Review Group Report
Review Proposal Reference Number 0334
Post Implementation Review of System Funding and Governance Arrangements
Version 1

This Review Group Report is presented for the UNC Modification Panel's consideration.

1.   Review Proposal

It is proposed that the industry undertakes a review of the current Central System Funding and Governance Arrangements that have been in place since GDPCR.

Development of Current System Funding and Governance Arrangements
As part of the DN Sales process a transporter agency was created to ensure that transporters could continue to provide a common service and system interface to Code Parties. Though at the time of the DN Sales the funding arrangements for central system was maintained, it was Ofgem's belief whilst undertaking the Gas Distribution Price Control Review (GDPCR) in 2008 that *"the current funding model may provide poor incentives both on the GTs to provide anything more than a minimum level of service and on users (primarily shippers and suppliers) to manage xoserve's costs"*.

To resolve this issue, GDPCR separated funding for Xoserve into two discrete areas; Core services, where the current funding arrangements would continue and User Pays services where charges are levied upon the User requesting the change.   To allow Code Parties to assess the implications of any change, would provide a Rough Order of Magnitude (ROM) cost, with a Detailed Cost Analysis (DCA) undertaken if the modification was implemented.

These two changes fundamentally altered how Code Parties interact with central systems, in particular when looking to alter how services are provided, either via UNC modification proposals or User Pays Services outside of the UNC.

To support these new arrangements a suite of documents and operating procedures were developed. In addition to the UNC, these documents include:
*   Agency Services Agreement(ASA)
*   Agency Charging Statement (ACS)
*   User Pays Guidance Documents
*   Contract for Non-code User Pays services

These processes have remained fundamentally unaltered since they were implemented as a result of GDPCR.

Review Timing
The current regime has been in operation for two years. During that time several major changes to the UNC have been progressed and funded through both Core Services and the User Pays regime. This has provided useful practical experience in how the new regime operates.   In addition industry developments (Project Nexus, the Smart Metering Implementation Programme and the forthcoming GDPCR) will be impacted by the current System Funding and Governance arrangements. It therefore seems germane to assess the current arrangements to see whether any lessons can be learned from past experience and identify improvements to the current framework.

Review Scope
The current funding and governance arrangements for central systems have a significant bearing on many aspects of the UNC   In light of this any review will require a wide scope. It is suggested that the following areas are examined:

- Funding of central systems, in particular cost allocation and recovery.
- Governance framework of central service provision
- Transparency and accountability of the current regime.
- Cost calculation, in particular how costs are incurred and calculated and the timescale they are provided in.
- Impact on change process of current regime.

Review Aim

The aim of the review is to assess the current funding framework, identifying areas of good practice, as well as those areas that may require improvement. Particular attention will be given to previous experience of how the current regime has operated since it was implemented.

Efforts will be made to identify both short-term solutions, as well as more fundamental reforms.

These findings will be then be summarised in the review group report.

2. Review Process

In accordance with the Modification Rules, at its meeting on 22 October 2010, the Modification Panel determined that this Review Proposal should be referred to a Review Group for progression. This Review Group Report was subsequently compiled by the Joint Office and approved by Review Group attendees.

3. Areas Reviewed

The Group considered the scope identified in the Terms of Reference (these can be found at www.gasgovernance.co.uk/0334). The discussions covered a number of potential incremental changes, as well as more radical options for change and these are summarised below. More detailed explanations of each suggestion can be found in the attached Issues matrix (annex 1), which highlights the potential advantages and disadvantages, whether the Review Group had reached a consensus and the next steps of each.

3.1 Incremental Changes.

A number of changes that could improve the current process were identified and are listed below. Further details can be found in annex1:

- Increase the visibility of the Xoserve change process to help improve understanding by extension of the account management framework within Xoserve.
- Joint Office to provide estimated costs for secretarial services associated with taking forward each modification proposal.
- Availability of early engagement with Xoserve.
- Xoserve to provide a rough cost matrix for early assessment of costs for a solution.
- Create an Oversight Committee or change the role of the UK Link Committee to include the following;

- o Create a new committee with a focus on delivering changes on time and with the greatest cost efficiency. This committee could subsume the current activities of the UK link committee, though this group would have a much wider focus.
  - o This group would have permanent members and would be comprised of Shipper and Transporter Representatives.
  - o Each new modification would be sent to this committee for consideration at the same time as the relevant workgroup.
  - o The committee would assess the changes needed to deliver the modification's intent and ideals and attempt to achieve them at optimum cost and timescales.
  - o The committee would also be expected to suggest changes to the modification that would result in cost or time savings.

- The Proposer and Xoserve should develop a solution(s) for agreement within a Workgroup, including demand and costing information where available.
- Xoserve to proactively suggest solutions for modifications with the aim of resolving the issue in a fit for purpose manner.
- Review the implementation process to ensure information is available to UK Link Committee and proposer to enable them to provide guidance on the most cost efficient date/way for implementation.
- All modifications that require systems development (other than minor maintenance changes) to be assigned to a Workgroup, which must complete an assessment to report stage. (Excludes Urgent modifications) This should include a review of legal text and business rules for the solution.
- The modification template should be amended to identify if demand information is required to support the assessment process for the solution.
- Demand information should be requested from Users where the modification requests such information. Information can be provided confidentially where required.
- Improve the visibility of industry change programme.
- Change the governance of non-code services and ACS charges by bringing them into UNC, ensuring regard is given to allow services to be provided to non code parties.
- Subject to 1.8 above, the Joint Office should publish additional advice/guidance on the existing User Pays process to aid proposers.

3.2 Wider Ranging Industry Changes

Gazprom Marking & Trading – Retail (GMTR) presented a series of options that could fundamentally alter some or all of the current funding and governance requirements. The Review Group members discussed the following options and concurred that the changes were significant and couldn't be considered without consideration of licence and legal changes:

- Alter Xoserve's current board composition to include Shipper representatives, either as executive or non-executive directors (similar for example to Elexon).
  - o These board members would have the same powers and responsibilities as other members of Xoserve's board.
  - o Shipper representatives would be elected in a process similar to the UNC Panel Shipper election process. This option would require changes outside of the UNC process, including licence changes and changes to

Xoserve's corporate structure.

- Introduce Tender process;
  - o Central system activities would be defined as discrete activities and would be tendered for provision by third parties.
  - o Xoserve would act as the agent to ensure that the service is provided effectively and cost efficiently.
  - o This option would require changes outside of the UNC process, including licence changes.

- Financial separation
  - o Xoserve would have separate funding arrangements (PCR) but would still be owned by the transporters.
  - o This option would require changes outside of the UNC process, including licence changes.

- Xoserve ownership change
  - o Xoserve would be owned by Shippers and Transporters.
  - o Would require separate board and governance structure to direct strategies.
  - o Board would be comprised of owners.
  - o This option would require changes outside of the UNC process, including licence changes

3.3   Other Options discussed

- The Review Group considered a number of charging options for User Pays services (listed a to d below) to identify if there is an opportunity to standardise the approach to allocating User Pays charges.

  - Option a) Apportionment of costs by Market share:
    - o By number Supply points
    - o Energy use/throughput

  - Option b) Only those who wish to use the service pay

  - Option c) Bundling up the analysis and development costs and then invoicing the industry at a regular interval:
    - o Requires an allocation methodology
    - o Requires regular reporting to and monitoring by the industry

  - Option d) An upfront central change fund
    - o Would require a cost allocation process
    - o Approval of draw down of funds required

- The Review Group considered an additional funding mechanism for the pass through of system change costs:
  - Cost included in allowed revenue in the following Formula Year
  - Charged through Transportation Charges
  - Ofgem direction on Modification Proposal also used to determine qualification for inclusion in UP_t
  - Requires an allocation methodology

- The Review Group considered the implementation of the Code Administrators code of practice and should the Joint Office directly request cost estimates from Xoserve.

4. Recommendations

4.1 Incremental Changes.

The Review Group considered a number of incremental changes that could improve the current UNC processes and these are listed in sections 3.1 and 3.3 above, with further details in annex 1.

The Review Group makes the following recommendations to the Panel:

i)   the adoption of the RG0334 action plan listed in annex 2 to take forward the incremental changes proposed in 3.1 and 3.3;

ii)   the Governance Workgroup is requested to review progress against the RG0334 action plan on a regular basis.

Please note: A number of the actions referred to in the RG0334 action plan require modifications to be raised to take the recommendations forward. Members of the Review Group are considering drafting modifications, however it is unlikely these will be available prior to the conclusion of this report.

4.2 Wider Ranging Industry Changes

The Review Group considered a number of wider ranging industry changes, which could potentially be adopted. However, the Review Group was unable to reach a consensus as a number of these are outside the scope of UNC and therefore is unable to offer any recommendations on the issues listed in 3.2 above.

The Review Group is aware that a number of these issues may be discussed at other industry change discussions such as GDN price control reviews.

4.3 The Panel is invited to accept this Report and close the Review process.

ANNEX 1 – Issues Discussed

Ref	Issue being addressed	Potential Solution (may include description of impacts or roles)	Advantages	Disadvantages	Group consensus agreed	Next Steps
1.	**Incremental Changes**					
1.1	It is difficult to understand how Xoserve arrive at the costs for a change and its implementation timeline.	Increase visibility of the Xoserve change process to help improve understanding by extension of the account management framework within Xoserve.	• May lead to increased customer focus on the change management process • Provide a more responsive service for enquiries and issues raised during the modification process	None	Yes	Xoserve to consider its approach to managing customer relationships. Include within the Review Group action plan.
1.2	How much does the joint Office cost to manage the UNC governance process	Joint Office to provide estimated costs for secretarial services associated with taking forward each modification proposal.	• Increased visibility of costs for managing the UNC change (secretariat) process on behalf of the industry	• Does not provide the full cost of change such as Users, Transporter and Xoserve costs.	Yes	No recommendation from the group to progress this solution
1.3	Proposers have no visibility of the potential costs and impacts prior to raising a proposal	Availability of early engagement with Xoserve. Xoserve to provide a rough cost matrix for early assessment of costs for a solution.	• Formalise the existing informal arrangements • Provide an early view on the potential system and process impacts • Inform the proposer on potential solutions prior to raising the modification	• There may be an impact on available resources exploring different options for potential modifications.	Yes	Xoserve to review its approach for engaging with Proposers. Amend the Modification template to include information provided by Xoserve to the Proposer.
1.4	The implementation process is not tied to the development and costing process. There needs to be more rigor and transparency to manage the implementation of systems changes and operational	Create an Oversight Committee or change the role of the UK Link Committee to include the following; • Create a new committee with a focus on delivering changes on time and with the greatest cost efficiency. This committee could	• Provide more rigor on the potential implementation timescales of a modification • Highlight potential industry implementation issues at an earlier stage in the development process • Provide a clearer view on the	• My increase the overall assessment time of a modification • May create a reporting conflict between Panel and UNCC • Impacts smaller Shippers as they may not be able to	Yes	The Review Group would not envisage this solution being adopted at this stage. It should be reviewed based on the success of other solutions presented in this report and included within the action

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	costs.	subsume the current activities of the UK link committee, though this group would have a much wider focus. • This group would have permanent members and would be comprised of Shipper and Transporter Representatives. • Each new modification would be sent to this committee for consideration at the same time as the relevant workgroup. • The committee would assess the changes needed to deliver the modification's intent and ideals and attempt to achieve them at optimum cost and timescales. • The committee would also be expected to suggest changes to the modification that would result in cost or time savings.	overall impacts of implementing a modification • Creates a committee which will oversee the assessment and development of modifications from a system perspective • The role of the committee would be more proactive than the UK Link committee and be involved much earlier in the process • The committee would be able to provide a transparent view of the implementation process and provide Panel with an informed opinion of the impacts of implementation • This new process would not require changes to the current licence regime and could be implemented via the UNC modification process.	participate as fully as required due to resource constraints • MMay increases the administration burden on participants • May create a level of uncertainty in the management of the change process		plan.
1.4a	See 1.4 above	The Proposer and Xoserve should develop a solution(s) for agreement within a Workgroup, including demend and costing information where available	• Provide more rigor on the potential implementation timescales of a modification • Highlight potential industry implementation issues at an earlier stage in the development process • Provide a clearer view on the overall impacts of implementing a modification • This new process would not require changes to the current licence regime and could be implemented	• Impacts smaller Shippers as they may not be able to participate as fully as required due to resource constraints • MMay increases the administration burden on participants • May create a level of uncertainty in the management of the change process •	Yes	This solution should be included in the Review Group action plan for implementation and review prior to the adoption of 1.4.
1.4b		Xoserve to proactively suggest solutions for modifications with the aim of resolving the issue in a fit for	• Provide more rigor on the potential implementation timescales of a modification	• Impacts smaller Shippers as they may not be able to participate as fully as	Yes	This solution should be included in the Review Group action plan for

			Pros	Cons		
		purpose manner.	• Highlight potential industry implementation issues at an earlier stage in the development process • Provide a clearer view on the overall impacts of implementing a modification • This new process would not require changes to the current licence regime and could be implemented	required due to resource constraints • MMay increases the administration burden on participants • May create a level of uncertainty in the management of the change process •		implementation and review.
1.5	See 1.4 above	Review the implementation process to ensure information is available to UK Link Committee and proposer to enable them to provide guidance on the most cost efficient date/way for implementation.	• Adds certainty to the implementation plan/timescales for the industry • May reduce implementation costs if multiple changes can be implemented together	• May reduce the period of time benefits are recovered should the implementation be delayed • May be overly complex for small/simple changes • The process may not be able to react quickly enough for urgent changes	Yes	This solution should be included in the Review Group action plan for implementation and review.
1.6	Consideration of wider industry costs and solutions is not undertaken early enough in the assessment process to provided a view on potential take-up, prior to sending a modification to Ofgem for a decision.	All modifications that require systems development (other than minor maintenance changes) to be assigned to a Workgroup, which must complete an assessment to report stage. (Excludes Urgent modifications) This should include a review of legal text and business rules for the solution. The modification template should be amended to identify if demand information is required to support the assessment process for the solution. Demand information should be requested from Users where the modification requests such information. Information can be provided confidentially where	• Adds certainty to the process, ensuring solutions are sufficiently developed/assessed before proceeding to consultation • Allows time for alternative solutions to be considered • Allows consideration of the implementation plan and overall solution costs	• May delay a modification proceeding through the process • Requires a clear definition of changes which are excluded ie minor maintenance changes	Yes	No further change required as the modification rules allow Panel to refer modifications to a Workgroup for assessment - should be considered best practice? May require changes to the modification templates to seek a view on demand information This solution should be included in the Review Group action plan for implementation and review.

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					Yes/No	
		required.				
1.7	The modification process does not formally consider the impacts of change across the industry unless there is a Significant Code Review ongoing.	Improve the visibility of industry change programme.	• Provides an overview of changes being assessed or implemented and their timescales. This will industry participants the opportunity to coordinate changes • Allows the industry to prioritise changes	• None	Yes	Consider amendments to the modification templates to ensure Panel and Workgroups assess potential industry impacts of any modification and its implementation timescales. Requires an amendment to the modification or Workgroup report template. This solution should be included in the Review Group action plan for implementation and review.
1.8	The governance of non code services is complicated and duplicates the UNC process	Change the governance of non-code services and ACS charges by bringing them into UNC, ensuring regard is given to allow services to be provided to non code parties.	• Removes dual governance arrangements and provides additional clarity on the process for change • Reduces complexity by requiring one process • Will allow all parties to participate in the governance of the process as not all parties are signatories to the User Pays agreement • Provides clarity on the charges for a service or system changes during the modification process	• TThought would need to be given on the scope to ensure periodic changes to prices do not require a modification to be raised • Thought would need to be given on the scope to ensure periodic changes to prices do not require a modification to be raised	Yes	Requires the development of a modification. This solution should be included in the Review Group action plan for implementation and review.
1.9	The user pays process is complicated and requires clarification	Subject to 1.8 above, the Joint Office should publish additional advice/guidance on the existing User Pays process to aid proposers.	• Provides assistance and guidance to industry participants on the process and how it can be used • Encourage participation in the change process	• The User pays process is complex and has a number of different options dependant on the stage of the process. It may prove difficult to provide clear guidance without increasing the complexity of the guidance provided	Yes	Develop a user pays guide. This solution should be included in the Review Group action plan for implementation and review.
2.	**Wider Ranging Industry Changes**					

2.1	Shippers do not feel they are directly involved with the management of Xoserve and the services it delivers on behalf of the industry.	Alter Xoserve's current board composition to include Shipper representatives, either as executive or non-executive directors (similar for example to Elexon). • These board members would have the same powers and responsibilities as other members of Xoserve's board. • Shipper representatives would be elected in a process similar to the UNC Panel Shipper election process. This option would require changes outside of the UNC process, including licence changes and changes to Xoserve's corporate structure.	• Alteration to Xoserve board membership could improve customer focus as the board would have direct access to customer views and experiences of services being provided by them • Xoserve may benefit from the wider industry experience when considering changes to the operation and delivery of its services • This option may allow a more transparent operating model for the delivery of Xoserve/Transporter services	• Board membership should be aimed at delivering the best outcome for Xoserve in reaching its strategic objectives. Detailed change management is not usually a topic for board consideration; therefore the board may not be focusing on its strategic objectives • There maybe Transporters licence impacts and is out of scope of UNC • How would potential board members be nominated and be representative of the industry • The timing of fundamental changes may need to be considered in terms of significant industry changes such as SMART metering	No	This solution would require significant changes to licence for Transporters and is out of scope of UNC
2.2	Should Xoserve tender for each change to its systems to provide evidence of rigor transparency to the industry in the delivery of system changes and costs.	Introduce Tender process; • Central system activities would be defined as discrete activities and would be tendered for provision by third parties. • Xoserve would act as the agent to ensure that the service is provided effectively and cost efficiently. • This option would require changes outside of the UNC process, including licence changes.	• The process is currently used in other Codes and may provide some benefits for the justification and transparency of change management and system development costs • My allow more bespoke changes to be developed and funded efficiently	• Xoserve would loose the benefits of longer term relationship managed through its existing service provider contracts • There may be a loss of knowledge and experience due to a wider range of service providers • Xoserve currently use a tender process based on a number of preferred service providers, this would just increase the complexity and cost of the process • There maybe	No	This solution would require significant changes to Xoserves current service provider contracts and is out of scope of UNC

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				• Transporters licence impacts and is out of scope of UNC • The timing of fundamental changes may need to be considered in terms of significant industry changes such as SMART metering		
2.3	There is very little transparency on Xoserves costs and this may be improved if it were subject to its own Price control.	Financial separation; • Xoserve would have separate funding arrangements (PCR) but would still be owned by the transporters. • This option would require changes outside of the UNC process, including licence changes.	• Creates a transparent funding framework for Xoserve • Would lead to improved information on the provision of services and changes to systems • Would help to demonstrate value for money for changes	• Increases the complexity of funding arrangements • The Transporter has the responsibility for delivering services • There maybe Transporters licence impacts and is out of scope of UNC • The timing of fundamental changes may need to be considered in terms of significant industry changes such as SMART metering	No	This solution would require significant changes to licence for Transporters and is out of scope of UNC
2.4	Shippers do not feel they are directly involved with and have little control over the management of Xoserve and the services it delivers on behalf of the industry.	Xoserve ownership change; • Xoserve would be owned by Shippers and Transporters. • Would require separate board and governance structure to direct strategies. • Board would be comprised of owners. • This option would require changes outside of the UNC process, including licence changes	• Would provide Xoserve with a whole industry view and responsibilities for managing process • Also see 2.1 above	• This option would require a review of Xoserve ownership, including transfer of equity • May cause conflicts on the delivery of services on behalf of Transporters • Also see 2.1 above • There maybe Transporters licence impacts and is out of scope of UNC • The timing of fundamental changes may need to be considered in terms of	No	This solution would require significant changes to licence for Transporters and is out of scope of UNC

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				significant industry changes such as SMART metering		

3.   Other Funding Options

3.1	The Review Group considered a number of charging options for User Pays services (3.1a to 3.1d) to identify if there is an opportunity to standardise the approach to allocating User Pays charges.	Options			Yes	The Review Group considered that there was scope to retain the different options for allocation User Pays cost and it would be dependant on the proposer to identify the most suitable method for allocating costs.
		3.1a Apportionment of costs by Market share: • By number Supply points • Energy use/throughput	• Transparent and easy to implement • Links costs to the modification	• The User is to pay even if they do not take the service, though this may be appropriate for some services		
		3.1b Only those who wish to use the service pay	• Targets costs at those who wish to use the service • Provides choice in service provision	• Requires an allocation mechanism • Requires an early commitment by parties who wish to take the service • Requires a process for charging late adopters and refunding early adopters of the service • May require a take or pay approach to funding • No visibility of service costs on an industry basis		The Review Group considered it is essential to know the apportionment of User Pays costs at an early stage in the modification process.
		3.1c Bundling up the analysis and development costs and then invoicing the industry at a	• Removes the requirement to bill for small amounts on a regular basis and so reduces administration costs • Provides a transparent view of industry costs	• Cost of development and payment is not as clearly aligned to a particular modification • May require a take or pay approach to funding		

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		regular interval: • Requires an allocation methodology • Requires regular reporting to and monitoring by the industry	• Allows flexibility to create or amend services without the need provide a new billing system			
		3.1d An upfront central change fund • Would require a cost allocation process • Approval of draw down of funds required	• Allows flexibility to create or amend services without the need provide a new billing system • Provides a transparent view of industry costs • Easy to administer once the industry agrees a budget • Provides transparency of system change costs • It should be easy to link costs to a specific modification	• May require a budget allocation process, in particular for over/under spend which may increase the complexity of the current approach • Does not target costs on those who wish to take the service		
3.2	Concern was raised that User Pays invoicing is over complex for the costs/charges involved and if there was an opportunity to consider an alternative method for the recovery of costs/charges.	Additional funding mechanism for the pass through of system change costs • Cost included in allowed revenue in the following Formula Year • Charged through Transportation Charges • Ofgem direction on Modification Proposal also used to determine qualification for inclusion in UP_t • Requires an allocation methodology	• Reduces administration involved with invoicing and billing User Pays charges • Greater flexibility for Shipper cost pass-through • Remains transparent as the process will still require a ROM or DCA etc. • Removes the complexity administering the process for those who choose to take the service at a later date	• Additional complexity to agree/justify funding • Requires the development of an allocation methodology • Does not target costs on those who wish to take the service	No	Requires the development of a modification and possibly a review of licence conditions

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3.3	Concern was raised to the identification and confirmation of benefits, costs and implementation timescales included in modifications and whether these can be demonstrated as being met following implementation.	Post Implementation Reviews for User Pays services	• Improves visibility of incurred costs to demonstrate the value of development/implementation of a modification or service • Provides participants with an opportunity to identify best practice and learn from the process	• None	Yes	Modification rules do not exclude the post assessment of modifications. Consideration should be given to the development of a template to seek industry views and experiences on implemented modifications. This solution should be included in the Review Group action plan for implementation and review.
3.4	Should the Joint Office request costs estimates for modifications directly from Xoserve to aid process transparency	Implementation of the Code Administrators code of practice • Requesting cost estimates	• There may be some benefit if the Joint Office requested cost estimates directly from Xoserve as this model would be similar to the Elexon model.	• There was concern that Transporters currently request Xoserve to produce costs estimate, this may be complicated if other parties such as Users and Joint Office can do the same – which request is prioritised	No	Would require a review of the modification rules to clarify the process to be adopted.

ANNEX 2 - RG0334 Action Plan Introduction

This is a draft document for discussion at the June Mod 334 workgroup meeting

The purpose of this document is to record perceptions, issues and topics associated with User Pays [and all Xoserve] services and identify tasks to take the matter forward. It is intended to be a "living" document subject to regular updates and reviews with actions assigned to relevant industry parties for progression. The document has been compiled from discussions under Modification Review Group 334 and other information from GT and Xoserve stakeholder reviews.

Note: the word "Industry" means an individual, sub-set, wider group or total of the Shipper, GT, supplier, MAM or other gas industry body

Note: this document only applies to modifications that would require a change (new, amended, removal) to Xoserve services or systems

Progress against this plan is to be discussed under the Governance Workgroup. Other topic areas can be raised by any party for addition to this plan. Any topics should clearly explain the problem / issue rather than just the solution.

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ANNEX 2

Topic area	Subject matter "today"	Action steps Xoserve	Action steps Industry	Action steps Joint Office	Progress	How things should look in 12 months time	Some measure / assessment of achievement against the plan
Modification process	Pre - mod discussions			Amend Mod template to strongly suggest that proposers contact Xoserve prior to raising their mod			
		Xoserve to attend Modification Panel meetings to provide input to modification discussions.			Completed.	Xoserve is seen as a valuable contributor to the Mod Panel, able to provide views on new modifications and information on relevant ROM, DCA, ACS documents for mods under discussion at the panel.	

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						Email box account set up, resources available Mod Proposal form updated to reference Xoserve, although further changes to be made Xoserve developing "change account management" role	There is no longer a perception that Network involvement can have a detrimental effect on Xoserve service offering. It is clear that Xoserve is a service provider to the industry and the GTs. There is no longer a view that Xoserve is not responsive to change. There has been a confirmed increase in customer focus for change for the industry. Xoserve is setting and managing expectations of the potential change, noting any requirements / dependencies on the industry. There is an effective working relationship with all stakeholders.	
			Xoserve to be available to Shippers for subject matter discussions, potentially (depending upon scale, confidentiality etc) provision of readily available information, and where possible, a view on the cost and timescale matrix. A topic may need to consider potential interdependencies with other change or planned change					
			Xoserve to provide information on the User Pays mod activities, e.g. what a ROM can and can't cover				The industry fully understands the purpose of ROM and DCA and how they are compiled.	
			Xoserve to initiate change topic discussions with the industry, where an opportunity is identified to improve industry processes. (Note: Xoserve will not be able to raise UNC mods)			Xoserve developing "change account management" role		

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			Industry to contact Xoserve to discuss Modification Proposals prior to raising		Xoserve receiving more pre-mod contacts and supporting as required.	The industry contacts Xoserve with ideas prior to raising a modification proposal	Measure of number of modifications raised where Xoserve contacted / not contacted
	Mod activities	Continue to support modification development with provision of data, including ROM, DCA and ACS analysis			Xoserve developing "change account management" role	Xoserve has demonstrated it is offering value for money services. There is a clear explanation of costs, timescales, dependencies and industry requirements e.g. demand, viability assessment stage. The industry understands how a perceived small change can have much greater consequences within UK Link systems	
		Improve insight to Xoserve change process. Explain typical change cycle Need to outline each change - timescales, costs, dependencies, requirements on the industry.			Xoserve developing "change account management" role	Xoserve is able to present a global change picture and maintain this on a [six-monthly] basis. Xoserve change team readily available to the industry.	
		Propose other business options that achieve the same objective where applicable			Xoserve developing "change account management" role	Xoserve has shown greater leadership on change	

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					Mods progress on a viable business case and there is commitment to use the services envisaged.	
		Joint Xoserve and industry discussion regarding whether mod is aligned to the broader change programme and that, if not, the investment is economic and efficient				
			Determine and agree funding (development and ongoing) as soon as possible within the process. Recognise that without this the progress of the change proposal will be impeded.			
			Provide demand information as required to support development			
			Conduct viability assessment prior to commitment to proceed			
		The implementation process is not tied to the development and costing process. There needs to be more rigor and transparency to manage the implementation of system changes and operational costs	Oversight committee suggestion The industry has suggested greater involvement / influence over the priority of changes. Xoserve developing "change account management" role. Overall change programme lacks industry agreed prioritisation and transparence within the programme / plan.			

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				Collate feedback on industry performance within the change process and if this feedback suggests the industry is impeding change the industry is required to address this.			
				Ensure focused and effective workgroup discussion to facilitate efficient change discussions		Effective change discussions to develop the optimum solution. Participation at the right stage of the change process.	
	Post mod activities			Convene post modification review for lessons learned Note: applies to implemented and non-implemented mods. Clear terms of reference to be established. Non-defensive environment required.	Xoserve developing "change account management" role		

						Mods are reviewed in a way to identify the lessons learned that could be applied to future mods. The review is to encompass the journey of the mod through the mod process, the review should not repeat any particular position regarding the mod, a "blame" meeting will not be constructive	
			Support constructive post modification review				
Other subject areas	Provision of Xoserve commercial services	Promote Xoserve services. Xoserve can provide services on a bi-lateral basis				The industry can contract with Xoserve for services	
	Xoserve day to day services	Publish performance against UNC standards				The industry is mindful of the extent of "day to day" work in proportion to the change activities	
	Fundamental suggestions on which Mod 334 group did not reach consensus	Industry not directly involved with management of Xoserve. Industry board member or change in ownership of Xoserve	No action required at present				
		Xoserve to tender for services to change its systems					
		Xoserve subject to own price control					
	ACS governance in UNC		Desire for this to happen				

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	Non Code services to UNC		Desire for this to be explored further				

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