve budget targets, to account for changes in legislation and market conditions, in consultation with the appropriate Strategic Director, relevant Portfolio Holder and Chief Finance Officer.

3. Key issues

- 3.1 The Annual Increase to Council fees and charges takes into consideration numerous material and construction cost increases, and this year it was concluded that a full rate update was required for the Open Space SPD. It was therefore decided prudent to review and update the Open Space rates to achieve the following:
- Amend the 2021 Open Spaces SPD rates to reflect the increases in inflation, for each of the open space types (per dwelling) listed in the SPD Tables 5 & 6 (see Appendix 1);
 - Continue to review the rates annually in line with FPR 11.1 page 26: Fees and charges must be reviewed at least once per annum.
- 3.2 To measure the cost increases over the period from when the SPD was adopted (in June 2021 Q2) to now (2024, Q1) the prices in tenders for building contracts in the public sector have been used. This is a national, industry recognised method, and rates are produced by the Building Cost Information Service (BCIS). Their Tender Price Index, of Public Sector Building Non-Housing, is one of the Tender Price Indices and these are used to reflect increases in costs over fixed periods of time. As it is 3 years since the rates in the SPD were reviewed, the increase in costs, over this time, is calculated at 18.9% using BCIS All-in Tender price index. This is an accrual of interest, due to charges not being increased annually over the 3 years since adoption of the Open Space SPD in June 2021.
- 3.3 Table 1 below sets out the current financial contribution costs per dwelling included in the Open Space SPD (2021) and the proposed updated rates for 2024/25 together with the overall rate increase. Given the proposed increased rates are in line with inflation it, it is not anticipated that there will be material adverse impact on the viability of development schemes. Policy LP63 recognises that the provision of open space and financial contributions in-lieu of on-sites is required unless the developer clearly demonstrates that the development is not financially viable.

Table 1: Summary of key rate increases in line with inflation

Type of Open Space	Current 2021 SPD Rate (per dwelling)	Proposed 2024/25 SPD Update Rate (per dwelling)	2021-2024 Rate Increase (per dwelling)
Parks and recreation grounds	£555.37	£660.35	£104.98
Natural & Semi-Natural Greenspace	£475.07	£564.86	£89.80
Amenity Greenspace	£399.73	£475.28	£75.56
Allotments	£49.97	£59.41	£9.45
Children & Young People (Local Area of Play)	£454.52	£540.44	£85.92
Children & Young People (Local Equipped Area of Play)	£500.41	£595.00	£94.59
Children & Young People (Neighbourhood Equipped Area of Play)	£800.08	£951.32	£151.24
Multi-Use-Games Area	£500.10	£594.63	£94.53
Outdoor Sports	£355.54	£422.74	£67.21

- 3.4 Table 2 below shows the current and proposed total financial contributions that would be required for different developments based on dwelling numbers. These would be applicable where no open space provision is proposed on-site, and the costs reflect the types of open space that are required for different size developments as set out in tables 3 and 4 of the Open Space SPD.
- 3.5 It is proposed that the open space financial contributions should be reviewed annually and that annual increases will occur, for each of these open space types, in line with inflation from now onwards.

Table 2: Proposed amendments to the rates due to inflation for a range of examples for different development sizes

Size of development	Current total costs as per the SPD (2021)	2021-2024 Increase 18.9%	Proposed total costs for new 2024/25 rates	Current 2021 total costs per dwelling	Proposed 2024/25 total costs per dwelling	Proposed 2021-2024 total increase cost per dwelling
11 dwellings	£24,642.44	£4,658.02	£29,300.46	£2,240.22	£2,663.68	£423.46
21 dwellings	£47,044.65	£8,892.59	£55,937.23	£4,276.79	£4,700.24	£423.46
51 dwellings	£119,140.18	£22,520.40	£141,660.58	£10,830.93	£11,272.50	£441.58
101 dwellings	£235,944.29	£44,599.22	£280,543.51	£21,449.48	£21,891.06	£441.58
201 dwellings	£499,932.23	£94,499.38	£594,431.61	£45,448.38	£45,918.53	£470.15
501 dwellings	£1,638,005.39	£309,622.97	£1,947,628.36	£148,909.58	£149,527.59	£618.01

Appendix 1: Proposed Amendments to the Financial Contribution Rates in the Open Space SPD

Table 5: Costs (per dwelling) to provide new or improved open space.

Type of Open Space	Open Space Standards (sq. m per dwelling)	Trigger	Cost of provision per dwelling (including admin @15%) ⁽³⁾
Parks & recreation grounds	19.44	11+ dwellings	£555 £660
Natural & semi-natural greenspace	48.6	11+ dwellings	£475 £565
Amenity greenspace	14.58	11+ dwellings	£400 £475
Allotments & community foodgrowing	5	50+ dwellings	£50 £59
Children & youngpeople	13.4	11+ dwellings	See Table 6
Outdoor sportsfacilities	N/A	11+ dwellings	£355 £423

⁽³⁾ These figures will be reviewed periodically if the value of land and/or costs change.

Table 6: Costs (per dwelling) of equipped/designated play space.

Type of Play Area	Cost per Dwelling
Local Area for Play (LAP)	£455 £540
Locally Equipped Area for Play (LEAP)	£500 £595
Neighbourhood Equipped Area for Play(NEAP)	£800 £951
Multi-Use-Games Area (MUGA)	£500 £595