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SEC Panel Approved Budget 2023 – 2026

Change History

VERSION	STATUS	ISSUE DATE	AUTHOR	COMMENTS
0.1	Draft	15/11/2022	Abigail Hermon	Initial Draft release for Panel Review
0.2	Draft	06/12/2022	Abigail Hermon	Revised draft updated post PFCG review, for Panel Review
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1. Summary

The Smart Energy Code (SEC) requires the SEC Panel to develop a 3-year budget for consultation in January of each year. Activity levels have been assessed and the Approved Budget for 2023/24 is £10,178,879. The equivalent cost per meter is 12p¹. Estimates for 2024/2025 and 2025/2026 have been provided of £10,385,901 and £10,342,559 respectively, with the main variance being within the Projects category.

Budget Category	2023/24 Approved Budget	2024/25 Estimated Budget	2025/26 Estimated Budget
SECCo and Panel Operations	£1,171,379	£1,182,757	£1,181,479
SECAS Services	£6,794,577	£6,794,577	£6,794,577
Projects	£1,483,500	£1,155,000	£1,115,000
SMDA Scheme	£660,000	£660,000	£660,000
OPR Auditing	£99,000	£99,000	£99,000
Contingency (5%)	£510,423	£494,567	£492,503
Total	£10,718,879	£10,385,901	£10,342,559

Table 1: 2023-26 SEC Panel Budget Projections

1.1 The current landscape and assumptions

The energy industry landscape remains extremely challenging given energy price rises, price caps and rising inflation putting pressure on costs. We expect this to continue to put pressure on SEC Party time and resources, increasing the importance of the work we do to both support and represent SEC Party interests in any smart or industry changes.

For the purpose of budgeting, where costs are subject to inflationary pressures, we have assumed an 8% increase in 2023/24, falling to 2% in 2024/25 and 1% in 2025/26 in line with Bank of England forecasts. We will revisit this assumption at the end of each year.

In terms of large- scale programmes of work for the forthcoming year, we will continue to support BEIS and Ofgem in their assessment of the Data Communications Company's (DCC) delivery of services, inputting through mechanisms such as Price Control. We will provide technical review and oversight of the DCC's deliverables on core business and will be stepping up our focus on Programme Assurance to ensure quality of output, and that SEC Party impacts have been fully considered.

The DCC's Network Evolution Programme (NEP) is one such area which will continue to require significant effort from SEC Panel, its Sub-Committees and the SECAS team. During the budget period we expect to support governance activities relating to the Design, Build and Test phases of the Communications Hubs and Networks and Data Services Provider elements (DSP) of the NEP programme.

From an operational perspective, we expect installation volumes to continue to increase as energy suppliers strive to meet the rollout obligations in their licences. The SEC Panel's involvement in governance of SEC Releases will continue, and in addition to this we expect the SEC Panel to take on additional governance responsibilities for uplifts to the Great Britain Companion Specification (GBCS).

¹ Calculated as the Total Approved Budget divided by the Total Domestic and Non-Domestic Smart Metering Systems forecast for start of RY2023/24 appearing in Table 10 of the DCC's Indicative Charging Statement (note: g5 – Gas Transporters excluded from calculation as zero rated)

Whilst the majority of SMETS1 Enrolment and Adoption activities are now complete, we anticipate some limited residual effort as migrations near completion and the DCC identifies further functional uplifts to remove any barriers to migrating more difficult cohorts.

With large volumes of enrolled meters being operated through the DCC, we must prepare for challenges to continue to arise, particularly in the areas of Technical Operations and Security.

The Security Sub-Committee will continue its engagement with the National Cyber Security Centre (NCSC), with Quantum Computing being a new focus area for the coming year. The first Assessments for the Security Assurance of Triage Devices will take place and, following implementation of [SEC MP172](#), the SSC will be required to review the Risk Assessment for Trial Devices and the issue of Test CPA certificates, including monitoring the volumes of these in the DCC environment. Following Enduring Change of Supplier (ECoS) implementation in 2023, the End-to-End Security Architecture Document will require further review and update. The Other User community continues to drive an increase in activity in the Privacy space, and we anticipate further proposals for changes to the PCF and SEC to support market innovation in this space.

We've seen a steady number of changes put forward by the industry this year to amend both systems and SEC content, and we expect the volume of change raised to remain at similar levels moving forward. We do anticipate the number of large and complex modifications being raised to increase over the coming year, including the review of SEC charging and the implementation of the proposed SEC Performance Assurance Framework (PAF), which will require increased resource and scrutiny. The SEC Panel and its Sub-Committees will continue to challenge and scrutinise costs being assigned to such changes and increase their focus on driving implementation.

Following consultation with industry, we have provisioned the implementation of improvements to the Smart Meter Device Assurance (SMDA) Scheme to deliver greater value to users.

We anticipate greater interaction with Ofgem over the budgeting period given Code Reform plans, and we will work with other Codes to proactively identify improvements which can be brought in ahead of any reforms, where appropriate and efficient to do so, for the benefit of SEC Parties.

We believe that flexible remote working is now an enduring way of working, with many Parties benefitting from savings on travel time. For budgeting purposes, we have assumed an average of 20% of Sub-Committee meetings to be hosted in person, and that all educational events will be delivered by webinar, increasing accessibility to Parties.

We have assumed that the activities of Alt-Han will have no impact on SEC Panel Budget requirements.

1.2 Budget control

The Panel has managed costs tightly this year, reducing the cost of certain budget lines where possible, and ensuring that spend has remained within the overall budget for the year.

The Panel continually examines costs to ensure that value for money is achieved, balanced with ensuring there is sufficient budget to address any known issues. Any expenditure against the budget set out in this document requires approval and oversight from the SEC Panel and SECCo Board. SECAS presents a quarterly report to the Board which includes an estimate of the costs, timescales and resources required to deliver the expected activities during the up-coming quarter. Any expenditure on Projects must be approved in advance, following provision of a Project Brief and associated Budget to SEC Panel and Board. Activities undertaken by SECAS team members are then reported to the SEC Panel and SECCo Board through the monthly Management Reports, accompanied by supporting timesheets.

For the year ahead, the Panel has sought to drive cost efficiencies where it can, whilst acknowledging increased scope in some areas, and inflationary pressures. Its aim has been to strike a balance between prudent provisions, quality of service and flexibility, with economic efficiency.

1.3 Overview of Budget

Table 2 below provides an overview of the 2023/24 Approved Budget, broken down by high level budget category, compared to the Estimated Outturn for 2022/23.

Budget Category	2022/23		2023/24	
	Approved Budget	Estimated Outturn	Approved Budget	Variance Approved Budget 2023/24 to Estimated Outturn 2022/23
SECCo & Panel Operations	£1,055,808	£1,080,916	£1,171,379	£90,463
SECAS Services:				
Core Team and SME's	£6,627,007	£6,679,000	£7,500,419	
Contractual Discount	-£662,701	-£693,000	-£750,042	
Accommodation Costs	£60,800	£61,000	£44,200	
SECAS Services Total	£6,025,106	£6,047,000	£6,794,577	£747,577
Projects	£882,500	£843,000	£1,483,500	£640,500
SMDA Scheme	£680,000	£660,000	£660,000	£0
OPR Auditing	£0	£0	£99,000	£99,000
Contingency (5%)	£0	£0	£510,423	£510,423
Total	£8,643,414	£8,630,916	£10,718,879	£2,087,963

Table 2: Overview of 2023/24 Budget versus 2022/23 Estimated Outturn

Key variances:

The Approved Budget for 2023/24 represents an increase of £2,087,963 compared to the Estimated Outturn for 2022/23 for the following reasons:

- **SECCo & Panel Operations:** We have increased the provision for Specialist expertise to support the Sub-Committees, increased provision for costs subject to inflationary rises, and built in budget for Executive Search and Training, resulting in a variance of £90,463.
- **SECAS Services:** The activities being supported on behalf of the Panel & Board, Security Sub-Committee and Operations Group are increasing substantially, resulting in a variance of £747,577.
- **Projects:** Additional project budget of £640,500 is provisioned, to support key activities identified by the Panel and its Sub-Committees.
- **OPR Auditing:** In 2022/23 this figure was included in the Projects budget, but as this is an ongoing activity on behalf of Ofgem, this has been split out as a separate line item.
- **Contingency:** We have added back in contingency budget of 5% to cater for any unforeseen costs.

In 2022-23 we were able to reduce the cost of the SMDA Scheme and have provisioned for this cost to be maintained in the forthcoming period.

Sections 2 – 5 provide a breakdown of each budget category, their drivers and key variances between the Approved Budget for 2023/24 and the Estimated Outturn for 2022/23.

2. SECCo and Panel Operations

2.1 Overview

The budget for the SECCo and Panel Operations category is set out in Table 3 below, and includes the following budget lines:

- **Panel and SECCo Board Operations** – costs associated with the SEC Panel and SECCo Board Members, Insurance, Independent User CIO, Executive Search, Licences, and legal;
- **Sub-Committee Expenses** – provision for potential expenses relating to Sub-Committees;
- **Independent Chairs and Specialist Resource** – expenditure on Independent Chairs and any specialist resource required for each Sub-Committee; and
- **Systems** – costs incurred on systems maintained on behalf of SEC Panel and SECCo.

Description	2022/23 Approved Budget	2022/23 Estimated Outturn	Budget Lines	2023/24 Approved Budget	Variance Approved Budget to 2022/23 Estimated Outturn
Panel and SECCo Board Operations	£156,108	£171,986	1. Panel Members	£179,600	
	£33,000	£34,714	2. SECCo	£57,491	
	£40,000	£80,000	3. Legal	£64,800	
	£10,000	£2,900	4. SEC Party Engagement Day	£10,800	
	£15,000	£8,000	5. Customer Satisfaction Survey	£7,000	
	£155,000	£185,000	6. User CIO & IPA	£193,325	
			7. Executive Search	£10,000	
	£3,300	£3,300	8. Licences	£3,600	
<i>Sub Total</i>	£464,807	£485,900		£527,616	£41,716
Sub-Committee Expenses	£5,000	£3,000	8. All Sub-Committees	£3,240	£240
Independent Chairs and Specialist Resource	£200,000	£205,000	9. SSC and SMKI PMA Independent Chair/ SME	£200,000	
	£86,400	£55,000	10. TABASC Independent Chair/ SME	£65,000	
	£166,000	£175,000	11. OPSG Independent Chair/ SME	£172,800	
	£30,000	£10,000	12. SMKI Specialist	£21,600	
			13. TAG Specialist	£28,800	
<i>Sub Total</i>	£440,000	£445,000		£488,200	£43,200
Systems	£20,000	£20,799	14. Website Maintenance	£21,600	
	£41,000	£41,000	15. Business Process Modelling	£44,280	
	£90,000	£80,217	16. CodeWorks	£69,163	
			17. CRM Helpdesk Licences	£11,880	
	£5,000	£5,000	18. File Sharing	£5,400	
<i>Sub Total</i>	£180,000	£147,016		£152,323	£5,307
Total	£1,089,807	£1,080,916		£1,171,379	£90,463

Table 3: SECCo and Panel Operations Budget Line Provision Detail

2.2 Assumptions and variations

Details and assumptions for each budget line are outlined below. Any variances to the Estimated Outturn for 2022/23 are also explained.

Panel and SECCo Board Operations

1. Panel Members – comprises Panel Chair remuneration and Member expenses relating to SECCo Board and SEC Panel meetings. An increase for inflation has been assumed.
2. SECCo – covers the cost of the third party annual financial audit and insurance which are assumed to rise in line with inflation. An additional provision to cover Institute of Director Training for Board members increases this budget line by £20k.
3. Legal – provision for general legal counsel advice to SECCo has been reduced in line with anticipated workload.
4. SEC Party Engagement Day – covers the cost of external venue hire, refreshments and digital services for this event, held in line with SEC Section C2.3(k). This represents a £7k increase on 2022/23 when the event was held remotely.
5. Customer Satisfaction Survey (CSS) – covers the SEC portion of the annual Ofgem Code Administration Performance Survey. Last year's provision for a third party to carry out the annual SECAS Customer Satisfaction Survey has been removed. Customer Satisfaction will instead be captured by the SECAS Party Engagement team.
6. User Competent Independent Organisation (CIO) & Independent Privacy Auditor (IPA) – this covers activity to support the Security and Privacy Assessment processes (e.g. SSC meeting attendance, SEC Party engagement, provision of advice to the SSC and SEC Panel and maintenance of the PCF and SCF). This will also include Assurance of Triage Facilities and ongoing maintenance of the Triage SCF. Costs will increase, but, following negotiation with the User CIO, this will be well below inflation rates. As outlined in the SEC, costs relating to undertaking User Security and Privacy Assessments are charged directly to Users via DCC's Explicit Charges.
7. Executive Search – a provision has been added to cater for the use of an Executive Search agency to facilitate the recruitment of Independent Chairs.
8. Licences – includes £1,500 subscription to the British Standards Institution (BSI) (provides updates on changes to standards referred to in the SEC e.g. ISO27001), and £2,100 for the DLMS User Association membership fee (giving members access to the DLMS specifications).

Sub-Committee Expenses

9. Sub-Committee Expenses – it is assumed that a similar level of in-person meetings will take place next year, with approximately 20% held on-site, and 80% fully remote. Expenses provision has increased in line with inflation.

Independent Chairs and Specialist Resource

10. Security Sub-Committee (SSC) and SMKI PMA Independent Chair – provision for the Independent Chair of these Committees, who also act as Subject Matter Experts carrying out specialist activities and support. Similar activity levels are assumed next year.
11. TABASC Independent Chair – provision for the Independent Chair of the Technical Architecture and Business Architecture Sub Committee, who also acts as a Subject Matter Expert carrying out specialist activities and support. An increase in activity and meetings is anticipated in 2023/24, leading to a £10k increase.

12. Operations Group Independent Chair – provision for the Independent Chair of this Committee, who also acts as a Subject Matter Expert carrying out specialist activities and support. Similar activity levels are assumed.
13. SMKI Specialist – covers support to the SMKI Policy Management Authority (SMKI PMA) as outlined in SEC Section L1.14(a). An £11k increase is projected against 2022/23 Outturn to include provision for the SMKI Document Set review.
14. TAG Specialist – a provision to cover the services of a Testing Specialist has been included to ensure that the Testing Advisory Group continues to have access to necessary testing capability, following key departures from TAG membership.

Systems

15. Website Maintenance – covers second line support provided by a third- party website provider, with first line support provided by SECAS Subject Matter Experts. A provision to cater for small scale enhancements to the Website is included, and inflation assumed.
16. Business Process Modelling – covers the product renewal fee and hosting of the Business Architecture Model with a third party. The cost of this tool is forecast to increase in line with inflation.
17. CodeWorks – provision for the annual cost of licences required by SEC Parties to be able to access and interact with CodeWorks, the digital SEC. The cost of this service has been reduced by £11k following a licence fee renegotiation.
18. CRM Helpdesk – following the implementation of a digital helpdesk, a provision is included to cover the annual licence costs.
19. File Sharing Solution – covers the cost of Egress, the confidential file sharing solution used by some Sub-Committees and the User CIO to share User Security Assessment reports with Parties. A slight increase in cost to cover inflation is included.

3. SECAS Services

3.1 Overview

The SECAS team will continue to provide code management services extending beyond the scope outlined in SEC Sections C7.2 and C7.3. At a high level, this includes the following activities, some of which are referenced in the SEC, and others are as a consequence of the changing regulatory landscape and assisting Parties to meet their obligations:

- **Technical Consultancy** – identifying and proposing solutions to issues that could affect the technical and business architecture; identifying, monitoring and resolving operational issues; and providing expert input into testing requirements and assurance of outputs.
- **Security & Privacy Expertise** – provision of User support throughout the assessment process, management of the User CIO and IPA, provision of privacy and security expertise to validate assessments carried out, in order to protect the integrity of the system.
- **Party Engagement** – navigating Users through the complexities of the SEC requirements and keeping them up to date through regular communications, the website and tailored webinars; managing Events of Default and supporting the Supplier of Last Resort process.
- **Change and Release Management** – provision of Critical Friend support to change Proposers; guidance and support in developing business requirements and solutions; and working with industry to identify impacts on SEC Parties, scheduling modifications in SEC Releases to minimise impacts.
- **DCC Engagement** – close working with the DCC, including significant time reviewing outputs, discussing impacts and revisions.

- **Governance** – ongoing management of the SEC Panel and Sub-Committees, including the provision of financial, contracting and procurement support, and provision of meeting secretariat.

The following sections outline in more detail the services performed and associated costs.

3.2 Costs by Service Area

Costs are grouped by Sub-Committee and supported by a combination of Core Team and Subject Matter Experts (SME's), as outlined in Table 4 below. The Core Team comprises a range of different grades suited to the different activities involved. The team structure has continued to evolve to cater for the increasing depth and breadth of support required to manage the SEC, as it becomes fully operational. Subject Matter Experts will continue to provide specialist in-depth technical and security expertise as required, on a call-off basis, but at a lower level than prior years given upskilling within the team.

Service Area	Sub-Committee	Budget Provision		Total
		Core Team	Subject Matter Experts (SME)	
Panel & Board	Panel and Board	£1,004,477	£119,649	£1,124,126
Technical Operations	TABASC	£669,553	£85,851	£755,404
	OPSG	£1,050,111	£0	£1,050,111
	PAB	£98,358		£98,358
	TAG	£388,330	£0	£388,330
Security & Privacy	SSC	£632,433	£895,075	£1,527,508
	SCIRS	£24,024	£14,308	£38,332
	SMKI PMA	£84,991		£84,991
	Privacy	£49,461	£69,246	£118,707
Change & Release Management	Change Board, CSC, Working Groups	£1,353,001	£128,776	£1,481,777
Party Engagement	N/A	£805,336	£27,439	£832,775
	TOTAL	£6,160,075	£1,340,345	£7,500,419

Table 4: 2023/24 SECAS Services Budget Line Provision

A comparison of the 2023/24 Approved Budget compared to the 2022/23 Estimated Outturn is set out in Table 5 below, with key variances explained in section 3.2.1.

Service Area	Sub-Committee	2022/23 Approved Budget	2022/23 Estimated Outturn	2023/24 Approved Budget	Variance Approved Budget to 2022/23 Estimated Outturn
Panel & Board		£755,046	£785,000	£1,124,126	£339,126
Technical Operations	TABASC	£772,646	£756,000	£755,404	£-596
	OPSG	£727,434	£727,000	£1,050,111	£323,111
	PAB		£0	£98,358	£98,358
	TAG	£424,838	£390,000	£388,330	£-1,670
Sub Total		£1,924,918	£1,873,000	£2,292,203	£419,203
Security & Privacy	SSC	£1,367,842	£1,443,000	£1,527,508	£84,508

<i>Sub Total</i>	SCIRS	£52,641	£38,000	£38,332	£332
	SMKI PMA	£111,523	£112,000	£109,015	-£2,985
	Privacy	£105,372	£118,000	£118,707	£6,707
		£1,637,378	£1,711,000	£1,793,562	£82,562
Change & Release Management	Change Board, Working Group	£1,513,750	£1,480,000	£1,481,777	£1,777
Party Engagement	N/A	£795,915	£830,000	£832,775	£2,775
Total		£6,627,007	£6,679,000	£7,500,419	£821,419

Table 5: 2023/24 SECAS Services Budget versus 2022/23 Estimated Outturn

Please note that the above costs are subject to a 10% contractual discount, totalling £750,042.

3.3 Key Variances

Variances between the 2023/24 Approved Budget and 2022/23 Estimated Outturn are outlined below:-

- **Panel & Board** – an increase in budget is provisioned to support the increase in activities required by the Panel & Board, including Programme Assurance of DCC related changes, the management of new Transition & Deployment sub-groups, an increase in Procurement and Contracting activity, and to accommodate the drafting of significant consultation responses. This equates to an increase of £339,126 compared to 2022/23 Estimated Outturn.
- **Technical Operations** – additional senior level technical resources are to be recruited into the Core Team to manage the increasing technical workload being generated by the Sub-Committees and Data Communications Company. A new Performance Assurance Board is to be established (pending approval of the related Modification). Combined, this adds an additional £419,203 compared to 2022/23 Estimated Outturn.
- **Security & Privacy** – additional assessment volume is anticipated following the introduction of a Triage Facilities Assessment processes, leading to an increase of £88,562.

The following sections provide more detail on the activities provisioned for within each Service Area.

For the purpose of budgeting, flat resourcing and cost has been built in for all SECAS areas across Years 2 and 3. However, several factors could increase the scope of work undertaken by the team, including how BEIS transitional governance groups will be delivered under the SEC (e.g. Technical Specification Issue Resolution Sub-group), and the impact of industry led changes. As these areas become clearer, they will be built into subsequent annual budgets.

3.4 Panel & Board

Activities to support SEC Panel and SECCo Board comprise the following main areas.

Core Team activities

- Core Team and Subject Matter Expert co-ordination and oversight;
- Liaison with the Chair between meetings on meeting content and outstanding actions;
- Facilitating monthly SEC Panel and Board meetings, including provision and presentation of papers, agendas, headlines and minutes (circa 30 documents per meeting);
- Facilitating quarterly SECCo Director Strategy Days;
- Facilitating bimonthly Strategic Working Group meetings, including provision and presentation of papers, agendas, and minutes, and maintenance of the SEC Strategic Roadmap;
- Programme Assurance of DCC related change programmes, ensuring User impacts understood and planned, for, review and input to key project documentation, input to testing and Go-live acceptance, and provision of advice to BEIS;
- Administration and secretariat of 4G Communications Hub Transition Group meetings;

- Management of Action Logs and Risk & Issues registers;
- Budgeting and ongoing financial management;
- Drafting of Consultation responses on behalf of SEC Panel (including responses to the DCC Licence Review, Code Reform and Price Control consultations);
- Fulfilment of Company Secretary duties;
- Procurement and contracting on behalf of SECCo Board, including the procurement of Independent Chairs and Consultants;
- Oversight of Projects delivered by Subject Matter Experts and Consultants;
- Project management of SECAS Projects;
- Maintenance of SECCo Policy & Procedures;
- Quality management and continuous improvement;
- Liaison with the DCC and BEIS in relation to preparation for each meeting; and
- Management of membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- Provision of Privacy expertise to support the Privacy assessment process;
- Monthly management account provision and reforecasting;
- Support to the annual SECCo audit and procurement of insurance;
- Processing and payment of all SECCo invoices and expenses; and
- Maintenance of Companies House information.

3.5 Technical Operations

The Technical Operations area supports the work of three Sub-Committees: The Technical Architecture and Business Architecture Sub Committee (TABASC), the Operations Group (OPSG) and the Testing Advisory Group (TAG). And should it be approved via a Modification, the management of a Performance Assurance Board (PAB). Activity in these areas continues to rise, as the roll out progresses, operational issues arise, and more activities move from transitional to enduring governance. Most areas are now holding bi-monthly meetings, in order to work through, critique, and provide approval for the high volume of technical items and DCC outputs. The service will continue to be delivered mainly by the Core Team, bolstered by Subject Matter Experts who have in-depth knowledge and expertise in the relevant areas.

3.5.1 TABASC

Core Team activities

- Facilitating monthly and ad hoc TABASC meetings, including provision and presentation of papers, agendas and minutes;
- Liaison with the TABASC Chair and DCC between meetings on content of meetings, outstanding actions, and documentation, including carrying out quality reviews and critiques of DCC papers and their impacts;
- Providing technical support to the TABASC in relation to the review of documentation relating to DCC's major programmes of change (e.g DSP re-procurement and Network Evolution Programme) and provision of feedback to the DCC;
- Providing technical support to the TABASC to enable effective feedback to be given to the DCC when changes to any aspect of the DCC end to end solution impacts both the Technical and Business Architecture (e.g. the CSP N Scaling and Optimisation Programme);
- Support the TABASC by ensuring that any topics which need TABASC consideration as part of any Transitional Governance activity through attendance of Transitional Governance meetings, are brought to the attention of the TABASC;
- Monitoring of SEC, Cross-Code Modification Proposals and BEIS led Changes, assessment of impact, reporting to TABASC and implementing any required changes;
- Processing submissions of the Certified Products List (CPL), including validation, liaising with the submitter, publication on the Website, extracting and digitally signing the file and submitting to the DCC, and informing all Parties of updates to the CPL;

- Ensuring that any technical or process changes made to the CPL or CPL tool are reviewed by the TABASC prior to implementation;
- Maintaining the Incompatibility Matrix;
- Maintaining the Firmware Information Repository;
- Maintaining the Parse and Correlate Applicability Matrix;
- Maintaining the list of Auxiliary Load Control Switch (ALCS) / HAN Controlled Auxiliary Load Control Switch (HCALCS) / Auxiliary Proportion Controller (APC) / Stand Alone Auxiliary Proportion Controller (SAPC) Labels;
- Attendance and provision of updates at transitional and DCC-led groups, including Technical and Business Design Group (TBDG), Technical Specification Issue Resolution Subgroup (TSIRS), DCC Design Release Forum (DRF) and the DCC Cross Function Design Authority (CFDA);
- Undertaking a review of the effectiveness of the End-to-End Technical Architecture, Business Architecture and HAN Requirements via a Technical Effectiveness Review Questionnaire;
- Ensuring that any residual activities which require investigation post Effectiveness Review are delivered to the TABASC for consideration
- Maintenance and management of Risk Register, Issues Log and Actions Log;
- Management of SEC Strategic Events linked to the SEC Strategic Roadmap, to ensure that implications for smart metering infrastructure are planned for;
- Initial definition of Projects which fall under the remit of the TABASC;
- Providing the Panel with monthly updates on the activities undertaken by the TABASC;
- Cross Sub-Committee information sharing and issue referral;
- Provision of technical support to the TABASC so the initial impacts on the Technical and Business Architecture as a result of Cross Code changes can be understood, and.
- Management of membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- Routine maintenance of the Technical Architecture Document (TAD) and Business Architecture Document (BAD); and releases of the Business Architecture Model (BAM); and
- Providing the TABASC, Panel and Core Team with any other support required in relation to the SEC Technical Specifications.

3.5.2 OPSG

Core Team activities

- Facilitating fortnightly OPSG committee meetings, including provision and presentation of papers, agendas and minutes;
- Supporting ad hoc meetings and workshops;
- Management of membership, undertaking scheduled and ad-hoc elections;
- Reviewing DCC monthly/quarterly reporting packages highlighting areas for OPSG attention and drafting relevant papers;
- Liaising with the DCC / BEIS / Ofgem on the DCC reporting suite;
- Supporting and Chairing Performance Management Review (PMR) working group to design new performance metrics;
- Liaison with the OPSG Chair and DCC between meetings on content of meetings, outstanding actions, and documentation, including quality reviews and critiques of DCC papers and their impacts;
- Management of operational issues including maintenance of Risk and Issue logs, engaging with SEC Parties, Technical Experts, Sub-Committees and the DCC on solutions and workarounds, agreeing remediation plans, and reporting updates back to OPSG;
- Interaction with transitional and DCC-led groups as required, in particular, the Implementation Managers Forum (IMF) and Smart Meter Design Group (SMDG);
- Cross Sub-Committee information sharing and issue referral;
- Providing the Panel with monthly updates on the activities undertaken by the OPSG;

- Reviewing major incident reports and briefing OPSG on resolution and route cause;
- Monitoring and reporting on areas of non-compliance, agreeing and monitoring remediation plans and reporting on progress/resolution to OPSG;
- Supporting the DCC in creation of an Outage Strategy, ensuring compliance with SEC requirements and reflective of User Needs;
- Reviewing creation of annual outage and Business Continuity & Disaster Recovery (BCDR) plans to ensure compliance with SEC requirements and reflective of User Needs;
- Monitoring and analysis of in year Outage plans, reviewing analysis and rationale from DCC for any planned/unplanned maintenance;
- Monitoring of SEC, Cross-Code Modification Proposals and BEIS led Changes, assessment of impact, reporting to OPSG and implementing any required changes;
- Coordinating OPSG assessment of DCC readiness for live operation of Releases;
- Providing support for ad hoc requests from the OPSG;
- Support the progression of projects on Performance Assurance including the development of process for escalation and interaction between the OPSG and any new forum reviewing performance assurance techniques;
- Reviewing documentation to be provided by the DCC under the Panel Project Framework. This includes summaries of key documentation and assisting OPSG in providing necessary input/recommendations; and
- Liaison with BEIS, Ofgem, DCC and SWG on strategic matters that may impact the OPSG and create and execute a suitable mitigation/delivery plan.

3.5.3 TAG

Core Team activities

- Facilitating and chairing monthly and ad-hoc TAG committee meetings, including provision and presentation of papers, agendas and minutes;
- Liaison with the DCC on outstanding actions and documentation, and supporting them with development of documentation required for upcoming releases;
- Production and presentation of papers to the Panel to support decision making based on TAG committee recommendations;
- Providing inputs into Modification Reports and Release Implementation Documents;
- Provision of expert support and knowledge on User and DCC Testing requirements e.g. input into testing documentation reviews, attendance of weekly testing update calls;
- Assessing DCC Systems Integration Testing (SIT) completion under the Section D Modification process and SEC Variation Testing Approach Documents (SVTADs), along with assessing test completion of DCC Service Provider Pre-Integration Testing (PIT) where required by the SEC;
- Provision of support to Sub-Committees when assessing whether DCC has met the Live Services Criteria for all new or amended capability required to deliver the Services that fall under SEC governance;
- Provision of guidance on how risks associated with testing environment constraints can be managed effectively;
- Supporting TAG committee assessment of the severity of Testing Issues, along with the provision of guidance relating to how Testing Issues can be managed and resolved;
- Cross Sub-Committee information sharing and issue referral; and
- Management of membership, undertaking scheduled and ad-hoc elections.

3.6 Security & Privacy

The Security & Privacy area encompasses the activities which fall under the Security Sub-Committee (SSC), Smart Meter Key Infrastructure Privacy Management Authority (SMKI PMA), SSC CPA Issue Resolution Sub-Group (SCIRS) and SEC Panel (for Privacy matters). SECAS supports a number of activities in relation to the security and privacy obligations in the Code.

Security Assessment volumes are likely to increase in the next year following the introduction of the Triage Facilities Assessment Process. This will require additional SECAS support to manage the booking process, provide engagement support for Triage Facilities undertaking this new procedure, and to validate the Assessment reports.

Activity in the Privacy space has continued to grow with market innovations continuing to drive challenges to the regulatory framework through guidance review and consultation, privacy modifications and proposals for Panel to consider.

We will continue to work with SEC Parties to support continuous improvement and will be embedding more digital processes involved in the Assessment process for both Security and Privacy.

The service will continue to be delivered by a Core Team, supported by Subject Matter Experts who will perform the Security and Privacy Assessment validations and assist with providing guidance to Users preparing for, and undergoing, their Assessments.

Core Team activities

- Facilitating bi-monthly SSC and monthly SMKI PMA and SCIRS meetings, including provision of papers, agendas and minutes;
- Liaison with the Independent Chair between meetings on content of meetings, outstanding actions, and documentation;
- Providing support to Parties throughout the User Security and Privacy Assessment process, including helpdesk support via a dedicated security mailbox, engagement calls, and setting up secure areas for file- sharing;
- Management of the User CIO, including forecasting, invoicing, assessment booking and management, and contract review meetings;
- Liaison with SMKI Specialist and Security and Privacy Experts, managing requirements and activities to be undertaken;
- Provision of updates to Panel on Party assurance status' following security assessments and any other decisions made via delegated authority;
- Monitoring CPA certificates and requesting and monitoring supplier remediation plans;
- Management of procurements to deliver projects linked to SEC obligations;
- Monitoring of any security risks for escalation to the Panel;
- Supporting the Security Incident Management Process, including Party liaison and communication, handling any sensitive information, and liaising with the SSC, Security Experts and the DCC on appropriate resolution;
- Continuous improvement of the Security and Privacy Assessment process;
- Cross Sub-Committee information sharing and issue referral; and
- Management of membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- Undertaking the validation stage of the User Security and Privacy Assessment Process, which involves reviewing the User Security Assessment Report and Management Response against any observations;
- Undertaking the validation stage of the DCC CIO Security Assessments, which involves reviewing the DCC CIO Assessment Report and Management Response against any observations;
- Undertaking the validation stage of the Triage Security Assessments, which involves reviewing the Triage Facilities Assessment Report and Management Response against any observations;
- Attendance at the Security Sub-Committee, Panel and SCIRs meetings to provide expert advice and support;
- Providing security and privacy expertise on any security and privacy incidents raised;
- Maintaining the Security Controls Framework (SCF) and Privacy Controls Framework (PCF) following direction by the appropriate governance entity;
- Maintaining the Triage Security Framework (Triage SCF) and the DCC Security Framework (DCC SCF)

- Identification of detailed security impacts on any Modification Proposals raised; and reporting progress to the SMKI PMA and SSC;
- Quarterly 'Standards and Best Practice Review' for SSC and Annual 'Standards and Best Practice' Review for SMKI PMA;
- Assessing whether DCC has met the Live Services Criterion for all Device Model combinations to be enrolled;
- Provision of technical support to support the resolution of issues raised via the SCIRS sub-group; and
- Support to any activities outlined in the SEC and as directed by the SSC and SEC Panel Chairs.

3.7 Change & Release Management

There are currently 42 open modifications. In 2022/23 we have assumed modification volumes remain stable, with an even split of system-impacting and Code document changes proposed. We have also catered for three scheduled SEC Releases, three ad hoc SEC Releases and up to 10 BEIS led designations, following similar activity levels in 2022/23.

Subject Matter Experts will be called upon to assist where in-depth technical analysis and solution development is required.

Core Team activities

- Preparation and review of problem statements, business cases, business requirements and legal text for each Draft and Modification Proposal in the process;
- Liaising with the Proposers of each modification, providing Critical Friend support and expert advice throughout the process;
- Drafting and reviewing Modification Reports for each modification in the process;
- Consulting with industry participants and Panel Sub-Committees over views and impacts of each modification in the process;
- Liaising with the DCC regarding solution development, securing Preliminary Assessment and Impact Assessments, and providing cost scrutiny and challenge to the DCC submissions;
- Chairing and provision of secretariat support to the monthly Modification Working Group, Change Sub-Committee and Change Board meetings;
- Liaising with the Change Board and the Authority regarding final determinations on Modification Proposals;
- Overseeing and managing the progression of SEC Releases and the implementation of approved Modification Proposals in line with the SEC Release Management Policy;
- Configuration management of the SEC;
- Administering the modifications framework in accordance with the Code Administration Code of Practice (CACoP), including providing up-to-date guidance on the process;
- Administration and Secretariat of the CACoP Forum meetings;
- Monitoring and assessment of cross-Code modification impacts via the Cross-Code Steering Group (CCSG);
- Continuous review of the modifications framework to identify and deliver any improvements and enhancements;
- Cross Sub-Committee information sharing and issue referral; and
- Management of Change Sub-Committee and Change Board membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- Undertaking reviews of the issue and solution(s) identified under Draft and Modification Proposals to highlight any impacts, inaccuracies, and/or questions;
- Reviewing and developing business requirements and solution options for Modification Proposals;
- Providing technical support at the Working Group meetings and modification updates at Sub-Committee meetings;

- Reviewing DCC Preliminary and Impact Assessments to check the solution against requirements;
- Reviewing draft legal text for a Modification Proposal to ensure it fully and accurately delivers the intention of the solution; and
- Reviewing Modification Reports to ensure technical accuracy.

3.8 Party Engagement

The previous year saw a spike in Event of Default and Supplier of Last Resort events which we expect to continue albeit at a slower rate, followed by subsequent expulsions.

Meanwhile, Energy Suppliers have faced continued cost pressures and downsizing of regulatory teams, and as a result we will place additional focus on ensuring that easily digestible and accessible information is provided via topic focussed webinars, 'how to' videos and Guidance notes. We will also proactively engage with new contacts to build a relationship and help combat knowledge lost. We will ensure that key information is reaching the right people and will signpost them to resources to support them in meeting their obligations.

We will continue to provide tailored support to the different SEC Party categories through co-ordination of dedicated conference calls with SEC Panel members, tailored communications, quarterly 'check-up' calls and via various social media channels. We will provide bilateral calls with SEC Parties where required to ensure we identify what adds value to Parties and deliver a quality service for them. We will continue to look at increasing efficiency while simultaneously improving the quality of services to SEC Parties.

Engagement with BEIS, Ofgem, DCC, Alt HAN Co and Smart Energy GB will also continue to ensure that communications and activities are as aligned as possible. The consultations landscape will be monitored to ensure that outcomes are communicated, and those requiring SEC Panel responses are identified.

Core Team activities

- Monthly engagement calls with Small Suppliers and Other SEC Parties and Quarterly engagement calls with Network Operators (36 across the year);
- Sessions with individual Parties on an ad-hoc basis, covering specific areas of the SEC, or providing a general overview of the SEC arrangements (12 provisioned);
- Facilitation of 20 Party Engagement events and topic-focussed webinars;
- Facilitation of 12 topic-focussed podcasts;
- Maintenance and development of over 35 guidance documents in line with SEC updates;
- Helpdesk support via email (7,000 emails per annum) and telephone;
- Development and circulation of monthly SEC Party newsletter (12 across the year) and ad hoc news items (circa 40 per annum);
- Review and communication of consultation, decision and technical documents from BEIS, Ofgem and the DCC to SEC Parties and SEC Panel (circa 150 per annum);
- Website content management to ensure information is up to date, written in Plain English, easily accessible and in a user-friendly format;
- Liaison with BEIS, Ofgem and the DCC to share information and knowledge on how best to provide support to industry;
- Managing Events of Default in accordance with the SEC, and liaison with the DCC (circa 50 per annum anticipated);
- Supporting the Supplier of Last Resort (SoLR) process;
- Capturing Customer Satisfaction feedback during webinars and engagements, in order to identify continuous improvement activities;
- Provide support to Ofgem's Cross Code Survey;
- Supporting SEC Parties in the registration and use of CodeWorks;
- Administration of the Accessions Process, including tailored support to Parties, and managing the EUI-64 Identifier and Signifier allocation processes (25 accessions assumed);

- Support to Parties through the DCC User Entry Process as set out in SEC Section H1 (20-30 new DCC Users assumed), and monthly Live DCC User status update provision to DCC;
- Ongoing maintenance of SEC Party Details and distribution lists, and maintenance of the contact list to support Critical Alerts after DCC User to Non-DCC User churn;
- Monthly Panel updates on Events of Default, SEC Parties and Shareholders;
- Biweekly Supplier progress calls with BEIS, Ofgem and DCC (to determine the progress of those gaining Meters in churn);
- Quarterly update provision to the Independent Supplier Forum; and
- Publishing communications on behalf of Alt Han Co.

Subject Matter Expert activities

- Ongoing website maintenance;
- Marketing support in the creation of guidance documents, materials and presentations; and
- Provision of support in the use of webinars and video.

3.9 SECAS Core Team

To undertake the activities set out in Section 3.2 above, the following level of resource is proposed. The team comprises a range of grades and roles, incorporating appropriate senior level oversight, expertise and knowledge, code management, delivery capability and more junior grades to undertake day-to-day activities.

Grade	2022/23 Approved Budget FTE	2023/24 Approved Budget FTE	Role
Grade 5	2	4	Overall responsibility for the delivery of the services provided by the SECAS Core Team and Subject Matter Experts. Contractual oversight, maintenance of strategic direction. Senior Technical and Regulatory Specialist expertise.
Grade 4	10	10	Includes Delivery Managers with day-to-day responsibility for the SECAS Core Team and Chair liaison, and Technical Specialists.
Grade 3	12	14	Includes Change, Technical, Governance, Security and Party Engagement Consultants, and Project Manager.
Grade 2	9	7	Includes secretariat support to the Panel and Sub-Committees, front line support to SEC Parties, Change Modification, Security and Technical Analysts.
Total	33	35	

Table 6: Core Team Resource Breakdown

4. Accommodation Costs

Accommodation costs include the cost of meeting rooms, refreshments, and use of desk space by the Independent Chairs.

4.1 Meeting Rooms & Refreshments

The current demand for meetings is expected to continue, with most Sub-Committees requiring two meetings per month, and several ad hoc meetings being arranged to discuss and agree upon urgent matters. The forecast for 2023/24 is for 218 meetings, workshops and webinars to be held, of which less than 20% will be held fully in-person.

Meeting rooms are provided at SECCo's registered premises and are serviced with appropriate facilities including catering, business support and audio-visual facilities. Meeting rooms are charged at £1,000 per meeting (a charge which has not been increased since 2013). A total provision of £37,000 has been included to cover the total cost of Meeting Rooms & Refreshments. The breakdown of meeting volumes forecast to be held in 2023/24 is shown below.

Meeting Type	Meeting Volumes		
	2022/23 Budget	2022/23 Estimated Outturn	2023/24 Approved Budget
Panel/Board, Strategic Working Group and PFCG	18	23	23
Change Board, Change Sub Committee and Working Groups	44	37	36
SMKI PMA	14	13	13
SSC and SCIRS	31	35	35
TABASC	18	15	18
Operations Group	24	23	23
TAG	24	15	15
Party Engagement Seminars, Meetings and Workshops	34	39	39
SMDA Sub-Committee and Management Panel	12	10	6
Total	219	224	218

Table 7: Meeting Forecast

4.2 Desk Space for Independent Chairs

SECCo has contracted with a number of Independent Chairs who provide specialist support to the Panel and its Sub-Committees. SECAS provides office accommodation to these contractors within its registered premises when they wish to use it. It is provisioned that the SEC Panel Chair will no longer have a dedicated office, and instead will use a desk in the main office. Office accommodation is charged at a rate of £150 per day, and a provision of £7,200 has been included which assumes that the Independent Chairs will continue to spend most of their time working remotely.

4.3 Total Accommodation Costs

Accommodation costs built into the budget are as follows:

Cost	2022/23 Approved Budget	2022/23 Estimated Outturn	2023/24 Approved Budget
Meeting Room Hire & Refreshments	£35,000	£35,000	£37,000
Panel Chair Office	£24,000	£24,000	£0
Desk space for Independent Chairs	£1,800	£2,000	£7,200
Total	£60,800	£61,000	£44,200

Table 8: Accommodation Costs

4.4 Variations

The total cost is £16,800 below the 2022/23 Estimated Outturn, driven by the decision to no longer provide the Panel Chair with a dedicated office.

5. Projects

This budget category outlines additional items of SEC expenditure which are at the discretion of the SEC Panel. These activities align with the industry events highlighted in the SEC Strategic Roadmap.

Any expenditure against the Project budget requires prior approval and oversight from the SEC Panel and SECCo Board. SECAS will provide a Project Brief (including proposed scope, budget, milestones and deliverables) for each project, which will first be approved by the relevant SEC Sub-Committee, before being presented to the SEC Panel & SECCo Board for approval prior to release of funds.

The SECCo Procurement Policy is followed to guide the SECCo Board when determining the delivery approach for new activities, work packages and projects. The policy requires consideration of the approximate cost of the activity, the skills required to perform it, independence requirements and the enduring need for the activity. Actual expenditure is then controlled by the SECCo Board. Activities undertaken by Third Party Consultancies and the SECAS team are reported to the SECCo Board through the Management Reports on a monthly basis.

The following sub-sections include estimates for budgetary purposes only and represent a combination of expected Third Party Consultancy expenditure, and SECAS costs. A comparison to 2022/23 Forecast Outturn is provided.

Project	2022/23 Forecast Outturn	2023/24 Approved Budget	2024/25 Estimated Budget	2025/26 Estimated Budget
SEC Obligations/Industry Driven				
Annual Security Obligations - Risk Assessment	£73,000	£150,000	£150,000	£150,000
Annual Security Obligations - Security Architecture	£78,000	£100,000	£100,000	£100,000
Threat Assessment	£0	£210,000	£60,000	£60,000
Quantum Computing	£0	£75,000	£150,000	£150,000
CPA Matters	£100,000	£90,000	£120,000	£120,000
Code Reform	£0	£50,000	£0	£0
DCC Licence Review	£0	£50,000	£0	£0
Transfer of Transitional Governance	£0	£0	£75,000	£75,000
Decarbonisation of Gas Networks	£0	£0	£75,000	£75,000
OPR Auditing	£99,000	£0	£0	£0
P375 (Meter Splitting)	£6,000	£0	£0	£0
Panel/ Sub-Committee Driven				
2G/3G/4G CH Transition Group	£40,000	£250,000	£250,000	£250,000
Strategic Working Group Projects	£33,000	£56,250	£75,000	£75,000
Digitalisation	£68,000	£150,000	£75,000	£75,000
Design Authority	£0	£37,500	£0	£0
Business Architecture Model Upgrade	£0	£37,500	£0	£0

SECCo Role & Structure, SECAS Service Provision/ Procurement	£0	£150,000	£0	£0
SMDA Scheme Changes	£0	£28,500	£60,000	£0
SMDA TH Procurement	£0	£22,500	£0	£0
SMDA SEC Releases	£35,000	£26,250	£30,000	£25,000
SMDA DSP Procurement	£0	£0	£10,000	£0
SMDA CH Testing	£34,000	£0	£0	£0
Network Evolution/ Programme Assurance	£75,000	£0	£0	£0
Performance Assurance (Industry Parties)	£55,000	£0	£0	£0
Monitoring and Quality Assurance (of DCC Services)	£96,000	£0	£0	£0
Independent Chair Procurement	£20,000	£0	£0	£0
Panel Chair Transition	£25,000	£0	£0	£0
Website Upgrade Scoping	£6,000	£0	£0	£0
TOTAL	£843,000	£1,483,500	£1,230,000	£1,155,000

Table 9: 2023-26 Project Budgets Category

SEC Obligations/Industry Driven

5.1 Annual Security Obligations - Risk Assessment

SEC Section G7.19(b) specifies that the SSC must carry out reviews of the Security Risk Assessment at least once each year, in order to identify any new or changed security risks to the End-to-End Smart Metering System.

5.2 Annual Security Obligations – Security Architecture Document

SEC Section G7.19(d) requires the SSC to review and maintain the End-to-End Security Architecture and Security Obligations and Assurance Arrangements, to ensure it is up to date.

5.3 Threat Assessment

The last Risk Assessment identified a need to carry out a Threat Assessment on Supply Chain Risks which could affect the security of Smart Metering arrangements.

5.4 Quantum Computing

This provision covers crypto algorithms to deal with the threats from Quantum Computing. It may result in new standards for SMKI and DCCKI, and the redesign of metering equipment with a long lead time.

5.5 CPA Matters

SEC Section G7.19 (f) requires the SSC to maintain the Security Characteristics. Annual maintenance is required, and a test lab is used to undertake the exercise. This provision provides for 4-6 iterative workshops per annum with industry on proposals either for changes to the CPA Security Characteristics or to investigate Use Cases for Device Refurbishment.

5.6 Code Reform

As part of BEIS and Ofgem's Energy Code Reform, it has so far been determined that Ofgem will be given new strategic functions for codes and will work alongside one or more licensed code managers. There is no firm timescale for the transition to the new governance framework, but if legislation is enacted at the earliest opportunity, Ofgem's new strategic functions might be established around 2023. The majority of functions will not go live until the initial code manager has been appointed. Any

changes to licences, codes and contracts would then follow, including the implementation of code consolidation. The intention of Code Reform is that the SEC Panel would no longer exist, and instead its function would be combined with that of the Code Administrator as part of the new Code Manager role. This budget is being set aside in order to allow SEC Panel to feed into the consultation process, and take an active role in defining Code Manager roles and responsibilities, the workings of stakeholder advisory forums and the overall approach to code consolidation.

5.7 DCC Licence Review

Ofgem is consulting with industry on its views of the type of regulatory framework that should underpin the role of the DCC up to 2040. The new framework will be designed in detail in the next phase of this Ofgem programme of work, scheduled to take place over the next year. Budget has been set aside to allow SEC Panel to consider any potential role Panel may play in assuring Transition to the new Licensee, and fully assess the impact of proposed changes, in order to be able to feed back appropriately to Ofgem.

5.8 Transfer of Transitional Governance

This project will scope and manage the transfer of BEIS outstanding Transitional Governance groups into SEC governance, such as the Technical Specification Issues Resolution Sub-group (TSIRS) and the Home Area Network/ Wide Area Network (HAN/WAN) Working Group. Work needs to be undertaken to ensure that the necessary capabilities, systems and processes are in place prior to transfer.

5.9 Decarbonisation of Gas Networks

The gradual decarbonisation of gas is going to have an impact on the composition of gas being provided for use in homes and businesses. One such change is the increased use of Hydrogen in place of natural gas. If increased levels of Hydrogen are to be used and coexist with existing Smart Metering infrastructure, then the impacts on the Devices, Systems and SEC Parties need to be understood and any changes need proposal. This project would seek to clarify these points so that Smart Metering can be better prepared to support this initiative

Panel/ Sub-Committee Driven

5.10 2G/3G/4G CH Transition Group

This provision covers the development and delivery of a governance framework that provides appropriate mechanisms for User input and oversight for the implementation of 4G CHs. This would include implementation principles and strategy as well as monitoring progression of an overall implantation plan.

5.11 Strategic Working Group Projects

The Strategic Working Group maintains a roadmap of strategic events impacting on the SEC for the next 10-20 years. This considers the remit of SEC Panel and the needs of SEC Parties, BEIS, the emerging landscape and use of the infrastructure to support wider industry developments. Projects may be required to delve deeper into certain topic areas, to ensure that the SEC is fully prepared for such events to occur.

5.12 Digitalisation

A digitalisation strategy has been drafted by SEC Panel in support of Ofgem's desire for industry codes to be digitalised, and the drive to make content and participation more accessible to SEC Parties. This provision allows this work to continue and includes provision to upgrade the SEC website, and a further phase of improvements to the security assessment management process.

5.13 Design Authority

The TABASC already considers the impact of SEC Modifications and the resulting DCC system

changes on the Technical and Business Architecture. However, to uphold the architectural principles of smart metering for all changes which are considered, and to ensure there is no negative impact, the TABASC could act as a Design Authority for Smart Metering. This project will therefore consider whether the TABASC should become a Design Authority and what its scope should be.

5.14 Business Architecture Model Upgrade

The Business Architecture Model (BAM) could be moved onto different software platform to improve navigation and usability. This budget provisions for a different platform to be implemented.

5.14 SECCo Role & Structure, SECAS Service Provision/ Procurement

In light of Ofgem's Code Reform and the move to a Code Managed service, this project will allow consideration of the role and structure of the Smart Energy Code Company Ltd (SECCo), and the supporting Smart Energy Code Administrator and Secretariat (SECAS). It will also allow for Procurement of services.

5.16 SMDA Scheme Changes

The industry consultation on the Smart Meter Device Assurance (SMDA) Scheme identified areas where the Scheme could evolve to improve value to SEC Parties. This project will introduce such improvements.

5.17 SMDA TH Procurement

The existing SMDA Scheme Test House was appointed in early 2021 without a full procurement being undertaken, on the proviso that a full procurement would be undertaken at the earliest opportunity. This budget provisions for the cost of running a full competitive tender. This provision would not be required, should the existing Test House contract be extended.

5.18 SMDA SEC Releases

Changes in the SEC June and November 2023 releases may require updates to SMDA testing to ensure that the Scheme continues to align with industry testing standards.

5.19 SMDA DSP Procurement

The current DSP contract with the DCC ends in 2024. This budget will allow for, further investigation to take place to determine if changes to the contract would impact the Scheme.

6. SMDA Scheme

Following transition of the SMDA Scheme into the SEC in 2021/22, centralised costs for the scheme fall under the SEC Panel budget. This covers the cost of the SMDA Scheme Operator which undertakes the day-to-day technical administration for the Scheme (including its Test Specifications and Test Scripts), management of the SMDA Sub-Committee, assisting SMDA users, as well as ongoing management of the Test House and routine reporting to industry, SEC Panel and Board.

The Test House carries out the formal testing of devices against the specifications provided and supports the Scheme Operator with issue resolution during testing. Costs are forecast to be the same as the 2022/23 Estimated Outturn, noting that the outcome of the planned Test House procurement could have an impact.

7. OPR Auditing

Ofgem has procured an Auditor to support its Operational Performance Regime monitoring of the DCC's Contract Management practices. This budget provisions for the cost of audits to be carried out in each year.

8. Contingency

Unlike previous years, where the Panel has been able to deliver its activities under budget, in 2022-23 the budget has been much tighter and the Panel has had to defer activity to 2023-24, in order to remain within budget.

Moving forward, the SEC Panel sees a significant level of uncertainty affecting the budgetary period, and as such has included a Contingency provision of 5% (£510,423) to cater for any unforeseen expenses.

SEC Panel believes that inclusion of a Contingency budget at the start of the financial year will provide greater certainty to SEC Parties to support budgetary planning, rather than going back out to consultation in the middle of the financial year to request additional funds, should they be needed. Any unused funds will be returned at the end of the financial year.

Examples of such uncertainties include:

CPA Scheme

There is ongoing work with SSC, BEIS and NCSC to improve the CPA Scheme, and the favoured option is to outsource the day to day running to a third party. This would add a cost that is currently borne by the NCSC. It is not yet clear how this will be paid for, but it could be a charge that is added to the manufacturing costs and passed on to MAPS/Suppliers, or it could be a central cost, similar to SMDA, added to the SEC Panel budget.

ECoS to TCoS monitoring

We are so far unclear on BEIS' expectations for SSC and SECAS in relation to ECoS to TCoS monitoring.

SSES Consultation outcome

The outcome of the SSES Consultation (delivering a Smart and Secure Electricity System) is not yet known and could have significant implications for SEC governance. Similarly, other use cases for the smart metering system could emerge which need to be assessed.

Project Estimates

Many projects have not yet been scoped or tendered, and budgets proposed are just estimates. Any upward variance would need to be accommodated.

Risk Assessment

Following the next Annual Security Obligations – Risk Assessment, further recommendations for additional work may be suggested, which are not yet budgeted for.

As with any other part of this budget, any spend from the Contingency budget must be authorised by the Panel and overseen by the Board.