Title: DSC Contract Management Committee – Funding Update for CSS Consequential by Emma Lyndon

**Purpose**

* 1. This paper aims to provide DSC Contract Management Committee members an update regarding the utilisation of the approved budget line funding for CSS Consequential (CSSC)

1. **Background**
   1. The CSS Consequential programme is established to undertake changes to Xoserve’s systems and processes that are impacted as a consequence of the introduction of the Central Switching Service by Ofgem and DCC.
   2. Xoserve has completed high-level analysis, requirements gathering and customer engagement as well as High-Level Design (HLD) in order to provide Xoserve the best opportunity to meet Ofgem’s programme time scales. These activities were undertaken within the approved BP18 budget.
   3. BP19/20 contains an estimated budget entry for CSS Consequential based on initial analysis and Ofgem’s 2020 delivery plan.
   4. Xoserve commenced Detailed Design in April 2019 utilising the approved £3.6m funds from the BP19 budget.
   5. Release of funds is now required, as per the plan, for the Build, Test and Implementation phases. These phases include all changes within Xoserve systems such as UK Link, Gemini and shared components, internal and external testing as per Xoserve and Ofgem Switching Programme specifications and requirements.
2. **Update**
   1. Xoserve activities are currently being delivered to plan however this is dependent on the Switching Programme plan holding timelines
   2. There has been delays in DCC’s procurement of the CSS Provider; this has resulted in a 6 week delay in the Switching programme entering the design, build and test phase. Xoserve are currently tracking to plan, however are proceeding at risk, should key Switching Programme milestones not be achieved by the CSS Provider.
   3. Xoserve had estimated full delivery costs based on a 2020 implementation date. In October 2018 Ofgem revised the implementation date out to June 2021.
   4. The Switching Programme is expected to issue a re-baselined programme plan and the CSS Provider’s Physical Design in July. At this point, Xoserve will be undertaking another iteration of assessment and a planning exercise to understand impacts to Xoserve delivery. It is expected that costs will increase both due to timeline change as well as the potential risk of physical design changing base (industry-wide) assumptions.
   5. Any forecast change in costs associated with the re-baselined Switching Programme plan or changes to the Physical Design will be presented at the CoMC session in September, provided the Switching Programme holds current timelines for the publication of their plan and design. These revised costs will be incorporated into the BP20/21 budgets via the usual business planning process.
   6. Build commenced in June 2019 and Xoserve is in the process of contracting with its partners that commit expenditure through all remaining phases.
   7. This paper is aimed at providing CoMC an update regarding the utilisation of approved Budget line funding for CSSC.