Switching Programme Delivery Group – Meeting 12

1. Welcome and Introductions

RC welcomed all attendees to the twelfth meeting of the Switching Programme Delivery Group (SPDG).

Ref :-	Subject		Action due	Action owner
Action log				
Ref :-	Subject		Action due	Action owner
Actions - Ongoing & Carried Forwards				
SPDG 3 – 03	SPDG Agenda	Members to suggest future agenda items as required.	Ongoing	**SPDG Members**
SPDG7-01	Design Approach	Ofgem to follow up with industry on sequencing and what a desirable sequencing outcome might look like. *AD advised that there has not been substantive follow up. The main sequencing work is through Code Governance Reform although AD is still happy to work with stakeholders*	Ongoing	**Ofgem**
SPDG8-02	TDA	Industry to engage with Ofgem through AD with suggestions for external expertise for the TDA. *RC advised that TDA now have technical expertise from EUK. Ofgem are Still interested in technical expertise more grounded in the smaller or 'challenger' supplier end of the market*	05 Sep 17	SPDG members
SPDG8-03	TDA	Ofgem PMO to direct industry towards particular areas of interest	Ongoing	Ofgem
SPDG8-05	Industry Meetings	Ofgem to circulate forthcoming meeting dates and topics to be covered. *05/12 update: AA handed out an updated version of the meeting dates forward look, which will also be updated on the Switching website in due course*	Ongoing	Ofgem
SPDG8-06	Industry Change Progs	Ofgem to review the existing map of all the industry change programmes and keep it up to date	Ongoing	Ofgem
SPDG11-02	Design Proving Work	DCC to provide briefing on this work to SPDG	Feb 2018	DCC
Actions – Closed				
SPDG11-04	Regulatory Design Forums	To clarify future Forum dates on the Switching Programme website as these become available	Ongoing	Ofgem
SPDG12-01	IPA Gateway review	SPDG members who want to be involved in the Gateway review to inform Ofgem.	Jan 2018	SPDG Members
Actions - New				
SPDG12-02	Enactment plan	Ofgem to develop and share a more detailed version of the enactment plan – updated version to be published as part of the OBC in mid-February	Feb 2018	Ofgem
SPDG12-03	Procurement Deep Dive	In the New Year have a deep dive on some of the procurement products and how they fit together, and how things will be backed up in the REC.	Apr 2018	DCC
SPDG12-04	CSS Delivery Forums	DCC to send list of proposed CSS delivery forums to Ofgem to circulate to SPDG	Feb 2018	DCC

2. Programme Update

Highlight Report

AA updated SPDG on the highlight report. The Programme is currently flagging amber-red. There were delays in completing the E2E Design work, mainly due to the way the teams were working together

and communicating that have now been rectified and new ways of working are being embedded; the Design work is now complete. These delays had a knock-on effect on the Delivery workstream such that the final Delivery products are due to be completed and submitted to TDA on 18/12 for approval. RC added that we ran a consultation looking at whether UK Link had particular benefits or risks as a basis for a CSS that we are expecting to make a decision on that we are hoping to make a decision on at the same time as the reform package consultation. It was decided to undertake a technical assessment of the capabilities of UK Link and MPRS that will feed into this decision; this is currently being undertaken by Baringa to very tight timescales. It is not possible to make a decision on one consultation without making a decision on the other, so the timescales of the technical assessment are also contributing to why we are tracking amber-red overall.

Workstream updates: DIAT is focusing on analysing the consultation responses, which will feed into any policy updates and an updated Impact Assessment, which we are due to publish as part of the consultation decision in the New Year. The E2E Design products have been completed and industry feedback received which we will integrate into the products and submit to TDA in January for final approval. The final Delivery products are due to go to TDA by 18/12 and will then undergo a similar exercise to incorporate industry feedback prior to final approval in the New Year.. The Regulatory workstream is ramping up, with a detailed forward plan of meetings with significant number of Regulatory Design User Groups happening in the new year as the ABACUS outputs are fed into the Regulatory Design process.

JE gave an update on the Commercial workstream, highlighting that there is new DCC resource supporting development of the Procurement Plan and Commercial Strategy, as well as looking at the VfM assessment and how best to consider full industry costs. DCC are working on an updated business case, which is showing a new outturn cost of £17m now (incl. contingency) rather than the £24m shown previously; these costs need to be scrutinised by Ofgem both in terms of the allocation of costs to incentivised milestones and the proportion of contingency, which is not currently forecast to be drawn down. The reason costs have gone down are because DCC have greater certainty on the work that is required, a more accurate reflection of working days is being used and the anticipated level of staff costs have not materialised. The first market engagement session was held on 23/11 focusing on premise address database, the second market engagement event on 12/12 will look at the entire CSS service.

The Near Term Improvement workstream is emerging area looking at other complimentary parts of the switching landscape to help with data quality and reliability; there are papers going to the new Programme Board for decision on Meter Technical Details and Plot Address remedies.

On Programme Management, there are only two outstanding products remaining from E2E, which are due to go through TDA on 18/12. The was an EDAG on 30/11. We continue to embed the news ways of working between Ofgem and DC and are implementing plan assurance recommendations. We are close to agreeing code body resource commitments for the next financial year. On risk management, there are governance and assurance papers going to Programme Board on 07/12 that will feed into delivery risks, to mitigate the technical capabilities with Ofgem risks we are letting contracts to provide technical capabilities that we do not currently in house (programme assurance, technical assessment of UKLink/MPRS and on procurement).

A question was raised for JE on when the VfM output would be provided. JE responded that she expects the output of VfM at the end of January, but that it may be useful to get some input from some members of SPDG prior to finalisation of this.

TDA Update

SPDG were provided with updates on TDA by AD. TDA has finished its consideration of Design products and has moved onto Delivery products, the final ones are due 18/12. The website contains a list of meetings with items that went for approval, and a forward look of Design Forums was provided to attendees. All of the approval decisions made by TDA recently have been made in the knowledge that industry feedback is being sought and integrated, but that they were happy for work to continue based on current versions and that subsequent changes will be taken to TDA for final approval in the New Year.

3. Plan Assurance

AD provided a summary of the recent plan assurance activity, recommendations made and next steps. Ofgem and DCC sought independent assurance of our plans, which was conducted by PA Consulting. They looked at the scope and completeness of activities, the quality of the planning process, dependencies and critical path, and resourcing and approvals processes. The found that the plans were achievable, but they pointed out that the plans were challenging and there was no contingency, which is a recognised part of our planning approach for the early phases of the programme.

A question was raised as to whether the challenges were time based or technically based. AD responded that it was a combination of the two, and that the detail of specific challenges was provided in the paper. There was a challenge that the plans were not resource loaded, resource planned or included, so how could they give accurate assessment that they are achievable. AD responded that DCC have done their planning on an effort-basis, and that the findings did not totally do justice to the way Ofgem planned. PA did acknowledge that work was done on dependency mapping, and the PMO teams are doing that further work on this. JE added that DCC plans are based on product descriptions, which are resource based, and this was the one point DCC disagreed with PA on. The other related point raised by PA was that DCC and Ofgem maintain their own separate plans and that this could cause risks to dependency mapping. However, this is well managed by Ofgem and DCC PMO teams who meet weekly and dependencies and the critical path are reported to Programme Board.

A question was raised as to whether there were any cost or time implications to the recommendations. JE responded that there weren't from a DCC perspective as they have looked at the products and structures from the procurement side and have flexed the approach to them. DCC have also brought in consultants to help with some strategic work, but have offset this by not using the resource until later. RC added that there was one recommendation on the CES and that it could be moved; work is currently on going to assess the best way forward on this, and any implications this may have. Once a suitable option has been chosen there will be appropriate re-planning and communication of this. There was a challenge as to whether Ofgem and DCC communicate effectively in relation to the plans? RC responded that there are regular joint reviews of progress and upcoming deliverables. PA did find that there were few discrepancies, but they were minor. There was then a question that if there are only small discrepancies then why can't they be consolidated into one plan? RC responded that the plans are very different in terms of coverage but where they do overlap they are aligned, and are complimentary rather than duplicatory.

4. Blueprint (Design Baseline 2) Consultation

RC provided an overview, and facilitated discussion of, responses to the Blueprint consultation and our initial views. Throughout the presentation for each consultation question covered in the slides, RC outlined how respondents were split (numbers of those in support, opposed and neutral). She also provided a summary of the key issues that were highlighted in the responses and outlined Ofgem's

minded to positions based on the responses. Specific issues that were discussed for each topic are highlighted below.

Views on RP2a – Ofgem are currently working to update the IA to take account of the responses to identify what changes are needed.

Transitional arrangements – SPDG had no comments or questions on this topic

Switching speed – A question was raised that when dealing with a customer potentially wanting a longer than a 5-day switch, whether the regulatory obligation be 'request' or 'agree'? RC responded that we need to think about the wording of the obligation and what guidance is needed to support it, but that there isn't much practical difference between the two words.

It was also pointed out that we need to think about this process in relation to how the customers actually switch e.g. TPIs presenting the longer than a 5-day switch option to customers. RC responded this is a high-level principle and that the wording and guidance will be considered at the appropriate time.

CSS communications arrangement – A questions was asked of JE whether the intent is to separate the communications mechanism from the format. DCC are expecting that we would have to test across DTN and IX networks to make sure they both work. However, the data format being transmitted will be the same across both networks.

RP2a optimisation:
Change of Occupancy flag – A member of SPDG raised that in conversations with Ofgem's Consumer teams, they are giving out slightly different messaging on the non-domestic CoO flag. RC responded that we will look into this to ensure messaging is consistent.
Performance assurance framework – It was clarified that the Regulatory Design work will take forward the performance assurance framework.
Right version of RP2a – SPDG had no comments or questions on this topic

Governance/regulatory arrangements – SPDG had no comments or questions on this topic

5. Any Other Business

Now have date of next SPSG – 27th Feb 2018. We expect the agenda will be focused on the DB3 decision and chosen reform package.
The IPA gateway review will commence w/c 26th Feb 2018, so we will be in touch with stakeholders who want to share views.

6. Next SPDG Meeting

SPDG meeting 13 is scheduled for 12th February 2018.

Attendees
Rachel Clark – Ofgem (Chair)
Andrew Amato – Ofgem
Arik Dondi - Ofgem
Joe Karmali – Ofgem
Jane Eccles – DCC
Henry Duff – British Gas
Paul Saker – EDF Energy
Dan Alchin – Energy UK
Allan Clark – Scottish Power
Natasha Hobday – First Utility
Craig Handord - EUK
Rachael Mottram – Utilita
Alan Raper – ENA (gas networks)
Chris Hill – ICoSS
Varsha Ratna – BEIS
Hannah Warren - Npower
Alex Travell – EON
Ed Hunter – Extra Energy
Mark Anderson – SSE
Neil Stokes - SSE