

press release

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CONSTRUCTION FIRMS STILL FEEL DISCONNECTED FROM UTILITY SERVICES, SAYS NATIONAL FEDERATION OF BUILDERS

Building contractors are struggling through the economic downturn with continued financial losses caused by poor performing utility companies, according to the latest findings from the National Federation of Builders (NFB) in a report out today (23 January 2012). The Utilities Survey 2011 found that almost three quarters (73%) of sites run by members of the NFB are still experiencing problems and delays when seeking new connections to water, gas and electricity networks, says the NFB - the only organisation that carries out an extensive survey into the utilities' connection service.

The survey results highlight that attitudes towards working with construction companies are not significantly improved – at a time when the sector needs all the support it can get.

Following surveys conducted in 2006 and 2008, the NFB successfully worked with regulators and utilities to develop service level agreements. This latest report, compiled from a site-by-site survey of members conducted in 2011, assesses what, if any, improvements were experienced by members.

While the headline figure representing the percentage of sites that experienced problems when requesting a connection has fallen from 88% in 2008 to 73% in 2011, there are still underlying issues that have remained more or less unchanged.

The survey found:

- Over 70% of contractors want a single team dealing with applications to improve communications.
- 70% of respondents opposed payment in advance of a service that is not reliable.
- A quarter (around 25%) of respondents wanted better service levels through regulation.
- Almost half (42%) of respondents called for greater transparency of costs.

The NFB has made two recommendations:

- That charging in advance for statements of work to be carried out or for design studies stop and that the practice be brought under the financial penalty regime so that costs incurred by companies continuing this practice may be recovered.
- That all costs be broken down to provide a more accurate understanding of the true cost of the service.

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The penalty payment regime introduced for electricity companies on 1 October 2010, while welcome, is not yet widely known about by those most likely to benefit from claiming. When respondents were asked whether they were aware of compensation available to them when connections service levels were not met within a given timeframe, 73% were not, but 33% would have claimed, had they been aware.

Julia Evans, Chief Executive of the NFB, said: "It is disappointing to see that utility providers are still not getting the message. In this tough climate, funds are stretched and unnecessary delays cost our members dear.

"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 huge profits.

"Our priority is to continue to work closely with the regulators and utilities to ensure better communications, a more reliable service and greater transparency of costs and competition."

To view the report in full please visit <http://bit.ly/yefyT3>

For further information please contact 08450 578160 or email policy@builders.org.uk