

Anglian Water's blueprint for growth

A practical approach to growth in the
East of England now and long-term



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Water, the catalyst for growth

Mark Thurston | CEO | Anglian Water



I've spent my adult life building the infrastructure for Great Britain to grow – HS2, the London Olympics and CrossRail, some of the most complex projects in the world. None of those projects could have been completed without water. This is the resource that builds every home, every business and every community.

The Government is targeting 1.5 million new homes this parliament. And, as recently announced in the Autumn Budget, over £120 billion is being set out to deliver the infrastructure we need to underpin growth; building new roads, rail, energy and major city transport projects.

Alongside national ambitions, in the region we predominantly serve - the East of England - we are seeing similar intentions for growth. This includes Sizewell C, East West Rail, major growth within the Oxford and Cambridge corridor and plans for 15 new data centres, not to mention thousands of new homes.

All of this requires water. We need to turn the growth tap on for Britain.

There are a number of regulatory challenges that mean meeting these ambitions at the pace required needs radical action from multiple stakeholders, including water companies, economic and environmental regulators and government. Business as usual will not be enough to deliver the seismic scale of investment and ambition across the sector. In the next five years, water companies will spend £104 billion to bring forward new reservoirs, deliver

treatment centres, pipes, and flood defences, all to cope with population growth, environmental protection and climate change.

We are working with regulators to find a way through, charting the path between environmental compliance and supporting growth, and we thank them for their collaboration. But the pace of change needs to be faster, with large scale developments like Universal Studios. We need innovation, flexibility and even more collaborative ways of working.

The underlying challenges around growth are sector-wide and not unique to us. However, given the concentration and scale of growth in the East of England, we are at the forefront of many major infrastructure projects - progressing two new reservoirs, hundreds of miles of modern pipes, water recycling infrastructure and nature-based solutions like wetlands. This includes our Strategic Interconnecting Pipeline which is the UK's biggest chalk stream protection and resilience project. We put this in motion ten years ago because at Anglian Water, we're responsible for water and wastewater services in the the UK's driest, fastest-growing region, contending with water scarcity, flooding, and ecological protection.

Our plans over AMP8 (2025-2030) include our biggest investment programme to date. However, the regulatory framework that shaped our plan, and allocated the money to deliver it, was not designed for this pace and scale of growth. That is the crux of the problem.

We also recognise the need to be held to account. This is not about usurping regulation, but working together to find alignment and reach solutions that quickly and successfully balance the needs of the environment and growth.

To enable all of this to happen, the water sector needs investment. As an industry, we must offer stability and clarity to attract the capital required for this transformation. Furthermore, this seismic scale of investment and ambition across the sector will require new skills, to drive innovation, and build resilience for generations into the future.

The choices we make today will define the legacy we leave tomorrow. Let's act decisively, together.

A shared growth vision for the region

We share the government's vision for growth, where sustained UK economic growth will be secured by inward investment into new infrastructure across many sectors. In the East of England, we envision a region where water infrastructure unlocks new homes, communities, skilled jobs, and green industries.



Anglian Water's commitment

Our commitments by 2030: What we'll do in the next five years

- **Collaborating with the Environment Agency** to discuss a flexible approach to permitting and regulation.
- **A package of mitigation measures** that ensures the environment is protected in key growth areas, in the event that we cannot meet permit change deadlines.
- **Prioritise work at key hotspots across the region**, such as Bedford, Cambridge and Norwich, working with government to understand growth projections and Ofwat to agree funding approaches.
- **Work with the CMA and Ofwat to unlock funding** and amend the regulatory framework to better accommodate the elements of growth unique to our region.
- **Collaboration with Defra's Water Delivery Taskforce** to align with national growth priorities.
- **Support the 300,000 homes** already approved but not yet connected. We will work closely with local authorities and developers to realise these.
- **£4 billion investment into the environment** as part our AMP8 plan. We will progress studies in high-growth priority catchments to assess current treatment capacity, short-term growth needs (2025-2030), and long-term investment requirements to 2040.
- **£2.4 billion investment** through the Water Industry National Environment Programme (WINEP) to improve environmental performance and unlock growth.
- **Completion of a 500km Strategic Pipeline**, safeguarding the environment while enabling growth in Cambridge, Colchester, and laying the foundation for future reservoirs in the Fens and Lincolnshire.
- **£57 million of shareholder funding**, as part of our undertaking with Ofwat, to pilot flow reduction in eight catchments, unlocking growth without additional pressure on infrastructure or compliance.
- **Deployment of our Water Smart Communities blueprint** for New Towns and Garden Communities, maximising water efficiency, reuse, and recycling.
- **Master planning support** for new communities, working with Government and local planning authorities to understand infrastructure needs.
- **Removing barriers** to enable high water-efficient developments, in partnership with regulators, developers, and planners.
- **Continued investment** in progressing the Fens Reservoir, assuming long-term funding resolution aiming to break ground by 2030.
- **Early-stage Water Resource Assessments** for all Nationally Significant Infrastructure Projects (NSIPs) and Special Development Orders (SDOs) to ensure water needs are understood before consent and investment.
- **Expert collaboration** to explore water efficiency and water reuse for advanced technologies, including data centres.

Actions we are taking



Case study: Wickford

Piloting new delivery models

We are piloting new funding models for delivery, for example, working with Basildon Borough Council to deliver wastewater upgrades into the Infrastructure Delivery Plan to inform the emerging Local Plan, and future Community Infrastructure Levy charging arrangements. This is potentially a multi-million investment that will aim to address development needs over the new Basildon Local Plan period to help unlock significant growth where traditional infrastructure funding through the regulatory Business Plan process, has not been allocated.



Case study: Brampton Cross

Thinking innovatively to solve the growth challenge

Brampton Cross is a major mixed-use development proposal split across industrial processing, warehousing, and office space. It is currently not allocated in a development plan, but if it came forward, it would connect to Huntingdon Water Recycling Centre which is currently exceeding capacity, with no growth scheme in place to support growth. Non-domestic water demand is rising fast and is currently capped at 20m³/day. We are in discussions with the developer, exploring an on-site solution: a developer funded new standalone Water Recycling Centre to serve the Brampton Cross site. This would include final effluent re-use – reducing the demand on potable water.



Case study: Skills

Creating a skills engine for the region

To deliver this vision, we must convene partners across education, industry, and government to build the right skills across the region.

This includes:

- Regional Skills Summits to align training with infrastructure and housing delivery.
- Water and Green Infrastructure Academies to upskill local talent for AMP8 and beyond.
- Partnerships with universities and colleges to embed sustainability and innovation into curricula.
- Targeted investment in apprenticeships and technical education, especially in underrepresented communities.
- Skills pathways for emerging industries, including clean energy, digital infrastructure, and environmental services.



Case study: Integrated water management in new developments

Enabling Water Smart Communities

We are leading an Ofwat Innovation fund project called Enabling Water Smart Communities, to unlock integrated water management in the UK. As water and housing sector challenges are becoming increasingly intertwined, so does the responsibility of managing these risks collectively. Along with partners, we are addressing how new developments (and the people living in them) can adapt in a sustainable way, with a focus on water re-use. Through this project, we will look to set out new regulatory and policy standards, while improving understanding of cost models and the stewardship of water assets.

What is needed to achieve growth now and in the long-term

Quick wins

Action from the Environment Agency to minimise the compliance risk for companies from accommodating new growth, whilst phasing-in upgrades to meet tightening environmental standards. This reflects the concept of 'Constrained discretion' called for in the Corry and Cunliffe Reviews.

1. Flexibility in setting and enforcing permit conditions at strategic growth sites, in exchange for appropriate mitigations from water companies. We are exploring this in Cambridge – it will enable us to support growth whilst appropriate upgrades are made.
2. Phasing-in new permit requirements over 10 years rather than five, enabling water companies to support new growth during AMP8. Allowing upgrades to be planned, funded and delivered over two AMPs will avoid deliverability challenges and enable learnings to be reflected from new Continuous Water Quality Monitors.

Action from Ofwat to give companies certainty that there is a viable funding model for growth investments not funded at PR24:

3. Ofwat amends charging rules to enable developers to fund new treatment capacity, in the same way they currently pay for network connections. This will enable water companies to approve housing developments over and above those funded at PR24.
4. Ofwat tailors its growth cost adjustment approach to support rapid expansion of

capacity at strategic growth sites, and enables companies to recoup growth investments in-period rather than at the end of AMP8. We are in conversations with the CMA to look at a gated allowance for the Cambridge Sewage Treatment Works and other priority hotspots.

5. Ofwat provides certainty on funding approaches for vital infrastructure to unlock investment into the additional capacity needed for New Towns and the Universal Studios theme park.

Longer term strategic interventions

6. A new funding model for major infrastructure. Introduce appropriate government financial support to de-risk major projects such as the Fens Reservoir, reflecting the approach taken for the Thames Tideway Tunnel.
7. Rethinking how growth is calculated and funded, enabling ahead-of-need investments into capacity to support growing communities and new industries. This could take the form of new Water Growth Zones.
8. Overcome barriers to water reuse for both businesses and households, with a focus on integrated water management in new developments. Change classification of final effluent to allow for its use as non-potable water for industrial purposes e.g. water cooling, particularly pertinent for big data centres.



Challenges and solutions: A call for flexible regulation to unlock growth now

Key growth areas



1. Cambridge
2. Bedford
3. Peterborough
4. Colchester
5. Norwich
6. Huntingdon

- Our planning position is based on a range of measures including Water Recycling Centre Capacity for known growth, impact on flow compliance, funding and timing. We have AMP8 funding for some growth at Bedford and Cambridge, but it's insufficient to deal with the scale of growth we are seeing. More on our assessment of our ability to accommodate growth can be found in Appendix 1.
- Growth scheme being delivered
- Raising objections

Great Britain's successful economic and social evolution depends on water as its secret superpower. Unlocking growth in Britain starts in the East of England, with water. This region is a microcosm of national opportunity: fast-growing cities, globally significant innovation, and the space to deliver sustainable, inclusive growth. What we invest in and build here – homes, infrastructure, skills, and water resilience – can be scaled across the UK.

The system that plans for growth and funds the infrastructure to support it – especially when it comes to water and wastewater – is not aligned. While regulators are collaborating with industry on a range of issues, the scale and urgency of change required to meet the new demands of growth requires special consideration and rapid action. At the same time, new regulatory requirements continue to be brought forward that directly undermine our ability to accommodate growth whilst meeting our environmental obligations.

When we submitted our Business Plan to Ofwat in 2023, the regulatory framework was not designed with the pace and scale of growth in mind, with a new Government taking office with vastly greater growth ambitions. Simply put, the scale of growth funded in our AMP8 plan does not reflect the scale of growth pressures nor sufficient funding to address them.

Historically, when setting levels of growth funding, the regulatory framework has baked in a significantly lower level of growth forecasts than those used by government or those used in strategic planning frameworks such as Water Resource Management Planning (WRMP) guidance. This is significant, as this materially impacts our ability to respond dynamically to the full growth pressures in the region and prohibits our ability to unlock economic growth.

Government targets demand a 9% cut in non-domestic water use by 2038. However, business demand keeps rising. Long term abstraction reductions are the right choice for nature, but limit the water we can supply. We've already reduced abstraction by 80 million litres a day since 2015. By 2028, we'll cut another 85 million litres and by 2030, a further 89 megalitres will stay in sensitive sites. **This is progress for the environment, but can hinder growth.**

Anglian Water is working hard to chart the path between environmental compliance and supporting growth, but to meet the urgent needs of the region and unlock large scale developments, we need innovative approaches and a collaborative way of working, which this document aims to set out.

Challenge: Tension between accommodating growth and protecting the environment

Growth pressures are particularly acute in the region we serve. One fifth of all Water Recycling Centre growth schemes submitted during PR24 were in our region. Since then, housing ambitions have increased.

Currently, in many places we are being forced to object or put conditions on new housing developments in some areas due to the risk of environmental harm. Local authorities, such as Bedford are under pressure to deliver housing targets. However, if there is harm to the environment resulting from growth, it is Anglian Water who will be prosecuted.

Proposed solution: Ofwat tailors its growth cost adjustment approach to support rapid expansion of capacity at strategic growth sites and enables companies to recoup growth investments in-period rather than at the end of AMP8. We are in conversations with the CMA to look at a gated allowance for the Cambridge Sewage Treatment Works and other priority hotspots.

Flexibility in setting and enforcing permit conditions at strategic growth sites, delivered alongside appropriate environmental mitigations by water companies. We are seeing this in Cambridge. In Bedford, we are working with the Taskforce with Government to enable growth.

We want to unlock opportunities in key locations in the region and recommend that all emerging local plans should include an Integrated Water Management Plan or Water Cycle Study which includes water and wastewater demands for all future growth.

Who needs to act: Ofwat | Environment Agency | Local authorities
Timing: Now

Challenge: Existing regulation does not support the drive for economic growth

In 2024, Ofwat was given a formal duty to consider the desirability of promoting economic growth. It is critical that this results in enhanced investment to fund necessary upgrades to system capacity (water and wastewater), resilience and asset health, all of which underpin economic growth.

Proposed solution: The updated Strategic Policy Statement (SPS) to Ofwat must clarify how Ofwat should exercise its Growth Duty in support of

economic growth. Similarly, Ministerial direction to the Environment Agency must align regulator decision-making behind delivery of growth-enabling investments. This includes setting clear parameters within which to exercise constrained discretion to support growth, reflecting the conclusion of the Corry and Cunliffe Reviews. This should prioritise delivery of major infrastructure such as the Fens Reservoir.

Who needs to act: Defra | Ofwat
Timing: Now

Challenge: A new wave of large developments requires a new approach to funding

We are anticipating major new developments in our region. However, there is uncertainty around who is responsible for paying for necessary upgrades.

Since 2018, the costs associated with connecting new development sites to water and sewerage networks have been split between developers and existing customers. Developers pay for specific network extensions and contribute generally to the costs of upgrades to the existing network required. Customers ultimately bear the costs of strategic network upgrades and treatment capacity, as well as the long-term costs of maintaining all assets.

Developers pay application fees and infrastructure charges, however, these charges have never fully reflected the long-term costs of providing additional capacity. While developers directly cause incremental demand, the costs of accommodating that demand on a long-term basis has been borne by water company customers. This has put pressure on water company investment plans and uncertainty for both planners and developers on who funds what.

Proposed solution: Remove uncertainty, ensuring that where a water company requires investment to support future growth, this can be done so in the knowledge that this will be funded through future Price Reviews. This retains funding arrangements and offers certainty for stakeholders.

Developers directly fund the strategic capacity requirements. This could be implemented through expanding the infrastructure charge to include funding for the capacity required in treatment and strategic assets and would require an update to the Ofwat Charging rules.

Who needs to act: Ofwat
Timing: Now

Challenge: Planning for business growth including strategic sectors like AI

Water companies are not required to supply water for non-domestic purposes (e.g. industrial use) if doing so is uneconomical or risks domestic supply. However, new water-intensive forms of infrastructure, such as data centres, are increasingly recognised as national priorities, with the Environment Agency's 2025 National Framework for Water Resources recognising water as critical to the UK's ambition to become an AI powerhouse.

However, water demand from AI-related industries cannot yet be accurately forecasted and is excluded from current growth projections. Furthermore, companies are expected to reduce non-domestic water use by 9% by 2038, which could end up constraining industrial expansion.

Proposed solution: We need a new approach to water resource planning that aligns to government's growth priorities – such as AI. Spatial planning across Water Growth Zones, building on the work being done by National Infrastructure and Service Transformation Authority (NISTA) needs to enable ahead-of-need development of water capacity in high-growth cities and significant industrial clusters.

We also need to overcome barriers to water reuse for both businesses and households, changing classification of final effluent to allow for its use as non-potable water for industrial purposes e.g. water cooling for big data centres.

Who needs to act: Defra | Environment Agency
Timing: End-2026

Challenge: Major infrastructure delivery

Our proposed nationally-significant reservoir in the Cambridgeshire Fens is facing a range of challenges that risk being drivers of increased cost and delays. Our third phase of consultations on our proposals for the reservoir closes in December 2025.

Environmental considerations – such as the Habitat Regulations Assessment and Sites of Special Scientific Interest – are creating uncertainty in both project scope and design.

Developing new funding models for major infrastructure and long-term funding for nationally significant infrastructure projects is a further industry-wide challenge.

Proposed solution: Continue the urgent work across government and policy interventions to create a new funding model for major infrastructure.

Introduce appropriate government financial support to de-risk major projects such as the Fens Reservoir, reflecting the approach taken for the Thames Tideway Tunnel.

Who needs to act: Defra | MHCLG | NISTA
Timing: 2026

Challenge: New unfunded regulatory requirements

Environment Agency requirements, focused on restricting total nutrient load in the receiving watercourses over and above simply treating the extra flows, will add hundreds of millions of pounds to the cost of accommodating tens of thousands of new homes. To meet the new upscaled growth targets, we are unable to achieve both increased flow and nutrient requirements on the same time frame.

Proposed solution: We propose a collaborative arrangement with the Environment Agency that focuses on achieving flow in the short-term, with a plan to address nutrient loading into AMP9 (2030-2035), in a two-AMP commitment.

Who needs to act: Environment Agency
Timing: Now

Challenge: Asset health and resilience

Ofwat is progressing approaches through the Asset Health Roadmap but climate change and population growth are intensifying existing pressures on critical assets.

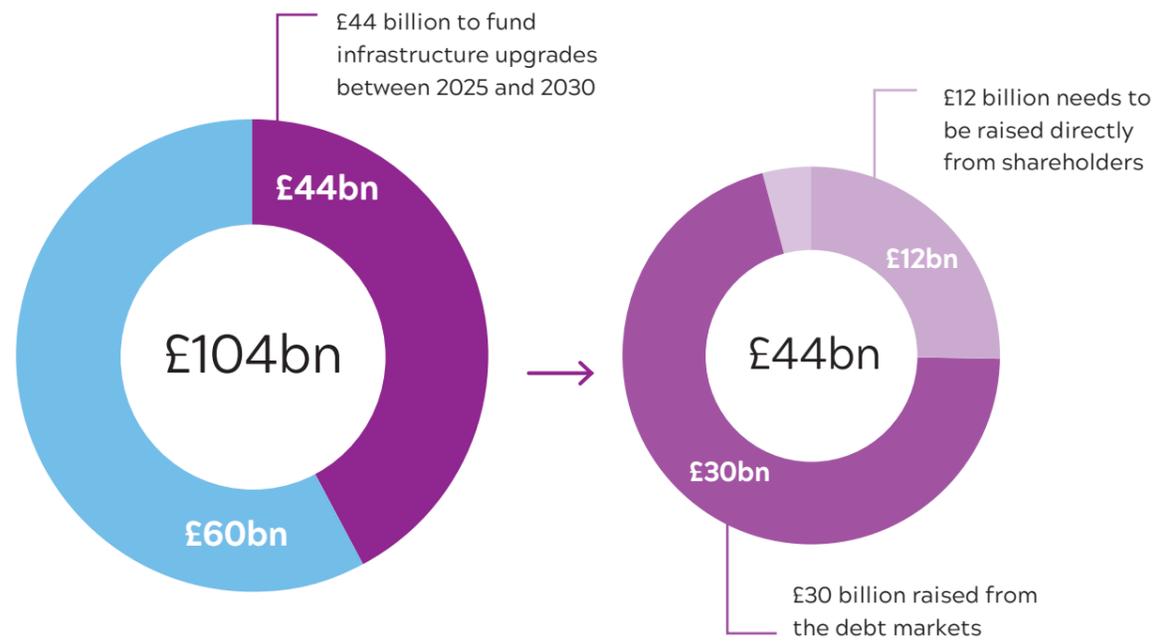
Proposed solution: Resilience standards for critical infrastructure sectors including water are needed to enable robust long-term upgrade programmes. The 10 Year Infrastructure Strategy sets 2030 as the date by which these should be delivered. However, the Independent Water Commission's work demonstrates the need to significantly accelerate development of resilience standards for water. These will be needed during 2026 in order to shape the next Price Review.

Who needs to act: NISTA and the Cabinet Office must update Resilience Standards
Timing: 2026

Creating the conditions for investment

To enable growth ambitions across the East of England, and more widely for the nation, the water sector is reliant on the delivery of an unprecedented level of enhancement investment and an increase in capital maintenance over the next 25 years.

Of the £104 billion companies will spend over the next five years, £44 billion will fund infrastructure upgrades. Protecting investor confidence will be critical to securing the committed investment for this Asset Management Period, and secure similar levels of investment for the Price Review 2029 (PR29).



The report of the Independent Water Commission led by Sir Jon Cunliffe stated that, in return for putting their capital at risk, investors should have confidence they are investing in an industry with a clear, stable and long-term regulatory framework. The framework of economic regulation for the water sector therefore needs to be de-risked and investable.

Actions to de-risk and support long-term investment in the sector:

Early visibility on the scope and shape of the next Price Review 2029 and a review of the incentive framework underpinning the price control. These are fundamental to investor decisions around whether to commit new capital to the sector.

Recognising asset health as an urgent priority and setting out a plan for how this will be addressed, including on how existing asset health deficits will be funded and over what timeframe.

Reconsidering several of the Independent Water Commission recommendations that could undermine investability, including the role of the sector regulators in Weighted Average Cost of Capital (WACC) estimation, the steps that are needed to ensure that returns are competitive with international comparators, the framework for regulatory appeals, and the scope of the supervisors' powers in relation to board decision-making.

Providing detailed guidance to existing regulators on how to interact with the industry in a way that supports investability during the transition phase, including any early work on developing approaches to PR29.

Developing a robust process and timetable for the longer-term reforms that will not be in place for PR29, including those related to strategic planning frameworks and regional system planners.

Developing a balanced scorecard to measure progress in the areas that really matter to stakeholders.

Case studies

Spotlight on: Cambridge

Anglian Water's Cambridge Sewage Treatment Works in Milton is the principal site for treating the city's wastewater. It has been the intention for nearly a decade to decommission the existing plant and build a new one elsewhere, to enable development of the site of the existing works to accommodate over 8,500 homes, two schools, community, cultural, leisure and health facilities, and over 19 hectares of open space. This was to be funded by Homes England's Housing Infrastructure Fund (HIF), recognising there was no operational justification for Anglian Water to vacate the existing site. We have worked closely with regulators over a number of years to manage compliance with environmental permits while keeping customer money being spent on a facility with a short operational life as low as possible.

Homes England's decision in August 2025 to withdraw HIF funding has created an urgent and unforeseen need to upgrade the existing works. This is needed both to manage compliance with updated environmental requirements, and to enable the existing plant to support growth in one of England's most dynamic and economically important cities. This work was not expected in our PR24 Business Plan, and requires substantial additional investment, which is currently unfunded.

The Cambridge relocation forecasts show that the North East Cambridge development could contribute up to half a billion pounds annually to the UK economy by 2035, increasing to £1 billion by 2050.

The reservoir funding challenge

Our planned reservoir in the Cambridgeshire Fen is a nationally significant infrastructure project. It is a complex project and we continue to navigate various challenges ranging from assessing water quality outcomes and regulatory requirements to long-term funding arrangements and determining the project's owner operator model. We maintain close collaboration with Ofwat, who recently have undertaken a Fens Critical Friend Review highlighting these challenges and exploring how the project can identify solutions through wider stakeholder engagement and forums including the Ministerial Water Delivery Taskforce.

We are committed to undertaking a two-phase Feasibility Study which will capture the investment and infrastructure needs to immediately bring the site back to compliance and enable short-term growth (Phase 1 – Dec 2025); and to ensure the site will not constrain growth in the long-term, including the emerging Local Plan housing needs and Government growth ambitions – collectively totalling 150,000 homes (Phase 2 – March 2026).

We are in discussions with the Competition and Markets Authority, given the urgency of this project and are working closely with Defra's Ministerial Water Delivery Taskforce, wider Government and Regulators.

County-level challenges: Cambridgeshire

Greatest challenge: Climate change and nature and environment.

Key characteristics: 79% agricultural land, lowest woodland cover (3.5%) in the region.

Future outlook: Very high climate change impact – lowest rainfall projections (1.9mm/day) and highest average temperatures (12 degrees) in the region (2023-40).



Spotlight on: Bedford and Universal Studios

Universal Studios has proposed a major new theme park and resort just south of Bedford. This will require significant upgrades to local water infrastructure, with initial estimated costs running into hundreds of millions of pounds.

Although the development is commercial, the majority of its demand is classified as domestic because of how water will be used (showers, toilets etc). Water companies are legally obliged to meet domestic demand, with investment needs assessed and funded through the regulated business planning process. However, current allowances set by Ofwat do not account for developments of this nature, leaving no provision for the necessary upgrades.

Moreover, it would be inappropriate for existing customers to bear the entire cost of infrastructure for a large, commercially driven project. Support will be needed from government and regulators to unlock a viable funding model, and ensure appropriate planning conditions to protect existing customers and the environment.

County-level challenges: Bedfordshire

Greatest challenge: Climate change.

Key characteristics: Lowest greenhouse gas emissions in the region and lowest business stocks.

Future outlook: High climate change impact – second lowest rainfall projections (2mm/day) and third highest average temperatures (11.8 degrees) in the region (2023-40).

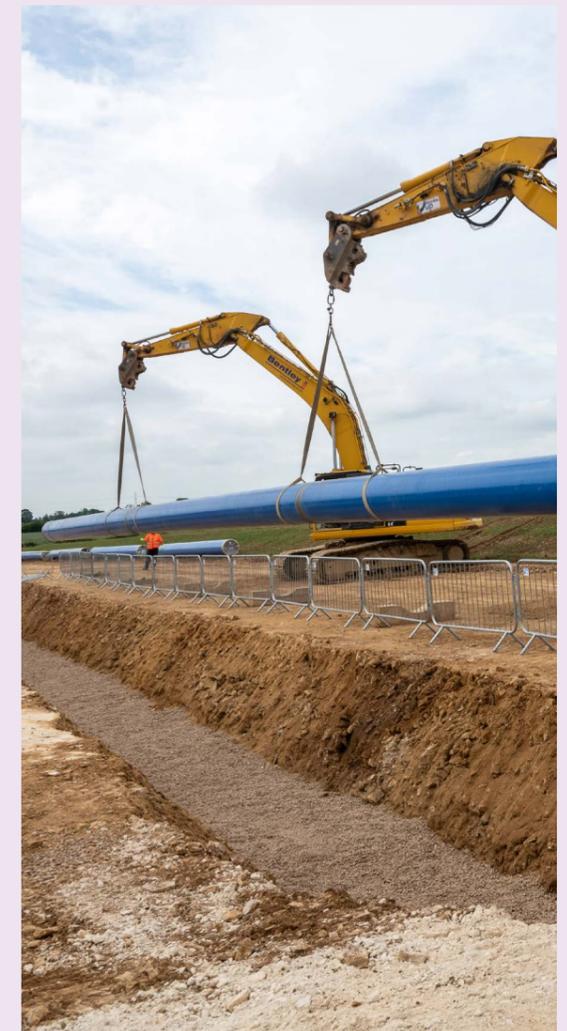


Spotlight on: Strategic Pipeline to bolster water resilience

We are investing in new infrastructure to support growth. Our Strategic Pipeline, being delivered by our Strategic Pipeline Alliance (SPA), is one of our major infrastructure projects to secure long-term water supplies. Once complete, we will have a new network of hundreds of kilometres of large-scale interconnecting pipelines and associated infrastructure, which will allow between 15 and 55 million litres of water a day to be moved around the region; from wetter areas in the north, to drier areas in the south.

We will shortly deliver a major milestone on one of Europe's largest environmental projects – our Strategic Pipeline. Once complete, the pipeline will stretch from North Lincolnshire to Essex – longer than the M1 – and will enable us to boost resilience by moving water from wetter to drier parts of our region. In November we will be commissioning the Ipswich-to-Colchester section of the pipeline, a significant expansion of our ability to supply the water resources necessary to support housebuilding and economic growth.

Timescales for the delivery of our Strategic Pipeline were rephased during AMP7 (2020-2025), and we took an innovative approach with the Environment Agency, agreeing appropriate environmental mitigations to enable the rephasing.



Spotlight on: South Humber Bank

The South Humber Bank is a key growth area in North and North East Lincolnshire, attracting inward investment and supporting industrial development such as hydrogen and renewable energy. Anglian Water is committed to enabling this growth, through the expansion of Elsham Water Treatment Works and multiple schemes to strengthen resilience. Working closely with local councils and major industrial partners we are exploring alternative water supply options, such as desalination and water re-use, to ensure long-term security.



Summary and next steps

To achieve the level of ambition required across the water sector, investors need to have confidence that they are investing in an industry with a clear, stable and long-term regulatory framework.

At Anglian Water, we are calling for more radical innovation, flexibility and even more collaborative ways of working.

A summary of our short-term recommendations

Action from the Environment Agency to minimise the compliance risk for companies from accommodating new growth, whilst phasing-in upgrades to meet tightening environmental standards.

Action from Ofwat to give companies certainty that there is a viable funding model for growth investments, including amending charging rules to enable developers to fund new treatment capacity which will unlock housing developments, and tailoring its cost change process to support rapid expansion of capacity at strategic growth sites.



Longer term strategic interventions

Government to consider a new funding model for major infrastructure to de-risk major projects such as the Fens Reservoir.

Statutory planning processes to be overhauled to better reflect strategic growth considerations, enabling ahead-of-need investments into capacity to support growing communities and new industries

Regulatory barriers to water reuse to be reviewed for both businesses and households with a focus on integrated water management in new developments..

Providing early visibility on the scope and shape of the next price review, including a review of the regulatory incentives framework.

Recognising asset health as an urgent priority, and setting out a plan for how this will be addressed including resilience standards.

Reconsidering several of the Independent Water Commission recommendations that could undermine investability.

Providing detailed guidance to existing regulators on how to interact with the industry in a way that supports investability during the transition phase.

Developing a robust process and timetable for the longer-term reforms that will not be in place for PR29.

Developing a balanced scorecard to measure progress in the areas that matter to stakeholders.

Appendix 1: Anglian Water's ability to accommodate growth

Anglian Water must plan long-term for infrastructure investment to support future growth. This is done through statutory plans (Water Resource Management Plan and Drainage and Wastewater Management Plan) covering 25 years, and a five-year Business Plan for funding and delivery.

Anglian Water is a statutory consultee for strategic spatial planning and nationally significant infrastructure, but not for most residential/commercial planning applications. New government housing targets have increased growth projections by 40% (c.75,000 homes). This growth was not accounted for in the current Business Plan (2025-2030).

We must manage growth responsibly, balancing statutory duties, environmental compliance, and government ambitions. We analyse capacity across the catchments we serve through examining the latest verified annual dry weather flow data (2024) that is sent to the Environment Agency, then adding the anticipated flows from developments with planning consent to the end of December 2025. We will also assess the foul network capacity for a Sustainable Point of Connection (SPOC).

Based on this assessment, our response at outline planning would be as below:

- **Objection** – If the assessment shows there is insufficient capacity at the Water Recycling Centre or SPOC and there is no planned investment.
- **Objection (Descriptive works)** – Applicant could overcome our objection if they carried out one year's flow monitoring to establish if additional flows would not cause environmental harm (less than 50m³/day).
- **Condition** – If there is planned investment in AMP8 to increase the capacity, we will recommend a pre-occupation planning condition (meaning homes can continue to be built, but no one can occupy them until we have delivered our investment – set to the end of March 2030).
- **Approve** – where the receiving Water Recycling Centre has capacity to accommodate the entire development proposal.

To note, once a site has outline planning permission then we cannot object to the development due to the right to connect.

The number of Water Recycling Centres currently impacted by this position, as well as a forecast to the end of AMP8*, is as below.

Planning status	Number of Water Recycling Centres	
	2025	End of AMP8
Approve	524	534
Approve (pre-occupation)	69	
Object	97	156
Object (Descriptive)	429	426

*Data correct as of July 2025

Appendix 2: Unlocking growth in priority areas

We are working closely with the Water Delivery Taskforce, chaired by Defra, to understand what needs to be done collectively to unlock growth in priority areas.

- **Cambridge** – Funding has been withdrawn on the relocation of Cambridge Sewage Treatment works. We are currently asking for a temporary objection and are working with the Water Delivery Taskforce to enable short-term growth (to 2030) and longer-term growth (including Cambridge Growth Company plans) to 2040-2050. This includes a feasibility study and delivery of works over the next three to four years to improve capacity. Given the urgency of this project, we are in conversations with the Competition and Markets Authority and are working closely with the Environment Agency to explore permitting options.
- **Bedford** – We are currently in conversations with government regarding the challenges posed by Universal Studios, which go above our AMP8 commitments. Similar to the challenge in Cambridge, in Bedford, we have a growth scheme, but the works are not compliant. We are working with the Taskforce and Environment Agency to gain a planning condition, to enable growth in the short term. Furthermore, there is additional growth in Bedford that was not accounted for in our business plan. We are working with Bedford Borough Council and recommend an update to their Local Plan which includes an Integrated Water Management Strategy, so we can better understand growth needs.
- **Peterborough** – Peterborough has great ambitions for housing growth and to develop the city to achieve its potential, economically and socially. We have a growth scheme planned for the AMP, however, similar to the situation in Bedford, we require a planning condition.
- **Colchester** – Essex is our fastest-growing county. However, capacity challenges mean we are currently objecting to growth in the area. Thousands of homes are awaiting acceleration, which will be our next focus through the Taskforce. However, we will need new funding to deliver this. Projects like our Strategic Interconnecting Pipeline are helping and we are also looking into ways to implement Advanced Water Recycling, but we need Government support.
- **Norwich** – Housing growth in this region requires greater capacity at Whitlingham Water Recycling Centre. A growth scheme is underway, but we are unable to accept more connections. A Whitlingham Liaison Group has been set up with a range of stakeholders to find an approach.
- **Huntingdon** – In Huntingdon, we don't have a growth scheme planned but are exploring innovative approaches with developers to unlock capacity (including the example on Brampton Cross on page 10). We are investigating ways to unlock growth in the short term through delivery of works and permit options.



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