

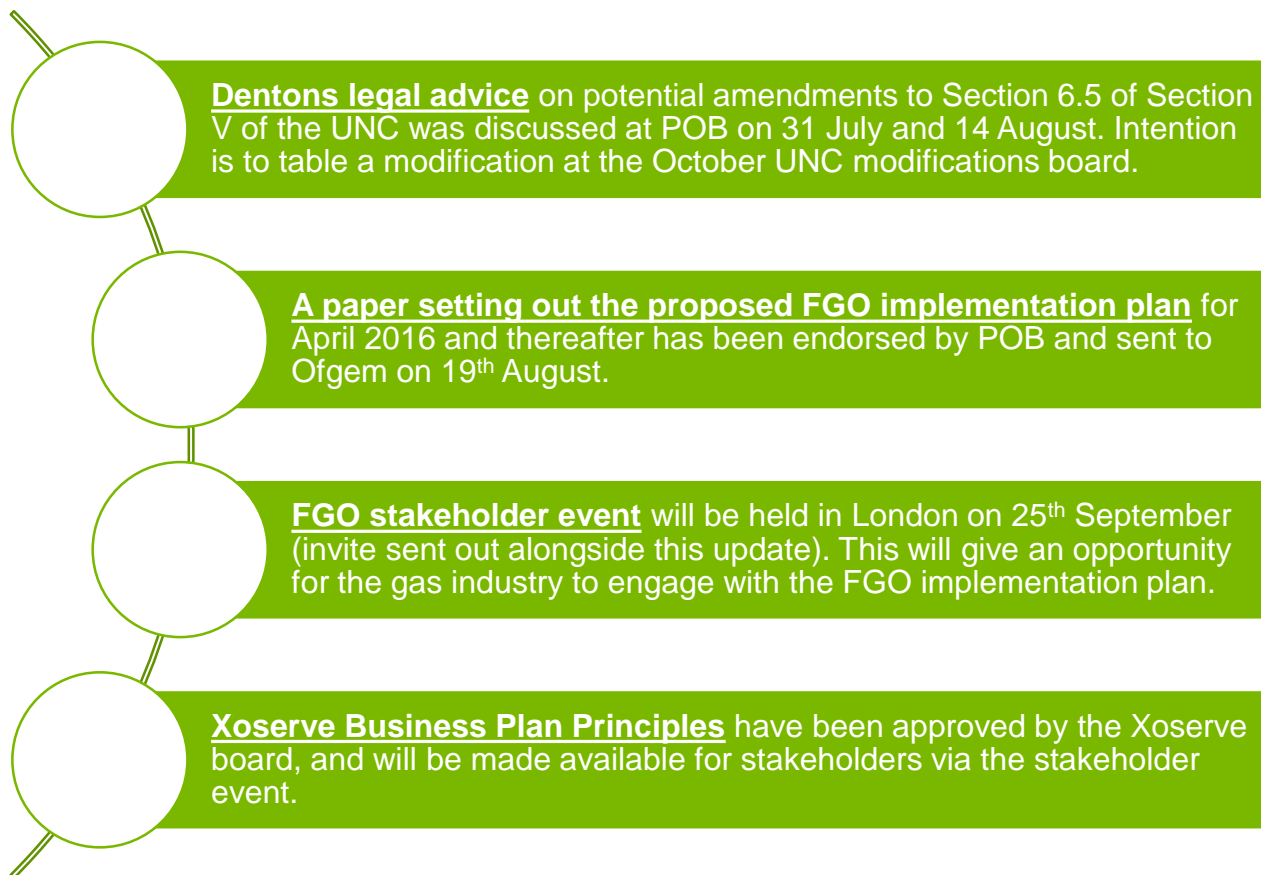
Xoserve FGO

Monthly update

27 August 2015

FGO programme update – Executive summary

The FGO programme continued to progress throughout August.



FGO programme update – Executive summary

FGO workgroups continue to develop detailed FGO deliverables. Highlights are:

Business plan and budgeting

- Xoserve Board have now approved Plan Principles and will circulate to stakeholders via the FGO stakeholder event in September

Charging and cost allocation

- Charging methodology being developed based on identification of users of ASA service lines and Xoserve cost base breakdown.

CDS governance

- Terms of Reference refined and discussed for change and contract management groups.

Corporate governance.

- Detailed deliverables to be presented to POB 11th September.

Obligations and contracts

- Review of ASA completed to scope legal redrafting exercise, summary of review to be presented to POB on 11th September.

FGO programme update – August 2015 activities

Work area	Update
POB meetings	<p>31st July meeting</p> <ul style="list-style-type: none">• Group discussed draft paper setting out proposed FGO implementation plan for April 2016 onwards.• Group discussed arrangements for the September stakeholder event.• Group discussed Dentons advice around new legal construct to replace existing contractual arrangements (Agency Services Agreement) with a Data Services Contract between Xoserve and users, supported by UNC obligations. <p>14th August meeting</p> <ul style="list-style-type: none">• Further discussion on Dentons legal advice on potential amendments to Section 6.5 of Section V of the UNC to develop a preferred option. It is planned to develop an option to put before the October UNC modifications board.• KPMG presented revised draft of FGO implementation plan paper, taking on board POB members' comments. This paper was submitted by the POB Chair to Ofgem for consideration on 24th August. This document will form the basis for the September stakeholder event.• The group discussed plans for the September stakeholder event, including agenda and event format. <p>Next meeting on 11th September</p>

FGO programme update– August 2015 activities

Work area	Update
Business plan and budgeting	<p>No further workgroup meetings held</p> <ul style="list-style-type: none">• Xoserve have finalised their Business Plan Principles.• September stakeholder event will be used to communicate Business Plan Principles with industry, plus other routes such as Sharepoint site, Xoserve and Joint Office websites. <p>Aim is for all parties to provide feedback on the interim process as it progresses, with a further workgroup planned for late September.</p>
Charging and cost allocation	<p>Workgroups held on 27th July, 10th August and 24th August, plus bilateral KPMG/ Xoserve meeting on 5th August</p> <ul style="list-style-type: none">• Xoserve provided a more granular breakdown of its cost base, with costs allocated to groups of service lines.• Group identified ASA service lines where services users could be identified at a high level, and identified and worked through areas of the ASA where users could only be identified at an individual service line level.• Group discussed approaches for allocating costs between users (e.g. supply point basis).• This work will form the basis for a revised draft cost allocation and charging methodology, to be presented to next workgroup. <p>Next workgroup on 21st September – Birmingham</p>

FGO programme update– August 2015 activities

Work area	Update
Governance - CDS	<p>Workgroup on 27th July</p> <ul style="list-style-type: none">• Workgroup reviewed the draft terms of reference for the contract management and change management groups, which had been standardised and consolidated by KPMG following previous workgroup meeting.• Contracts and Obligations workgroup on 10th August discussed potential drafting changes and potential modifications to existing KPIs and/or management information. The interaction between change and contract management groups and the UK Link committee was also discussed.• Contracts and Obligations workgroup on 24th August discussed the interaction of change and contract management groups with UK Link Committee. <p>Next workgroup on 21st September – Birmingham</p>

FGO programme update– August 2015 activities

Work area	Update
Governance - Corporate	<p>Workgroup held on 17th August</p> <ul style="list-style-type: none"> • Group discussed detail underlying proposals in implementation plan. Matters raised included: <ul style="list-style-type: none"> - Potential for review of new board arrangements; - Arrangements for ensuring board has sufficient specialist expertise; - Board subcommittee arrangements; and - Remuneration and performance management. • KPMG to develop detailed draft deliverables for corporate governance for discussion at POB. <p>11th September POB to discuss draft deliverables.</p>
UNC obligations and contracts	<p>Workgroups held 10 August and 17 August. Discussions at POB 31st July and 14th August</p> <ul style="list-style-type: none"> • The GTs have been working with Dentons to seek a legal view on amendments to Section 6.5 of Section V of the UNC, and a number of other associated modifications. The aim is to commence the UNC modifications process at the October modifications board and move to implement FGO. Dentons advice has been discussed at POB on 31st July and 14th August. • Contracts and Obligations workgroups have been reviewing schedules of the ASA to identify where significant redrafting will be required in order to implement FGO and to inform the drafting instructions for the legal review. A first review of all service lines has now been completed: a summary of this work will be presented to POB on 11th September. <p>Next workgroup will be on 21st September- Birmingham</p>

Further information

Meeting dates and locations are available on the Joint Office website

All POB, workgroup and programme materials are available on the FGO SharePoint site

- Email FGOcentral@kpmg.co.uk to receive login details

Please contact FGOcentral@kpmg.co.uk for any queries or assistance

If you would like to attend a scheduled meeting, then please email FGOcentral@kpmg.co.uk to confirm your attendance

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