



Richard Pomroy
Wales and West House
Spooner Close
Celtic Springs
Coedkernew
Newport
NP10 8FZ

21 November 2024

Sent via email to richard.pomroy@wwutilities.co.uk

Dear Richard

I write in response to your correspondence dated 18 October 2024 regarding Draft 1 of the CDSP Business Plan for 2025-28 (BP25). Thanks for taking the time to provide written feedback, it is much appreciated. Your letter and this response will be published on the BP25 portal in reflection of the non-confidential nature of each correspondence.

I hope that addressing the points you have raised in the following categories will be helpful.

Investments

As you correctly observe, Draft 1 contained 6 separate investment proposals including Project Trident, which you rightly state is significant in scope.

Feedback following the publication of Draft 1 would indicate that the Digital UX investment proposal is not a priority 'now'. Whilst we continue to recognise the benefits of enhancing the way customers engage with CDSP services digitally (and the related benefits in terms of a more targeted approach to communication), in response to customer feedback, we are withdrawing the Investment Proposal from Draft 2, which will now contain 5 separate Investment Proposals.

We remain committed to enhancing the CDSP communications strategy and have recently hired an interim Head of Communications whose remit includes implementing a more targeted approach. We will reassess the Digital UX investment proposal ahead of the BP26 cycle, ensuring that we re-engage with customers as to scope and appetite to invest in future.

Project Trident

We agree that there was a requirement to share more information on Project Trident than we were able to in publicly available BP25 documentation, including a further breakdown of the associated 2025-26 costs. We provided extra details during a confidential briefing to DSC Contract Managers on 11th November 2024. As you know, we have adopted a cautious approach to openly sharing commercially sensitive information in publicly available documents to protect the integrity of future procurement activity.

Efficient and effective delivery of CDSP services

Customer feedback following the publication of Draft 1 has included a common theme regarding questions about Xoserve's capacity to deliver the projects described in Investment Proposals, while also delivering excellent CDSP 'BAU' services. This is a reasonable consideration. At its core, BP25 talks to the need for Xoserve to evolve its capacity and capability to deliver CDSP service now and in the medium to long term, and our commitment to delivering the critical services for which we are responsible is unwavering.

In your letter you make reference to the benefits of introducing a dedicated 'contract manager' for the Distribution Networks. Draft 1 included proposals to enhance Xoserve's capacity and capability in Customer Advocacy, with the resources that we will introduce into Xoserve being able to focus on building strategic relationships with customer constituencies. Therefore, I believe our thinking on this is very much aligned.

In response to Draft 1 feedback, including your own, we are proposing to increase S&O by a further £0.4m from 2025-26 to enhance our capacity and capability to undertake qualitative assurance of key activities and projects being delivered by 3rd Parties. We believe that this will have a positive impact on mitigating future performance issues that led to the examples set out in your letter.

These new resources will perform extensive qualitative assurance of 3rd party change delivery, including extensive test assurance, embedded project assurance (approach based on the criticality of each project as determined via a predetermined criteria) and all related customer reporting.

Code Reform

We see incoming Code Reform as something we need to be ready for. As such, we will continue to consider how Xoserve can add value, be that via participating in industry discourse (e.g. Ofgem consultations) to ensure any potential impacts of Code Reform on CDSP service provision are understood / considered, or by working with stakeholders where we believe this is useful.

BP25 is focused on CDSP service provision, improvement and development. The CDSP Service Development Investment Proposal makes provision for the delivery of a CDSP Data and Digital Strategy (other code bodies already have this in place) and the exploration of options for a future CDSP Open Data Solution (which will allow customers greater capability to self-serve their data, and allow Xoserve to more effectively work with other Central and Regulatory bodies on Net Zero initiatives).

As such, in response to your request that “*any spend in CDSP Service Development relating to Xoserve becoming the Code Manager should be removed*”, I can reassure you that no such funding exists.

I trust this letter is helpful and look forward to further discussion as BP25 development proceeds.

Kind regards

Steve

Steve Brittan

CEO, Xoserve

Xoserve Limited: Lansdowne Gate, 65 New Road, Solihull B91 3DL

Company Website: www.xoserve.com

