

APPROVAL OF THE DRAFT BUSINESS PLAN 2015/16 FOR PUBLICATION AND COMMENT

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| MEETING NAME | BSC Panel |
| Date of meeting | 11 December 2014 |
| Paper number | 231/10 |
| Owner/author | Victoria Moxham |
| Purpose of paper | For decision |
| Classification | Public |
| Summary | The Panel is invited to approve the draft Business Strategy for publication and comment. |

1. Introduction

- 1.1 The draft annual BSCCo Business Strategy and Annual Budget are attached for the Panel to review and comment on before we publish them for wider comment from BSC Parties.
- 1.2 Any comments we receive from Parties will be provided to the BSCCo Board and BSC Panel for information and fed into the final versions of the Business Strategy and Annual Budget. After this, the Panel will be asked to approve the Business Strategy and the ELEXON Board will be asked to approve the Annual Budget. The timetable for the Business Strategy and Annual Budget approval process (agreed by the Panel in November) is shown in Appendix 1.

2. Business Strategy

- 2.1 Last month the Panel noted that the 2015/16 Business Strategy is a continuation of the strategy the Board approved for 2014/15. The theme of the Business Strategy is therefore one of on-going commitment to our core BSC work whilst responding to industry change and seeking improvements to the delivery of the BSC and its services to our customers.
- 2.2 The Business Strategy describes five priorities that we will deliver against. The themes of these priorities remain entirely consistent with those agreed by the Panel for 2014/15.
- 2.3 There is no reference in the Business Strategy to the recent changes at the Executive level. Given this document relates to April 2015 – March 2016 we believe this is appropriate.

3. Annual Budget

- 3.1 This document presents the first draft of the 2015/16 budget. It seeks to provide detail of the budgeted costs for 2015/16 and explain variances against current levels of activity, as detailed in the 2014/15 forecast.
- 3.2 We are finalising a business case on the BSC process transformation work to present to the ELEXON Board in early 2015. Depending on the conclusions of the business case, we may need to seek further funding to deliver our transformation objectives in 2015/16. Alternatively, we may be in a position to reduce our budgeted costs. We will provide the BSC Panel and industry with updated information when we have completed our work on the business case.

4. Business planning process – next steps

- 4.1 In the same way that we have in previous years, we will meet with BSC Parties to discuss the Business Plan, respond to questions and explain elements of the strategy and budget.

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4.2 The document will be professionally designed and formatted before it is published to the industry. Cosmetic changes will be made, but no changes to the text within the document.

5. Recommendations

5.1 We invite you to:

- a) Approve the draft Business Strategy for publication and invitation to comment.

Appendices

Appendix 1 – 2015/16 business plan timetable

Attachments

Attachment A – Draft BSCCo Business Strategy for 2015/16

Attachment B – Draft BSCCo Budget for 2015/16

For more information, please contact:

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Appendix 1

| | 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 | | | |