

Switching Programme – Blueprint phase

Delivery Strategy Workstream: Draft Terms of Reference

1. Objective of the Switching Programme

- 1.1. Our objective is to: “improve customers' experience of switching, leading to greater engagement in the retail energy market by designing and implementing a new switching process that is reliable, fast and cost-effective. In turn this will build consumer confidence and facilitate competition, delivering better outcomes for consumers”. Our ambition is for next-day switching.
- 1.2. The aim of the Blueprint phase is to define a new set of switching arrangements that will achieve the programme’s objective. These arrangements will cover proposals for a Centralised Registration Service (CRS) and changes to existing industry-wide arrangements. In order to develop a Blueprint for the new arrangements we must consider the implications of a large number of inter-related policy and implementation-related issues and optimise the solution such that it is comprehensive and has integrity. The Blueprint will set out the proposed arrangements, supported by an Impact Assessment, together with analysis of the options that were considered and the rationale for the selected approach. The Blueprint will be published for formal consultation and the Blueprint phase will conclude with publication of a decision document which addresses the views of respondents.
- 1.3. The Blueprint phase is being delivered through four workstreams: Business Process Design, Regulation, Delivery Strategy and Commercial. It will be followed by three further phases of work covering: Detailed Level Specification, Enactment (including procurement of the CRS) and Design, Build and Test.

2. Objective of the DS WS

- 2.1. The objective of the DS WS in the Blueprint Phase is to develop recommendations (and where this is not possible, shortlist options) for how the new switching arrangements, which include a Central Registration Service (CRS) and associated changes to industry parties’ systems, will be implemented. These should be fit for purpose to be consulted on so that a decision can be taken on the approach at the end of the Blueprint Phase. The detail of how the chosen approach will operate will be established in the Detailed Level Specification (DLS) phase. These recommendations will be consistent with the proposals being developed by the Business Process Design workstream for the design of the new CRS and switching solution.

3. Scope and Deliverables

- 3.1. In meeting its objective the DS WS will develop, assess and document a recommendation/ options for implementing the CRS and switching arrangements during the programme’s Design, Build and Test (DBT) Phase and progressing to steady state after go-live. This will include:

- Developing the Transition and Implementation Scheme¹ which includes both the transition method to the CRS and approach to data migration – including consideration of options for phasing implementation to enable faster realisation of benefits.
- Project governance and assurance in the DBT Phase – including change management for the design of the CRS and the switching arrangements in the DBT Phase.
- Developing a testing strategy that allows the responsible governance body to monitor, assess and ensure readiness of industry parties for go-live – including key testing phases, roles and responsibilities, testing criteria and assurance, and indicative length of respective phases.
- Agreeing a high level approach for a consumer awareness campaign for the new switching arrangements. We expect this to be launched around the time of go-live
- Arrangements for technical support after go-live, ongoing monitoring of both the CRS and parties' system reliability and any further change control necessary.

Out of scope of the DS WS

- 3.2. As the CRS is in development it will not be possible, at this stage, to fully detail a cross-industry plan for the DBT Phase. This will take place in the DLS Phase.
- 3.3. In the Blueprint Phase, the DS WS will not establish any structures or procure any services. Any bodies and services that are required will be established later in the programme based on the conclusions reached at the end of the Blueprint Phase.

4. Structure of the DS WS and responsibilities of the DS WS lead(s)

- 4.1. The DS WS will be led by Ofgem (the 'DS WS lead(s)').
- 4.2. The DS WS will include a Design Team and a User Group.
- 4.3. The DS WS lead(s) will:
 - Develop the DS Work Plan and be responsible for delivery against that work plan.
 - Lead the Design Team.
 - Chair the User Group.
 - Decide when deliverables can be taken to the External Design Advisory group (EDAG).
 - Decide when deliverables and issues can be taken to the Ofgem Design Authority.

5. Constitution of the DS WS

Constitution and role of the Design Team

- 5.1. Ofgem will invite parties to become members of the Design Team. Membership of the Design Team will be constituted of representatives from Ofgem and industry.

¹ How the market moves from current arrangements to the new switching arrangements on the CRS

- 5.2. The role of the Design Team is to develop and document a set of proposals that would meet the objective of the workstream. These proposals will be reviewed by the User Group and by EDAG and ultimately approved by Ofgem's Design Authority. They will then form part of Design Baseline 1 which, together with the output of the other Blueprint workstreams, will be consulted upon by Ofgem with a decision published at the end of the Blueprint Phase.
- 5.3. On a day-to-day basis, members of the Design Team will be assigned work packages by the DS WS lead(s).
- 5.4. The Design Team will:
- Develop and document their allocated work packages with the support and input of other Design Team members and other subject matter experts as appropriate.
 - Present proposals to the User Group for its review when agreed by the WS lead(s).
 - Take into account the views of the User Group and further develop/refine the work package.
 - Agree with the DS WS lead(s) when a work package is sufficiently developed to be sent to EDAG.
 - Present proposals to EDAG for its review.
 - Take into account the views of EDAG and further develop/refine the work package (with User Group as necessary).
 - Agree with the DS WS lead(s) when a work package is sufficiently developed to be sent to the Ofgem Design Authority.
 - Present proposals to the Ofgem Design Authority for its approval.
- 5.5. The Design Team is expected to have approximately 10 members. Members will provide a dedicated resource that will undertake tasks as requested by the DS WS lead(s). The DS WS lead(s) will agree the roles and responsibilities with each member of the Design Team.
- 5.6. During the Blueprint phase, and up to the agreement of the Baseline 1 by the Ofgem Design Authority, the Design Team is expected to meet on a weekly basis and spend the remainder of the time developing its allocated work packages.

Constitution and role of the User Group

- 5.7. Membership of the User Group will be constituted of representatives from Ofgem, the industry, consumer representatives and other subject matter experts as appropriate.
- 5.8. The role of the User Group is to:
- Review the DS Work Plan.
 - Review the DS Terms of Reference.
 - Review work packages presented by the Design Team.
 - Provide guidance to help develop and finalise the work packages, consistent with the TOM v2, the Switching Programme Design Principles and the objective of the DS WS.

- Identify links and dependencies between individual work packages and with other parts of the Switching Programme.
 - Identify and propose mitigations for risks and issues.
- 5.9. The User Group will meet every four weeks. The frequency of meetings may change depending on the work requirements.
- 5.10. The DS WS lead(s) will set out the schedule of meetings in advance with a description of the topics that will be covered in those sessions. Where possible, User Group members will attend all meetings to provide consistency. However, this may not be possible for all members. The DS WS lead will therefore attempt to group issues so that User Group members can focus their attendance on the sessions which are most relevant to their expertise.
- 5.11. A named alternate for each member shall be identified to ensure that meetings can take place where members are not able to attend. Alternates shall only attend when the member is not able to attend.

6. Rules of Participation

- 6.1. Participants in the Design Team and User Group must have the relevant skills and experience to participate in the development of the deliverables set out these Terms of Reference.
- 6.2. Any discussion in meetings and views expressed or implied in such discussion or associated documents are without prejudice to, and shall not limit the discretion of the programme team with regard to decisions made by the Design Authority and the Gas and Electricity Markets Authority (GEMA). Equally, views expressed by participants during meetings will not be treated as the formal position of the organisation they are representing and will in no way prejudice consultation responses.
- 6.3. It is the responsibility of members to ensure their compliance with competition law while participating within this workstream.
- 6.4. Where a participant (or its affiliate) identifies that it wishes to participate in any competitive tender exercises associated with the switching programme this must be declared as soon as practicable to the DS WS lead(s). Ofgem will then review whether the participant should continue to participate in the workstream, taking account of the views of relevant parties and any mitigating strategies.
- 6.5. The DS WS lead(s) will have the discretion to invite parties to attend any meeting to provide additional expertise and knowledge after consulting workstream members. These invited parties will be subject to Sections 6.4 and 6.5 of these terms of reference.
- 6.6. Membership of the group is at the discretion of the DS WS lead(s). The seniority, skills and experience of the member should reflect the importance and complexity of the issues being addressed.

6.7. DS WS and User group members shall cease to be a member if they:

- Fail to constructively contribute to the workstream work programme, or
- There are other circumstances that, in the view of the DS WS lead(s), would mean that the continued participation of the members would be to the detriment of the achievement of the objective of the workstream.

7. Transparency

7.1. The schedule of meeting dates, agendas, minutes and papers for the meetings will be published², in a timely manner on the Ofgem website.³

8. Administration

8.1. Ofgem will provide secretariat support to the DS WS.

8.2. Meetings will be held at Ofgem's offices at Millbank, London unless otherwise notified.

9. Amending these terms of reference

9.1. The terms of reference for the DS WS and membership of the Design Team and User Group may be reviewed at any time by the DS WS lead to ensure that they remain appropriate for the requirements of the Switching Programme.

9.2. Members of the DS Design Team, User Group and EDAG may request that the DS WS lead undertakes a review of these terms of reference and workstream membership.

10. Background

10.1. The Switching Programme has established four workstreams of which the DS WS is one. The others are the Regulatory Design Workstream, the Business Process Commercial Workstream and the Delivery Strategy Workstream. Terms of reference for these workstreams have been published on the Ofgem website.

² Before deciding whether to publish any information relating to the affairs of a particular licence holder or business, Ofgem is required to consider whether it is appropriate to redact any information on the basis that the information would or might, in our opinion, seriously and prejudicially harm the interests of that person ("confidential information"). In order to enable Ofgem to conduct this assessment (in the event that the possibility of publishing information is considered), workstream members should indicate whether they consider any information to be confidential. Where appropriate, we may seek further representations from licence holders at a later stage in respect of any specific information Ofgem is proposing to publish for any other purposes.

³ <https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/smarter-markets-programme/switching-programme>

DRAFT