



COMHAIRLE CONTAE FHINE GALL
FINGAL COUNTY COUNCIL

Appendix 3
Bond Requirements and Sample Bond
Wording

January 2020



Bond Requirements and Sample Bond Wording

Conditions in relation to financial security/bond

In the case of development, planning conditions will require the giving of sufficient security prior to commencement of development. Fingal County Council will seek to ensure it is in a position to draw down the security in cases where a developer fails to complete to taking in charge standard a residential/or other use development, or phase of a development, within the specified period of 4 years after planning permission has ended or following a TIC request.

The bond is independent of the Irish water bond and relates to the cost required to bring the estate up to taking in charge standard except for the foul drainage and the water infrastructure which is covered by the Irish Water Bond.

Conditions requiring a bond or security will be applied to developments to be taken in charge and developments not to be taken in charge.

Where a development is completed in accordance with the planning permission and the standards set out in this protocol, the security will be released, subsequent to the taking in charge process being satisfactorily complied with. In the case of development not to be taken in charge where such a development is completed in accordance with the planning permission and the standards set out in this protocol the security will be released.

If the development is not in compliance with the required standards as outlined in this document or as required by applicable regulations and standards, the bond/security will be retained in proportion to the value of the outstanding works.

It is a matter for the planning authority to determine both the level of the security and the type of security (e.g. the lodgment of a bond from a financial institution - e.g. bank, insurance company, building society - a cash lodgment or a letter of guarantee from the Construction Industry Federation) that will be required for each development permitted, and what such security provides for. The amount of the security, and the terms on which it is required to be given, must enable Fingal County Council, without cost to itself, to complete the necessary services (including roads, footpaths, surface water sewers, lighting and open space etc.) to the Fingal taking in charge standard in the event of default by the developer and to provide for any risk liabilities of the Council arising from a developer not adhering to the terms of a permission or completing a development satisfactorily. Preference will be for a cash bond which can be rolled over/ part rolled over in phases for larger development subject to each phase meeting the taking in charge specifications or been taken in charge. Fingal County Council do not accept bonds with expiry dates or instances where the bond is not in the jurisdiction that would allow us to make a claim. The developer should submit a draft bond for the approval of Fingal County Council in order to verify the wording and the jurisdiction of the bond.

Below as an example is a Fingal County Council approved sample wording for a bond from a financial institution.

Development Bond Sample Wording

Know all men by these presents that we, (...) having its registered office at (...) (hereinafter referred to as 'the Developer') and (...) having its registered offices at (...) (hereinafter referred to as 'the Surety') are hereby jointly and severally bound unto The County Council of the County of Fingal (hereinafter referred to as 'the Local Authority') in the sum of €..... (..... Euro only) to be paid to the Local Authority its successors and assigns jointly and severally by these presents.

Sealed with our Seals this day of, 2021.

WHEREAS the Developer has received Planning Permission (Planning Register Reference No. refers) a certified copy of which is annexed hereto for the construction of (...) (example: six no. 2 two storey houses at the development to be known as ...) as more particularly outlined in red on the plan attached hereto) and the Planning Permission has required security to be lodged with the Planning Authority for the carrying out and completion of the infrastructure of the development in accordance with the said permission.

NOW the condition of the said Bond is that if the Developer shall carry out, complete and maintain the said development in accordance with the said permission or if on default by the Developer the Surety shall pay to the Local Authority the sum of €... .. (.... Euro only) then this Bond shall be null and void but otherwise it shall remain in full force and virtue and without prejudice to its own rights under the said Permission the Local Authority shall insofar as

may be lawful permit the surety to perform the conditions and provisions of the said permission which the Developer shall have failed to perform or observe.

No liability shall attach to the Surety under this Bond in consequence of any delay or damage directly or indirectly due to or arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), Civil War, Rebellion, revolution, insurrection or military or usurped power.

The Surety shall immediately notify the Local Authority should it become aware of (1) The insolvency of the Developer (2) Any reason why this Bond shall expire, at least one year before such expiry date.

It is hereby agreed that if the Developer shall become insolvent before it carries out and completes the said development in accordance with the said permission, either before or after the said permission expires, the Surety shall pay to the Local Authority the sum of €... (..... Euro only) or such sum as calculated by agreement between the Surety and the Local Authority.

THIS Bond provides that all monies which become due and payable by the Surety under the Bond shall be payable and paid in the Republic of Ireland.

IN WITNESS WHEREOF the Developer has hereunto affixed its Common Seal and the Surety has caused this instrument of writing to be signed by its

Secretary or Acting Secretary and its Common Seal to be hereunto affixed the
day and year first above written.

Present when the Common Seal

OfDevelopments ...

Was affixed hereto:

Present when the Common Seal

Of (Surety name)

Was affixed hereto: