

EFFICIENCY REVIEW DELIVERY PROGRAMME 2023-2024

Customer Advisory Board

Terms of Reference

Version 1.0

1 Background

Earlier this summer, Xoserve appointed a leading international consultancy to assess the efficiency of its 2022/23 expenditure, the findings of which were shared with customers in September.

Xoserve has committed to implement the recommendations of the review and has identified finding actions to further explore and has established a programme for this purpose. The programme, under the sponsorship of the Head of Finance, has grouped these finding actions into five categories each with their own respective Senior Leadership Team (SLT) leader:

- Contract Strategy
- Contract Application
- Change
- Customer Reporting
- Financial & Operational Reporting

2 Purpose

Several of the reviews' recommendations can be addressed by Xoserve directly or through its supply chain without wider customer impact. Others, whilst reducing Xoserve's costs, could impact the other aspects of Value for Money identified by the reviewer namely Agility, Risk and Reliance, and Quality. Xoserve is therefore very keen to understand customers' relative priorities when considering these trade-offs between the respective aspects of Value for Money.

Other recommendations are not entirely within the gift of Xoserve to implement and will require the co-operation of customers to deliver the desired outcomes and may include

changes to their processes and systems. These changes may not be supported by all customers and again the trade-off between efficiency in Xoserve and that in customers need to be considered as Xoserve progresses.

Xoserve proposes establishing this Customer Advisory Board (CAB) to consider these important issues as it develops its programme. It is anticipated that not all customers will have the same opinion of these trade-offs which adds to the importance of the CAB and its membership.

CAB Membership

The CAB will be made up of a balanced mix of transporter and shipper representatives ideally drawn from all the groups listed below:

- Distribution Network Operators
- Independent Gas Transporters
- Shippers (Class A)
- Shippers (Class B and C)
- National Gas Transmission

Xoserve CDSP:

Role	Name	Contact
Programme Sponsor	James Spicer	James.spicer@xoserve.com
Programme Manager	Tracy O'Connor	Tracy.oconnor1@xoserve.com
SLC Accountable – Change / Customer Reporting	Emma Smith	Emma.smith@xoserve.com
SLC Accountable – Contract Strategy / Contractual Application	Chris Dwyer	Chris.dwyer@xoserve.com
SLC Accountable – Financial & Operational Reporting	James Spicer	James.spicer@xoserve.com
Head of External Affairs	Dave Turpin	Dave.turpin@xoserve.com
Business Plan Manager	James Rigby	James.rigby@xoserve.com

To preserve confidential information, there will be a requirement for a confidentiality agreement (NDA) to be signed.

There is a need for consistency and agility throughout the programme. Wherever possible, meetings will be virtual (via Teams), and arranged for dates and times that are convenient. CAB members should nominate a deputy if they are not able to be available for an extended period (2 meetings or more).

During this membership, CAB members should always act in the best interests of the gas industry.

CAB members should have a good understanding of the overall gas industry and the specific role of Xoserve within it, and touch points within their own organisations.

3 Duration

It is envisaged that the CAB will support the development phase of the programme and will operate for the next six months which will help inform the cost profiles included in version 1 of BP25 which will be issued before the end of October 2024. The governance of the implementation of any changes with any customer dependencies will be treated on a case-by-case basis and will use the established Change and Contract Committees.

4 Roles and Responsibilities

The CAB will be expected to:

- 1) Review the response to any finding actions to confirm Xoserve's opinion that the proposed means of implementation would not have a detrimental customer impact either in terms of customers systems or processes, or in any degradation to the overall Value for Money of the Xoserve service. Once confirmed, these actions would proceed to implementation and the costs and benefits of such included in draft 1 of BP25 and subject to wider customer engagement.
- 2) Review the proposed implementation of those finding actions where, in Xoserve's opinion, there would be an impact to its Agility, its Risk/Resilience profile, and/or the Quality of its service to confirm that based on the high-level quantification of this impact that this is worth further exploration. The output from this exploration would be shared with CAB until such a time as the proposal is sufficiently robust to proceed through the established DSC committees.
- 3) Review the finding actions which will require changes to industry processes and may therefore require changes to customer systems and processes, to ensure that the full business case of such changes is considered. The development of these cases is likely

to be an iterative process until such a time as the proposal is sufficiently robust to proceed through the established DSC Committee and UNC modification processes as necessary.

- 4) Embrace and apply the values of the 4E (VfM) Framework - Economic, Efficient, Effective, Equitable.

In undertaking this role, CAB members are expected to represent their constituency whilst acting in the best interest of all customers. Ideally CAB members will have a deep understanding of the operational processes in their own organisation and understand where these are, or are not, representative of other customers in their constituency.

CAB members will not be expected to provide legal, contractual, or regulatory advice, as these matters will be considered if, and when, any proposals are submitted to the respective DSC committees for approval. Once approved by these committees, implementation and reporting will be covered in the normal manner.

5 Time Commitment

CAB members should be able to commit to attending a series of meetings over the 6-month period.

6 Communication

CAB members shall communicate with one another via Teams meetings arranged by Xoserve or e-mail, maintaining the confidentiality of all information exchanged between them. Where possible a file-sharing system (such as SharePoint) will be used to share information, and an access link provided to each CAB member.

7 Version Control

Version	Date	Comments	Published
V 0.1	13/11/2023	To be reviewed by Xoserve SLC prior to publication	No
V0.2	24/11/2023	Updated after review with programme board members and approved at SLC for sharing	No
V1.0	29/11/2023	Xoserve approved version, issued for Industry comments	No

Appendix

Customer Advisory Board – Terms of Reference			
Frequency & Duration	<ul style="list-style-type: none"> Monthly, virtual via Teams Approx 90 minutes per meeting but as required Cancelled, with slides circulated if no insights required 	<ul style="list-style-type: none"> This will exist for an initial 6-month period; assessment will be sought to determine at which point it will be ceased and for Xoserve to continue in delivery of the programme 	
Purpose & Objectives	<p>The Customer Advisory Board (CAB) has been established to work with Xoserve to implement recommendations from the 2022/23 efficiency review whilst considering the following as Xoserve develops its programme:</p> <ul style="list-style-type: none"> Several of the reviews' recommendations can be addressed by Xoserve directly or through its supply chain without wider customer impact. Others, whilst reducing Xoserve's costs, could impact the other aspects of Value for Money identified by the reviewer namely Agility, Risk and Reliance, and Quality. Xoserve is therefore very keen to understand customers' relative priorities when considering these trade-offs between the respective aspects of Value for Money. Other recommendations are not entirely within the gift of Xoserve to implement and will require the co-operation of customers to deliver the desired outcomes and may include changes to their processes and systems. These changes may not be supported by all customers and again the trade-off between efficiency in Xoserve and that in customers need to be considered as Xoserve progresses. <p>It is anticipated that not all customers will have the same opinion of these trade-offs which adds to the importance of the CAB and its membership.</p>		
Governance Role & Responsibility	<p>The CAB will be expected to:</p> <ul style="list-style-type: none"> Review the response to any finding actions to confirm Xoserve's opinion that the proposed means of implementation would not have a detrimental customer impact either in terms of customers systems or processes, or in any degradation to the overall Value for Money of the Xoserve service. Review the proposed implementation of those finding actions where, in Xoserve's opinion, there would be an impact to its Agility, its Risk/Resilience profile, and/or the Quality of its service to confirm that based on the high-level quantification of this impact that this is worth further exploration. Review the finding actions which will require changes to industry processes and may therefore require changes to customer systems and processes, to ensure that the full business case of such changes is considered. The development of these cases is likely to be an iterative process until such a time as the proposal is sufficiently robust to proceed through the established DSC Committee and UNC modification processes, as necessary. Embrace and apply the values of the 4E (VfM) Framework - Economic, Efficient, Effective, Equitable. <p>In undertaking this role, CAB members are expected to represent their constituency whilst acting in the best interest of all customers. Ideally CAB members will have a deep understanding of the operational processes in their own organisation and understand where these are, or are not, representative of other customers in their constituency.</p>		
Inputs	<p>Materials to be shared prior to meeting:</p> <ul style="list-style-type: none"> Updated action log / minutes from previous meeting Programme progress including risk, issues, assumptions & dependencies Finding actions / topics for discussion 	Outputs	<p>Output to be issued day following meeting:</p> <ul style="list-style-type: none"> Minutes including recommendations and insights Actions noted in meeting & updated action log Outputs to be shared in an accessible file sharing location
Standing Attendees	<p>Xoserve:</p> <ul style="list-style-type: none"> Programme Sponsor Programme Manager SLC Accountable – Change / Customer Reporting SLC Accountable – Contract Strategy / Contractual Application SLC Accountable – Financial & Operational Reporting Head of External Affairs Business Plan Manager 		<p>Customer Representatives from following Customer Constituent Groups:</p> <ul style="list-style-type: none"> Distribution Network Operators Independent Gas Transporters Shippers (Class A) Shippers (Class B & C) National Gas Transmission
Quorum	<ul style="list-style-type: none"> This is not a decision-making board. The board will be seeking recommendations / insights from Customer representatives to help provide benefit / business case for each of the efficiency review finding actions. 		