

Joint Oireachtas Committee
02 October 2019
Presentation on General Scheme of the
Land Development Agency Bill 2019

1. Background and Context

I would like to thank the Chair and Committee members for offering us the opportunity to update you on the General Scheme of the Land Development Agency Bill 2019, which was approved by Government on 9 July for publication and priority drafting.

I am joined today by Mr. Frank Gallagher, Principal Officer and Ms Mary Jones, Assistant Principal Officer who have responsibility within the Department for matters relating to the Land Development Agency. My colleagues and I will be pleased to address questions that committee members may have with respect to the General Scheme of the Bill.

I would like to start by giving some background on the policy basis for the LDA and then provide you with information on the content and form of the General Scheme.

2. 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. It is acknowledged that this will not happen without a more proactive role by the State in land management terms.

The National Planning Policy Statement published in 2015 recognised the importance of creating sustainable communities by ensuring that the right development takes place in the right locations and at the right time.

Following on from that, and to progress objectives in relation to sustainable urban development, the Government's National Planning Framework published last year alongside 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 12 stated the following:

"The Government will establish a National Regeneration and Development Agency to work with local authorities, other public bodies and capital spending departments and agencies to co-ordinate and secure the best use of public lands, investment required within the capital envelopes provided in the National Development Plan and to drive the renewal of strategic areas not being utilised to their full potential."

The Government's establishment of the LDA 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. It will significantly assist in the redevelopment of our cities and towns to support the implementation of Project Ireland 2040.

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.

3. Main Provisions of the Bill

As you will be aware, the LDA was established in September 2018 on an interim basis by statutory instrument under the Local Government Services (Corporate Bodies) Act 1971, as amended.

The main aim of the General Scheme of the LDA Bill is to establish the LDA on a primary legislative basis. It will be a corporate bill to allow for the establishment of the LDA as a Designated Activity Company (DAC) under the Companies Act 2014 and the Minister for Housing, Planning and Local Government and the Minister for Public Expenditure will be the shareholders.

Heads 8 and 9 are the crucial parts of the General Scheme and set out the objectives and functions of the LDA.

Under Head 8, some of the key objectives of the LDA include:

- to develop land for housing or other related development purposes on relevant public lands and other lands in support of the implementation of the National Planning Framework on a commercial basis;
- to establish mechanisms and collaborative structures between public and private entities to develop relevant public lands and other lands; and
- to establish structures to facilitate delivery of housing on relevant public lands and other lands.

The General Scheme makes clear that the LDA must also have regard to the policy of the Government on proper planning and sustainable development and contribute to the economic and social development of the State, while at the same time obtaining a positive financial return for the State.

Head 9 sets out the functions of the LDA. These functions are categorised as commercial functions and non-economic public functions. The commercial functions include:

- identifying relevant public lands and appraise their potential for development;
- acquiring lands in public and private ownership;
- disposing of lands where they are no longer required to enable the LDA to undertake its functions;
- developing, or facilitating the development of, relevant public lands and other lands;
- obtaining development consents, permissions and other approvals for land and related development projects;

- drawing up, and assisting relevant public bodies and owners of other lands to draw up master plans for development on relevant public lands and other lands; and
- providing assistance to other relevant public bodies, including local authorities, to provide housing and related developments.

The additional, non-economic public functions related to the management of publicly owned lands and include advising Government on the management and use of public lands and establishing and maintaining a register of public lands.

4. Run Through of the General Scheme

The General Scheme consists of 7 parts, each dealing with a separate aspect of the establishment of the Land Development Agency. These include functions, corporate form and funding arrangements, amongst others. I will briefly run through of these Parts for clarity.

Part 1 of the General Scheme contains standard provisions normally included in legislation in relation to short title, collective citation, commencement, interpretation, the making of regulations and expenses.

Part 2 covers provisions for the formation of the Land Development Agency as a Designated Activity Company under the Companies Act 2014. It sets out provisions in relation to such matters as the LDA's formation, constitution, objects, functions and Board. It also provides for the appointment of staff, including the Chief Executive.

Part 3 contains provisions regarding the dissolution of the current statutory body established by the Establishment Order, which is to be superseded by the body to be established under this Bill. It also contains associated provisions in relation to transfer of functions, staff, as well as requirements in respect of a final report and accounts in relation to the body to be wound up. These are standard provisions regarding the dissolution of one public body and the transfer of functions to another.

Part 4 contains provisions concerning the funding of the LDA, including an amendment to the National Treasury Management Act 2014 enabling the capitalisation of the LDA. The subscription of share capital by the Minister for Housing, Planning and Local Government and the Minister for Public Expenditure to the LDA is also included in this section. It is envisaged that the Minister for Public Expenditure and Reform will be the majority shareholder, through the capitalisation of the LDA of up to €1.25 billion from ISIF funding. The Minister for Housing, Planning and Local Government will be a minority shareholder; this is for governance reasons as the agency will be under the aegis of his Department.

It also provides that the Minister for Public Expenditure and Reform may subscribe for further shares from time to time. It is envisaged that this provision will be used to facilitate the transfer of sites to the LDA. Sites owned by Government Departments and non-commercial state agencies will transfer to the LDA via the Minister for Public Expenditure and Reform who will receive either a payment for the sites or an in specie, or equity investment, in the LDA equivalent to the market value of the lands.

Part 5 concerns the financial reporting of the LDA and the preparation of its annual financial statements. Under the Act, the LDA will be required to submit

annual financial statements to the Comptroller and Auditor General for audit. This Part also contains provisions in relation to the accountability of the LDA to the Committee of Public Accounts and reporting arrangements.

Part 6 requires that the LDA will compile a National Public Lands Register of relevant public lands and also provides that public bodies must assist the LDA in relation to the compilation of the register.

Part 7 contains a number of miscellaneous provisions in relation to such things as shadow and de-facto directors and a review of the achievement of the LDA's purposes. As some of the LDA's functions are commercial in nature, it also provides for an amendment to the FOI Act to exclude these activities from FOI. The LDA's non-economic public functions and the general administration of the LDA will be covered by FOI.

5. Concluding Remarks

As I have outlined, the provisions in the General Scheme are primarily intended to provide for the LDA's corporate form and financial structure and to reflect the Government's intention that it act on a commercial basis. It is the Minister's wish and intention that the General Scheme be advanced in drafting to a published Bill as a priority with a view to enactment as speedily as is possible – targeting the end of this year.

Again, I thank the Chair and Committee members for offering us the opportunity to update you on General Scheme of this Bill, and the Department team here are happy to clarify or answer any issues arising.