Proposals for Enduring Delivery Governance
Draft For Discussion at DSC Change Commitee

13 Sep 17

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1. Background

Project Nexus was delivered on 01 Jun 17 and the PIS period concluded as planned on 31 Aug 17. The eventual successful delivery of Project Nexus was facilitated by a comprehensive delivery governance structure that was set in place by Ofgem. That delivery governance structure has now been stood down however it is recognised by Xoserve, many market participants and by Ofgem (in their exit report) that the current DSC committee structure is lacking a delivery function.

This document sets out Xoserve's initial proposals for establishing such a delivery function. The objective is to have the new function in place to support the delivery of UKLink's R2.0. With that in mind, comments are being sought in September from the DSC Committees and market participants directly with a view to presenting final proposals to DSC for approval in October.

The remainder of this slide pack sets out the proposals at this point and is broken down into the following sections:

- **Principles adopted in developing these proposals:** In which the design principles that have been used are set out.
- **Summary of the proposals:** In which the proposals themselves are summarised as follows:
  - Key Features
  - Role of the proposed DSC Project Delivery Committee
  - Proposed membership and voting rights
  - Potential models for small and large project delivery
  - How the proposals would work in practice
- **Next steps:** The steps required to further develop the governance model.

2. Principles adopted in developing the proposals

The following principles have been used when considering the development of these governance proposals:

Ability to scale	The proposals must allow the delivery function to scale appropriately according to the complexity and the magnitude of the task at hand. For instance, Project Nexus required the establishment of various sub-groups tasked with specific issues (e.g. market trials, data migration, transition etc.). While such a structure may be appropriate for a large delivery project it would be over complex for a smaller more contained release.
Clarity of responsibility	The proposals must establish clear handoffs between the existing governance arrangements (most notably the DSC Change and DSC Contract Committees) in order to ensure clarity of roles, responsibilities and process.
Agility	The proposals must allow the agility to stand-up additional delivery sub-groups to address delivery issues at hand. One of the key successes of the Project Nexus delivery governance was its ability to stand-up sub-groups tasked with specific delivery issues as needs arose (a good example of this was the in-flights working group established to prioritise Xoserve's development and testing of inflight transaction migration).
Appropriately resourced	The proposals should ensure that any new governance bodies should be resourced with appropriately skilled and experienced individuals. Specifically persons from participants should have appropriate delivery experience. There should be the capability in place to review and approve proposed participants attendees to ensure the right balance of delivery and policy expertise is maintained.
Rapid decision making	The proposals should allow for rapid decision making on delivery issues while including safeguards to ensure that accountability and industry engagement are not compromised. In a delivery programme, slow decision making can often have more of an impact on cost and quality than the decision itself.

3. Summary of the proposals

Key features:

The proposals call for the establishment of a new DSC Committee focused on Delivery. This committee would be a sub-committee to the existing DSC Change committee. The new DSC Project Delivery Committee would have responsibility for managing the delivery of changes for which the the DSC Change and DSC Contract Committees had agreed the scope and costs.

In summary the proposed roles of the three committees (with respect to delivery) would be:

1. **DSC Change:** Prioritise and agree scope and allocate budget for each release/change.
2. **DSC Contract:** Establish budget (annual basis).
3. **DSC Delivery:**
    a. Provide initial impact assessments (from industry perspective) of potential scope items to aid prioritisation
    b. Develop overall industry implementation plans for agreed scope items
    c. Manage the industry delivery of agreed scope items including any items where industry collaboration is required e.g. market testing, transition, data migration/cleansing.
    d. Provide reports on delivery status, risks and issues.

The DSC Project Delivery Committee would have an independent chair appointed by Xoserve and decision making would follow the same weightings as used for both the DSC Change and Contract committees. There is however an open question as to whether Xoserve should have a vote. It is important that the industry representatives attending have appropriate delivery experience. The chair would therefore have the role of reviewing and approving proposed attendees.

The DSC Project Delivery Committee would also have the ability to create sub-committees under itself and delegate decisions to such committees or, request recommendations from such sub-committees. The DSC Project Delivery Committee would only be able to establish sub-committees with delegated decision rights when it holds the authority to make the delegated decisions itself.

Further details are provided on the following pages.

3. Summary of the proposals

Role of the proposed DSC Project Delivery Committee:

Full terms of reference for the proposed DSC Project Delivery Committee have yet to be developed. This slide provides an overview of the proposed roles and responsibilities of the committee.

Summary of role:	
To provide overall management across the industry of the planning and implementation of changes to UKLink systems and processes.	
Key functions:	**Key responsibilities**
• Development of industry delivery approaches and preferred options • Development and maintenance of cross industry delivery plans • Approval of portions of the detailed technical design that impact participants (e.g interface designs) • Management of cross industry activity (e.g. testing, data cleansing and cutover) • Provision of cross industry progress reporting • Cross industry risk and issue management	• Decisions impacting the delivery of changes. Limited to decisions that do not affect scope, timeline and the budget agreed with DSC Change Committee. See examples on next page. • Make recommendations to the DSC Change Committee on the initial (and changes to) scope, timeline and budget.

3. Summary of the proposals

Role of the proposed DSC Project Delivery Committee:

The following table sets out examples of the decisions that would be within and outside the remit of the DSC Project Delivery Committee:

Examples of decisions within remit:	Examples of decisions outside remit unless specifically provided (but may make recommendations):
Approach to market trials: e.g. Whether a market trials period is required. If so, how long should it last, where in the programme should it be scheduled, how will it be run, what will be the entry and exit criteria? **Planning parallel activities:** e.g Can performance testing be run in parallel with data migration, can market trials be run in parallel with transition dress rehearsals? **Transition process:** e.g. How many dress rehearsals are required, how will the industry be kept informed during dress rehearsals, what will be the structure of dress rehearsals, will industry be involved in the dress rehearsals and if so, how? **Go-live** e.g. What will be the go-live decision making process, how will overall Xoserve and industry readiness be assessed, what contingency needs to put in place across the programme, what will be the process for managing issues that occur during and immediately following go-live? **Technology Solution** e.g. Input to Xoserve's decision on whether functionality is best delivered within SAP, AMT Market Flow or some other technology. **Plan recovery** e.g. When delivery problems occur (for instance a failure of testing phase), what steps can be taken to recover the overall plan and still allow delivery to timescale, scope and budget?	**Scope:** e.g. Deferral or removal of items from agreed scope, addition of items to agreed scope. **Budget:** e.g. Changes to the agreed Xoserve delivery budget (unless within an agreed contingency limit). **Delivery priorities/timelines** e.g. Moving items between releases such that the agreed delivery timeline for an item are no longer met. **Extending project timelines** e.g. Delaying the project beyond any pre-agreed contingency. ***Note "agreed" means agreed by DSC Change Committee and/or DSC Contract Committee as appropriate.***

3. Summary of the proposals

Proposed membership and voting rights:

The Project Delivery Committee would be constituted as follows:

Chair
The chair would be non-voting and appointed by Xoserve following consultation with the industry.

Voting Members
One from each of the following constituencies (as per UNC GT-D, section 2).

1. National Grid NTS
2. DN Operators
3. Independent Gas Transporters
4. Large Shippers (Class A)
5. I&C Shippers (Class B)
6. Challenger Shippers (Class C)
7. I&C Shippers

Xoserve
Xoserve would attend as member. **A question for DSC Change committee to consider is what voting rights Xoserve should hold?**

Other parties
Other parties may be invited to attend in a non-voting capacity e.g. if the delivery involved coordination with say another industry body such as DCC.

Rationale
This is a streamlined membership from the existing DSC Change and Contract Committees where there are two representatives from each constituency. The reasons for this are:

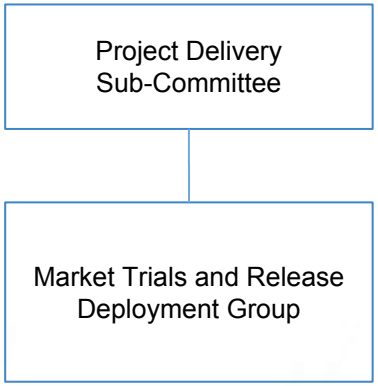
1. A smaller group demands less resource commitment from constituencies
2. A smaller group can be more agile and will be better able to make the rapid decisions that are sometimes required in a delivery context.

3. Summary of the proposals

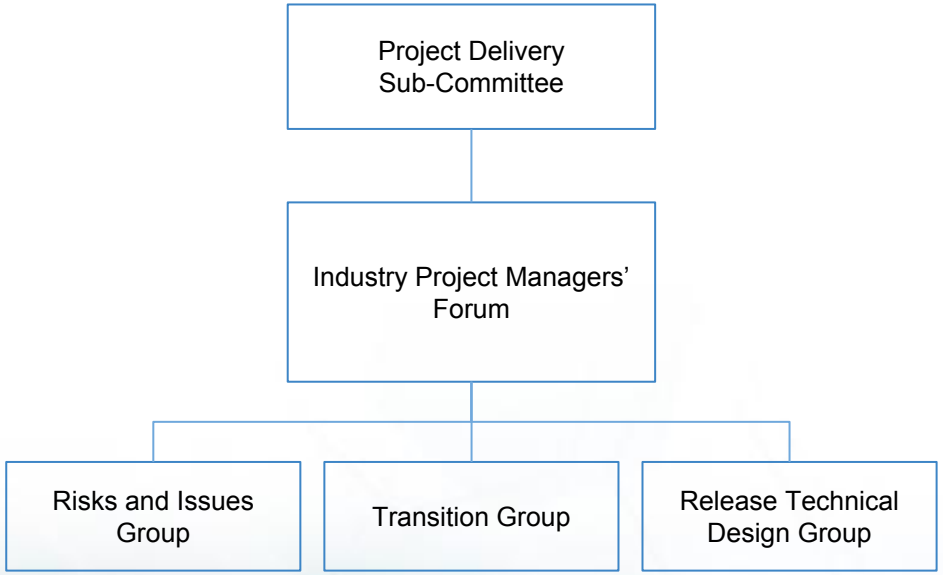
Potential models for small and large project delivery:

The following diagrams provide examples of structures that the Project Delivery Committee might choose to put in place to manage different scales of releases. **These are examples only.** It is felt best to leave the design of structures to the Project Delivery Committee itself rather than to pre-mandate structures in advance. The aim in all cases should be to minimise the number of groups created while at the same time ensuring that there is a reliable flow of information and adequate communication between different market participants and between market participants Xoserve. Initially the existing DRG and DMG will be brought under the DSC Project Delivery Sub-Committee.

Many small releases:

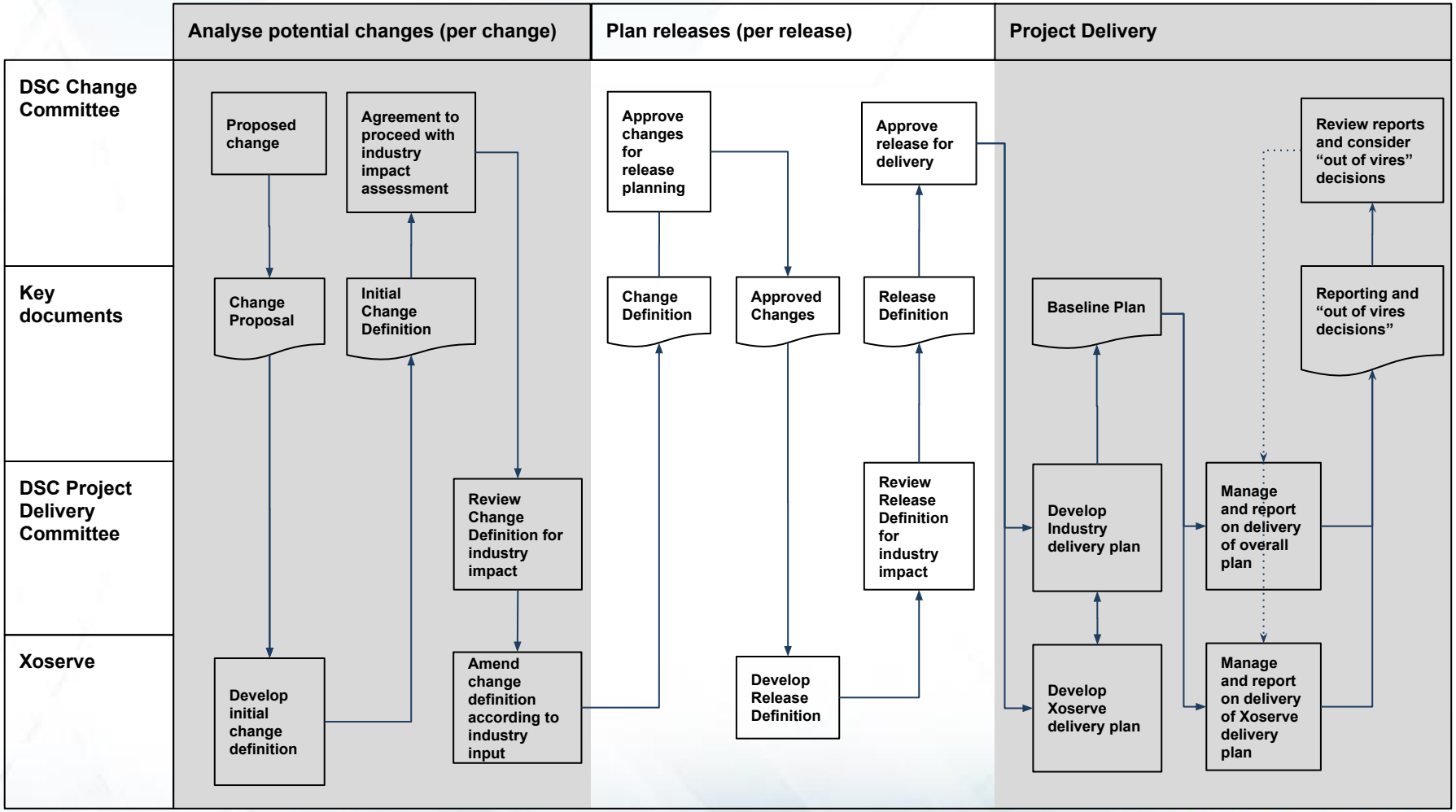


Large Complex functionality release:



3. Summary of the proposals

How the proposals would work in practice:



4. Next steps

The following next steps are proposed

1. Socialise the proposals with former PNSG and RIAG members and incorporate comments / suggestions where appropriate
2. Develop more detailed proposals including: TOR, more detailed process maps showing interactions with other groups
3. Identify potential chair
4. Identify potential members
5. Bring forward proposals to October DSC Committee for approval