NMD-DPS-078

Plean Forbartha Áitiúla Chomhairle Ceantair an Iúir, Mhúrn agus an Dúin 2035
Newry, Mourne and Down District Council
Local Development Plan 2035

Draft Plan Strategy Representation Form

Comhairle Ceantair an Iúir, Mhúrn agus an Dúin
Newry, Mourne and Down District Council

Please complete this representation form online and email to **ldp@nmandd.org** or alternatively print and post a hardcopy to: -

Local Development Plan Team
Newry, Mourne and Down District Council
Downshire Civic Centre
Downshire Estate, Ardglass Road
Downpatrick BT30 6GQ

ALL REPRESENTATIONS MUST BE RECEIVED NO LATER THAN 5PM ON MONDAY 22 SEPTEMBER 2025

Section A | Your Details

Q1 Are you responding as individual, as an organisation or as an agent acting on behalf of individual, group or organisation? *Please only tick one:*

- ☐ **Individual** *(Please fill in the remaining questions in this section, then proceed to Section B)*
- ☐ **Organisation** *(Please fill in the remaining questions in this section, then proceed to Section C)*
- ☑ **Agent** *(Please fill in the remaining questions in this section, then proceed to Section D)*

Q2 What is your name?

Title [redacted]
First Name [redacted] **Last Name** [redacted]
Address Turley, Hamilton House
3 Joy Street
Belfast BT2 8LE
Email [redacted]

Q3 Did you respond to the previous Preferred Options Paper?

☐ **Yes** ☑ **No** ☐ **Unsure**

Section B | Individuals *(if different to Q2 above)*

Address
Town **Postcode**

Section C | Organisation

If you have selected that you are responding as an organisation, there are a number of details that we are legally required to obtain from you.

If you are responding on behalf of a group or organisation, please complete this section.

Organisation / Group Name	
Your Job Title / Position	
Organisation / Group Address *(if different to above)*	
Address	
Town	**Postcode**

Section D | Agents

If you have selected that you are responding on behalf of another individual, organisation or group there are a number of details that we are legally required to obtain from you.

Please provide details of the individual, organisation or group that you are representing.

Client Contact Details

Title	Lisnamore Developments Ltd		
First Name		**Last Name**	
Address	22 Drakesbridge Road		
Town	Crossgar	**Postcode**	BT30 9EW

Q4 Would you like us to contact you, your client or both in relation to this response or future consultations on the LDP? (*please select <u>one</u> item only)*

☑ **Agent** ☐ **Client** ☐ **Both**

Section E | Soundness

The draft Plan Strategy will be examined at Independent Examination in regard to its soundness. Accordingly, your responses should be based on soundness and directed at specific strategic policies or proposals that you consider to be unsound, along with your reasons. The tests of soundness are set out below in Section I.

Those wishing to make representations seeking to change the draft Plan Strategy should clearly state why they consider the document to be unsound having regard to the soundness tests in Section I. It is important that when you are submitting your representation that your response reflects the most appropriate soundness test(s) which you believe the draft Plan Strategy fails to meet. There will be no further opportunity to submit information once the consultation period has closed unless the Independent Examiner requests it.

Those who make a representation seeking to change the draft Plan Strategy should also state whether they wish to be heard orally at the Independent Examination.

Section F | Type of Procedure

Q5 Please indicate if you would like your representation to be dealt with by (*please select one item only*):

- ☐ **Written** *(Choose this procedure to have your representation considered in written form only)*
- ✓ **Oral Hearing** *(Choose this procedure to present your representation orally at the public hearing)*

Unless you specially request a hearing, the Independent Examiner will proceed on the basis that you are content to have your representation considered in written form only. Please note that the Independent Examiner will be expected to give the same careful consideration to written representations as to those dealt with by oral hearing.

Section G | Is the draft Plan Strategy Sound?

Your comments should be set out in full. This will assist the Independent Examiner in understanding the issues you raise. You will only be able to submit further additional information if the Independent Examiner invites you to do so.

Sound

If you consider the draft Plan Strategy to be Sound and wish to support the draft Plan Strategy, please set out your comments below.

N/A

Section H | Unsound

In this section we will be asking you to specify which part(s) of the draft Plan Strategy you consider to be unsound.

Q6 If you consider that the draft Plan Strategy is unsound and does not meet one or more of the tests of soundness below, you must indicate which test(s) you consider it does not meet, having regard to Development Plan Practice Note 6 available at:

Note:
If you wish to inform us that more than one part of the draft Plan Strategy is unsound each part should be listed separately. Complete this page in relation to one part of the draft Plan Strategy only.

Development Plan Practice Note 6 Soundness (infrastructure-ni.gov.uk)

Please note if you do not identify a test(s) your comments may not be considered by the Independent Examiner.

Section I | Tests of Soundness

Procedural tests

P1 Has the plan been prepared in accordance with the Council's Timetable and the Statement of Community Involvement?
- [x] Yes
- [ ] No

P2 Has the Council prepared its Preferred Options Paper and taken into account any representations made?
- [x] Yes
- [ ] No

P3 Has the plan been subject to Sustainability Appraisal including Strategic Environmental Assessment?
- [x] Yes
- [ ] No

P4 Did the Council comply with the regulations on the form and content of its plan and on the procedure for preparing the plan?
- [ ] Yes
- [x] No

Consistency test

C1 Did the Council take account of the Regional Development Strategy?
- [ ] Yes
- [x] No

C2 Did the Council take account of its Community Plan?
- [x] Yes
- [ ] No

C3 Did the Council take account of policy and guidance issued by the Department?
- [ ] Yes
- [x] No

C4 Has the Plan had regard to other relevant plans, policies and strategies relating to the Council's district or to any adjoining council's district?
- [x] Yes
- [ ] No

Coherence and Effectiveness tests

CE1 The plan sets out a coherent strategy from which its polices and allocations logically flow and where cross boundary issues are relevant is it in conflict with the plans of neighbouring Councils.
- [x] Yes
- [ ] No

CE2 The strategy, policies and allocations are realistic and appropriate having considered the relevant alternatives and are founded on a robust evidence base.
- [ ] Yes
- [x] No

CE3 There are clear mechanisms for implementation and monitoring.
- [ ] Yes
- [x] No

CE4 The plan is reasonably flexible to enable it to deal with changing circumstances.
- [ ] Yes
- [x] No

Section J | Which part(s) of the draft Plan Strategy are you commenting on?

Your response should clearly relate to the relevant section, paragraph or policy of the draft Plan Strategy. If you consider more than one part of the draft Plan Strategy is unsound, please number your issues clearly and provide this information in the same running order following your original comment (i.e. relevant Policy, Section or Proposals Map).

Relevant Policy number(s)	HS1, HS2, HS3, GP1, HOU5, HOU7
(and/or) **Relevant Section/Page Number**	
(and/or) **Proposals Map**	

Section J | Which part(s) of the draft Plan Strategy are you commenting on?

Please give full details of why you consider the draft Plan Strategy to be unsound having regard to the test(s) you have identified above. Please be as clear and concise as possible.

Please refer to attached representation

If you consider the draft Plan Strategy to be unsound, please provide details of what change(s) you consider necessary to make the draft Plan Strategy sound.

Please refer to attached representation

Section K | Monitoring

Do you consider there are clear mechanisms for implementation and monitoring of the draft Plan Strategy?

☐ Yes ☑ No

Do you have any comments?

Please refer to attached representation

Section L | Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA)

Do you have any comments on the SA?

Please refer to attached representation

Section M | Habitats Regulation Assessment (HRA)

Do you have any comments on the HRA?

☐ Yes ☑ No

If you have indicated Yes, please set out your comments on the HRA below:

Section N | Equality Impact Screening Report (EQIA)

Do you have any comments on the EQIA?

☐ Yes ☑ No

If you have indicated Yes, please set out your comments on the EQIA below:

Section O | Rural Needs Impact Assessments (RNIA)

Do you have any comments on the RNIA?

☑ Yes ☐ No

If you have indicated Yes, please set out your comments on the RNIA below:

Please refer to attached representation

Representations to Newry, Mourne & Down draft Plan Strategy

[redacted]

22 September 2025

Turley

Contents

Client
Lisnamore Developments Ltd

Our reference
03921

22 September 2025

Executive Summary

1. The draft Plan Strategy (dPS) is unsound because:

   - the overall housing allocation for the district is inadequate;
   - the distribution of housing to small settlements within the rural area is too low and will result in unsustainable development;
   - the plan strategy has failed to take adequate account of the impact of NIW issues.

2. Incorporating a higher housing allocation, adjusting the proportion of housing allocated to small settlements, adopting a more realistic approach to the delivery of NIW infrastructure upgrades and targeting development where there is infrastructure capacity, would make the Plan Strategy sound.

3. Land in the small settlement of Annacloy is identified as being physically capable of accommodating a scale of development proportionate to the size, scale and service profile of the small settlement. It has proven infrastructure capacity, including a recently upgraded WWTW.

4. The dPS fails to meet the requirements of soundness test P4, CE2 and CE3 as set out in DfI Development Plan Practice Note 6.

1. Introduction & Background

1.1 Turley submits this representation on behalf of [redacted], and welcomes the opportunity to return comments on the Newry, Mourne and Down District Council Draft Plan Strategy.

1.2 The structure of the submission is as follows:

Chapter 2: Provides an assessment of how the draft Plan Strategy addresses the legislative compliance tests;

Chapter 3: Details our representation to the LDP vision and objectives;

Chapter 4: Details our representations to the Spatial Growth Strategy and Strategic Policies;

Chapter 5: Provides an overview of lands promoted by [redacted] in Annacloy;

Chapter 6: Details our representations to General Policy and Operational Policies;

Chapter 7: Sets out our conclusions.

1.3 We look forward to participating in the Independent Examination in due course.

2. Legislative compliance tests

2.1 In preparing their Draft Plan Strategy (dPS), Newry, Mourne and Down District Council (NMDDC) is required to adhere to the provisions of the Planning Act (Northern Ireland) 2011 ('Act') and the Planning (Local Development Plan) Regulations (Northern Ireland) 2015 ('Regulations').

2.2 This section identifies weaknesses in the compliance of the draft Plan Strategy (dPS) with the Act and the Regulations.

Planning Act (Northern Ireland) 2011

2.3 Under Part 2 (8) of the Act the Plan Strategy must set out:

- the Council's objectives in relation to the development and use of land in its district;
- its strategic policies for the implementation of those objectives; and
- such other matters as may be prescribed.

2.4 In preparing a plan strategy, the council must take account of:

- "the regional development strategy;
- the council's current community plan;
- any policy or advice contained in guidance issued by the Department;
- such other matters as the Department may prescribe or, in a particular case, direct, and may have regard to such other information and considerations as appear to the council to be relevant."

2.5 This representation identifies specific instances where, in particular, policy issued by the Department has not been taken into account.

2.6 The Act also requires that the Council:

"(a) carry out an appraisal of the sustainability of the plan strategy; and

(b) prepare a report of the findings of the appraisal."

The Planning (Local Development Plan) Regulations (Northern Ireland) 2015

2.7 Regulation 15 identifies a schedule of the information that should be made available alongside the publication of the dPS. This includes:

"such documents as in the opinion of the council are relevant to the preparation of the local development plan."

2.8 We acknowledge that Council has prepared and made available its Preferred Options Public Consultation report which provides an insight as to how comments made to the Preferred Option Paper have been considered in the preparation of the dPS.

2.9 Notwithstanding this, there is insufficient supporting evidence to support a number of the proposed policies within the dPS and therefore the requirements of Regulation 15 have not been met. We identify the specific concerns within the remainder of this representation. These failings confirm that the dPS does not meet the requirements of soundness test P4.

Regulation 16 Requirements

2.10 Regulation 16 (2) sets out the consultation requirements for the draft Plan Strategy, specifically the requirements for representations. It states that:

"any such representation must be made within a period of 8 weeks starting on the day the council compiles with Regulation 15(d)."

2.11 It is our view that the requirements of Regulation 16 have not been met. Turley notified the Council of this breach in legislation in writing on 9 September 2025. A copy of that correspondence is enclosed at Appendix 1. The Council position on this matter is that the provisions for the extension of time for representations is within their Statement of Community Involvement (SCI). Having reviewed the SCI we understand that the Council is referring to Page 12 of the document, where its details on the consultation of the dPS are considered.

2.12 The SCI states that the council will:

Issue a public notice in the local newspapers for two consecutive weeks, in the Belfast Gazette and on the Council's website. This notice will confirm:

2.13 The publication of draft Plan Strategy and other supporting documents required under legislation (e.g. Sustainability Appraisal (SA) including the SEA Environmental Report), and how to view or obtain copies;

2.14 The dates and locations of public engagement events;

2.15 ***The period for public consultation (specified as 8 weeks in legislation which may be extended) and closing date for receipt of representations to the draft Plan Strategy and other supporting documents;***

2.16 Notification of the address to which representations can be sent and the closing date for receipt of representations.

2.17 Whilst we do not dispute that the public consultation period can be for more than 8 weeks, it is clear in the legislation that representations can only be received within an 8-week period. The Council's suggestion that the 8-week legislative period can be extended is incorrect.

2.18 There is also a footnote in the SCI attached to item iii above. The footnote states:

"Regulation 16(2)(a) of The Planning (Local Development Plan) Regulations (Northern Ireland) 2015 states that, in relation to a Development Plan Document, "representations must be made with a period of 8 weeks"

2.19 This footnote reinforces our position that representations cannot be received outside of the 8-week period.

2.20 Furthermore, we note that Ards and North Down District Council has recently commenced consultation on their draft Plan Strategy. In that case the Council has made clear that whilst the over consultation period is 12 weeks (18 September 2025 to 15 December 2025) representations can only be received within the 8-week period running from 17 October 2025 until 15 December 2025. This is in line with the requirements of the LDP regulations.

2.21 The failure of the council to properly align with Regulation 16 results in a conflict with soundness test P4.

3. Vision & Objectives

3.1 [redacted] supports the LDP vision for the District as set out in the draft Plan Strategy.

3.2 To achieve that vision, a series of objectives are set out. Of those, the following three social objectives are of particular interest:

- To provide for vital and vibrant rural communities in our villages and small settlements which meet the daily needs of their rural hinterland whilst protecting the countryside by accommodating sustainable growth.
- To provide for approximately 11,000 new homes by 2035 across a mix of housing type, size and tenure in accessible locations.
- To recognise the need of growing families, elderly and disabled by accommodating development which allows people to remain within their communities.

3.3 The acknowledgement of the importance of providing for vibrant rural communities in small settlements is particularly welcomed by [redacted].

3.4 Within this context, the objective to provide new homes is considered. The objective to provide 11,000 new homes during the LDP period is welcomed, however based on the Council's strategy on reliance on existing zoned sites to meet this target, it is currently unrealistic.

3.5 The objective seeks the provision of these new homes *across a mix of housing type, size and tenure in accessible locations.* This objective is also welcomed, yet it is not reflected in Strategic Policy HS1 which allocates a disproportionately small number of homes to small settlements.

3.6 The third objective we have noted above relates to this point. The policies within the Plan Strategy must recognise *the need of growing families, elderly and disabled by accommodating development which allows people to remain within their communities.* There must be sufficient scope in the plan to enable all citizens of the district to remain within their communities.

3.7 Whilst the vision and plan objectives are appropriate, [redacted] has strong concerns over how they will be achieved through the Plan Strategy policies as currently drafted.

4. Growth Strategy and Strategic Planning Framework

4.1 This section explains why:

- the overall housing allocation for the district is inadequate;
- the distribution of housing to small settlements within the rural area is too low and unsustainable;
- the plan strategy has failed to take adequate account of the impact of NIW issues.

Inadequate Overall Housing Allocation

4.2 This section provides a critical review of the evidence underpinning the planned level of housing provision within the Newry, Mourne and Down Local Development Plan 2030 Draft Plan Strategy.

4.3 This critique principally highlights concerns regarding:

- the extent to which the cited evidence base underpinning the planned provision for housing in the dPS is up-to-date or sufficiently robust and the extent to which the dPS fails to reflect some of the findings in the evidence base;
- the failure of the plan strategy to recognise the distinct housing market areas that operate across the district; and
- the failure of the plan strategy to recognise the geographic location of the district on the border with the Republic of Ireland and along the main arterial route between Belfast and Dubin, which creates additional housing need growth opportunities.

4.4 It is our view that the dPS is unsound on the basis that the evidence supporting the dPS is flawed and fails to meet the requirements of soundness test CE2 and CE3 as set out in Development Plan Practice Note 6.

4.5 Each of the points above are considered in turn below.

Inconsistency with Evidence Base

4.6 Policies HS1-HS3 of the dPS set out the Council's ambitions for housing growth in the district from 2020-2035. Table 6 of the dPS sets out the new dwelling requirements as 10,630 (710 per annum) across the plan period. This comprises of 6,540 market dwellings and 4,090 affordable dwellings (intermediate and social housing products). The dPS goes on to recognise that the application of 10% flexibility allowance is required to ensure that the overall NIHE housing need would be met. As such the dPS sets the housing requirement at 11,000 new homes by 2035.

4.7 The Councils evidence on the housing requirement is set out in Technical Supplement 2 and accompanying Appendices. This report is dated June 2025, although most of the data underpinning the document is from 2023 or older.

4.8 It is noted within Technical Supplement 2 that the strategic housing allocation within the dPS is based on the 2016 HGI figures with a 10% flexible allowance added to achieve the proposed target of 11,000 dwellings. This is the same approach that was applied at the Preferred Options Paper stage where the council has only considered the application of the HGI in determining the future housing need for the district.

4.9 It is notable that the Council has not considered other alternative housing growth scenarios such as a scenario based on economic growth. DPPN 6 Soundness tests CE2 sets out that the Council's strategy and policies should be determined having considered relevant alternatives. In this regard the Council has failed to consider the potential growth alternatives for the District.

4.10 As part of the preparation of the Plan Strategy the Council appointed an assessment of their housing strategy to be undertaken by Lichfield's (Technical Note 2 Appendix 2B). Within their assessment Lichfield's make the following recommendations:

4.11 Recognising the differences between the past trend figures provided by DoE and NMDDC, further investigation should be undertaken in respect of the differences between these two sources of past trend data; and

4.12 Consideration should be given to ensuring alignment between the housing and economic growth elements of the plan strategy and demonstrate the ability of the current and future population of NMD to fill the new jobs.

4.13 It is unclear whether these recommendations have been taken forward prior to the publication of the dPS and as such the dPS fails to reflect the evidence base as required by DPPN 6 Soundness test CE2.

4.14 Policy HS1 of the dPS sets the housing allocation across the district. Across the district the total housing supply set out by the Council is 12,025 (or 12,863 if phase 2 lands are included). Again, the Council has provided an assessment of the housing supply in Appendix 2B of Technical Supplement 2.

4.15 That assessment makes a series of recommendations, including:

- A review of each zoned site should be undertaken to ensure that it is suitable, available and deliverable within the LDP period, and to identify they number of dwellings that can be expected to come forward by 2035. Particular consideration should be given to the major zonings in Downpatrick and Ballynahinch;

- A non-implementation allowance to all known sites and sources that have not yet commenced should be applied.

4.16 The report states that these recommendations are *'necessary to demonstrate compliance with soundness test CE2 and CE3'* of DPPN 6. These recommendations have

not been taken forward in the preparation of the dPS and therefore the dPS fails against soundness tests CE2 and CE3.

4.17 The Council has also undertaken an Urban Capacity Assessment to consider the potential housing yield from sites within settlements of 5000 or more population (Technical Supplement 2 Appendix 2A). That assessment has concluded that a housing supply of 1,045 units could come forward from the sites assessed, however, it is our view that this assessment was not robust. Our reasons are set out below.

4.18 Paragraph 8.2 of the Urban Capacity Study highlights that the assessment of capacity did not take into account issues/constrains relating to land ownership, policy considerations or market factors). These are three key considerations when assessing the deliverability of housing land. We would again refer to the recommendation in the Lichfield's Review of Housing Need and Supply which stated that further assessment of individual sites was needed.

4.19 The Urban Capacity Study assumes a development density of 25 dwellings per hectare. It is unclear whether this is on the basis of a gross site area, which would exclude land required for access, internal roads and open space infrastructure. This could be an overestimation of the density of development that can be achieved.

4.20 The Urban Capacity Study fails to consider the quantity of development that a site could yield within the remaining plan period of 10 years. There has been no consideration of lead in times required for securing planning permission and other relevant consents; lead in times required for the delivery of infrastructure; lead in times for site clearance and preparations or the annual build rate for a site.

Failure to Consider Housing Markets Areas

4.21 Technical Supplement 2 sets out that the across the district, the project supply of housing (12, 863) is greater that the housing requirement (11,000). As such the Council deems that additional housing land is not required. However, the availability of land across the district has not be properly considered, as identified above by Lichfields. Further work on the suitability, availability and deliverability of housing supply is required to inform the Plan Strategy.

4.22 It is also noted that the spatial distribution of housing supply across the district has not been properly assessed. NMDDC include the Strategically located city of Newry, the County Town of Downpatrick, tourism towns such as Newcastle and commuter settlements such as Ballynahinch. Each of these settlements will have unique characteristics which drive their housing need. There is no evidence that the housing requirement put forward by the Council has had regard to the unique characteristics of this district.

4.23 The Council's assessment of housing supply has failed to adequately consider where people in the district are choosing to live. Whilst, as a whole, the Council could argue that there is sufficient supply of land available for housing, this may not apply at a settlement level. Further assessment, as recommended by Lichfield's would have determined that in some settlements more housing land is required to meet future housing needs.

4.24 The assessment of supply fails to consider that the district is not a single housing market, instead it could comprise of 2-3 distinct housing markets, these could include:

- Newry City and hinterlands– taking account of the strategic location of the city as a south eastern gateway and its proximity to the border with the Republic of Ireland. What consideration has been given to the role that the City could play in addressing the ongoing housing crisis in the Republic of Ireland and the economic growth of cities such as Dublin with cross-border commuting?;

- The Mournes; encompassing Newcastle, Kilkeel and Castlewellan and other settlements within the Mournes area where the role of housing is in retaining existing populations and strengthening the growth of towns and supporting settlements to sustain services; and

- The Down area, taking in Downpatrick, Killyleagh, Saintfield and Ballynahinch, which as well as providing services for the wider area, also act as commuter settlements for Belfast and Lisburn.

4.25 The Council has failed to consider the availability of supply and demand at a settlement level.

Unsustainable Housing Allocation

4.26 The draft Plan Rural Needs Assessment confirms the significance of the rural area to the profile of the District:

While the District contains significant urban areas such as Newry, Downpatrick and Warrenpoint, it has an extensive rural hinterland, in the 2021 Census, approximately 35.17% of the total population was normally resident in the countryside (64,038 people). When settlements with less than 500 persons normally resident are included, this figure rises to 40.73% (74,158 people). This large rural population also underlines the importance of agriculture to the economy of the district.

4.27 The draft Plan identifies and considers 51 Small Settlements, located within the rural part of the District, as the Fourth and lowest Tier in the Settlement Hierarchy:

Table 5: SETT1 Settlement Hierarchy

Settlement Classification	Scale and Level of Existing Services	Settlements		
City/Main Town (2)	Main hubs will be the focus of development for housing, employment, retail, leisure and community facilities.	Newry Downpatrick		
Local and Small Towns (8)	Smaller towns providing a range of retail, services, leisure and community facilities.	Newcastle Warrenpoint/Burren Kilkeel Ballynahinch	Saintfield Killyleagh Castlewellan Crossmaglen	
Villages (23)	Local service centres providing goods, services and facilities to meet the daily needs of the rural area.	Rostrevor Bessbrook Crossgar Annalong Hilltown Ardglass Dundrum Drumaness	Camlough Mayobridge Killough Newtownhamilton Meigh Annsborough Ballyholland	Mullaghbane Ballymartin Forkhill Strangford Jonesborough Ballykinler Cullyhanna Clough
Small Settlements (51)	A focal point for the rural community which usually contain a limited level of goods, services, or community resources.	The Spa Darragh Cross Newtowncloghoge Shrigley Ballyhornan Belleek Whitecross Drumintee Kilcoo Sheeptown Annacloy Raholp Kilmore Bryansford Lurganare Seaforde Cullaville Killoween	Creggan Loughinisland Maghera Burrenbridge Kilclief Clonvaraghan Drumaroad Lislea Attical Ballynoe Glassdrumman (Co Armagh) Dunnaval/Ballyardle Glen Longstone Barnmeen Ballyalton Mullaghglass	Leitrim Silverbridge Glassdrumman/ Mullartown Killeen Saul Ballymadeerphy Coney Island Altnamacken/ Cortamlet Ballymoyer Ballyward Chapeltown Dechomet Dorsey Finnis Greencastle Jerretspass

4.28 Small Settlements are described as a focal point for the rural community which usually contain a limited level of goods, services, or community resources. Following Settlement Evaluation, six settlements which were classified as Small Settlements in Departmental Development Plans (DPD) have been de-designated to open countryside, and four Small Settlements have been re-classified from village status in DPD following an evaluation of population and service size.[1]

4.29 The RDS recognises the importance of vibrant rural communities, and whilst the emphasis may be on focusing on the development of larger settlements and hubs, the importance of sustaining the population of small settlements in order to support local services and facilities is implicit in paragraph 6.7 of Technical Supplement 1:

6.7 As a result of changing circumstances in some rural areas, including the closure of local schools or businesses, some settlements which previously met the criteria for designation as small settlements can no longer justify this designation. Following a full review of existing settlements, Carrickinab, Derryboye, Drumaghlis and Tullyherron have been declassified from small settlements to open countryside. Following an evaluation, it was not considered that these settlements exhibited a sufficient level of service provision or population to justify carrying them forward as small settlements. Upon the adoption of the Plan Strategy these clusters will be considered as open countryside.

4.30 We have no issue with the settlement hierarchy or the classification of settlements within it, but when the District housing allocation is distributed through the hierarchy it is clear that the housing strategy does not support proportionately meaningful growth at Tier 4/small settlement level, which is at odds with the RDS direction to sustain rural communities.

4.31 The size and critical mass of population within Tier 4 settlements varies significantly, from very small settlements like Ballymadeerfry (pop 65), Chapeltown (pop 68) and Dorsey (pop 68) to larger small settlements like Darragh Cross (pop 524), Newtownclough (pop 511), Kilcoo (pop 496), Annacloy (pop 391) and (Belleek), which have larger populations than the Tier 3 Villages of Clogh (pop 313) and Cullyhanna (pop 345). Likewise, the services and infrastructure available varies between settlements with very limited infrastructure to settlements with facilities almost comparable to smaller villages.

4.32 In order to achieve the draft Plan objective to provide for vital and vibrant rural communities in our villages and small settlements which meet the daily needs of their rural hinterland, it is necessary to support small scale growth of some small settlements, proportionate to their service footprint.

4.33 This is also necessary to help achieve the second part of this plan objective - to protect the countryside by accommodating sustainable growth. The District has experienced a very significant and high trend of approvals for houses in the countryside. Table 3 of the Rural Needs Impact Assessment shows that, based on research by Fleming Mountstephen, undertaken for the Department for Infrastructure in 2017, between

[1] Technical Supplement 1 para 6.6.

2010 and 2016/17, planning permission was granted for a net increase of almost 2,000 new houses in the countryside:

Table 3: Spatial analysis by local authority of approvals over the period from June 2010 – 2016/17

Local Authority	Replacement	Farm	Infill	Other	Total
A&N	220	352	78	301	**951**
A&ND	212	346	53	194	**805**
AB&C	645	803	155	950	**2,553**
B	24	8	1	9	**42**
CC&G	431	599	98	641	**1,769**
DC&S	197	228	11	312	**748**
F&O	530	574	34	855	**1,993**
L&C	342	479	108	340	**1,269**
M&EA	412	561	66	345	**1,384**
MU	648	897	201	1276	**3,022**
NM&D	1,008	937	195	823	**2,963**
Total	**4,669**	**5,784**	**1000**	**6,046**	**17,499**

4.34 A more up to date evidence base on houses in the countryside is provided by Lichfields in their Review of Housing Need and Supply (Appendix 2b of Technical Report 2).

4.35 Lichfields Table 4.2 suggests that the high rate of planning permissions for houses in the countryside translates into delivery/completions. Note that the % of countryside completions at 22.6% of total completions 2020-2023 is well over twice the rate of completions within small settlements.

Table 4.2 Completions in NMD between April 2020 and March 2023

Settlement tier	Completions (excluding replacement dwellings), 2020-2023	% of settlement completions	% of all completions
City/Main Towns	585	43.7%	33.8%
Towns	302	22.6%	17.5%
Villages	295	22.0%	17.1%
Small settlements	157	11.7%	9.1%
Settlement total	*1,339*	100%	77.4%
Countryside	390		22.6%
Total	**1,729** **576dpa**		100%

Source: NMD LDP Housing Strategy, Table A6

4.36 Lichfields Table 4.3 helps distinguish between replacements and net additions:

Table 4.3 Completions in NMD countryside, 2020-2023

	2020/21	2021/22	2022/23	**Total**
Total completions	157	183	192	**532**
Replacements	36	58	48	**142**
Net additional	121	125	144	**390**

Source: NMDDC Housing Monitoring data

4.37 Paragraph 4.10 indicates that the Council was unable to provide any information to Lichfields on the number of homes committed to be built in the countryside. DfI Planning Statistics Table 5.5.3 - Residential applications approved[5] in urban and rural areas by housing type, 2024/25, confirms that there 1,529 new homes (not replacements) were approved in Northern Ireland in 2023/24 and 1,418 in 2024/25. There is no reason to believe that the large proportion of Northern Ireland's new houses in the countryside approved in Newry Mourne & Down between 2010 and 2017 is likely to have significantly reduced.

4.38 Paragraph 4.42 of the Lichfields report confirms its expectation that housing delivery is expected to come forward in the open countryside. It reviews past trends between 2015/16 and 2022/23 to calculate a likely annual delivery rate of 108 which extrapolates to a delivery of 1,296 dwellings between 2023 and 2035 (Table 4.10).

Table 4.10 Rural completions in NMD, 2015/16 to 2022/23, excluding those commenced before 2010

	All completions	Completions, excluding those commenced prior to 2010	*% of completions commenced after 2010*	Replacements commenced 2010 onwards	Net completions commenced 2010 onwards
2015/16	170	119	*70.0%*	23	96
2016/17	164	112	*68.3%*	15	97
2017/18	143	117	*81.8%*	22	95
2018/19	184	147	*79.9%*	31	116
2019/20	200	172	*86.0%*	43	129
2020/21	157	129	*82.2%*	33	96
2021/22	183	165	*90.2%*	58	107
2022/23	192	179	*93.2%*	48	131
Total	**1,393**	**1,140**	*81.8%*	**273**	**867**
Annual average	**174**	**143**		**34**	**108**

Source: NMDDC Historical Housing Completion and Building Control data

4.39 The Mean Household Size for Newry, Mourne & Down was 2.71 in 2021 and is expected to fall over the Plan Period. Planning for an additional 1,296 houses in the countryside during the remainder of the Plan Period would accommodate around

3,500 people. This scale of population equates to the delivery of a small town larger than Saintfield, Killyleagh, Castlewellan or Bessbrook.

4.40 The Plan Spatial Growth Strategy states that small settlements will offer opportunities for small scale development through infilling and rounding off. Small settlements will act as a focal point for the rural community, particularly in the more isolated parts of the district. SGS1 places villages and small settlements on equal footing, recognising both for their role in supporting the rural hinterland, with the level of future development being proportionate to the location, size and scale of the settlement.

4.41 As noted by Fleming and Mountstephen (para 4.28), the balance between single dwellings in the countryside and dwellings in the settlements is a difficult matter but important in relation to the role and identity of settlements, the rural area and the countryside. As presently drafted, the Plan Strategy acknowledges that the portion allocated to small settlements through Strategic Policy HS1, at 725 houses, is 'limited'. Table 7 of the Plan Strategy confirms that it represents only 6% of the total allocation. This contrasts sharply with the 1,686 allocated to the open countryside, which representing more than double, at 13% of the total.

4.42 This approach, which priorities houses in the open countryside over more development in small settlements with the capacity to accommodate small scale development, is difficult to justify as sustainable development. The allocation of the largest proportions of the housing allocation to the larger settlements is sustainable development but combined with the prioritisation of continuing to support large scale development of single houses in the countryside based on support for the perpetuation of past high trends obviously reduces the portion available for small settlements, which occupy a place in the settlement hierarchy above the open countryside.

4.43 The Plan Strategy is not an appropriate way to achieve its objective of providing for vital and vibrant rural communities in its small settlements and protecting its countryside by accommodating sustainable growth. Soundness test CE02 is not met.

Need to focus growth where infrastructure is available

4.44 The draft Plan Sustainability Appraisal acknowledges that there are localised issues of wastewater network/treatment capacity, which creates 'short term' uncertainty[2] about the protection, management and use of water resources[3]. These localised issues extend to some settlements in higher tiers being affected by constraints.

4.45 It references an indication from Northern Ireland Water (NIW) that investment will take place in the majority of affected settlements by the end of its current investment period. This is understood to refer to PC21 (2027).

4.46 Table 4.1 of the Sustainability Appraisal references this:

While the NI Water PC21 business plan indicates that several price controls will be required to rectify the problem of development constraints regionally, Newry and

[2] Sustainability Appraisal p36.
[3] Sustainability Appraisal Objective 11.

Downpatrick are scheduled to receive investment in the PC21 period to help address 'serious development restriction'.

4.47 Turley research (Appendix 2), undertaken on behalf of the Northern Ireland Chamber of Commerce, Construction Employers Federation, and Northern Ireland Federation of Housing Associations has, however, identified a funding shortfall of £0.91 billion in relation to PC21.

NI Water Funding Shortfalls over recent and upcoming Price Control periods

Price Control Period	Years	Investment Needed	Funding Available	Shortfall
PC15	2015–2021	~£1.8 billion	~£0.9 billion	**~£0.8 billion** short (≈45% underfunded).
PC21	2021–2027 (ongoing)	~£2.75 billion	~£1.84 billion (est.)	**~£0.91 billion** short (projected).
PC28 (planned)	2027–2033 (forecast)	~£3.96 billion	~£1.93 billion (proj.)	**~£2.03 billion** short (forecast).

4.48 As with other regulated assets, the Price Control process is the main mechanism through which NI Water's funding and capital programme is prioritised, assessed and agreed over a six-year period. On paper, this seems a logical, measured approach - one designed to offer stability and long-term planning for the construction and housing sectors. But in practice, its outcomes have repeatedly failed to meet expectations, and for a number of critical reasons:

- In the context of wider public spending constraint, its ultimate success depends on whether DfI can fund NI Water to the required level for each of the six years. With capital expenditure budgets as constrained as they have been, this has been impossible since year three of the PC21 six-year plan.
- Yearly budgets have directly worked against NI Water's ability to have in place a secure pipeline of work going into each year of PC21, and frequently without legal certainty from an agreed NI Executive Budget until late May (or June in some cases) resulting in inefficient planning of their capital programme.
- As most major wastewater treatment works upgrades are 2-3 years of civils works, NI Water have been unable to maximise the spend they receive causing significant uncertainty for the consultants and civil engineering contractors on their frameworks.
- The result is that the original PC21 plan is now unachievable in the same manner as the PC15 plan was and, unless additional block grant allocations are committed by the UK Government, PC28 would almost certainly be too.
- The Utility Regulator's 2024 Mid Term Review of PC21 has shifted many of the proposed PC21 outputs into PC28 meaning that the quantum of work in PC28 and beyond has grown exponentially.

- In-year allocations, such as that from the October 2024 Monitoring Round, can of course help in unlocking newbuild housing but cannot be anything more than modest in their impact. Unlike other regulated assets, NI Water begins each financial year without a guaranteed resource/income stream, an inherent vulnerability in the current Price Control process, as highlighted by the Northern Ireland Audit Office in its 2024 report. The die has already been cast for remainder of this cycle, and the economic and social consequences are beginning to unfold.

4.49 Therefore, whilst the draft Plan Strategy is predicated on an expectation that funding will be available to enable NIW to deliver the investments planned in PC21, this is far from certain. Indeed, it is noteworthy that in some cases – Newcastle for example – the commitment is heavily caveated:

Upgrades of the Newcastle Wastewater Treatment Works are currently programmed to be completed within the PC21 Price Control period, subject to all statutory approvals being in place, land acquisition (where appropriate), and the availability of funding.[4]

4.50 As confirmed by WSC Consulting (Appendix 3), within Newry Mourne & Down, Daraghcross, Downpatrick, Kilkeel, Killyleagh, Newry and Saintfield, have closed catchments where there are high polluting Unsatisfactory Intermittent Discharge (UID) and have no suitable solutions. This assessment is at odds with the information in Appendix F of Technical Supplement 9: Telecommunications & Public Utilities, which is carried through to the Settlement Evaluations contained in Technical Supplement 1 and 7/7A. Furthermore, it is important to note that that whilst Technical Supplement 9 considers capacity in the receiving WWTWs, it does not consider issues with the sewer networks which flow to the WWTWs, a separate issue, which is preventing connections in some catchments.

4.51 Table 4.1 of the Sustainability Appraisal supports the principle that development should be directed to settlements which have wastewater infrastructure capacity to accommodate it:

Directing new residential and economic development in accordance with the spatial strategy and settlement hierarchy will encourage development to be located in settlements where water and wastewater infrastructure is already present and is generally able to accommodate the new development, while meeting the required treatment standards. However, there are known issues with waste water network and treatment capacity in some settlements, or parts of settlements in the district.

4.52 Annacloy is one of around half of the small settlements which are served by a WWTW which is identified in Technical Supplement 9 as having a WWTW with capacity. Recent investment in the upgrading of the WWTW in the small settlement enables a minimum of an additional 20 homes to be connected, as per the Pre-Development Enquiry (PDE) made by WSC Consulting (Appendix 3).

[4] Technical Supplement 7 - Countryside Assessment Appendix 7B – Strategic Settlement Appraisals June 2025, p32

4.53 Whilst draft Plan Policy GP01 requires all new development to have available waste water infrastructure, which will help mitigate against environmental risk on an application by application basis, the NIW issues being experienced in the District affect the LDP approach to the allocation of growth insofar as the prospect of actual planned delivery of homes is more important than theoretical capacity to deliver.

4.54 Given the fundamental effect of the NIW infrastructure issues on the delivery of homes, the Plan Strategy, policies and allocations are unrealistic and inappropriate and are not founded on a robust evidence base. Soundness test CE02 is not met.

5. Development Opportunity in Annacloy

5.1 Annacloy is one of the largest Small Settlements in Tier 4. Our evaluation of the settlement, applying the Regional Development Strategy tests, is at Appendix 4. It has the physical capacity to accommodate additional small-scale development through infilling and rounding off. Critically, it has the infrastructure capacity, with its recently upgraded WWTW to accommodate additional houses. Planning to allocate a proportionate number of new homes in Annacloy would be more sustainable than accommodating the equivalent number in the open countryside.

5.2 The parish centre is at the Drumnaconagher/Teconnaught/Annacloy Road end of the settlement, with its church, Primary School and community hall. This is where the recent housing development has taken place at Chapel View and Rossconnor Park.

5.3 The pocket of land south of Chapel View, north of Annacloy Road and west of Teconnaught Road, being contained by the existing development and established road network represents an obvious opportunity for infill/rounding off of the settlement within its natural limits (Appendix 5).

5.4 The land is flat and has no known constraints. The architect's layout at Appendix 6 illustrates how the land could accommodate around 40 new predominantly semi-detached homes, consistent with the type of housing that has been built at Chapel View. An equipped play area could be accommodated within the amenity space area.

6. General Policy and Operational Policies

6.1 Responses are provided to a number of the draft operational planning policies in turn below.

GP1 General Policy

6.2 Within Criterion 6 of the policy as drafted, the following is included as a general policy requirement:

"Measures to achieve biodiversity net gain should be identified at an early stage in the design process and incorporated into development proposals."

6.3 The justification and amplification text for the policy provides some explanation at pages 163 and 164 of the dPS in regard to a definition for biodiversity net gain and some examples of this. Biodiversity Net Gain is a well established statutory requirement in other jurisdictions, where it is clearly defined and subject to a complex and standardised process of identifying the existing baseline, and ensuring a 10% gain within a development site.

6.4 Such a statutory requirement is not currently in place in Northern Ireland, and there is no agreed or adopted standardised measurement tool for identifying the baseline biodiversity value or a site, or agree metric for biodiversity net gain.

6.5 There is no clear regime or implementation framework in place to assess biodiversity net gain in Northern Ireland, and it is not clear how such a requirement would be applied consistently and accurately within the District.

6.6 Whilst the general sentiment of this part of the policy in promoting biodiversity enhancement is welcome, the policy as drafted is **unsound** as it fails soundness test CE3.

6.7 Lisnamore Developments request that the Council either revised the policy to exclude the requirement for biodiversity net gain or provide clear evidence for how it will be fairly implemented, and how the policy requirement will be applied and assessed to provide certainty and consistency for developers.

HOU5 Affordable Housing

6.8 Lisnamore Developments support the principle of providing affordable housing. However, the percentage of affordable housing for housing development proposals must be informed by a robust evidence base to ensure that it is both necessary and viable.

6.9 The NI Housing Executive's Strategic Housing Market Analysis (SHMA) for the southeastern area is from June 2022 and is therefore over 3 years old. Much of the data within the SHMA is older still. In the Craigavon Urban Area, the SHMA notes that house prices as of 2019 in NMDDC were slightly higher than the average for Northern Ireland. The district is however highly diverse. For example, in the Newry HMA,

median house prices are mostly aligned with the comparable Northern Ireland values. The context of Saintfield, as a commuter town, is very different to that of Kilkeel or Castlewellan, and house prices and the need for and viability of affordable housing will vary accordingly. The Council should clearly set out the district-wide need for affordable housing of all tenures, and the viability analysis undertaken for the requirements sought for each part of the district

6.10 To illustrate this, the SHMA for Northern Ireland highlights that affordability across market, intermediate and social tenures in NMDDC is markedly better than those in Belfast, yet the proposed affordable housing requirement as per policy HOU5 is similar (20%). Fermanagh and Omagh District Council has a much more comparable affordability as noted in the latest SHMA, and has a requirement for 10% of new dwellings to be affordable in developments of 0.5ha or 10 or more dwellings.

6.11 It is welcome that a viability exception has been built into the draft policy. However, there is a lack of evidence to demonstrate why the Council are proposing a 20% affordable housing requirement for developments of 10 dwellings or more within the district's towns.

6.12 Additionally, the policy states that *"affordable housing should consist of social rented and/or intermediate housing."* Whilst this is reflective of the SPPS definition of affordable housing at this time, it may be subject to review during the LDP plan period resulting in conflict between the SPPS and LDP and potential inconsistency with other local authorities.

6.13 We recommend a revision of the wording to state, "*affordable housing should consist of social rented and/or intermediate housing, or any other affordable housing product as agreed with the Council".*

6.14 As drafted, Policy HOU5 is unsound as it fails the CE2 test regarding robust evidence, and CE4 test regarding the definition of affordable housing.

HOU7 Adaptable and Accessible Homes

6.15 The policy as drafted seeks to ensure that new housing development is flexible and adaptable to meet lifetime needs. The intent of the policy is supported. However, the third paragraph states:

6.16 *"The design of dwellings should ensure that they are capable of providing accommodation that is wheelchair accessible for those in society who are mobility impaired and be in accordance with space standards for wheelchair housing set out in LDP Supplementary Planning Guidance."*

6.17 The justification and amplification text then states:

6.18 *"It should be noted that the policy is not intended to meet full 'Lifetime Homes' standards or deliver fully wheelchair accessible homes. Rather, the objective is to deliver more adaptable and accessible homes."*

6.19 Whilst the amplification seeks to provide clarity on what the policy requirements are, the policy wording itself is not clear and implies that all new dwellings must be wheelchair accessible.

6.20 This requirement is not supported by any evidence base, and not feasible or reasonable to require for all new dwellings. Accordingly, the policy as drafted in unsound as it is not realistic, appropriate or supported by robust evidence (test CE2).

6.21 We recommend, subject to support through robust evidence, that the requirement for wheelchair accessible homes apply to an appropriate percentage of dwellings. A working example is available within Belfast City Councils Plan Strategy Policy HOU7, which requires that, for all residential developments of 10 units or more, at least 10% of units must be wheelchair accessible. We would support a similar approach here, if supported by evidence which is applicable to this district.

7. Conclusions

7.1 The draft Plan Strategy is unsound because:

- the overall housing allocation for the district is inadequate;
- the distribution of housing to small settlements within the rural area is too low and unsustainable;
- the plan strategy has failed to take adequate account of the impact of NIW issues.

7.2 Incorporating a higher housing allocation, adjusting the proportion of housing allocated to small settlements and adopting a more realistic approach to the delivery of NIW infrastructure upgrades would make the Plan Strategy sound.

7.3 Land in the small settlement of Annacloy is identified as being physically capable of accommodating a scale of development proportionate to the size, scale and service profile of the small settlement. It has proven infrastructure capacity, including a recently upgraded WWTW.

7.4 The dPS fails to meet the requirements of soundness test CE2 and CE3 as set out in DfI Development Plan Practice Note 6.

Appendix 1: Correspondence about consultation period

4 September 2025

Email

[redacted]
Local Development Plan Team
Planning Office
Downshire Civic Centre
Ardglass Road
Downpatrick
BT30 6GQ

Dear [redacted]

NEWRY, MOURNE AND DOWN DISTRICT COUNCIL DRAFT PLAN STRATEGY – PROCEDURAL POINT

We note that the Council's Draft Plan Strategy is currently published for consultation and we are writing to highlight, for your consideration, a potential procedural issue that we have come across.

As you know, consultation requirements for the Plan Strategy are set out under Regulation 16(2) of the Planning (Local Development Plan) Regulations (Northern Ireland) 2015 (LDP Regs). The Regulations state that:

> *Any such representations must be made within a period of 8 weeks starting on the day the council complies with regulation 15(d)*

Section 15(d) relates to the date on which the public notice for the document is published in the Belfast Gazette and is advertised locally. In this case, that date is 27 June 2025.

In applying Regulation 16(2), representations can only be received within a period of 8 weeks from that date, which would have expired on 22 August 2025. The Council has said that the consultation will close on 22 September 2025 - 12.5 weeks after the publication in the Belfast Gazette.

It is our view that the Regulations are clear on representations needing to be made within 8 weeks and there are no provisions for a longer period of time from the publication of the notice.

If the Council is still accepting representations up to 22 September 2025, then any representations submitted beyond 8 weeks prior to that date (28 July 2025) cannot be considered. This would obviously prejudice anyone who has yet to submit a representation.

We consider that this is potentially a procedural risk to the Council, particularly when a number of the community consultation events also took place outside the 8-week period and would invite the Council's consideration of this point to avoid any issues with soundness.

Hamilton House
3 Joy St
Belfast
BT2 8LE

T 028 9072 3900 turley.co.uk

You may be aware that a similar issue arose in relation to the Derry & Strabane Plan Strategy where there was also a procedural issue identified at the draft Plan Strategy consultation stage. In that case there was a significant delay as they had to run the consultation again later in the year due to the error not being alerted to them sooner.

One potential remedy would be to issue a new public notice to mark the commencement of a new 8-week period during which representations can be made.

We trust that us raising the point at this stage will be welcomed by the Council and taken in the spirit with which it is intended.

I look forward to hearing from you on this matter.

Yours sincerely

[redacted]

[redacted]
Director

[redacted]

Appendix 2: Turley NIW Research Paper

NMD-DPS-078

Grant Thornton

Turley

Summary Position Paper

Joint document

Northern Ireland Chamber of Commerce and Industry

CEF CONSTRUCTION EMPLOYERS FEDERATION

NIfHA

Confronting NI's Wastewater Crisis

There are few things more fundamental to the health of a society than clean water. And yet, in Northern Ireland - famous for our shorelines, rivers and loughs – our wastewater infrastructure is at a critical tipping point, and we now stand at the brink of an economic, social and environmental crisis.

Decades of underinvestment have left Northern Ireland Water (NI Water) facing an enormous **c.£2 billion funding gap** over the upcoming Price Control period (PC28, 2027–2033). Limitations in capacity have already resulted in an effective halt of all new construction in 23 towns across Northern Ireland.

Without urgent intervention, new housing, business development, and broader economic growth will be severely constrained, further damaging investment and impacting on workers directly and across supply chains. The environmental impact sewage pollution is having on the quality of Northern Ireland water bodies is already well documented.

c.£2 billion funding gap

Together the **Northern Ireland Chamber of Commerce, Construction Employers Federation, and Northern Ireland Federation of Housing Associations** have jointly commissioned Grant Thorton and Turley Economics to consider both the likely impact scenarios of our current course, and the potential fiscal approaches that might begin the process of reversing the damage. If left unmanaged, the funding gap could in the next 3 years have a shock in seismic terms equivalent to that of the COVID-19 pandemic.

Our research was commissioned and undertaken independently of the Northern Ireland Fiscal Council's Sustainability Report 2025: special focus - Water (published 10th June 2025).

It raises many similar concerns regarding:

- **the unsustainable nature of NI Water's governance, and the impact on its borrowing and operational model**
- **the limitations of the current Price Control for ensuring adequate investment in waste water infrastructure**
- **the need for greater infrastructure investment than the current and anticipated Price Control allows for.**

We are encouraged, however, that both reports independently conclude that action must be taken now to implement an appropriate fiscal mechanism through which investment in our critical waste water infrastructure can be planned and recouped.

Our report provides this further modeling, detailing the impact of doing nothing, and scenarios for how an infrastructure levy could spread the cost of this infrastructure equitably.

The impact of doing nothing

Our most conservative estimate assumes a continuation of the current downward trend (c.12% reduction year on year) in new home completions and a continued failure to bring forward any of the necessary wastewater infrastructure projects within the next three years (the current Price Control period). This will result in a dramatic **4 percent reduction in the overall construction sector workforce in Northern Ireland (currently circa 60,500) by the end of 2027.**

To put this in context, this is **a similar-sized drop in the construction workforce that occurred during Covid**, between 2020 and 2021, but without the interventions and government support to maintain employment. Our analysis doesn't account for wider forms of development impacted by the current restriction such as industrial and commercial premises, hospital, schools etc. which would add to the economic impact, but focuses on the discrete impact that will result from fewer new social, affordable or private homes.

Housing delivery, which is currently at its lowest level since the post war period, will continue to fall - with an estimated **6,150 homes unable to be built during the remainder of PC21** – adding to rising rental costs and housing stress, and resulting in a **loss of 1,690 jobs** in the construction sector, and a further 870 from indirect employment. **A massive £1.3 billion** in construction investment will be forgone, impacting everyone in Northern Ireland.

If no solution is forthcoming and housing delivery falters and the impact extends into the next Price Control period (2028-33) a 7 percent reduction is anticipated, resulting in the **loss of 2,740 jobs** in the construction sector alone, and a **colossal £4.4 billion investment forgone, equivalent to the non-delivery of approximately 19,000 homes.**

Much of the immediate impact is now unavoidable, but whatever harm can be ameliorated in the short term must be, and solutions agreed upon matched by commitments that provide certainty for the future. **The prize** of addressing the problem, is **an additional net £2.5 billion Gross Value Added (GVA)** added to our economy, stimulated by housing led growth and enabled by the delivery of our required wastewater infrastructure.

6,150 homes unable to be built over next 3 years

How has the situation arisen?

To understand the problem, it is worth setting out why we find ourselves in this situation. In 2007, when NI Water was formed as a Government Owned Company, the idea was deceptively simple: provide clean water and wastewater services across Northern Ireland, and fund it through user charges, both domestic and non-domestic. But the domestic charges never came. In the absence of political consensus, a subsidy system emerged - a patchwork solution that has proven inadequate to the scale of the task.

At the heart of this crisis lies a funding model which is not sustainable. NI Water is reliant on continuing subsidies from the Department for Infrastructure (DfI), without a significant stream of revenue against which it can address long-term infrastructure investment and leaving its finances subject to the limitations and uncertainties of the NI Executive's budget. Now, as the critical infrastructure investment needed approaches **£3.96 billion**, we face a stark choice: continue to defer the inevitable or confront it with clarity and a commitment to long-term reform.

Compounding these issues are deep-rooted governance challenges. Although NI Water is structured as a Government Owned Company, it lacks true financial autonomy. In contrast to counterparts in England and Wales, it does not have the ability to fully borrow against its assets - a restriction that hampers its capacity to invest in essential long-term infrastructure improvements.

The attached papers prepared by Grant Thorton and Turley Economics explore the structural and financial constraints, and potential economic impact and opportunity facing Northern Ireland. They also refer to the 2007 Independent Water Review Panel report along with subsequent reports, and set out a number of choices for government in terms of potential funding mechanisms to address the underinvestment.

NI Water Funding Shortfalls over recent and upcoming Price Control periods

Price Control Period	Years	Investment Needed	Funding Available	Shortfall
PC15	2015–2021	~£1.8 billion	~£0.9 billion	**~£0.8 billion** short (≈45% underfunded).
PC21	2021–2027 (ongoing)	~£2.75 billion	~£1.84 billion (est.)	**~£0.91 billion** short (projected).
PC28 (planned)	2027–2033 (forecast)	~£3.96 billion	~£1.93 billion (proj.)	**~£2.03 billion** short (forecast).

What is the Price Control?

As with other regulated assets, the Price Control process is the main mechanism through which NI Water's funding and capital programme is prioritised, assessed and agreed over a six-year period. On paper, this seems a logical, measured approach - one designed to offer stability and long-term planning for the construction and housing sectors. But in practice, its outcomes have repeatedly failed to meet expectations, and for a number of critical reasons:

- In the context of wider public spending constraint, its ultimate success depends on whether DfI can fund NI Water to the required level for each of the six years. With capital expenditure budgets as constrained as they have been, this has been impossible since year three of the PC21 six-year plan.

- Yearly budgets have directly worked against NI Water's ability to have in place a secure pipeline of work going into each year of PC21, and frequently without legal certainty from an agreed NI Executive Budget until late May (or June in some cases) resulting in inefficient planning of their capital programme.

- As most major wastewater treatment works upgrades are 2-3 years of civils works, NI Water have been unable to maximise the spend they receive causing significant uncertainty for the consultants and civil engineering contractors on their frameworks.

- The result is that the original PC21 plan is now unachievable in the same manner as the PC15 plan was and, unless additional block grant allocations are committed by the UK Government, PC28 would almost certainly be too.

- The Utility Regulator's 2024 Mid Term Review of PC21 has shifted many of the proposed PC21 outputs into PC28 meaning that the quantum of work in PC28 and beyond has grown exponentially.

- In-year allocations, such as that from the October 2024 Monitoring Round, can of course help in unlocking newbuild housing but cannot be anything more than modest in their impact.

Unlike other regulated assets, NI Water begins each financial year without a guaranteed resource/income stream, an inherent vulnerability in the current Price Control process, as highlighted by the Northern Ireland Audit Office in its 2024 report. The die has already been cast for remainder of this cycle, and the economic and social consequences are beginning to unfold. But if we are to avoid a far deeper collapse within the next three years, the time for decisive action is not just near, it is long overdue.

5 potential key actions that could collectively change the trajectory

1. Developer Contributions: DfI is already exploring the introduction of developer contributions to help fund critical upgrades to wastewater infrastructure, whilst viability is a concern against a backdrop of inflationary construction costs the principle of voluntary developer contributions is supported. Whilst voluntary contributions can supplement funding for wastewater infrastructure, they are not expected to generate the billions of pounds required and could result in two-tier housing delivery, with Housing Associations severely limited in the delivery of social and affordable housing if a significant levy is applied. Likewise, the delivery of homes for first-time buyers and of Co-Ownership homes, which have a maximum qualifying value of £210k, could be hampered by a developer contribution that is levied on top of the final value of housing.

2. Reduce the burden: While the proposals around SuDS in the forthcoming Water, Flooding and Sustainable Drainage Bill are welcomed, this will have an extremely limited effect on our wastewater capacity crisis as it will only apply to the drainage on new housing sites. Although it is the right approach to take, it will take many decades before this and this alone would have any meaningful impact on the challenge we face.

Example of SUDS at Belmont Hall, Antrim. (courtesy of Antrim Construction Company)

3. An Infrastructure Transformation Fund (ITF): Most of the major infrastructure projects that will not be delivered in PC21 and are associated with critical wastewater infrastructure, will take more than three years of construction work to complete following consents – so even if funding was available tomorrow, we simply cannot deliver much of the necessary capacity.

Full delivery of the Living with Water Programme (estimated to cost £1.9bn in 2023) could create unrestricted capacity for new homes in Greater Belfast putting within reach the annual target in the NI Executive's Housing Supply Strategy, or enable other forms of development, delivering economic and social benefits. Other critical projects such as combined storm/sewer overflow upgrades and smaller treatment works across Northern Ireland could unlock capacity more quickly if funding became available.

The UK Government has made delivery of new homes a centre piece of their economic strategy in Great Britain. They have also set out a series of infrastructure projects across GB and have introduced a National Wealth Fund and Infrastructure Bank.

We believe that the NI Executive shouldas part of ongoing efforts to increase our fiscal floor, push for the ability for NI to access an 'Infrastructure Transformation Fund' for wastewater infrastructure in Northern Ireland, to unlock the economic potential of new housing, protect jobs in our construction sector and stop this issue being the accelerant of environmental decline that it currently is.

The ITF would commit a maximum amount of funding over a defined period, starting as soon as possible, that could be drawn down by NI Water as construction works are approved. This would not only allow for some additional mitigation of the anticipated economic impact between now and the next Price Control, and the proper planning and stepping up of the construction sector to tackle major projects in PC28, but would also reduce the overall balance of the longer term works required. Agreements and models like this have been negotiated before, such as the £500m (over ten years) that the then UK Government set aside in 2015, as part of the Fresh Start Agreement.

We also understand that UKG would only consider such an arrangement as part of a wider agreement, with the NI Executive playing its part. Therefore, all of these suggestions need to be taken together.

4. A revised fiscal model re-establishing the explicit link between rates and water - In the absence of any political support for water charges, alternative fiscal models need to be considered that can sustainably fund the delivery of critical wastewater infrastructure. NI Water currently receives a subvention from DfI on an annual basis, including a customer subsidy of £397.7m from the NI Executive Budget, with the balance of its revenue generated through non-domestic rates and other smaller charges and income from assets.

Assuming the NI Executive continues to fund the customer subsidy at a similar level, overcoming the anticipated capital expenditure deficit will require some form of revenue raising in a way which enables NIW to borrow what is needed to address the deficit over the next Price Control period. This is likely to require re-establishing the relationship between water and waste water services and the rates system as set out in the Independent Water Review Panel (2007) report's recommendation and model the link between water and wastewater services and rates. This gives a guaranteed funding stream, which lenders require.

Below are some possible ways of addressing the need to raise more revenue as part of a combined package to address the problem. In all of these scenarios, keeping the actual burden on the user to a minimum is at the core of what is set out.

Scenario 1 and 2: Linking NI Water to Rates (with borrowing)

To enable NI Water to access private capital markets on favourable terms, a 'Hypothecated Infrastructure Levy' could be introduced that retains public ownership of NI Water, supports long-term strategic investment and minimises pressure on the NI Executive's budget. The PC28 has yet to be confirmed and may be over a six-or five-year period.

- **6-year PC28 scenario** – i.e. borrowing to address a £2.03bn deficit – the levy would add an average of **£95.80** to an annual domestic rates bill. For non-domestic customers, the levy would average c.£290 per year.

- **5-year PC28 scenario** – i.e. borrowing to address a £1.69 bn deficit – the levy would add an average of **£79.80** to an annual domestic rates bill. For non-domestic customers, the levy would average c.£242 per year.

The above scenarios envisage that a similar proportion of the levy is generated from non-domestic customers, to that which is already paid by businesses through commercial water charges i.e. around 21%. However, recognising businesses already pay this contribution to waste water infrastructure, the scenario where the levy is applied directly to domestic users only would result in:

- **Domestic only levy** – i.e. borrowing to address a £2.03bn deficit – the levy would add an average of **£121.40** to an annual domestic rates bill in a 6-year PC28 scenario, or **£101.15** in a 5-year PC28 scenario.

These scenarios present an indication of the relatively modest increases to domestic rates bills that would be required over a defined period of time, the income from which would be needed to be ring fenced as part of this Infrastructure levy (alongside the DFI subvention) from 2027. As businesses already pay commercial water charges, NIW would need to work with the NI Executive and Utility Regulator to agree a fair charging framework proportionate to the contributions that businesses make to the overall costs. This would also need to be kept to a minimum, to ensure that the cost burden on businesses are minimised.

However, the NI Executive could keep these increases to an absolute minimum, using this combined approach and the detailed figures for each scenario as set out in the report. The important aspect of this change is creating the link and guaranteeing the revenue stream. This is a much more palatable option than those set out in scenarios 3 and 4 below.

Scenario 3 and 4: Linking NI Water to Rates (without borrowing)

In a case where the current anticipated cost of NI Water's capital shortfall is not borrowed but is collected 'as needed' through the 'hypothecated infrastructure levy', i.e. at a level of approximately £338m per annum.

- **"As needed" scenario -** in this scenario the 'hypothecated infrastructure levy' would add an average **£314** to an annual domestic customer bill. For non-domestic customers, the levy would average an additional £949. Or **£398** per annum if a domestic only levy was applied.

We do not believe that this would be palatable at this point in time. In an even more extreme scenario, where NI Water was fully funded directly through the rates system i.e. without a continued customer subsidy from the NI Executive, i.e. without the £339m annual customer subsidy + annual deficit level of approximately £338m, totalling c.£677m per annum

- **"Full cost burden" scenario –** in this scenario the average rates bill in Northern Ireland will rise by **£625**, more than **50% increase in rates** from today's levels, and for the average non-domestic bill the levy would average £1,890 per year. Or **£792** per annum if a domestic only levy was applied.

We have added this scenario, purely to illustrate the scale of the issue and the fact that a blended solution, involving borrowing, whilst still challenging, is a lesser requirement.

These figures are reflective of clearing a capital expenditure backlog. Once cleared, it could be reasonably expected that the 'hypothecated infrastructure levy' would decrease. Whilst average income in Northern Ireland is lower with higher average deprivation in most areas, it is also worth noting that the average water and sewerage charge bill in England and Wales is £473 per annum, on top of an average Council Tax bill for a typical family home of £2,171 per year in England and £2,024 in Wales.

However, NI has the lowest average earnings in the UK, so this has to be borne in mind.

5. Engagement with Citizens and Business – In 2007, the Independent Water Review Panel offered a vision for a sustainable water system - funded through a mix of user charges, borrowing and public subsidy, designed to balance fairness with fiscal responsibility.

A 'hypothecated infrastructure levy' reinstates an explicit link between our rates and our infrastructure, but other suggestions designed to ensure investment in infrastructure and avoid further revenue raising have been proposed previously, including a Tax Increment Financing (TIF) or Gainshare Model, or Regulated Asset Base (RAB) Model and Levy. We have not gone into substantial detail on these models as they would require further legal, fiscal and political discussions.

Regardless of the fiscal mechanism, building a social licence for change is essential, and that means engaging the public and business early, transparently, and meaningfully in the process, acknowledging the scale of change, and managing it accordingly from a communications and engagement perspective.

To help break the long-standing political deadlock and build public trust around the future of water infrastructure in Northern Ireland, there needs to be a deliberate campaign involving public and media debates, consultation and engagement to examine the funding, governance, and sustainability challenges facing NI Water beyond PC28.

Conclusion

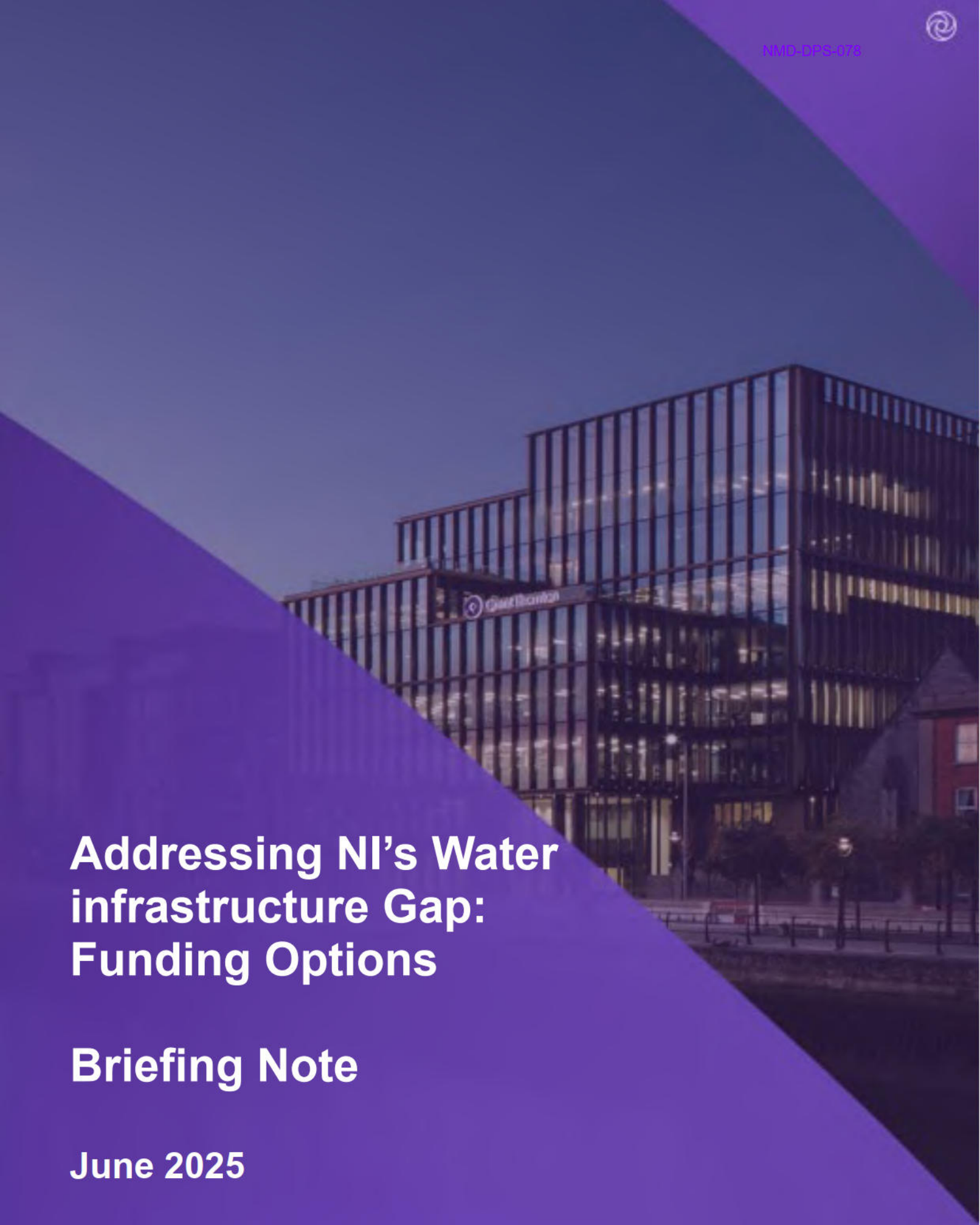
The evidence is clear, continuing to rely solely on public subsidy is not viable, unless the UK Government steps in and injects significant new capital. We know this is highly unlikely without joint political pressure from all NI Executive parties. The scenarios modelled in this paper show that practical, fair, and less financially challenging solutions are possible – but all involve political choices. Whether through borrowing, rates-based levies, developer contributions, or innovative financing models, addressing the investment backlog is now unavoidable.

Northern Ireland is no longer simply under strain - it is facing a full-blown crisis. A crisis, by definition, is a critical juncture marked by an acute imbalance between demands and resources, where failure to act leads to widespread negative consequences. This precisely describes the situation NI finds itself in today. As with so many crises, the true cost of inaction will only be clear once it is too late.

Recently completed social housing development of 120 homes for Apex Housing on the lands of the former Newtownabbey High School, Rathcoole (image courtesy of contractor - Kelly Brothers Ltd)

Grant Thornton

Turley



Addressing NI's Water infrastructure Gap: Funding Options

Briefing Note

June 2025

Grant Thornton

Executive Summary

Northern Ireland's wastewater infrastructure is at a critical tipping point. Decades of underinvestment have left Northern Ireland Water (NI Water) facing a £2.03 billion funding gap over the upcoming Price Control period (PC28, 2027–2033). Without urgent intervention, new housing, business development, and broader economic growth could be severely constrained.

NI Water, a government-owned company, currently relies on a combination of non-domestic water charges and a public subsidy from the Department for Infrastructure (DfI). Domestic customers pay no direct water charges. This funding model, unchanged since 2007, has resulted in chronic underfunding relative to investment needs.

Grant Thornton was engaged to model a range of funding scenarios to close the £2.03 billion gap. These include:

- Borrowing against NI Water's asset base, repaid over 50 years via a hypothecated infrastructure levy on rates bills.
- Introducing a direct rates-based infrastructure levy without borrowing.
- Exploring developer contributions, UK Government requests, Tax Increment Financing (TIF)-style mechanisms, and sustainable drainage solutions (SuDS).

Modelling indicates that a borrowing approach would require an average water infrastructure levy of £95.80 per year if a proportion of the cost (21%[1]) is borne by non-domestic customers. In this scenario, businesses would contribute an average of £290 per annum to the levy. If funded without borrowing, the impact could rise to £314 annually for domestic customers and £949 for non-domestic customers.

Of course, there is an argument that because businesses already pay for water and waste water infrastructure it would be inequitable to seek further payment. If the costs of the infrastructure levy are borne solely by domestic users the average levy range from £121 - £398 per annum depending on the whether the funding is borrowed with a 50 years payback or funded without borrowing.

Northern Ireland's model is increasingly out of step with the rest of the UK, where average household water bills are over £470 per year in addition to council tax. The Independent Water Review Panel (2007) had previously recommended moving to a fairer, property-value based charging system. These recommendations were deferred – but the underlying issues remain.

The current unsustainable approach risks worsening infrastructure decay, economic stagnation, and further fiscal pressure. The scenarios set out here provide a platform for urgent, informed political and public decision-making. The key challenge is clear: balancing affordability, fairness, and investment to ensure Northern Ireland's water services are fit for the future.

[1] Non-domestic water charges account for 21% of NI Water income, hence applying this proportion.

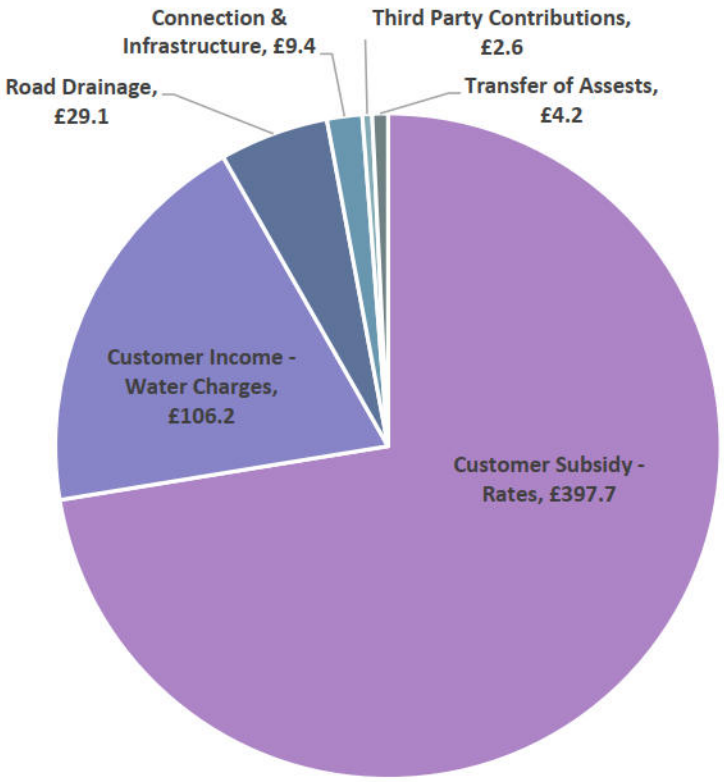
Introduction

Northern Ireland faces wastewater infrastructure capacity challenges to the extent that, after decades of underinvestment, there is a very real prospect of halting construction of new houses and other buildings.

NI Water was formed in 2007 following the re-establishment of the Northern Ireland Executive and is government owned company. It provides water and sewerage services to the whole of Northern Ireland. Initially, NI Water was set up to be funded through user charges for both domestic and non-domestic customers. However, following opposition, domestic charges were never implemented, and non-domestic customers were required to pay.

To cover the cost of the domestic water services, the Department of Infrastructure (DfI) pays a direct subsidy to NI Water each year. This subsidy, along with non-domestic charges, accounts for, according to 2023/24 accounts, 91.8% of total revenue.

Figure 1: Revenue from NI Water Sources, 2023/24



Source: NI Water Annual Accounts (2023/24)

The funding received by NI Water is determined through the submission of business plans, which are reviewed by the Utility Regulator. Each business plan aligns with the Price Control (PC) periods, which set out revenue, expenditure, and investment plans. As part of these PC rounds, NI Water submits a business plan outlining the necessary investment to deliver an effective and efficient water and wastewater system.

Chronic underfunding of NI Water since its creation in 2007 has led to a growing infrastructure investment gap. Each regulatory Price Control period has seen required capital investment far above the funding actually provided, resulting in deferred projects and capacity constraints.

Table 1: NI Water Funding Shortfalls over recent and upcoming Price Control periods

Price Control Period	Years	Investment Needed	Funding Available	Shortfall
PC15	2015–2021	~£1.8 billion	~£0.9 billion	**~£0.8 billion** short (≈45% underfunded).
PC21	2021–2027 (ongoing)	~£2.75 billion	~£1.84 billion (est.)	**~£0.91 billion** short (projected).
PC28 *(planned)*	2027–2033 (forecast)	~£3.96 billion	~£1.93 billion (proj.)	**~£2.03 billion** short (forecast).

Source: NI Water and CEF

On the basis that shortfalls 'roll over' into the following PC period, for the purposes of this report, the cumulative capital funding gap is taken as £2.03 billion. This backlog in investment has real impacts: multiple development projects are on hold due to inadequate wastewater capacity, and aging infrastructure is not being replaced at the needed rate.

The scale of the shortfall (~£2 bn) is enormous – approximately twice the total value of all NI City Deal investments and broadly equivalent to the NI Executive capital budget 2024-25 of £2.1 billion, a figure that has to be allocated to many different areas of high demand, such as roads, health, schools etc. Given Northern Ireland's challenging public expenditure environment, there is clearly a wastewater funding challenge.

This paper proposes a selection of scenarios that close this gap. For clarity, Grant Thornton is not proposing or endorsing any one option over another, merely assessing a selection of different approaches to funding a £2bn capital requirement. The start point for the assessment is revisiting the Independent Review of NI Water, undertaken in 2007.

The Independent Water Review Panel (2007) Options

The Independent Water Review Panel's (2007) Strand One Report[2] recommended that non-domestic charges be introduced and be regularly reviewed by the Regulator. In reviewing the potential options for funding a domestic charge the Independent Water Review Panel (2007) report outlined four options:

- **NI Block Grant Option:** Continue to fund water & sewerage from the Northern Ireland Block Grant (general public expenditure). Under this option, additional investment needs would be met by either **raising the regional rates** significantly or **cutting other public spending** to divert funds to water. No direct water bills for households – effectively maintaining the status quo subsidy.

- **Property Valuation Option:** Introduce an explicit domestic water charge based on the **capital value of each property**, similar to how household rates are calculated. Charges for water and sewerage would appear as separate line items on rates bills, and only properties connected to the services would pay. Notably, **no standing charge or volumetric (usage-based) charge** for domestic users was included – every household would pay according to property value, using the existing rates billing system. This **property-value model** was the Panel's **preferred option**, chosen for ease of integration with rates and perceived fairness by ability to pay.

- **Direct Rule Option:** Implement the originally planned **hybrid charging scheme** (as proposed by Direct Rule ministers for 2007) for full cost recovery. This would have extended water charges to households via a combination of a **flat standing charge** and a **variable charge** based on property value, with an **optional meter** for certain groups. Under that scheme, a typical household would pay a £105 annual standing charge plus ~£180 per £100k

[2] Independent Water Review Panel: Strand One Report Costs and Funding; Professor Paddy Hillyard (2007); https://www.infrastructure-ni.gov.uk/sites/default/files/consultations/infrastructure/independent-water-review-strand-one-report-costs-and-funding.PDF

of property value (capped so no household pays over £770/yr), with optional metering (e.g. seniors 60+ could opt to install a meter and pay volumetric rates). Any revenue shortfall (gap to full cost) would still be covered by the NI Block grant. This model was expected to ramp up combined domestic/non-domestic income from ~£37 m in 2006/07 to ~£217 m in 2008/09 and ~£425 m by 2013/14.

- **Metering Option:** Implement **universal water metering** for households, charging purely by volume of water used (extending the approach already applied to large non-domestic users). Each domestic customer would be billed according to their metered usage (volumetric charge), similar to utility bills for electricity/gas. This was presented as a theoretical option for future consideration – however, the 2007 Panel explicitly **advised against general domestic metering at that time**, given the costs and circumstances.

The Independent Water Review Panel (2007) report recommended the introduction of the **Property Valuation Option**, under which domestic users would pay a charge based on their property's capital value. Regarding collection, the report proposed that the existing billing and collection system for rates be used to collect these charges. This would mean that **Land & Property Services (LPS)** would assume responsibility for collecting and distributing the payments.

The report also emphasised the need to avoid double counting. It noted that, up until 1998, a proportion of regional rate revenue (£178 million) had been earmarked for water and sewerage services, with £80 million (£109 million in 2006/07 prices) of this coming from the domestic regional rate. However, after 1998, this link with regional rates was severed, yet regional rates were not reduced accordingly. This, the review contested, meant 'ratepayers understandably believed that they were continuing to contribute.' To address this, the report recommended that from 2008/09, an 'annual sum of around **£109 million should be taken from the domestic regional rates** in recognition of ratepayers' historical contributions', with any remaining water funding requirement met from the Northern Ireland Block Grant. **In crude terms, £109m in 2008/09 is £160m today if applying inflation**. In reality, the situation is more nuanced than that, which is assessed below.

Assessing Options in the current context

The recommendations on direct domestic water charges made in the Independent Water Review Panel (2007) report were deferred in 2010, with the latest deferral extending legislation until 31 March 2027[3]. As a result, the Northern Ireland Executive, through a subsidy paid by the Department for Infrastructure (DfI), has covered the charges for domestic users. However, this approach has proven challenging, as the subsidy falls below the level required for NI Water to invest in and upgrade its infrastructure.

There are a range of options (some of which require legislative change) that could be considered as a way to fund the £2bn capital requirement shortfall that has been identified in the planning for PC28. These include:

- **Request to UK Government:** A request to the UK Government for a major infrastructure fund, to correct for decades of underinvestment, is a relatively common approach. With the UK having completed its Comprehensive Spending Review delivering challenging financial settlements across the public sector, a request for additional funding for NI infrastructure may not land well.

- **Developer Contributions:** The Northern Ireland Executive is currently exploring the introduction of developer contributions to help fund critical upgrades to wastewater infrastructure. In March 2025, the Department for Infrastructure (DfI) launched a public consultation outlining two potential approaches:

[3] Consultation on Water and Sewerage Charges – Options for Revenue Raising; Department for Infrastructure (2023); https://www.infrastructure-ni.gov.uk/sites/default/files/consultations/infrastructure/consultation-water-and-sewerage-charges-dec2023.pdf

  - **Voluntary Developer Contributions**: Developers could choose to fund specific wastewater infrastructure improvements that directly benefit their projects. This option allows for targeted investments but may lead to uneven development opportunities, favouring areas where developers are willing or able to contribute.
  - **Compulsory Wastewater Contribution Levy**: A mandatory levy imposed on all new developments, with funds pooled to address wastewater infrastructure needs across Northern Ireland. This approach aims for equitable distribution of resources but may increase development costs and require new legislation to implement.

  While developer contributions can supplement funding for wastewater infrastructure, they are not expected to generate the billions of pounds required.

- **Tax Increment Financing (TIF) or Gainshare Model:** It has been suggested in some commentary that NI Water's capital investment plans could be funded through a TIF model. TIF is a mechanism where **future increases in business rates (or other taxes)** generated by new development are **captured and reinvested** in infrastructure or regeneration projects that made the development possible. TIF is **not formally legislated** for in Northern Ireland, although similar mechanisms (like City Deals and Regeneration Frameworks) use **"earn-back"** or **"gain-share"** models. A bespoke legislative or policy vehicle would be needed to allow business rate uplift in a defined area to be ringfenced for infrastructure investment, including water and wastewater. **Gainshare** is used in City Deals and Growth Deals to link investment in infrastructure to future economic growth and tax receipts. It's not tied to a specific tax, but rather a **fiscal uplift agreement** between central and devolved governments.
- **Regulated Asset Base (RAB) Model and Levy:** The RAB model is a framework used to finance infrastructure by allowing investors to earn a **regulated return** on their investment, backed by a reliable, long-term revenue stream. It's most common in utilities like water, energy, and transport.

  In this model, a regulator (e.g. Utility Regulator for NI) sets the allowed return on capital for infrastructure assets. The **asset base** includes capital investment in water infrastructure. Revenues from users (or a levy) are used to **pay back investors** with an agreed rate of return. Because returns are stable and regulated, investors accept **lower rates**, reducing the cost of capital. The Levy can be a fixed amount of based on property values.

- **Reduce the burden:** NI Water and the Department for Infrastructure both recognise the potential of Sustainable Drainage Systems (SuDS). SuDS manage rainfall at the source, reducing the volume and speed of surface water entering sewers. Key benefits include:
  - **Alleviating sewer overloads**: Especially in older combined sewer systems where rainwater and sewage are carried together.
  - **Reducing flood risk**: Slows and stores stormwater during heavy rainfall.
  - **Improving water quality**: Filters pollutants before they reach watercourses.
  - **Enhancing amenity and biodiversity**: Features like rain gardens and green roofs improve urban spaces.

There are undoubtedly other funding models that could be explored, and blended solutions based on the above, but the primary purpose of this paper is to consider the implications of covering NI Water's costs and investment requirements through the rates base. The aim is to bring much needed analysis to an urgent issue. Additionally, we have examined the implications for rates of NI Water borrowing against its asset base to address long-term funding shortfalls.

Re-establishing the explicit link between rates and water

The assessment that follows focusses on funding NI Water's capital expenditure deficit, i.e. £2bn, by the end of PC28. **A key assumption in the modelling that Grant Thornton have undertaken is that the NI Executive continues to provide funding to NI Water at similar levels to now.** Therefore, it is only the projected capital gap that requires additional funding. To enable NI Water to access private capital markets on favourable terms, our modelling assumes a 'Hypothecated Infrastructure levy' is introduced that retains public ownership of NI Water, supports long-term strategic investment and minimises pressure on the NI Executive's budget. In effect we follow the Independent Water Review Panel (2007) report's recommendation and model re-establishing the link between water services and rates but our assumption is that the 'infrastructure levy' will be based on rateable values but separate to the rate poundage, falling outside the regional and local authority rate setting process.

Domestic Rates & Water Charges

Using data on capital values and data on the total domestic poundage (district and regional rates) for 2025-26, average and total rates bill in each council area is estimated as follows.

Table 2: Average & Total Domestic Rates Bill by Regional and District Rates, Northern Ireland District Council Areas, 2025/26

	2025/26			
	Total District Rates (£m)	**Total Regional Rates (£m)**	**Total Rates (£m)**	**Average Rates Bill (£)**
Antrim and Newtownabbey	£31,950,540	£39,363,779	£71,314,319	£1,097
Ards and North Down	£48,996,050	£61,118,070	£110,114,120	£1,422
Armagh City, Banbridge and Craigavon	£55,329,945	£55,634,707	£110,964,652	£1,195
Mid and East Antrim	£34,605,770	£42,615,247	£77,221,017	£1,198
Causeway Coast and Glens	£41,426,558	£44,431,158	£85,857,717	£1,256
Newry, Mourne and Down	£56,525,316	£46,984,617	£103,509,933	£1,364
Belfast	£83,655,648	£101,066,408	£184,722,056	£1,128
Lisburn and Castlereagh	£36,588,323	£50,919,711	£87,508,034	£1,329
Mid Ulster	£36,587,541	£35,178,795	£71,766,336	£1,210
Derry City and Strabane	£33,408,977	£42,231,883	£75,640,860	£1,136
Fermanagh and Omagh	£27,823,090	£30,295,236	£58,118,327	£1,125
Northern Ireland	**£486,897,762**	**£549,839,614**	**£1,036,737,376**	**£1,218**

Source: Department for Finance and Grant Thornton Analysis

The information in the table above has been used as a baseline against which any changes in rates bills from modelling different scenarios can be compared. It is important to note that data from NI Water's accounts shows that approximately 21% of their turnover is from non-domestic consumers. In scenarios where businesses bear some of the burden, this ratio is applied as the split between domestic and non-domestic. In other scenarios, because businesses already pay for water and waste water infrastructure, the full levy is applied to domestic users.

Borrowing for Capital Investment

This scenario considers that NI Water's governance and funding model enables it to borrow against its assets to raise the required level of capital expenditure required to fully fund PC28. Repayment would be through a hypothecated infrastructure levy. Engagement with NI Water noted that PC28 has

yet to be confirmed and may be a six or five year period. The results of our modelling consider both a 6-year PC28 period – i.e. a £2bn requirement – and a five-year PC28 period prorated to £1.7bn.

Each model assumes repayment costs on a long-term gilt period of 50 years at an interest rate of 4.535%.

6 Year PC28 Period

Borrowing £2bn over a six-year period (i.e. borrowing approximately £338m per annum for six years). Annual repayment costs will amount to £103.3m, inclusive of interest payments and the principal amount.

Grant Thornton's calculations suggest that the domestic infrastructure levy would add an average of £95.80 to an annual rates bill, per the tables below. For non-domestic customers, the levy would average c.£290 per year. Table 5 presents the outcome where domestic consumers fully meet the levy charges.

Table 3: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,183	£86.20
Ards and North Down	£1,534	£111.90
Armagh City, Banbridge and Craigavon	£1,289	£94.00
Mid and East Antrim	£1,293	£94.20
Causeway Coast and Glens	£1,355	£98.80
Newry, Mourne and Down	£1,471	£107.30
Belfast	£1,217	£88.70
Lisburn and Castlereagh	£1,433	£104.50
Mid Ulster	£1,305	£95.20
Derry City and Strabane	£1,225	£89.30
Fermanagh and Omagh	£1,214	£88.50
Northern Ireland	**£1,314**	**£95.80**

Source: Grant Thornton Analysis

Table 4: Non Domestic: Average Water Charge Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,408	£367.10
Ards and North Down	£980	£255.40
Armagh City, Banbridge and Craigavon	£904	£235.70
Mid and East Antrim	£1,002	£261.10
Causeway Coast and Glens	£808	£210.50
Newry, Mourne and Down	£821	£214.10
Belfast	£1,539	£401.10
Lisburn and Castlereagh	£1,482	£386.30
Mid Ulster	£832	£217.00
Derry City and Strabane	£1,091	£284.30
Fermanagh and Omagh	£846	£220.60
Northern Ireland	**£1,112**	**£289.90**

Source: Grant Thornton Analysis

Table 5: DOMESTIC LEVY: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,206	£109.30
Ards and North Down	£1,564	£141.70
Armagh City, Banbridge and Craigavon	£1,314	£119.10
Mid and East Antrim	£1,318	£119.40
Causeway Coast and Glens	£1,381	£125.10
Newry, Mourne and Down	£1,500	£135.90
Belfast	£1,241	£112.40
Lisburn and Castlereagh	£1,461	£132.40
Mid Ulster	£1,331	£120.60
Derry City and Strabane	£1,249	£113.20
Fermanagh and Omagh	£1,237	£112.10
Northern Ireland	**£1,339**	**£121.40**

Source: Grant Thornton Analysis

5 Year PC28 Period

Over five years, the PC28 funding gap is estimated at £1.7bn. In this scenario, we calculate annual repayments of £86.1m.

Grant Thornton's calculations suggest that the domestic infrastructure levy would add an average of £79.80 to an annual rates bill, per the tables below. For non-domestic customers, the levy would average c.£242 per year.

Table 6: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,168	£71.90
Ards and North Down	£1,516	£93.20
Armagh City, Banbridge and Craigavon	£1,273	£78.30
Mid and East Antrim	£1,277	£78.50
Causeway Coast and Glens	£1,338	£82.30
Newry, Mourne and Down	£1,453	£89.40
Belfast	£1,202	£74.00
Lisburn and Castlereagh	£1,416	£87.10
Mid Ulster	£1,290	£79.30
Derry City and Strabane	£1,210	£74.40
Fermanagh and Omagh	£1,199	£73.70
Northern Ireland	**£1,298**	**£79.80**

Source: Grant Thornton Analysis

Table 7: Non Domestic: Average Water Charge Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Water Charges Bill (incl. Borrowing Costs) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,347	£305.90
Ards and North Down	£937	£212.80
Armagh City, Banbridge and Craigavon	£865	£196.40
Mid and East Antrim	£958	£217.60
Causeway Coast and Glens	£773	£175.40
Newry, Mourne and Down	£786	£178.40
Belfast	£1,472	£334.30
Lisburn and Castlereagh	£1,417	£321.90
Mid Ulster	£796	£180.80
Derry City and Strabane	£1,043	£236.90
Fermanagh and Omagh	£810	£183.80
Northern Ireland	**£1,064**	**£241.60**

Source: Grant Thornton Analysis

Table 8: DOMESTIC LEVY: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,188	£91.10
Ards and North Down	£1,540	£118.10
Armagh City, Banbridge and Craigavon	£1,294	£99.20
Mid and East Antrim	£1,298	£99.50
Causeway Coast and Glens	£1,360	£104.30
Newry, Mourne and Down	£1,477	£113.20
Belfast	£1,222	£93.70
Lisburn and Castlereagh	£1,439	£110.30
Mid Ulster	£1,311	£100.50
Derry City and Strabane	£1,230	£94.30
Fermanagh and Omagh	£1,219	£93.40
Northern Ireland	**£1,319**	**£101.10**

Source: Grant Thornton Analysis

Full Cost Burden Covered by Rates, not borrowing

In a more extreme case, the cost of NI Water's capital shortfall is not borrowed but is collected 'as needed' through the infrastructure levy, i.e. at a level of approximately £338m per annum.

Similar to our other assessments we have assumed that costs are either spread between both domestic and non-domestic water charges using the same ratio as currently – 21% of NI Water income is from non-domestic customers or that domestic consumers are fully responsible for the levy. For ease of presentation, a six-year PC period is presented.

Table 8: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. infrastructure levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,379	£282.40
Ards and North Down	£1,789	£366.40
Armagh City, Banbridge and Craigavon	£1,503	£307.80
Mid and East Antrim	£1,507	£308.70
Causeway Coast and Glens	£1,579	£323.50
Newry, Mourne and Down	£1,715	£351.30
Belfast	£1,419	£290.60
Lisburn and Castlereagh	£1,671	£342.20
Mid Ulster	£1,522	£311.70
Derry City and Strabane	£1,428	£292.50
Fermanagh and Omagh	£1,415	£289.80
Northern Ireland	**£1,532.**	**£313.70**

Source: Grant Thornton Analysis

Table 9 shows that in this scenario, the average infrastructure levy for non-domestic bill payers would be £949.

Table 9: Non Domestic: Average Water Charge Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Water Charges Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£2,244	£1,202.40
Ards and North Down	£1,561	£836.50
Armagh City, Banbridge and Craigavon	£1,440	£771.90
Mid and East Antrim	£1,595	£855.00
Causeway Coast and Glens	£1,287	£689.40
Newry, Mourne and Down	£1,308	£701.10
Belfast	£2,451	£1,314.60
Lisburn and Castlereagh	£2,361	£1,265.00
Mid Ulster	£1,326	£710.60
Derry City and Strabane	£1,738	£931.20
Fermanagh and Omagh	£1,348	£722.50
Northern Ireland	**£1,771**	**£949.30**

Source: Grant Thornton Analysis

Table 10: DOMESTIC LEVY: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas

	Average Rates Bill (incl. Infrastructure Levy) (£)	Infrastructure Levy (£)
Antrim and Newtownabbey	£1,454	£357.90
Ards and North Down	£1,887	£464.20
Armagh City, Banbridge and Craigavon	£1,585	£390.00
Mid and East Antrim	£1,589	£391.10
Causeway Coast and Glens	£1,666	£409.80
Newry, Mourne and Down	£1,809	£445.10
Belfast	£1,497	£368.20
Lisburn and Castlereagh	£1,762	£433.60
Mid Ulster	£1,605	£394.90
Derry City and Strabane	£1,506	£370.60
Fermanagh and Omagh	£1,492	£367.20
Northern Ireland	**£1,616**	**£397.50**

Source: Grant Thornton Analysis

There are two points to note here. The figures in the tables above are reflective of clearing a capital expenditure backlog. Once cleared, it could be reasonably expected that the Infrastructure Levy would decrease. Further, for context, it is worth noting that the average water a sewerage charge bill in England and Wales is £473 per annum, on top of an average Council Tax bill for a typical family home of £2,171 per year in England and £2,024 in Wales.

Fully funding Water and Water Infrastructure without DFI's subsidy

The scenarios above all assume that DFI continue to provide a subsidy to NI Water. For additional context, the following table presents a position where DFI ceases this practice, and the capital funding deficit is funded through domestic rates. This would result in an increase in domestic rates of an average £792 per annum.

Table 11: DOMESTIC LEVY: Average Domestic Rates Bill and Infrastructure Levy, Northern Ireland District Council Areas, NI Water Subsidy and Infrastructure Deficit, six year PC

	Average Rates Bill (incl. NI Water and Infrastructure Levy) (£)	NI Water funding & Infrastructure Levy (£)
Antrim and Newtownabbey	£1,809	£712.60
Ards and North Down	£2,347	£924.30
Armagh City, Banbridge and Craigavon	£1,972	£776.50
Mid and East Antrim	£1,977	£778.70
Causeway Coast and Glens	£2,072	£816.10
Newry, Mourne and Down	£2,250	£886.20
Belfast	£1,862	£733.20
Lisburn and Castlereagh	£2,192	£863.30
Mid Ulster	£1,997	£786.40
Derry City and Strabane	£1,874	£737.90
Fermanagh and Omagh	£1,856	£731.10
Northern Ireland	**£2,010**	**£791.50**

Source: Grant Thornton Analysis

Conclusion

Northern Ireland's wastewater infrastructure is at a crossroads. Chronic underinvestment, combined with a funding model that no longer meets the needs of a growing economy and population, has created an unsustainable situation. Without urgent action, NI Water faces a funding gap estimated to be in the order of £2 billion by the end of the PC28 period (2027–2033), directly threatening new housing development, economic growth, and environmental protection.

The evidence is clear: continuing to rely solely on public subsidy is not viable, unless UK Government steps in and injects significant new capital. The scenarios modelled in this paper show that practical, fair, and affordable solutions exist – but all involve political choices. Whether through borrowing, rates-based levies, developer contributions, or innovative financing models, addressing the investment backlog is now unavoidable.

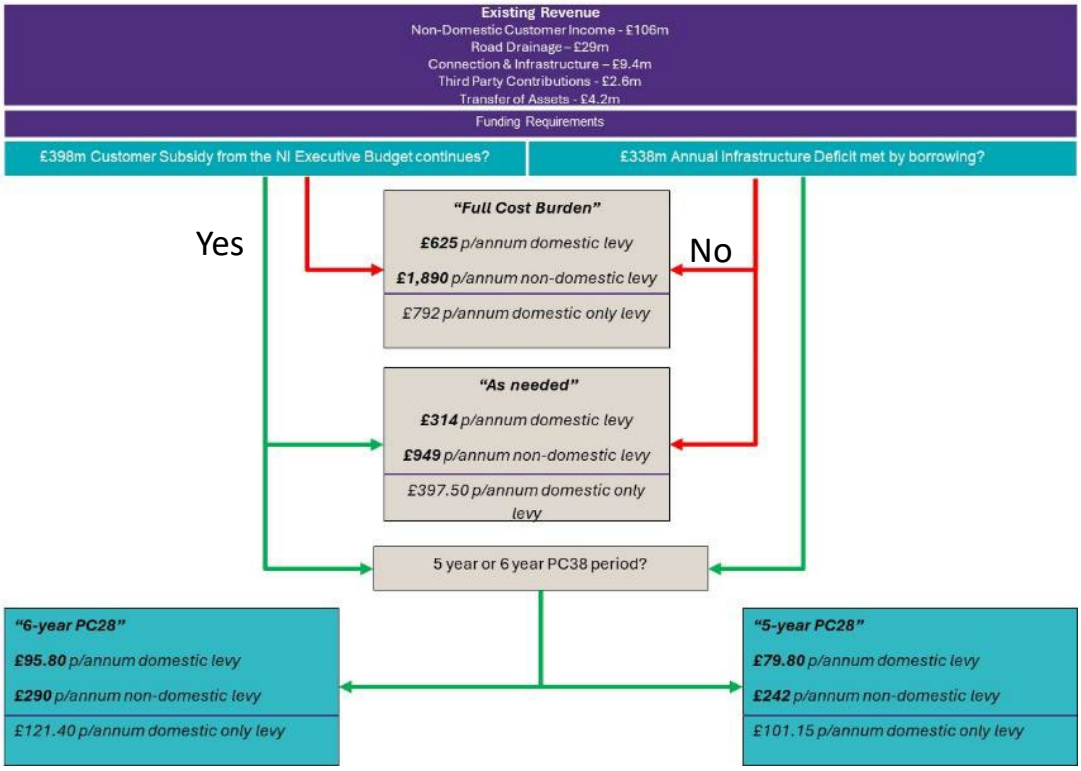
By proposing a Hypothecated Infrastructure Levy, it is acknowledged that this will likely give rise to the need to reexamine NI Water's existing status as a non-departmental public body (NDPB) and reclassification as a public corporation, as is already the case with Translink, as a governance structure that could be considered.

While not for this report, we also believe there is merit in further detailed consideration of how the Capital Departmental Expenditure (DEL)/Annually Managed Expenditure (AME) of Network Rail and National Highways are treated in public expenditure rules and whether such an approach could be practicable and of benefit to NI Water.

Ultimately, Northern Ireland must move towards a sustainable, transparent model for funding water and wastewater services – as originally recommended by the Independent Water Review Panel in 2007. Re-establishing the link between property value and water charges, while maintaining affordability protections, offers a route to fairness and long-term resilience.

Tough decisions are now required. Delay will only increase costs, risk environmental penalties, and harm economic prospects. Urgent, decisive action is now needed to secure a sustainable future for Northern Ireland's water infrastructure.

Summary of Waste Water Infrastructure Levy Options



NMD-DPS-078

Northern Ireland Wastewater Economic Impact Scenarios

Construction Impact of Delayed Wastewater Infrastructure in Northern Ireland

April 2025

Turley

Introduction

This report was prepared by Turley Economics on behalf of "Northern Ireland (NI) Wastewater Infrastructure" for the Northern Ireland (NI) Chamber of Commerce, Construction Employers Federation and NI Federation of Housing Associations. Its purpose is to understand the economic implications of the delayed delivery of critical wastewater infrastructure on the construction sector, specifically on the delivery of new housing and wastewater treatment plants. The economic impacts on the construction sector are measured initially for the remainder of the Northern Ireland Price Control regulatory period (NIW PC21) – out to 2027. Given that the impacts on the sector are cumulative and sustained, the economic impacts in the next Price Control NIW PC28 were also modelled. The focus of this analysis is on the impacts to the construction sector only, which is narrowly defined according to Standard Industry Classification. The analysis in this report measures the indirect and induced impact of the shocks to the construction sector, but does not measure the impact of delayed investment from other sectors and business activities due to wastewater constraints. Therefore the results are considered conservative impacts, as anecdotal evidence suggests that investors are locating outside of Northern Ireland due to the wastewater connection constraints.

Understanding the Sector

The impacts calculated in each scenario show the effects on the construction sector, which includes all activities from the UK Standard Industrial Classification (SIC) code 2007: Section F, Construction (also known as the 1-digit code). This covers all activities related to building construction, civil engineering works, and specialised construction activities.[1]

The Business Register and Employment Survey (BRES) aims to collect information about business structure and employee jobs across Northern Ireland. The information is used to maintain a register of businesses that supports statistical enquiries across Government and provides the most accurate employee job figures for Northern Ireland, on an annual basis.[2] The most recent BRES data[3] published by NISRA indicates that there were circa 41,720 construction employees (Full Time Equivalents) in Northern Ireland in 2022. There has been a growth in construction workers since 2019, when there were 35,780 FTEs. BRES classification of construction employees do not include professional services such as design, planning, environmental, land and quantity surveying and legal services, many of which also work on construction projects. BRES classification of construction employees align with the traditional skilled trades and unskilled labour used in construction activities. BRES data estimates that 16 per cent of the construction workforce is allocated to the construction of new domestic buildings, which equated to 5,740 workers in 2022.[4]

Nomis is a service provided by the Office for National Statistics (ONS) that offers detailed and official labour market statistics. The most recent employment data from the Northern Ireland Statistics and Research Agency (NISRA) indicates that there were 40,580 Employee Jobs and 24,371 self-employment jobs in the NI construction sector in December 2024. This is higher than the BRES data which reports on FTE, and it does not concord with the BRES classification. The Workforce Jobs series is the preferred measure of short term employment change by industry. However, the series cannot provide detailed industrial breakdowns (for example, 4 digit SIC 2007), which are acknowledged in the background to the Workforce Jobs methodology as being best sourced from the Business Register and Employment Survey (BRES), and therefore was used to contextualise the findings of the ensuing analysis.

Methodology

Given the national impact of delayed critical wastewater infrastructure projects, Northern Ireland is defined as the study area for this assessment. The assessment is informed by the Homes and Communities Agency's (HCA, now known as Homes England) Additionality Guide[5] and the HCA's Employment Density Guide[6] and draws on published official data sources.

HCA guidance recommends a specific approach to calculating net additionality. This allows for the consideration of:

- **Deadweight:** Considered to be zero;
- **Leakage:** The extent to which employment will be sourced from outside Northern Ireland, which is assumed to be zero in line with NISRA workforce commuting data from Census 2021;
- **Displacement:** The extent to which construction employees would have been relocating from other construction activities is assumed to be 25 per cent in line with HCA guidance; and
- **Multipliers:** Considering indirect and induced impacts, applied to reflect HCA guidance by applying a multiplier of 1.5.

In the first instance, the impact of delayed wastewater treatment infrastructure was measured on its own. This is the impact of planned infrastructure contained within the current Northern Ireland Price Control regulatory period (NIW PC21), which was expected to be delivered in the last three years of NIW PC21 (2025 to 2027) but is delayed. The impact of the delays in delivering critical wastewater infrastructure projects will impact housing delivery, and the impact was measured using scenarios with sets of assumptions on the number of houses that will not be built.

Three potential housing delivery scenarios over the three years (2025 to 2027) were modelled to show the impact of delayed housing delivery on the construction sector. The annual average delivery of new dwellings over the last 5 years was assumed as the baseline. This amounted to 6,555 per annum, and divergence of each scenario is shown in Table 1. The scenarios are:

- **Scenario 1 *"Most likely scenario"*:** Assuming that the recent downward trend in house completions from 2022 continues (approximately 12 per cent reduction year on year). If the downward trend continues, this would amount to a total of 13,515 dwellings completed between 2025 and 2027[7] , against the average delivery over the last five years of 6,555 per annum (19,665 for three years). This scenario measures the non-delivery of 6,150 dwellings—the difference between the average annual delivery over five years and the extrapolated declining numbers being delivered from 2022. This is considered to be the most probable scenario for the remainder of the NIW PC21 period.
- **Scenario 2:** *"Worst case scenario – Moratorium on construction of new buildings over the next three years"* This is a major shock scenario, unlikely to occur, but used to measure the impact/contribution of the current house delivery in Northern Ireland to the economy. There is an assumption of zero delivery of housing over the next three years, with the effect/impact calculated on the average housing delivery over the last five years (6,555 per annum) not taking place. This totals 19,665 homes not delivered over the next three years, considered the worst-case scenario.[8]
- **Scenario 3:** "*Increased housing requirement*": While an average of 6,555 new homes were delivered over the last five years, housing need in Northern Ireland is greater than current delivery. This is especially pronounced for the delivery of social and affordable housing. This scenario explores the effect on the construction sector by assuming that all of the identified requirements of 8,950 future dwellings per annum are built, based on the total LDP Housing Ambitions (26,850 homes over three years).[9] While wastewater connections are one constraint on building to levels of housing need (others include labour capacity and funding), this scenario explores the hypothetical size of the construction sector for housing if the sector expanded to meet Local Authorities' identified housing needs.

	Scenario 1 Most Likely	Scenario 2 Worst Case	Scenario 3 Increased Housing Requirement
Assumed delivery of housing between 2025 and 2027	13,515	0	26,850
Divergence from annual average rate of housing delivery (last five years)	- 6,150	- 19,655	+ 12,730

Table 1: Assumed New Dwelling Delivery by Scenario

Results from scenarios 1, 2 and 3 are shown in Table 2, along with the impact of the construction investment foregone on wastewater infrastructure between 2025 and 2027. While the three scenarios above have a range of impacts over the next three years, it was recognised that the wastewater constraints will impact housing delivery in the longer term. Therefore, Scenario 4 was developed to estimate the impact on the construction sector of shortfalls in investment in critical infrastructure and housing delivery in NIW PC28. This extends from 2028 to 2033/34, and results are presented further down in this report, in **Table 4**.

Results - Economic Impacts

£ million	Wastewater Infrastructure	Scenario 1	Scenario 2	Scenario 3	Scenario 1 + Waste water Infrastructure
Construction Investment foregone by 2027	£0.8 billion	£0.5 billion	£1.7 billion	£2.4 billion	**£1.3 billion**
Person-years of Employment	4,080	2,670	8,550	11,670	**6,750**
Construction Period					**3years**
Direct Net Additional Employment (FTE) – (Construction Sector)	1,020	670	2,140	2,920	**1,690**
Indirect / Induced Net Additional Employment (FTE)	510	330	1,070	1,460	**840**
Net Additional Employment (Total)	1,530	1,000	3,200	4,380	**2,530**

Table 2: Construction Phase Employment – NIW PC21

Delayed Wastewater Infrastructure Investment in NIW PC21

NIW PC21 had planned capital investment in wastewater infrastructure, which will enable the delivery of housing and businesses across Northern Ireland. This investment was expected to go to construction in the last three years of the NIW PC21 period, given the planning and pre-construction activity that is required. There was to be substantial construction investment of approximately £830 million[10] in the latter three years of NIW PC21. These projects are not proceeding, resulting in a failure to deliver the required investment in wastewater infrastructure. This could support approximately 4,080 person-years of direct employment within the construction sector[11]. This equates to 1,020 Direct Net Additional Employment full-time equivalent (FTE) jobs in the construction sector annually, after accounting for the additionality factors of leakage and displacement. These Direct Net Additional Employment figures come from the construction sector itself, and from sectors that support the construction industry, such as engineering/planning/design.

On-site businesses' expenditure on materials, goods and other services, purchased from a wide range of suppliers for the construction of wastewater treatment, will have far-ranging benefits both locally and further afield as it filters down the supply chain (this is termed 'indirect effects' in economic impact assessment). There will be lower wages and salaries paid to workers in businesses related to this expenditure, both from the construction sector and businesses within the supply chain. This reduction in disposable income also impacts the economy, and this effect is termed 'induced effects' in economic impact assessment. In line with published guidance, economic multipliers were applied to estimate these impacts in terms of employment. Indirect/induced effects of 510 FTES are foregone due to the lack of wastewater infrastructure investment; jobs within the construction supply chain (e.g. material suppliers and businesses operating in the supply chain) and jobs across the whole economy sectors that are affected by the lack of wages and salaries from the construction sector being spent within the economy. Direct and Indirect employment taken together make up the "*Net additional employment*", shown in the last row of Table 2. Summing the above direct, indirect and induced employment figures, it is calculated that the failure to deliver the required investment in wastewater infrastructure would have supported an average of 1,530 net additional FTE jobs annually in Northern Ireland, 1,020 of which are in the construction sector.

Delayed Investment in New Dwellings

Table 2 presents the impact of delays on new dwelling/house building construction, as explored through the scenarios. Scenario 1 ("Most Likely") would see £0.5 billion investment in housing foregone, Scenario 2 ("Worst Case") would see £1.7 billion of housing investment foregone, while Scenario 3 ("Delivering to Housing Need") models the unconstrained investment required, £2.4 billion, to meet housing need. In 2022, it is estimated that 5,740 FTE workers were working on the construction of new dwellings, or 16 per cent of the construction workforce.

Scenario 1 (Most Likely) shows the likely slowdown in housing construction over the next three years. The level of investment in new dwellings will be well under what is required to satisfy identified housing needs (**Table 1**), and visually this is shown in Figure 1, as Scenario 3 shows the potential growth in employment in new dwellings. From the analysis it is clear that the Northern Ireland Assembly's comprehensive housing targets in the Housing Supply Strategy 2024-2039[12] will not be met in Scenario 1, as measured against each individual Council's Local Development Plan's targets out to 2030, which would require an annual build rate of 9,322 dwellings per annum to 2030.

The impact on the number of workers in new dwelling construction under each scenario is shown in **Figure 1**. The baseline of circa 5,740 FTEs employed in the construction sector per annum to deliver an average of 6,555 new dwellings is assumed for 2024. Scenario 1, assuming the continued downward trend of construction of dwellings, shows a drop of 670 FTEs by 2027. Scenario 2 shows a greater drop of 2,140 FTE construction workers.[13] Finally, Scenario 3 shows the employment impact if new dwellings were delivered according to need, as identified in the Local Development Plans for each council. This would see a significant increase in the FTE workers in the new housing construction sector, to an estimated total of 8,660 FTE workers by 2027. This is nearly a doubling of the number of FTEs that currently are committed to new residential building, showing the potential for jobs in the new house building sector in Northern Ireland.

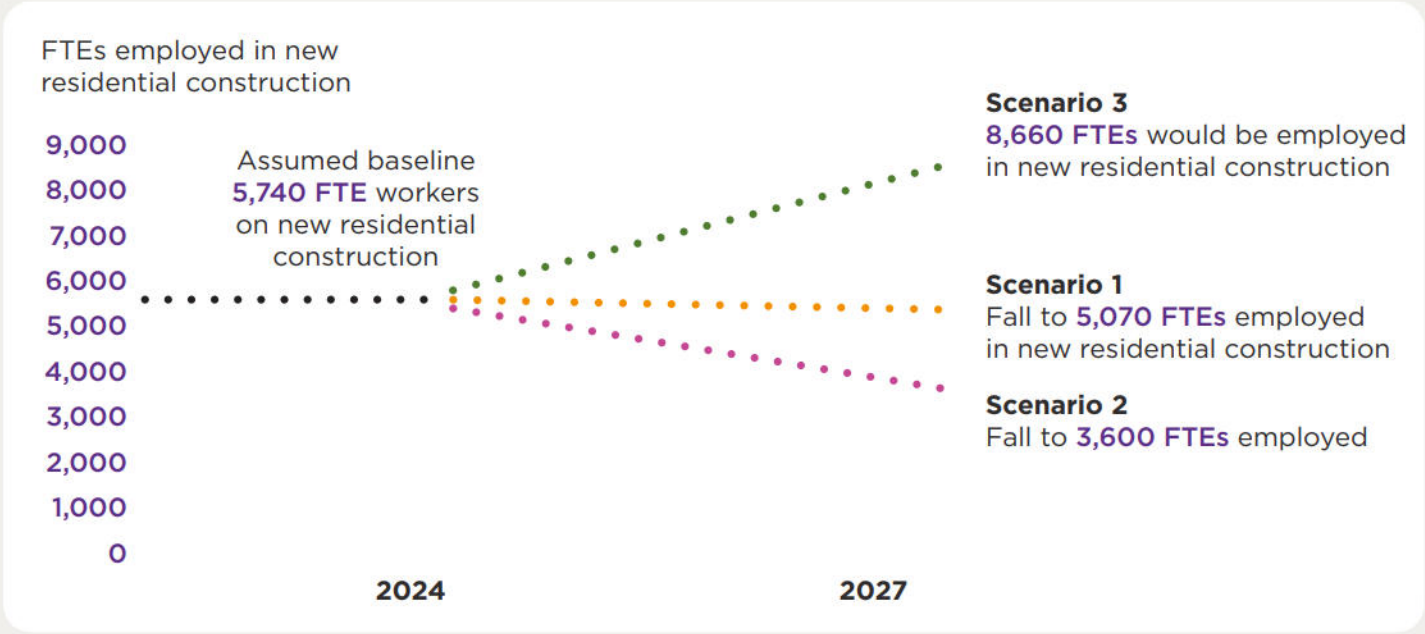


Figure 1 Impact of scenarios on the number of people employed in new housebuilding (only)

When combining the delayed wastewater infrastructure investment with Scenario 1, it is anticipated that 1,690 Direct Net Additional FTEs in the construction sector could have been supported if the wastewater infrastructure and housing investment had been delivered (total of £1.3 billion investment). Net Additional Employment from the combined effect (direct, indirect and induced) amounts to 2,530 FTE workers, 840 of whom are outside of the construction sector.

The failure to bring forward the combined wastewater infrastructure projects along with Scenario 1 will see a loss of 1,690 construction sector FTE workers. This is 4 per cent of the total construction sector workforce (circa 41,720). To put this in context, this is a similar-sized drop in the construction workforce that occurred during Covid, between 2020 and 2021. It is not as large as the impact on the sector experienced over a prolonged seven-year period after the global financial crisis between 2008 and 2014, when the construction workforce contracted by approximately 28 per cent.

Of these circa 41,720 construction employees across Northern Ireland, Department for the Economy data[14] identifies that there are 971 participants in apprenticeships that are within the construction sector. This equates to 2.3 per cent of all employees within the construction sector. Applying this proportion to the gross number of employees that could have been generated from the construction of wastewater infrastructure, this would equate to circa 24 apprentices on site per annum. Combining this with the number of apprentices that could be generated from Scenario 1, a total of circa 39 apprentices could have been employed per annum. Overall, the socioeconomic impact of changes should be assessed in light of who is likely to be affected most and to what extent. A NESC (2013) study on the economic crash of 2008 in the Republic of Ireland noted that men in the construction industry were particularly affected, with low-skilled workers bearing the brunt of the decline[15], along with a high rate of outward migration which occurred among construction workers who lost their jobs. Further study is required on the likely socio-economic impact of the loss of jobs in the Northern Ireland construction sector, given the effective single labour market across the island of Ireland and opportunities for workers elsewhere.

"Most Likely"
Scenario Insight

Contraction of construction sector employment of 4% by 2027

Exclusions from analysis

It should be noted that this analysis does not take into account the businesses that relocate elsewhere, outside of Northern Ireland, due to the wastewater connection constraint. The NI Audit Report, published in March 2024, identified that a lack of capacity in Northern Ireland's water infrastructure has meant that development applications in 100 areas cannot be approved or are subject to restrictions.

The NI Audit Report cites research undertaken by the Ulster University Economic Policy Centre in 2022, which looked at an unconstrained economic environment and projected economic growth. The report highlighted two key points arising from the analysis. Firstly, even if PC21 is fully funded and implemented, the inadequacies within water infrastructure will still be a significant economic constraint in Northern Ireland in 2027 and beyond, due to the additional investment in wastewater treatment that is required. The economy will be smaller than it otherwise would be and fewer than expected new jobs will be created, estimated to be in the region of 5,900 fewer jobs. Secondly, in a scenario where PC21 is not implemented in full, even a relatively small shortfall in funding can magnify the economic impacts arising from constraints in water infrastructure. In an unconstrained economic environment, projected economic growth would see 50,000 new jobs added to the local economy between 2021 and 2027. If no investment was made on delivering on PC21 only 37,000 jobs would be created, indicating an economic impact of 13,000 jobs across the economy. This serves to highlight that Turley's analysis above, which focuses on the fall in construction activity only, is a conservative economic impact assessment, as it does not estimate the opportunity cost of economic activity in other sectors that is constrained by lack of wastewater (e.g. expansion of schools, hospitals and other public services; businesses that are restricted from developing; foreign direct investment that relocates elsewhere).

While a direct comparison of the NI Audit Office modelling and modelling undertaken in this report is not possible due to lack of detail in the NI Audit Office summary, the impact is significant. The NI Audit Office concluded that *"The development restrictions caused by capacity issues within water infrastructure will undermine the ability of the NI Executive to deliver against its strategies. They will also have a significant impact upon the ability of local government bodies to deliver against their responsibilities and objectives, which are also related to central government plans"*.

Gross Value Added NIW - PC21

The construction phase could generate a significant production impact, measured in Gross Value Added (GVA). GVA is the total of all revenue into businesses, which is used to fund wages, profits, and taxes. Therefore, it provides a key measure of productivity.

The GVA that could have been generated during the wastewater infrastructure's construction phase was calculated through analysis of Experian data relating to the average GVA generated per employee by sector in Northern Ireland.

Applying the appropriate GVA figures to the numbers of direct, indirect and induced FTE jobs supported during the construction phase, it is estimated that wastewater infrastructure investment could generate £137.9 million of net additional GVA in the Northern Ireland economy each year, equating to a total of £413.7 million over the estimated construction period, increasing to £709.7 million when considered alongside Scenario 1 (**Table 3**).

	Wastewater Infrastructure	Scenario 1	Scenario 2	Scenario 3	Scenario 1 + Waste water Infrastructure
Direct Net Additional GVA (Annual)	£105.8	£69.4	£221.9	£303	**£175.2**
Indirect / Induced Net Additional GVA (Annual)	£32.1	£21.1	£67.3	£91.9	**£53.2**
Total Net additional GVA (Annual)	£137.9	£90.5	£289.2	£395	**£228.4**
Total Net Additional GVA (over three years)	**£413.7**	**£271.4**	**£867.7**	**£1,185**	**£685.1**

Table 3: Construction Phase GVA (million) – PC21

Scenario 4: Impact of longer-term delayed wastewater infrastructure (NIW PC28 over six years)

The Construction Employers Federation report finds that there is an estimated shortfall in the funding for wastewater infrastructure between 2027-2033 of £2.03 billion.[16] This equates to 51 per cent of the total cost of delivering the infrastructure (£3.96 billion). This will also impact the delivery of housing across Northern Ireland. For this longer-term scenario, it is assumed that 51 per cent of the current housing delivery levels will not be delivered. This equates to 4,589 homes per annum, or 27,531 homes over the six-year period.

£ million	Wastewater Infrastructure	Housing	Wastewater Infrastructure + Housing
Construction Investment foregone	£2.0 billion	£2.4 billion [17]	**£4.4 billion**
Person-years of Employment	9,920	11,970	**21,890**
Construction Period	6 years		
Direct Net Additional Employment (FTE)	1,240	1,500	**2,740**
Indirect / Induced Net Additional Employment (FTE)	620	750	**1,370**
Net Additional Employment (Total)	**1,860**	**2,250**	**4,110**

Table 4: Construction Phase Employment – PC28 (2027-2033) Source: Turley Economics, 2025

Employment

The substantial construction investment of approximately £2 billion foregone in the failure to deliver the required investment in the wastewater infrastructure could support approximately 9,920 person-years of direct employment within the construction sector (**Table 4**).

After accounting for the additionality factors of leakage and displacement, it is estimated that 1,240 direct FTE jobs per annum could be sourced from Northern Ireland's labour force had the additional funding for the wastewater infrastructure been secured. The indirect and induced additional employment foregone amounts to 620 FTE, bringing a net additional employment of 1,860 FTEs for wastewater investment foregone.

The construction investment into new housing foregone amounts to £2.4 billion over the PC28 period. This could support 11,970 person-years of employment, which translates into 1,500 direct FTE jobs per annum that could be sourced from Northern Ireland's construction labour force. Combining the wastewater scenario with the reduction in housing delivery would result in a total of 4,110 FTE foregone, 2,740 of which would have been employed in the construction sector. This analysis confirms that the contraction of construction activities in new dwellings would have sustained effects and impacts over a 10-year period. The contraction in construction sector employment extends from 4 per cent in 2027 to 7 per cent by 2033.

The estimated impact of these economic multiplier effects indicates that a further annual average of 620 FTE indirect / induced employment jobs could have been supported within the Northern Ireland economy throughout the construction period of the wastewater infrastructure for 2027 – 2033 (increasing to 1,370 when considered alongside housing not delivered).

Summing the above direct, indirect and induced employment figures, it is estimated that the failure to deliver the required investment in wastewater infrastructure for 2027-2033 could have supported an average of 2,740 net additional construction FTE jobs annually in Northern Ireland, increasing to 4,110 when considered alongside the housing which cannot be delivered. This amounts to 7 per cent of the current construction FTE workforce in the longer term (next decade).

Applying the 2.3 per cent proportion of apprenticeships of the total construction workforce to the above estimates, construction of the wastewater infrastructure from 2027-2033 could generate circa 28 apprentices on site per annum. Combining this with the number of apprentices that could be generated from housing delivery (36), a total of circa 64 apprentices could have been employed per annum.

Scenario 4 Impacts extending into PC28

Drop in 4,110 FTE workers across the construction sector (-7%)

Economic Productivity (GVA) - PC28 (2027-2033)

Applying the appropriate GVA figures to the numbers of direct, indirect and induced FTE jobs supported during the construction phase, it is estimated that the construction phase of the wastewater infrastructure could generate £167.8 million of net additional GVA in the Northern Ireland economy each year, equating to a total of £1 billion over the estimated construction period, increasing to £2.2 billion when considered alongside housing development. This is summarised in **Table 5**.

While modelling of the NIW PC28 scenario assumes that many other elements of the economy remain constant, it is useful to formulate this scenario to explore the potential impacts. Following on from the analysis of the impact of PC21, this final scenario highlights that the lack of investment will have prolonged effects into the future – the level of impact is sustained for at least a decade, and it marks a significant impact on the construction sector of 7 per cent drop in employment in construction and investment foregone of £2.2 billion between 2027 and 2033.

Scenario Insight

Contraction of construction sector employment by 7% in longer term, to 2033

	Wastewater Infrastructure	Housing	Wastewater Infrastructure + Housing
Direct Net Additional GVA (Annual)	£128.8	£155.3	£283.1
Indirect / Induced Net Additional GVA (Annual)	£39.1	£47.1	£86.2
Total Net additional GVA (Annual)	£167.8	£202.5	£369.3
Total Net Additional GVA (over six years)	£1,007	£1,215	£2,222

Table 5: Construction Phase GVA (million) – PC28 (2028-2033/34) Source: Turley Economics, 2025

End Notes

1 See UK Standard Industrial Classification (SIC) Hierarchy for the list of activities included in SIC 2007 Construction: https://onsdigital.github.io/dp-classification-tools/standard-industrial-classification/ONS_SIC_hierarchy_view.html
2 https://www.nisra.gov.uk/files/nisra/publications/BRES_2023_GUIDANCE_NOTES.pdf
3 NISRA (2023) BRES Publication and Tables 2022
4 The most recent employment data from the Northern Ireland Statistics and Research Agency (NISRA) indicates that there were 60,500 workforce jobs in the Northern Ireland construction sector in 2024. This is higher than the BRES data of FTE, and although the classification of workforce jobs is in NISRA data is not clear, it does not concord to the BRES classification, as it includes additional occupations outside of the Standard Industry Classification for construction, such as professional, non-construction professional and technical office based staff.
5 HCA (2014) Additionality Guide 4th Edition.
6 HCA (2015) Employment Density Guide 3rd Edition.
7 Assumption of 5,415 dwelling completions in 2025, 4,500 completions in 2026 and 3,600 completions in 2027.
8 This is based on analysis of delivery by the 11 District Councils for the period between 2019 and 2024, but indicates the level of drop-off in construction activity that potentially could be experienced.
9 This scenario uses the housing need identified by each of the 11 District Councils in their respective Local Development Plans
10 Construction Employers Federation (March 2025) Construction Employers Federation submission to the consultation on the draft Northern Ireland Executive Budget 2025/26, March 2025. Based on years 2024/25 – 2026/27
11 Analysis utilises the UK Government's Department for Business and Trade's 2024 Business Population Estimates: Northern Ireland data for the construction sector to determine the turnover per employee in the sector, which in turn informs the number of jobs supported.
12 Northern Ireland Executive (2024) Housing Supply Strategy A Home for Everyone 2024-2039 https://www.communities-ni.gov.uk/sites/default/files/2024-12/dfc-housing-supply-strategy-2024-2039.pdf
13 Although it is assumed that house building is zero in this scenario, the modelling includes a factor for "displacement", so the number of FTEs does not go to zero.
14 Department for the Economy (2025) Apprenticeships NI statistics from August 2018 to October 2024
15 NESC (2013) The Social Dimensions of the Crisis: The Evidence and its Implications http://files.nesc.ie/nesc_reports/en/NESC_134_Social_Dimensions_Exec_Summary.pdf
16 Construction Employers Federation (March 2025) Construction Employers Federation submission to the consultation on the draft Northern Ireland Executive Budget 2025/26, March 2025.
17 Based on an estimated average split of homes based across all Strategic Housing Market Analysis Reports issued by the Housing Executive. This is then applied to the average space standards of homes of these sizes and the associated £/sqm of residential development from BCIS.

Appendix 3: WSC Consulting letter & NIW PDE

[redacted]
Chartered Civil Engineering Consultant
Ballykeel Lodge, 33 Fairview Rd., Dromore, BT25 1JF.
[redacted]
e-mail: info@wscconsulting.co.uk web: www.wscconsulting.co.uk

18 September 2025

APPLICATION BY EMAIL ONLY

[redacted]
[redacted]
Turley
Hamilton House,
3 Joy Street,
Belfast,
BT2 8LE

Dear [redacted]

RE: LANDS AT REAR OF CHAPEL VIEW ANNACLOY DOWNPATRICK
NI WATER PDE RESPONSE – FUTURE LANDS

We confirm that on 14 August 2025,we submitted an application to NI Water for a PreDevelopment Enquiry for the lands to the rear of Chapel View Annacloy and NI Water forwarded their response dated 16th September 2025.

The following is a summary of the PDE response from NI Water:

1. PDE response
    a. This response is based on 20 Units as per Architects plan
    b. This Pre-Development Enquiry Response will be valid for a period of 18 months and will expire on 18/3/2027

2. Foul Treatment Capacity
    a. There is available capacity within the Annacloy WWTW.
    b. Therefore no issue.

3. Proximity in relation to existing Wastewater Treatment Works/Wastewater Pumping Station
    a. There are no facilities within the minimum separation distances and therefore this is not applicable.

4. Foul Sewerage Infrastructure
    a. FS-05: Public foul sewer(s) located as detailed below which (subject to sewer requisition extension) can adequately service this proposal. This is also subject to adequate capacity being identified in receiving Wastewater Treatment Works as detailed above. – capacity confirmed above.
    b. Location stated by NI Water is Drumnaconagher Road (115m away).

c. It must be stated that the existing constructed drainage for the adjacent development of Chapel View and the associated Foul Pumping Station is not on the NI Water records as this is not yet adopted fully. This infrastructure was therefore not considered in the NI Water response, but this pumping station will be the means of serving these lands.

5. Storm Sewerage Infrastructure
    a. SS-NA: No Public storm sewer(s) as available to serve this proposal.
    b. As such the applicant should liaise with DFI –Rivers Agency to see if discharge would be possible to any local watercourses. Following this, the applicant may wish to requisition NI Water to provide a suitable storm outfall sewer to the approved discharge location. Under no circumstances will storm water be permitted to enter a public foul sewer.
    c. There is a watercourse though the subject lands and this will be the means of discharge of the storm water subject to DfI River consent. This consent should be granted at greenfield run-off at 10 l/s/hectare.

6. Public Sewers Traversing:
    a. NIW public sewer/s traversing the proposed development site. No construction to be made within the protected strip associated with this sewer/s. A diversion may be necessary. Further information and guidance notes can be downloaded from NIW website at niwater.com/services-for-developers/

7. Water Supply
    a. NI Water have stated that the Public water network can adequately service this proposal based on the proposed average demand rate. – 125mm watermain in Chapel View.
    b. Therefore there is no issue.

8. Public Watermains Traversing:
    a. Not applicable

Considering all the information above from NI Water, the development of the lands to the rear of Chapel View in Annacloy, can be serviced if planning permission was granted.
There is available capacity in the local Wastewater Treatment Works and infrastructure, which is normally the main issue stopping development across Northern Ireland.

Therefore, unlike other areas within the Newry Mourne & Down, namely Daraghcross, Downpatrick, Kilkeel, Killyleagh, Newry & Saintfield, (which have closed catchments where there are high polluting Unsatisfactory Intermittent Discharge (UID) and have no suitable solutions), whereas these lands can be developed, serviced and occupied within no impact.

Should you require any further information or details please call me.

Yours sincerely,

[redacted]

Encs
PDE Response DS105783 incl Services map

CC Client by email

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

Pre-Development Enquiry Response

Delivering what matters

WSC CONSULTING
BALLYKEEL LODGE
33 FAIRVIEW ROAD, DROMORE
BT25 1JF

DS Reference: DS105783

Response Date: 16/09/2025

Dear Sir/Madam

RE: PROPOSED DEVELOPMENT AT LANDS TO THE REAR OF CHAPEL VIEW, ANNACLOY, DOWNPATRICK

Thank you for your Pre-Development Enquiry (PDE), received 18/08/2025, in respect of the above development of: 20 dwellings

Valid / Extant Planning: N/A

Number of Units (if available): 20

Type of development: Housing Development

Please find enclosed extracts taken from our records, indicating the approximate routes of existing public wastewater and water services.

Your attention is drawn to the disclaimer notice on all enclosures.

This Pre-Development Enquiry Response will be valid for a period of 18 months and **will expire** on:

18/03/2027

Should formal approval to make connections to the public water and sewerage networks not have been granted by NI Water within this timescale, a further PDE will require to be submitted to ensure that capacity currently identified as being available to serve this proposal, still exists.

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

Pre-Development Enquiry Response

Delivering what matters

Public Wastewater Services:

Receiving Wastewater Treatment Works: Annacloy WwTW

Status of Wastewater Treatment Works:

WwTW-01: There is available capacity at the Wastewater Treatment Works named above.

Proximity in relation to existing Wastewater Treatment Works/Wastewater Pumping Station:

Not Applicable

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

Pre-Development Enquiry Response

Delivering what matters

Public Foul Sewer:

Status of Public Foul Sewer:

FS-05: Public foul sewer(s) located as detailed below which (subject to sewer requisition extension) can adequately service this proposal. This is also subject to adequate capacity being identified in receiving Wastewater Treatment Works as detailed above.

The applicant may requisition NI Water in accordance with Article 154 of the Water and Sewerage Services for this purpose (Form Ref: SRE-A154 available on www.niwater.com/services-for-developers).

Further details regarding the downstream foul capacity constraints:

Foul Water Discharge Rate (l/s): 0.29 l/s

Public Foul Sewer Specific Details:

Diameter(s): 150mm

Location/ Road Name(s): Drumnaconagher Road (115m away)

Trade Effluent: Not applicable.

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

Pre-Development Enquiry Response

northern ireland water
Delivering what matters

Public Surface Water Sewer:

Status of Public surface water sewer:

SS-NA: No public storm sewer(s) available which can serve this proposal.

As such the applicant should liaise with DFI –Rivers Agency to see if discharge would be possible to any local watercourses. Following this, the applicant may wish to requisition NI Water to provide a suitable storm outfall sewer to the approved discharge location. Under no circumstances will storm water be permitted to enter a public foul sewer.

Storm Discharge Rate (l/s):

Public Surface Water Specific Details:

Diameter(s):

Location/ Road Name(s):

Public Sewers Traversing:

Details of Public sewer(s) traversing the development site:

Not Applicable

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

Pre-Development Enquiry Response

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Water Supply Service:

Status of Public water supply:

WS-01: Public water main(s) located as detailed below which can service this proposal based on an average demand rate.

Proposed Water Supply Rate (l/s):

Water Supply Specific Details:

Diameter(s): 125mm

Location/ Road Name(s): Chapel View

Public water supply traversing the development site:

Not Applicable

All appropriate application pro forma for both water and sewerage services may be obtained at www.niwater.com , under "Services for Developers" or on request at the above address.

Northern Ireland Water
Developer Services
Westland House
40 Old Westland Road
Belfast
www.niwater.com
Tel: 03457 440088

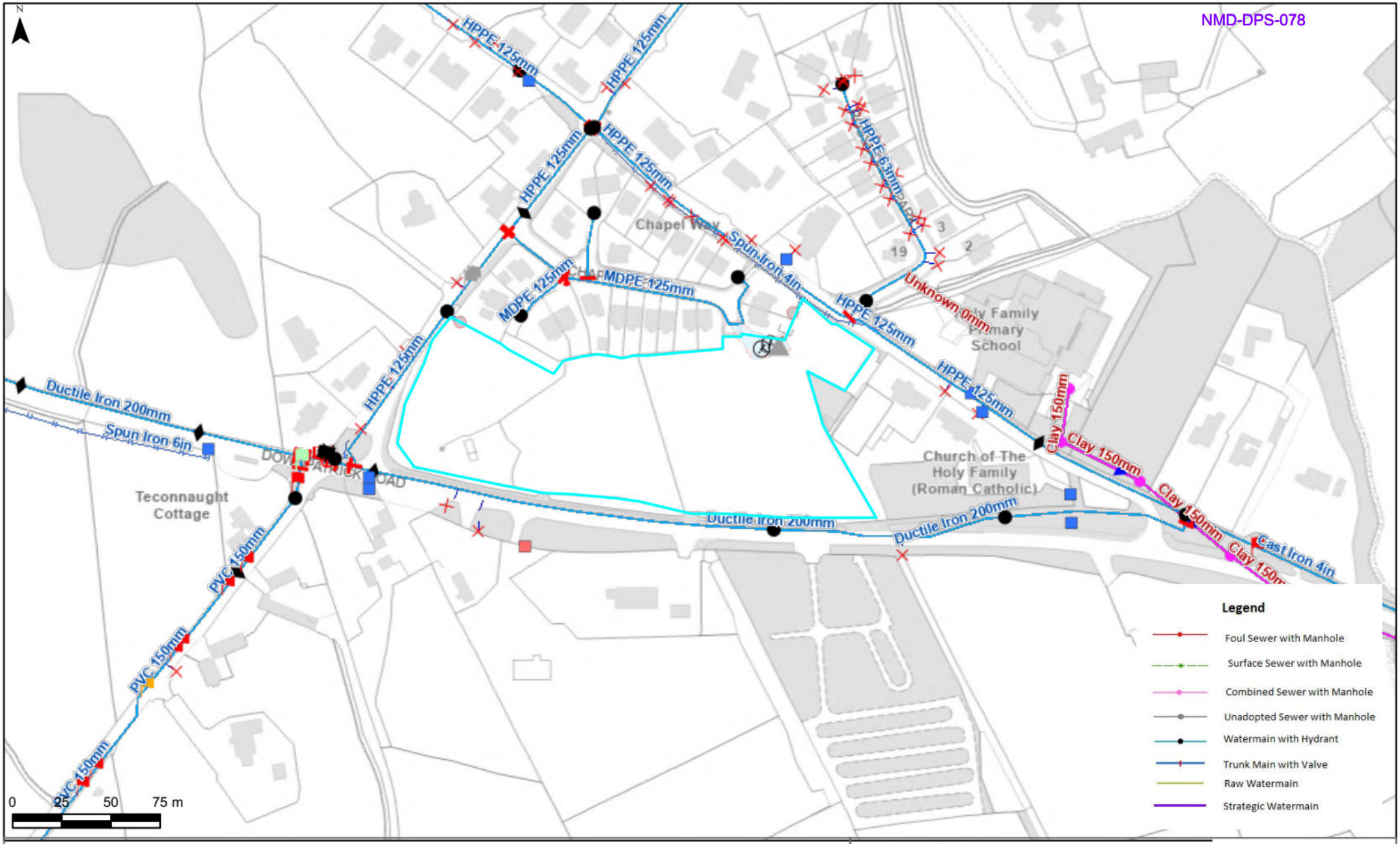
Pre-Development Enquiry Response

Delivering what matters

If you require any further information on these matters, please contact the undersigned at your convenience.

Issued by: [redacted]

Email: PreDevelopmentEnquiry@niwater.com



ServiceEnquiryInformationA4Landscape **Title** : DS105783-LANDS TO REAR OF CHAPEL VIEW, ANNACLOY

Large Format Plotting **Note** : PDE

Service Enquiry A4 Landscape

Centre X-Y: 343458E 348970N **Plotted by** : [redacted]

Scale : 1 : 2500 **Date** : 16 September 2025 **Time** : 09:53

Northern Ireland Water (NIW) Disclaimer:
The position and attributes of NIW infrastructure shown on this map should be regarded as approximate and should not be relied upon. NIW does not accept any liability for loss or damage to any person or property caused as a result of any inaccuracy in the information. For health and safety reasons it is your responsibility to determine the exact location of NIW infrastructure, prior to any excavation work being undertaken and it is recommended that hand dug trial holes are used to determine the precise location.

northern ireland water
Delivering what matters

Appendix 4: Annacloy Settlement Evaluation (Turley)

Settlement Evaluation

September 2025

Annacloy

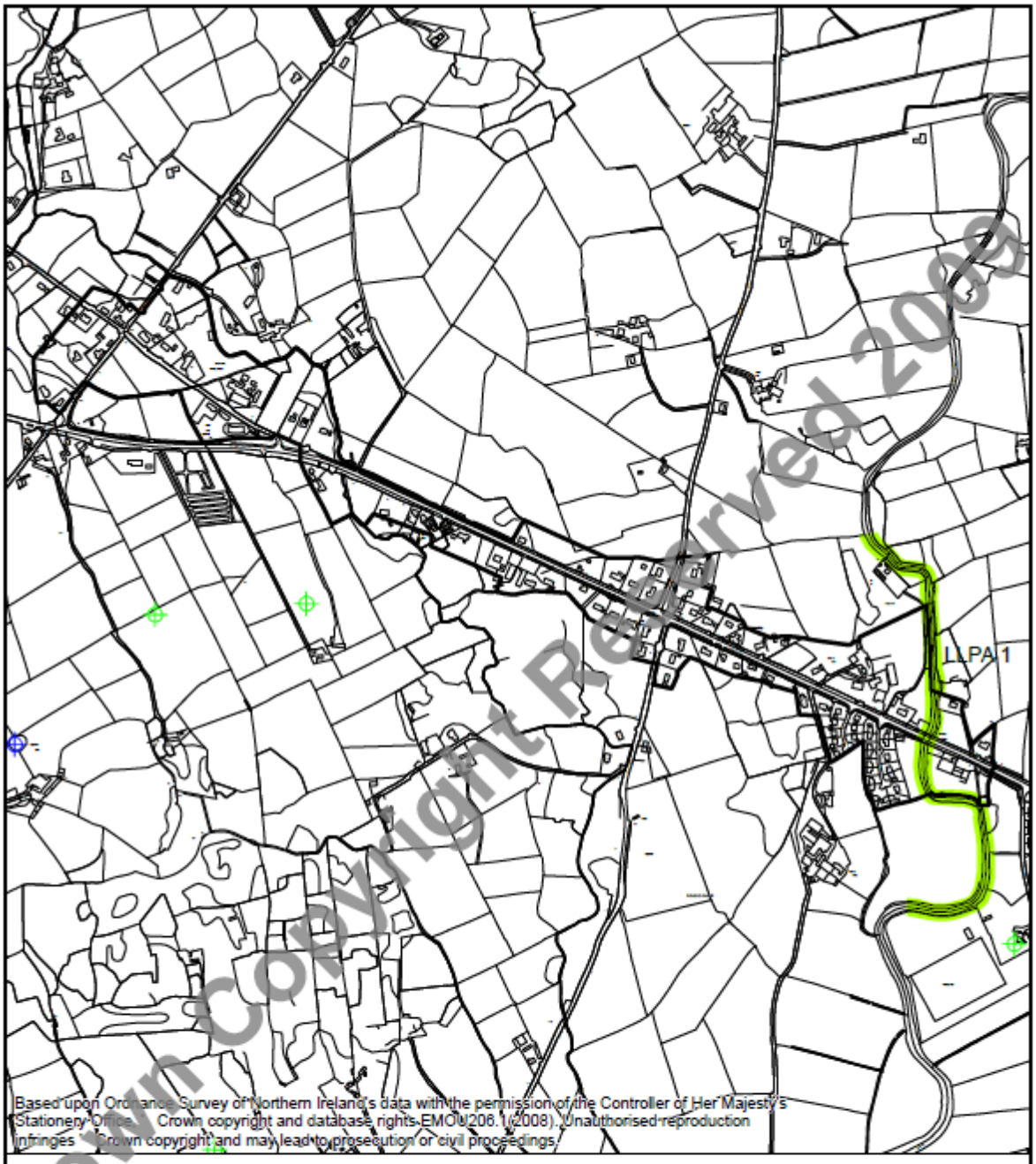
Annacloy			
Settlement Category	Population (2021 Census)	Area (ha)	No. of households (2021 Census)
Tier 4 Small Settlement *= 4th largest of 49 by population after Darragh Cross, Newtownclough & Kilcoo*	391	Approx. 28.9ha	127

RDS Settlement Evaluation Framework	
Resource Test	All households have access to a clean water supply as well as having waste/sewage disposal connection to the mains sewer flowing to Annacloy WwTW. In 2015, Annacloy underwent upgrade construction works to create a 1261 population sewage scheme for Annacloy and Kilmore. The works involved the phased decommissioning and demolition of the existing WwTW, phased removal of extended units and installation of the new WwTW. Fast fibre broadband, natural gas connection and 4G mobile data coverage is available throughout the settlement. The settlement benefits from a primary school and nursery unit, post office, Church, shop, restuarants and a bar, football and GAC pitches, and a community hall.
Environmental Capacity Test	Annacloy is located within the Mourne AONB. Annacloy straddles the Annacloy River Corridor which is identified as a LLPA, and is recognised as being of potential value as a wildlife corridor and an important landscape feature for the settlement. No other natural environment designations or protections are found within the settlement. Flood Maps NI indicate a small portion towards the eastern boundary of the settlement limits may be at risk of fluvial flooding. One historical flooding event was recorded just outside the settlement limit, to the south. No other flooding restrictions are noted. An assessment of the environmental assets has determined that there is potential to accommodate future outward growth without significant environmental degradation.
Transport Test	Annacloy is located on a main thoroughfare between the towns of Ballynahinch and Downpatrick. Its road connections make it an attractive commuter settlement serving the nearby employment hubs, being located only minutes' drive away from Downpatrick, Ballynahinch, Crossgar and Saintfield. A historical railway line exists in

	Annacloy but is no longer in service, however, various bus services serve the settlement, with direct bus routes to Belfast, Downpatrick and Ballynahinch.
Economic Development Test	There is a business park located to the southeast of the settlement which accommodates a number of local businesses. Other small businesses are found within the footprint of the settlement.
Urban and Rural Character Test	Annacloy is located along the Annacloy River and primarily comprises residential, as well as small pockets of commercial, land use. The Annacloy River played a decisive role in the early development of the settlement as it provided an ideal setting for small industry, such as the corn and flax mills, which provided employment for the nearby settlements. Moreover, Annacloy benefitted from the nearby quarry located on the eastern boundary of the settlement. The grounds of Rossconor also played a key role in the early development of Annacloy, the grounds of which offered vast private lands and comprised lodges, cottages and Rossconor House. As industry declined over time, so too did the development of Annacloy, and consequently, the settlement retracted from the banks of the Annacloy River and development began to be concentrated around the parish centre at the Teeconnaught/Drumnaconagher Rd crossroads due to its location along the key road transport corridor. The village maintains a similar morphology and establishes a linear, ribbon-like form of development along the main Annacloy Road.
Community Services Test	Annacloy benefits from a Church, community hall and two grassed sports pitches. A number of retail and commercial units are also located within the settlement, including a post office, Maxol petrol station and Mace convenience store, farm shop and butcher. Local trades and small businesses available include a car sales premises, hairdresser, sportswear shop and personal training studio. The location along the Annacloy River also offers an opportunity for recreational fishing.
Qualitative Analysis	
Strengths	• Strategic location with good connection to the transport network via single carriage way (A7 Belfast Road and B2 Downpatrick Road) and bus services. • Access and connectivity to Belfast and the wider Belfast Metropolitan Urban Area, the main conurbation in Northern Ireland. • The settlement is an attractive and popular place to live given its picturesque landscapes and proximity to nearby employment hubs. • Sporting provision – Teconnaught GAC and Rossconor playing fields and gym facility. • Critical mass of infrastructure, including meeting several criteria of Tier 1 in the RDS Infrastrucrure wheel. • WWTW infrastructure capacity as a result of recent upgrade. • Scale relative to other small settlements.
Weaknesses	• Linear form, which would require careful identification of future in-depth growth opportunities and avoidance of ribbon development.

	• No children's play area.
Opportunities	• Growth opportunities given the attractiveness of the village and limited environmental constraints. • Potential to grow community services including a medical centre/pharmacy. • Potential to develop key underutilised sites for recreational uses, including the unused historic railway line as a greenway.
Constraints	• Opportunity for outward development to the east and south east restricted by potential for fluvial flooding. • Ensuring development is sensitive to the character of the village.

Appendix 5: Site Location Plan



Ards and Down Area Plan 2015

Map No. 3/019 - Annacloy

Settlement Limit

Local Landscape Policy Area

Archaeological Site and Monument (Scheduled)

Archaeological Site and Monument

0 150 300 Metres

N

Appendix 6: Architect's Layout

NMD-DPS-078

CONCEPT PLAN LAYOUT

SCALE 1: 1000 JAN.2019

POTENTIAL DEVELOPMENT
LANDS
Adjacent to
CHAPEL VIEW ANNACLOY

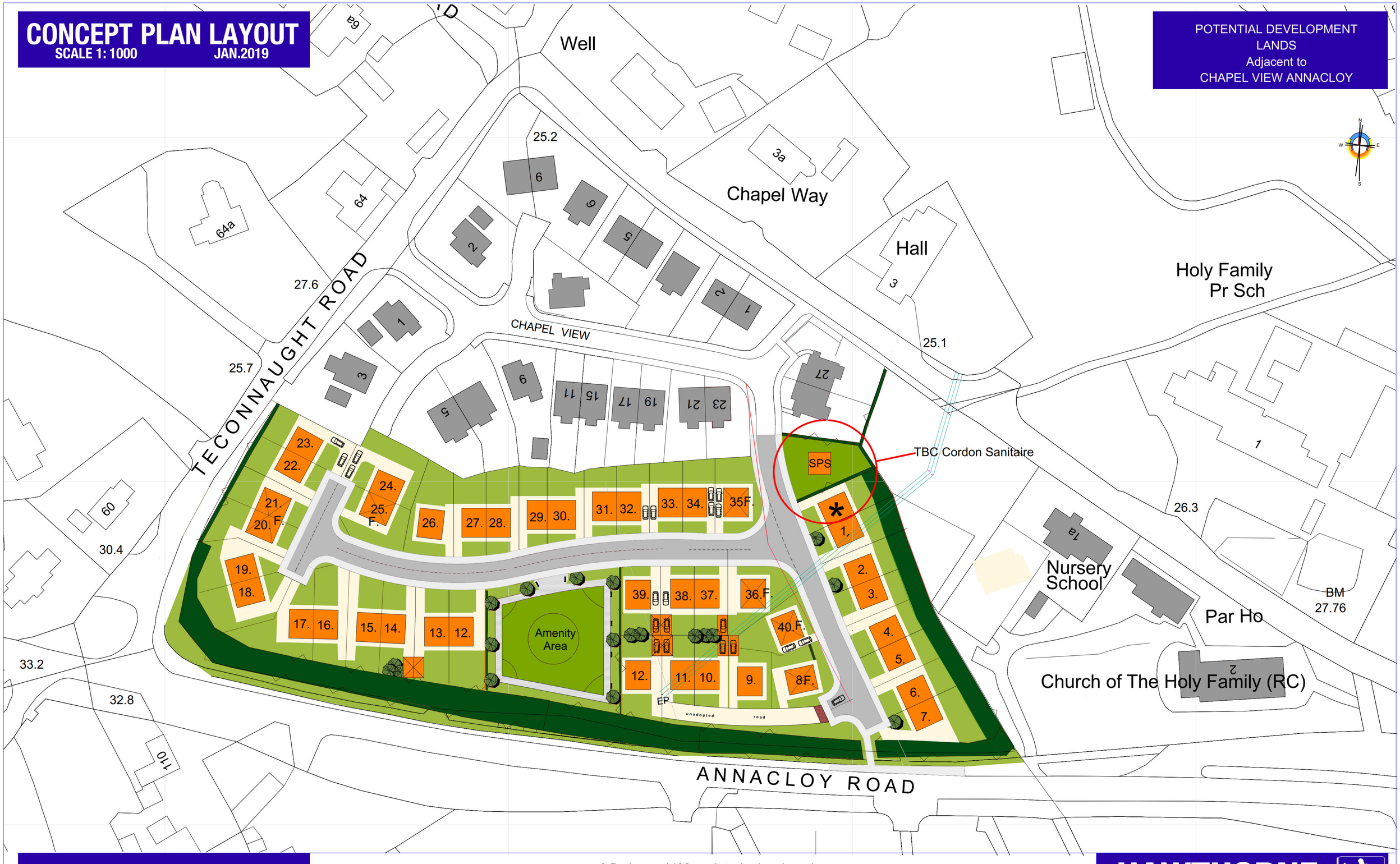


ILLUSTRATION 02

INFORMATIVE:- FOR ILLUSTRATION ONLY.
SUBJECT TO DETAILED SURVEY & STATUTORY APPROVAL
SCALE 1:500 @ A1 L
1:1000 @ A3 L
Project Ref. 18-1740

3 Bedroom 1100 sq detached and semi-detached two storey dwellings units.
Projected number of units 40-41 subject to SPS tank location & cordon sanitaire determination

Legend.
F. Denotes Probable Feature Unit
* Denotes Probable Unit to be omitted.

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architecture civil engineering project management town & country planning
2-3 The Beeches,
Grove Road,
Spa,
Co.Down
BT24 8RA
T: 028 9756 1488
F: 028 9756 5858
E: sam@hawthorneassociates.co.uk

Turley Office
Belfast

T 028 9072 3900

Turley