



**2019 Business Plan  
Consultation on updates to Draft Plan**

**Customer Feedback Report**

**Publication Date: 14 December 2018**

## Introduction

In June 2018, we issued our 2019 Business Plan Principles and Approach for consultation. This was the start of a process to seek customers' views on our proposals for the development of our 2019 Business Plan. We set the scene for the Plan, by describing our strategic ambitions and the outcomes that we believe customers want us to deliver over the next three years.

We then issued our 2019 draft Business Plan for consultation on 24<sup>th</sup> September 2018 where we invited customers to respond with feedback. We outlined our ambitions, explaining what this means for our customer constituencies and differentiating between customer, market and Xoserve driven change. We also provided funding forecasts at both a total company and customer constituency level.

In November 2018 we issued a [consultation on the updates made to the Draft Plan](#) and the first [Customer Feedback Report](#), which was in response to the feedback that we received on the draft Plan. We outlined a number of actions that we are going to take on matters that customers drew to our attention which are important to them.

We invited customers to respond to a further three questions that were set out within the consultation document on the updates made to the Draft Plan. We asked for feedback on whether the updates made to the financial forecasts provide a meaningful response to customer feedback. We also asked questions about whether customers agree with our revised thinking on the Governance review and our approach to CSS Consequential change forecasts.

Four customers responded with answers to our questions. During our customer webcast on 30<sup>th</sup> November 2018 where we provided an overview on the updates made to the draft Plan, 18 customers joined the call. We also offered to host a DSC Governance Meeting during November for the specific purpose of reviewing the updates; however customers did not feel this was necessary.

We have set out in this report a digest of the feedback that we have received from customers in response to each question.

We would like to express our thank you to everyone who has taken the time to engage with us on our draft Business Plan so far. We have been greatly encouraged by the quality of customer engagement including joining the webcasts, providing written responses to our consultations and participating in direct conversations. On 9<sup>th</sup> January 2019, we will issue the final draft Business Plan and we will invite customers to consider the final draft Plan at Contract Management Committee on 16<sup>th</sup> January 2019. Once the Plan has been approved by the Board, we will then publish the 2019 Business Plan to all customers on 28<sup>th</sup> January 2019.

## Consultation Questions and Customers' Responses

### ***1. What are your views on the updates that we have made to our financial forecasts? To what extent do they provide a meaningful response to customer feedback?***

Customers welcomed the adjustments that we have made to the financial forecasts and the reallocation of costs between DSC constituencies. They said this has provided a more realistic spend for each constituency. Two customers requested visibility of the payback period for customer change initiatives and valid business case assessments for all changes, before being able to make any decisions on progressing the change.

One customer reiterated their point that the consistent performance of core services should take precedence. They would like to see more opportunities that will enable efficiency benefits, improving performance and reducing costs.

One Independent Gas Transporter (IGT) customer noted that the changes made brought IGT spending and savings comparatively in line with Gas Transporters (GTs). The additional detail provided within the customer packs was appreciated as it provided greater financial clarity. One GT customer appreciated our efforts to reduce their exposure to RIIO-1 cost allowances; however they also recognised that this wasn't enough for them.

Another GT customer would have liked to have known about the rephrasing of the Gemini replatforming spend prior to the updates to the draft Plan being published. This customer also requested greater transparency of the forecasted spend for Oracle licenses.

One customer outlined two areas for improvement in our business planning process which they would value going forward. This includes indicatively applying the consumer price index to current costs to provide more accurate forecasting, rather than inflating costs after the Business Plan has been signed off. In addition, greater assurance of the robustness of forecasts has been requested, as it is felt that previous Business Plan forecasts have not materialised into reliable and accurate actuals.

### ***2. Do you agree with our revised thinking on the funding requirements for a Governance review?***

Customers largely agreed with our approach of reducing the funding requirements for a Governance review and revisiting requirements during the development of our 2020 Business Plan.

One customer said that an assessment should be conducted beforehand to demonstrate that any changes made will drive the right outcomes and benefits for constituent members. Another customer believes that a full review is not required as they think that the UNC and DSC governance provisions are operating effectively as designed; and any review should be limited to processes and procedures only.

### ***3. Do you agree with our approach of maintaining CSS Consequential change forecasts until such time as we have greater clarity of requirements?***

Customers agreed with our approach of waiting until analysis and design activities for the Central Switching Service (CSS) deliver greater certainty and leaving our financial forecasts unchanged. Two customers asked that we should be transparent as costs change and requirements become clearer; and a periodic reassessment to accurately forecast financial expenditure would be welcomed.

#### ***General Comments***

One customer commented that they are encouraged with our responsiveness to customer feedback on the initial Business Plan consultation and that they would have liked to have seen more responses from DSC parties. This customer also welcomed our improvement on former Business Plan consultations and expects this to continue.

## Our Response and Conclusion

We have been encouraged by the customer response during the consultation period on the updates made to the draft Business Plan. Based on this customer feedback, we don't believe that we need to take any further actions or make any amendments to the financial forecasts.

We thank customers for identifying improvements that we can make in our business planning process for future years. To help aid our customers' understanding, we plan to make more detailed financial information available for each customer constituency, at an earlier stage during the planning process. We will also track how we are performing against the Plan throughout the year and we will regularly forecast our position during the year. As part of our work to support RIIO-2 in 2019, we will also look at how we can clearly define which costs align to which services. We welcome any further thoughts from our customers on improvements that would be beneficial.

If you would like to discuss our progress so far or have any questions, please get in touch with your [Customer Advocate](#).