



## Sligo County Council

Development Contribution Scheme 2018 – 2024

Planning and Development Acts 2000 – 2017



June 2018

## 1.0 Introduction

Section 48 of the Planning & Development Act 2000 (as amended) enables Local Authorities when granting planning permission to include conditions requiring the payment of a contribution in respect of public infrastructure and facilities benefiting development in the area of the Planning Authority and that is provided or that is intended will be provided by or on behalf of a Local Authority (regardless of other sources of funding for the infrastructure and facilities).

Section 48 of the Act defines “Public infrastructure and facilities” as:

- (a) the acquisition of land,
- (b) the provision of open spaces, recreational and community facilities and amenities and landscaping works,
- (c) the provision of roads, car parks, car parking places, sewers, waste water and water treatment facilities, service connections, watermains and flood relief work,
- (d) the provision of bus corridors and lanes, bus interchange facilities (including car parks for those facilities), infrastructure to facilitate public transport, cycle and pedestrian facilities, and traffic calming measures,
- (e) the refurbishment, upgrading, enlargement or replacement of roads, car parks, car parking places, sewers, waste water and water treatment facilities, service connections or watermains,
- (f) the provision of high-capacity telecommunications infrastructure, such as broadband,
- (g) the provision of school sites, and
- (h) any matters ancillary to paragraphs (a) to (g).

The Act requires that the basis for the determination of a contribution shall be set out in a Development Contribution Scheme. The making of the Development Contribution Scheme is a reserved function of the elected members of the local authority.

## 2.0 Aim of the Development Contribution Scheme

When new development occurs, it impacts on the capacity of existing infrastructure thereby placing a greater demand on the services provided by a local authority. Accordingly, it is equitable that developers contribute to the funding of essential physical and social infrastructure that support the implementation of development plans of local authorities.

The Sligo County Development Plan 2017-2023 contains policies that will allow the County to reach its potential and maximise its contribution to the economy of the wider region. This Development Contribution Scheme complements these policies by facilitating economic development and job creation with reduced development contributions for developments that contribute in a positive manner to the economy of the county.

The revitalisation of our town centres and the re-use of vacant buildings are key to the improvement of these areas for both residents and visitors to our county. In order to aid re-development within our town / village centres, careful consideration has been given to development contributions charged on this type of development.

Economic development is also supported in the Local Economic and Community Plan 2016-2021. Goals of this plan include supporting economic development and job creation. These goals are being supported by this scheme with reductions available for developments which facilitate job creation through targeted support for specific development types. The Development Contributions Guidelines for Planning Authorities 2013 demonstrate a strong link to the Government's Jobs Strategy in terms of the types of projects that should be supported through reduced rates and waivers, and the treatment of enterprises being supported by the IDA/Enterprise Ireland.

### **3.0 Area to which the Development Contribution Scheme shall apply**

The Planning Authority may make one or more schemes in respect of different parts of its functional area. This scheme will apply to the entire functional area of the County of Sligo.

### **4.0 Duration of Scheme**

This scheme shall apply from the date of its adoption by the members and will apply for a minimum period of six years. The Council will apply conditions requiring payment of the contributions provided for in the scheme to all relevant decisions to grant planning permission made on or after its adoption date. The scheme may be reviewed by the Planning Authority at any time. The scheme shall continue to remain in force until such time as the Council adopt a new Scheme.

Contributions shall be payable immediately upon the commencement of development. In cases where a development is being carried out in phases and such phases have been identified as part of the planning permission, or where the applicant has reached agreement with the Council regarding the payment of the contribution in phases, the contribution may be paid in associated instalments at the commencement of each phase. The phased payment of the contribution payable requires the prior written agreement of the Council.

The Urban Regeneration and Housing Act 2015 amended Section 48 of the Planning and Development Act to provide that where a new development contribution scheme is adopted by a planning authority to provide for reduced development contribution levies compared to those which were in place under the previous development contribution scheme, the reduced development contributions under the newly adopted scheme shall have retrospective effect for existing planning permissions that have not commenced development. Where there are unsold housing units in a

development, the new lower development contribution scheme shall also apply to those unsold housing units. If such a scenario exists, where contributions payable under this new scheme would be less than those specified in the grant of planning permission, the development that has not commenced or the unsold housing units, shall be subject to this new development contribution scheme.

## 5.0 Review of Previous Scheme

The preparation of this scheme was informed by a review of the current Development Contribution Scheme adopted by the Council in September 2011. A total of €3.9 million was generated from financial contributions between 2012 and 2017. Residential development is the main contributor accounting for approximately 80% of this amount.

An example of recent projects enabled by development contributions:

- Western Distributor Road
- Wine Street Enhancement Works
- Connaughton Road Coach Parking
- Rosses Point Swimming Pool refurbishment
- Additional Outdoor amenities at Cleveragh Regional Park
- Coastal Dune Protection Schemes
- Raghley Harbour Restoration Works

## 6.0 Water and Wastewater Facilities – Irish Water

Responsibility for water services (i.e. water supply and wastewater) nationally rests with Irish Water (IW). In accordance with the Water Services (No. 2) Act 2013, a charge for water services infrastructure provision in respect of developments granted planning permission after 1st January, 2014, is levied and collected by Irish Water. No development contributions are therefore to be levied locally for water and wastewater projects.

## 7.0 Projected Development

The current uncertainty in residential, commercial and industrial projects results in a level of unpredictability in forecasting development trends over the scheme period.

- (a) *Residential* - The Core Strategy of the Sligo County Development Plan 2017-2023 projects the number of housing units to be constructed in the county over the period of the plan as 3,705 units. However, based on the current level of commencement notices received in respect of new residential development, it is more realistic to assume that approximately 1,500 units will be constructed over the period of the scheme.

- (b) *Non-Residential* - An analysis of the commercial and industrial floor areas of Commencement Notices received in the county from January 2012 until December 2016 show an accurate prediction of 10,000m<sup>2</sup> per annum was included in the 2011 Development Contribution Scheme. It is predicted that this trend will continue. Accordingly, it is estimated that 10,000m<sup>2</sup> of commercial and industrial floor space will be commenced each year of the scheme.

## 8.0 Basis for Determination of Contributions

Each year Sligo County Council spends large amounts of money on public infrastructure and facilities which benefit development in the County. The funding for public infrastructure and facilities comes from external sources (i.e. Government grants) and from moneys paid under the development contribution Scheme.

This Development Contribution Scheme will provide funding for the following classes of public infrastructure or facilities, and their enabling costs:

### **Roads and Public Infrastructure**

Roads infrastructure expenditure provides for the provision, refurbishment, upgrading, enlargement or replacement of roads, drainage, landscaping works, infrastructure to facilitate public transport, cycle and pedestrian facilities and traffic calming measures, the associated acquisition of land and ancillary matters including investment in infrastructure that would provide an economic, social and/or community benefit to a locality.

### **General Recreational and Community Facilities and Amenities**

Expenditure on general recreational and community facilities and amenities includes for the development of communities (including investment in infrastructure that would provide an economic, social and/or community benefit to the area) and the provision / improvement of recreational and community facilities and amenities, the associated acquisition of land and ancillary matters and making provision to meet net annual loan charges on facilities and amenities provided under the development contribution scheme.

The basis for determining the contributions to be paid in respect of public infrastructure and facilities is calculated having regard to:

- a) the estimated cost to the Council in the period 2018 to 2024 of providing further public infrastructure and facilities as set out in the objectives outlined in the Sligo County Development Plan and associated Mini Plans, Local Area Plans, Local Economic and Community Plan, Annual Roads Programme, County Sligo Heritage Plan 2016 – 2020 and Village and Urban Renewal Projects.
- (b) the estimated number of units and floor area of projected development for residential and industrial/commercial classes for the period 2018 – 2024.

- (c) the estimated charge for each residential unit and the estimated charge per m<sup>2</sup> for industrial/commercial development and other categories of development.

The public infrastructure and facility projects included in this Scheme are listed in Appendix 1 attached hereto (indicative only). The level of development contributions received will be a major determinant with regard to the extent of the provision of such projects.

The gross capital cost of projects, on which the rates are calculated, is estimated to be in the order of €90 million over the period of the scheme (See Table 1). An average discount of 90% has been applied to this figure to reflect the benefit which accrues in respect of existing development.

The nett expenditure attributable to the scheme is therefore €9 million and the % contribution in respect of the different classes of infrastructure is as indicated on Table 1.

**Table 1 – Capital Costs Of Projects**

<b>Classes of Infrastructure</b>	<b>Estimated Expenditure up to 2024</b>	<b>Nett Expenditure Attributable to the Scheme</b>	<b>% of Contribution</b>
<b>Roads and Public Infrastructure</b>	€37,000,000	€3,700,000	40%
<b>General Recreational and Community Facilities and Amenities</b>	€53,000,000	€5,300,000	60%
<b>Total</b>	<b>€90,000,000</b>	<b>€9,000,000</b>	<b>100%</b>

It is assumed that approximately 80% of the attributable cost to new development will come from contributions for residential developments with the balance of 20% to come from non-residential development e.g. commercial, industrial etc. This apportionment is based on the degree to which the nature of public infrastructure investment benefits to a greater extent, residential rather than non residential development.

## **9.0 Level of Development Contribution**

Following an examination of current market conditions and the need to achieve a balance between retaining competitiveness and the need to secure the necessary funding (including co-funded requirements) to put in place much needed infrastructure to drive the Sligo economy and position the County to attract inward investment to develop its socio-economic

fabric, the levels of contributions for the various classes of development for the Development Contribution Scheme 2018 – 2024 were arrived at (see following table).

**TABLE 2: LEVELS OF CONTRIBUTIONS**

<b>Class</b>	<b>Description of Development</b>	<b>Amount of Contribution</b>
<b>1</b>	Residential Development: <ul style="list-style-type: none"> <li>• Area of house less than or equal to 150 sq m</li> <li>• Area of house between 151 and 200 sq m</li> <li>• Area of house between 201 and 300 sq m</li> <li>• Area of house greater than 300 sq m</li> </ul>	€18 per m <sup>2</sup> €20 per m <sup>2</sup> €25 per m <sup>2</sup> €28 per m <sup>2</sup>
<b>2</b>	House extension (including conversions)	€20 per m <sup>2</sup> for each m <sup>2</sup> of the extension over 150 m <sup>2</sup> of original house
<b>3</b>	Commercial / industrial (including extensions)	€20 per m <sup>2</sup>
<b>4</b>	Storage / Warehousing (Non-retail)(including extensions)	€15 per m <sup>2</sup>
<b>5</b>	Health and educational facilities	€15 per m <sup>2</sup>
<b>6</b>	Renewable energy development (e.g. Wind Farms)	€10,000 per MW of capacity
<b>7</b>	Extractive Industry (in addition to any Buildings)	€2,000 per 0.1 Ha of site extraction area
<b>8</b>	The use of land for: <ul style="list-style-type: none"> <li>• Camping / mobile home development</li> <li>• Parking of motor vehicles</li> <li>• Open storage of vehicle or other objects</li> </ul>	€2,000 per hectare of site area
<b>9</b>	Deposit of refuse or waste	€2,000 per 0.1 Ha of site area
<b>10</b>	(i) Initial afforestation  (ii) New forestry road	€600 per ha of site area  €5,000 per new entrance onto public road where the area of afforestation exceeds 2 hectares
<b>11</b>	The provision of buildings or other structures for the purposes of agricultural development (including extensions)	€5 per each m <sup>2</sup> over 1,000 m <sup>2</sup>
<b>12</b>	The provision of an advertisement structure	€30 per m <sup>2</sup>
<b>13</b>	Development not coming within any foregoing class	€20 per m <sup>2</sup>

**Note 1: Measurement of Floor Area**

The floor area of proposed development shall be calculated as the gross floor area. This means the area ascertained by the internal measurement of the floor space on each floor of a building (including internal walls and partitions) and including mezzanine floors.

**Note 2: Retention Permissions**

Retention permissions shall be charged at **double** the applicable rate of the development contribution. No exemptions or reductions are applicable for retention permission.

**Note 3: Indexation of Contributions Due**

All development contributions shall be index linked from 1<sup>st</sup> January each year following the date of implementation of the Scheme in line with adjustments in the Wholesale Price Index for Building and Construction published by the Central Statistics Office. The rate of Development Contribution to be applied is the rate applicable on the year of commencement of development.

**Note 4: Car Parking Shortfall:**

Where a shortfall in carparking arises:

- A contribution of €2,000 per space calculated in accordance with the Sligo County Development Plan 2017-2023, or its replacement, shall be levied.
- A contribution of €6,000 per space calculated in accordance with the Sligo and Environs Development Plan or its replacement, shall be levied.

**Note 5: Change of Use**

Applications for change of use shall be charged at the balance between the normal charges that would be imposed for the development's proposed use and normal charges that would be imposed for the current use.

**Note 6: Redevelopment proposals**

Where development contributions under a Section 48 Scheme were paid in respect of the former use, the contribution payable on the new proposal will be net of the quantum of the development previously paid for. The Development Contribution Scheme does not provide for any rebate or refund in this regard. Agents/applicants should provide evidence of prior payment at application stage in order to expedite assessment and avail of this provision.

## 10.0 Exemptions and Reductions

**The following categories of development will be exempted from the requirement to pay development contributions under the Scheme:**

- (a) **Social housing units**, including those which are provided in accordance with an agreement made under Part V of the Act or which are provided by a voluntary or co-operative housing body, which is recognised as such by the Council.



- (b) Development in receipt of a **Housing Adaption Grant** for People with a Disability or similar will be exempted – only for the portion of the development that relates to the needs of the person in question.
- (c) Development for **social, recreational or religious purposes** not used for profit or gain.
- (d) Development to be used as a workshop, training facility, hostel or other accommodation specifically for **persons with disabilities** and not to be used for profit or gain.
- (e) Renovations to restore/refurbish CDP **Protected Structures** where the Council is satisfied that the works substantially contribute to the conservation or restoration of the structure.
- (f) **Ancillary surface car parking** as part of a planning application.
- (g) **Broadband** Infrastructure (Masts and Antennas).
- (h) **Renewable energy development** which is not supplying electricity to the national grid or for export.

**The following categories of development will be liable for a reduced rate of development contributions under the Scheme:**

- (a) In the case of development on **brownfield sites** within the core or edge of our towns or villages, a 30% reduction on the applicable rate of development contribution
- (b) In the case of development on sites included on the **Vacant Sites Register**, a 30% reduction on the applicable rate of development contribution
- (c) Developments that include the satisfactory resolution of **dereliction** (as per the Derelict Site Notice on sites that are on the Register of Derelict Sites under the Derelict Sites Act 1990) will be subject to a reduction of 30% in development contributions for any change of use / redevelopment of the existing structure(s).
- (d) In the case of residential development to **passive house standard**, a 50% reduction on the applicable rate of development contribution. This shall be paid by way of a refund upon submission of a Passive House Certificate for the completed dwellinghouse.
- (e) In the case of applications for **businesses grant aided by Local Enterprise Office/Enterprise Ireland** as well as developments that would progress the Governments Jobs Initiative a 50% reduction on the applicable rate of development contribution.
- (f) In the case of applications for **businesses grant aided or supported by IDA** as well as developments that would progress the Governments Jobs Initiative a 50% reduction on the applicable rate of development contribution.
- (g) In the case of applications for **redevelopment projects** (residential, commercial/industrial and agricultural), the Scheme will charge only the net additional development e.g. a redevelopment totalling 200m<sup>2</sup> of which 150m<sup>2</sup> is replacing existing development, contribution will be levied only on additional 50m<sup>2</sup>. In developments where demolition is involved, such demolition must be necessary to facilitate the proposed development for the exemption to apply. In the instance of replacement dwellings, evidence of payment of Local Property Tax for the proceeding year shall be submitted.

(h) **Temporary permissions** shall be liable for development contributions at the following rates:

- 33% of normal rate for permissions of up to 3 years
- 50% of normal rate for permissions up to 5 years
- 66% of normal rate for permissions up to 10 years

In cases where a subsequent full planning permission is granted for the same development the contribution payable on the new proposal will be net of the amount already paid.

**NOTE:** Exemptions and reductions shall not apply to permissions for retention of development. In addition, where a particular development comes within the remit of more than one category of reduced contributions, only one such reduction shall be applied. In this instance, the Council shall apply the category where the greater percentage reduction applies.

## 11.0 Payment of Contribution

Conditions requiring payment of the contributions provided for in the Scheme will be imposed on all decisions to grant planning permissions made following the making of the Scheme by the Council.

The contributions under the Scheme shall be payable prior to commencement of development or as otherwise agreed by the Council.

A 10% reduction shall apply where development contributions are paid in full within 6 months of lodgement of commencement notice. Retention permissions shall not avail of this discount.

The Council may facilitate the phased payment of contributions payable under the Scheme. Agreements shall be made with the Council prior to the commencement of work on site. The Council, in accordance with statutory powers, may recover as a simple contract debt in a court of competent jurisdiction any contribution (including interest and legal costs) due to it under the terms of this scheme. Furthermore, the Council may instigate enforcement action under the Planning Act 2000 in respect of unpaid development contributions and all associated costs and fees.

## 12.0 Special Development Contribution

Sligo County Council may, in addition to the terms of this scheme, require the payment of a special contribution in respect of a particular development where specific exceptional costs not covered by this scheme are incurred by the Council in respect of public infrastructure and facilities which benefit the proposed development. Where payment of such a contribution is required, the condition shall specify the particular works carried out or proposed to be carried out by the Council to which the contribution relates.

**APPENDIX 1 – PROJECT LISTS (not in order of priority)**

*Note: There will be an ongoing review of the infrastructure and facilities which can be funded during the life of the Scheme, based on the levels of income received from development contributions collected and funding costs which apply. Projects may be substituted where appropriate ensuring that the scheme is flexible and dynamic to changing needs and opportunities.*

**Roads and Public Infrastructure:**

- Western Distributor Road Phase II
- Burton Street Link Road
- Upgrading Old Bundoran
- Eastern Garavogue Bridge and Approach Roads
- Markievicz Bridge
- Footpath Enhancement Programme
- Cycling Infrastructure
- Smarter travel initiatives
- Car park improvements

**General Recreational and Community Facilities and Amenities:**

- County Museum
- County Library facilities and services
- Heritage projects that are objectives of the County Sligo Heritage Plan and the County Sligo Biodiversity Action Plan
- Public Realm Improvement Schemes
- Town and Village Enhancement Works
- Improvements to amenity areas
- Riverside walks
- Greenways/walkways/trails
- Burial grounds
- Sporting facilities
- Community facilities including recycling
- Match Funding for Approved Projects
- Local Economic and Community Plan Objectives
- Enhance the natural, built and cultural heritage infrastructure in the county
- Match funding for LEADER projects