

Julian Hughes
Chair
TABASC
SECCo Ltd
8 Fenchurch Place
London
EC3M 4AJ

Peter Davies
Chair
SEC Panel
8 Fenchurch Place
London
EC3M 4AJ

2nd November 2018

Dear Peter,

DCC Testing Services Governance

The DCC has communicated plans to establish and run its own test lab facility and to decommission the relevant services provided by the CSPs being delivered in accordance with the CSP contracts. Whilst this is expected and intended to deliver benefits to the industry, such as providing a single location for Users to test devices, increasing the capacity above the current provision and delivering significant savings, the TABASC has sought assurance that there is sufficient oversight of the DCC's activities. There are several areas of concern.

Governance regarding change in DCC's role and duties:

The initial arrangements setting out DCC as the Licensee and CSPs as service providers created a clear role for the DCC as a contract manager with incentives to ensure that the CSPs deliver contracted services as efficiently as possible. BEIS (DECC at the time) involved industry in the development of the DCC Licence and the DCC's Service Provider contracts. The DCC's role will fundamentally change as they take a direct operational role in delivering the services and the role of providing oversight and assuring delivery will become more blurred.

This has been raised as a concern in TABASC, as it has at other forums, and the TABASC suggests that appropriate separation between governance and operations needs to be maintained.

It is clear that DCC is responsible under its Licence to assure the delivery of services. It is however unclear under the SEC and Licences where the governance arrangements may reside if DCC is actually delivering services rather than contracting a Service Provider to do so. TABASC would appreciate the Panel's, consideration of the matter.

Assuring the Business Case:

The DCC has set out that significant savings will be delivered through a centrally-provided test facility, although little evidence has been provided and industry has had little opportunity to scrutinise these assertions. Although we recognise that the Authority would be responsible for assessing DCC costs and ensuring the DCC's efficiency, we are concerned that there should perhaps be some scrutiny of the business case prior to commitment. We would welcome the Panel's views on this matter also.

Yours Sincerely,



Julian Hughes
Chair TABASC
Mobile: 07901 854953