

JOINT GOVERNANCE ARRANGEMENTS COMMITTEE
MINUTES OF THE 42nd MEETING HELD ON THURSDAY 13 APRIL 2017

Attendees:

Representatives: D Handley (DH), SGN (Chair); D Lond (DL) National Grid NTS; P Rogers (PR), National Grid Gas Distribution; S Edwards (SE), Wales & West Utilities and S Parker (SP), Northern Gas Networks

Joint Office: L Jenkins (LJ).

Apologies: C Logue, National Grid NTS

42.1. Welcome

DH introduced proceedings, noting that all members or their appointed alternates were present.

42.2. Review of Minutes and Actions

The minutes from the last meeting were approved.

There were no outstanding actions.

42.3. 2016/17 Financial Update – Year end

LJ provided a brief overview of the current financial performance for the Joint Office. He reported a small overspend against the original budget, whilst noting that the costs for additional resources to underpin and backfill the JO had been included, making it a real underspend against the agreed budget extension.

JGAC noted that there were several items of unbudgeted infrastructure expenditure (such as a new conference phone, Ofgem's code administrator satisfaction survey and a rise in office rent) that had been accommodated as well.

JGAC thanked LJ for the financial report.

POST MEETING NOTE:

Total expenditure on the Joint Office in 2016/17 was £690k.

42.4. 2017 Q1 CACoP KPI Report

LJ introduced the latest Code Administrator Code of Practice KPIs, summarising what could be observed. In particular, attention was drawn to the healthy level of participation in consultations. LJ reported that this was favourable when compared to the historic levels for other Codes.

DH asked whether there was any direction from Ofgem on expected levels of self-governance modifications. LJ explained that the Code Governance Review direction to default to self-governance had been implemented in February 2017 and this should naturally result in more due to the materiality threshold that had been set.

LJ then provided an overview of a discussion that had taken place at the Modification Panel about the absence of explicit provisions in the Modification Rules to deal with Alternate self-governance proposals. Panel had acknowledged the gap and had agreed in principle a preferred way to address it. Richard Pomroy (WWU) was working on a modification to update the Rules. JGAC agreed that this was a suitable way to resolve the position.

SE asked whether a view of the annualised performance could be provided. LJ agreed that this could be done.

ACTION JGAC4201: LJ to compile and circulate a KPI report that covered the 16/17 financial year

42.5. Customer Survey Report

LJ provided an overview of the new report provided by Future Thinking, which had superseded the previous JO survey. Members noted that there was a wider perspective on code administration activities than they'd had before, along with a comparative view, and welcomed the additional analysis. The JO was noted to be well-placed relative to other administrators.

DH asked LJ for his view on the performance against the 'impartiality of the Chair' measure. LJ assured members that all parties were treated equally and that JO Chairs strived to involve all participants, whilst holding parties to account for their actions and behaviours. Sometimes this meant that it could feel to people that the Chair wasn't acting impartially, and particularly if one did not agree with the line being taken. Above all, the principles of good governance were upheld.

DH further highlighted the concerns raised about teleconferencing. LJ noted that this was a consistent theme right across the survey and was perhaps more of a technology problem – all CAs were working to improve the situation.

Finally, DH asked about the views that late papers were a problem. LJ agreed that there were always some examples of late papers and assured members that this was taken very seriously by the JO, with repeated reminders made (including in the notices for *every* meeting). Where people were persistently late this was addressed directly and/or escalated where necessary. There was a pragmatic position however that business needed to be done and it was ultimately beyond the JO's control. The JO rarely refused to accept a late paper since it was down to the relevant meeting participants to accept or otherwise reject them.

42.6. Solihull Office

LJ explained that Consort House was scheduled to be vacated during June 2017 and that he had been in discussion with National Grid Property (the JO's facilities provider) about alternatives. No existing (National Grid) Solihull property had space to accommodate the JO. Members considered the practicality and outline costs of a commercial office that was located in close proximity to the train station and was proposed to be shared with another NGGDL subsidiary (Affordable Warmth Solutions - AWS). It was agreed that there was no conflict of interest and that, in principle, sharing the costs was appropriate.

LJ advised that drawings for a proposed layout were being prepared and it was only at this time that it would be clear if the proposal was practicable.

JGAC authorised LJ to proceed as described, once he was satisfied with the layout and arrangements.

42.7. JGAA – Preparation for Annual Review

Members considered whether an annual review was appropriate at this time given that the last version, incorporating FGO-related changes, was still under consideration by Ofgem. LJ advised that an explicit Ofgem approval was not typically provided and it was customary to wait 90 days (ie 09 June 2017) before publishing a revised version (unless Ofgem objected). It was agreed that the decision on the annual review be deferred to the July meeting.

42.8. UNC Panel – Independent Chair Process - update

LJ outlined progress since the conclusion of the Appointment Process consultation.

Appointment of the Selection Adviser was progressing to plan and it was hoped to have the initial meeting on the specifics of the role within the next few weeks. Members of the Advisory Panel had been engaged.

42.9. Any Other Business

42.9.1 Staffing Update

LJ confirmed that Chris Shanley’s temporary period had ended and he had now left the JO. Lorna Dupont would likewise be leaving at the end of April 2017.

An advertisement had been placed to recruit the second Workgroup Coordinator as agreed previously. PR encouraged members to consider whether this could be a useful development opportunity for any of their people. LJ agreed to circulate the job description to members to support this.

ACTION JGAC4202: LJ to circulate the WG Coordinator role description

42.9.2 Legal Text Update

LJ provided an update on the status of Legal Text:

- In the last year there have been 4 instances of Legal Text (LT) being delivered after the Panel-set deadline (in the context of 36 overall)
- Contract Managers have been asked to address the following items:
 - To adopt a standard style for Text Commentary
 - To stop using ‘draft’ in reference to LT – there is no such concept in Code and it confuses parties
 - To be absolutely clear in their covering email when the LT is the version to meet the Panel request.

There had been questions asked about when the text for Modification 0565A (FGO) would be published. LJ put the work in the context of FGO, where the timeline was compressed for the considerable amount of work involved and this had naturally produced a risk that the legal text would not be exactly right first time.

LJ assured members that the text was receiving urgent attention; there had been several issues in the provided documentation that meant a considerable administrative input had been required to fit the new text into Code. It was anticipated that this would be fundamentally complete by the end of Thursday 13 April, although he noted that the JO had a few further queries outstanding with NGGDL. These were hoped to be resolved shortly.

PR had asked Chris Warner to engage with the JO to better understand the issues arising to see if improvements can be made to text submissions and subsequent translation such that the need for manual intervention can be reduced or removed.

42.10. Diary Planning and Content of Next Meeting

JGAC (2017) meetings will take place as follows:

Time/Date	Venue	Agenda
10.00 – 11.00, Monday 17 July 2017	Via teleconference	Finance Q1 17/18 CACoP KPIs Q2 Office relocation JGAA Annual Review

		Independent Panel Chair
10.00 – 11.00, Monday 16 October 2017	Via teleconference	tbc

Action Table					
Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
JGAC 4201	13/04/17	42.4	Compile and circulate a KPI report that covered the 16/17 FY	LJ	Complete
JGAC 4202	13/04/17	42.9.1	Circulate the WG Coordinator role description	LJ	Complete