

249/11 – PANEL APPROVAL OF BSCCO BUSINESS STRATEGY 2016/17

MEETING NAME	BSC Panel Meeting
Date of meeting	11 February 2016
Paper number	249/11
Owner/author	Mark Bygraves
Purpose of paper	Decision
Classification	Public
Summary	This paper seeks the Panel's approval of the 2016/17 BSCCo Business Strategy. The ELEXON Board will subsequently be asked to approve the associated budget.

1. Introduction

- 1.1 In December 2015 we presented the draft BSCCo Business Strategy and Annual Budget (the Business Plan) to the BSC Panel for comment. The Panel suggested some changes to the document, which we incorporated before publishing it for industry comment. We publicised the Business Plan in Newscast throughout December and January, featured it as the leading article on the front page of the ELEXON website and used OSMs to highlight it to their contacts.
- 1.2 We received one written response from Centrica/British Gas. This paper presents that response to the Panel for information, and seeks the Panel's approval of the BSCCo Business Strategy before we present the budget to the BSCCo Board for approval.

2. Industry feedback on the draft Business Plan

- 2.1 Centrica/British Gas's response is included in appendix 1. Key points are:
 - Positive feedback about the service ELEXON provides to the industry
 - Supportive of the proposed strategic priorities
 - Supportive of AS-IS+
 - In agreement with the proposed budget

3. Business planning process: next steps

- 3.1 No changes are proposed to the strategy or budget.
- 3.2 Subject to the Panel's approval of the Business Strategy, we will ask the Board to approve the associated budget at its March meeting.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the comments received on the draft BSCCo Business Plan;
 - b) **APPROVE** the Business Strategy; and
 - c) **NOTE** that the Board will be asked to approve the budget to deliver this strategy.

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Appendices

Appendix 1 – Centrica/British Gas's comments on the draft BSCCo Business Plan

Attachments

Attachment A – BSCCo Business Strategy

For more information, please contact:

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APPENDIX 1

Centrica/British Gas's comments on the draft BSCCo Business Plan

British Gas and Centrica are a major contributor to Elexon funding and as such we are pleased to provide our comments on your Business Strategy and Budget for 2016/17.

We view Elexon as providing an extremely important service to the electricity industry and are pleased to see that Elexon is committed to providing a consistent and reliable service.

We support the five [*sic*] strategic priorities outlined in your plan particularly Priority 1 "Actively manage and continually improve BSC services to ensure that we deliver in an efficient and economic way" and Priority 2 "Drive efficiencies and savings in our operation of the BSC".

We support your proposal not to carry out a wholesale replacement of your systems infrastructure but to consolidate your central services under a single service provider which will deliver future savings.

We note that your 2016/17 budget is slightly below your 2015/16 budget and that your expected 2015/16 outturn is some £4.5m below budget. However we agree that you have set a prudent budget based on planned expenditure for 2016/17.