# Q1 2019/20 Forecast Update

#### XOSERVE

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### Context

This paper summarises the key themes arising from the recently concluded quarter 1 (Q1) forecast and describes the content of the forecasts which are planned for the remainder of this financial year including when the Contract Management Committee (CoMC) will be updated as to the outcomes.

1. What are the key themes arising from the Q1 forecast ?
2. We have previously updated customers (including via CoMC meetings) on the challenges encountered with the operation of the UK Link system and our commitment to resolve them. The issues discussed included adjustment invoice and migration to class 3. The Q1 forecast has reprioritised expenditure and effort into these areas.
3. As a consequence, the suite of Xoserve change investments we had originally planned to deliver is currently under review. Customer change will proceed as forecast.
4. We are not anticipating that these changes will materially affect the customer charging statements at this juncture, other than what has been recently agreed around Gemini programme re-phasing.
5. The Q1 forecast exercise took longer than initially expected. This was due to the complexity of the issues highlighted above.
6. What other forecasts are planned to take place this year?
7. We are planning on delivering at least two more forecasts during this financial year:-
	1. Q2 forecast - this will be based on 6 months actuals (April to September) and 6 months forecast (October to March). We expect this to be a lighter touch exercise than Q1 focussing on material changes.
	2. Q3 forecast – based on 9 months actuals and 3 months forecast. The outputs will be used to calculate the values of any additional funding or rebates which will be carried forward to 2020/21 charging year.
8. CoMC will be provided with updates on the outcome of these exercises both in terms of costs and charges from the November 2019 meeting onwards.

Should you have any queries on this update please contact nick.stace@xoserve.com directly.