

# Development Services

## Charges Arrangements Consultation

January 2023





## 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.

### Phase 1: November 2022

Launching in November 2022 we asked our customers what matters to you most, specifically reflecting on Environmental protection, Economic climate and what you would like to see from future Engagement programmes.

### Phase 2: Working together

Throughout December we consolidated and reflected on your feedback, a summary of which is detailed in this document. This has helped us as we finalise our charging arrangements and begin to implement our future service offerings.

### Phase 3: January 2023: Publishing our plans

We'll publish our final charging arrangements for the period 2023-2024 at the end of January.

## Phase 1 of our consultation

Our November 2022 consultation reflected on our charging arrangements within the current landscape, and we were interested to hear your views on:

- Environmental protection and how we can continue to safeguard the environment within the communities we serve in a sustainable way.
- Economic climate and how we can support your development projects through uncertainty and volatility in the current financial market.
- 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 contacted circa 1,000 customers in total who had completed work with us between April 2022 – mid-November 2022 using a range of communication channels such as email and text message. We received a response from 1.5% of customers contacted.

Within the online survey, we asked our customers to select a profile that best represented who they are and what their needs are when working with us.

The profile groups and responses received from each group were:

Customer type	Response rate
Homeowner (New build or extension)	44%
Building Enabler (Consultants, Contractors, Architects)	22%
Major House/Commercial Developers	11%
Small Building Business	11%
New Appointments and Variation (NAV)	6%
Self-lay Provider (SLP)	0%
Land Developer/Promoter	6%

We used the segmentation to look at different customer type responses against each question.

## Environmental protection

Currently, all new properties connected to our water and/or sewerage network are subject to an Infrastructure Charge. For development projects on brownfield sites, where a previous surface water connection to a foul or combined sewer is confirmed, we asked for your feedback on a proposal to reduce the 2023-24 sewerage Infrastructure Charge by 50% if a sustainable surface water discharge method is used as an alternative.

Sustainable surface water discharge methods are limited to:

- Rainwater harvesting re-use
- Infiltration methods
- Discharge to an open surface water body
- Discharge to surface water sewer, highway drain or other drainage system at a restricted rate

We believe that in supporting the design of sustainable surface water solutions at projects within our region, we can make a positive impact to the environment by relieving pressure on the existing dedicated foul and combined sewerage networks which convey both foul and surface water.

We were also interested in hearing your views on how we can continue to protect the wider environment.





## The questions that we asked were:

### Question 1

Do you believe that we should reduce the 2023-24 Sewerage Infrastructure Charge by 50% if a sustainable surface water discharge method is used?

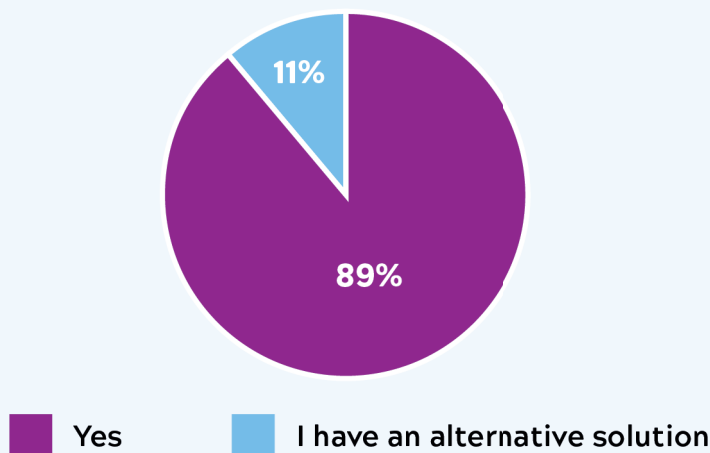
Opinion 1 - Yes

Opinion 2 - No

Opinion 3 - I have an alternative solution

### Customer comments

Do you believe that we should reduce the 2023-24 Sewerage Infrastructure Charge by 50% if a sustainable surface water discharge method is used?



89% of customers agreed that if a sustainable surface water discharge is used, then the 2023-2024 Sewerage Infrastructure charge should be reduced by 50%. No objections were made by any customer group to this proposal.

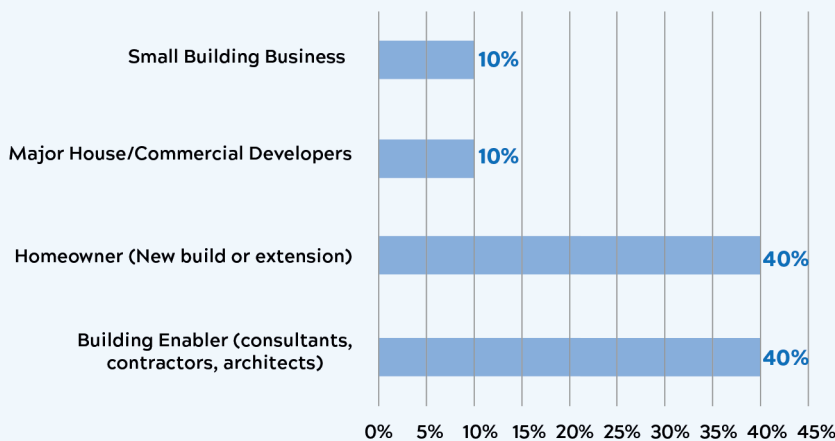
Customers who had alternative solutions noted the use of planning legislation to support the use of sustainable discharge methods at brownfield developments. It was also noted that an equivalent incentive could apply at greenfield projects where sustainable surface water discharge methods are used.

**Question 2**

What environmental incentives or measures do you think we should consider in the future? (Either through financial incentives, credits or other means.)

**Customer comments**

**Credit incentives mentioned by 71% of customers**



Most customers recognised there is a need to be more environmentally aware throughout the development lifecycle.

71% of customers referred to utilising a credit incentive at projects where environmental protection strategies are implemented. For example, the implementation of water efficiency fittings and water recycling systems.

Several Commercial Developers suggested alternative options to support environmental protection such as the adoption of SUD features and reduction in Infrastructure Charging where protective measures are implemented.

One Homeowner customer recommended the reduction of carbon emissions by reducing the number of face to face project visits within journeys.

## Our updated proposal

As part of our 2023-2024 charges we're minded to:

- Proceed with our proposal of offering a 50% reduction in the Sewerage Infrastructure Charge where it is evidenced that a sustainable surface water discharge method is used.
- This proposal relates only to brownfield sites where a previous connection to a foul or combine sewer was made.

We're minded to consider further incentives for greenfield and brownfield sites for both water and sewerage Infrastructure Charges for future years. We'll be considering these fully as part of the Enabling Water Smart Communities project that Anglian Water and a number of partners are leading on to identify and break down barriers to integrated water management.

We'll use the recommendations from this project to identify which incentives will likely prove the most efficient at achieving sustainable development.

To support reduction in our carbon footprint, we're also trialling video technology to allow two way communication with customers throughout their journeys with us. This will support customers who choose to work with us digitally as an alternative to face to face.

### Next steps

We will be looking to implement the proposed changes in our April 2023 charging arrangements. These will be published at the end of January 2023.

## Economic climate

We understand that the predicted prolonged recession in the UK economy is causing volatility and uncertainty across all industries right now, including the knock on impact to interest rates, mortgage rates and energy prices, inflation rates and supply chain mechanisms.

As part of our consultation we wanted to better understand how this is impacting you and the organisations you work for or on behalf of. This has helped us to consider how we can tailor our services more effectively to support your organisation in the immediate future.





# The questions that we asked were:

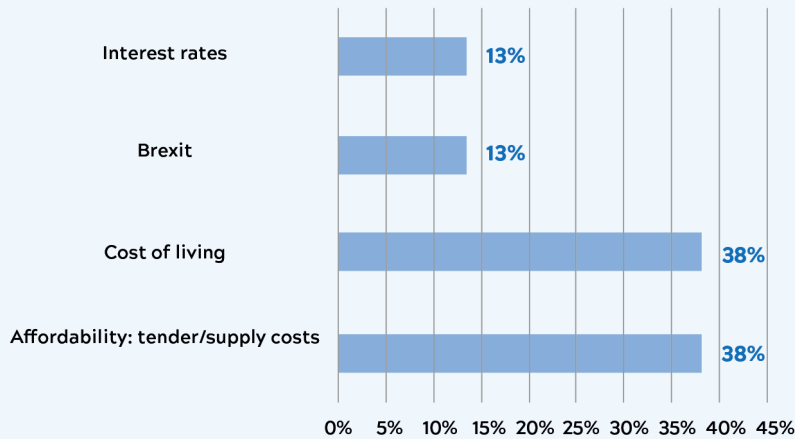
## Question 3

What specific issues are you currently facing due to the current, and predicted future, economic climate?

### Customer comments

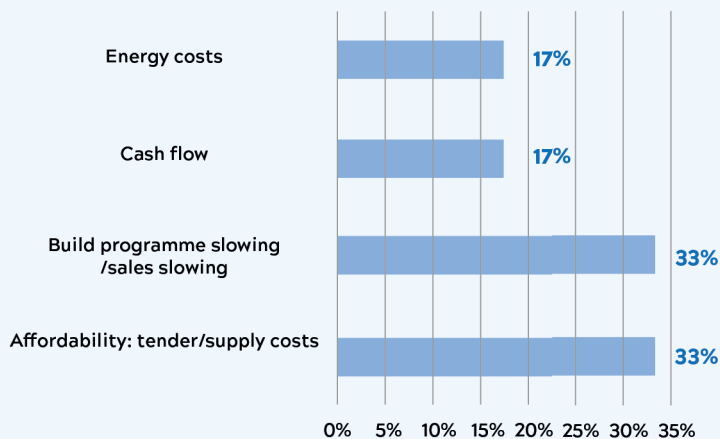
From respondent feedback, the largest impact on Homeowner customer groups was cost of living and the ability to buy materials. Several customers also noted the ability to have materials delivered in a timely manner to be able to proceed with projects.

#### Homeowner



Business customers in the Building Enabler, Commercial Developer and Land Promoter groups noted build programmes had slowed, with one customer noting that sales had also slowed. Tender and supply costs were also noted as a current issue.

#### Building Enablers, Commercial Developers, Land Promoters

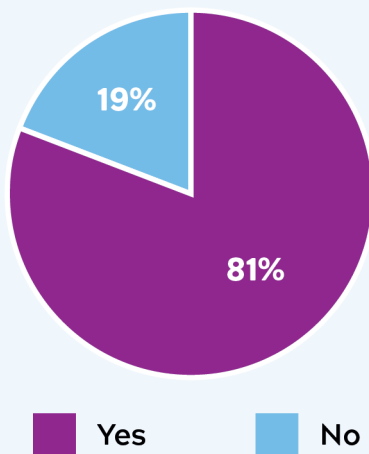


#### Question 4

Will these issues affect your forecasted build programme and site acquisition/investment?

#### Customer comments

Will these issues affect your forecasted build programme and site acquisition/investment?



It can be seen from the results that 81% of customers believe that financial issues noted will impact anticipated build programmes.

One homeowner customer has re-considered their planned home improvement work. Tender and contractor availability was noted as a limiting factor by Building Enablers.

One Commercial Developer suggested issues would mostly impact short term planning with a more optimistic outlook for the longer term.



**Question 5**

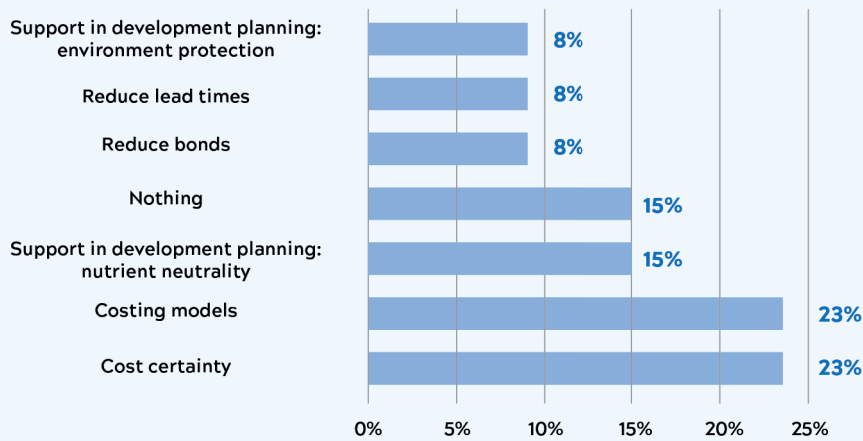
What reasonable measures could be put in place by Development Services to support you based on how the current economic climate is impacting you/your organisation?

**Customer comments**

Across all customer groups, cost certainty and reflective costing models bespoke to customer work were considered most important to support project delivery.

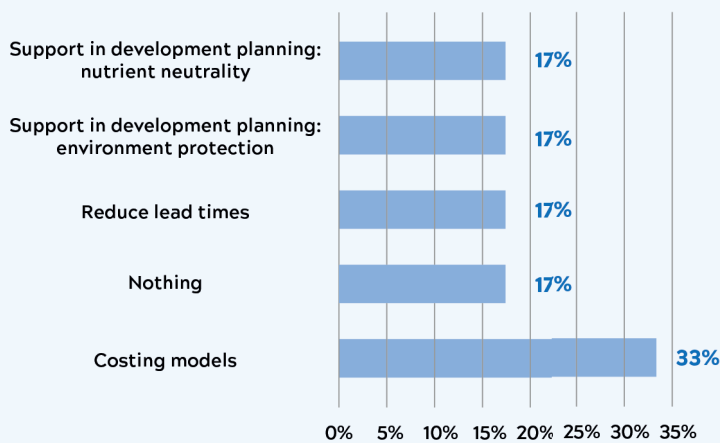
Several customers mentioned the role Anglian Water can play in supporting effective development, referencing nutrient neutrality.

**All customer groups**

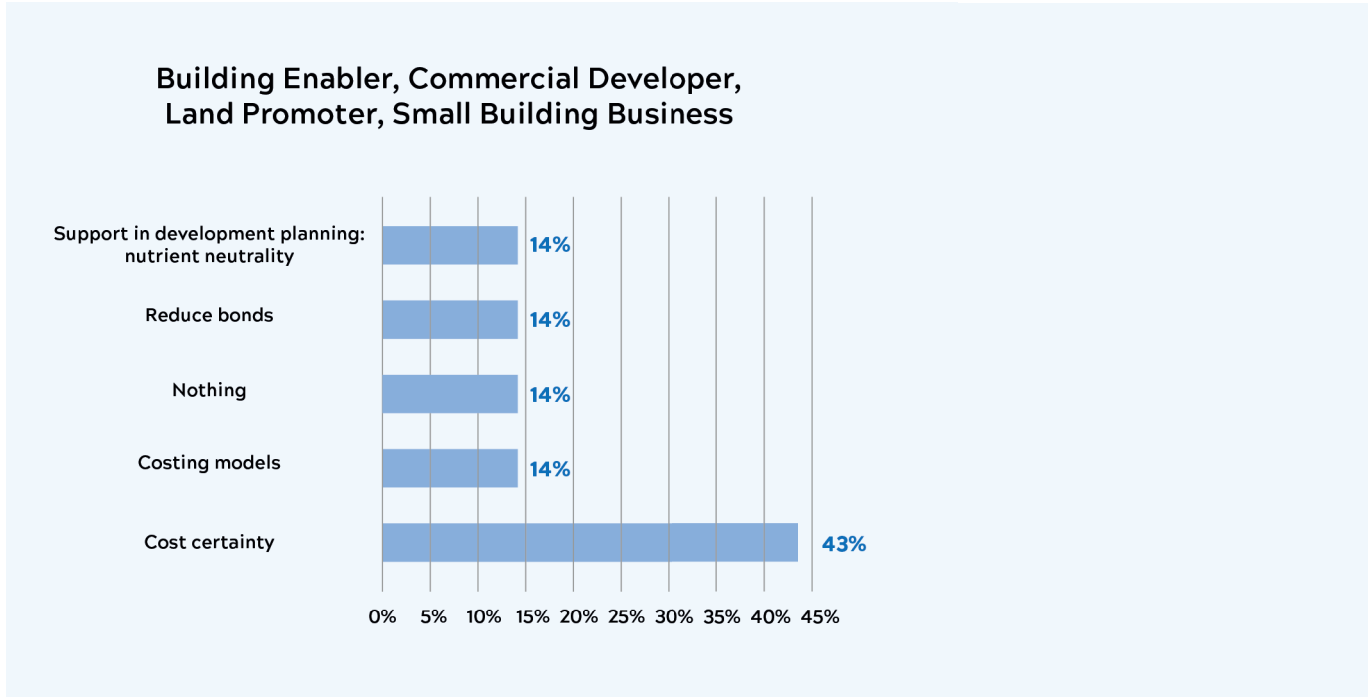


Homeowner respondents referenced costing models that are reflective of the work completed and the project’s scale.

**Homeowners**



Respondents from other customer groups, predominantly business customers, referenced cost certainty at 43%, noting the value in maintaining quoted costs for longer periods.



## An update on cost certainty

To support cost certainty, we wanted to signpost the inclusion of fixed charge options within some of our services that are already in place under the charging rules. You can find more information in our Charging Arrangements document for the 22-23 period.

We’ve historically carefully monitored potential price increases for services, ensuring they are kept to a minimum whilst balancing external cost pressures. We’ll continue to monitor this throughout the 2023-2024 period.

We’re working to support the Norfolk Local Planning Authorities, as the competent authority responsible for Nutrient Neutrality, to find mitigation solutions to unlock the current hiatus in planning. The levelling up and regeneration Bill requires Anglian Water to upgrade sewage treatment works, serving more than 2500 people, for Nitrogen and Phosphorus by 2030 which limits the amount of mitigation required from new developments.

## Engagement programme

As part of our review of our annual engagement programme, we wanted to hear more about how you’d like us to keep you up to date, share the latest industry updates and understand how we can make the most of our working relationship.

This is the type of engagement we offer beyond the regular communications you have with our teams or Growth Liaison Managers for your projects.



## The questions that we asked were:

### Question 6

What is your preferred method of getting updates and hearing from us throughout the year?  
Please select all of the relevant options.

Option 1 - Face to face forum

Option 2 - Virtual forum

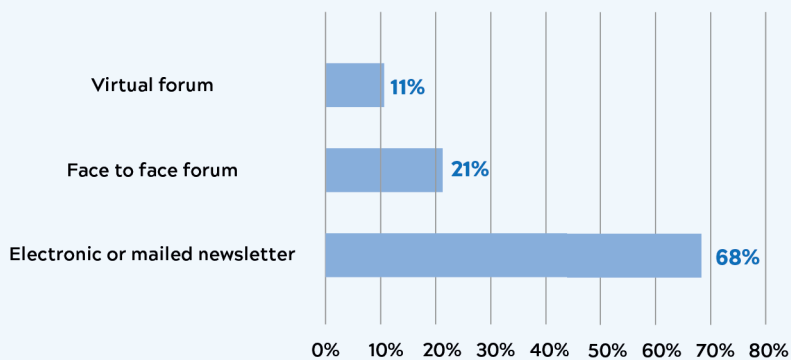
Option 3 - Electronic or mailed newsletter

Option 4 - Something else

### Customer comments

68% of all respondents noted that an electronic or mailed newsletter was their preferred way to stay in touch throughout the year. This was the preferred option across all customer groups although some Commercial Developer and NAV customer groups also stated a preference for face to face and virtual forums.

All customer groups



**Question 7**

How frequently would you like us to get in touch with you?  
Please select all of the relevant options.

Option 1 - Monthly

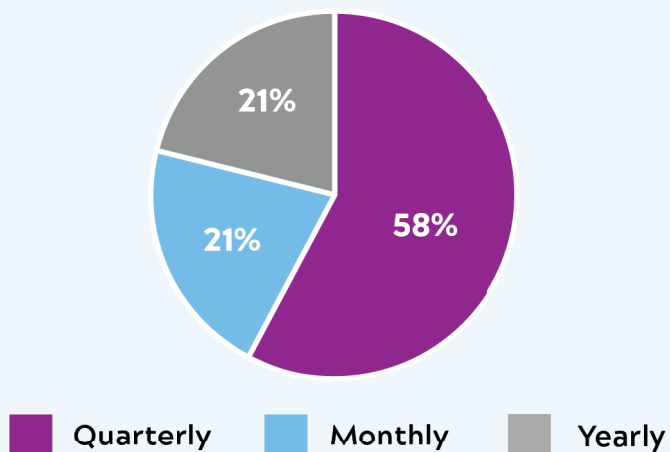
Option 2 - Quarterly

Option 3 - Yearly

**Customer comments**

58% of respondents preferred quarterly engagement activities, with some customer groups preferring informal monthly communications with more formal quarterly virtual or in person engagement.

**All customer groups**



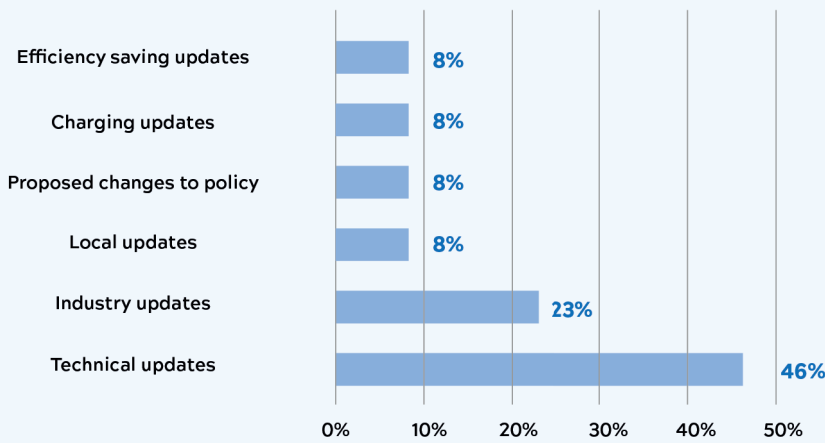
### Question 8

What type of information is most valuable to you or your organisation? (For example information on our technical or service offerings, current and future industry updates).

#### Customer comments

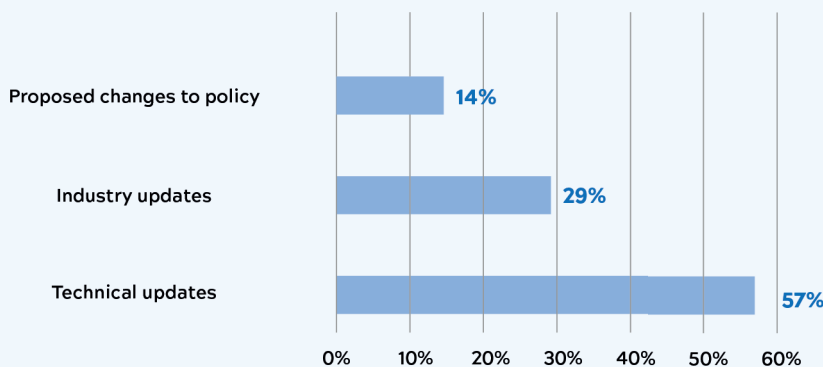
All customer groups welcomed the suggestions put forward, with 46% of customers selecting that technical updates would be useful as part of ongoing engagement.

All customer groups



57% of Building Enabler, Commercial Developer, Land Promoter and Small Building business customers saw value in technical updates, and 29% of customers wanted to hear more about the latest industry updates through shared learning and good practice forums.

Building Enabler, Commercial Developer, Land Promoter, Small Building Business



## Our proposal



We've reflected on your feedback and are using it to shape our programme of engagement for the 2023-24 period. We're minded to structure engagement in monthly, quarterly and annual frequencies with a range of communication methods to meet your preferences.

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## What next?



We intend to publish our final charging arrangement at the end January 2023 which will be implemented from April 2023 onwards.

**Our 2023-24 engagement programme and registration will be published by the end of February.**