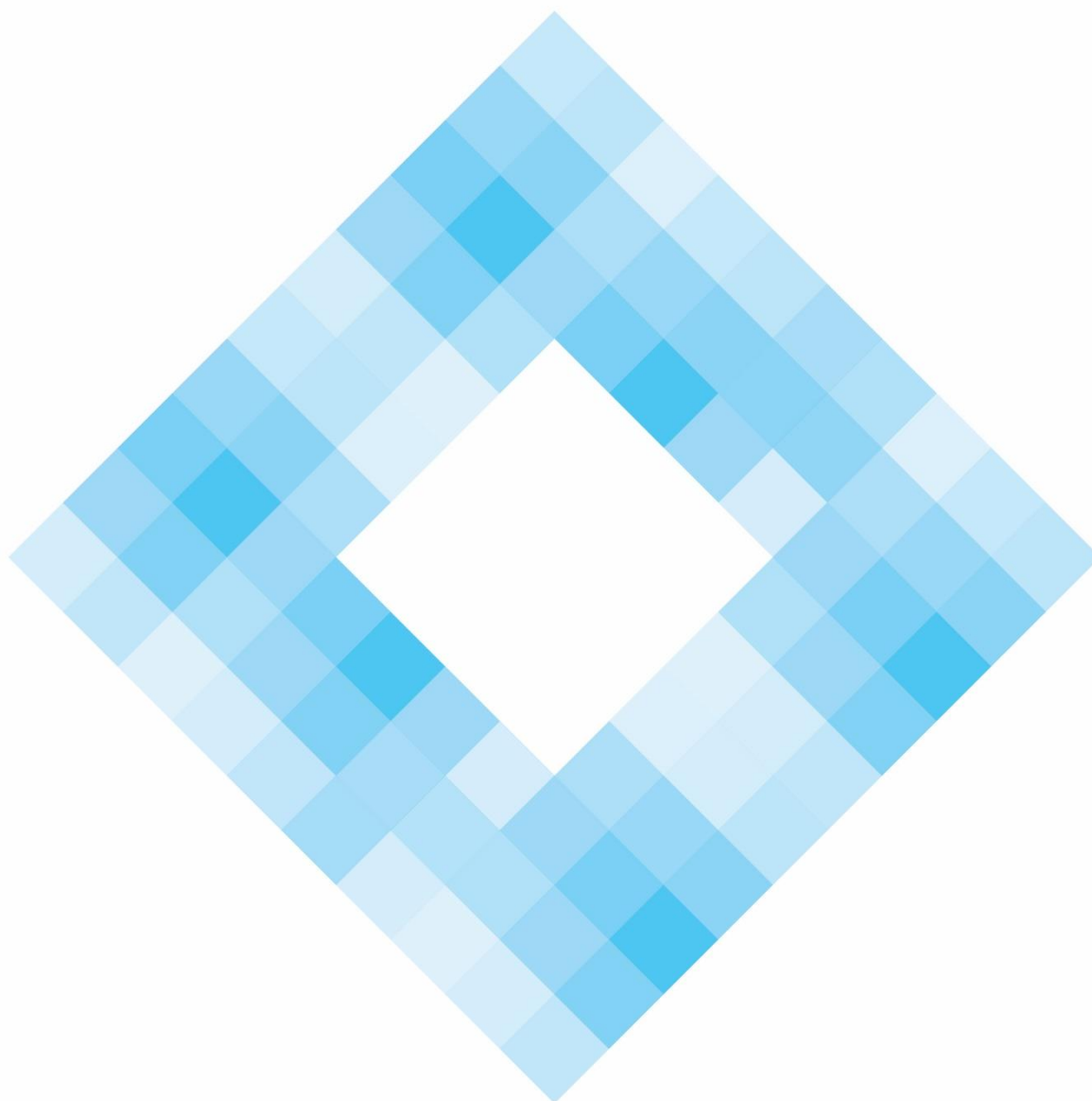


# Performance Assurance Framework (PAF) Annual Review 2021: Report

December 2021

V1.0





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## CHANGE HISTORY

Version	Status	Issue Date	Author	Comments
0.1	Draft	24/11/21	Rachel Clarke	
0.2	Draft	14/12/21	PAC Review	PAC sign off in 12/21 meeting
1.0	FINAL	23/12/21	Rachel Clarke	



# PAFA annual review report 2020/21

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## EXECUTIVE SUMMARY

In September 2021, the Performance Assurance Framework Administrator (PAFA), provided an overview of the work undertaken by the Performance Assurance Committee (PAC) supported by the PAFA 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 2020 to 30<sup>th</sup> June 2021.

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 annual review process the PAC are seeking views from industry on the following areas:

- **Performance Assurance Framework (PAF) arrangements;**
  - Please comment on whether the Framework meets the needs of the UNC, your organisation, and the wider gas industry;
  - Please indicate its strengths and weaknesses;
- **PAC (in its role as managers of the PAF);**
  - Are you aware of the work the PAC do? If so, how have you become aware of the work?
  - Please comment on the PAC's management of the framework in terms of the PAF, the UNC, your organisation, and the wider gas industry;
  - Please share identified positives and negatives;
- **PAFA (in its role as administrators of the PAF)**
  - Please comment on the work of the PAFA in relation to the PAF, your organisation, the UNC and the wider industry;
  - Please share identified positives and negatives;
  - If you've been engaged with PAFA following receipt of a performance communication, how would you rate your experience:
    - E.g. Professionalism
    - E.g. Knowledge
    - E.g. Helpfulness
- **CDSP (for the provision of performance insights and information)**
  - Please comment on the work of the CDSP in the context of Performance Assurance and in relation to performance insights and information for your organisation, the PAF, the UNC, the DDP and PA reports;



- Please share identified positives and negatives; and
- **Performance Impacting Operational and Industry issues**
  - Please indicate any issues that are impacting performance reports for the industry or your organisation.
- **If your organisation has been involved in an improvement plan, would you say it helped you focus improvement action within your organisation?**

**Does your organisation obtain the monthly Performance Assurance Reports via the Huddle platform? If not, why? E.g., view performance in DDP, not relevant, not user friendly etc.**

This report provides a summary of the one response received and a PAFA/CDSP response where appropriate.

The Performance Assurance Framework Administrator – Annual Review 2021 document, can be found at:

<https://www.gasgovernance.co.uk/pac/annualreview2021>



## 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.

One comment was received in relation to the performance assurance arrangements

The comment and response or proposed solution are below:

Consultation Comment	PAC/PAFA response and proposed Solution
Not yet sufficient awareness by all Shippers of either their UNC obligations or indeed why they're not meeting them.	Currently all PARR reports contain detail of the relevant UNC obligation to which the report applies. PAFA will continue to raise awareness of the Gas Performance Assurance Portal (GPAP) platform and the PARR reporting suite. The GPAP will be used to bring awareness and transparency to the regime with a central place for learning materials and signposting to other resources. Publication of the current Models and Framework documents behind the regime will give greater accessibility to industry. To increase industry awareness, PAFA suggest that an awareness day could be held in 2022 for industry to give an update on the regime and parties obligations within the UNC.



## 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 and the application of the appropriate improvement techniques
- Provision and administration of the Huddle platform

One comment was received in relation to PAFA in its role as administrator of the arrangements.

The comment and response or proposed solution are below:

Consultation Comment	PAFA/PAC response
<p>More engagement could be made by CAMS to understand/identify the root cause of poor performance and set clear goals on what is achievable resolution before an action plan is required. There are instances where Shippers are highlighting issues to the CDSP regarding impacts to performance for them to highlight to PAC.</p>	<p><u>PAFA and CDSP response:</u> The PAFA and CAMs have joint meetings with poor performing Shippers to understand root cause and to ascertain reasonable resolution dates on Performance Improvement Plans as standard practice. These are usually held early on in the process and CAMs offer assistance to the PAFA where applicable and appropriate.</p> <p>We always try to support our customers to improve their performance against key settlement objectives in all of our interactions. PAFA and CDSP would welcome guidance from the Strategy workshop on critical objectives and acceptable performance standards that would help us to focus our discussions with customers.</p>



### 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 whether to take performance improvement action against those Shippers that are performing to a standard lower than what is expected.

One comment was received in relation to PAC in its role as manager of the performance assurance framework. The comments and response or proposed solution are below:

Consultation Comment	PAFA/PAC response
<p>PAC in its role as manager monitors Shipper performance against the Performance Assurance Reports Register (PARR). We don't believe the current sanctions are necessarily enough to encourage increase performance across the industry, however we do believe UNC0674 (Performance Assurance Techniques and controls) will help to improve performance.</p>	<p>The PAC and PAFA acknowledge that there are limitations with the current arrangements. Although good work has been carried out by the PAC with read performance up across all classes in 2021, there is still work to do to bring industry up to current UNC targets. The PAC are holding a strategic workshop in January 2022 which will give renewed steer on the direction of PAC targeting and in turn should, alongside the progression of UNC0674, give PAC greater ability in the range of applicable techniques to assist improvement of the market as a whole.</p>





#### 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

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

The comments and response or proposed solution are below:

Consultation Comment	PAFA/PAC response
<p>There has been some great work completed by the CDSP with regards to the Data Discovery Platform to date, providing a wide range of dashboards to manage business processes. The DDP Shipper Constituency Meetings have proven to be a useful meeting. Gives an insight into what is due to be developed and what has recently been added to the dash boards. Also a platform where we can have a say and influence what we would like to see within platform and where we can prioritise the order of items to be developed within the system that will assist with our processes.</p>	<p><u>CDSP response:</u> We are pleased to hear the feedback on the success of the Data Discovery Platform and that the Shipper Constituency Meetings are proving so useful.</p>
<p>The data is not always trusted in the DDP, and a comparison of the data is required to ensure the data matches the Shippers our own portfolio view. As more data is being updated into the data discovery platform it is paramount that additional checks are in place to ensure the data matches a Shippers current view to try and eliminate these data discrepancies.</p>	<p><u>CDSP response:</u> We are very concerned to hear possible discrepancies are undermining the credibility of the data. We would welcome examples of these. Each DDP development sprint works with an embedded customer beta test team to try and minimise any defects, but also misalignment of understanding between ourselves and customers. This feedback highlights the critical role customers play in not only testing but also maintaining trust in the product. We will continue to use this approach but will also ensure that PAFA is involved in trialling of future sprints, to get an additional perspective on the new services.</p>

## 5. ADDITIONAL COMMENTS

Consultation comment	PAFA/PAC response
<p>While the primary focus of the PAC for the forthcoming year will be to continue to improving meter read performance across all product classes, we recommend they should continue to increase scrutiny of the impact on UIG of other material risk register items.</p>	<p>PAFA are currently working on a number of improvements that will increase analysis of other performance areas. We have recently undergone a full review of the risks on the risk register, to consider their continued appropriateness, the PAC risk evaluation tool has been recently redesigned to enable a value to be calculated for these risks which will then be used to prioritise areas for performance improvement targeting. A review of the PARR reports is needed to ensure they are still fit for purpose.</p>
<p>Shipper had been involved in a Performance Improvement Plan for PC4 Monthly Reads.</p> <p>Shipper noted that receipt of the performance improvement letter focused their attention to improve performance in this area which has resulted in them achieving 100% in August 2021.</p> <p>Shipper did challenge if the performance plan was necessary given the small number of MPRN's impacting performance. Shipper noted there was very little engagement from PAFA/CAM once the letter had been received. It was very one sided and the Shipper made regular contact with their CAM to provide a monthly update of our progress ahead of our target deadline.</p>	<p><u>PAFA and CDSP response:</u> The experience in managing Class 4 Read Performance plans has highlighted the opportunities to standardise the action required from Shippers, rather than let Shippers set their own "return to green" plan.</p> <p>PAFA and CDSP see this as another possible output from the PAC Strategy Workshop, which would help to give industry participants clarity of expectations and would also help CDSP CAMs and the PAFA in their customer interactions.</p>



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