



To generators, shippers, suppliers, network companies, consumers and their representatives, the sustainable development community, investors and other interested parties

Promoting choice and value for all gas and electricity customers

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Dear colleague

RIIO-GD1: Initial Proposals for Gas Distribution Networks (GDNs) - Headlines

The next gas distribution price control (RIIO-GD1), along with the transmission price control (RIIO-T1), is the first price control to be conducted under our new RIIO (Revenue = Incentives + Innovation + Outputs) model. The price control period will run from 1 April 2013 to 31 March 2021. The objective of RIIO is to encourage network companies to play a full role in the delivery of a sustainable energy sector, and to do so in a way that delivers value for money for existing and future consumers.

This letter sets out the headlines of the Authority's soon to be published consultation document on our Initial Proposals (IP) for the GDNs.¹

We intend to publish our IP consultation for GDNs on 27 July and will seek views from stakeholders at that point. In the meantime, if you would like to discuss any aspect of this letter, please contact James Grayburn on 0207 901 7483 or by e-mailing james.grayburn@ofgem.gov.uk.

Background

In March 2011, we set out our Strategy Decision for RIIO-GD1.² This set out decisions on the key aspects of the regulatory framework. It also set out what we expected to see in a well-justified business plan and the criteria against which we would assess such a plan.

We received the initial GDNs' RIIO-GD1 business plans at the end of November 2011. In February 2012 we published our assessment of the GDNs' first business plans for RIIO-GD1.³ We identified a number of material issues with all GDNs' plans, which we could not resolve within the fast-track process. We therefore required all GDNs to submit revised business plans to us.

¹ For GDNs' plans, see: Ofgem (15 May 2012) RIIO-GD1: Gas Distribution Networks' (GDNs) second business plans - publication and next steps: http://www.ofgem.gov.uk/Networks/GasDistr/RIIO-GD1/ConRes/Documents1/120514_GDN_busplans_thirdparty.pdf

² Decision on strategy for the next gas distribution price control: RIIO-GD1 – Ofgem, 31 March 2011 Ref:47/11 <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=312&refer=Networks/GasDistr/RIIO-GD1/ConRes>

³ Ofgem (February 2012) Initial Assessment of RIIO-GD1 business plans and proportionate treatment <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=352&refer=Networks/GasDistr/RIIO-GD1/ConRes>

Assessment of updated business plans

We received the GDNs' revised business plans on 27 April 2012, and we have completed our review of these plans. Our assessment has been informed by stakeholder engagement. We discussed the GDNs' plans with the Consumer Challenge Group and the Price Control Review Forum. We also received responses on the plans from two suppliers.⁴

We have assessed the updated business plans using the same criteria we used to assess the companies' previous plans. These are:

- Process: has the GDN followed a robust process?
- Outputs: does the plan deliver the required outputs?
- Costs: are the costs of delivering the outputs efficient?
- Uncertainty: does the plan fully consider uncertainty and risk?
- Financing: are the proposed financing arrangements efficient?

As with our initial assessment, our assessment of GDNs' second plans shows that the outstanding issues relate primarily to outputs, cost efficiency, and finance issues. These areas have been the focus of our analysis. We note the following high-level points in relation to the broad assessment categories:

- *Process:* As set out in our initial assessment, we considered that the companies' first plans were informed by a much greater degree of stakeholder engagement than previous reviews, and the processes were robust. We therefore did not require GDNs to consult further between the first and second plan submissions.
- *Outputs:* Our primary focus has been in relation to iron mains related outputs (i.e. contributing to safety and environmental outputs), as well as network reliability outputs.

As set out in our initial assessment document, we required GDNs to set out the outputs (e.g. leakage) associated with the proposed level of iron mains replacement more clearly, and we consider that GDNs have provided more robust evidence in this area. However, we still have some concerns with all GDNs plans in relation to iron mains. First, we have concerns about how GDNs have determined the mandated level of iron mains replacement (or tier 1 mains), notably in relation to their growth assumptions in this asset tier, as well as the proposed ramp-down at the end of the 30 year programme (which has the effect of bringing forward replacement volumes).⁵ For tier 2 and tier 3 non-mandated mains replacement, we have remaining concerns about the assumptions NGGD, SGN and WWU have made in their cost benefit analysis to justify non-mandated expenditure, including taking into account uncertainty, as well as asset deterioration rates. By contrast, we broadly accept NGNs proposals in relation to non-mandated repex.

In relation to the other major cost related output category - network reliability - in their first plans GDNs proposed a substantive increase in integrity related expenditure relative to GDCPR1. We did not consider that the GDNs had provided a clear justification for the proposed increase. In their second plans, GDNs have provided further information to support their investment plans. However, we still have

⁴ See: <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=365&refer=Networks/GasDistr/RIIO-GD1/ConRes>

⁵ Under its new iron mains policy, the HSE has identified three tiers of mains: tier 1 (iron mains less than or equal to 8" nominal diameter); tier 2 (iron mains greater than 8" and less than 18" nominal diameter); and, tier 3 (iron mains equal to or greater than 18" nominal diameter). For tier 1 mains, under the new policy GDNs have to replace the same length of mains as under the old policy but can prioritise replacement based on a wide range of benefits, including reductions in gas losses, operating costs, as well as improvements in safety risk. Under tiers 2 and 3, in general, the new policy only requires GDNs to replace mains if the pipe replacement is justified in cost benefit terms. The exception is high risk tier 2 mains, where there is a mandatory requirement.

concerns about the robustness of asset health and risk data used to support the proposed investment levels.

In relation to social outputs, we note that GDNs provided greater detail in support of their proposed fuel poor household connection volumes as requested in our initial assessment. We have adopted their proposed level of connections for IP.

- *Cost efficiency:* As with GDNs' first plans, we have concerns with the cost efficiency of the second business plans. Our benchmarking analysis suggests that there is scope for all GDNs to reduce their proposed cost levels. We set out our proposed reductions to GDNs' plans for cost efficiency in the annex.
- *Financial arrangements:* In their second plans, all GDNs revised their financial proposals, including lower equity financing costs (either through a lower assumed cost of equity or higher gearing or both). However, we do not consider that the GDNs finance proposals represent efficient financing cost. We set out our view in the annex.
- *Uncertainty:* As set out above, with the exception of NGN, we have concerns with how GDNs have captured uncertainty in relation to future network use in determining the level of investment. In relation to specific uncertainty mechanisms, we note that GDNs broadly accept the mechanisms set out in our March strategy document. In addition, the GDNs have set out proposals in relation to smart metering costs which we will consult on. We will also consult on other additional mechanisms proposed by GDNs.

Summary of GDN's Initial Proposals

We will publish the IP on 27 July 2012. The key elements of our IP document are summarised below. Further details on the cost and financial components are set out in the annex to this letter.

Proposed outputs

The GDNs will need to deliver a comprehensive range of outputs in return for the revenue allowances. The principal outputs are as follows:

Safety outputs:

- Maintaining a safe gas network. The primary outputs are compliance with the GDNs' own safety case and licence requirements, as well as a primary output for the risk associated with iron mains. Overall, we expect a reduction in risk of around 30-60% over the RII0-GD1 period.

Network reliability:

- Stable network health and reliability risk scores with cost allowances consistent with historical expenditure (except where the GDN has provided a well justified case for increased levels of expenditure)

Environmental outputs:

- Reduction in gas transportation losses (comprising c.95% of GDNs' greenhouse gas emissions) of around 20% on average for the industry
- Expected reductions in GDNs' other carbon emissions, and natural resource use

Social outputs:

- Connection of around 80,000 fuel poor households under the fuel poor network extension scheme
- Improvements in CO awareness

Customer satisfaction

- Expected improvements in customer satisfaction; complaints handling and, stakeholder engagement.

Connections:

- Expected connections (excluding fuel poor household connections) of around 400,000 over the price control period

Overall costs

Table 1 sets out our proposed cost allowances relative to GDPCR1 and GDNs' plans.⁶ Overall, we propose to set cost allowances of around £1.6 bn p.a. which is around 15% lower than GDPCR1. The reduction in allowed costs relative to the current price control reflects a reduced level of funding for iron mains following the change to the HSE policy, and lower capacity related expenditure. These reductions outweigh increases in costs in relation to street work costs, and from the loss of meter work.

However, as shown there is a wide variation in our proposed changes to cost allowances relative to GDPCR1 by GDN (ranging from -18% to +4%) which reflects, in part, the relative efficiency of GDNs during GDPCR1, and differences in required company specific outputs over RIIO-GD1.

Table 1 also shows our cost allowances relative to GDNs' plans. Our cost allowances are on average 17% lower than the GDNs' plans. Again there is significant variation by GDN. Our lower allowances are explained in approximately equal measure by reductions in required outputs and expected improvements in cost efficiency. The annex provides further detail.

We propose an efficiency incentive rate of between 60-65% to provide strong incentives for GDNs to minimise costs during the period subject to GDNs delivering the required outputs.

Table 1: Proposed cost allowances vs GDPCR1 and GDNs' plans

Average annual costs					
£m, 2009/10 prices	GDPCR1 ¹	GDN Plan	Our proposals	% change: (IP/GDPCR1)-1	% change: (IP/GDN Plan)-1
Industry	1,903	1,950	1,612	-15%	-17%
NGGD	947	957	775	-18%	-19%
NGN	192	229	199	4%	-13%
SGN	550	523	455	-17%	-13%
WWU	214	242	182	-15%	-25%

(1) GDPCR1 costs relate to average historic costs over the period 2008/09 to 2010/11

In revenue terms, in general we expect overall revenue allowances to be broadly flat on average over the RIIO-GD1 period relative to the final year of GDPCR1 but around 4% higher taking into account the expected tax changes arising from adoption of either EU-IFRS or FRS 102 from 2015.⁷

Dealing with uncertainty

Our cost allowances exclude costs in relation to new street work costs, as well as costs related to the expected roll out of smart meters (other than preparatory funding). In our

⁶ The GDNs' plans and Ofgem allowances are for controllable costs excluding shrinkage costs, licence fees, rates, NTS pension deficit charges, street works costs associated with the implantation of permitting by additional highways authorities, lane rentals and smart metering. Both GDNs plans and our allowances are gross of real price effects (RPEs).

⁷ International Financial Reporting Standards (IFRS) or Financial Reporting Standards (FRS).

March strategy document, we set out an uncertainty mechanism to allow GDNs' to recover efficiently incurred costs in relation to street works. In our IP document, we will also consult on an uncertainty mechanism for costs related to the roll out of smart meters.

We will also consult on a mechanism to allow GDNs to request higher levels of asset integrity related expenditure where GDNs can support the investment case with robust asset health data.

Innovation

In our March strategy decision, we decided to set the maximum allowed funding for the gas distribution and transmission Network Innovation Competition (NIC) at £20m p.a. At IP, we will consult on funding options for the gas NIC.⁸

We propose to allow WWU and SGN a network innovation allowance (NIA), designed to support small scale innovation projects, equal to 0.5% of revenues, and for NGGD and NGN 0.6% of revenues.

Finance

Table 2 summarises our principal financial assumptions.

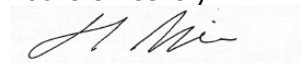
Table 2 Financial parameters

	NGGD - East	NGGD - London	NGGD - North West	NGGD - West Midlands	NGN	SGN - Scotland	SGN - Southern	WWU
Cost of equity (post-tax real)	6.7%							
Notional gearing	65%							
Cost of debt (pre-tax real)	10-year simple average index							
Repex transition period	From 50% to 100% in eight annual equal incremental steps							
Totex capitalisation rate in 2013-14	37%	37%	36%	37%	40%	39%	40%	39%
Totex capitalisation rate in 2020-21	57%	64%	56%	59%	59%	54%	63%	55%

Next steps

We intend to publish IP for GDNs on 27 July 2012. We will provide an eight week consultation period and will require responses by 21 September. We intend to publish our Final Proposals in December 2012.

Yours sincerely



Hannah Nixon
Senior Partner, Smarter Grids and Governance: Distribution

⁸ In our March strategy decision we stated that we would implement the equivalent funding model for NIC as for the Low Carbon Network Fund (LCNF) for the electricity distribution sector. However, as set out in our recent consultation decision, we require statutory change to introduce such a funding model. At IP, we will consult on alternative funding options. See: Ofgem (May 2012) *Decisions on the Network Innovation Competition and timing and next steps for implementing the Innovation Stimulus*

<http://www.ofgem.gov.uk/Networks/nic/Documents1/March%20decision%20document%20Final.pdf>

Annex 1 – Further detail on Initial Proposals

This annex sets out further detail on our proposed cost and revenue allowances for IP.

Proposed cost allowances

Table A.1 sets out GDNs' second business plan cost proposals relative to our allowances for opex, capex, and repex.⁹ Overall, we propose a total cost allowance of around £1.6 bn p.a. (or around £13 bn over the period) of which around £0.9 bn p.a. is investment expenditure (or £7.6 bn over the period).

In determining our cost allowances, we have made adjustments to GDNs' second plans for both outputs (and associated volumes of work), as well as for cost efficiency. For the industry as a whole, our reductions to GDNs' plans are explained in broadly equal measure by reductions in outputs (and associated costs), and reductions for cost efficiency.

Disallowed outputs and associated costs

As set out above, our principal focus in relation to outputs has been in relation to iron mains replacement related outputs, namely safety and environmental outputs, and asset reliability outputs.

Iron mains replacement (repex) related outputs

GDNs proposed expenditure of £6.7bn for repex over the RIIO-GD1 period or around 40% of GDNs proposed costs.

We have reduced all GDNs proposed level of tier 1 iron mains replacement, and the associated safety and environmental outputs. There are two principal reasons for our downward adjustments. First, we have adopted more conservative assumptions in relation to the expected growth of tier 1 assets. Our growth assumption leads to a lower constant level of replacement over RIIO-GD1 in order to replace all iron mains by 2032, the date by which all tier 1 mains need to be decommissioned. Second, we do not assume that GDNs need to ramp-down their replacement volumes towards the end of the decommissioning period; this change has resulted in a reduction in the required replacement rate for both NGGD and NGN during RIIO-GD1.

For tier 2 and tier 3 mains, we disagree with a number of the key assumptions adopted by NGGD, SGN and WWU in their investment appraisal. As set out above, we do not consider that they have adequately taken into account uncertainty in relation to the future role of gas in providing heat, e.g. as characterised by DECC's recent heat strategy, as well as uncertainty in relation to asset data and new technologies in developing their investment plans.¹⁰ In order to take into account such uncertainties, we propose to allow investment in low pressure mains only where the investment pays back within 24 years to capture the option value of deferring investment decisions. We have also made adjustments to other assumptions included in GDNs' investment appraisal, such as asset deterioration rates, which has reduced GDNs proposed volumes. With the exception of NGN, our proposed approach results in material reductions in the proposed volumes of tiers 2 and 3 repex included in GDNs' plans.

⁹ The GDNs' plans and Ofgem allowances are for controllable costs, i.e. excluding license fees, rates, NTS exit charges (where the method of recovery will change from GDPCR1 to RIIO-GD1), pension deficit charges, street works costs associated with the implementation of permitting by additional highways authorities, lane rentals and smart metering costs (excluding set up costs), and shrinkage costs.

¹⁰ See: DECC (March 2012) The Future of Heating: A strategic framework for low carbon heat in the UK. <http://www.decc.gov.uk/assets/decc/11/meeting-energy-demand/heat/4805-future-heating-strategic-framework.pdf>

Overall, of the £0.8 bn proposed by GDNs for tiers 2 and 3 non mandated iron mains replacement, we have disallowed around £0.65 bn. Where we have reduced levels of repex, we have made offsetting increases to operating cost allowances.

Network reliability outputs related expenditure

The other major expenditure relates to load and asset integrity related expenditure. For all GDNs, we have made material reductions to the proposed volumes. For example, we have cut back on NGN and SGNs' proposed costs in relation to new local transmission system (LTS) pipelines. We have also disallowed WWUs proposed investment to maintain and replace sections of its existing LTS. For NGGD and NGN, we have also scaled back investment in relation to diversions.

As with repex, where we have made adjustments to GDNs' outputs and associated capital expenditure, we have made off-setting upward adjustments to opex to compensate for the reduced capex.

Cost efficiency

We have assessed the GDNs' cost forecasts using both econometric and non-econometric techniques.

In terms of our econometric modelling, we have developed a wide range of models to assess GDNs' comparative efficiency including total expenditure, as well as disaggregated or functional level models estimated using both historical and two-year forecast data. We have taken an unweighted average of our preferred models' results to determine GDNs' cost efficiency scores. We have defined the benchmark costs equal to the upper quartile, and we require GDNs to close 75% of the gap.

In addition, we have also evaluated certain cost categories using non econometric techniques. For example, our review of discrete project costs has resulted in material reductions in relation to GDNs' proposed investment levels for IT and information system related expenditures.

We have allowed a real price effect (RPE) net of ongoing productivity of -0.3% p.a. which is close to the assumptions set out by GDNs in their plans, with the exception of NGGD which proposed RPEs net of ongoing efficiency of around 0.6% p.a.

Table A2 sets out our proposed reductions to GDNs' forecast costs for cost efficiency. As set out, the proposed reductions range from around 5% for NGN to 13% for NGGD's London GDN.

Table A.1: Annual IP cost allowances vs GDN proposal¹¹

Average annual costs over RIIO-GD1		
£m, 2009/10 prices	Company proposal	IP
Industry		
Totex	1,950	1,612
Capex	358	285
Repex	848	662
Opex	744	665
NGG East of England		
Totex	281	242
Capex	47	41
Repex	114	96
Opex	119	105
NGG London		
Totex	277	206
Capex	27	21
Repex	163	110
Opex	87	75
NGG North West		
Totex	227	181
Capex	29	28
Repex	108	75
Opex	89	79
NGG West Midlands		
Totex	173	146
Capex	23	21
Repex	86	65
Opex	63	60
NGN		
Totex	229	199
Capex	46	41
Repex	96	76
Opex	87	82
SGN Scotland		
Totex	177	148
Capex	53	37
Repex	48	42
Opex	76	69
SGN Southern		
Totex	346	308
Capex	74	54
Repex	143	139
Opex	129	115
WWU		
Totex	242	182
Capex	58	42
Repex	91	59
Opex	93	81

¹¹ See footnote 9 for definition of costs.

IQI income reward/penalty and sharing factors

Table A.2 sets out our IQI ratios, i.e. ratios of GDNs' proposed costs relative to our assumed efficient level of costs, the associated income reward/penalty and proposed sharing factors. In calculating the IQI ratios, we have adjusted the GDNs' proposed costs set out in their business plans for output related costs that we have disallowed as part of our assessment of outputs (as summarised above). Thus, the ratios reflect our view of the relative efficiency of GDN's plans.

Table A.2: Required reductions for cost efficiency, IQI ratios, income reward/penalty and sharing factors

	NGGD (East)	NGGD (London)	NGGD (North West)	NGGD (West Midlands)	NGN	SGN (Scotland)	SGN (Southern)	WWU
Reduction to totex for cost efficiency	-9%	-13%	-8%	-6%	-5%	-7%	-8%	-12%
IQI score	114	122	112	109	107	111	111	119
Income reward/penalty (% of totex)	0.14	-1.24	0.44	1.05	1.38	0.68	0.61	-0.76
Sharing factor	63%	61%	63%	64%	64%	63%	63%	62%

Finance proposals and revenue allowances

This section provides more detail in relation to our finance proposals and overall revenue allowances.

RAV values

Table A.3 sets out closing regulated asset values (RAV)

Table A.3 – GDNs' Regulated Asset Values (RAV)

Provisional Closing RAV for year ending 31 March (09/10 prices - £m)	2013	2014	2015	2016	2017	2018	2019	2020	2021
Industry	14,554	14,453	14,381	14,412	14,489	14,570	14,639	14,687	14,695
NGGD (total)	7,211	7,141	7,089	7,092	7,114	7,145	7,170	7,187	7,184
East	2,522	2,492	2,464	2,453	2,447	2,442	2,435	2,424	2,408
London	1,637	1,627	1,626	1,642	1,665	1,692	1,718	1,743	1,766
North West	1,739	1,716	1,699	1,694	1,695	1,698	1,698	1,697	1,689
West Midlands	1,314	1,305	1,300	1,304	1,307	1,314	1,319	1,323	1,322
NGN	1,589	1,588	1,596	1,615	1,639	1,656	1,671	1,683	1,691
Scotia GN (total)	4,148	4,125	4,104	4,112	4,141	4,172	4,199	4,209	4,206
Scotland	1,274	1,268	1,262	1,264	1,273	1,280	1,285	1,282	1,274
Southern	2,874	2,858	2,842	2,848	2,868	2,892	2,914	2,927	2,933
Wales & West	1,607	1,598	1,593	1,592	1,594	1,596	1,599	1,607	1,614

Financial parameters

Table A.4 sets out the proposed financial parameters for the GDNs compared to the GDNs' own proposals.

Table A.4 – Key financial parameters

Parameter	Company proposals:				IP
	NGGD	NGN	SGN	WWU	
Cost of equity (post-tax real)	7.2%	7.0%	7.2%	7.2%	6.7%
Cost of debt (pre-tax real)	10-year simple average index	10-year simple average index	10-year 'BBB' index	10-year simple average index +35bps, with cap and collar	10-year simple average index
Notional gearing	60%, except London 55%	62.5%	60%	62.5%	65%
Repex transition (50% to 100%)	One period, constant 75%	Applied to totex	Applied to totex	One period, stepped	One period, stepped
Totex capitalisation	Varies by GDN	52.6%	Scotland 51.5% Southern 50.7%	45.6-60.2%	Varies by GDN

Our proposed financial parameters are based on the following reasons:

Cost of debt: NGGD and NGN have accepted our approach to annually updating the cost of debt assumption based on a 10-year simple trailing average index. SGN and WWU proposed alternative approaches. We have reviewed their proposals and do not consider them to represent efficient outcomes for consumers. We have, therefore, retained our proposed approach. For the purpose of modelling allowed revenue, we have used the same 3.03 per cent assumption as in the RIIO-T1 fast-track Final Proposals.

Cost of equity and notional gearing: In our March strategy decision document we set out a range of 6.0-7.2 per cent for the cost of equity. We consider that this range remains appropriate for RIIO-GD1. Having assessed cash flow risk in our IP package, we consider that the GDNs face similar levels of cash flow risk to each other, but notably lower than electricity transmission and somewhat lower than gas transmission. Therefore, we consider the appropriate package for GDNs to assume 6.7 per cent cost of equity and 65 per cent notional gearing.

Totex and repex capitalisation: All GDNs accepted our proposal to move towards full capitalisation of repex, but sought to apply different transitional arrangements in order to mitigate the cash flow implications of the move. We consider transition to be conditional on the financeability need, and we consider that it is appropriate to allow transition during RIIO-GD1. Since the cash flow characteristics of the GDNs are broadly similar, we have applied a generic transition rule in which repex capitalisation rises from 50 per cent in 2013-14 to 100 per cent in 2020-21 via eight equal incremental steps.

Financeability: We have assessed our finance proposals against the criteria for attaining a comfortable investment grade credit rating and have found them appropriate. We have stress-tested this and consider our Initial Proposals robust under a range of scenarios.

Allowed revenues

Table A.5 sets out the allowed revenue profiles for each of the GDNs in RIIO-GD1, and the change relative to GDPR1. At an industry level, we expect the overall allowed revenues to be around 4% higher by the end of the period. The expected change in allowed revenues varies by GDN from around -4% to +14%. However, we need to treat the expected change in allowed revenues by GDN with caution. The 2012/2013 allowed revenue assumptions (on which the forecast changes for RIIO-GD1 are based) are GDNs' forecast allowed revenues and subject to change.¹²

¹² In addition, we note changes to the NTS exit capacity regime (Enduring Regime) are fully reflected in our allowed revenues but only partly reflected in 2012/13 revenues.

Table A.5 – Allowed revenues

Allowed Revenue for year ending 31 March (09/10 prices - £m)	2013	2014	2015	2016	2017	2018	2019	2020	2021
Industry	2,834	2,973	2,901	2,965	2,927	2,927	2,931	2,927	2,944
Yr on Yr Change		4.9%	-2.4%	2.2%	-1.3%	0.0%	0.1%	-0.1%	0.6%
Cumulative Change		4.9%	2.4%	4.6%	3.3%	3.3%	3.4%	3.3%	3.9%
NGGD (total)	1,428	1,470	1,421	1,455	1,414	1,413	1,412	1,410	1,415
Yr on Yr Change		2.9%	-3.3%	2.4%	-2.8%	-0.1%	-0.1%	-0.1%	0.3%
Cumulative Change		2.9%	-0.5%	1.9%	-1.0%	-1.1%	-1.2%	-1.3%	-0.9%
East	482	501	484	490	477	477	476	476	478
Yr on Yr Change		4.0%	-3.4%	1.1%	-2.6%	-0.1%	-0.1%	-0.1%	0.5%
Cumulative Change		4.0%	0.5%	1.6%	-1.0%	-1.1%	-1.2%	-1.3%	-0.8%
London	326	329	322	345	333	329	329	326	328
Yr on Yr Change		0.9%	-2.2%	7.3%	-3.6%	-1.1%	-0.2%	-0.7%	0.4%
Cumulative Change		0.9%	-1.4%	5.9%	2.1%	1.0%	0.8%	0.1%	0.5%
North West	347	366	348	351	344	345	344	345	346
Yr on Yr Change		5.4%	-4.9%	1.0%	-2.1%	0.3%	-0.2%	0.2%	0.3%
Cumulative Change		5.4%	0.2%	1.2%	-0.9%	-0.6%	-0.8%	-0.6%	-0.3%
West Midlands	273	274	267	269	260	262	262	263	263
Yr on Yr Change		0.3%	-2.6%	1.0%	-3.4%	0.6%	0.1%	0.2%	0.1%
Cumulative Change		0.3%	-2.2%	-1.3%	-4.6%	-4.0%	-3.9%	-3.7%	-3.6%
NGN	335	337	339	347	341	333	335	338	343
Yr on Yr Change		0.7%	0.4%	2.5%	-1.7%	-2.4%	0.7%	0.9%	1.5%
Cumulative Change		0.7%	1.2%	3.7%	1.9%	-0.6%	0.1%	1.0%	2.4%
SGN (total)	751	841	819	841	839	845	851	848	859
Yr on Yr Change		12.0%	-2.6%	2.7%	-0.2%	0.7%	0.7%	-0.4%	1.3%
Cumulative Change		12.0%	9.1%	12.0%	11.8%	12.5%	13.3%	12.9%	14.3%
Scotland	228	251	247	251	253	256	258	257	262
Yr on Yr Change		10.2%	-1.7%	1.4%	0.8%	1.3%	1.0%	-0.6%	2.1%
Cumulative Change		10.2%	8.4%	9.9%	10.8%	12.2%	13.3%	12.6%	14.9%
Southern	523	590	572	591	587	589	593	591	597
Yr on Yr Change		12.8%	-3.0%	3.3%	-0.7%	0.4%	0.6%	-0.3%	1.0%
Cumulative Change		12.8%	9.4%	13.0%	12.2%	12.7%	13.4%	13.0%	14.1%
WWU	320	324	322	321	332	336	333	331	327
Yr on Yr Change		1.4%	-0.8%	-0.2%	3.4%	1.1%	-1.0%	-0.4%	-1.3%
Cumulative Change		1.4%	0.6%	0.4%	3.8%	5.0%	3.9%	3.5%	2.2%