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RIO-GD2 – CAWG9: Business Support

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Cadent
Your Gas Network

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Context

The Bottom-Up approach to Cost Assessment provides granularity and informs work on Cost Drivers and Regional Factors. However, it also suffers from differences in business and organisation structures, accounting policy issues, cost allocation and solution choices. To begin to shed light on accounting issues, Cadent agreed to present how costs coded to Business Support are then split between Opex, Capex and Repex.

Business Support costs in 2017/18

2017/18	Costs originally coded to	Coded Gross	Less Transfers to		Net
			Capex	Repex	
Business Support	IT & Telecoms	100%	-25%	←	75%
	Property Mgt	100%	-26%		74%
	HR & non-operational training	100%			100%
	Audit, Finance & Regulation	100%			100%
	Insurance	100%			100%
	Procurement	100%			100%
	CEO & group management	100%			100%
	Stores & Logistics	100%			100%
	Trainees & Apprentices	100%			100%
Total		100%	-15%	0%	85%

Largely Contractor costs

Would be helpful to compare with other GDNs