

**DONEGAL COUNTY COUNCIL
DEVELOPMENT CONTRIBUTION SCHEME
2008 - 2012**

**(Section 48 of the Planning & Development Act 2000)
Effective from 18th February 2008**

1. INTRODUCTION

Donegal County Council in common with other Local Authorities throughout the state is required to source considerable amounts of money annually to fund a variety of public infrastructure projects. Such projects vary from road construction and improvements, to the construction and upgrading of water supply and sewage treatment networks, to playground provision and environmental improvements. Such infrastructure in turn directly benefits a wide range of existing developments throughout the county (e.g. residential, commercial, industrial), enables future development to proceed and enhances the quality of life of the people who live, work, visit and do business in our County. In addition, in specific cases development (either cumulatively or singularly) can create a need for additional infrastructure provision (e.g. sewage treatment), which the Council also has a responsibility to see is provided.

Much of the funding for such infrastructure comes from external sources (e.g. Government Grants) however there is a significant shortfall, which must be sourced from elsewhere. In the context of the above it is believed that it is reasonable to expect that developers, large and small, contribute in a fair and equitable way to the cost of such beneficial infrastructure by way of Development Contributions. Furthermore the principle of Development Contributions is enshrined within Section 48 of the Planning and Development Act 2000, which details the methodology and guiding principles by which such Development Contribution Schemes should be arrived at. This legislative context is detailed below.

2. LEGISLATIVE CONTEXT

Sub-section (1) of section 48 of the Planning and Development Act, 2000 enables a planning authority, when granting a planning permission under Section 34 of the Act, to include conditions for 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 it is intended will be provided, by or on behalf of a local authority (regardless of other sources of funding for the infrastructure and facilities).

Subsection (2) of Section 48 requires that the basis for the determination of a contribution under subsection (1) shall be set out in a development contribution scheme made under this section.

A scheme may make provision for payment of different contributions in respect of different classes or descriptions of development.

Subsection (3) of Section 48 specifies that a scheme shall state the basis for determining the contributions to be paid in respect of public infrastructure and facilities, in accordance with the terms of the scheme.

In stating the basis for determining the contributions to be paid, the scheme must indicate the contribution to be paid in respect of the different classes of public infrastructure and facilities which are provided or to be provided by any local authority and the planning authority shall have regard to the actual estimated cost of providing the classes of public infrastructure and facilities, except that any benefit, which accrues in respect of existing development may not be included in any such determination.

A scheme may allow for the payment of a reduced contribution or no contribution in certain circumstances, in accordance with the provision of the scheme.

A planning authority may facilitate the phased payment of contributions under Section 48 of the Planning and Development Act, 2000, and may require the giving of security to ensure payment of contributions.

3. DEFINITIONS

In this scheme -

"Scheme" hereinafter means this development contribution scheme made under Section 48 of the Planning & Development Act 2000.

"The Act" hereinafter means the Planning & Development Act 2000.

"Public Infrastructure and facilities" has the same meaning as set out in Section 48 (17) of the Act as follows -

- (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, drains and watermains,
- (d) the provision of bus corridors and lanes, bus interchange facilities (including car parks for these 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 spaces, sewers, waste water and water treatment facilities, drains or watermains, and

(f) any matters ancillary to paragraphs (a) to (e)".

4. BASIS FOR THE DETERMINATION OF THE DEVELOPMENT CONTRIBUTION SCHEME 2008 - 2012

The Council used the following methodology as the basis for determining the Development Contribution Scheme 2008-2012.

- a) The Council considered the objectives contained in the County Development Plan 2006-2012, the Local Area Plans within the functional area of the Council, the objectives set out in the An Straitéis 2002 - 2012 Integrated County Strategy for Social, Cultural and Economic Development, the Council's three year rolling capital programme and other programmes which will give effect to these objectives, and their priorities.
- b) The Council conducted an examination/analysis of:
 - Residential Planning Applications both on a National and Countywide basis (over the period 2002-2006).
 - Housing Completion Rates both on a National and Countywide basis (over the period 2002-2006).
 - The rates of Chargeable Development as a percentage of total residential commencements.
 - Economic forecasts for residential completions.

This analysis indicated that the numbers of chargeable residential commencements is significantly below the number of residential applications actually approved by the Council. In addition the economic forecasts indicated that future residential commencements (and the associated chargeable residential developments) are likely to be lower still. Accordingly a benchmark estimation of 1715 average annual chargeable permanent residential commencements were used in the analysis of the potential yield of the Development Contribution Scheme vis-à-vis the potential costs of programmed works.

- c) The Council conducted an analysis of non residential developments in recent years and estimated that, on average the Council, is likely to grant the following volumes of non residential floorspace per annum - Commercial 10,000m², Industrial 8,000m², Warehousing, 4,000m².
- d) Each section in the Council, considered the potential costs of programmed works and estimated the potential availability of funding from non DCS Sources and the consequent balance of monies required from the Development Contribution Scheme (See Tables 1 and 2 overleaf).

Table 1: Projected DCS Requirements (by service) 2008-2012

Service	Total Expenditure	DCS Requirements 2008-2012	Discounted for DCS
Water Services	€289,828,079	€78,118,864	€211,709,215
Roads & Marine*	€373,950,000	€18,450,000	€355,500,000
Community, Enterprise, and Culture	€27,722,500	€9,257,300	€18,465,200
Planning & Economic Development	€29,130,000	€19,950,000	€9,180,000
TOTAL	€720,630,579	€125,776,164	€594,854,415

* The Roads and Marine figures contained herein do not include provision for a contribution to the Greencastle Harbour Scheme.

Table 2: Projected Annual DCS Requirements (by service) 2008-2012

SERVICE	2008 (€)	2009 (€)	2010 (€)	2011 (€)	2012 (€)
Urban & Village Regeneration	€3,275,000	€3,925,000	€4,595,000	€4,385,000	€3,770,000
Water Services	€15,770,973	€16,215,973	€15,393,973	€15,393,973	€15,343,973
Roads & Marine	€3,325,000	€3,550,000	€3,675,000	€3,850,000	€4,050,000
C,E, & C	€2,822,300	€2,515,000	€2,285,000	€855,000	€780,000
TOTAL	€25,193,273	€26,205,973	€25,948,973	€24,483,973	€23,943,973

As already stated, the projects identified for the Development Contribution Scheme are based on analysis of the Council's stated spatial planning and development objectives and the programmed infrastructural projects. These projects range from large multi million euro projects like the Lough Mourne/Letterkenny Water Scheme Phase 2 costing an estimated €40m, to small community facilities costing a few thousand euro.

However, notwithstanding the Council's firm intention to complete such ambitious capital programmes it is important to note the following:

Firstly, many large schemes are complex with long lead in times before the construction stage is reached, whilst smaller projects (like environmental improvement projects) involve local consultation, planning, tendering etc. Moreover, projects also depend on a number of additional factors, not least the drawdown of exchequer and other external funds. Consequently it is difficult accurately to predict when projects will actually go to construction. This scheme has been prepared, however, on the best information available at this time. Notwithstanding the proposed implementation of the capital projects referred to in this scheme and taking into consideration what has been stated herein, the Council may substitute other eligible capital projects from time to time having regard to progress on the advancement of the Council's Works Programme.

Secondly it is significant to note that the level of contributions, which are received, will be a major determinant on the extent of the programme of infrastructure provision, which can be carried out.

Moreover, if developments contributions are not keeping pace with the co funding requirements necessary to sustain the Council's Capital Programmes consideration will have to be given to increasing charges and/or pursuing alternative sources of funding and/or reducing the Capital Programmes to match the funding available.

On the basis of the above, services will, seek to prioritise projects favouring those, which are set out in the report to the Council under Section 135 of the Local Government Act, 2001 indicating the proposed capital projects to be carried out for the following three years. The report will be submitted before the commencement of each local financial year and will have regard to the availability of resources.

Where a developer obtains planning permission for a development, the impact of which is to require new infrastructure that is not programmed for delivery in the year of approval, or envisaged to be delivered over the stated lifetime of the Development Contribution Scheme the Council may require that all, or a portion, of the cost of this new infrastructure is levied on the developer as a special charge.

- e) The Council then took into account the need to achieve a balance between retaining competitiveness and the need to secure the necessary funding (including co-funding requirements) to put in place much needed infrastructure to drive the Donegal Economy and position the County to attract inward investment to develop its socio-economic fabric.
- f) Based on the above, the actual levels of contributions for the various classes of development for the Development Contribution Scheme 2008-2012 were arrived at (see table overleaf) and each of these classes is deemed to incorporate a contribution toward scheme administration (subject to DoEHLG approval).

Note: Costs recoverable from the non-domestic sector in accordance with the Government's Water Pricing Framework were excluded from the determination of the Scheme.

Table 3: Levels of Contribution

Under the Scheme, the contributions to be paid (except where an Exemption or reduction applies, see below) in respect of the different of public infrastructure and facilities are as follows:

	Water	Sewerage	Roads and Marine	Economic Community Culture	Urban Village Renewal	Total Charge
House/Apartment 160m ² or less per unit	€1,810	€120	€710	€230	€230	€3,100
House/Apartment 160-200m ² per unit	€1,810	€365	€965	€480	€480	€4,100
House/Apartment > 200m ² per unit	€2,520	€365	€1,685	€965	€965	€6,500
Holiday Homes/Apartments per unit	€2,935	€365	€3,300	€3,300	€6,600	€16,500
Holiday Homes/Apartments (Groups of 5 or more) per unit	€1,835	€365	€2,200	€2,200	€4,400	€11,000
Caravans/Mobile Home per unit	€1,000		€1,000	€250	€250	€2,500
Commercial per m ²	€2	€2	€4			€8
Industry per m ²	€2	€2	€4			€8
Warehousing and Storage per m ²	€2	€2	€4			€8
Carwash Facility Per Jet	€2,135	€365				€2,500

Notes:

- Each class of contribution includes a contribution towards the provision of Social, Affordable and Voluntary housing.
- Marine provides for infrastructure to facilitate public transport.

In turn (based on the above levels of contributions) it is anticipated that the following capital investment will be generated as a result of the adoption of the Development Contribution Scheme 2008-2012.

Table 4: Estimated Capital Investment generated as a result of the Adoption of the DCS 2008-2012

Services	2008	2009	2010	2011	2012
Urban and Village Regeneration	€1,128,898	€1,185,343	€1,244,610	€1,306,841	€1,372,183
Water Services	€4,377,923	€4,596,819	€4,826,660	€5,067,993	€5,321,393
Roads & Marine	€2,098,114	€2,203,019	€2,313,170	€2,428,829	€2,550,270
Community Enterprise and Culture	€1,007,898	€1,058,293	€1,111,208	€1,166,768	€1,225,107
Total	€8,612,833	€9,043,475	€9,495,649	€9,970,431	€10,468,953

5. OPERATION OF THE DEVELOPMENT CONTRIBUTION SCHEME

The new Scheme to be known as the "Donegal County Council Development Contribution Scheme 2008 - 2012" in accordance with Section 48 of the Act as its only such scheme for its entire functional area being the entire County of Donegal excluding the towns of Letterkenny, Bunrana and Bundoran.

Under the Scheme, Donegal County Council will, when granting a planning permission under Section 34 of the Act, include conditions for requiring the payment of a contribution in respect of public infrastructure and facilities benefiting development in the County of Donegal (excluding the Town Council areas of Letterkenny, Bundoran and Bunrana) and that is provided, or that it is intended will be provided, by or on behalf of Donegal County Council, (regardless of other sources of funding for the infrastructure and facilities).

6. SPECIAL DEVELOPMENT CONTRIBUTIONS

A special development contribution may be imposed under section 48 of the Planning and Development Act 2000, where exceptional costs, not covered by the scheme are incurred by the Council, in the provision of a specific public infrastructure or facility. Unlike the scheme, planning permissions imposing special development contributions

must specify the particular works attracting the charge and can only be imposed on developments that specifically benefit from the contribution. Unlike the scheme, special contributions can be appealed to An Bord Pleanála. Both special and scheme contributions can be levied, provided no double charging takes place. Examples of special development contributions would be bridge or road improvements relating to quarries, windfarm developments or water services to wet industries. A protocol for the levying of such contributions on all developments in a particular area to be agreed with the Elected Members at local Electoral Area level.

7. Charging Notes

- a) Developments which shall consume public water (with the exception of Single House Developments that connect to Group Water Supply Schemes not taken over by the Council, which **do** consume public water and where the financial contribution to the Group is €1500) shall be subject to the standard water charge or a charge equivalent to the amount of the Connection Charge to the applicable Group Water Scheme whichever is greater, as such development will benefit from public water infrastructure included in the scheme.
- b) Car parking charges, where there is a shortfall, will be charged at €4000 per space for the first four spaces and €8000 per space thereafter.
- c) 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 development's current use.
- d) Applications for a change of house type shall have the original charge reimposed unless the newly proposed dwelling is greater in size than the original in which case the greater charge is applicable.
- e) In the case of the water and sewer charge the sewer element is €365 except for houses/apartments less than 160 m², which will attract a €120 charge. No sewer charge in the case of caravans/mobile homes.
- f) Guesthouses/B& B will be subject to the water & sewer charge at the appropriate rate for single houses plus €500 per bedroom in excess of four bedrooms.
- g) All developments shall be subject to the sewerage charge whether they are physically connected to public sewerage systems or not, as all developments will benefit from wastewater sludge treatment infrastructure included in the scheme.
- h) Developments that place particular demands on water services infrastructure (e.g. Wet industries) will be assessed on a case by case basis in accordance with the demands placed by the development on public water service infrastructure.

- i) Works related to schemes developed under the Sanitary Services Serviced Land Initiative, will be charged at the basic rate plus the specific charge relating to the scheme.
- j) These rates of contribution shall be updated effective from the 1st March 2009, and on the 1st March of each year thereafter, in accordance with the Wholesale Price Index for Building and Construction published by the Central Statistics Office. Note: This shall not affect the Index Linking of Development Contributions Payable on existing Grants of Permission levied prior to the adoption of the Development Contribution Scheme 2008-2012.

8. INTERPRETATION NOTES

- a) Commercial includes inter alia: nursing homes, new hotels and extensions to hotels, bars/discos/restaurants, shops (retail/wholesale), hairdressing salons and laundrettes.
- b) The floor area of the proposed development shall be calculated from the internal dimensions of the proposed buildings including internal walls. In the case of hotels the floor area shall include the bedroom blocks.

9. DEVELOPMENT PROPOSALS NOT LOCATED ADJACENT TO EXISTING SERVICES OR PROPOSED SERVICES

The level of contributions levied under this Scheme shall be in respect of the major works relating to facilities and infrastructure outlined in the scheme. In cases where development proposals are not located adjacent to these services they may have to be rejected as they would be premature having regard to the proper planning and sustainable development of the area. Developments could however be accommodated in such circumstances if the developer could present satisfactory proposals to extend the services and facilities to cater adequately for the development. This investment would be in addition to the DCS levy.

10. EXEMPTIONS

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

- a) Agriculture developments
- b) Private house extensions
- c) Graveyards
- d) Registered charitable institutions

- e) Replacement of habitable house(s) where the applicant can demonstrate to the satisfaction of the council that its use has not been abandoned and that there shall be no significant intensification of demand upon public infrastructure.
- f) Non-commercial community centres, youth centres and similar non-commercial community related developments, including football club facilities.
- g) Structures included on the Record of Protected Structures.
- h) Drug treatment/rehabilitation facilities provided by voluntary or not-for-profit/non statutory groups.
- i) Social and affordable housing units, supported accommodation for homeless persons, and sheltered housing schemes for vulnerable groups, including those which are provided in accordance with an agreement made under Part V of the Act (as amended under the Planning & Development (Amendment) Act, 2002) or which are provided by a voluntary or co-operative housing body, which is recognised as such by the Council.
- j) Not-for-profit Childcare Facilities Primary and Post Primary Schools and third level schools/colleges.
- k) Initial afforestation as set out in the Planning & Development Regulations 2001.
- l) Developments listed under Article 157 of the Planning & Development Regulations, 2001.
- m) A single charge only shall apply to developments, which provide for a temporary mobile home on the site where permanent development permission has been granted.

11. REDUCTIONS

- (1) The following categories of development will attract a reduction in respect of development contributions.
 - a) Developments that **do not** consume public water and which are not connected to pipe work maintained by the Council (e.g. private wells/boreholes) (100% of the water contribution only).
 - b) Developments that connect to Group Water Supply Schemes not taken over by the council, which **do not** consume public water. (100% of the water contribution only). .

Written evidence of consent to connect to the relevant Group Water Scheme shall be required from the promoter(s) of said scheme and written

confirmation of the financial contribution made to the Group shall be required from the promoter(s) of said scheme.

- c) Single House Developments that connect to Group Water Supply Schemes not taken over by the Council, which **do** consume public water and where the financial contribution to the Group is €1500 or greater shall be entitled to a 50% Reduction of the Water Contribution only. The above threshold shall be reviewed within 1 year of the adoption of the scheme.

Written evidence of consent to connect to the relevant Group Water Scheme and written confirmation of payment of the financial contribution to the Group (including amount paid) shall be required from the promoter(s) of said scheme.

- d) Open storage/Hard surface commercial space development (70%).
- e) Manufacturing/Internationally tradable services grant aided by IDA, Enterprise Ireland, County Enterprise Board, or other recognised local development agency. (50%).
- f) Development in pilot enterprise and renewal areas (ERAs) (50%).
- g) 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 Council's Register of Derelict Sites. (25%).
- h) **New** job creation indigenous industrial development (manufacturing) (50%).
- i) Development proposals for Resource Related Tourism Projects in accordance with Section 9.2 of the County Donegal Development Plan 2006-2012 incorporating holiday homes/apartments, which are ancillary to the Tourism Project and remain within the overall control of the Project's Management Company, will attract a 30% reduction in respect of the holiday homes/apartments element only.
- j) 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 €1500 of the total normal Development Contribution for the Development in question.
- k) Failte Ireland approved Holiday Homes provided for letting, subject to Section 47 Agreement in accordance with the Planning & Development Act 2000 will attract a 30% reduction on the standard charges. Written confirmation required from Failte Ireland.
- l) Farm Diversification Scheme approved **Single** Holiday Home Developments provided for letting, subject to Section 47 Agreements in accordance with

the Planning & Development Act 2000 will attract a 30% reduction on the standard charges. Written confirmation required from Teagasc or the Department of Agriculture and Food.

- m) Farm Diversification Scheme approved **Multiple (2 or More)** Holiday Homes Developments provided for letting, subject to Section 47 Agreements in accordance with the Planning & Development Act 2000 will be subject to the rates detailed below. Written confirmation required from Teagasc or the Department of Agriculture and Food.

Water	Sewerage	Roads and Marine	Economic Community Culture	Urban Village Renewal	Total Charge
€1,835	€365	€2,200	€2,200	€4,400	€11,000

- (2) A composite levy may be considered where the IDA or Udaras na Gaeltachta are developing a business park, based on the overall site area or part thereof, which would exempt any future developments within the relevant area from further development charges. This exemption will not apply to wet industries within a business park.
- (3) The above reductions shall not apply to Retention Applications.

12. PAYMENT OF CONTRIBUTION

- a) Conditions requiring payment of the contributions provided for in the Scheme will be imposed in all relevant decisions to grant planning permissions made following the making of the Scheme by the Council.
- b) The contributions under the Scheme shall be payable prior to commencement of development. Contributions shall be payable at the index adjusted rate pertaining to the year in which implementation of the planning permission is commenced, as provided for in Point j) of Section 7. Charging Notes.
- c) The Council may facilitate the phased payment of contributions payable under the Scheme, and the Council may require the giving of security to ensure payment of contributions. In the case of first time homeowners, the Council shall facilitate the phased payment of contributions up to a three-year period.
- d) Consideration will be given to the provision of specific infrastructural works and facilities by a developer in lieu of payment of development contributions subject to the written agreement of the Council. A designated member of staff to be assigned to monitor the provision of specific infrastructural works and facilities by a developer in lieu of payment of development contributions as outlined in paragraph (d).

13. APPEALS TO AN BORD PLEANĀLA ("the Board")

An appeal may be brought to the Board where the applicant for planning permission under Section 34 of the Act considers that the terms of the Scheme have not been properly applied in respect of any conditions laid down by the Council.

14. DEVELOPMENT PROPOSALS NOT LOCATED ADJACENT TO EXISTING SERVICES OR PROPOSED SERVICES

The level of contributions levied under this Scheme shall be in respect of the major works relating to facilities and infrastructure outlined in the annualised capital programmes. In cases where development proposals are not located adjacent to these services and any programme of works does not afford priority to the extension of existing services to serve the development the development may have to be rejected as it would be premature having regard to the proper planning and sustainable development of the area. Developments could however be accommodated in such circumstances if the developer could present satisfactory proposals to extend the services and facilities to cater adequately for the development. This investment would be in addition to the DCS levy for all remaining categories of infrastructure.

15. REVIEW OF SCHEME

The Council may review the Scheme during its lifetime having regard to circumstances prevailing at the time. Otherwise, notwithstanding the stated timeframe of the scheme (i.e. 2008-2012) the scheme shall continue to remain in force until such a time as the Council adopts a new scheme.