24 August 2020

To whom it may concern

Dear Sirs

**Letter of support for CO-Gas Safety Initiative and call for action by OFGEM**

**Introduction:**

I am an Independent Consumer Campaigner & Commentator. For 27 years, I have been campaigning primarily on Consumer travel-related issues. During the course of my campaigning I have been made aware of the consequences of CO found in holiday properties from hotels to camping and have sought to increase awareness for Consumers on these matters, bringing their concerns to the attention of Westminster and Brussels. I continue in that role and have in recent years become heavily engaged in dealing with the toxins that can arise within the air conditioning systems of aircraft. One such toxin found on aircraft is CO. I work on this subject matter, to help create a defining Standard for air quality both within the EU and the United States. As CO operates without borders, I have worked and engaged with Campaigners from the domestic spectrum on CO because many of the issues are common across the many locations and disciplines.

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**The CO-Gas Initiative:**

I have recently become aware of the excellent initiative and commentary from Stephanie Trotter at CO-Gas Safety. I have also been made aware of the matters relating to OFGEM and the potential to improve gas safety, particularly as with regards to Carbon Monoxide (CO) have been brought to my attention.

I completely support the initiative of CO-Gas Safety and have further comments to add of my own

**OFGEM & FOI:**

I note that OFGEM is classed as a non-ministerial government department[[1]](#footnote-2) and the Regulator for the Gas and Electricity Markets.

OFGEM achieves its funding from the licence fees paid by those who are subjected to Regulatory control.

I understand that it is the intention of OFGEM to provide £30m of funding to GDN’s for the year 2020/2021.

I have been made aware of a Freedom of Information request, dated 26 February 2020 (submitted by CO-Gas Safety), OFGEM responded to a question of extending the remit of the Gas Emergency Services to test for CO; they responded:

“We considered there was insufficient justification to extend the scope of the existing gas emergency service as currently provided for under Gas Transporter Standard Licence Condition 6”.

It is noted that “Condition 6” is dated September 2001.

This justification is repeated throughout the Freedom of Information request response.

From that response, no reference is made the the Consumer Council of OFGEM and therefore it is concluded that the said Consumer Council were not consulted either before or as a direct result of the original Freedom of Information request.

It is also noted that OFGEM advised that they had not consulted with the HSE on this matter.

Reference is made to the Memorandum of Understanding (MOU) between OFGEM & the HSE dated 5 January 2016[[2]](#footnote-3). That MOU is a non-binding and provides no enforceable obligations except for those contained within Annex A.

It is worth noting the commentary within the MOU that OFGEM & the HSE “intended activities” will include the following:

* To consult each other on issues of concern that could have economic or safety implications;
* To advise each other of information they receive that could have economic or safety implications;
* Each CEO to meet, as necessary to review common interest matters and the ‘effectiveness’ of the MOU;
* Each to identify contact points for the purpose of communication and information exchange;
* Officials from each side to have a regular dialogue or meetings when ‘necessary’ to ensure that the MOU is effective.

I am concerned that there is no reference to the said ‘justifications’ for not taking the action proposed by CO-Gas Safety. Equally, I am concerned that OFGEM’s Consumer Council appears to be silent on this important issue; is their work purely and solely related to Consumer tariffs and presenting the best financial deal for Consumers? Finally, I would have expected better evidence from OFGEM and no doubt the HSE, that the activities within the MOU are robustly pursued, but my concern is that with matters apparently resting on a draft from 2016, there is a sense of staleness within the current MOU and the responses I have seen from the FOI requests.

I would suggest and urge OFGEM to rethink their ‘justifications’ for not extending the remit of the Gas Emergency Services, but to also reimagine how they could greatly enhance the cause of Gas Safety through a careful use of a proportion of the aforementioned £30m.

**The Economic Case for OFGEM & Industry:**

In considering the aforementioned issues, I consider and would recommend that it would be appropriate for OFGEM to factor into any pre-distribution of monies, the value of the economic case for the supply of Gas Analysers either to the GDN’s or directly to FCO’s

It is estimated that there are currently 3,000 FCO’s operational in the UK.

The current estimated full cost of a Flue Gas Analyser (FGA), including VAT, is £348.00p.

Whether FGA’s are supplied to a GDN or to FCO’s, the reality is that such a bulk purchase would attract a reasonable discount for such items. Therefore, if we assume a 30% discount for each FGA unit, based on the £348.00p figure above, this would produce a discount of £114.84, thus delivery of a unit cost of £233.16p, inclusive of VAT.

I understand that it is possible to strip out one aspect of a FGA, that being an O2 detector, which in turn could potentially reduce the unit cost. I also understand that there is a possibility to upgrade Gas Leak Detectors, which may again produce further cost savings.

However, if we apply the discounted FGA unit cost above (£233.16p), against the number of FCO’s (3,000), this produces an overall cost for the supply of FGA’s of £699,480.00p.

As OFGEM act in the Public Interest, and given that there are concerns over the issue of CO in domestic premises, it is important to measure this overall cost (£699,480.00p) against the estimated number of dwellings in the UK with a reported gas supply. The number of dwellings is estimated at 22m. Therefore, if you apply the cost (£699,480.00p) against the number of dwellings (22m), this produces a unit cost benefit of £0.04p per dwelling.

I would urge OFGEM to think on this important cost benefit, not just to the industry but also to the 22m dwellings, many of whom will house vulnerable people.

In carrying out this cost/benefit analysis, I was also conscious of the opportunities that also exist, not just positively for OFGEM, but also for the Gas Industry as a whole.

It is my understanding that a sweep test will normally take 30 minutes, possibly at a fixed cost provided by the FCO. I also understand that the test could take up to one hour with an hourly rate or perhaps a fixed fee of £120.00p.

At present I believe that there are currently 300k call-outs delivered by FCO’s. Whatever about the suggested initial ‘investment’ cost by OFGEM, it would follow that GDN’s or FCO’s could engage in a Marketing Safety Campaign. I would suggest that this could be delivered by them through their own resources or perhaps through a joint venture with OFGEM.

Such a Marketing Campaign would promote the service of detecting CO problems at an affordable fixed price, and would not only produce an income stream for GDN’s or FCO’s, but could produce an enhanced PR value to their businesses as a result of this initiative. This could be achieved either through the hotly disputed Advertising Value Equivalency (AVE) methodology or through the understanding of reach and growth, through the use of Traffic Monitoring, Virality, Sentiment and Demographic Reach.

This would add to the overall ‘value’ of a GDN, FCO and I would suggest, OFGEM; it would send the message: *‘we are confident of our product and its safety record but we will you to help yourselves and keep you safe from CO!’*.

I would also suggest that such a Marketing Campaign would not just increase perception and awareness, but would also create a natural evolution to a better Standard of product, particularly from manufacturers of appliances.

I would urge OFGEM to consider this important ‘investment’ of the funds available. It is particularly important when you consider the revolutionary change with regards to new homes coming in 2025, delivering it is hoped, Low Carbon Heating. Whilst this is good news for new homes being built (c. 45k per annum), it still means that the existing housing stock with a gas supply (c. 22m), will continue to present continuing problems from what will be considered as old technology.

I would suggest that OFGEM should factor a continuing problem from CO, from gas or other carbonaceous fuels and their appliances, for another 25 years, unless that period is reduced for existing properties either through voluntary initiatives or legislation.

This alone should be the catalyst for forward thinking on the good use of the funding available to OFGEM and the suggestions made by CO-Gas Safety.

Yours Sincerely,

Frank Brehany

Independent Consumer Campaigner & Commentator

[www.frankbrehany.com](http://www.frankbrehany.com)

1. <https://www.ofgem.gov.uk/about-us/who-we-are> [↑](#footnote-ref-2)
2. <https://www.ofgem.gov.uk/ofgem-publications/77123/f-mouj-pdf> [↑](#footnote-ref-3)