iGT | UNC

Forward Work Plan - CACoP

For Action

Forward Work Plan – CACoP update

1. Purpose

The Forward Work Plan was initiated under Ofgem's Code Governance Review (CGR) Phase 3; and developed in the Code Administrator Workshops. The purpose of this paper is to seek iGT UNC Panels agreement to the assessment and recommendations with respect of the Forward Work Plan; and agree to secure amendments to the Forward Work Plan in line with Ofgem's stated objective.

2. Background

In October 2015, Ofgem published its CGR3 Initial Proposals for further reforms in respect of Code governance. This included its proposal:

> "that all panels develop a Forward Work Plan, in consultation with the industry and Ofgem, which takes into account, for example, Ofgem's published Forward Work Plan and ongoing significant major Ofgem and/or government priorities."

Ofgem consulted on the Initial Proposals, with respondents on the Forward Work Plans indicating that these:

> "…should be kept high level to allow for a general overview and not become a disproportionate burden to the code administrators."

On 3rd May 2016, Ofgem wrote to code administrators to provide a summary of key requirements to be implemented. This also included its expectations regarding the delivery of the CGR3 Final Proposals[1].

The final proposals concluded:

> For "individual code administrators, with support from their respective code panels, to initiate work to explore how to develop an effective Forward Work Plan, going forward (and subject to the CMA's final decision) these will also take into account the work taken forward by Ofgem to develop a strategic view".

3. Code Administrator Workshops

Ofgem requested that code administrators provide a plan for implementation of the proposals. iGT UNC agreed to support the Code Administrator Workshops. To date there have been six meetings, with a seventh to be scheduled this summer. We have previously provided iGT UNC Panel with updates on CACoP issues. Workshops 4 to 6 have focused on the Forward Work Plan and as such a summary of the discussions are set out below.

A) Code Administrator Workshop 4 (24th November 2016)

This workshop considered the draft Forward Work Plans and initial feedback. This included a spreadsheet to address the required needs for the plans. The group agreed that this spreadsheet;

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[1] Ofgem, Code Governance Review (Phase 3 Final Proposals, 31 March 2016): https://www.ofgem.gov.uk/system/files/docs/2016/03/code_governance_review_phase_3_final_proposals_2.pdf

- Can contain all the live changes from all the codes, that this will be subsumed into the Central Modification Register. This will continue to be hosted on the MRASCo website.
- Will benefit code administrators, as they will be able to use various filters to produce reports for committees.
- Will benefit Code Panels and subcommittees as the Forward Work Plans could be specific to code, sector or areas of interest to the committee, which will help in identifying timescales, interdependencies and resources.
- Will benefit participants that wanted to use it to filter on areas of interest to them, so that they could see when various changes and decision points are forecasted.

B) Code Administrator Workshop 5 (17th January 2017)

This workshop further considered feedback on the Forward Work Plan. At this meeting, some code administrators indicated that they did not support the Forward Work Plan in its current format, indicating that it was too long.

Code administrators:

- Noted that industry was only interested in high level impacts, and that the level of detail provided was not necessary as it could be found in the Central Modification Register.
- The Central Modification Register and Forward Work Plan had overlaps, but agreed that the two be treated separately.
- Agreed that the horizon scanning page only include legislative and regulatory programmes, and remove references to events outside of the gas and electricity industry (e.g. Brexit).

Ofgem confirmed that it did not object to using the horizon scanning page as the Forward Work Plan going forward.

C) Code Administrator Workshop 6 (20th March 2017)

This Workshop met to follow up on actions. While no changes had been made, it was agreed that code panels will be consulted.

4. Assessment and Recommendations

Gemserv has assessed the current Forward Work Plan (appendix A). In summary, the Forward Work Plan contains some very helpful elements such as the horizon scanning and headlines. However, it has exceeded its original brief and consequently become unwieldy. We note the following problems;

- It is inefficient; it duplicates what is already held elsewhere rather than efficiently signposting where the user can obtain more information.
- It introduces unnecessary costs; due to the level of detail that is currently being proposed (i.e. for Gemserv, one to three days per month per Code, depending on the volume of live changes).
- Its governance; the level of detail could result in users deferring to the Forward Work Plan in preference to the individual code sources, resulting in users being less informed with potentially out of date or inaccurate information.

- Its usability; it now runs to 47 pages when printed[2], and contains details that required users to read yet another document. This also leads to maintenance and alignment problems.
- Its scope; the inclusion of events like Brexit in the Horizon Scanning element extend the scope beyond its original purpose in to a risk register. It also includes changes that are not strategic.

Instead we propose that the Forward Work Plan consist of the following elements:

- The document should be high level and easy to read, providing a summary position with sign-posting where further details can be found.
- The document should be no more than five pages.
- It should focus on the forward outlook, i.e. the horizon scanning that has been undertaken.

If the current Forward Work Plan format is to be maintained, then;

- We estimate that the amount of effort will be between one and three man days a month, per industry code that Gemserv maintain. This will depend upon the volume of changes and number of updates required.
- Additional effort may be required to set up processes to identify and capture these updates.

5. Recommendation

iGT UNC Panel is invited to:

- **NOTE** the contents of this paper; and
- **AGREE** with the assessment and recommendations in Section 4 and Appendix A of this paper; and
- **AGREE** to secure amendments in line with Ofgem's stated objective for the Forward Work Plan.

Rachel Bird

10th May 2017

List of appendices

Appendix A: Assessment of the format of the Forward Work Plan

List of attachments

Attachment 1: **Forward Work Plan (April 2017)**

[2] Based on the Portable Document Format (PDF) published in January 2017.

Appendix A: Assessment of the format of the Forward Work Plan

N.B It is advised that the appendix is viewed alongside the Forward Work Plan (April 2017) document for reference.

Overall

The strategic area

Strategic areas are to be agreed annually. However, it is not clear who decides these; whether it is Ofgem, Code Panels or Code Administrators. We would suggest that the areas should follow from BEIS's, Ofgem's or both strategic plans.

For this reason, and the fact that it was never intended to be a risk register, it is necessary to remove non-energy related events (e.g. "Brexit").

We question the inclusion of the broad "smart metering" area. We believe that this should be focused on changes relating to the Smart Metering Implementation Plan and not all changes relating to smart metering.

Too big and complex

The original intent was to create a forward-looking plan of strategic programmes of work that were high level and not onerous to produce. However, we feel that the current format has too much information and detail; and is too complex. As such, is not user-friendly. And due to the volume of information, we believe that it will be time consuming to collect and populate the required details.

Based on the PDF version published in January 2017, it runs into 47 pages. It also contains details that are held elsewhere, such as in the Central Modification Register.

There are several instances where acronyms are used without being defined. We believe the users would benefit from a glossary.

Headlines worksheet

Area timeline and status graph

This graph is intended to show assessment duration of related changes by strategic area. There are however several issues that should be addressed if it is to be taken forward:

- the intended purpose and benefit to Code Panels and the wider industry is not clear;
- it does not show implementation duration;
- it does not show the volume or complexity of the changes; and
- it is not clear if the green shading of the bars is significant

Horizon Scanning worksheet

This closely aligns with the original intent and purpose. It is also based on an existing format used in the gas sector, so there is familiarity with the format in the industry. However, there is a need for clarity for the Code Administrators that complete these:

- there are no defined criteria for each row or what constitutes ‘high’, ‘medium’ or ‘low’; and
- there is no guidance on how potential conflicting interpretations are resolved.

Commentary worksheet

This can provide useful information. Further improvements may include:

- Adding a column with a filter to allow the user to focus by the three date ranges from the Horizon Scanning worksheet; and
- What industry roles will or might be impacted. This however may require additional effort on the Code Administrators to identify and will likely require assumptions to be made. As such, would need to be caveated.

Individual Strategic Area (A1-A4) and Code Changes worksheets

Individual Strategic Area worksheets

The individual code worksheets can be useful for those who want to quickly see the specific strategic changes. However, with the “Code Changes” worksheet, one can filter by the strategic area if one knows how to use it. The individual worksheets can therefore be superfluous. These can also be too detailed, especially as this is already published in the Central Modifications Register.

There are formatting and presentations issues with the key, though these could easily be resolved:

- The key is made up of two columns, though this is not easily distinguished and is confusing if not viewed carefully. An example being, when looking for “SPAA” which appears in the first column, the adjacent column includes a status of “failing”. Due to the placement, the user may mistakenly read “SPAA” is “failing”, when in fact they are two separate keys;
- Grouping Codes by the Code Administrator organisations is not relevant as Codes should be treated on an individual basis; and
- Clarity is required on the definitions are needed of “At Risk” and “Failing”.

Code Changes worksheet

This captures all live and upcoming changes. However, there are issues with the current format:

- It captures a significant number of non-strategic changes. It is therefore too detailed and goes beyond its original intended purpose;
- With the filters set at the default position, it displays all changes in the graph. The user could therefore be put off from using it due to too much information;
- The headlines displayed above the graph should be captured in the Headlines worksheet. By duplicating these here, the headlines could be irrelevant when the filter is used;
- Formatting of the graph needs to be considered (e.g. the dates in the horizontal axis are very close together); and
- The table includes short hand column titles, which the user may not understand.

If this is taken forward, we would make the following recommendations:

- that this only include the strategic changes; and
- has sign posting to help the end user navigate the worksheet.

Change Register worksheet

A Central Modification Register is already produced by the Code Administrators. This is updated monthly. By adding another version in the Forward Work Plan, it

- creates duplication and risks inconsistency in data;
- is contrary to the Ofgem objective;
- could lead to less experienced parties deferring to the Forward Work Plan for change and possibly leading to uniformed decision making; and
- creates unnecessary work for Code Administrators.