



2021 Business Plan

Customer Feedback and Response

(October 30th 2020)

Feedback and our responses



Do you agree with our view on the change initiatives being proposed, are these initiatives necessary to deliver the improved levels of service that customers have asked for?

The Data Discovery Platform (DDP) is within 'Opening Up Our Data' and is a tool that is useful to IGTs. However, the on-going costs and number of 'drops' are still unknown which could prove costly when other parties are further ahead. In order for the initiative of opening data to be fully realised, grouping drops to apply to more parties would be useful to make the costs more equal.

Effort to deliver outcomes to IGT's will be in proportion to the investment. All customer groups will benefit from the approach principle of 'build once, use many'.

The new rough outline using 'T-Shirt' sizes is helpful when providing a broad idea of cost, however there is no real detail of how these costs are accurately allocated and once further along the process the spend becomes committed. A solution option to remove if too expensive is necessary as a cost benefit analysis that the 'pain' point is more favourable than the cost.

The role of the Change Management Committee (ChMC) is to arbitrate over cost versus benefits. The idea is that as change items move through the process (from Rough Order of Magnitude, through High Level Solution Options and detailed design etc) there is more insight as to the solution and as such the cost will be more accurate. Nothing is moved from MTB capture and into detailed design (where Xoserve start to pick up costs from the DSC change budget) without ChMC approval.

We question whether there could be cost savings from changes currently included in the budget and that, if recognised, these may reduce the over MTB costs.

The UK Link roadmap will deliver MTB savings through its move to cloud and which come into effect from year three of the plan (2023/24). We have also identified a number of investments where we will avoid cost increases and reductions in customer effort. The business cases for UK Link, Customer and DDP – opening up our data provide more detail.

CMS platforming costs for IGTs were not included within the BP21 draft consultation and should have been. The CMS proposal needs a re-write as a re-platform is insufficient. Whilst CMS needs re-writing and we would like to be involved in its development, we are keen to understand both timelines and costs to when this change, or parts of the change can be delivered.

Following clear feedback from customers during the first consultation, the approach to CMS has been revised from re-platform to rebuild and further engagement with our customers to develop the proposition will be undertaken during consultation two. In addition, as per the IGT request, we have included a discrete investment line in the updated version of the business plan. This represents the CMS change requests in the pipeline which were originally included in the UNC change budget. Further detailed engagement will take place during the second consultation phase and the initial findings, revised business case and deep dive presented at the November CoMC.

We recognise that many changes are regulatory and there may not be "typical" ROI benefit. However, if this is not achievable, we would expect there to be an end customer benefit.

We would like to initiate and lead a collaborative piece of work with our customers to establish a way to calculate end consumer benefit. Potential consumer benefits have been identified in the investment business cases however these are based on a series of assumptions which in turn do not have clear numbers against them. We can make a series of assumptions around potential savings however their application to end consumers remain at our customers' discretion.

In draft two of the plan, we have identified £3.8m of potential end consumer savings within Opening up our data. The details of which are further set out in the supporting investment case.

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What knock-on impact would the proposed initiatives create within your organisation, would your organisation be able to support the level of change being proposed? If you have capacity constraints, which initiatives would you prioritise and why?

It is vital that UK Link is robust and reliable, and we recognise that investment is required to deliver this. We think Xoserve should consider the creation of a test environment to enable testing of defects resolution and future change.

The UK Link Platform Roadmap includes an enduring UK Link Full Scale Test environment that will complement the current Market Trials component that will ensure that Performance & Regression testing of releases can be undertaken and can benefit customer change releases which deem full scale testing to be completed.

Have the deep dive overviews of the key focus areas provided you with the additional level of detail required to better understand the investments (and their percentage funding split) being proposed?

We note that the percentage funding split (between NTS, GDNs, Shippers and IGTs) proposed have remained the same as last year for some of the service areas but where there are changes it is not clear how to map across the old charge base to the new. It is also unclear the basis or method by which you arrived at the new percentages split between, NTS, GDNs, Shippers and IGTs

XRN5209 Amendments to the CDSP Service Document - Budget & Charging Methodology v4, was presented at the August 2020 Change Managers Meeting and represented the culmination of four months of engagement with all constituency parties to set out the existing and proposed changes to the methodology.

We would like to understand what level of commitment Xoserve requires from us and our internal DPO or from an information security perspective?

Will there be a requirement to complete a joint Data Protection Impact Assessment?

Following the positive response to the CISO deep dive session run during BP21, quarterly CISO/DPO sessions will shortly be established. If any Customer group would like to be part of this community, they are kindly requested to provide details of their CISO or security equivalent for attendance at these meetings. In these sessions, the levels of commitment required for different initiatives as well as a deeper overview, will be fully set out.

As stated in the CDSP contract, Xoserve act as the data processor on customers behalf who are the data controllers therefore there is no requirement to complete a joint data protection impact assessment. We are more than happy to explain this further if required.

We have built a business plan around items deemed as essential only to maintain our existing systems, release savings and ensure cost avoidance where possible. Do you believe we have gone far enough to avoid non-essential investment proposals?

Although Xoserve has gone some way in decreasing the level of investment items within this year's business plan, we would require the cost benefit analysis to ratify savings and cost avoidance as achievable and to deliver enduring MTB savings.

We have enhanced our investment business cases to draw out:

- 1 - Data – end consumer savings - £3.8m
- 2 - UK Link – MTB savings of £0.7m; one off avoided project cost of £1.8m and ongoing MTB cost avoidance of £1.9m

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As a result of Covid-19, what work has been reduced, paused or stopped, what savings have we made because we are not travelling/parking/heating the office, what will happen to that money, will it be returned to customers or reinvested elsewhere, why did we not take advantage of the furlough scheme?

We've not needed to pause or stop work as we have adapted our ways of working to ensure the continuity of the services we provide to customers is preserved. As we entered into Incident Management mode, we engaged with customers and articulated our Business Continuity approach, which set out our commitment to maintain as much of our BAU and change commitments as possible. Deferring or stopping work was outlined as something we'd undertake only if our capability and bandwidth were impacted. Added to which, in some areas we've seen our workload increase; for example, we've worked with the industry to shape several urgent UNC Modifications. We've increased our operational monitoring and reporting, we've managed very closely any potential for operational risks manifesting as a result of COVID impacts and we've maintained a high level of readiness to support emerging industry challenges arising from the COVID Pandemic.

On this basis, and as we've so successfully adapted to remote working, furloughing staff is something we determined as neither necessary or in the best interests of either customers or our people. Through a series of measures, we've seen our operational, customer trust and people engagement performance as having increased during the last six months.

Customers have asked for clarity on assumed savings during the period in which staff have worked from home. Whilst working locations have changed, we still have commitments to cover existing and ongoing lease costs; ensuring staff are meeting all HSE requirements when working from home and to cover security and cleaning requirements in a Covid secure environment for staff who require access to onsite facilities. As such, our run costs have not materially reduced, and any savings have been redirected to looking at the long-term future of Lansdowne Gate and how we use this building.

Further to recent AQ issues, what is being done to provide assurance that Customers will be able to manage their revenue predictions, so they will not be adversely affected again.

The establishment of the Xoserve AQ Taskforce during 2020 was in response to customer feedback that too many issues were being identified, supported by a number of identified system issues in relation to AQ processing. Since its inception, the taskforce has sought to:

- 1 - Aggressively tackle a large number of aged AQ defects resulting in technical fixes being deployed, data corrected and AQ's recalculated
- 2 - Seek to deliver improvements to the overall Xoserve defect process to ensure defects are resolved efficiently in line with customers' needs.
- 3 - Instilled greater operational rigour through additional assurance and verification reporting to further highlight opportunities for improvement
- 4 - Undertake a root cause analysis assessment on all AQ defects and start to plan delivery of these recommendations in FY Q3/Q4 2020/21.
- 5 - Improve transparency on the AQ issues being faced through consistent engagement with industry forums and stakeholders
- 6 - Deliver a solution to identify the scale and materiality of AQ historic adjustments
- 7 - Part of the increased AQ/SOQ volatility is not related to defects but is due to greater use of AQ Corrections than was originally envisaged during the Project Nexus design.

