

**Chief Executive's Report to the
Elected Members on Submissions
received in relation to the Draft
Development Contribution Scheme
2022 – 2026**

13 December 2021



Comhairle Cathrach
& Contae **Luimnigh**

Limerick City
& County Council

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1.1 Introduction

Section 48 of the Planning and Development Act 2000 (as amended) enables the Planning Authority when granting planning permission under Section 34 of the Act, to include conditions requiring the payment of a financial contribution in respect of public infrastructure and facilities benefiting development in the area, that is provided, or that is intended to be provided, by or on behalf of the Local Authority, regardless of other sources of funding for the infrastructure and facilities.

Subsection (2) and (3) of Section 48 of the Planning and Development Act 2000 (as amended) specifies that a scheme shall:

- set out the basis for determining the contributions to be paid in respect of public infrastructure and facilities, in accordance with the terms of the scheme;
- make provision for payment of different contributions in respect of different classes or descriptions of development;
- allow for the payment of a reduced contribution or no contribution in certain circumstances, in accordance with the provisions of the scheme;
- indicate the contribution to be paid in respect of different classes of public infrastructure and facilities which are provided, or to be provided by the Local Authority, having 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;
- facilitate the phased payment of contributions and may require the giving of security to ensure payment of contributions.

This report presents the submissions made following publication of the Limerick City and County Council Draft Development Contribution Scheme 2022-2026. It sets out the Chief Executive's responses to the issues raised and recommends amendments to the draft scheme, as appropriate. The Report is part of the statutory procedure for preparing a Contribution Scheme as set out in Section 48 (6) of the Planning and Development Act, 2000 (as amended).

1.2 Structure of the Chief Executive's Report

This Report is presented in three sections. The first section details the reasons for the proposed Scheme, the requirement for the preparation of the report and outlines the report structure.

The second Section summarises the issues raised in the submissions and sets out the Chief Executive's response and recommendation regarding same.

Finally, Section 3 concludes with the Chief Executive's Recommendation.

1.3 Preparation of Proposed Scheme and next steps

The Draft Scheme was prepared in accordance with the Planning and Development Act 2000 (as amended), DoECLG Development Contribution Guidelines for Planning Authorities and Circular PS 21/2013 in relation to "the transfer of water services function to Irish Water: planning issues" which set out that "New development contribution schemes made by planning authorities after 1st January 2014 should not contain charges in respect of water services infrastructure". Circular PL 03 /2018 Revisions of Development Contributions in relation to Telecommunications Infrastructure has also been taken into account.

The Draft Contribution Scheme was presented to the Elected Members of Limerick City and County Council, at a number of workshops on the 28 September 2021 and 7 October 2021 and to the Economic Development, Enterprise and Planning Strategic Policy Committee on the 11 October 2021 and was then placed on public display from the 16 October to the 29 November 2021 inclusive. A copy was also circulated to relevant stakeholders and was also publicised on Limerick City and County Council's social media platforms.

A total of 3 no. written submissions were received within the statutory timeframe.

In accordance with the requirements of Section 48 (6) of the Planning and Development Act 2000 (as amended), the Chief Executive has prepared this report on all valid submissions and observations received, and on any matters arising from the above consultations. This report, called a Chief Executives Report, contains the following information;

- A list of the persons who made submissions or observations;
- A summary of issues raised;
- The opinion of the Chief Executive on the issues taking account of the proper planning and sustainable development of the area;
- Details of any proposed modifications to the scheme.

Not later than 6 weeks after receipt of the Chief Executive's Report, the Elected Members of the Local Authority shall consider the Draft Scheme and this Chief Executive's Report and in accordance with Section 48 (8) of the Planning and Development Act 2000 (as amended) shall make the Scheme, unless it decides, by resolution, to vary or modify the scheme, otherwise than as recommended in the Chief Executive's report or otherwise decides not to make the scheme.

Section 2: Submissions

Sub. No.	Submission Received From
1.	Niall Collins TD
2.	Ronan O' Brien, Construction Industry Federation Mid - West Branch
3.	Conor Sheehan, Sheehan Planning

1.	Name/Group:	Niall Collins TD
	Submission:	Response
	<p>The submission identifies that the provision of housing is a key priority of the Government and expresses concern that the proposed increase in charges in the Draft Development Contribution Scheme by 25% will directly impact on the provision of housing by increasing construction costs.</p> <p>It identifies that these costs will be passed onto the house/home purchasers thus putting the affordability of same beyond the reach of more people.</p> <p>The submission notes that Limerick City and County Council should be playing an active role in seeking to reduce the cost of construction not inflating it and recommends that as a minimum a zero increase in rates or targeted reductions to the rate for delivering housing should be introduced.</p>	<p>The rates for residential development set out in the existing Development Contribution Scheme 2017 - 2021 were reduced considerable, as a stimulus for house construction, taking into account Government policy on accelerating house building.</p> <p>From review of the number of residential units commenced over the lifetime of the previous Scheme, this reduction in rates did not result in a huge upswing in residential development.</p> <p>In preparing the Draft Contribution Scheme all current rates were reviewed and considered in the context of other Local Authorities and all national guidance was adhered to. The residential rate for Limerick is considerably lower than in other Counties.</p> <p>Furthermore, in devising the Draft Scheme a new project list was prepared, in terms of the Local Authorities projects, which are to be funded within the lifetime of the Proposed Scheme. The total project value identified for funding was €99m with an assumption that 45% would benefit through the Draft Contribution Scheme. If these projects are to be realised within the lifetime of the Scheme, it is necessary, that the rates proposed in the Draft Scheme are maintained.</p>

	Chief Executive’s Recommendation:	
	No Change	

2.	Name/Group:	Construction Industry Federation Mid-West Branch – Ronan O’ Brien	
	Submission:	Response	
	<p>This submission sets out that the CIF members are responsible for the delivery of houses, offices and infrastructure required to meet the targets for the Mid-West Region in the National Planning Framework and the Regional Spatial and Economic Strategy.</p> <p>The submission identifies that the Draft Development Plan aims to build 900+ houses a year and an average of 512 units have been completed over the last 4 years. Of these 331 were schemes/apartments, which further highlights the challenge of multi-unit residential construction.</p> <p>The submission identifies that the total cost of delivery of a new home, including costs of design, planning, construction, profit and risk is not always sufficient to ensure viability and developments will not proceed if financial viability cannot be demonstrated to the investment sector.</p> <p>The 20% increase in costs proposed in the Draft Scheme will have to be subtracted from profits or will have to be added to the price of purchasing the house.</p> <p>From studies the average time taken to save a deposit for house in Limerick is 5 years and financial restrictions are placed on how much potential buyers can borrow. It is argued that an increase in contribution rates may impact negatively on the sector.</p>	<p>See Response to Submission No. 1 above.</p> <p>The Council recognise the challenging times that currently exists and the impact of Covid 19 on the cost of materials and construction, equally this increase in cost is also borne by the Local Authority in the delivery of infrastructure and services. The delivery of critical infrastructure and services with funds from the Development Fund will run to 2026.</p>	

<p>The submission notes that the amount of money sought for project through the new scheme is an increase to 45% over the 33% sought in the previous scheme. Given that Irish Water projects accounted for 37% of infrastructural works, prior to 2014 the submission argues that the amount of funding required by Local Authorities to carry out infrastructural works should be lower and additionally residential companies now pay a separate charge to Irish Water.</p> <p>The submission concludes that increased contribution charges may have a considerable impact on the construction industry and the housing market in Limerick, particularly at a time when there are exceptional material cost increases. The submission recommends that there are no increases in development contributions at this time.</p>	
<p>Chief Executive's Recommendation:</p>	
<p>No Change.</p>	

<p>3.</p>	<p>Name/Group:</p>	<p>Conor Sheehan, Sheehan Planning</p>
	<p>Submission:</p>	<p>Response</p>
	<p>This submission is made on behalf of the owners of Limerick One Shopping Park on the Childers Road. The land use zoning on this site is proposed to change from Mixed Use to Retail Warehousing in the Draft Development Plan.</p> <p>In the context of this rezoning the submission outlines concerns with respect to the proposed increase of 30% per square metre in levies for retail warehousing. The submission states that this is out of kilter with the average rate of inflation and is difficult in the current climate where retail is under pressure.</p>	<p>The importance of the retail sector as a significant employer and economic contributor to Limerick is recognised. In this respect a Draft Joint Retail Strategy has been prepared in conjunction Clare County Council, for the Limerick – Shannon Metropolitan Area, in association with the Draft Limerick Development Plan. This Strategy has been prepared in compliance with the NPF and the RSES and seeks to re-establish Limerick City Centre at the top of the retail hierarchy and also sets out the</p>

<p>The submission requests that any increase in development levies should reflect actual rates of inflation and requests that the Draft Scheme is amended in line with this.</p>	<p>role the environs and the remainder of the County play in supporting the City Centre, as the primary location to provide a range of retail, tourism, social and cultural activities.</p> <p>In terms of retail warehousing, it is noted that the majority of this floor space is currently located in the environs of the City and presently, there is no identified need for additional floor space, within the lifetime of the Draft Plan/Retail Strategy.</p> <p>The Draft Development Contribution Scheme incorporates rates for the change of use of existing buildings. It sets out that where it can be demonstrated that a change of use will not lead to the need for new or upgraded infrastructure or services or where a significant demand is placed on existing services there will be an exemption from paying a contribution.</p>
<p>Chief Executive's Recommendations:</p>	
<p>No Change.</p>	

Section 3: Chief Executive's Recommendation:

In accordance with Section 48 of the Planning and Development Act 2000 (as amended), it is recommended that the Development Contribution Scheme is made in accordance with the Draft Scheme published on the 16th of October 2021.



Vincent Murray,
A/Director of Services – Economic Development and Enterprise