

Highlights, RECCo Board Meeting, 2nd December 2020

1. 2021/22 Budget and longer term forecasts

The RECCo Board is continuing to develop and finalise the 2021/22 Budget for the financial year to 31 March 2022 in accordance with REC V1.1. The Board aims to agree the 2021/22 Budget in January and distribute to REC Parties for their consideration and approval. Alongside the 2021/22 Budget the Board will publish, as promised, a longer term estimate of costs for the 2022/23 and 2023/24 financial years.

In the coming financial year, RECCo will undergo a step change in its operating environment, with a move from a project based organisation delivering the Code Manager mobilisation and transition of services currently delivered under existing industry governance e.g. SPAA, MRA and SMICoP. From Retail Code Consolidation (RCC), RECCo will have responsibility for delivery of the REC v2, including the 11 services to be transitioned. Alongside this, RECCo will continue to support the switching programme including assumption of a greater responsibility as a Party Under Integration in that programme. RECCo will also initiate procurement projects for TRAS and consolidation of the metering codes auditor services.

RECCo will develop a budget which reflects its commitment to managing resources prudently. It will competitively procure services wherever possible, drive innovation and efficiency from its service providers and implement an organisational structure with expertise, robust processes and the requisite levels of suitably skilled resource to be the 'intelligent customer'; it will ensure the necessary co-operation between providers to achieve the REC strategy and objectives.

From Retail Code Consolidation, a number of existing industry governance regimes e.g. SPAA, MRA will cease. RECCo will work closely with the Executive Committees of those bodies to ensure that costs, across all organisations, are appropriate and recognised in the correct budgets.

2. REC Development

All sections of the REC for which RECCo has responsibility to develop are on track. Draft schedules relating to the new switching arrangements were baselined and published by Ofgem 12 November. The consultation on the drafting of REC v1.1 has concluded and Ofgem has informed RECCo that it does not expect to make any substantive changes to the drafting ahead of designation. The drafting of REC v2.0 is expected to be consulted upon on schedule in mid-December.

NB: The Ofgem consultation on REC v2.0 was published 15 December 2020. A change-tracked version of REC v1.1 incorporating changes prompted by consultation responses was circulated to the Regulatory Group on 17 December 2020. It is expected to be approved under Ofgem's Switching and RCC programme governance in early January 2021 and take immediate effect.

3. Transition Programme

The Transition Workstream continues to report a RAG status of green. There has been good engagement with Code Bodies and their Administrators. Most Code Bodies had agreed to provide RECCo with access to relevant code documents to support Code Manager mobilisation. Two Code Bodies were seeking legal advice before doing so.

Work with the Code Bodies is underway to log and agree transition arrangements for in-flight processes such as query management and accession. Following review at the Ofgem Chaired Retail Transition Working Group (RTWG), RECCo has written to Code Bodies asking that they provide handover reports for each of their relevant groups to support smooth transition to the REC. An interim report has been requested for each group between February and April 2021 with an updated report prior to 1 September 2021. Work was continuing on developing the contractual arrangements with REC Service Providers.

The Board reviewed and agreed marketing proposals from Crimestoppers for the Stay Energy Safe brand. This promotes awareness of the Energy Theft Tip-Off Service that will be part of the REC from 1 Apr 2021. The Board supported the recommendations from the Theft Steering Group (TSG). In two areas, radio advertising and commercial consumer research, it agreed with TSG that it was sensible to pursue these areas but that further refinement is needed prior to them being signed off.

4. Code Manager Mobilisation Programme

The Code Manager Mobilisation Programme is progressing towards the first key programme milestone M1 with a target date of the 18th December. Very positive work has been carried out on some key deliverables and the programme continues to track to plan. Alongside all the work on the deliverables, the mobilisation programme has been focusing on building the 'One Code Manager Service' based on a Culture of Collaboration.

Culture of Collaboration

We have recognised that building the service on a Culture of Collaboration will not simply just occur; to be truly collaborative any organisation needs to deliberately and actively plan collaboration. It needs to 'bake' collaboration into all processes and working practices and actively encourage people to work in this way. This is particularly true in the new working environment that COVID-19 has enforced with most teams working from home.

At its heart, a culture of collaboration values the idea that we are better together. It centres on the idea that collective intelligence drives the most creative solutions. A culture of collaboration fuels innovation by bringing out the best in individuals and teams; a truly collaborative culture encourages people to think together not just work together.

Over the past few weeks, the Code Manager service partners have engaged in some positive initiatives to 'bake' the collaborative culture into working practices. This has included training events such as Deloitte's Business Chemistry training made available across the wider team. Collaboration will continue to be at the heart of building the One Code Manager Service throughout the mobilisation period into the operational service.

5. Financial Management

RECCo continues to manage its finances actively and in a prudent manner to ensure that the cashflow burden on funding parties is mitigated while still ensuring it has the resources to deliver its key objectives. The Board considers the full year outturn on a quarterly basis and current forecasts indicate a small underspend against the budget for the current year. At its meeting in January the Board will consider the value of invoices to be raised to REC Parties for the quarter January – March 2021.

6. Stakeholder Event

RECCo hosted a remote Stakeholder Event on 09 December to provide an update on its current work plan and introduce the REC Code Manager. A recording of the session and documented Q&A response is available on the RECCo website: [Stakeholder Engagement - The Retail Energy Code Company](#)

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