XOserve

Stakeholder event

Summary report

15th May 2024

"On 15th May we invited a wide range of customers and stakeholders to our HQ in Solihull to join me, my executive team and our Chair Mike Hogg, to discuss Xoserve's strategy ahead of the Business Plan 2025-28 cycle.

The event was extremely well attended with representatives from across the gas industry engaging in discussion as to the ways in which we will build trust, innovate and deliver our strategy.

Thank you to everybody who attended - it was truly fantastic to see such an array of industry experts in the room, discussing Xoserve's evolution."

Steve Brittan, Xoserve CEO

Contents

Overview of the event

Event objectives

- Introduce the Xoserve strategy and encourage in-person engagement between the Xoserve Board and Executive Team, customers and stakeholders

- Continue to make the case for Xoserve to assume the future role of gas code manager

- Introduce Project Trident ahead of BP25 engagement

Xoserve team members

- **Steve Brittan** Chief Executive Officer

- **Dave Turpin** Director of Programmes and Service Delivery

- **Clive Nicholas** Director of Strategy and Development

- **James Spicer** Director of Finance and Shared Services

- **James Rigby** Business Plan Manager

- **Naomi Anderson** Head of Industry Projects

- **John Elsegood** Interim Development Manager (Decarbonisation)

- **James Verdon** Stakeholder Manager

- **Eve Bradley** Company Secretary & Head of Cross Functional Governance

- **Jaimee LeResche** Brand & Communications Manager

Guests

- **Victoria Mustard** NESO

- **Michael Walls** Ofgem

- **Jenny Rawlinson** BU-UK

- **Steve Mulinganie** SEFE Energy

- **Charlotte Gilbert** BU-UK

- **Andy Eisenberg** E.ON Next

- **Sid Cox** RECCo

- **Joanna Fergusson** Joint Office

- **Victoria Moxham** Elexon

- **Edward Allard** Cadent Gas

- **Mark Jones** SSE Energy Supply

- **Andrea Marshall-Webb** Credera

- **Gareth Evans** ICoSS

- **Kate Elleman** Joint Office

Guests

- **Tracey Saunders** NGN

- **Kirsty Dudley** E.on

- **Oorlagh Chapman** Centrica

- **Alex Travell** BU-UK

- **Richard Loukes** National Gas

- **Elizabeth Lawlor** RECCo

- **Mark Cockayne** Joint Office

- **Stuart Easterbrook** Cadent Gas

- **Kundai Matiringe** BU-UK

- **Alex Goody** Gemserv

- **Alex Jessop** Correla

- **Brian O'Shea** RECCo

- **Dan Hopkinson** Electralink

- **Andrew Jones** Total Energies

Guests

- **Elliot Dunn** Correla

- **Kim Kennington** Manx Utilities Authority

- **Angela Joyce** Octopus Energy

- **Miriam Atkin** Gemserv

- **Emma Playford** MUA Gas

- **Tom Vella** MUA Gas

- **Liz Ferry** National Gas

- **Hilary Chapman** SGN

- **Sarah Brown** BU-UK

- **Nicole Griese** Conrad Energy

- **Bwalya Kasase** Rebel Energy

- **Karen Jones** MUA Gas

- **Louise Hellyer** Total Energies

- **Marian Papathoma** Wales & West

Guests

- **Phil Broom** ENGIE

- **Catriona Ballard** Brook Green Energy Supply

- **David Beamer** Smart Energy Code Company

- **Inge Hansen** SSE

- **Cher Harris** Indigo Pipelines Limited

- **Matt Horridge** Correla

- **Harry Haliwood** BGI Trading Limited

- **Gabby Deere** So Energy

- **Lisa Charlesworth** Ofgem

- **Daniel Tarasco-Fittock** SSE

- **James Hill** Engage

- **Michael Robertson** Scottish Power

- **Helen Chandler** Northern Gas Networks

Guests

Board Members

- **Mike Hogg** Chair of Xoserve

- **John Clarke** Xoserve Board

External Members

- **Kate Garratt** The Marketing Pod

- **Francesca Stepney** The Marketing Pod

Agenda

Estimated time	Agenda item	Lead
10:00	Housekeeping	Kate Garratt
10:05	Welcome	Steve Brittan (CEO)
Part 1 – Principles and Approach		
10:15	5 Strategic themes	Clive Nicholas
10:35	Group exercise	In groups
10:50	Group exercise playback	Kate Garratt
Short Break		
Part 2 – Strategic Initiatives		
11:05	Code Management	Steve Brittan
11.25	Audience polling	Kate Garratt
11:30	Project Trident	Dave Turpin
11:50	Group exercise #2	In groups
12:00	Group exercise playback	Kate Garratt
12:10	Closing remarks	Mike Hogg (Chair)
12:15	Lunch / networking opportunity	

CEO's Welcome

A performing company

Xoserve is a well performing company, with robust operational performance evident in Key Performance Metrics outcomes. We have also seen customer satisfaction increase year-on-year over the past 5 years, with a 14% improvement in our ICS score since 2019.

We facilitated a detailed independent 3rd party efficiency review in 2023, which benchmarked our costs against other similar organisations. The results were reassuringly positive in the majority of instances, with some opportunities for improvements now being targeted via a dedicated programme of work.

"I would like to once again thank everybody who travelled to be with us in person or joined online. Your engagement is always valued and never taken for granted, and we will utilise all feedback as we now begin the drafting process for BP25."
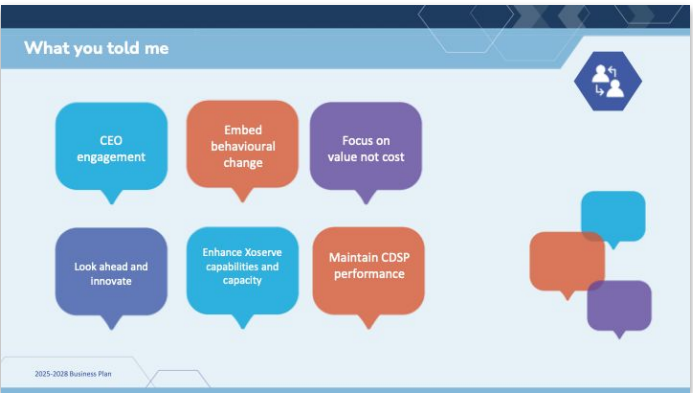
Steve Brittan,
CEO of Xoserve

Pre-event feedback

Steve Brittan has been actively seeking customer feedback since his appointment as CEO in summer 2023. Feedback has ranged from the importance of CEO visibility, focusing on value; not just cost, looking ahead and innovating, and the need to enhance Xoserve capabilities while maintaining CDSP performance.

> *"Feedback kindly received since I became CEO has already been used in the development of our strategy."*
>
> Steve Brittan,
> CEO of Xoserve

What you told me

- CEO engagement
- Embed behavioural change
- Focus on value not cost
- Look ahead and innovate
- Enhance Xoserve capabilities and capacity
- Maintain CDSP performance

2025-2028 Business Plan

A new structure

With feedback firmly in mind, Steve has restructured Xoserve, with a newly appointed Executive team tasked with specific areas of our strategic execution.

James Spicer

Director of Finance and Shared Services

Capabilities →

- Shared Services
- Governance
- Value for Money

Clive Nicholas

Director of Strategy and Development

- Enterprise Architecture
- Stakeholder Engagement
- Industry Projects

Dave Turpin

Director of Programmes and Service Delivery

- Service Delivery
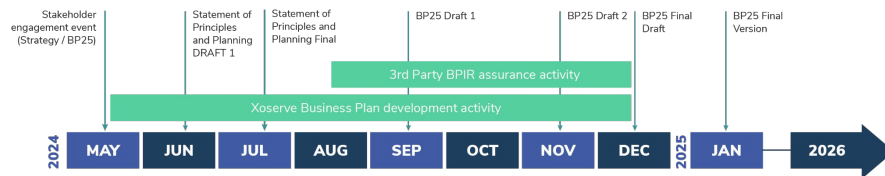- Change Delivery
- Customer Service

Principles and approach

"Xoserve has changed since its inception two decades ago, but this evolution feels different, because it's about us as an organisation. Our new strategy will enable us to navigate the period of change ahead, and develop BP25 with confidence"

Clive Nicholas, Director of Strategy & Development

Principles and approach

- New items to expect during this planning cycle include an earlier start to engagement, the adoption of the new Business Plan Information Rules (BPIRs) as per UNC mod 0841, and 3rd Party Assurance of our compliance with new obligations.

- Following a familiar timeline as previous plans, BP25 will be built on our strategy, feature even greater engagement than in previous years and be accompanied by better business cases.

- We introduced a framework into BP24 that allowed us to articulate VfM through 4 separate lenses. Our need to evolve is now captured in a 5E model, alongside economy, efficiency, effectiveness and equity.

Timeline graphic showing Xoserve Business Plan development activity and 3rd Party BPIR assurance activity across 2024 (MAY–DEC), 2025 (JAN) into 2026. Milestones: Stakeholder engagement event (Strategy / BP25); Statement of Principles and Planning DRAFT 1; Statement of Principles and Planning Final; BP25 Draft 1; BP25 Draft 2; BP25 Final Draft; BP25 Final Version.

What's the same?
- Engagement
- Timetable
- Documents
- Webinars
- Portal
- Board oversight

What's new?
- Earlier start
- Business Plan Rules
- Third Party Assurance
- Plan built on strategy
- Even greater engagement
- Better business cases

BP25: 5E MODEL

- ECONOMY — Ensuring costs are reasonable
- EFFICIENCY — Making the most of costs
- EFFECTIVENESS — Delivering quality outputs as measured by KPMs
- EQUITY — Ensuring costs are shared fairly
- EVOLVE — Driving value by evolving the CDSP model

Principles and approach

Our Director of Strategy and Development, Clive Nicholas made clear that evolution is a process of building on the characteristics that are already valued, summarising each element thus:
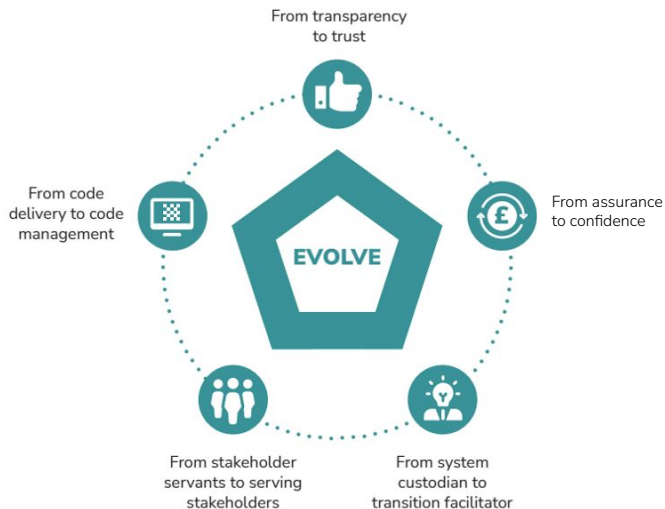
Transparency to Trust - "Trust is the bedrock of our strategy. It involves information sharing as standard, leaving room for value-add conversations and requests for our assistance."

Assurance to confidence - "Just like any insurance policy, you don't see the value of assurance until things go wrong. That doesn't diminish its value and we will continue to ensure services are provided robustly. But we want to go further and seek out ways in which we can do more   as CDSP – to do that we need customer and stakeholder confidence."

System custodian to transition facilitator - "With a more connected energy system on the horizon, we need to navigate the system transition via 'best practice' working with stakeholders and customers alike."

Stakeholder servants to serving stakeholders - "We have a lot of expertise, both internally and within our supply chain, and we want to move to a future where we are really serving your requirements, thinking ahead and working with you to refine those requirements."

Code delivery to code management - "We believe we have a case to become the code manager for gas, but regardless of which organisation assumes the role in the future, there will be an impact on Xoserve as code delivery body."

Clive Nicholas,
Director of Strategy & Development

Group exercise 1

Strategic themes

Group exercise 1: Strategic themes

We asked attendees to work in small groups to assess which of the 5 thematic 'destinations' were the furthest away, and why?

We then asked the groups to focus on actions that Xoserve could take that would speed up our evolution?

See the full results on the BP25 website

Strategic Themes

• In small groups, please discuss the following questions

1. Which of the 5 thematic 'destinations' do you think we have the furthest to travel towards and why?
2. What action would you like to see Xoserve take now that would speed up our evolution?

From transparency to trust

From assurance to confidence

From system custodian to transition facilitator

From stakeholder servants to serving stakeholders
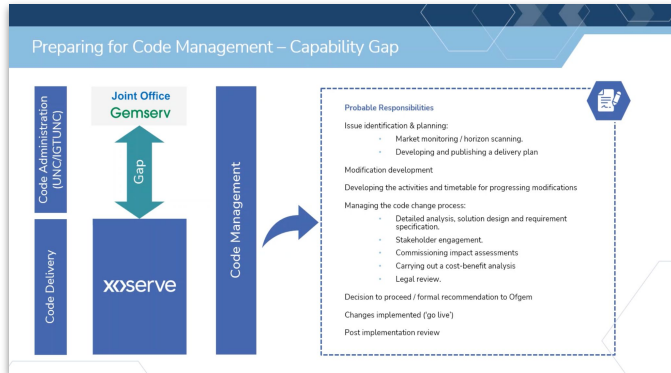
From code delivery to code management

EVOLVE

Strategic initiatives

"The challenge ahead demands collaboration and strong leadership. We believe we have a significant role to play"

Steve Brittan, Xoserve CEO

Strategic initiatives

Preparing for Code Management – Capability Gap

Code Manager Selection & Governance Criteria

"We believe that there is a strong case for Xoserve to become the code manager for gas, whilst recognising the need for us to build on our current capabilities in order to fulfil the duties of what will be a critical role in the context of decarbonisation of the gas network. This is a huge challenge that we must all collectively rise to.

The majority of services that we deploy as CDSP, via the Data Service Contract, are related to a code obligation. Xoserve's current role is one of code delivery, which we currently undertake in tandem with the gas code administration activities carried out by the Joint Office (UNC) and Gemserv (IGTUNC) and the strategic planning role now being undertaken by NESO.

There's a lot to do, and we believe the role of code manager goes beyond the remit of both code delivery and administration."

Steve Brittan,
CEO of Xoserve

Strategic initiatives

Priorities now

Code Management and Delivery

Energy Code Reform: Consultation on Code Manager Licensing and Secondary Legislation

Forward Work Programme

What would a Code Manager be involved in now?

- Merging Uniform Network Codes
- Decarbonising the gas network
- Delivering a vulnerability agenda
- Working on making data more open
- Collaborating with other Central Bodies
- Implementing government policies

"There is no blueprint for Code management, but with our expertise and data we can fill that gap. Through passion and belief, there can be a smooth transition into Code management.

"Code Management is about the programmatic and strategic development of code, something that currently doesn't necessarily happen in an integrated way, with the delivery of new code obligations being developed and ultimately delivered into central systems and processes in a piecemeal fashion.

In the future, the code manager will take direction from Ofgem (and steer from the future pathways prescribed by NESO), and work with stakeholders to develop and prioritise code change so that it is delivered in a coherent way".

Steve Brittan,
CEO of Xoserve

Audience polling

Code deliver to Code management

Audience polling: Code delivery to Code management

- During the summer 2024, we will be developing a white paper that sets out the case for Xoserve to assume the role of Code Manager for the Gas Network Code.

- Following Steve's presentation on the subject, we polled attendees, asking them the following question: Currently, how strong is the case for Xoserve to assume the Code Manager role for gas?

- The majority of the audience thought that our current case is either developing is already strong, with the remainder either undecided or currently unconvinced.
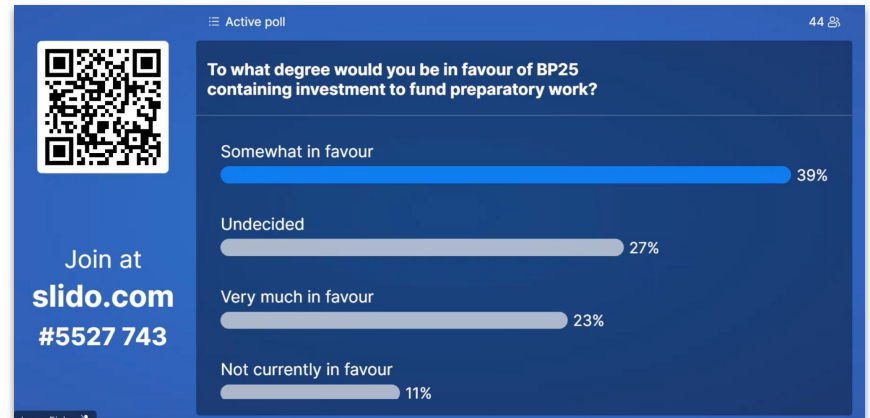
See the full results on the BP25 website
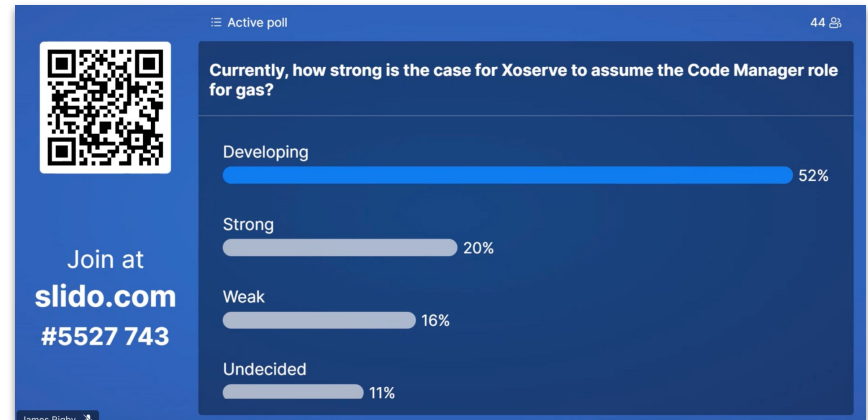
- We asked our audience the degree to which they would each be in favour of BP25 containing investment to fund preparatory work ahead of code management for gas.

- The results were positive in terms of the majority feeling 'somewhat' or 'very much' in favour, with a roughly 1/4 being undecided and a smaller group not currently being in favour.

➡ **See the full results on the BP25 website**

Active poll · 44

To what degree would you be in favour of BP25 containing investment to fund preparatory work?

Somewhat in favour — 39%

Undecided — 27%

Very much in favour — 23%

Not currently in favour — 11%

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Project Trident

"Project Trident is the name we've given to a significant upgrade of the UK Link platform.
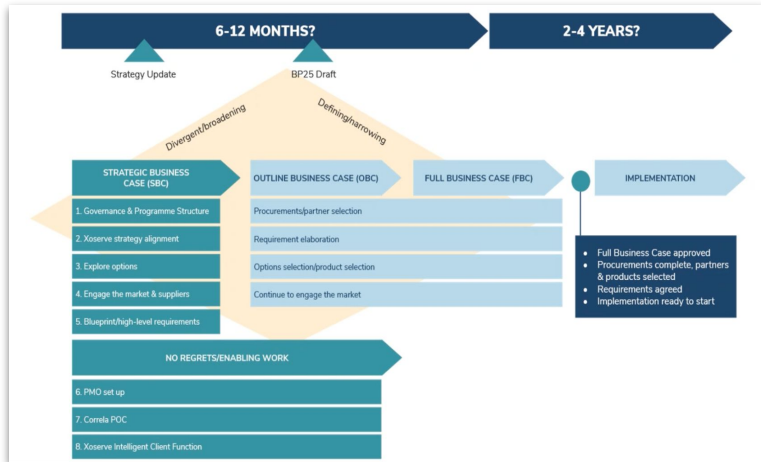
The programme is an opportunity to update this critical IT suite with an enduring solution that's fit for the future.

Engagement on this project will continue throughout the coming months"

Dave Turpin
Director of Programmes & Service Delivery

Project Trident

"The name Trident has been selected to represent the three elements of UK Link, which are UK Link Core, its 'customer edge' and VCO (Validation, Conversion and Orchestration).

Decisions over when and how to transition each element to a new version are required, and we have been exploring options ahead of BP25 engagement - we know how important this project is, and so we are already laying solid foundations including embedding a strategic partnerships Credera who have a strong track record in assuring the delivery of other large-scale IT / SAP upgrades. We will also be facilitating dedicated customer engagement sessions that will ensure feedback is captured at each key stage of the next period if the plan.

Xoserve will lead the process for re-building and / or re-platforming the system, considering how and when to introduce competition to the process. The solution needs to consider unknowns, such as the introduction of blending into the current gas network, and the timing of any gas code changes that may require delivery during the next half decade."

Dave Turpin,
Director of Programmes
& Service Delivery

Group exercise 2

Project Trident

Group exercise 2: Project Trident

- We want to create an environment that our customers are comfortable with, and so wanted to get early feedback on what our approach might be, what the benefits and / or challenges the project could generate / face into.

- As such we asked our groups to discuss one element

➡ **See the full results on the BP25 website**

Group exercise – Project Trident

In groups, discuss Project Trident in terms of potential:

- **Approach** (risk v investment appetite)

- **Benefits** (customers, the wider industry, and the consumer)

- **Challenges** (policy, market conditions) and how they could be overcome

ProjectTrident
X)serve

Closing thoughts

Closing thoughts

"We're all committed to the journey to net zero. We aren't certain on all of the elements, but what we are convinced about, is that whoever ends up as Code Manager will be supported by the industry.

What gives me confidence with Project Trident, is that we can use the 'lessons learned' from previous projects as we shape and define our approach, such as ensuring we have all the skill sets required from the start.

BP25 will be another step forward and I promise your input will be used."

Mike Hogg
Chair of Xoserve

Thank you.

Visit: bp25.xoserve.com