

SEC Panel response to OPR - Customer Engagement

We believe that proper DCC engagement with the SEC governance arrangements and SEC Parties is essential in ensuring that an efficient service is provided, and that any changes to that service are properly assessed and delivered effectively and economically. It is therefore disappointing to note that to date DCC engagement has not been at the levels expected.

Whilst DCC engagement has improved over the last year, the overall performance is inconsistent and lessons that's should have been learned do not appear to be applied holistically across all areas where good engagement is key.

The inclusion of an engagement metric within the OPR should be seen as a positive for both Users and the DCC. It provides a reminder that there should be a consistent and clear approach to engagement and ensures a mechanism whereby any issues can be raised and addressed; hopefully with a positive outcome that can be reflected in the submission to Ofgem.

We recognise that the submission for the Regulatory Year 2020/21 is as a trial run, the purpose of which is to provide DCC with visibility of their performance so necessary changes can be made in time for the 2021/22 submission. Therefore, our response sets out the current views on DCC engagement noting positive examples and examples where engagement needs improvement. Critically it focusses on what the SEC Panel expect to see from engagement going forward rather than dissecting the detail and providing case studies from a period over 12 months ago. We believe this to be of more value to the DCC and in line with the intent of the trial period.

Many of the views expressed in this response are not new and have been known to the DCC for some time. We are also aware that work is being undertaken to try to address many of the issues expressed. However, it is prudent to capture our concerns and requests as part of this response so it is clear what is required to increase the standard of engagement. Noting these are not new areas of feedback we have endeavoured to be as succinct as possible.

As part of this response the SEC Panel have sought views from all SEC parties via a consultation. Those responses are contained in an attachment for Ofgem to review. The views received have been summarised and taken into account where possible, but we would encourage Ofgem to review the individual responses.

We have also set out where improvements could be made to the submission process for the OPR. Further detail on how we can address the concerns can be picked up outside of this response, but it is important to capture the high-level points here so that the process can be made as efficient as possible for April 2022.

Timing and Frequency

Q1. Has DCC engaged proactively with customers, enabling them to feed in views at appropriate points in decision-making cycles?

In order for the DCC to proactively engage with customers it needs to set out a clear engagement plan/process. If it is not clear to customers when decisions will be taken, and what input is required in order to make those decisions, it is difficult to understand if the engagement is proactive or last minute. It should be clear what input is required, when and why.

The Comms Hub and Networks element of the DCC's Network Evolution is an example where this has failed. The programme has had no clear process which means even when the DCC have attempted to be proactive it has led to confusion over what is being asked and why. Requests to provide context and clarity have not been responded to making engagement at the Panel and the sub-committees reactive rather than proactive. Engagement has also been disjointed with no clear approach to how conversations at different sub-committees feed into the wider programme. We would expect proactive engagement to have involved conversations with SECAS and the Committee chairs to provide context and to agree an approach prior to presenting information at a committee meeting.

In order to address this concern, the DCC need to produce a plan for each project/programme that it is undertaking. That plan must clearly set out:

- The decisions gates and overall framework of the project;
- The artifacts/documents being produced for each decision gate and what information they will contain;
- The process by which the artifacts/documents will be created including how and when each SEC committee will be engaged and what input is required.

These plans need to be agreed by the SEC Panel and kept up to date so that any potential changes to timetables can be easily and transparently raised as soon as possible.

This question also needs to address to proactive engagement regarding issues and day to day information for Parties, not just those projects or programmes where input is required for decisions. These matters can have an equally large impact on SEC Parties.

Proactive, or indeed timely, engagement at sub-committees is not consistent. There have been some positive examples for instance engagement on CSP North performance and SMETS 1 service stability where regular updates and progress against plans have resulted in positive engagement. However, there are topics such as Comms Hubs returns process or Comms Hub exceptions where information that has been requested for over a year is yet to be provided.

In order to address this concern, the same planning and approach to that of larger projects should be applied to the topics of conversation at sub-committees. There should be a clear plan and timetable that sets out the context and next steps. These plans need to be shared with SECAS prior to committee meetings to they can engage with the relevant Chairs and group members to ensure that the plans are understood and supported before wider discussion at the committees. The plans should also form the basis of regular reporting to the Panel on major topics. It will also be important to set out a standard approach for any supporting materials at the committee meetings so that papers, presentations etc are clear and standardised.

SEC Parties have also noted the inconsistency with DCC engagement with respondents providing example of good proactive engagement and other examples where engagement has been slow. A respondent also believed there is an unclear and inconsistent approach to reaching out to Users, flagging that wrong distribution lists are often used and are not targeted at the right groups. It was also highlighted that MAPs, as a non DCC User, were considered an after-thought in engagement despite regular interaction with the DCC.

Score	Rationale
1	There are examples where the DCC have engaged pro-actively and this has worked well. However, the engagement is inconsistent and as noted there is not sufficient clarity to understand where in the process the engagement is taking place.

Q2. Has DCC set clear time frames such that customers understand when they can contribute views with sufficient lead times to enable them to do so?

In line with the question above, clear plans and process are lacking. This means when the DCC engage with the Panel and its sub committees it is not clear what the timeframes are for seeking information. Agreeing such timeframes upfront would make it quite clear how long all stakeholders have to engage and at what stage in the process that engagement is appropriate.

A symptom of this lack of agreed engagement is that DCC have on a number of occasions presented a set of slides at a committee meeting and expected a decision. Committee members need time to review papers and digest information before decisions can be reached and often that requires more than a single meeting with high level bullets on a slide. Despite the concern of insufficient budgeted time for decision making being raised a number of times, plans regarding Comms hubs and networks programme have accounted for only a single meeting before decisions are reached. Setting out clear plans and process upfront would remove this issue.

DCC consultations are clear on how long respondents have to complete the information. Mostly that is 2 to 4 weeks which is usually sufficient, but consideration should be given to flex to allow respondents enough time during busy periods. Again, clear sign posting of when consultations will occur and transparent planning would help.

Under this question a clear distinction should be made as to the difference between sufficient time to respond and sufficient time for consideration of responses. Respondents noted that they generally have sufficient time to respond to consultations. However, four respondents noted that they were unsure of how their contribution fed into the wider process; particularly when consultations close shortly before a decision is due.

Three Parties have also highlighted that the use of the DCC portal is a concern as it is not user friendly and can prohibit responding to consultations in a timely manner..

Score	Rationale
1-2	As noted above, a clear process and plan would make it easier to understand how long customers have to engage in the wider context not just for the individual consultation. The lack of agreed engagement plans makes it difficult to say timeframes have been clear. Some consideration needs to be given to flex the length of consultations to allow for busy periods

Q3. Has DCC’s broader engagement (e.g. general updates, reactive engagement on unplanned issues impacting customers) been delivered in a timely manner and with sufficient frequency?

This question covers a large amount of engagement and as such would suggest it is refined in future OPR submissions (see comments below).

The broader engagement follows the trend from the previous question in so far as the DCC approach is inconsistent. Results depend on the topic and the area of DCC sending the communications. One key area where improvements need to be made in is the engagement surrounding incidents. SEC Parties have noted, both in responses and at the OPSG, that reporting of incidents is slow and that Major Incidents have often been announced after they have been resolved. Engagement in this area needs to become timely and presented in clearer language so Parties can quickly and easily understand the issues.

As noted above, SEC Parties have flagged concerns with the DCC customer portal and we recommend a review is taken of that tool to help SEC Parties engage more effectively based upon their feedback.

One respondent also noted the challenge to understand which forum deals with what information. Perhaps a simplified “organigram” of forums and purpose could be provided.

Score	Rationale
1	Broader engagement is again not consistent in approach and there are issues around contacting the correct distribution lists. Critically, there are delays around engagement on incidents. This is an important area and should be considered a material concern.

Quality

Q1. Has DCC provided its customers with information of sufficient quality and detail to enable them to compare costs and benefits of different options, and understand the drivers of those costs and benefits?

There has been a continuing struggle to get DCC to provide clear and transparent costs and benefits. The Network Evolution Programme has left Panel and Committee members frustrated that the costs and benefits called for have not been forthcoming despite repeated requests. Costs for Modification Proposals are also unclear and considerable effort is required to interpret the information provided. We believe there are two main issues at the heart of the frustrations surrounding poor communication of costs and benefits. Firstly, lack of honest transparent engagement has resulted in a promise to deliver cost information when that was not possible, either due to timing of projects or commercial sensitivity. If such information is not available there needs to be a frank discussion about why and agreement reached as to how best to proceed. Promising to produce the information but continuously failing to do so undermines trust Users have in the process and the management of the spend on contracts. Clearly setting out what information will become available and when at the beginning of a project would help resolve this issue.

Secondly, there appears little understanding of SEC governance and funding arrangements. Often DCC are reluctant to share costs and/or the required breakdown of information. DCC Users are funding the work being undertaken so they have a right to assurance that the funds they provide are being spent in the most effective manner. Equally, in order to make decisions on projects or Modifications the SEC governance bodies need detailed information on costs. We understand that sometimes there are commercially confidential issues, however these governance bodies are bound by the Panel Information Policy to treat certain information as confidential. They cannot make informed decisions if the correct information is not shared. There are established processes for dealing with Modifications both in the SEC and the wider industry so there should be no issues going forward in providing the required information. For other projects and programmes we would expect the SEC Panel to sign off problem statements, project briefs and PIDs at programme gates to help provide Users certainty that scrutiny has been applied to costs and benefits before costs are incurred.

All respondents to our engagement consultation noted concerns in this area, highlighting that costs were rarely shared and not discussed in depth. Three respondents also noted that this is an issue with bilateral discussions and not just on “central projects/change”.

There have also been requests from Parties asking for more information of how the DCC manage Change Requests (non-modification changes), particularly the governance on business case and costs. OPSG members have highlighted that the DCC have relied on input of a small group of customers as a means to progress projects and Change Requests at a cost to all DCC customers. An example would be discussions taking place at recent OPR workshops where attendees were asked to approve significant expenditure without due process taking place. Consideration needs to be given as to how such projects are governed. To reiterate, we would expect such information to be presented to the Panel before projects are commenced.

Score	Rationale
0	There is limited evidence that the DCC produce sufficient information regarding costs and benefits.

Q2. Has DCC provided sufficient quality of information in its broader engagement (e.g. general updates, reactive engagement etc) for customers to understand the issues and the actions DCC is taking?

The quality of information provided is again inconsistent and varies from topic to topic. Respondents noted that general information and updates provide the right information, but specific issues or actions are lacking in detail and do not sufficiently explain the rationale for the decisions or out comes. Three respondents noted that they did not understand why the DCC has taken the actions it had, with a fourth respondent noting further information was provided, but only after they had contacted the DCC for an explanation. Work needs to be done in this area to provide better rationale and context as to why decisions have been made or actions taken.

As noted previously, in some areas DCC information has been of sufficient quality to allow a proper understanding of the issue and associated actions at the Panel and Sub-committees (further detail on this can be found in the PCR response to the RY20/21 which is attached). However, it is often a struggle to get the required information. It would be of great benefit if DCC produced meeting documentation rather than relying on a set of slides. This provides an opportunity to digest the information and allow a considered view when making a decision. It also provides an auditable trail, which bullets on a slide do not. The engagement needs more structure and rigour, recognising that engagement is part of the approval process and not an inconvenience that slows down DCC progressing in the way it desires.

Score	Rationale
1-2	The level of information provided is not consistent. Depending on the area this can cause material concern. However, it is noted the volume of information produced is recognised by Parties and considered generally sufficient.

Q3. Has DCC provided the appropriate information to the relevant audiences when engaging with customers?

There appears to be a lack of understanding of SEC governance and the roles each committee provides. More work needs to be done to ensure design discussions take place at TABASC and operational issues at OPSG. It is not sufficient to present the same information and let the committees try and interpret the parts that are relevant to them. This is again a symptom of lack of proper plans and strategy work workstreams that should be considered at the outset.

Three respondents noted concerns that communications often go to the wrong members of their business and proper distribution lists should be maintained. A further three respondents also noted that DCC run forum's need greater clarity and rigour to ensure there purpose of the forum is clear and that decisions are not made without wider engagement.

Score	Rationale
1	Whilst this is a frustration under SEC governance the Panel note the continuing issues experienced by Parties that need to be resolved.

Customer Views

Q1. Has DCC ensured its customers understand on which issues their views will inform decision-making?

This question re-iterates the points made under question 1(a). A clear plan and process upfront for all topics that the DCC needs to engage upon provides context and makes it clear what decisions are required and when. Currently that information is not always clear and leads to confusion.

A respondent to the consultation noted, that whilst there is some clarity when engaging via the SEC committees, engagement outside of that framework is not clear or structured. A further 3 respondents did not believe that it was clear how their views were going to be taken into consideration. A respondent again reiterated the concern that some decisions were being made in the wrong forum without wider engagement. More work needs to be done to set context and ensure that engagement is a structured thought out process and not disjointed.

One respondent has noted that DCC questions in consultations are clear and concise and the DCC do set out how they will deal with responses that they receive.

Score	Rationale
1	Whilst this is a frustration under SEC governance, and could be considered a minor area of concern, the Panel note the continuing issues experienced by Parties that need to be resolved and therefore believe engagement in this area is inconsistent.

Q2. Has DCC taken customer views into account in its decision making?

Parties who responded to the consultation scored this metric the lowest. Whilst it was noted that they believed the DCC did try to take views into account, four respondents did not believe that views had been considered or made a difference to the DCC’s approach. The remaining three respondents noted that there were rare occasions when rationale had been provided to explain why decisions had been made, but examples were hard to find.

The SEC Panel would note that if views expressed by the Panel and it’s sub-committees were taken into consideration when the DCC made decisions then the outcome would be reflective of those views. However, trying to get the DCC to address issues and take on board feedback has been a long and exhausting process. Basic requests to update actions, provide information or engage earlier have not been addressed. Decisions have been made to proceed in a way that is counter to the requested approach and therefore the conclusion is the expressed views have not been taken into account.

Score	Rationale
0	The intent of the DCC to engage better is clear and very welcome. However, there is no evidence to say customer views have been taken into account following consultations and/or discussions. Addressing that lack of transparency is critical so it is clear where decisions have been informed by views of customers.

Q3. Has DCC communicated a clear rationale for decisions it has made to customers, explaining how customer views have informed its decision making, and where relevant why DCC has decided not to incorporate customer views?

This links closely to the question above. It is not made clear how views received impact the decisions DCC take. This in turn perpetuates the impression that customer views are not taken into account. It is important the DCC do not avoid challenging conversations. If they disagree with the stance of a Party or User feedback then they need to set out their reason in a clear and logical manner, not avoid the challenge and carry on regardless.

Equally where feedback has been taken on board there needs to be greater transparency about the process undertaken. As part of the Network Evolution Programme there were high level discussions on requirements that went silent for a period of time. These initial high level discussions were then considered to be fully formed and agreed, but there had been no follow up or wider industry consultation. Part of the engagement process has to be in explaining how decisions have been reached and the process they have undertaken to get the relevant information. Again, if this approach is set out from the start it becomes easier to inform customers of what decisions have been made and on what basis.

Two respondents noted that engagement to date can feel like a tick box exercise that is done out of necessity rather than steering an outcome. All respondents believed that the explanation of how views have been taken on board and shaped decisions needs to be improved as it is too often unclear.

Score	Rationale
1	In areas rationale for decisions has been set out, but the link to customer views and that outcome remain unclear. In too many areas it remains unclear how views shape decisions and how certain outcomes have been reached.

Feedback on OPR

We appreciate the opportunity of the trail run as it has highlighted some areas where we can improve this process. It will be more efficient to have discussions about how we can improve outside of this consultation, but as a summary of observations:

- Timing and quality questions – There is some overlap which makes responding a little confusing. The questions also appear to focus on those topics where decisions are being made in projects or programmes, but the engagement of unplanned issues and general updates is incredibly important and can have significant impacts on Users. Perhaps we could merge and re-word to make a clear separation between for decision items and information items.
- Quality questions - The purpose of these questions appears to be about driving the need for the right information at the right forum. This in turn allows informed decisions to be made and provides sufficient detail to allow Parties to understand context and next steps. We would recommend rephrasing the questions to make that clearer. Equally whilst we understand the desire to talk about cost and benefit, this is one element of the “right information” so perhaps we can combine into another question.
- General – Providing examples is a useful and necessary step. However, providing case studies seems a little disproportionate for this exercise. Where there is differing opinion from the DCC and SEC Panel on a specific topic then it may prove useful to set out the details. However, this should not be considered the norm and perhaps should be provided on request rather than drafted but never used. It is hoped sharing the responses before submission will mean views from both the Panel and DCC can be recognised and commented upon in a more collaborative style.