

RECCo 2020 Annual General Meeting: Chairman's closing remarks

The Retail Energy Code Company (RECCo) Ltd has come a long way since it was formed by Ofgem in February 2019 with a two-year transition window to prepare for REC go-live in April 2021. I am delighted with the progress made by the organisation since that time and I would like, in these brief remarks, to highlight three areas to share with our community.

The first and perhaps the most important activity of this past year has been the Code Manager (CM) Procurement exercise. A successful process will, we hope, enhance the governance arrangements of our industry for the benefit of all stakeholders and particularly for consumers. A small internal RECCo team, working closely with PA Consultants and an independent Procurement Evaluation Panel (PEP) have almost completed this exercise. We have adopted an innovative approach, separating the Code Manager Services into three distinct categories: Performance Assurance, Professional Services and Technical Services. This has been a complex exercise but we believe the right approach if RECCo is to deliver 'best-in-breed' outcomes for each category, and provide the enduring organisation flexibility of action in the future. I am very grateful to the members of the PEP who have been excellent, working very hard and to a very high standard in very difficult circumstances. There has also been considerable learning during this exercise which the organisation will benefit from in future procurement exercises.

A second major achievement is the gradual maturing of the RECCo organisation. A small expert team has gradually emerged which is now well placed to carry out the next stage of activities leading to the new REC go-live date of 1st September 2021: REC Development, transition activities, and mobilisation. This is a talented group of professionals who will work closely with our CM service providers, Ofgem, other Code Bodies and, of course, the Parties to the Code to ensure a smooth transition into the enduring regime.

Thirdly, the RECCo Board has delivered on its promises with regard to the Budget for the 2019-20 financial year. In particular it has run a lean RECCo organisation in the first year of its operation with the major expenditure being the contract for the Switching Programme Coordinator, managed by Ofgem. The Board has used its knowledge and experience to scrutinise and challenge budget spend on all projects it is funding, not only to ensure consistency with RECCo's remit but also in the belief that this approach delivers the best results for all stakeholders involved. The Board has also made good on its promise to return any unspent budget to them in the current financial year once the annual financial audit was completed.

Looking ahead, we have some good bedrock on which to progress our work-programme for the coming year. We have recently agreed with Ofgem for RECCo to help complete elements of the REC development programme, and to work with them and other Code Bodies to ensure a smooth transition to REC go-live. The RECCo team will, with our CM Service providers, support the industry and its consumers. From an organisational development standpoint we hope to move towards the enduring forms of the Executive Team and the Board, and to be more proactive in terms of wider stakeholder engagement.

Finally I would like to put on record my thanks to all the Directors of the Transition Board for their hard work this past year in very difficult circumstances. They have been very generous with their time, knowledge and experience in support of the RECCo work-programme. It is an excellent Board and I am delighted to work with the Directors on such an important project.

*Dr Chris Anastasi, Chair, Retail Energy Code Company Ltd
August 2020*