
xserve



respect > commitment > teamwork

BP17 Lessons Learnt

11th April 2017

Content

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- External stakeholder comments
- Internal comments
- Next Steps

Introduction and Approach

- BP17 was the first to be prepared under FGO arrangements
- Main changes to the planning process
 - Industry consultation and
 - New cost allocation and charging methodology
- Comments captured
 - External stakeholders via
 - National Grids response (on behalf of all DNs) to Board paper 12C on Plan Consultation;
 - 15/2 CMSG meeting (including our observations at that meeting)
 - FGO POB and
 - Questionnaire circulated toward the end of March.
 - Internal – from SBPMgr or from discussions with departmental contacts

Today's session

- Share with you the comments received so far, certain themes emerging
- Get your views and comments
- Progress with next steps

Questionnaire results

- Sent out to over 100 parties
- We received 10 responses of which:-
 - 3 didn't include any written comments
 - 2 were from parties who commented previously
- Comments received:-
 - Another Customer Day early in the process
 - Earlier start to the plan consultation process (including costs / charges)
 - Share a plan timeline
 - Dedicated meetings rather than a CMSG agenda item

External comments – Paper 12C response

No	Area	Comment / Discussion Point	Response & Suggested Change (where relevant)
E1	RiIO allowances	The allowances had been exceeded but there was no plan or explanation on how the gap would be closed in future plan years.	Ensure adequate opportunity to revisit Transporter allowances and therefore requirements in BP18 cycle.
E2	Errors and Exceptions resources	Evidence requested on how the number of people required to deal with post day one errors and exceptions was calculated. The Baringa report referred to in determining the FTE number was not passed on.	Specific to BP17 and Nexus implementation period.
E3	UK Link efficiencies	Significantly more resource efficiencies were expected as a result of new UK Link process automation (e.g. AQ) these were not in the plan.	Greater visibility of departmental profiles and scope. Familiarisation sessions to be set up.
E4	Level of cost detail (also see E6)	Want a bottom up view of costs and headcount by department and an understanding of the benefits and outputs they help to deliver.	
E5	Project resources	Further understanding of project resources and how they can be allocated to projects in future plans.	

External comments – from CMSG 15/2

No	Area	Comment / Discussion Point	Response & Suggested Change (where relevant)
E6	Level of cost detail (see also E4)	The level of transparency and granularity required was greater than initially presented, the December CMSG pack was felt to be at a more appropriate level.	We will use the December CMSG slide pack (which had a significant level of cost and manpower detail) as the starting point for BP18 updates.
E7	Summary Plan Document provided to CMSG meetings	Business Plan and Budget Report felt more like a commentary on preceding events than an analytical report on the process. There was a desire to see more strategic content within the report.(Raised at POB as well)	Report content to take these comments into account.
E8	Board approval	Members wanted evidence that their appointed Directors were representing their views.	Consider provision of full consultation responses to the board.
E9	Board paper	Board Paper 12C (Consultation process feedback paper) – minimal time to review, and feedback from GTs and T not properly summarised.	
E10	Xoserve background	Understand Investment lines and departmental responsibilities in more detail.	Greater visibility of departmental profiles and scope. Familiarisation sessions to be set up.

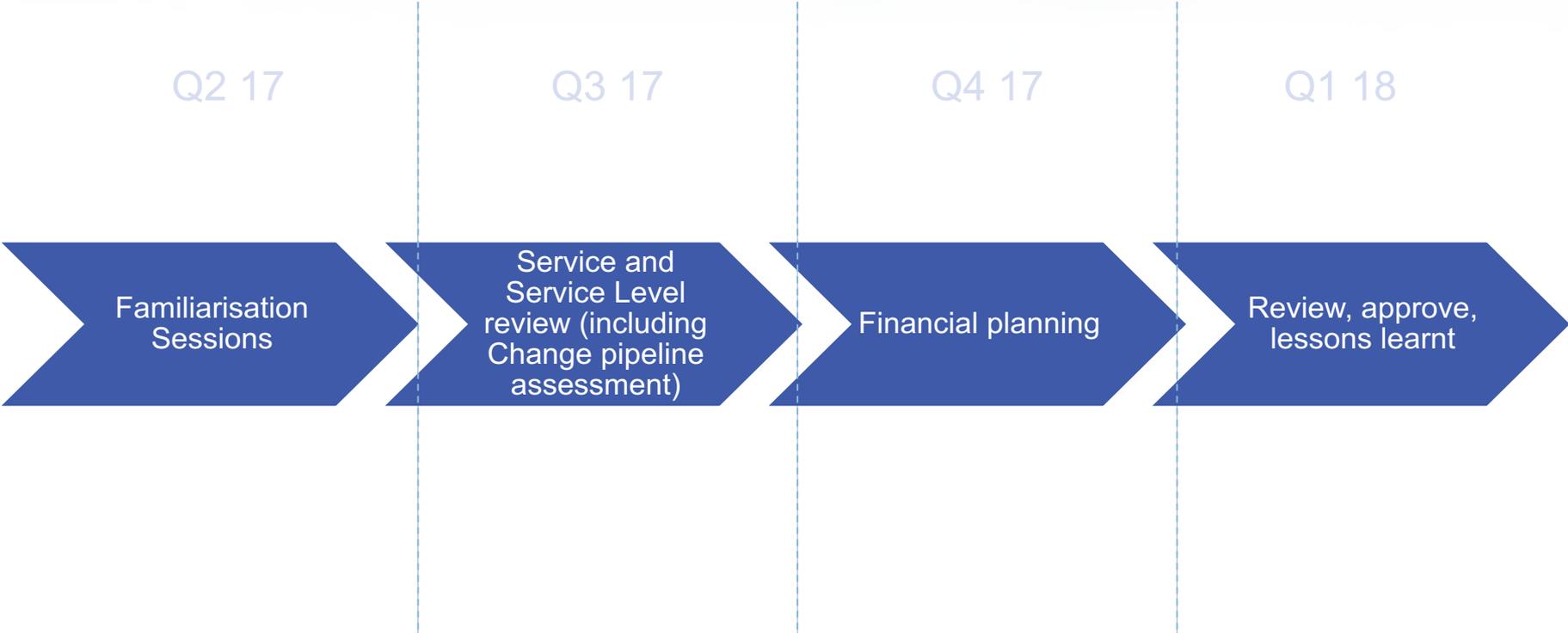
External comments – from CMSG 15/2

No	Area	Comment / Discussion Point	Response & Suggested Change (where relevant)
E11	Consultation start date	Start the consultation process earlier, October is too late.	Include earlier familiarisation sessions and a non-financial business planning stage to assess customer demand for changes to services or service levels.
E12	Consultation meetings when and content	Contract Managers and Shipper attendees the right people but an agenda item at CMSG may well be the wrong forum. Book meetings well in advance.	Schedule discrete sessions to focus on specific areas e.g. principles, strategy, Xoserve background.
E13	Plan Timeline	Timeline for entire detailed plan process would be helpful.	This is being developed and will be circulated across industry participants.
E14	Charges availability	Charges weren't available until late in the process.	The Cost allocation and charging methodology wasn't agreed by parties until late in the process (November). Now a model has been built to calculate charges this will be available earlier.

Xoserve identified – from CMSG 15/2

No	Area	Comment / Discussion Point	Response & Suggested Change (where relevant)
E15	Meeting attendance and understanding	<p>Lack of continuity over Shipper Representation led to confusion over a number of items in the presentation pack especially around “waterfall diagram” and what it was illustrating (shows the reasons for cost variations between the 16/17 latest forecast to 17/18 plan year 1). It was thought this indicated that Xoserve had added significant money to the last version of the plan seen prior to approval.</p> <p>There was also confusion over make-up of UK Link costs in the same diagram.</p>	<p>Review diagram to ensure clarity.</p> <p>How do we encourage / achieve regular and consistent attendance during BP18 to minimise confusion?</p>
E16	Mixed Messages	<p>SND mixed messages or interpretation of messages by Shipper representatives. Talked about concerns over underfunding of the business.</p> <p>Differing messages received through customer/contract routes vs Shipper Nominated Director sessions regarding funding levels.</p>	<p>Gain alignment of requirements at an earlier stage of the Business Planning cycle using a non-financial business planning stage to assess customer demand for changes to services and/or service levels.</p>

Planned Approach for BP18



Next Steps

- Include any additional feedback and actions from today
- Schedule additional sessions
- Refine timeline