



Subject:	DfI consultation on Developer Contributions for Wastewater Infrastructure
Date:	23 May 2025
Reporting Officer(s):	Kate Bentley, Director of Planning and Building Control
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Is this report restricted?

Yes

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No

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Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

After Committee Decision

After Council Decision

Sometime in the future

Never

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☐
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☐

Call-in

Is the decision eligible for Call-in?

Yes

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No

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1.0	Purpose of Report or Summary of Main Issues
1.1	To update the Committee on the consultation published by the Department for Infrastructure on 21 March 2025 on Developer Contributions for Wastewater Infrastructure and to agree a draft response to the consultation.

2.0	Recommendation
2.1	<p>The Committee is asked to</p> <ul style="list-style-type: none"> Note the contents of the consultation and agree the draft response set out in Appendix 2.
3.0	Main Report
	Background
3.1	Long term underinvestment in wastewater infrastructure continues to have a significant effect on development in NI and in Belfast. Upgrades to the system haven't been able to proceed at the pace required and much of the infrastructure is aging and needs upgrading. There are now areas across Belfast that have limited or no capacity to allow for new connections to the NI Water sewerage network.
3.2	The Living with Water Programme provided a route through which to implement improvements to the wastewater infrastructure across Belfast. Whilst projects were progressed, the funding required to deliver improvements has been cut and the programme itself has effectively been paused.
	Consultation
3.3	<p>A consultation on Developer Contributions for Wastewater Infrastructure was published on the 21 March. The document sets out that DfI are taking a three-pronged approach to resolving the current issue:</p> <ol style="list-style-type: none"> 1. Working with Executive colleagues to try and increase wastewater investment 2. Exploring options for developer contributions and 3. Introducing the Water, Flooding and Sustainable Drainage Bill to the Assembly to enable the Department to issue future guidance on the design, maintenance and adoption of Sustainable Drainage Systems (SuDS)
3.4	DfI are also working at a strategic level with colleagues in DfC and DAERA to identify steps which can be taken to maximise the building of houses and with NI Water to identify projects that can release capacity. No further information is given on the other workstreams within the consultation document.
	The proposals
3.5	The consultation document recognises that there is no expectation that developer contributions will provide all, or even most, of the significant funding needed to address the full capacity challenges within the existing wastewater infrastructure network.

3.6

There is also recognition that any contribution towards upgrading or replacing wastewater infrastructure would increase the costs to the developer of building new houses, that this could be passed on to the purchaser and that this could be the case for both private and social housing developers.

3.7

Whilst the consultation considers “developer contributions”, it is clear that what is being proposed under the two options contained within the report is not what is currently considered as a planning agreement under s76 of the 2011 Planning Act (commonly referred to as developer contributions). Neither option would be operated by the local planning authority (although the consultation asserts that a payment made under the first option could be considered to be a material consideration in decision making).

3.8

A synopsis of the two options is set out below:

Option 1 – Voluntary Contributions	Option 2 – Compulsory Levy
Developers could opt to pay to offset the costs of upgrading or replacing infrastructure.	Requires a financial contribution from developers with the money then used on a prioritised needs basis across NI.
Legislation required – to make financial contribution directly to NI Water to pay some or all of the costs.	Creates a ring-fenced fund which would help to offset the funding gap between the amount that NI Water receive from the Executive and the amount needed to address constraints.
Developers could pool contributions to meet the required level of funding.	<i>“Consistent and predictable source of funding”</i>
<i>“Allows developers to decide whether and how much to contribute in consultation with NI Water”</i>	Automatically increases the cost of all development but seems to be limited to housing.
Secured through an upfront payment or bond.	Legislation required & administratively complex.
Planning authorities would not be party to the agreement nor the transfer of funds, but the existence of the agreement would be a material consideration in determining a planning application (may require negative condition).	Wouldn’t provide immediate solution – the fund cannot grow until houses are built, but houses cannot be built without the funding to improve infrastructure.

	<p>If developer pays for infrastructure that others then benefit from, a reimbursement scheme could be introduced.</p>	<p>The levy calculation and methodology as well as how the funds would be allocated and prioritised would need to be the subject of consultation.</p> <p>Possible exemptions (rural housing) are suggested.</p>
3.9	<p>The consultation also considers that it is possible to combine options 1 & 2 by allowing voluntary contributions in the short term whilst working on introducing the levy in the longer term.</p> <p>BCC consultation response</p>	
3.10	<p>A draft response to the consultation is set out in Appendix 2. The questions posed in the consultation are very focused, so additional commentary has been drafted to consider a number of issues around the proposals outlined.</p>	
3.11	<p>If the response is agreed and the decision ratified at Council on the 3 June, it will be submitted in time to meet the deadline for consultation responses on the 27 June 2025.</p>	
	Financial & Resource Implications	
3.12	<p>There are no finance or resource implications as a result of the consultation, however there may be financial implications should a compulsory levy be introduced on Council projects.</p>	
	Equality or Good Relations Implications / Rural Needs Assessment	
3.13	<p>The consultation has been subject to its own s75 screening, Human Rights Impact Assessment and Rural Needs Impacts Assessment.</p>	
4.0	Appendices – Documents Attached	
	<p>Appendix 1 – DfI Developer Contributions for Wastewater Infrastructure consultation document (21 March 2025)</p> <p>Appendix 2 – Belfast City Council draft response</p>	