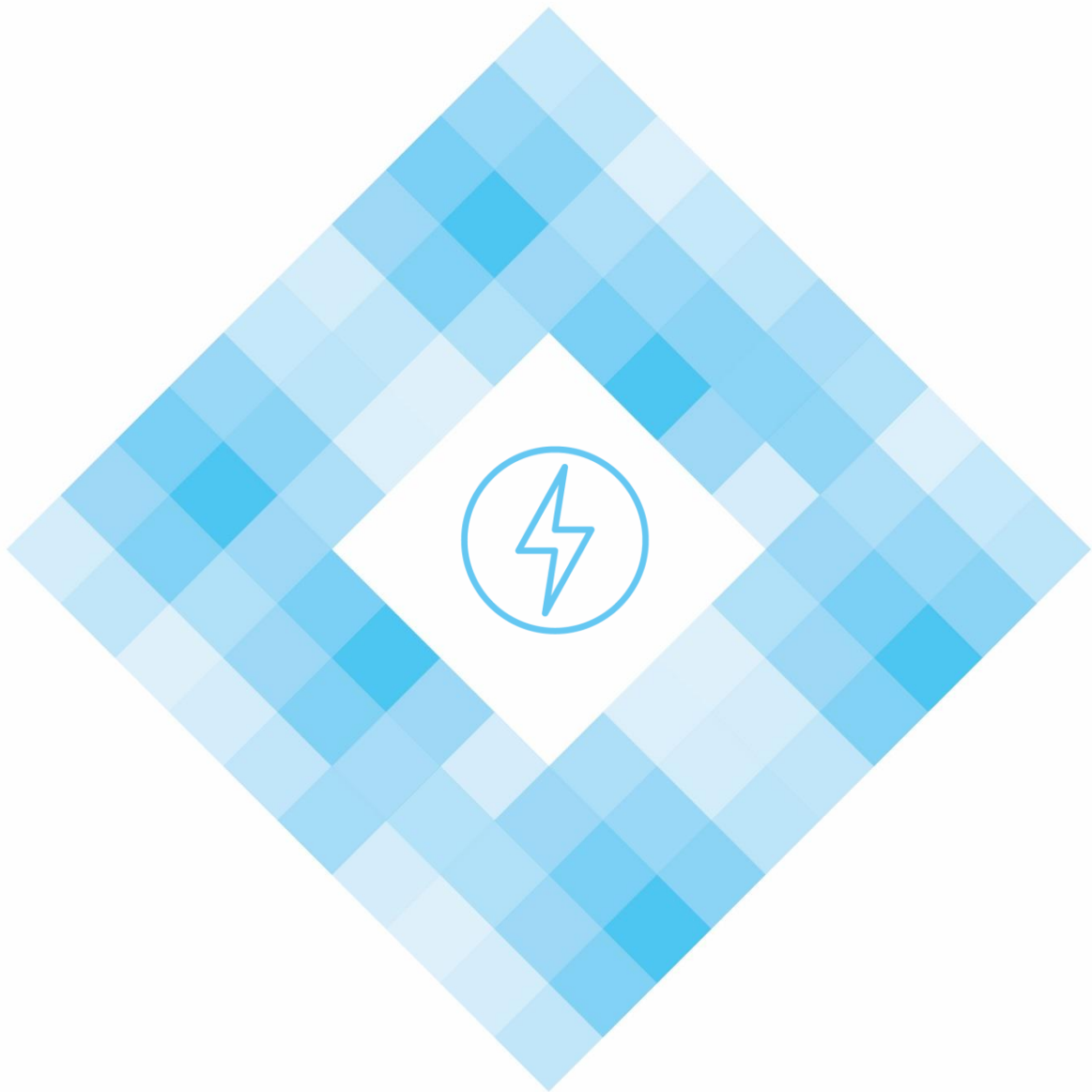


# Performance Assurance Framework Administrator (PAFA) Annual Review 2019: Report

October 2019

V2.0





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## CHANGE HISTORY

Version	Status	Issue Date	Author	Comments
0.1	Draft	24/10/19	Shelley Rouse	
0.2	Draft	14/11/19	Billy Howitt	Quality review
1.0	FINAL	18/11/19	Shelley Rouse	

## DOCUMENT CONTROLS

Reviewer	Role	Responsibility	Date
Billy Howitt	Quality Review	Administrator	14/11/19

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# PAFA annual review report 2018/19

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## EXECUTIVE SUMMARY

In July 2019, the Performance Assurance Framework Administrator (PAFA), provided an overview of the work undertaken by PAFA, Performance Assurance Committee (PAC) and the Central Data Service Provider (CDSP) for the operation of the UNC Gas Performance Assurance regime between the period of 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019.

The annual review provided a summary of the work of the PAC, the current Performance Assurance Report Register (PARR), performance assurance techniques and performance improvements seen over the review year.

As part of the overview, PAFA requested feedback from the wider industry on the activities and success of:

1. the Performance Assurance Framework (PAF) arrangements;
2. the PAFA in its role as administrator of the arrangements;
3. the PAC in its role as managers of the Performance Assurance Framework; and
4. the CDSP for the provision of information

This report provides a summary of the two responses received (one from a Shipper and one from a trade body) and provides a response where appropriate.

The Performance Assurance Framework Administrator – Annual Review 2019 document, can be found at:

<https://www.gasgovernance.co.uk/index.php/PAC>

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## 1. THE PERFORMANCE ASSURANCE FRAMEWORK ARRANGEMENTS

The performance assurance framework arrangements are contained within the Performance Assurance Framework Document.

The current Performance Assurance Framework (PAF) document can be found:

<https://www.gasgovernance.co.uk/index.php/PAC>

The PAF contains the following objectives:

- To determine the appropriate reporting and analysis to measure energy settlement performance and risks to it;
- To create a risk register and supporting analysis to assess risks and determine mitigation activities for energy settlement performance;
- To report as necessary; and
- To create a regime incentivising the required performance if necessary, by proposing modifications to the UNC.

Two comments were received in relation to the PAF arrangements.

The comments and response or proposed solution are below:

Response comment	Proposed response / solution
Current passive forms of communication, letter writing, is of limited effectiveness.	Change to the current framework and Performance Assurance Committee terms of reference would be required. UNC modification 0674: Performance Assurance Techniques and Controls, is attempting to address this.
Stronger communication from the PAC in regards to areas of improvement to shipper compliance with industry standards.	PAFA will commit to responding to all communication, both to acknowledge responses and updates from PAC meetings.



## 2. THE PAFA IN ITS ROLE AS ADMINISTRATOR OF THE ARRANGEMENTS

The Performance Assurance Framework (PAF) is administered by the Performance Assurance Framework Administrator (PAFA).

PAFA responsibilities include:

- Monitoring of the PARR reports;
- Advising PAC of areas for performance improvement
- Provision and administration of the Huddle platform

Three comments were received in relation to PAFA in its role as administrator of the arrangements.

The comments and response or proposed solution are below:

Response comment	Proposed response / solution
PAFA were awarded with a 2 year contract with a further 1 year extension which we do not believe incentivises them to fully resource and invest in engagement with the industry to improve performance.	Future procurement of the PAFA is an area that is currently being considered between the PAC and Xoserve. PAFA are not part of the discussions.
Huddle is a good tool to provide a platform to view PARR reports however sometimes they can be hard to understand.	Data in the PARR reports is defined in mod 520A. PARR reports are under review. PAFA plan to review the format of the dashboards to provide clarity and additional analysis.
One licence per Shipper poses a risk if that individual is unavailable and the reports need to be accessed.	One licence per Shipper is currently defined within the CDSP/PAFA contract. PAFA will discuss further licensing options with the CDSP.



### 3. THE PAC IN ITS ROLE AS MANAGER OF THE PERFORMANCE ASSURANCE FRAMEWORK

The PAC guided by the PAFA, monitor Shipper Performance against the PARR and the risks recorded by the risk register. The PAC may then determine to take performance improvement action against those Shippers that are performing to a standard lower than what is expected.

Four comments were received in relation to PAC in its role as manager of the performance assurance framework.

The comments and response or proposed solution are below:

Response comment	Proposed response / solution
All areas of the market can contribute to settlement errors and therefore all areas should be equally scrutinised.	PAC agree with this statement. The current suite of PARR reports monitor all product classes equally. PAC currently target based on poorest performance regardless of class.
Shippers do not feel any pressure to improve performance.	PAC are working within the boundaries of the current performance Assurance Framework. UNC modification 0674: Performance Assurance Techniques and Controls, hopes to facilitate the development of more sanctions where needed.
PAC engagement lacking after Shipper receives performance letter.	PAFA will commit to provide feedback to Shippers following any performance assurance discussions at PAC meetings.
PAC should publish a list of areas in which it believes it has made a meaningful improvement to shipper compliance with industry standards.	The annual review document graphically demonstrated areas where performance improvements have been seen – PAC to consider publishing more frequent reports to Huddle.



#### 4. THE CDSP FOR THE PROVISION OF INFORMATION

Xoserve in its role as Central Data Service Provider (CDSP), provide the PARR reports and additional data requests to the PAFA. PAFA use the reports and data to undertake industry performance analysis which is then used to make performance improvement recommendations to the PAC

Three comments were received in relation to CDSP for the provision of information.

The comments and response or proposed solution are below:

Response comment	Proposed response / solution
Data is not always trusted, work needs to be done to reduce inaccuracies.	CDSP and PAFA are working closely to improve the accuracy of reporting including aligning the PARR reports with the Shipper packs.
Outdated data used when PAC escalates individual shipper performance.	The new DDP Platform should help to align the Shipper Packs and PAF reports and make more current data available.
Timescale for providing and assessing data needs to be shortened.	CDSP and PAFA are working together to improve access to data.





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