

Donegal Development Contribution Scheme 2016-2021

October 2016

Note: This Development Contribution Scheme was adopted on 26th

September 2016 and will become operational on 10th October 2016.

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1.0 INTRODUCTION / CONTEXT

1.1 Introduction/Context

The Planning & Development Acts, 2000-2015 provide for the levying of development contributions as a condition of planning permission, where a Development Contribution Scheme has been made pursuant to Section 48 of the said Planning Acts. This Section 48 Development Contribution Scheme will provide Donegal County Council with a statutory mechanism for capturing planning gain (financial contributions) as part of the development management process. The contributions assist in the delivery of investment in infrastructure in conjunction with central exchequer and the local authority's own funds.

This Development Contribution Scheme will replace the current Donegal Development Contribution Scheme and the Development Contribution Schemes that had been adopted by the former Town Councils of Letterkenny, Buncrana and Bundoran.

The preparation of this Scheme was informed by a review of the current Development Contribution Schemes. This Scheme includes specific amendments introduced to comply with the Guidelines for Planning Authorities on Development Contribution Schemes and it includes a variety of incentives aimed at stimulating economic activity.

The Development Contribution Scheme should be viewed within the context of the County Development Plan, the Development Plans for Letterkenny, Buncrana and Bundoran, An Stratéis and the Local Economic and Community Plan (LECP). It has been prepared in accordance with the 'Development Contributions - Guidelines for Planning Authorities' DECLG, 2013 (hereinafter referred to as the 'DCS Guidelines').

1.2 General Development Contributions

Under Section 48 of the Planning & Development Acts, 2000-2015 planning authorities may prepare a Development Contribution Scheme (DCS) in respect of certain public infrastructure and facilities provided by, or on behalf of, the local authority that generally benefit development in the local authority's functional area. Under the DCS, the Planning Authority does not need to show a direct connection between the development contribution paid and works done which facilitate the development. However, the Planning Authority should be satisfied that the basis for determining the contribution levels can be adequately justified and supported.

The types of 'public infrastructure and facilities' that can be funded by the Development Contribution Scheme are:

- (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 carparks 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).

Development contributions can only be levied as capital funding for public infrastructure and facilities and as such cannot be used to pay current costs. The General DCS comes into operation following its adoption and is applied to all decisions to grant planning permission made on or after the date of adoption, irrespective of when the planning application was submitted. No appeal can be made to An Bord Pleanála in relation to a condition requiring a contribution to be paid in accordance with a General DCS unless the terms of the Scheme have not been properly applied. This General DCS will remain in operation until either it is varied, or a new scheme is adopted.

1.3 Special Development Contributions

A Planning Authority may, in addition to the terms of a General DCS, require the payment of a special contribution in respect of a particular development where specific exceptional costs not covered by a scheme are incurred by the Local Authority in respect of public infrastructure and facilities which directly benefit the proposed development. The planning condition must specify the particular works carried out, or proposed to be carried out, to which the contribution relates and where the works in question are either not commenced by the planning authority within 5 years of the date of payment of the contribution (or final instalment, if paid by phased payment), or where the Local Authority decides not to proceed with the proposed works, the contribution shall be refunded together with any interest that may have been accrued. In the event that works to which the contribution relates has commenced but has not been completed within 7 years of the date of payment or final instalment then the contribution shall be refunded in proportion to those works that have not been carried out. A Special Development Contribution may be appealed to An Bord Pleanála.

1.4 Supplementary Development Contributions

Under Section 49 of the Act, a Planning Authority, when granting planning permission, may in addition to applying the general DCS, include conditions requiring the payment of a contribution in respect of any public infrastructure service or project specified in a Supplementary Development Contribution Scheme and which will benefit the development to which the planning permission relates.

Projects that may be included in a Supplementary DCS include rail, light rail or other public transport infrastructure, including car parks and other ancillary development, the provision of particular new roads and ancillary infrastructure, new schools and ancillary infrastructure. The scheme must specify the extent of the area to which it applies and also must specify the public infrastructure project or service on which the supplementary contributions are to be expended. An application may be appealed to An Bord Pleanála, where the applicant considers that the service or project will not benefit the development to which the permission relates.

There were no Supplementary Development Contribution Schemes in place in the jurisdiction of Donegal County Council at the time of the making of this Scheme.

2.0 ESTIMATING THE NATURE AND SCOPE OF FUTURE DEVELOPMENT

The key types of development for which estimates need to be made are Residential and Non-Residential. The DCS guidelines advise that the provisions of the Development Plan and any local area plan should be the primary source of information in this regard, whilst taking into account additional data in relation to development trends and statistics.

2.1 Residential Development

The 2008 recession and continuing uncertainty regarding the economic outlook, particularly in the north-west of the country, provide for a high level of difficulty in forecasting development levels over the next six years. The DCS guidelines indicate that the population and housing targets in the County Development Plan's 'Core Strategy' should provide the most appropriate basis from which to commence the estimation process. Notwithstanding, it is considered that actual rate of residential commencements over recent years provides a more realistic means of projecting such development activity over the period of the Scheme. It is therefore noted that between the six-year period of 2010 and the end of 2015 there were 1,459 residential commencements (or 243 units per year) [Source: CSO].

Therefore, having regard to the above-noted data and assumptions, an average annual commencement rate of 300 units per annum is projected (or 1,800 residential units during the period of the proposed scheme) for the purposes of this Scheme.

2.2 Non-Residential Development

The DCS guidelines indicate that broad estimates of the floor area of anticipated future non-residential (i.e. industry; retail; office; and other) development should be prepared with reference to assumptions and any other relevant factors which have shaped the estimates.

The projected levels of commercial development for the period 2016-2021 have been estimated having regard to the average floor areas permitted in Donegal between 2009 and 2015. Whilst planning application activity was on the low side during this period, it is considered appropriate to use this low level of planning activity as a sound means of projecting actual development activity for the period of the Scheme. During the period 2009-2014, a total of 190,858 square metres was permitted at an average of 31,810 per annum.

Therefore, having regard to the above-noted data and assumptions, an average annual commencement rate of 31,810 square metres per annum is projected (or 190,858 square metres during the period of the proposed scheme).

3.0 PROPOSED INFRASTRUCTURE PROVISION

The types of 'public infrastructure and facilities' that can be funded by the Development Contribution Scheme are identified at Section 1.2 above. A schedule of potential infrastructural projects which may be partially funded from DCS income is presented at Appendix I. The list derives from projects listed in the current County Development Plan, Municipal District meetings outlining infrastructural priorities, Donegal County Councils 3 year Capital Budget 2018-2021 and current and proposed projects identified by Directorates within Donegal County Council.

These projects range from large multi-million euro schemes to small community facilities costing a few thousand euros. A number of these projects are at an advanced stage and only require small contributions for completion. Having regard to numerous variables that influence the overall capital programme of the Council including, inter alia, the complexity of large schemes and long lead-in times, the draw-down of exchequer and other external funding, particularly over the course of a six-year period it is not possible to identify precisely those projects earmarked to benefit from the funding. However, the scale of the projects identified in Appendix 1 is self-evident and the associated collective costs a large multiple of the income that will be generated by the DCS. 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 via development contributions collected and funding costs which apply. Projects may be substituted where appropriate, thus ensuring that the scheme is flexible and dynamic to changing needs and opportunities.

3.1 Allocation of Categories of Infrastructural Development Costs To Particular Development

Having regard to the wide variety of qualifying infrastructure and services to be provided in a County of the scale, diversity and complexity of Donegal over such a significant timescale, it is not possible to forensically allocate the costs of each sub-area of such infrastructural and associated services activity to the equally broad range of development categories. Rather, Donegal County Council takes the pragmatic view that all developments will benefit from the broad range of infrastructural works that will be provided during the life of the Scheme. For this reason, the charges are applied on a general basis to collectively cover the various sub-areas of Council activity.

In determining the rates of contribution, the following criteria were taken into account:

- ~the previous DCS and the rates contained therein;
- ~recent and current market conditions and the changed economic conditions since the adoption of the current DCS in 2008;
- ~equivalent rates in other Authorities across the country;
- ~the need to strike an appropriate balance between the promotion of economic development and supporting appropriate development.

3.2 Contribution Rates

Arising from all of the above, the Contribution Rates are listed in Table 1 below.

Table 1: Schedule of DCS Contributions

Class of Development	Sub-Class of Development	Development Charge
House	Permanent Dwelling (199m2 and	€1,500
	below)	
	Permanent Dwelling (200m2 and	€2,500
	above)	
	Holiday Home	€13,691.28
Commercial / Industrial	Industry	€7 per m2 (Letterkenny / Tier 1) €4.14 per m2 (All other areas)
	Shopping	€7 per m2 (Letterkenny / Tier 1) €4.14 per m2 (All other areas)
	Offices	€7 per m2 (Letterkenny / Tier 1) €4.14 per m2 (All other areas)
	Other	€7 per m2 (Letterkenny / Tier 1) €4.14 per m2 (All other areas)
Parking	n/a	€2,500 per space
Change of Use	n/a	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.
Quarrying / Mining / Land for mining/quarrying		€1,500 per 0.1 Ha of surface area, subject to a minimum charge of
Refuse or waste disposal		€10,000
	Land for deposit of refuse or waste	€1,500 per 0.1 Ha of surface area
Use of land for	N/A	€1,555.82 per pitch. N.B. 50% reduction on permanent caravans on
caravanning		first 10 pitches. No reductions thereafter. (Buildings e.g. toilets /
		laundry / office / shop to be charged at commercial rate)
Touring Caravan /	N/A	€1,555.82 per pitch. N.B. 50% reduction on caravans on first 10
Motorhome Site		pitches. No reductions thereafter. (Buildings e.g. toilets / laundry /
		office / shop to be charged at commercial rate)
Bed & Breakfast /	N/A	First 4 bedrooms = No charge. €500 per bedroom in excess of four
Guesthouse		bedrooms
Car Wash	N/A	€1,000 flat rate (Applicable only to such units outside established
		forecourts)

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Class of Development	Sub-Class of Development	Development Charge
Advertisements	N/A	€20 per m2 subject to a minimum charge of €40
Golf course / Pitch and	N/A	€810 per Ha. NOTE: Commercial buildings / Clubhouses to be
Putt		charged at commercial rate, Class 4, based upon floor area)
Renewable Energy	Windfarms & Other Renewable	€2,000 per 0.1MW generated for renewable energy projects.
	Energy Proposals	NOTE : No waivers, full or partial will apply for proposed renewable
		energy developments primarily delivering energy off site (for sale),
		whether for use in Ireland or for export
	Wind Anemometer Mast	€2,500
Agricultural buildings /		Below 200 m2 exempt
Horticulture / Garden		Above 200 m2, €2.50 per m2 for every m2 above 200m2
Centre - Nursery		
Use of cultivated land for		€600 per Ha
intensive agricultural		
purposes		

NB. Retention Permission – Charge is 50 % increase on the normal class of charge.

3.3 Exemptions and Reductions

Section 48(3)(c) of the Act allows for a reduction in contributions or no contribution in certain circumstances under the terms of the Scheme. For the purposes of this Scheme where the Planning Authority requires a developer, at their own expense, to provide significant infrastructure within the development in excess of the needs of the development, the Planning Authority may provide for the payment of a reduced contribution or no contribution as the particular circumstances may dictate. In addition this scheme provides for exemptions and / or reductions as set out in Tables 2, 3 & 4. These exemptions and reductions are being provided on the basis of priorities established within the emerging Local Economic and Community Plan, the County Donegal Development Plan / Core Strategy, which aim to promote and encourage development / enterprise, enhancement of the built and natural heritage, tourism and community facilities and town centre / urban and village regeneration. However, these exemptions/waivers shall not apply for an application for retention of development.

Table 2: Schedule of General Exemptions (100%)

No.	Exemption
1	Voluntary Organisation / Charity
2	Crèche, pre school & non fee paying primary and secondary schools and Third Level Schools / Colleges
3	Burial grounds
4	Social Housing (Part V)
5	Domestic Extensions
6	Replacement Habitable House (Where the property has not been abandoned and there is no significant intensification of
	demand upon public infrastructure)
7	Non-commercial Community Centres, youth centres, including sporting facilities
8	Drug treatment / rehabilitation facilities provided by voluntary or not-for-profit / non statutory groups
9	Not-for-profit Childcare facilities
10	Record of Protected Structures (Where such works substantially contribute to the restoration or protection of the RPS (N.B. A 50%
	reduction shall apply to extensions to the existing footprint of RPS buildings)
11	National Inventory of Architectural Heritage (N.B. A 50% reduction shall apply to extensions to the existing footprints of NIAH
	buildings)
12	Community Wind Turbine / Autoproduction

Table 3: Schedule of Town/Village Centre Reductions/Exemptions

Ref		Standard	Charges	Parking Charges	
		(A) Commercial	(B) Residential	(C) Commercial	(D) Residential
la.	Re-use of existing derelict /	0-100m = 100%	First 2 units = 50%	First 4 spaces = 100%	First 3 spaces = 50%
	vacant buildings;	reduction	reduction	exemption	reduction
1b.	New build on vacant brownfield sites	101-200m2 = 50% reduction	For clarification (any additional units over first 2 = 0% reduction on those)	Spaces 5-8 = 50% reduction	No further reduction thereafter
1c.	Demolition & rebuild on brownfield sites	201m2+ = 0% reduction	N/A	Spaces 9+ = 0% reduction	N/A
2.	Extensions to existing buildings within main town / village centre core	Discounts at 1 above to apply for area of extension	No exemptions for net additional units	First 2 spaces = 100% exemption Spaces 3-4 = 50% reduction Spaces 5+ = 0%	No exemption for net additional units
				reduction	
3.	New build greenfield	No exemptions / discounts	No exemptions / discounts	No exemptions / discounts	No exemptions / discounts
4.	Change of use to commercial	0-100m = 100% reduction	n/a	First 4 spaces = 100% exemption	n/a

Where a development proposal may be eligible for more than one reduction, only one reduction will apply.

Table 4: DCS General Reductions

No.	Reduction
1	Job creation businesses / industries (Non Retail), including financial services, technological, biomedical and light and heavy engineering, manufacturing / processing industries. Businesses may include ancillary retail sales areas to the public, although
	manufacturing shall be the predominant use. (N.B. The exemption is also eligible for Údarás na Gaeltachta, Enterprise Ireland,
	Local Enterprise Office and Industrial Development Agency supported businesses). (50% reduction).
2	IDA or Údarás na Gaeltachta Business Park (non wet industries) - a composite contribution may be applied, so as to exempt future
	developments.
3	Open Storage / hard surface commercial space (70% reduction).
4	Development related to restoration / conservation of derelict properties part funded by International Fund for Ireland and / or
	Special Support Programme for Peace and Reconciliation or included in the Council's Register for Derelict Sites. (25% reduction)
5	Developments for persons who are approved for, or can demonstrate that they would qualify for a Disabled Persons Grant (DPG),
	shall be subject to a reduction of €1,500 of the total normal Development Contribution for the development in question.
6	Biomass / Biofuel / Solar Energy Farm (Non-micro renewable scale)/ Hydro / Wave Energy (25% reduction).
7	Developments that facilitate Killybegs as a Centre of Excellence for Marine Resources, Food and Tourism (25% reduction).
8	Brownfield Development within settlements (50% reduction).
9	Farm diversification schemes (25% reduction).
10	Restricted Permission Period (Up to 3 years Permission period) (33% of normal rate to apply – i.e. 66% reduction) (Commercial
	windfarms / quarry / mining operations are not eligible for reductions.
11	Restricted Permission Period (Up to 5 years Permission period) (50% of normal rate to apply – i.e. 50% reduction) (Commercial
	windfarms / quarry / mining operations are not eligible for reductions).
12	Restricted Permission Period (Up to 10 years Permission period) (66% of normal rate to apply – i.e. 33% reduction) (Commercial
	windfarms / quarry / mining operations are not eligible for reductions).

3.4 Projected Income and Distribution

The projected income that will be derived from the Scheme is calculated as per Table 5 below by taking the totals of housing units and commercial floorspace that will be constructed during the lifetime of the Scheme and applying the relevant charge scales in each case. It is considered that these projections are sound and are likely to be realised. Making such projections for other development sectors is much more problematic and these sectors are therefore omitted from the calculations for this reason. Their omission provides extra flexibility in the projection of the levels of income to be derived.

Table 5: Estimated Total Residential and Non-Residential Income (based upon projections and excluding golf courses, quarry / mining operations, wind farms etc.)

Land Use	No. of Units / Floor Area	Residential / Commercial €4.14 and €7 per m2
Residential (No. of Units)	1,800 units *	Below 199m2 = 752 units x €1,500 (41.8% of units), therefore €1,128,000. Above 200m2 = 1,046 units x €2,500, (58.19% of units), therefore €2,615,000. Total Combined = €3,743,000-
Non Residential (m2)	190,858 m2	15% projected attributable to Letterkenny @ €7.00 per square metre = €200,401; 85% projected attributable to rest of County @ €4.14 per square metre = €671,629 Total combined = €872,030.
Others	Unknown	Unknown
Total Income		€4,615,030.

(*This figure of 1,800 units does not include the proposed 507 residential social housing units scheduled to be constructed between 2015 – 2017, as these units are exempt from the payment of development contributions, and will generate no income.)

The DCS income across all three sub-categories of development [A. Residential, B. Non Residential (Commercial) and C. Other Developments] will be apportioned consistently to Council services at the following ratios; Transport and Infrastructure and Marine (50%), Town & Village Renewal / Development Centres (25%), Tourism, Recreation and Amenities and Community Facilities (25%) (Table 6). It is considered that this broad apportionment of the income is appropriate for the reasons set out at Section 3.1 above. An in-direct benefit of this approach is that it will provide for a more streamlined collection and distribution mechanism within the Council.

Table 6: Allocation of Generated Revenues per Council Infrastructure Activity

Proportional Distribution of DCS by Sector (%)					
Planning Application Type	 Transport and Infrastructure and Marine 	2. Town & Village Renewal / Development Centres	3. Tourism, Recreation and Amenities and Community Facilities		
A. Residential	50 %	25 %	25 %		
B. Non Residential (Commercial)	50 %	25 %	25 %		
C. Other developments (e.g. Wind energy, Quarrying, Golfcourses)	50 %	25 %	25 %		

Taking these percentages and applying projected development rates (refer Section 2) Table provides a projection of the potential income to be generated by the Scheme.

(It should be noted that this combined income forecast does not include the income that may be realised from other developments including e.g. golfcourses, quarry / mining operations, wind farms etc.)

Table 7: % Distribution of combined Residential and Commercial Income

	Transport and Infrastructure and Marine	Town & Village Renewal / Development Centres	Tourism, Recreation and Amenity and Community Facilities	Totals
% Ratio Distribution	50 %	25 %	25 %	100%
Total € 2016 - 2021	€2,307,515	€1,153,757.5	€1,153,757.5	€4,615,030

4.0 NOTES ON IMPLEMENTATION OF THE SCHEME

4.1 Duration of the Scheme

Upon adoption, the Scheme will operate between 2016-2021 unless it is revised within that period. If a new Scheme is not adopted prior to the expiry date of this Scheme, this current Scheme will also remain operational after these dates until a new scheme is adopted.

This Scheme supersedes the former Development Contribution Schemes which were operational within the County Council and the former Town Council's of Letterkenny, Buncrana and Bundoran.

4. 2 Index Linked Contributions, Payments and Phasing of Payments

All Development Contributions shall be index linked from 1st March 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 date of issue of the Decision to Grant the permission and will not be subject to further index linked increases, irrespective of whether the development commences that year or not.

All Development Contributions shall be paid prior to commencement of the development. Phased payments may be facilitated, subject to the agreement of the Planning Authority. Interest may be charged on any outstanding Development Contributions not paid prior to commencement of the development.

4.3 Works in Lieu

Works in lieu shall <u>not be</u> considered under this 'General' Development Contribution Scheme.

4.4 Appealing Development Contributions

In accordance with Section 48 (10) of the Act, an appeal may be brought to An Bord Pleanála where the applicant for planning permission considers that the terms of the scheme have not been applied fairly in respect of any conditions laid down by the Council.

4.5 Calculation of Commercial Floor Area

The floor area of proposed developments shall be calculated as the gross floor area, which consists of internal floorspace within the external walls, it also includes all non sales areas including mezzanine floors, toilets and canteens etc.

4.6 Water and Waste Water Development Contributions

On 1st January 2014, responsibility for public water and waste water services was transferred to Irish Water. As Irish Water will levy connection / supply charges in respect of this service, Donegal County Council will no-longer levy for these services.

Appendix I

Schedule of Potential Capital DCS Projects

Schedule of Folenhar Capital DC3 Flojects				
Location / Project	Municipal District	Co-Ordinates /		
Aghilly Road	Inishowen	Easting / Northing 635680 / 932294		
Beach Improvement Works	Countywide	N/A		
Beltany Stone Circle	Stranorlar	625381 / 900356		
Broadband	Countywide	N/A		
Buncrana Inner/Outer Relief Road	Inishowen	635080 / 931785 and 635622 / 932074		
Columban Visitor Trail (Newmills)	Letterkenny	612313 / 909109		
Culvert Improvement	Countywide	N/A		
Develop Countrywide Coastal Erosion Programme	Countywide	N/A		
Develop Public Conveniences Infrastructure	Countywide	N/A		
Donegal Craft Village	Donegal	592476 / 877071		
Errigal (Sustainable Development)	Glenties	592778 / 920794		
Fanad Lighthouse	Letterkenny	623391 / 947739		
Ferries - Greencastle to Magilligan and Buncrana to	Inishowen / Letterkenny	665133 / 939289 & 632139 / 929520		
Rathmullan and Inishowen & Letterkenny				
Greenways/Walkways/Trails	Countywide	N/A		
Grianán an Aileach	Inishowen	636596 / 919735		
Malin Head	Inishowen	639689 / 959546		
Marine Improvement Projects	Countywide	N/A		
Piers and Harbours	Countywide	N/A		
Provision for campervan facilities	Countywide	N/A		
Public Footpaths & Lighting	Countywide	N/A		
Public Realm	Countywide	N/A		
Riverine Project	Stranorlar	633334 / 898354		
Sliabh Liag	Donegal	555441 / 877849		
Surface Water Drainage	Countywide	N/A		
Swilly Road & Bridges	Letterkenny	615584 / 910544		
Tullan Strand Access	Donegal	582768 / 860272		
Traffic Management	Countywide	N/A		