Development Contributions Scheme
S48 Planning and Development Act, 2000

SDCC's current Development Contributions Scheme will expire on 31^{st} December 2009. This Scheme was adopted in 2003, with effect from 1^{st} January 2004, and specified that development contributions at the rate of €10,000 per residential unit (€5,000 for 1-bedroomed units) and €75 per square metre of industrial/commercial would be payable in respect of all planning permissions granted from that date.
These rates were subject to indexation in accordance with the Tender Price Index, and now stand at €11,068 per residential unit and €83 per square metre of industrial/commercial.

For the years 2004-2008 the income generated by the Scheme totalled €106m, and part funded the capital costs of projects (see Appendix 1) in four classes of public infrastructure and facilities viz.

- Class 1 - Roads infrastructure and facilities
- Class 2 - Water and drainage infrastructure and facilities
- Class 3 - Community facilities and amenities
- Class 4 - Parks and Open Space facilities

In September 2008 Dublin City Council, on behalf of the four Dublin Authorities, engaged a consortium comprising Deloitte Financial Consultants, McGill Planning Ltd. Chartered Town Planners, and CBRichard Ellis Property Consultants with the following brief:

a) Review the operation of the current section 48 and 49 Development Contribution Schemes in operation for each of the four Dublin Local Authorities.
b) Provide a sound, justifiable, logical, equitable and accountable basis for the determination of financial contributions under sections 48 and 49 of the Planning and Development Act, 2000 for the period 2010-2017 having regard to the existing methodology used for the current schemes.
c) Provide detailed input and advice on the number and precise content of Contribution Schemes, which they propose for each of the four Local Authorities.
d) prepare draft Schemes for each Authority under both sections 48 and 49, relating to the various types of development contribution that are payable; these to include a general contribution payable under a scheme made under section 48, a supplementary contribution (area specific and related to a particular infrastructure project or service, including one provided under a public private partnership (PPP) arrangement) under a scheme made under section 49 and a special contribution payable for a particular development in respect of infrastructure benefiting that development under section 48 (2)

This has been completed, and the consultants' report and draft South Dublin County Council Development Contributions Scheme are attached.

The draft Scheme provides for Development Contributions income of €107.6m over the eight year period 2010-2017 to part fund overall expenditure of €333.5m. (see Appendix 2)

The proposed new rates of contribution are:

- €120 per sq m for residential development. This would average €12,000 per unit, which is on a par with current the rate
- €111 per sq.m. for non-residential. This is an increase from the current rate of €83 per sq m., but is still the lowest in the Dublin Region

These rates have been determined having regard to the existing rates under the current scheme, rates charged by the other authorities in the Dublin Region, and the need to achieve a rate sufficient to fund infrastructure without becoming a disincentive to development, particularly in the current economic circumstances.
An overall summary of the anticipated Expenditure and Income is as follows:

Projected Total Capital Exp 2010-2017	€333,530,877	
Less Other Funding (grants etc.)		€158,866,668
Debit balance on current projects	€46,930,181	
Less money in levy fund @ 31/12/2009		€24,758,503
Value of Invoices Outstanding @31/12/2009		€15,967,426
Value of contributions assessed but not yet commenced		€34,222,886
Funding Costs*	€37,800,000	
Less New Contributions Scheme revenue		€107,581,911
	€418,261,058	**€341,397,394**
Funding Gap	**€76,863,664**	

* It is likely that the collection of contributions under the New Scheme will not match the funding requirements as they occur. In this regard, a provision for financing costs has been included in the Scheme to take account for the timing differences between cash expenditure on projects and cash collection of contributions.
Table 6.8. of the Consultants' report refers.

As can be seen there is a funding gap of €76.8m, which will have to be addressed during the life of the scheme.

The main differences in the proposed new Scheme and the current Scheme are

- Charging residential development on a square metreage basis instead of per unit basis. *This is seen as being more equitable having regard to the varying sizes of dwelling units.*

- Including domestic extensions in excess of 40sq m in the Scheme. *There is no reason why domestic extensions should not be regarded as new development in the same manner as new residential property*.
- Indexing annually in line with the Wholesale Price Index (Building and Construction Materials), instead of the Tender Price Index. *The former is produced by the Society of Irish Quantity Surveyors, and is based on tender returns for non-residential projects. The latter is produced by the Central Statistics Office and relates to all construction materials, and has been recommended to the four Dublin authorities by the consultants.*
- The lifetime of the Scheme is eight years, instead of six. *The extended period should help to give the Council a longer period to collect the required funds for the infrastructure spend planned and also facilitate better integration with the new Development Plan for the County.*

The making of a scheme is a reserved function of the Council, following a six week public consultation period during which time submissions / observations may be made.

Not later than four weeks following the expiration of the public consultation period a report on the submissions received will be prepared and submitted to the Council.

Not later than six weeks after receipt of this report the Council must decide by resolution to make the scheme as recommended by the Manager with or without modification, or not to make the scheme.

It is proposed to initiate the public consultation process on 16th September, with a view to bringing the matter to the December Council meeting for decision by the members.

A briefing session for members by the consultants will be arranged prior to the December meeting.