GUIDE TO COMMUTED SUMS FOR OPEN SPACE AREAS

Method of Calculation (updated September 2014)

General
This paper sets out the basis on which the Council will calculate the commuted sum to be paid whenever a developer proposes that an area of open space be transferred into the Council's ownership. The transfer and payment will be achieved by means of an agreement under the Town & Country Planning Act 1990.

The calculation is in two parts, the first is a flat rate cost per metre square for all soft landscaping. This includes all grassed areas, trees, shrub beds and hedgerows etc.

The second part, the additional costs, is a charge to be applied to all hard paved areas, open flowing watercourses and dry and wet balancing ponds within the open space.

By fixing the charges in this manner developers can make their own estimation of the likely commuted sum well in advance of the details being agreed. The actual value of the commuted sum will be calculated on the proposals agreed when the detailed design of the open space is approved.

The agreed commuted sum will be subject to a percentage adjustment, equivalent to the percentage increase in the "All Items" index of Retail Prices (RPI) issued by the Central Statistics Office, from the date of the approval, to the date of the actual payment.

Period
The commuted sum is to cover the cost of maintenance over a period of 15 years.

Calculation of Current Annual Maintenance Costs
The annual maintenance cost was based upon the actual cost of maintaining public open spaces that the Council owns or manages. These were maintained as part of a Grounds Maintenance Contract awarded in accordance with the Compulsory Competitive Tendering legislation. Since 2006 the annual maintenance cost has been increase in line with the RPI.

The Annual Maintenance cost will be recalculated each year.

Maintenance Costs to be included in all Commuted Sums
The ‘all areas’ maintenance cost to be paid in the commuted sum = £6.96 per m². This is based on the total area of the open space to be transferred to the Council.

To which must be added where applicable, the Additional Costs.
Calculation of Additional Costs

The additional costs have been included as hard paved areas and land drainage matters are not covered by the Grounds Maintenance Contract and are not provided on all open space areas. The cost of maintaining such areas can be significant, particularly for land drainage and flood defences. The additional costs have calculated from the cost of recent or current works. Since 2006 the additional costs have been increased in line with the RPI.

These are not calculated annually over the period, but are to be added to the maintenance total as single payments.

<table>
<thead>
<tr>
<th>Area</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard paved areas, (all types)</td>
<td>£30.45 per m²</td>
</tr>
<tr>
<td>Watercourse (ie with flowing water),</td>
<td>£103.80 per m (centreline)</td>
</tr>
<tr>
<td>Dry balancing area,</td>
<td>£4,567.04 per pond</td>
</tr>
<tr>
<td>Wet balancing ponds,</td>
<td>£11,417.61 per pond</td>
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</tbody>
</table>

Payment of Commuted Sums

The Council will normally require that on site open space areas are substantially complete before an agreed number of dwellings are occupied. On substantial completion the developer will arrange a joint site inspection with the Council in order to agree that all areas are acceptable.

The developer is to manage and maintain the open space area for at least twelve months following the substantial completion of open space inspection and until all on-site building work is complete.

When the twelve months has elapsed and all construction work is complete the developer is to ensure that all open space works are complete, all dead trees and shrubs are replaced and all shrub beds etc are mulched in accordance with the agreed specification. The developer must then arrange a joint site inspection with the Council in order to agree that all areas are acceptable for transfer. The developer will be responsible for continuing the maintenance of the open space and for carrying out all remedial works during the transfer process.

Transfer of Land

At the start of the transfer process the Developer must provide for approval, a plan showing the land to be transferred denoted by a red line. This MUST be supported by Land Registry documents that establish that no other title intrudes in to the red lined area, together with Office Copy Entries and copies of any documents that are referred to as being filed at the Land Registry.

Once our solicitor confirms that nothing within these documents adversely affects the land as open space, we will instruct that they can begin the transfer of land.

The Commuted sum shall be paid as part of the transfer of land process.