

# Development Services

## Charges Arrangements Consultation

Phase 2 | November 2024



Our consultation process:  
Have your say

Each year we publish our Development Services’ charging arrangements for the services that we offer to enable growth in our region.

We recognise the value of getting the views and opinions of as many of our customers as possible. Through listening to what you tell us, it helps us to understand your needs and to find the best way to create and set our charging arrangements.

This year, our ‘Have Your Say’ consultation was made up of 3 stages:

Phase 1: November 2024  
– Consultation opens

Launched in November 2024, we reached out to our key customer groups to get an understanding of what matters to you most, specifically reflecting on Environmental Incentives, Simplicity and Transparency, and Transitional Support Arrangements.

Please note – a separate consultation was shared with our NAV customers.

Phase 2: Working together

From mid-November onwards, we consolidated and reflected on your feedback as we finalised our charging arrangements and began to implement our future service offerings.

Phase 3: January 2025  
– Publishing our plans

We published our final charging arrangements for the period 2025-2026 at the end of January, including full details for the requirements of our Environmental Incentive.

Phase 2 of our consultation

Our November 2024 consultation reflected on our charging arrangements within the current landscape, and we were interested to hear your views on:

- **Environmental incentives** and how we can continue to safeguard the environment within the communities we serve in a sustainable way.
- **Simplicity and transparency** and how we can support all customer types by ensuring our charges are more transparent, simplifying the approach to help ensure we can address your queries with us more easily.
- Economic climate and our **transitional support arrangements** for your development projects through uncertainty and volatility in the current financial market.
- Our **engagement programme** and how we can engage effectively with you over the course of the year.

We held an internal review to examine your feedback in relation to our current charging approaches and annual engagement programme and your feedback and our responses can be found detailed in this document.



Customer segmentation

As part of the consultation, we reached out to approximately 1,700 customers via email and calls, focusing on those who completed work with us over the last 12 months. In the online survey, we asked customers to select the profile that best described who they are and their needs when working with us. The profile groups and the responses received from each group were as follows:

Individual homeowner (new build/extension)	22%
Professional builder (5-50 plots)	11%
Commercial developer and/or land promoter (50+ plots)	56%
NAV	11%

A big thank you to all those who responded to this year’s consultation.





## Environmental incentives for 2025-30



Based on the most recent Ofwat publication (Environmental incentives to support sustainable new homes – conclusions and final consultation – Ofwat, October 2024), we proposed introducing a new water environmental incentive focused on internal fixtures and fittings, with a target of 90 litres per person per day (lpppd). The proposal included two application options: a full application, where developers install specified fixtures and fittings, including compliant dishwashers and washing machines, achieving 90lpppd; or a partial application, where developers would only need to install the qualifying fixtures and fittings, excluding dishwasher and washing machine, resulting in a lower level of water efficiency in the property.

### The questions that we asked were:

#### Question 1

**When Anglian Water introduce an Environmental Incentive from April 2025 to achieve greater water efficiency in new homes using a fixtures and fittings approach that is in line with Ofwat guidance, would you be interested in applying for this from next year?**

- a. Yes, I'd be interested in making a full application, including a water efficient dishwasher and/or washing machine, and achieving 90 lpppd
- b. Yes, I'd be interested in making a partial application (excluding dishwashers and washing machines)
- c. No, I would not be interested in making an application

Our respondent feedback showed a clear preference for the full application option. Many felt that additional support and guidance would be valuable in helping them meet the ambitious target of 90 lpppd. Some suggested that, in the future, an environmental incentive offering could be extended to commercial construction by aligning with BREEAM standards. In response to this, we have offered the full application option. To support applicants, we have developed a full guidance website page, along with detailed information within our charging arrangements document. These resources provide the eligibility criteria per fitting and outline how to apply for this incentive.

## Question 2

**What value incentive would you expect to receive based on either a full or partial application?**

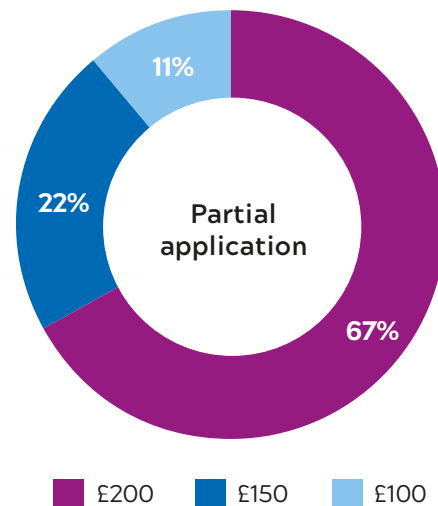
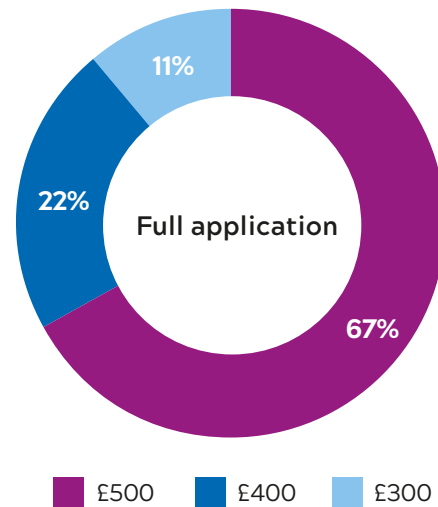
**a. Full application (fixtures and fittings – including a dishwasher and/or washing machine)**

- £200
- £300
- £400
- £500
- Other amount (please specify)

**b. Partial application (fixtures and fittings – excluding a dishwasher and/or washing machine)**

- £50
- £100
- £150
- £200
- Other amount (please specify)

Responses clearly indicated that customers would prefer to receive a £500 incentive payment when providing full information as part of the application. If providing partial information on the application, they would expect a £200 payment. Along with our decision to proceed with the full application, the incentive payment per eligible plot has been set at £500.



## Question 3

**We are considering what bespoke incentives we may be able to offer in future years. Do you have any thoughts on what these should be to help shape our thinking?**

The feedback from this question plays a vital role in shaping our thinking for the future, and our plans on how to better improve and enhance the services we provide. Our new Water Environmental Incentive is a great start, and we will actively review its success and ability to support our customers to ensure any future incentives also benefit our wide customer base.



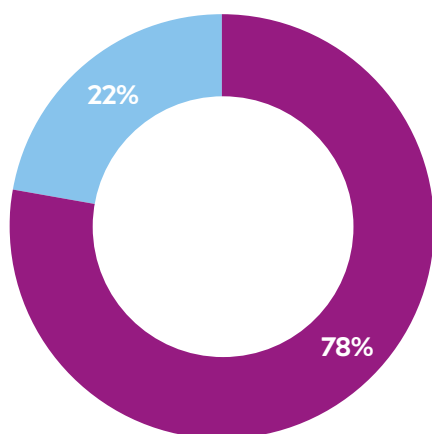
## Our charges: Simplicity and transparency

We are committed to making our charges more transparent and simplifying our approach to help customers better understand and engage with us. As part of this, we reviewed our charging arrangement documentation to make it as clear and user-friendly as possible, re-structuring it to support customers to estimate their overall project charge more easily.

### Question 4

**With regards to upfront fees, would you prefer an upfront charge structure that gives more cost uncertainty of final project charges? (This would be an alternative to paying a deposit).**

- a. Yes ■
- b. No ■



The majority of respondents supported the shift from deposits to upfront fees, emphasising the importance of greater fee certainty. However, they requested clearer information on the proposed fee structure and what this would include. Additionally, commercial customers highlighted the need for a simpler and more streamlined payment process. Based on this feedback, we have phased out the use of deposits for work and incorporated upfront payments into our overall pricing structure. Upfront payments, such as design deposits, will instead be incorporated into the total scheme cost. In previous consultations, customers have also expressed support for the introduction of application fees. We confirm that we have implemented these for all of our services. Administration, design, and other non-construction-related costs are clearly separated from construction elements within our pricing structure for ease and clarity.

### Question 5

**Do you agree that grouping of similar charges, for example similar pipe diameters, and having a single price for these components would aid simplicity when estimating the final project charge?**

- a. Yes
- b. No

While the majority of respondents supported grouping of similar charges, the company view of grouping similar charges could potentially create challenges in calculating quotes on a like-for-like basis. To support this feedback, but also maintain simplicity, we have decided to group similar charges within their respective groups where there are only marginal differences, such as with certain pipe diameters or material types.

### Question 6

**Do you agree that, in addition to our worked examples, our charges arrangements documentation should be laid out in a structure that assists in the estimation of a final project charge?**

- a. Yes
- b. No

All responses supported our proposal, with further suggestions that worked examples should include pre-planning elements and be tailored to suit different customer types. It was also noted that this approach presents an opportunity to strengthen customer engagement by involving them more directly in shaping future changes. This year, we will keep unbundling in place, in line with Ofwat requirements and we proposed to group similar charges within their respective groups where there are only marginal differences, such as with certain pipe diameters or material types. This approach should support customers more accurately forecast their total project cost.

### Question 7

**Do you agree with introducing an initial ‘pre-planning’ charge that covers a basic initial report, with additional charges for those customers seeking further information for their project?**

a. Yes

b. No

Just over half of the responses opposed the introduction of an initial charge, however suggested that a fixed fee, scaled to development size, could be a practical solution. To enhance our service offering this year, we’ve acted on this customer feedback with respect to our charges and developed a high level feasibility

“Tier 1” report and a detailed capacity “Tier 2” assessment. The Tier 1 report is provided at a lower cost (for relevant assessment criteria) and provides our developer customers with insight into drainage constraints as part of their early stage due diligence. If the Tier 1 report option is not viable, or if more complex analysis is needed, customers can choose our Tier 2 assessment. Tier 2 assessments involve technical collaboration and are common in early design and planning stages. When developing this year’s service offering, we also concentrated on enhancing the number of enquiry types we offer, providing further relevant services to our developer customers.

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## Transitional support arrangements



As we reviewed our developer charging arrangements for April 2025 onwards, we were mindful that rising costs are a concern for our customers. We review our charges each year to ensure their continued cost reflectivity, and this means we have had to increase elements of our charges build up. In addition, the removal by Ofwat of the Income Offset Discount (£491 per property in 2024/25) means the charges for any new connections completed after 1 April 2025, have increased by more than we would have preferred. However, some customers may be able to offset some of this increase by applying for our new Water Environmental Incentive.

We therefore sought your views on which transitional support arrangements would be most helpful to you.

### Question 8

**Are there any other support arrangements you believe we should be considering for the 2025/26 charging year?**

a. Yes

b. No

Feedback highlighted several suggestions, including the need to establish and adhere to a clear timetable for payments, financial assistance to charities, and offer greater consideration and support regarding price increases. In response, we prioritise early, transparent and wide-reaching communication about any price increases, ensuring customers are informed and prepared for changes from 1 April. We are also continuously enhancing our communication strategy around our annual charges review.

To support customers in planning ahead, our online water calculator tool remains available, helping estimate potential scheme costs.

Though our new Water Environmental Incentive can reduce the impact of the removal of the income offset discount and any price increases, some feedback suggested that we should review if this will have a positive impact. While the incentive is still in its first year, we are actively reviewing the process with each application to ensure our incentive delivers meaningful benefits for many of our customer types. In terms of our payment timetable, we have reviewed and improved our documentation and website wording to ensure our payment terms are clear to our customers.

## Engagement programme

As part of our annual review of our engagement programme, we wanted to better understand how you would like us to keep you informed, share industry updates, and strengthen our working relationship. This type of engagement goes beyond our regular communication you may have through our teams or Growth Liaison Managers.

### Question 9

**What is your preferred method of engagement throughout the year? Please select all of the relevant options.**

- a. Face-to-face forum
- b. Virtual forum
- c. Electronic or mailed newsletter
- d. Something else

Responses highlighted an even split across the options to this question, highlighting how different communication methods will continue to be essential to our strategy as we work with multiple different customer types. Our investment into our new customer portal, being delivered in stages this year, will continue to enhance our communication strategy to our customers and provide our customers with better communication throughout their project journey with us.

### Question 10

**How frequently would you like us to engage with you? Please select all of the relevant options.**

- a. Monthly
- b. Quarterly
- c. Yearly

The majority of our customers expressed a preference for monthly communications. This aligns with our strategy and planning for the future, as we are committed to incorporating feedback into the ongoing development engagement strategy.

### Question 11

**What content do you or your organisation recognise as value add? (For example technical or service offering information, current and future industry updates).**

All responses welcomed the proposed content suggestions, with technical guidance receiving the strongest response. As part of our investment in our Customer Relationship Management system, we are developing our documentation and creating a knowledge base, this will allow our customers to better find information to assist them with their application. A particular emphasis was made on our pre-development support and early engagement in projects being of benefit. In response we have enhanced our Pre-Planning Enquiry process, as outlined earlier in this document.

**We would like to thank our respondents for their input and support with our 2025/26 charges consultation.**