

Diversiory Works

Best Practice Guide



An overview of the works, the governing bodies, the challenges, risks and opportunities and why finding the right partner can save you time, valuable resource and tens of thousands of pounds.

Author: © Paul Alexander

Date: May 2024

Contents

Introduction3

Key Reasons for Diversions.....3

Utility Diversion Timescales4

Understanding the Cost of Utility Diversions4

Diversion Cost Analysis.....4

Regulatory Framework.....6

 New Roads and Street Works Act 1991 (NRSWA).....6

 Highway Authorities and Utilities Committee (HAUC(UK)).....6

How We Can Help7

Why Choose Us?7

Conclusion8

Testimonials8

Some Final Words.....9

Introduction

Diversions are essential in construction to clear paths for new builds, ensure safety, and upgrade infrastructure.

They help comply with regulations, optimise space, protect the environment, and future-proof developments. However, unnecessary diversions and overcharging are common issues.

Key Reasons for Diversions

1. Site Clearance: Remove obstructions for new constructions.
2. Safety Concerns: Relocate utilities to ensure safety.
3. Infrastructure Upgrades: Update outdated utility lines.
4. Regulatory Compliance: Meet legal and safety standards.
5. Access Requirements: Ensure access for construction equipment.
6. Space Optimisation: Accommodate building layouts.
7. Environmental Protection: Avoid sensitive areas.
8. Future-Proofing: Anticipate future growth.
9. Conflict with New Structures: Avoid interference with new builds.
10. Service Continuity: Maintain utility services.
11. Aesthetic Considerations: Enhance visual appeal.
12. Improved Maintenance Access: Facilitate future maintenance.
13. Coordination with Other Projects: Sync with ongoing projects.
14. Avoiding Interference: Prevent disruptions during construction.
15. Land Ownership Changes: Adapt to new property boundaries.

So as you can see there are many reasons why diversions may be required.

So why does this all matter to you and why should you care?

As you are in the construction business, money and time is everything and can often times cause projects to fail financially or go way over budget.

Utility Diversion Timescales

Timescales vary based on the type and complexity of utility equipment. National projects like the fibre network take longer than local telephone diversions. The lack of standard guidelines and bespoke requirements from utility companies can cause delays.

Understanding the Cost of Utility Diversions

Utility diversions can be costly due to the involvement of multiple asset operators. Accurate cost estimates (C3 and C4 stages) are crucial. Modifying development plans might sometimes be more cost-effective than diversions.

Diversion Cost Analysis

Common pitfalls include:

1. Unnecessary Infrastructure Upgrades: Avoid paying for upgrades not required by the project.
2. Cost-Effective Routes: Opt for cheaper alternatives when available.
3. Avoiding Unnecessary Services: Only pay for essential professional services and hardware.
4. Reasonable Contingency Fees: Ensure contingency fees are justified
5. Administrative Overheads: Overhead costs should be reasonable

6. Duplication of Costs: Avoid double billing
7. Unnecessary Expedited Work: Only expedite work when necessary
8. Utility Company Benefits: Developers shouldn't fund utility upgrades that benefit the utility company
9. Detailed Charge Justifications: Ensure all charges are well-justified
10. Project Scope Alignment: Charges should align with the project's scope
11. Competitive Bidding: Ensure competitive pricing to avoid inflated charges.

Regulatory Framework

New Roads and Street Works Act 1991 (NRSWA)

- Coordination and Notification: Minimise public disruption through proper planning.
- Safety and Standards: Ensure safety during street works.
- Training and Accreditation: Workers must be trained and accredited.
- Inspection and Penalties: Authorities can inspect works and impose fines for non-compliance.
- Financial Contributions: Utility companies may contribute to the cost of managing street works.

Highway Authorities and Utilities Committee (HAUC(UK))

- Advisory Role: Provides guidance on NRSWA implementation.
- Coordination and Collaboration: Facilitates dialogue between authorities and utilities.
- Standard Setting: Develops standards for consistent quality and safety.
- Training and Accreditation: Supports training programs.
- Monitoring and Feedback: Reviews regulations and gathers feedback.
- Dispute Resolution: Mediates conflicts between stakeholders.

Utility diversions can be costly due to the involvement of multiple asset operators. Accurate cost estimates (C3 and C4 stages) are crucial. Modifying development plans might sometimes be more cost-effective than diversions.

How We Can Help

1. Identifying Unnecessary Diversions: Thoroughly analyse proposed diversions.
2. Preventing Costly Upgrades: Ensure charges comply with NRSWA regulations.
3. Field Verification: Cross-check desktop surveys with actual site conditions.
4. Demanding Cost Transparency: Audit quotations for detailed breakdowns.
5. Challenging Inflated Quotes: Act as your advocate in negotiations.
6. Ensuring Regulatory Compliance: Provide legal guidance on NRSWA.
7. Preventing Delays: Engage early with utility companies to avoid project delays.

Why Choose Us?

1. Expertise and Insight: Specialised knowledge in utility diversions
2. Transparent Solutions: Clear and fair costing methods.
3. Proven Track Record: History of significant cost savings.
4. Comprehensive Support: Manage the entire diversion process.
5. Advocacy and Compliance: Protect your interests legally and technically.
6. Innovative Solutions: Future-proof strategies.
7. Community and Environment Commitment: Minimise disruptions and prioritise sustainability.
8. Continuous Improvement: Ongoing support and process refinement.

9. Personalised Service: Tailored solutions to meet your specific needs.

Conclusion

Engaging a specialist like us ensures accurate cost assessments, regulatory compliance, and significant cost savings. We provide expert guidance through the complex utility diversion process, protecting your interests and ensuring your project's success.

Testimonials

Here are some real examples of how we have helped Clients such as Redrow, StoneBond, A2 Dominion, Bellway Homes, Countryside, Crest Nicholson, Lovell, Miller Homes and 37 other Clients across the UK (England, Scotland and Wales).

Client Testimonial 1 – A new C4 Quotation

A recent success where we helped a national housebuilder **before** they had to pay for the diversion, reduce a £273,000 diversion quotation by £169,000, leaving the final cost at just £104,000.

That's a saving of £169,000 – this is a significant sum of money to reinvest back into their business for other resources and projects.

They have many more in the pipeline too with no specialist skills internally to carry out this work for them.

Testimonial 2 – A historical C4 Quotation

Another recent success where we helped a national housebuilder look into a rather large historical diversion quote, where we managed to get reimbursed £105,000 from a quote they paid £212,000 for.

The utility company were found to have included additional routes that were not required as part of the diversion to which they agreed to reimburse the difference.

That's a saving of £107,000 – this is a significant sum of money to reinvest back into their business for other resources and projects.

The average Diversionary Quotation that we are dealing with currently is around £132,000 with an average saving or reimbursement of 62%.

That's an average saving / reimbursement of nearly £82,000 on each diversion.

We aim to make sure that all utility providers provide accurate and detailed quotations that are inline with the New Roads and Street Works Act and are fair and reasonable, as ultimately, it is you and us that pay for these diversions in the houses that we buy and the commercial offices and units that we rent.

Some Final Words

So if you are a developer, housebuilder or real estate company and have a vested interest in ensuring transparency of costs on your projects, whether residential or commercial, please do get in touch with us.

It does not cost you anything to engage us as experts in your team and you may just be pleasantly surprised and the value we bring to your company.

We look forward to hearing from you.

Best wishes

Paul Eaton – CEO

Paul Alexander

pauleaton@paulalexanderservices.co.uk

End of Document