

Funding, Governance and Ownership Programme Overview Board
Monday 2nd June 2014
31 Homer Road, Solihull, B91 3LT

Attendees

Joanna Ferguson	(JF)	Northern Gas Networks
Paul Rogers	(PR)	National Grid Distribution
Alan Raper	(AR)	National Grid Distribution
Nikki Jamieson	(NJ)	National Grid NTS
Colin Thomson	(CT)	Scotia Gas Networks
Steve Edwards	(SE)	Wales & West Utilities
Gareth Evans	(GE)	Waters Wye*
Elaine Carr	(EC)	Scottish Power*
Andrew Margan	(AM)	British Gas
Martin Brandt	(MBr)	SSE
Steve Mulinganie	(SM)	Gazprom
Hazel Ward	(HW)	Npower
Colette Baldwin	(CB)	E.on Energy
Lorna Lewin	(LL)	DONG Energy
Jacob Kane	(JK)	Ofgem
Nick Salter	(NS)	Xoserve
Martin Baker	(MBa)	Xoserve
Matt Smith	(MS)	Xoserve
Hilary Chapman	(HC)	Xoserve

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/FGO/020614>

Summary of Discussion Points

Delivery Timeframe

The group expressed a mixture of views as to whether the implementation timescale (April 2016) is too soon, or not soon enough. General agreement that even if April 2016 is the target date, the approach is one of gradual transformation rather than big-bang, and therefore changes that are more readily achievable should be made where appropriate.

Draft Role Specification for Programme Manager

- SE presented draft role specification -
 - Decision that a service provision, including programme management and 'advisory' services, is required. There is a preference to contract with an organisation rather than an individual. This approach mitigates the risks associated with the requirement for a multitude of skills / parties moving / sub-contracting etc.
 - Focus on demonstrable independence – strong governance will be required
 - Requirement for seniority
 - Requirement to co-ordinate and be part of the delivery
 - PM to present information/options but POB to make ultimate decision.
 - Energy Networks Association (ENA) to undertake tendering activities. OJEU compliance required?
 - Likely September appointment.
 - Preference for RFI followed by RFP
 - A clear statement of interest from parties should they be seeking to pursue the tendering opportunity – no such parties should be privy to POB discussions.

Next steps

- Specification to be re-drafted.
- CB, SM, HW to assist GTs in drafting of RFI. Drafts to be circulated by 6th, Tcon 11th June 9am.
- Tender through ENA.
- Costs to be considered later

Actions

- SE to establish OJEU requirements (if any) and commence drafting of RFI.

Governance

Group agreed that a Programme governance framework should be developed now, in order to avoid a future situation where agreement cannot be reached and there is no clear methodology to progress/escalate.

- Specific considerations –
 - Who should make a decision in the lack of consensus? Ofgem?
 - The required Modifications will follow the set Code governance process, however a process needs to be developed for the non-Modification changes, e.g. changes to Xoserve corporate arrangements

Next Steps

- Programme governance to be considered further at next meeting in July.

Actions

- SGN to lead on drafting Programme ToR

Workgroup Structure

- Suggestion of two-stream approach –
 - Xoserve corporate / contractual
 - UNC/Code/Licences
- Issue of how to manage workload and workgroups to ensure rapid progress – many organisations will be represented by the same individuals at each group.
 - Problematic should issues be escalated back to POB, although it is ultimately the same parties present.
- Response to Ofgem consultation due in July – this should be factored into any schedule as it may inform the approach.

Next Steps

- July meeting – consider RFI returns. Agree on Programme Board Terms of Reference and Governance, including dispute escalation and resolution.
- August meeting – Agree workgroup objectives and outputs (this allows time for Ofgem's response).

Ofgem Consultation on Legal and Regulatory Framework

- Ofgem has indicated that it will retain its 'minded to' position on the consultation. Conclusions expected July.

Next meetings – 16th July (Solihull), 6th August (Solihull)