

# Mitigating Utility Risk – Effective Due Diligence

For anyone involved in buying or selling land, planning a new development or managing site works, then the term utility risk is a familiar one. But what does this mean in practice, and importantly, how can these risks be effectively managed.

This is the first in a series of articles looking at this important subject, and sharing real life examples of how Premier Energy have provided practical utility risk mitigation.

## **What is Utility Risk?**

Firstly, let's define a utility risk. A utility risk can materialise in one of four ways;

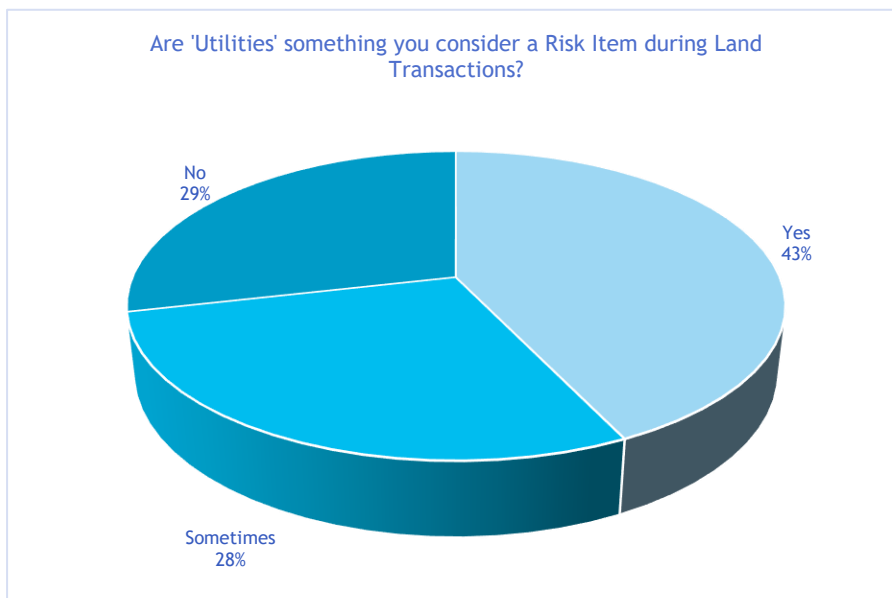
1. Unidentified costs due to ineffective Due Diligence during a land transaction.
2. Project delays caused when moving existing utility equipment.
3. Injury to staff or members of the public from utility strikes.
4. A project becoming unviable due to the cost or timescale associated with new utility connections.

This article focusses on the first of these, Due Diligence.

## **Risk Appetite?**

We recently undertook a survey to gain a better understanding of the risk appetite during commercial land transactions. The results were startling with less than half of respondents consistently assessing utility risk.

*Premier Energy Survey January 2025*



In response to our survey we also asked why utility risk was not considered, the responses included;

- Lack of trust in utility data.
- It takes too long to get a response from utility companies.
- Its 'too expensive' to conduct a utility search.

Whilst we understand some of the inevitable frustration associated with sourcing utility data our experience suggests that the risk far outweighs the cost of taking some fairly simple steps as the following example will show.

### **Effective Due Diligence: Always conduct a Utility Record Search**

A developer was close to completing a land purchase for a five Hectare greenfield site with outline planning permission for 200+ new homes. We were asked to conduct a Premier Utility Search to ensure there were no utility constraints associated with the site. This identified 17 utility companies known to operate in this area.

The Masterplan used as the basis for the planning application took no account of the existing utility infrastructure. Amongst the existing utility equipment in and around the search area was a strategic gas main crossing the lower section of the site. We were able to determine that around 10% of the Net Developable Area was sterilised with the gas main in situ. Utilising our consultancy expertise we were able to assess the impact of the gas main in-situ and it was clear that relocating it was neither a practical or cost effective option.

*Premier Energy Constraint Plan*



This important information was relayed back to the land team within 24hrs of commissioning the utility search. Allowing them time to renegotiate the land sale price to reflect this significant utility risk before closing the deal.

In this example the Client commissioned a simple, cost effective search. This immediately identified a significant risk and by utilising by our utility consultancy expertise we were able to provide advice which allowed an adjustment in the valuation of the land.

This is a great example of our recommendations for effective utility risk mitigation during due diligence which are;

1. Always conduct a comprehensive utility search.
2. Seek expert advice on any constraints presented by existing utility equipment.
3. Don't assume a green field means there are no utilities present.

### **How can Premier Energy help?**

As the leading independent [utility consultancy](#) we are well placed to help you mitigate the risk on your projects. In our 2025 Client survey 100% of Clients confirmed they would recommend us to their colleagues and contacts.

You can contact us at [enquiries@premierenergy.co.uk](mailto:enquiries@premierenergy.co.uk) or by calling 01403 740240 to discuss our approach to Effective Due Diligence and understand how this can help you.