

News Release

NFB SURVEY HIGHLIGHTS POOR PERFORMANCE OF UTILITIES

Survey finds almost 88 per cent of projects delayed by utilities – despite price rises and soaring profits

Building contractors are struggling through the credit crunch with financial losses caused by poor performing utility companies, according to the latest findings from the National Federation of Builders (NFB).

The survey, which generated a record number of responses from contractors, painted a damning picture of utility company attitudes.

Frustrated respondents reported delays to 87.9 per cent (up from 86 per cent in the Federation's previous survey from 2006) of construction projects in England and Wales seeking new connections to gas, water and electricity networks.

Electricity companies were the worst of the three utilities, with 55 per cent of sites citing problems with power connections.

Poor communications (flagged by 65 per cent of respondents) and unwarranted delays in obtaining quotations (55 per cent) were two of the main problems faced by contractors.

The results of the survey have outraged the Federation, which, following the 2006 survey, had received assurances from regulators and utility companies that things would improve. The survey results highlight that attitudes towards working with construction companies are worse than ever – at a time when the sector needs all the support it can get.

Since the 2006 survey, the NFB has successfully worked with the industry and the regulator to achieve partial pricing transparency and voluntary standards.

However, the Federation argues this latest report proves that some utilities companies simply ignore voluntary standards and it is calling on regulators to turn these guidelines into mandatory service level agreements with penalties for missing targets.

When asked how utility companies could improve their service, contractors stated a single point of communication for dealing with applications for the duration of the contract would be most effective.

There was low awareness amongst contractors regarding current efforts among industry regulators to introduce connection competition, allowing the work to be sub-contracted to other companies.

Less than half (48.9 per cent) had taken advantage of switching connectors to solve their site problems.

NFB chief executive Julia Evans said: "The arrogance of utility companies is staggering and the extent of their apathy towards better communications with an important sector of UK industry is laid bare by this survey."

“The economy is currently handing the construction industry its toughest challenge for decades and the last thing contractors need is to pay thousands of pounds up front for a connection to fund network development, which is then delayed by the poor performance of a utility company raking in rising profits of up to 35 per cent.

“We had believed we were making progress but the views of contractors have prompted us to get even tougher in 2009.

“Our priority is to continue to work closely with the regulators to establish service levels, ensure competition works more effectively, and that it is communicated more clearly.”

Following consultation with regulators, the NFB will be liaising with regulators and utility firms to implement its recommendations.