

**Opening Statement by Mr. Niall Cussen Principal Adviser (Planning) Department  
of Housing, Planning and Local Government to the Joint Oireachtas Committee  
on Housing and Homelessness, Wednesday, 17<sup>th</sup> October 2018**

**Chair, Deputies, Senators,**

I would like to thank the members of the Committee for inviting the Department to attend its meeting today, and for the opportunity to make some brief opening remarks, before my colleague Mr John Coleman, Interim CE of the Land Development Agency goes through his opening statement.

Given the high degree of importance placed by Government and the Department on the work of the LDA and the need to progress its legislative and operational underpinnings, there is much to be gained in shaping these through effective and practical engagement with the Committee.

There are three main areas I would like to cover in my opening remarks:

1. The policy grounding for the Land Development Agency, reverting to the National Planning Framework, Project Ireland 2040 and indeed previous work by this Committee in examining the Framework at its formative stages;

2. The details and expected timescale for the legislative programme being progressed by the Department to put the LDA on a full primary legislative footing; and
3. The interim funding arrangements that have been put in place to enable the workings of the LDA in the context of Budget 2018.

### **1: Policy Basis for LDA**

There is widespread consensus today that spatial planning policies aimed at ensuring the right forms of development happen at the right time and in the right sequence and most critically in the right locations and all in a manner that is economic to those who require such development, whether for housing or other purposes, will not happen without a more proactive role by the State in land management terms.

From the Kenny Report of 1973 to last March's National Economic and Social Council's report on land, to international experience in places such as the Netherlands, Germany and the U.K., there has been a consensus for many years that proactive management of the supply of land for development, and redevelopment for that matter, is required if strategic public policy aims are to be met in areas like sustainable urban development and housing supply.

For these reasons and to progress objectives in relation to sustainable urban development, particularly national brownfield development targets, the Government's National Planning Framework published earlier this year with the

National Development Plan under Project Ireland 2040 committed to the establishment of what was then titled a “National Regeneration and Development Agency”.

Under the NPF, National Policy Objective 66 stated the following:

*“A more effective strategic and centrally managed approach will be taken to realise the development potential of the overall portfolio of state owned and/or influenced lands in the five main cities and other major urban areas and in rural towns and villages as a priority, particularly through the establishment of a National Regeneration and Development Agency;*

The Government’s establishment of the LDA on the 13<sup>th</sup> September last is a key implementation step in relation to the NPF’s policies in this regard.

The LDA will act as a key new Government instrument and in line with its mandate, the Agency will act as a national centre of expertise, working with and supporting local authorities, public bodies and other interests, to harness public lands as catalysts to stimulate regeneration and wider investment and to achieve compact, sustainable growth, with a particular emphasis on complex regeneration projects and the provision of affordable housing.

The two primary objectives of the LDA are:

1. To ensure the optimal usage of State lands, coordinating their regeneration and development and opening up key sites not being optimally used, especially for delivery of new homes; and

2. To drive strategic land assembly through mechanisms that will bring together both public and private sector interests in ensuring the timely preparation and release of strategic land for development in a counter-cyclical manner, stabilising tendencies towards volatility in development land values, securing more of the increase in such values as a result of the planning and infrastructure investment processes for the common good and thereby driving increased affordability through better and more cost-competitive land availability.

### **Legislative Programme**

While the LDA has been initially established by way of an establishment order under the Local Government Services (Corporate Bodies) Act, 1971 (as amended), the Department recognises that the LDA requires a primary legislative footing.

To this end, primary legislation for the LDA is currently being drafted with a view to preparing a General Scheme of the Bill to go to Government in November.

It is envisaged that pre-legislative scrutiny with this Committee would be conducted in December.

Taking account of such scrutiny as well as the work required to draft the Bill, the intention is that, subject to the Government's approval, the Bill will be published in Q1 of 2019, with a view to being progressed through the Houses of the Oireachtas and enacted by the summer recess at the latest.

## **Funding**

On the current expenditure side, the Minister for Housing, Planning and Local Government will provide up to €2 million in current funding from within the Department's existing 2018 budget provisions to support the Agency's initial start-up administrative and operational costs, and a further provision of €3.5 million is being provided in 2019 from the Department's vote.

On the capital expenditure side, an allocation of €16.5 million will be made available to the LDA from the 2019 Urban Regeneration and Development Fund, on an interim basis pending finalisation of future capitalisation that will be underpinned in primary legislation.

In that regard, the Government has approved future capitalisation of the LDA through a combination of transfers from ISIF in the form of subscription of share capital by the Minister for Finance and private finance, of up to €1.25 billion.

Capital funding will be used to fund enabling feasibility appraisal, master-planning, infrastructure provision and, if required, development of sites, as well as strategic land acquisition as may be required.

## **Conclusion**

The work currently underway in preparing a legislative footing for the LDA is a major priority item in the Department's work and legislative programme.

The Department believes the LDA can and will make a major and strategic contribution to addressing structural gaps in Ireland's planning and development process, with a particular emphasis on pro-active management of both the State's

development land bank and the wider functioning of the land supply process as well.

The Department looks forward to further engagement with this committee in ensuring that the LDA is as effective as it needs to be in addressing the policy issues I have outlined above.