

Governance

RIIO-GD3 Collaborative Streetworks ODI-F Governance Document

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Contact:	Priya Kalsi
Team:	Networks Directorate, RIIO Price Controls
Telephone:	020 7901 7000
Email:	RIIO3@ofgem.gov.uk

We have decided to expand the Collaborative Streetworks financial Output Delivery Incentive (ODI-F) across Great Britain (GB) for Gas Distribution Networks (GDNs) in RIIO-GD3 in order to promote collaboration across utilities and to reduce disruptions on the roads from streetworks.

This document is the Collaborative Streetworks Governance Document issued by the Authority under Special Condition 4.5 of the GDNs' Gas Transporter Licences. The purpose of this document is to set out the eligibility criteria, requirements and obligations on GDNs and central coordinators in their respective roles taking part in collaboration and overseeing the Collaborative Streetworks ODI-F for the RIIO-GD3 price control period.

It is the responsibility of each Network Licensee to understand the provisions of this Governance Document and how those provisions apply to it. This version of the Collaborative Streetworks Governance Document comes into effect on 1 April 2026.

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Contents

1. Introduction.....	4
What is an ODI-F?	4
The Collaborative Streetworks ODI-F	4
The Collaborative Streetworks Governance Document.....	5
Compliance.....	5
Review	5
2. Accessing the Collaborative Streetworks Incentive	6
Eligibility criteria to access the ODI-F	6
Process to become eligible for the incentive	7
Annual data submission requirements	8
Authority determination of compliance	9
3. Roles and responsibilities of the central coordinator	10
Coordinating capability	10
Strategic criteria	10
Data submission requirements	10
Net benefit calculation capability.....	11
Appendices.....	12
Index.....	12
Appendix A: Glossary	13
Appendix B: Minimum Criteria	14
Collaborative Streetworks Minimum Projects Criteria	14
Appendix C: Strategic Criteria and GLA Tools.....	15
Collaborative Streetworks Strategic Projects Criteria	15
Tools used by the GLA to facilitate collaboration	15
Appendix D: Proforma template to apply for the incentive.....	17

1. Introduction

- 1.1 The Collaborative Streetworks Output Delivery Incentive (ODI-F) rewards Gas Distribution Networks (GDNs) for undertaking streetworks projects in collaboration with other utilities. Coordinating streetworks projects aims to consolidate activities, minimise repeat excavations, and reduce disruption. Collaboration includes joint planning, co-working in the same traffic management arrangements, or sequencing works to avoid multiple interventions. Collaborative working will promote knowledge sharing amongst utilities on best practice.
- 1.2 This document is issued in accordance with Special Condition 4.5 of the Gas Transporter Licence and aligns with the decision published in our [RIIO-GD3 Final Determinations](#).

What is an ODI-F?

- 1.3 A financial Output Delivery Incentive (ODI-F) is a regulatory mechanism in RIIO that provides financial rewards or penalties to network companies based on their performance against defined output measures. ODI-Fs are designed to drive outcomes that deliver value for consumers by aligning network company incentives with performance on metrics that matter to consumers and wider stakeholders.

The Collaborative Streetworks ODI-F

- 1.4 The Collaborative Streetworks ODI-F incentivises the GDNs to work with other utilities on Collaborative Streetworks Projects that:
- Reduce disruption to consumers, businesses and road users by limiting the frequency and duration of excavations and traffic management;
 - Lower overall delivery costs through shared traffic management, reinstatement, and mobilisation, generating net benefits for consumers;
 - Improve asset outcomes by enabling coordinated replacement or maintenance across utilities and highway authorities;
 - Advance local strategic goals (eg safety, air quality, public transport reliability) through better planning and alignment with local authority (LA) programmes; and
 - Enhance data sharing and forward planning between GDNs and LAs, improving efficiency and transparency.
- 1.5 Collaborative Streetworks Projects are either minimum or strategic, depending on the criteria which they meet. The minimum criteria are set out in Appendix B, and the strategic criteria are determined by the central coordinator.
- 1.6 The incentive reward rates for the Collaborative Streetworks ODI-F are set at:

- £95,000 for completed projects that meet the minimum criteria;¹ and
- £160,000 for completed projects that meet a strategic criterion.²

1.7 The incentive reward rates are subject to each network's totex sharing factor.

The Collaborative Streetworks Governance Document

1.8 This document is the Collaborative Streetworks Governance Document. It sets out:

- How GDNs can access the Collaborative Streetworks ODI-F;
- The obligation for GDNs to have in place a central coordinator to oversee the incentive in the associated region;
- The requirements for networks which gain access to the incentive;
- The requirements of local, regional or transport authorities (referred to as LAs) acting as a central coordinator;
- The obligations for accessing the incentive reward rates; and
- The discretion the Authority will take in making a direction.

1.9 In this document, we use the terms 'Ofgem' and 'the Authority' as well as the terms 'we', 'us' and 'our' interchangeably. Ofgem is the Office of the Gas and Electricity Markets. The Authority is the Gas and Electricity Markets Authority and is the governing body of Ofgem, consisting of non-executive and executive members.

Compliance

1.10 GDNs are required by Special Condition 4.5 of the Gas Transporter Licence to comply with this document.

1.11 GDNs must ensure ongoing compliance with all relevant legislation including competition, data protection, environmental and consumer protection laws.

Review

1.12 We may from time to time revise this Collaborative Streetworks Governance Document by direction in accordance with the Collaborative Streetworks ODI-F Licence Condition.

¹ As defined in Appendix B.

² As defined by the central coordinator. An example of the strategic criteria used by the GLA during RII0-GD2 is outlined in Appendix C.

2. Accessing the Collaborative Streetworks Incentive

Eligibility criteria to access the ODI-F

An approved central coordinator

- 2.1 For an individual network to be eligible for the Collaborative Streetworks incentive, it must identify, collaborate and gain agreement for an LA to act as a central coordinator for the area over which it has authority. A network's region may include several of these areas. Multiple central coordinators may be appointed across a network's region, but only one central coordinator may be appointed per area.
- 2.2 The central coordinator is responsible for overseeing Collaborative Streetworks Projects and for ensuring compliance with the requirements set out in this document and in Special Condition 4.5 of the licence. It must meet the requirements set out in this document and its appointment must be approved by the Authority by direction.

Submission of estimated collaboration costs

- 2.3 To be eligible for the incentive, the GDN must also submit estimated collaborative costs for each project. These costs are expected to have a margin of error no greater than $\pm 10\%$ relative to outturn. Variance outside $\pm 10\%$ should be explained in the annual submission with reference to scope change, market conditions, or unforeseen constraints.
- 2.4 As a minimum, the following should be included in the costs of collaboration:
 - Cost of time spent arranging coordination with other stakeholders;
 - Cost of time spent completing documentation required by Ofgem and relevant LA; and
 - Cost of legal fees incurred for developing joint contracts.

Eligible projects

- 2.5 Collaborative projects that are eligible for the incentive are those that meet the minimum or strategic criteria set out in Appendices B and C of this document, and that are being overseen by the central coordinator.

Minimum number of delivered Collaborative Streetworks Projects

- 2.6 Cadent's London and SGN's Southern networks are required to deliver a minimum threshold of five Collaborative Streetworks Projects per regulatory year. These can be either minimum or strategic projects. Once these networks have reached the threshold in a regulatory year, they will receive a reward for each

subsequent project completed up to the maximum reward set out in the ODI-F Licence Condition. The regulatory year is as defined in the licence.

- 2.7 Other networks do not have a minimum threshold of collaborative projects which they have to deliver per regulatory year.

Process to become eligible for the incentive

- 2.8 To be eligible to receive the incentive under the Collaborative Streetworks ODI-F, the GDN must inform us of its request to appoint a central coordinator and undertake Collaborative Streetworks Projects as described in Special Condition 4.5.
- 2.9 The GDN must fill out the proforma set out in Appendix D to demonstrate that it and the LA are able to meet the minimum requirements laid out below.
- 2.10 This must be submitted to gasnetworks@ofgem.gov.uk alongside any accompanying supporting evidence for the criteria listed in Appendix D.

Central coordinator requirements

- 2.11 The licensee must provide evidence that the LA is willing and able to take on the role of the central coordinator, and that the LA consents to the following requirements which it will undertake:
- Act as a central coordinator;
 - Meet the expectation that the LA is able to support stakeholders to collaborate and direct Collaborative Streetworks Strategic Projects to a Level 2 collaboration standard;³
 - Demonstrate ownership of, or access to a tool, similar to the Greater London Authority's (GLA's) Monitoring and Evaluation (M&E) tool to assess the impact of Collaborative Streetworks Projects:
 - This tool should be able to calculate the net benefit of an individual project to the same standard as version 1 of the GLA's M&E tool; and
 - LAs must provide evidence of having access to such a tool in place;
 - Provide a breakdown of completed Collaborative Streetworks Projects to the GDN;⁴
 - Provide a supporting statement and appropriate evidence confirming the accuracy of any data to Ofgem;

³ Level 2 collaboration standard refers to 'Paced Collaboration' and meets the criteria laid out in the GLA's Collaboration Scale, as per its Collaboration Handbook and 'Dig-Once' Approach.

⁴ See paragraph 2.15 for a breakdown of the details required. This should be provided to the GDN and submitted as part of their RRP.

- Set strategic criteria; and
- Have in place dedicated internal resource for collaborative projects.

2.12 In addition to this, LAs should provide the following information:

- Contact details for the LA employee or team responsible for leading the collaboration efforts; and
- The strategic criteria it intends to use.

2.13 The GDN must be able to evidence that the LA can meet these minimum requirements. In the case that it cannot provide suitable evidence, the GDN may no longer be eligible to receive the Collaborative Streetworks incentive.

GDN requirements

2.14 The relevant GDN should confirm it will:

- Report estimated collaborative costs and a breakdown of Collaborative Streetworks Projects through the Regulatory Reporting Packs (RRPs), as described in paragraphs 2.3, 2.4 and 2.15; and
- Have in place dedicated internal resource for Collaborative Streetworks Projects.

Annual data submission requirements

2.15 As part of its RRP submission, each GDN should procure and submit timely and accurate data for each eligible Collaborative Streetworks Project. As a minimum, each GDN should provide the following for each project:

- Project information (name, start and end dates, collaborating parties);
- Road characteristics (road type/classification, direction before closure, speed limit before closure, traffic flow, high-impact locations situated along the road eg schools, hospitals, high street);
- Closure specification (speed limit, length, details of any diversions or traffic control);
- Job time saved (hours and/or days);
- Net benefit (£, present value);
- Resource use (employees on site, distance travelled by heavy equipment);
- Project costs (eg traffic management, back office, public engagement, parking bay/lane rental charges, costs of accidents);
- Environmental impact (tCO₂ saved and/or monetised value); and

- The strategic criteria which it meets.
- 2.16 This list sets out the minimum data requirements. If this data is not provided by 31 July in the relevant regulatory year the GDN will not be eligible for the incentive in that regulatory year.

Authority determination of compliance

- 2.17 The Authority will determine whether GDNs have met the eligibility criteria and requirements set out in this document. We will consider if the relevant LA has met the central coordinator requirements.
- 2.18 The Authority will determine whether individual projects meet the criteria for an incentive reward, based on both the minimum or strategic criteria and the minimum threshold as outlined in Appendix B, Appendix C and paragraph 2.6.
- 2.19 We will review the RRP data and any other supporting evidence provided by the LA to determine eligibility for the incentive reward.

3. Roles and responsibilities of the central coordinator

Coordinating capability

- 3.1 LAs will take the lead in coordinating utilities for projects that are eligible for the incentive. The LA should be capable of:
- Identifying collaboration opportunities;
 - Assisting others in identifying collaboration opportunities either through tools or engagement opportunities;
 - Maintaining proper engagement with national utilities organisations to ensure projects have the necessary approval;⁵
 - Assisting with project planning alignment; and
 - Assisting and streamlining permitting applications.
- 3.2 We will not prescribe a particular approach but in order to fulfil the above, the LA will have resource dedicated to identifying, coordinating and assisting collaboration between utilities.
- 3.3 This includes creating tools and spaces for stakeholders to identify and explore collaboration opportunities as well as directing coordination activities where appropriate.
- 3.4 Appendix C of this document and the ‘Dig-Once’ Approach published by the GLA have more detailed guidance on the tools and processes required to enable this collaboration.

Strategic criteria

- 3.5 LAs should define and communicate clear strategic criteria for collaboration to GDNs and other utilities. These criteria will be used to determine which Collaborative Streetworks Projects are eligible to receive the strategic incentive rewards. Appendix C sets out examples of strategic criteria used by the GLA in RIIO-GD2.

Data submission requirements

- 3.6 LAs participating in collaborative projects should support the relevant GDN’s annual RRP submissions for projects by providing a supporting statement and suitable evidence confirming the accuracy of any of its data on collaborative

⁵ These organisations include the Highway Authorities and Utilities Committee (HAUC(UK)) and the National Joint Utilities Group (NJUG)/Street Works UK.

projects. The minimum data requirements for each Collaborative Streetworks Project are set out in paragraph 2.15.

Net benefit calculation capability

- 3.7 LAs must be able to calculate or validate net benefits to the standard of version 1 of the M&E tool developed by the GLA. Where calculations are performed by the GDN, LAs should ensure that the inputs and outputs are plausible.

Appendices

Index

Appendix A	Glossary	13
Appendix B	Minimum Criteria	14
Appendix C	Strategic Criteria and GLA Tools	15
Appendix D	Proforma Template for Incentive Access	17

Appendix A: Glossary

This Appendix defines key terms used in the Collaborative Streetworks Governance Document.

Collaborative Streetworks: Coordinated works involving a GDN and one or more parties to reduce disruption and improve efficiency. Projects are either Minimum or Strategic, depending on the criteria which they meet.

Central coordinator: The local, regional, transport, or combined authority that has been identified by the network to oversee Collaborative Streetworks Projects in its presiding area. The roles and responsibilities of the central coordinator are detailed in Chapter 3 of this document.

‘Dig-Once’ Approach: Utilising long-term and speculative investment data to align works programmed prior to the permitting stage, as opposed to traditional coordination which usually involves the alignment of already planned works. This is per the GLA’s ‘Dig-Once’ Approach, of which an updated version is to be published in April 2026.

GDN: Gas Distribution Network.

GLA: Greater London Authority.

Incentive reward rate: The reward for which the GDNs are eligible once a central coordinator is appointed; an annual minimum project threshold of five projects a year has been met as BAU (Cadent London and SGN Southern only); and the minimum or strategic criteria have been met as outlined in Appendix B and C.

LA: Local Authority. For the purposes of this document, this term is also inclusive of regional, transport, or combined authorities that may take on the central coordinator role for their presiding areas.

M&E tool: Measurement & Evaluation tool developed by the GLA to measure and calculate the value and social benefits of individual collaborative projects.

Minimum criteria: Criteria set for Collaborative Streetworks Projects meeting essential operational and regulatory requirements, primarily overseen by Ofgem. See Appendix B for more detail.

Net benefit: The total value of benefits in monetary terms.

ODI-F: Output Delivery Incentive – Financial. A mechanism for financial rewards/penalties based on performance against outputs.

Regulatory year: The 12-month period defined in the licence for reporting and incentive purposes.

Strategic criteria: Criteria set for Collaborative Streetworks Projects that may not meet the minimum criteria, but are identified as strategically important at the discretion of the central coordinator. See Appendix C for more detail.

Appendix B: Minimum Criteria

This Appendix details the minimum criteria set by Ofgem for Collaborative Streetworks Projects.

Collaborative Streetworks Minimum Projects Criteria

Minimum criteria are applicable for projects that meet essential operational and regulatory requirements:

- 0.2km minimum length, except where a project is categorised of strategic importance by the central coordinator;
- Level 2 collaboration at a minimum, as defined in the GLA's 'Dig-Once' Approach;
- A minimum of two collaborating utilities;
- Must represent a permanent solution, not a temporary repair; and
- Work must be completed by the end of the RII0-GD3 price control period.

Appendix C: Strategic Criteria and GLA Tools

This Appendix outlines the strategic criteria used by the GLA during RIIO-GD2 to develop specialised incentives whilst overseeing streetworks projects, and details of other tools and methods that the GLA has developed, providing guidance for other LAs taking on the central coordinator role.

Collaborative Streetworks Strategic Projects Criteria

Strategic criteria are for Collaborative Streetworks Projects that may not meet the minimum criteria, but are identified as strategically important at the discretion of the central coordinator.

For instance, GDNs may identify projects that meet at least one of the below criteria:

- Works in locations with historic leakage and/or bursts;
- Works undertaken in advance of planned public spaces and infrastructure schemes;
- Activities affecting cross borough boundaries where coordination is required (eg traffic management);
- Collaboration with utilities, local authorities and/or transport bodies that offer opportunities to develop best practices e.g. data sharing and digital tools for better decision-making, joint traffic management strategies and use of innovative materials or methods; or
- Works in or near sensitive or high-impact locations such as schools, hospitals, emergency services (fire, ambulance), transport hubs, or major stations.

Additional criteria:

- Projects do not have a minimum length; and
- Projects designed to meet long-term strategic goals and address significant challenges.

Tools used by the GLA to facilitate collaboration

1. Data and digital tools to identify collaboration opportunities and assess the viability and impact of projects, to develop timelines, delivery and successful implementation.
2. Monitoring and evaluation process to evidence results and benefits and ensure project delivery, to eventually embed collaboration as BAU.

3. M&E tool identifies impacts and social benefits of projects, including:
 - journey time saved;
 - wellbeing improvements to local residents;
 - losses avoided by local businesses;
 - cost efficiencies to utilities; and
 - environmental impact.
4. Training of practitioners to utilise such tools and further develop processes.
5. ‘Collaboration specialists’ hired as dedicated resource to coordinate internally across asset management and capital delivery teams, and externally with other utilities.
6. Central incentive portal as a repository for all delivered projects to visualise impacts.
7. Appropriate incentive governance and reporting procedures:
 - External assessment and assurance;
 - Self-assessment guidance available for GDNs;
 - Governance committee sessions to review and approve new projects;
 - Project management tools (trackers, guidance documents, application forms); and
 - Regular engagement with utilities.

Appendix D: Proforma template to apply for the incentive

This Appendix contains the proforma template that GDNs should complete and submit to Ofgem to apply for the incentive. This is to inform us of a request to appoint a central coordinator and to demonstrate that both the GDN and central coordinator meet the minimum requirements set out in this document.

Name of GDN:

Name and email of GDN collaboration representative(s):

Name of Local Authority to be appointed as central coordinator:

Name and email of central coordinator collaboration representative(s):

Network area the central coordinator will oversee:

If applicable, larger pieces of evidence may be attached separately for any of the below criteria.

Table 1: GDN criteria

Criteria	Met?	Any supporting evidence
Agrees to submit estimated collaborative costs through the RRP?	Yes/No	
Agrees to work with the central coordinator to procure and submit a breakdown of Collaborative Streetworks Projects data through the RRP?	Yes/No	
Is appropriate internal resource for collaboration in place? If so, please provide suitable evidence and contact details.	Yes/No	

Table 2: Central coordinator criteria

Criteria	Met?	Any supporting evidence
Agrees to take on the central coordinator role and meet the responsibilities outlined in Chapter 3 of the Collaborative Streetworks Governance Document?	Yes/No	
Can the central coordinator support stakeholders to meet the required standard of collaboration?	Yes/No	
Can demonstrate access to, or ownership of an appropriate M&E tool? If so, please provide suitable evidence.	Yes/No	
Has appropriate dedicated internal resource for collaboration efforts in place? If so, please provide suitable evidence and contact details.	Yes/No	
Agrees to provide a breakdown of Collaborative Streetworks Projects to the GDN as per its RRP requirements set out in 2.15 of the Collaborative Streetworks Governance Document?	Yes/No	
Agrees to provide a supporting statement to Ofgem confirming accuracy of any data submitted as part of the GDN's RRP?	Yes/No	
Has set appropriate strategic criteria for projects that do not meet Ofgem's minimum criteria? If so, please detail the strategic criteria intended to be used.	Yes/No	

Please refer to Chapter 2 and 3 of the Collaborative Streetworks Governance Document for more details on the eligibility criteria and requirements for GDNs and central coordinators.