

Sara Vaughan
Interim Chief Executive Officer
ELEXON Ltd
350 Euston Road
London NW1 3AW

20th January 2022

Dear Sara,

I write to you on behalf of the BSC Panel to express its support for the draft BSCCo Business Plan 2022-23. We also want to take the opportunity to recognise the strong performance feedback from Customers in this year's survey despite the very difficult conditions. The Panel does have some comments on the draft Plan, which we outline below:

We share the views expressed in the Customer Survey of the importance of delivering a high quality of service and believe that this Plan supports this aim, while also taking due heed of the need to control costs when many Parties are having to cut their costs dramatically. However, a Panel Member noted that the 2022/23 Budget is £0.8m higher than the Forecast 2021/22 Outturn (Table 2.1); they felt it unfortunate that the 2021/22 savings could not be projected into 2022/23."

The explanation of the changes to the costs from previous plans is clear and helpful, although we do have some concerns that it represents yet another year-on-year cost increase to Parties.

While the timing and need to carry out the Helix programme are outside Elexon's control, the Panel still wants the Helix programme to be robust, given its importance to the overall MHHS programme. The Panel is concerned that previous years' Plans omitted any mention of Helix when it has been clear for some time that such expenditure was likely: we would like to see a deeper explanation of Year 2 and Year 3 projections in the Plan, including any need for other possible sources of cost contingences, and a commitment to regularly revising the Helix overall cost estimates.

We note the continued progress of the Kinnect programme in terms of both delivery and cost control and congratulate Elexon on delivering this important initiative.

The Panel fully supports the approaches taken so far on the MHHS Project Management and believes that Elexon is already setting a commendable delivery track record. However, we have some concern that consultancy costs in the Programme are exposed to risks of delays caused by other third parties, and ask Elexon to ensure that consultant teams are not paid for being idle.

In previous years we have emphasised our view that Elexon attracting and retaining high quality and staff is fundamental to delivering the Plan, but the "People Strategy" outlined in the Plan needs to provide more detail and show more commitment to this end.

We note that the Customer Survey found that Parties would like Elexon to be more involved in debate shaping the industry. While the Panel believes that Elexon does have a role in industry debate, it believes that the current level of engagement is sufficient.

Finally, the Panel largely aligns with Elexon's views on the need and actions for Code Consolidation and supports Elexon cooperation with Ofgem/BEIS. The Panel did make its own submission to Ofgem's consultation.

The Panel is content for this response to be made publicly available.

Yours sincerely,



Phil Hare
Deputy Panel Chairman