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James Rigby
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By email to business.planning@xoserve.com

25 October 2024

Dear James,

SGN – Business Plan 2025-28 1st Draft Response

SGN welcomes the opportunity to comment on the first iteration of the Draft Business Plan 2025-28 and the various supporting documents provided to DSC Customers on 27th September 2024.

We have provided feedback on the documents in addition to the specific questions set out in the BP25 Draft document under the 4 Principles which impact SGN as a Distribution Network.

BP25 Documentation Provision

We note the significant step change in the approach to the information provided in support of Business Plan and the changes brought about by Modification 0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget, and revisions to DSC change processes.

Whilst we acknowledge we have previously requested a greater level of detail, we have some concerns regarding the extensive length of the documentation provided across all information supporting the Business Plan 2025-28. Despite an overall larger submission of materials, there appears to be an overarching weakness of concise communication and supporting detail provided within all of the investment proposals, and as such it is challenging to establish the detail of the plan. Historically we have been provided with a significantly higher level of granularity within the Business Plan and how this impacts each DSC Party therefore enabling us to fully consider the impact of any proposed changes or initiatives. The annual deviation of the cost naming conventions does also hinder the ability of parties to analyse Year on Year costs independantly of the data provided by Xoserve.

SGN would look for Xoserve to provide detailed, concise, information regarding Capital and Operational expenses at a sufficiently granular level i.e. Distribution Network to allow us to inform our Annual Budget setting processes.

Although the BP25 will provide forecasts for the first years of GD3, the Distribution Networks will require forecasted costs from Xoserve for the entirety of the GD3 period to support our submissions to Ofgem – this has already been requested but at present the networks' business plan submissions are having to continue without this information as it has not been provided in good time.



Project Trident (UKLink)

We accept the requirement to replace/upgrade the Central Data Service Providers Central Systems however without the additional granularity to support what the requested funding will deliver in 2025/26 we are unable to comment further. This is a large scale project and in order to support and engage in its delivery, we would welcome further detail as quickly as possible.

Digital UX

Although SGN supported in principle improvements to DSC Customer Communications specifically in relation to the Change Processes, our expectations of the outcome of the engagement completed with various DSC Parties was for this to be targeted at the challenges presented by the various areas of Change. This is not the solution which has been provided within the Business Case provided in the BP25 1st Draft.

We are disappointed that the scope of the proposed Digital UX does not consider the Change Management Processes where it has been identified as an area requiring efficiencies managed by Xoserve.

ERIX

The progress made on the output from the Efficiency Review appears limited with commitments to make savings on the Service and Operate costs in BP25 however it is not clear how the proposed savings will make services more effective and efficient. Can Xoserve evidence how the proposed saving will not erode critical BAU activities or restricting service providers from providing the level of service required under UNC or Licence.

CDSP Service Development

Our overarching concern for this area of funding is in relation to the scope presented within the Investment Proposal.

With the requested funding and project scope of Trident how can Xoserve ensure that these minor projects over and above those already provided and seeking significant funding will not hinder the focus/resources required to deliver a major industry project.

Trust

Are there other ways in which you would like to see Xoserve engage with customers and stakeholders during the business planning cycle?

As indicated previously SGN believe the extensive documents presented as part of BP25 do not provide easily accessible detail therefore hindering our ability to sufficiently engage in the BP25 process.

Innovate

Do you agree that the scope of the Investment Proposals represent customer priorities (and if not, why)?

Please refer to our responses above to the individual Investment Proposals, whereby further detail and/or confidence is required



Deliver

Is there any information missing from BP25 about Xoserve's capability and / or capacity to deliver the scope of BP25 (and if so what is missing)?

As indicated within our responses to the various Investment Proposals we wish to see further transparency in the detail of what our funding will deliver, and how this will be balanced against protecting delivery of core services.

To foster greater transparency and confidence in the delivery of Investment Proposals SGN would ask that reporting on these should be provided to the Contract Committee detailing progress on the delivery, actual cost to budget analysis in addition to any overarching challenges the project may be experiencing which could ultimately lead to further funding requests or an extended project delivery window.

Historically this has only been provided as part of the Central Switching Programme and general or regulatory change.

Should you require any further information with regards to our response then please do not hesitate to contact me at Sally.Hardman@SGN.co.uk

Yours sincerely,

Sally Hardman
Regulatory Process Manager
SGN