

BSCCO BUSINESS PLAN 2015/16 – APPROACH, PRIORITIES AND TIMETABLE

MEETING NAME	BSC Panel
Date of meeting	13 November 2014
Paper number	230/09
Owner/author	Victoria Moxham
Purpose of paper	For decision
Classification	Public
Summary	This paper describes the strategic priorities that will be the basis for the 2015/16 BSCCo Business Plan. The paper also sets out the timetable and process that will be used for producing the business plan, as well as inviting the Panel to agree to vary the timetable for production and approval of the BSCCo Business Strategy.

1. Introduction

- 1.1 Every year, the BSCCo Business Strategy and Budget (which in combination form the Business Plan) are constructed around a set of strategic priorities. These priorities should represent our response to the challenges and opportunities facing our customers and the wider industry, based on an assessment of a range of factors, including: our customers' views and expectations of our services; market developments; the evolving technology landscape; our past achievements and results; and the current economic conditions and outlook.
- 1.2 The timetable and steps associated with the production of the BSCCo Business Strategy and Budget are set out in the BSC. They cater for Panel approval of the strategy and Board approval of the budget and include time for the industry to review and comment on both.

2. Strategic priorities for 2015/16

- 2.1 For the past four years, the BSCCo Business Strategy has been developed from our mission and vision. These are still appropriate and relevant, so the 2015/16 Business plan will continue to be based on the same strategic priorities.
- 2.2 As in previous years, the BSCCo Business Strategy will focus on the delivery of core BSC Services:
 - Priority 1: Actively manage, and continually improve, BSC services to ensure that we deliver in an efficient, effective and economic way.
 - Priority 2: Drive efficiencies and savings in the operation of the BSC.
 - Priority 3: Improve the customer experience and develop richer customer relationships.
 - Priority 4: Develop balancing and settlement services to address industry challenges.
 - Priority 5: Invest in our people for the benefit of the industry.
- 2.3 The strategy should make it clear that ELEXON's subsidiary company, EMR Settlement Limited, is undertaking EMR work and that all costs and liabilities associated with this work are ring-fenced so as to be kept separate from ELEXON's activities and budget. The budget process for EMR Settlement Limited is being carried out as a separate exercise.

BSCCO BUSINESS PLAN 2015/16 – APPROACH, PRIORITIES AND TIMETABLE

3. Process and timetable

- 3.1 The timetable for producing the Business Plan and Budget is included in appendix 1. The timetable follows the same structure that we've used for past Business Plan rounds.
- 3.2 The timetable includes a period for the industry to review and comment on the strategy and engagement with BSC Parties in the lead up to and during the review period. We plan to hold an industry briefing/workshop on the Business Plan on 17 December.
- 3.3 The period between 16 January and 4 February is factored into the timetable to enable ELEXON to review and respond to any comments received; to make changes to the strategy and budget to reflect industry comments; and for the ELEXON Executive to review the proposed amendments to the strategy and budget before the final version is presented to the Board (paper day: 28 January).
- 3.4 This replicates the process and timetable endorsed by the Panel in previous years. However, it is different to that prescribed in the BSC¹. Consequently, as in previous years, and in accordance with BSC Section C6.3.3, we are seeking Panel consent to vary the timetable specified by the BSC.

4. Panel input into the business planning process

- 4.1 During recent discussions on ELEXON's governance, the Panel and Board agreed that their preferred governance model incorporates greater input from the BSC Panel into the business planning process. Where possible, we will seek to introduce elements of best practice identified in the governance review into this year's process. For example, the Panel is developing a BSC Panel Strategy and strategic work programme for 2015/16, and it is our intention that these will be fed into the BSCCo Business Plan.

5. Recommendations

- 5.1 We invite you to:
 - a) **NOTE** the mission, vision and strategic priorities described in this paper as the basis of the 2015/16 BSCCo Annual Business Strategy;
 - b) **NOTE** the proposed timetable; and
 - c) **CONSENT** to varying the timetable for approving the Business Strategy.

Appendices

Appendix 1 – Business plan and budget timetable

¹ The BSC (C6.3.1) states that the BSCCo shall:

- not later than 1st February in the preceding BSC Year, after considering all comments received by BSCCo, prepare and provide to the Panel a revised draft of the Business Strategy together with a summary of the comments received on the initial draft; and
- not later than 1st March in the preceding BSC Year, after discussing the draft with the Panel, make such further revisions to the draft Business Strategy as the Panel may consider appropriate having regard to the functions and responsibilities of BSCCo and the objectives in Section B1.2.1, and finalise and subject to the approval of the Panel adopt the Business Strategy.

BSCCO BUSINESS PLAN 2015/16 – APPROACH, PRIORITIES AND TIMETABLE

For more information, please contact:

Victoria Moxham, Customer Relationship & Insight Manager

victoria.moxham@elexon.co.uk

020 7380 4166

Appendix 1 – Business plan and budget timetable

	Oct	Nov	Dec	Jan	Feb	Mar
ELEXON	Exec budget review; review strategy themes and timetable 20 Oct 2014					
Board		Review budget and strategy overview/themes 5 Nov 2014	Review draft Business Strategy 3 December 2014		Consider industry comments and revisions 4 Feb 2015	Approve budget 4 March 2014
Panel	Approve Panel Strategy (to feed into Business Strategy) 9 Oct 2014	Note process, timetable and key themes 13 Nov 2014	Review draft strategy and approve it being issued for comment 11 Dec 2014		Consider industry comments and revisions; approve strategy 12 Feb 2015	
Parties			 Issued for industry comment (subject to Panel approval on 11 Dec) 15 Dec 2014			