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Sent by email to [kirsty.ingham@centrica.com](mailto:kirsty.ingham@centrica.com)

Dear Kirsty

Thank you for your letter dated 16<sup>th</sup> July 2024.

Following a recent call between Steve Brittan and you, on 6<sup>th</sup> August, I am now responding to your letter on behalf of Xoserve.

There are several themes in your letter which we would like to respond to, initially at a strategic level. At the stakeholder engagement day on 15<sup>th</sup> May, we outlined at high level Xoserve's strategic direction, as recently endorsed by the Board. Briefly, these were:

- Structural changes to the company, to implement Kearney recommendations
- Initiating Project Trident, the UK Link modernisation project
- Preparing for Code Management

It was stated clearly by our CEO, and is the strong view of the Board, that Xoserve's day job, of ensuring CDSP services are delivered effectively remains core to all activity.

Generally, in order to address the strategic points above, Xoserve has already commenced a strategic plan to build capacity and capability to ensure that focus on day-to-day activities is undiluted, but also ensuring that Xoserve is equipped to execute effectively the future projects it will be delivering on behalf of the Industry.

It is right that Customers want reassurance that Xoserve will remain effective in delivery of CDSP services as we deliver on our longer-term strategy, and BP25 will set out the steps we are taking to do this.

We are already moving to a strategic position of Intelligent Customer and Enterprise Architect, and have made several senior level hires as well as engaging expert consultancy to create capacity. BP25 will outline in more detail how we plan to expand our capabilities further. At their core these will make Xoserve "competition ready" for project Trident. Xoserve will define the core requirements, procurement strategy and delivery plans for Trident, and work is already underway on this.

We have also been using existing contract levers with our suppliers in a variety of ways which has created a range of options to realise value and reprioritise resources, which will be described in BP25. Our restructure has also freed capacity to devote more resources to customer facing roles.

We made a clear commitment to implement the findings of the Kearney review through the ERIX programme, and BP25 will demonstrate the progress made.

Concerning the points in your letter about Code Management, we agree with your categorisation of this as “Code Manager Strategy”. At this stage, that is the limit of the activity within Xoserve. The total resources being committed are small, and being led by new personnel who recently joined us, with the aim of developing a White Paper blueprint which we hope the Industry and Regulator will find valuable.

BP25 does not contain any investment into the implementation of a Code Manager, since we do not yet know what scope the Code Manager will have, and in any case awaits a decision from the Regulator.

We are bringing forward investment proposals in respect of increasing the digital maturity of UNC and CDSP artefacts, from their currently low levels. This is being done in collaboration with the Joint Office. We believe that there will be clear benefits in doing this, not least for project Trident, but we want to be categorically clear that these proposals do not seek to change the respective roles and responsibilities of Xoserve or the Joint Office as defined in the relevant licenses.

We have been giving careful consideration of how project Trident interplays with existing DSC+ contractual arrangements. This is a complex, and sensitive area, since we will need to ensure that the current CDSP systems continue to deliver effectively, whilst the new UK Link system is built. This touches on confidential matters, and given that Trident will be competitively tendered, also matters that are competition sensitive.

Therefore, whilst it would not be appropriate to discuss these in any depth in a public domain document such as BP25, we will be arranging confidential briefings to customers and the Regulator soon after the launch of project Trident on 9<sup>th</sup> September.

Nevertheless, the event on 9<sup>th</sup> September will outline how we propose to progress project Trident, presenting the Strategic Outline Case (using Treasury Green Book approach) We are incorporating learning from projects such as Nexus and MHHS, but also considering the strategic future environment out to 2040+ as we understand it.

We are clear that a good solution for the putative GNC Code Manager is inextricably linked to the success of Project Trident – it is why we are taking a proactive stance, and why we seek support from our customers to invest to create the conditions for success for project Trident.

We have re-engaged Kearney to provide an independent review on our compliance with the new BPIR rules, demonstrating that we are taking the new BPIR rules seriously, and will provide full, transparent assurance. It is also planned for Kearney to brief customers on progress part way through the planning process.

We agree that the Customer Advocate role should be enhanced, and have taken a number of steps already, in respect of allocating Xoserve “Chairs” of several customer engagement groupings. BP25 will bring forward proposals for additional, modest investments in this respect.

To summarise, at the Board’s direction, BP25 marks a significant change in Xoserve’s approach, taking a more forward looking and proactive stance. The catalyst is project Trident, which demands a step

change in Xoserve capability, which we are already building. But Xoserve, as part of a part of a wider ecosystem has the opportunity to do more to support wider societal and policy aims. It is clearly what the other Central Bodies are doing, what the Regulator is expecting, and we hope that Centrica would want to support us in doing so as well.

Many thanks



James Rigby

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