

**JOINT GOVERNANCE ARRANGEMENTS COMMITTEE**  
**MINUTES OF THE 27<sup>th</sup> MEETING HELD ON THURSDAY 13 FEBRUARY 2014**

**Attendees:**

**Representatives:** A Musgrave (AM), Scotia Gas Networks; A Raper (AR) National Grid Distribution); S McGoldrick (SMc), National Grid NTS; S Parker (SP) Northern Gas Networks and S Edwards (SE) (Chair, Wales & West Utilities)

**Joint Office:** L Jenkins (LJ) and R Fletcher (RF)

**Also in attendance:****27.1. Introductions**

It was confirmed that SMC is representing National Grid NTS for this meeting.

**27.2. Minutes of last meeting and actions arising**

The minutes from the last meeting we approved.

**JGAC2301:** JF to provide proposed JGAA change to accommodate SEC implications

**Update:** See 27.3 below. **Completed.**

**JGAC2303:** Representatives to provide a view on moving to the JO managing a centralised service for legal text provision

**Update:** Not discussed. **Carried Forward.**

**JGAC 2601:** TD to provide a handover document explaining the roles of the Panel Chair and Chief Executive.

**Update:** LJ confirmed the document had been provided. **Completed.**

**JGAC 2602:** LJ to draft a Letter to Panel members for circulation after the meeting with Ofgem planned for 11 December.

**Update:** LJ confirmed the letter had been circulated and sent to Panel. **Completed.**

**27.3. JGAA**

SP advised that he had circulated Schedule 6 SPAA Executive Committee and Smart Energy Code Matters for consideration and approval. Members agreed the Schedule 6 was approved.

SE asked members to note that two transporter representatives attend SPAA and both have voting rights. While it was desirable that the voting rights should be retained, it may be beneficial if the transporter representatives alternate their attendance as SPAA is supplier centric and there is very little involvement for transporter representatives.

Members agreed it was worthwhile holding the annual review of the JGAA back until there was certainty around the Panel Chair requirements.

## 27.4. Budget

LJ advise that the budget is still to be provided and asked for it to be held over. SP asked on progress of the 2014/15 budget preparation. LJ advised that he did not have the figures to hand as National Grid was still preparing these. AR agreed to urge the preparation of the budget forecast in time for the next meeting.

LJ asked members to note that as highlighted at the February 2013 meeting, the JO laptops would require replacement and that they have been able to extend the life by a further year to 2014 but replacement was required soon.

SP asked if the costs were built into the 2013/14 budget, or should they be built into the 2014/15 budget?

LJ agreed to consider the options and provide an update on budget impacts at the next meeting.

**New Action JGAC 2701: LJ to provide a budget update including replacement of IS equipment.**

## 27.5. Panel Chair Consultation

LJ gave a brief overview of the responses received and asked if members had any comments on the report and the proposed way forward. SP asked if it would be possible to provide costings and scope of the role prior to advising Panel on the report recommendations and timeline. SP also questioned value for money, how was this set out in the report as he did not want to follow a process which could then be questioned by Ofgem.

SE agreed it would be worth doing a review of the role and costs; that said members should consider the nature of the responses received and that it should be expected that the process in the draft report would need to be followed at some point in the near future.

LJ explained the CUSC process, with a cost of around £30k per year plus expenses and a similar cost to recruit. First year is around £60k plus expenses. The CUSC chair is appointed as a consultant to National Grid and is not a direct employee.

AR offered the opinion that it is unlikely these recommendations would overturned by Ofgem and that the process should be followed.

LJ was concerned about meeting the appointment process timeline if too much time was spent on demonstrating the costs and role to the industry as this process was already used in other codes. LJ asked if they were happy with the appointment committee approach. SP felt this was a transporter responsibility so how would the process work in practice – which would be the contracting party. AM agreed with the approach of understanding costs and scope before providing details to Panel. However, he wanted a recruitment process, which is decoupled from transporters as this was apparent in representations – he would like a view from Panel on this point.

AM asked if a wider view should be taken when considering succession planning for the JO – should a wider scope be considered to decouple all JO staff from transporters.

Members agreed that a cut-down version of the report should be presented to Panel explaining that further details would be provided at a future meeting.

**New Action JGAC 2702: LJ to provide the following:**

**Define the role of the Panel chair and compare with other codes and the process used by SEC;**

**Provide costs and outline the contracting/appointment process;**

**Provide a deputy Panel chair process;**

**by the next JGAC meeting.**

**New Action JGAC 2703: LJ to provide an update on the Panel Chair consultation to Ofgem.**

## **27.6. Customer Survey**

LJ gave an overview of the customer survey results. AM highlighted a typing error on page 3 and questioned the mathematics % comparisons. LJ agreed to review the values and providing an updated report to Panel if required.

AR asked for further details on the dissatisfied scores and why the comments had been made. LJ explained that the comments would be extracted and provided to members for their consideration. SMC asked why there were 36 comments on page 3 when 38 responses had been received. LJ advised that none of the questions are mandatory and for that particular question only 36 responses were received.

**New Action JGAC 2704: JO to provide an extract of the dissatisfied comments received in the Customer Survey**

## **27.7. Key Performance Indicators**

LJ gave an overview of the KPI report. AM asked about Ofgem decisions, the numbers do not seem to match in the report. Also, why is the reporting within date % so low, is this unrealistic timescale by panel. LJ agreed it was in part but that it would be a combination of complexity and ability of participants to deliver.

AM questioned the time taken from raising a modification to getting a decision, why does it take so long? Is it a problem with the process compared with other codes. How does this compare with previous years performance.

**New Action JGAC 2705: LJ to provide an overview of time taken from raising a modification to decision and how it compares to other codes and previous years.**

## **27.8. Any Other Business**

### **a) Additional Staff resource**

Members were happy to approve the request subject to understanding the availability of the right person for the job. What is the job specification and confirmation the job role and grade were matched. There were concerns that the grade is overstated for the role required, as they understood it.

AM asked if it is possible to recruit externally or does the person have to be recruited internally from National Grid. SE wanted to get a view of the role based on National Grid terms and conditions as they consider this role is overstated.

SP asked if this should be considered as a longer term change process to get the right level/grade of staff for the transition into the future. AM wanted to consider the succession plan and should consideration be given to making the JO more externally based from an employee perspective.

LJ advised that the job role is based on a Level 7 role with a salary ranging between £30 to £39k with top end not exceeding £45k.

**New Action JGAC 2706: LJ to provide details of the job role and salary costs for new appointment.**

b) Change Overview Board

SE explained the requirements for this role and why they supported the wider industry view that the JO should undertake this activity. Representatives agreed that they would support LJ chairing this new group but wanted to keep the additional workload under review. Resource and budget impacts were considered and it was suggested that these factor into the discussion of items 27.4 and 27.8(a) at the next meeting.

## 27.9. Date Planning and Content of Next Meeting

Representatives agreed to meet via teleconference commencing at 10.30am on 07 March 2014.

### Action Summary

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 2302	13/09/13	23.4	Provide proposed JGAA change to accommodate SEC implications	NGN (JF)	Completed
JGAC 2303	13/09/13	23.6	Representatives to provide a view on moving to the JO managing a centralised service for legal text provision	Representatives	Carried forward
JGAC 2601	29/11/13	26.3	Provide a handover document explaining the roles of the Panel Chair and Chief Executive.	JO (TD)	Completed
JGAC 2601	29/11/13	26.3	Draft a Letter to the industry for circulation after the meeting with Ofgem planned for 11 December.	JO (LJ)	Completed

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 2701	13/02/14	27.4	LJ to provide a budget update including replacement of IS equipment.	JO (LJ)	Pending
JGAC 2702	13/02/14	27.5	LJ to provide the following:  Define the role of the Panel chair and compare with other codes and the process used by SEC; Provide costs and outline the contracting/appointment process; Provide a deputy Panel chair process;  by the next JGAC meeting.	JO (LJ)	Pending
JGAC 2703	13/02/14	27.5	LJ to provide an update on the Panel Chair consultation to Ofgem.	JO (LJ)	Pending
JGAC 2704	13/02/14	27.6	LJ to provide an extract of the dissatisfied comments received in the Customer Survey	JO (LJ)	Pending
JGAC 2705	13/02/14	27.7	LJ to provide an overview of time taken from raising a modification to decision and how it compares to other codes and previous years.	JO (LJ)	Pending
JGAC 2706	13/02/14	27.8(a)	LJ to provide details of the job role and salary costs for new appointment.	JO (LJ)	Pending