

# REC

THE RETAIL ENERGY CODE COMPANY



**RECCo Budget  
2020/21 Financial Year**

## RECCo Budget - 2020/21 Financial Year

### 1. Executive Summary

1.1. The RECCo Board ('The Board') sets out below its good faith estimate of the costs that are anticipated to be incurred pursuant to Clause 9 of the Retail Energy Code for the financial year to 31 March 2021. **REC Parties are invited to review and approve the RECCo 2020/21 Budget.**

1.2. RECCo is a not for profit organisation and its income in any one year must match its costs. For 2020/21 the Board has four primary objectives and the budget reflects the resources necessary to deliver these:

- Transition of existing gas and electricity retail obligations and governance arrangements (primarily the SPAA and MRA) to the REC;
- Transition of service provider contracts for supporting certain activities currently undertaken pursuant to existing governance arrangements;
- Procurement and mobilisation of new Code Manager service provider contracts; and
- Appointment of an enduring RECCo Board and establishment of RECCo Institutions.

1.3. Alongside delivering its four primary objectives, RECCo will continue its commitment to supporting Ofgem in the delivery of the switching programme. There are three main themes within the Budget reflecting RECCo's core activities and those of the programme:

- REC Operational: costs of mobilisation of the Code Manager Services, transition of governance arrangements and services under existing industry codes ready for REC 'go-live' on 1 April 2021 as well as costs of establishing a RECCo operational delivery function and the services necessary for RECCo to fulfil its corporate, legal and financial obligations;

- REC Development: provision of resources to support Ofgem’s development of the REC schedule and provisions as well as supporting the evolution of metering codes and data access and governance arrangements; and
- Switching Programme: RECCo will continue to provide support and resource to the Ofgem Switching Programme through funding the costs for Programme Coordinator and Licence Party Assurance (LPA) in readiness of CSS go live. The Programme Coordinator assists Ofgem in navigating the complex delivery arrangements and is an integral party to the delivery of the new E2E Switching Arrangements providing Ofgem with industry coordination, assurance and advisory services. The LPA provider is fundamental to the programmes ability to drive progress and make decisions and is critical to giving Ofgem confidence in industry’s progress and an understanding of the risks to industry delivery.

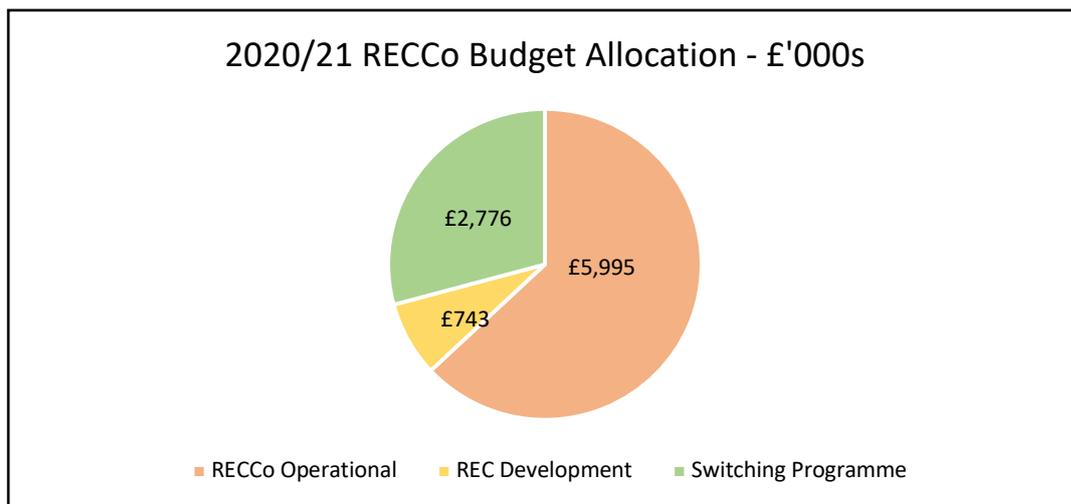


Figure 1. – 2020/21 RECCo Budget Allocation