

Memo

From: Gareth Evans

Date: 26 June 2015

Co-ordination of inflight industry change

The Change Overview Board is intended to provide a central point for sight of industry changes and as such is the natural owner for identifying conflicts and inefficiencies associated with individual changes on the broader industry change program. Whilst the Board focuses on changes as they developed there is also a need to maintain oversight of inflight programs to ensure that their delivery remains optimal.

The need for this in-flight management can be demonstrated by considering the impact of the change in the delivery date for Project Nexus has created. Other changes that have previously been aligned with or whose implementation dates have been based upon delivery after the implementation of Nexus need to be assessed in light of this change.

Case study: Implementation Issues for new Guaranteed Standards of Performance obligations

Background

Ofgem is consolidating the current Guaranteed Standards of Performance (GS) and Overall Standards of Performance (OS) into a single statutory instrument. This document place a series of standards on suppliers (and transporters) that must be met when undertaking certain customer facing activities, such as visiting sites, fixing meters and reconnecting customers after settling of outstanding debts. Failure to meet these standards results in a fixed payment to the customer. Importantly the onus is on the supplier to monitor performance and to “self-fine” if it fails to meet them.

As part of the consolidation process, Ofgem has taken the opportunity to review the obligations. The most significant change is extending the requirement to keep appointments made by the supplier to microbusiness gas customers. At present there are no obligations in the non-domestic market and so this means that all suppliers will have to develop and operate a new process for tracking adherence to this new standard and for triggering payments when it is breached. It therefore requires significant system development. This is against a back-drop of unprecedented industry system change.

Implementation Deadlines

Whilst the policy position has not changed substantially the timeline for implementation has done so:

- 30 June 2014 consultation – “*After the consultation has closed..... change the standards of performance later in the year [i.e. December 2014]*”.
- 16 December 2014 consultation – “*new process would commence from 1 July 2015*”.
- Current position. After bilateral discussions a date of 1 January 2016 has been set. It should be noted that the changes have not been formally approved and so this date is not confirmed.

Issues Arising

As it currently stands there are two issues for suppliers with these current proposals:

- As the policy has not been formally decided upon, it is uncertain as to what the solution is and no formal deadline has been set. It is difficult to commence detailed system at this point.
- The current *indicative* timeline and solution will require significant system change just prior to the implementation of Project Nexus. This will mean effectively duplication in cost and effort as both pre and post Nexus systems will need to be changed. *To avoid this would require alignment of this policy decision with the start date of Project Nexus*