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Attachments:	None

Purpose

This paper summarises the improvement actions which DCC and SECAS have implemented over RY2020/21. It also provides an update on the performance of DCC, specifically in terms of:

1. Time to submit Preliminary Impact Assessments (PIAs) and Final Impact Assessments (FIAs) for DCC and its Service Providers (SPs)
2. A cost comparison between the implementation cost presented by each SP and the total cost to complete the FIA
3. Update on the work being carried out by the Orthello Partnership – who are supporting the In-Life Change team to establish a collaborative approach to the design phase of new SEC Modifications resulting in a reduction of the time taken to deliver Impact Assessments to meet current KPI targets.

The report presents a series of charts to demonstrate DCC's performance over the last 12 months and elaborates on proposed improvements to address on-going issues.

Recommendations

SEC Panel Members are invited to:

- **NOTE** the current performance metrics; and
- **PROVIDE** feedback which DCC will incorporate in their ongoing approach.

Summary

DCC provided an update on their performance through the Refinement Stage of Smart Energy Code (SEC) Modifications at the February 2020 SEC Panel meeting. The paper responded to SEC Panel's concerns regarding delays in progressing Customer requested change, associated with the return of Preliminary and Final Impact Assessments. DCC provided assurances that improvements were in progress which would deliver a reduction of 20% on the average durations by the end of Q2, resulting in an increase in the number of Impact Assessments being returned within SLA. (Preliminary Impact Assessment (PIA) Submissions within 15WD; Final Impact Assessment (FIA) Submissions within 40WD)

The report also presented several actions which were in progress which DCC and SECAS have delivered over the last year. These initiatives have established closer working between the two organisations, delivering better outcomes for industry. When these initiatives are fully embedded, they will drive further improvement into the end-to-end change management process. DCC have worked closely with SECAS to ensure that all improvements align with their processes and are in accordance with the SEC. These have included:

- **Prioritisation Matrix** – SECAS and DCC developed this matrix as a mechanism to assess the relative priority of Modifications in order to better manage any peaks in workload. The methodology was presented and endorsed by Panel in March 2020.
- **SECAS and DCC Framework for Progressing Modifications** – This joint Working Instruction Manual (WIM) details the end-to-end process for progressing modifications under the SEC. It sets out the interaction points between SECAS and DCC and details what is expected at each stage. It was agreed in March 2020 and has informed our collaborative working over RY2020/21. It has helped establish a strong working relationship between both organisations and allows for open and honest discussions and the effective progression of SEC Modifications.
- **Integrated Landscape Planning** – DCC have established a System Integration (SI) Programme Planning Action Group. The group is chaired by DCC's SI and is attended by leads from all DCC's Programmes. The purpose of the group is to review Release dates and identify and discuss future Release contention. The In-Life Change Programme have created a detailed plan, highlighting the phasing of Releases and the individual modifications which inform the Programme wide Project Plan. SECAS, DCC and the SI have had their first session in November 2020 to discuss future Release scope, improving our joint delivery management and planning capability. Further sessions will take place over the next quarter to inform planning for 2022 Releases.
- **Open Modifications Weekly Reporting** – DCC started producing a weekly report in March 2020, which provides the latest status of all open SEC Modifications. These reports are shared with SECAS and SPs ensuring that accurate and transparent information is provided to all stakeholders for scrutiny and challenge.
- **Digital Collaboration Site** – SECAS are about to provide DCC with access to a shared document repository. This will allow SECAS and DCC to create shared folders/documents which can be edited. This will be particularly useful for sharing Impact Assessments.

1 DCC's Assessment Performance

The following sections present a summary of DCC's performance through the Refinement Stage over the last 12 months (Jan 2020-Dec 2020) and compares it to the same 12 months of the previous year (Jan 2019-Dec 2019).

1.1 Preliminary Impact Assessment (PIA) Performance

The following tables present extracts from SECAS's Change Status Report for PIAs:

The timescales below cover the 12-month period up to the end of December 2019:

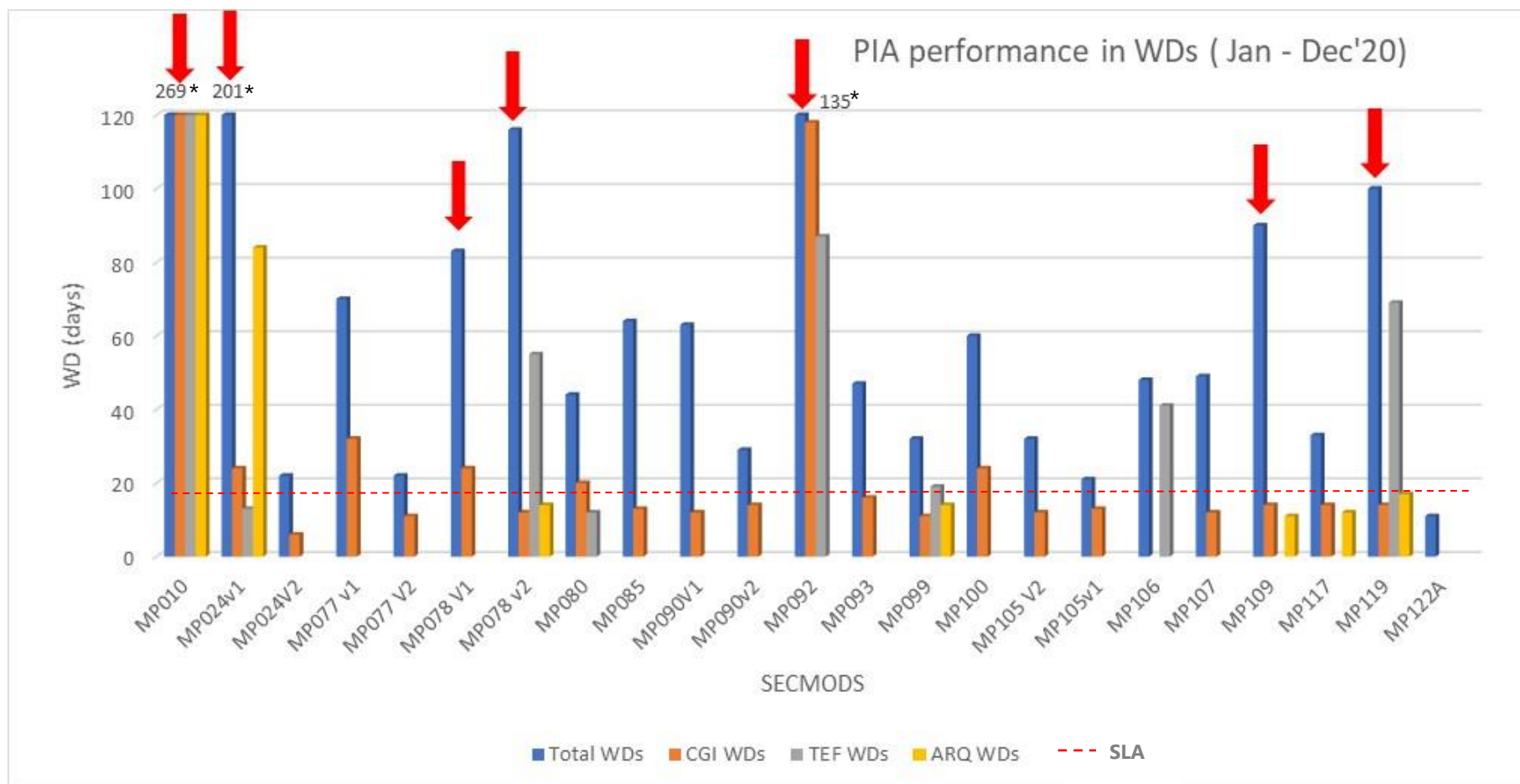
Assessment	Total	Average Duration
Preliminary Assessments open (as at end of Dec 19)	7	66 WD
Preliminary Assessments completed during 2019/20	7	67 WD

The timescales below cover the 12-month period up to the end of December 2020:

Assessment	Total	Average Duration
Preliminary Assessments open (as at end of Nov 20)	2	73 WD
Preliminary Assessments completed in last 12 months	21	62 WD

DCC and SECAS have completed and presented over three times more PIAs to Industry over the last year in comparison to the previous year at the same time as reducing the average number of WDs by 7%.

The following chart shows further details of the PIAs submitted between January 2020 and December 2020:



* These figures show total number of WDs as the scale of the graph does not represent them on the scale.

There are seven outliers (SECMP0010, SECMP0024v1, MP078v1 & v2, MP092, MP109 and MP119) which have taken over 80WDs to complete. These overdue assessments have significantly increased the performance statistic (Av. No. of WDs). The delay in submitting these PIAs is in part because of them being:

- Legacy Modifications - older Modifications (e.g. SECMP0010 and SECMP0024) which need intensive revision, requiring several versions to redefine their requirements based upon current systems.
- Communications Service Provider (CSP) impacting Modifications - these are often high value Modifications requiring additional commercial governance by SPs, then receiving challenges from DCC due to perceived inflated costs being submitted, adding further delays, before the PIAs can be submitted to SECAS.
- Dependent on third parties to define the requirement and/or inform the solution.

However, there has been an improvement in the overall performance and the total number of PIAs which have been completed and submitted for review. The majority (61%) of the PIAs, as represented in the above chart, are being submitted by DCC's SPs close to, or within their SLAs (including: SECMP0024v2, MP077v2, MP078v1, MP080, MP085, MP090v1, MP093, MP099, MP100, MP105v1&2, MP107, MP109 and MP117).

If DCC were able to turn around a PIA within 48-hours after receiving the final submitted PIA from our SPs, then we would:

- Reduce the Av. No. of WDs from the reported 61WDs to 37WDs (40% reduction)
- Deliver over 60% of all PIAs within a 20WD timeframe.

1.2 Final Impact Assessment (FIA) Performance

The following tables present extracts from SECAS's Change Status reports for the same periods in 2019 and 2020 for FIAs:

The timescales below cover the 12-month period up to the end of December 2019:

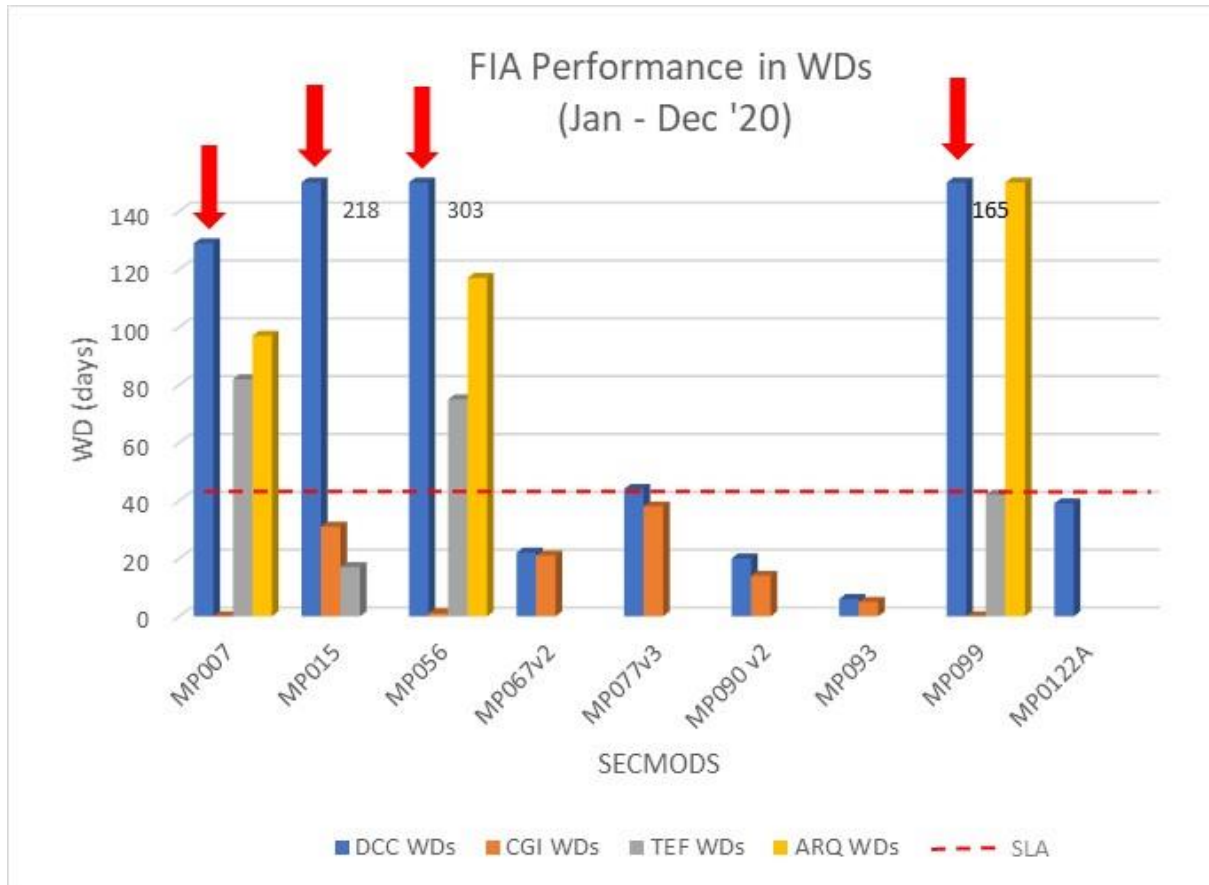
Assessment	Total	Average Duration
Impact Assessments open (as at end of Dec 19)	3	140 WD
Impact Assessments completed during 2019/20	2	56 WD

The timescales below cover the 12-month period up to the end of December 2020:

Assessment	Total	Average Duration
Impact Assessments open (as at end of Nov 20)	2	36 WD
Impact Assessments completed in last 12 months	9	108 WD

DCC and SECAS have completed and presented just over four times more FIAs to Industry over the last 12 months in comparison to the previous year.

The following chart shows a breakdown of the FIAs submitted between January and December 2020:



As explained in the PIA commentary in Section 1.1, the FIAs follow a similar pattern. The outliers are the Legacy Modifications: SECMP0007, SECMP0015 and SECMP0056. These Modifications and MP99 also impact the CSPs and incur significant costs to implement which has delayed DCC from submitting the final report due to further negotiation on the commercial submissions.

Although the average number of WDs may not have reduced, the number submitted with the SLA has increased. As shown in the graph above, five FIAs have been submitted within their SLA, representing 56%.

Again, if DCC were able to turn around an FIA within 48-hours after receiving the final submitted assessment from our SPs, then we would:

- Reduce the Av. No. of WDs from the reported 101WDs to 47WDs (53% reduction)
- Deliver 67% of all FIAs within a 40WD timeframe.

Proposed Improvements

DCC, our SPs and SECAS continue to review the current process in order to make improvements that benefit industry. Our focus should be to reduce the time it takes DCC to turn around the production of the Impact Assessments following the submission of the assessments from its SPs. This will be predicated on receiving a better quality of document from our SPs and having resources available to compile the documents.

DCC are introducing two further steps into the Assessment Process, an 'Initial' review and an 'Interim' review with its SPs, which will be required for all PIAs and FIAs:

- **Initial IA Review** – These will be joint workshops with all impacted SPs to discuss assumptions and dependencies, ensuring these are applied consistently for modelling purposes. This will be set up within the first 48 hours of the request being published. Further parties (e.g. SECAS, Proposer, supply chain) may be invited to attend if required.
- **Interim IA Review** – Again, these will be joint workshops, which will take place halfway through the SLA timeframe for PIAs and FIAs. All impacted SPs will be expected to present current progress. It will also provide an opportunity to discuss any clarifications. Further parties (e.g. SECAS, Proposer, supply chain) may be invited to attend if required.

The interim review will enable DCC to provide an early draft of the PIA/FIA for review by SECAS ahead of final submission and should speed up the final production of the assessments. DCC have also recommended to change the PIA SLA from 15 WDs to 25 WDs, as we believe this, combined with the introduction of the reviews, will provide a better quality of assessment, reducing the need for further challenge.

DCC are also sharing the responsibility for completing the Impact Assessments across the In-Life Programme team, where previously it was the sole responsibility of the Design team. This will reduce the time taken to compile the final document for submission to SECAS.

2 Cost Performance

This section presents a summary of the costs associated with implementing SEC Modifications, which has had a direct and significant impact on DCCs SLA performance.

The following table presents the proportion of the cost to implement each of the nine FIAs against the total standalone costs, as submitted by each impacted SP:

This information is confidential as individual Service Provider costs can be identified, and was presented to the Panel under a Confidential (Red) classification

The following table presents the percentage of costs to complete each of the nine FIAs against the total standalone cost to implement the changes:

This information is confidential as individual Service Provider costs can be identified, and was presented to the Panel under a Confidential (Red) classification

The tables above show:

- In the case of lower implementation costing Modifications (usually DSP impacting only), the cost to complete the FIA is less than 10% of the total cost to implement.
- For Modifications which incur higher costs to implement (usually CSP and DSP impacting Modifications), the FIAs have cost between 1%-2% to complete, as a percentage of the total standalone implementation cost. In conclusion, the higher the cost of the SEC Modification to implement, the greater the efficiency to complete the FIA, though the overall cost to complete the FIA will be higher in these instances.
- CSP North is providing implementation costs which are significantly higher than the cost to implement the same modification in the South & Central regions. This is consistent across submitted Change Request Assessments for other Programmes. These issues have been discussed and presented to SEC Panel following a review by DCC's Commercial Team, as this has affected Programmes more widely, promoting a contract reset. SEC Panel were presented with a Commercial Reset Summary Paper in December 2020.

Proposed Improvements

The following proposed improvements address some of the observations made in the previous tables.

- There have been delays in approving PIAs due to the costs associated with completing the FIA, and the SEC is the only Code that presents the charges of completing the FIA separately for decision. In order to alleviate this issue, DCC and SECAS are working through options with the SPs to set a fixed cost for completing FIAs.

The varying percentages demonstrates that costs are not relative to the overall cost of the modification, and so the aligns to the logic of fixing FIA costs. If an agreement can be reached that satisfies the SPs and Industry, it will mean that the cost for completing FIAs will be included in the annual budget. Thus, negating the requirement to consider the individual costs to complete an FIA, in the decision to proceed with the change.

- SPs started providing standalone implementation costs in their FIAs from the start of RY2020/21. The Standalone cost for a Modification will always be higher than the cost to implement several Modifications together in a Release. This has caused confusion and hindered decision-making due to the inflated high costs. To improve cost transparency, DCC are providing a Red (Confidential) Annex alongside the FIA document which provides a breakdown of the costs by SP and phase, setting out the Standalone cost, the estimated Release cost and potential saving. DCC have created a template and have retrospectively provided this Annex for several Modifications in governance. We will continue to provide this for all future FIAs.

These actions will improve the governance process and should help reduce the timescales for DCC to submit Assessments.

3 Orthello Partnership Update

The Orthello Partnership were commissioned by DCC to uplift the capability of the In-Life Change Design team, through establishing a collaborative approach across all parties included in the Refinement Stage. The implementation relied on input and endorsement from stakeholders to initiate proposed changes, in order to improve the quality and creativity of the final Modification solution and reduce the overall cost of implementation.

There have been multiple cross-functional workshops throughout November and December 2020 reviewing actions that will improve the SEC Modification Design process.

3.1 Summary of Design Process Improvements

Historically, the design process has been very linear, with parties working largely in isolation. New ways of working have been introduced to ensure greater collaboration and earlier engagement which ensure SECAS and Industry have a greater level of visibility throughout the process. The proposed improvements which are due to be implemented in January 2021 are as follows:

- **Improved requirements definition:** Requirements are sufficiently prioritised and *MoSCoW rules applied to enable DCC and the Service Providers to propose cost-effective solutions.
(*MoSCoW method is a prioritization technique used to reach a common understanding with stakeholders on the importance they place on the delivery of each requirement. The term MoSCoW itself is an acronym for each of four prioritization categories: Must have; Should have; Could have; and Won't have.)
- **Increased industry engagement during design:** Representation by most appropriate third-party stakeholders as required at design workshops and throughout the development of IA.
- **Enhanced pipeline management:** 'Reporting Pack' currently in development (requirements discussed and agreed.) This reporting pack will give an understanding of numbers of IA's in the pipeline, at what stage they are at, durations and costs to deliver, compared with previous months.
- **Intelligent SLA Management:** Introduction of 'stop the clock' process has been discussed and agreed, currently awaiting official approval.
- **Standardised commercial submissions:** SPs to provide a breakdown of effort/costs by phase, to be provided as part of the Impact Assessment Process.

Final feedback on these changes will be sought from industry representatives, and their performance benefits will be measured against the Collaborative Design Maturity Model. DCC will present a final report to Panel following the completion of this work, which will highlight the benefit realisation against the Design Maturity Model.

4 Recommendations & Next Steps

Delivery of SEC System Releases represents positive progress over the past 12 months, but the need to deliver faster and more cost-effective solutions is recognised, with all parties committed to this.

The DCC will continue to work closely with SECAS and its SPs on the implementation of improvements to the design process throughout January and will support SECAS with their completion of the Section D Review. There is a firm belief that all parties working more collaboratively together throughout the design process will significantly improve the delivery of SEC Modifications.

DCC will continue to incorporate feedback from our Customers to inform our improvement actions alongside the measurement of our overall performance levels, governance arrangements and the SLA regime. DCC would like to return in six months' time to provide an update to SEC Panel and report on our progress.