

## **RECCo Board Meeting and Strategy Day, December 2019 – Highlights**

### **RECCo Strategy Day, 02 December 2019**

The Board agreed it's 2020/21 Objectives as follows:

- Consultation and approval of 2020/21 Budget
- Mobilisation of REC Code Manager Service Providers
- Transition of SPAA and MRA (Codes and Contracts)
- Establishment of a small RECCo Executive
- Appointment of two Non-Executive Directors
- Appointment of Enduring Board

#### Consultation and approval of 2020/21 Budget

The 2020/21 Budget will be issued to REC Contract Managers on 05 February 2020 for review and approval. The Budget will be developed on a prudent basis to ensure it contains sufficient allowances to support the three elements that drive RECCo activities: RECCo Operational, REC Development, and the Switching Programme; and to ensure the delivery of RECCo's two key work programmes of the year – Transition and Mobilisation.

#### Mobilisation of Code Manager Service Providers

Following the award of contracts for the Code Manager Service Providers in June 2020, there will be a nine-month mobilisation period in which the service providers will have to deliver against a detailed implementation plan and key milestones. In Q1, 2020 the Board will recruit a dedicated Mobilisation Manager oversee the implementation of the REC Code Manager Service Providers in readiness for service go-live on 01 April 2021.

#### Transition of existing retail governance arrangements:

The Board has agreed its approach for the novation / procurement of all SPAA and MRA existing contracts that are required under the REC. A 'Transition Steering Group' will be facilitated by Ofgem, and in Q1, 2020 RECCo will appoint a Transition Manager to lead this project, supporting closer engagement with the SPAA and MRASCo Boards and the Ofgem Switching Programme.

## RECCo Executive Team

The Board has concluded that the establishment of a small Executive Team is in best interests of the long-term future of RECCo and the stakeholders it serves. This will comprise a two stage process to set up an 'operations' function to deliver Mobilisation, Transition, Stakeholder Engagement and Secretariat services; and a 'corporate' function comprising a CXO and Commercial (Procurement and Contract Management) Finance, HR, IT and Legal.

## Appointment of two Non-Executive Directors

Consumer interests and innovative approaches are at important considerations for the development of the REC. The Interim Board wishes to appoint a Non-Executive Director in each area to help it progress this agenda.

## Appointment Enduring Board

The Interim Board is expected to remain in place until April 2021, but enduring members may be recruited before that time as required by the RECCo Strategy. The Board, in consultation with Ofgem, has proposed that enduring Board members will be independent from REC Parties. They will be appointed by a Nominations Committee established by Ofgem, with a mix of 'functional' and 'constituency' skills.

## **RECCo Board Meeting, 04 December 2019**

### Code Manager Procurement Project

The Board approved the final Code Manager Services Procurement Strategy which sets out the capabilities RECCo needs to procure and the approach for doing so.

The Procurement Strategy has been tested and validated through market engagement, which comprised a formal event for all interested parties held in September and a series of subsequent bilateral meetings in September and October 2019, as well as stakeholder engagements with REC Parties in October 2019 and continual engagement with Ofgem.

The Procurement Strategy sets out that the code management services will be delivered in three distinct phases:

- Mobilisation, which will run from contract award to the end of March 2021, during which processes, systems, and procedures will be set up;
- Interim Operation, delivery of non-CSS related market operation, both legacy and new, which fall under the governance of the REC; and
- Full Operation, when the Central Switching Service (CSS) commences, forecast for July 2021.

The required capabilities are split into three packages: REC Performance Assurance; REC Professional Services; and REC Technical Services. This is considered the optimum split, drawing upon best in class market expertise, attractive to the market, and ensuring that contract management and integration responsibilities can be executed by RECCo.

The strategy sets out that individual bids can be made for any of the three packages and combined bids can be made for REC Professional Services and REC Technical Services. In addition to assuring the performance of Code Parties, the REC Performance Assurance provider will be responsible for assuring the performance of other Service Providers and REC processes. For this reason, the REC Performance Assurance provider cannot bid for or deliver either of the other two packages.

The procurement will follow a sourcing process that is compliant with the Public Contract Regulations 2015 (PCR 2015). The Performance Assurance package will use a single-stage, 'Open' procedure, and the Professional Services Technical Services will use 'Competitive Dialogue', which allows detailed discussions with bidders on elements of the requirement. . The choice of procurement routes impacts on the number of stages and the breadth of activities completed at each stage.

The Model Services Contract will be used, which is a well-established contract form and is widely understood by the market. It includes a number of schedules which have been tailored proportionately to the code management services.

The Board approved the launch of REC Code Manager Services on the MyTenders portal for week commencing 16 December 2019 with contracts to be awarded in June 2020.

### Procurement Evaluation Panel

The Board reviewed the applications received for the Procurement Evaluation Panel (PEP) and agreed candidates to fill the following seats: an Independent Chair who will facilitate the process, a Consumer Representative, a Digitalisation expert and three industry / REC Party Representatives. The PEP will be supported by procurement, legal, commercial and technical subject matter experts.

## Midata Project

The Board approved the publication of an update on the Midata Project for REC Parties:  
<https://www.retailenergycode.co.uk/ofgem-midata-project-update-for-rec-parties/>

## REC Development

RECCo continues to support Ofgem through the provision of funded resource to the switching programme. It has been agreed that in the current and next financial year, any additional resource to support REC drafting / developments will be appointed via a competitive procurement managed by RECCo.

*RECCo Board, December 2019*