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SEC Panel Approved Budget 2020 – 2023

Change History

VERSION	STATUS	ISSUE DATE	AUTHOR	COMMENTS
0.1	Draft	29/10/2019	Abigail Hermon	Initial Draft release for PFCG Review
0.2	Draft	08/11/2019	Abigail Hermon	Draft for SEC Panel Review incorporating PFCG comments
0.3	Draft	06/12/2019	Abigail Hermon	Revised following SEC Panel request to reduce Project Budget
0.4	Draft	23/12/2019	Abigail Hermon	Version approved by SEC Panel to be issued for consultation
1.0	Final	02/03/2020	Abigail Hermon	Version approved by SEC Panel for publication as Approved Budget

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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.

The Approved Budget for 2019/20 was £7,753,956, and the Estimated Budget for 2020/21 was £7,571,550. Activity levels have now been assessed and the Approved budget for 2020/21 is £8,349,486, effective from 1 April 2020.

Estimates for 2021/2022 and 2022/2023 have been provided of £8,140,378 and £7,829,421. The reduction is within the Projects category, and is driven by the fact that we have better visibility of planned projects in 2020/21 than in later years. This category is therefore subject to change in future budgets. Furthermore, as Projects are delivered this may also have an impact on other costs.

Budget Category	2020/21 Approved Budget	2021/22 Estimated Budget	2022/23 Estimated Budget
SECCo and Panel Operations	£1,082,102	£1,106,701	£1,138,552
SECAS Services	£5,678,040	£5,678,040	£5,678,040
Projects	£1,191,750	£968,000	£640,000
Contingency (5%)	£397,595	£387,637	£372,830
Total	£8,349,486	£8,140,378	£7,829,421

Table 1: 2020-23 SEC Panel Budget Projections

1.1 The current landscape and assumptions

The forthcoming year is expected to bring continued change in the Smart Metering market with the mass migration of meters to live operations, and migration of SMETS1 to SMETS2.

The recent extension to the roll out deadline to 2024 indicates that the smart arrangements will continue to evolve and require continued governance and monitoring for longer than previously anticipated. The transfer of governance responsibilities from BEIS to the Panel is expected to continue, although the exact pace is to be determined. For the purpose of this budget, it has been assumed that transitional arrangements will remain in place until 2020, and that TSIRS and the HAN/WAN Working Group will not have transitioned until mid-way through 2021. Furthermore, the SEC Panel is currently assessing the implications of the BEIS review of 'Smart Metering Assurance for SMETS2 Device Interoperability'. The working assumption is that the recommendations could be funded through the 'Contingency' budget, but if this is insufficient, the SEC Panel will consult again on the budget.

As the roll out rate continues, operational issues are coming to the fore and this is expected to increase. We are already seeing a number of challenges arising in the areas of security and technical operations and do not expect this work to dissipate. Reviewing the outputs of the Data Communications Company (DCC) continues to require a high degree of effort.

SEC Parties are continuing to face challenges, with Event of Default and Supplier of Last Resort cases rising. Headcount reductions faced by Energy Suppliers is also putting pressure on regulatory resources. The impact of these challenges is an expectation of greater support being provided by the

SECAS Service. Additionally, as work continues to digitalise the SEC, extra support will need to be provided to users.

Whilst some areas can be controlled by the SEC, several external factors continue to drive the agenda and cost.

1.2 Budget control

In light of industry circumstances, the SEC Panel continue to take its responsibility for setting the SEC budget very seriously. The Panel is mindful of the cost challenges faced by the industry, and as such, seeks to balance prudent provisions, quality of service and flexibility, with economic efficiency.

Despite the growing workload, and uncertainty over issues in an operational regime, the Panel has worked hard with SECAS to keep costs down and within budget. The Panel continually examines the 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. The agreed report also includes actuals against estimated costs for the previous 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 Operations and Management Reports, accompanied by supporting timesheets.

1.3 Overview of Budget

Table 2 below provides an overview of the 2020/21 Draft Budget, broken down by high level budget category, compared to the Estimated Outturn for 2019/20.

Budget Category	2019/20		2020/21	
	Approved Budget	Estimated Outturn	Approved Budget	Variance Draft Budget 2020/21 to Estimated Outturn 2019/20
SECCo & Panel Operations	£760,651	£824,986	£1,082,102	£257,116
SECAS Services:				
Core Team and SME's	£4,995,769	£5,533,122	£6,027,378	
Contractual Discount		-£553,312	-£602,738	
Accommodation Costs	£198,000	£189,000	£253,400	
SECAS Services Total	£5,429,069	£5,168,810	£5,678,040	£509,230
Projects	£1,195,000	£1,073,260	£1,191,750	£118,490
Contingency (5%)	£369,236		£397,595	
Total	£7,753,956	£7,067,056	£8,349,486	£1,282,430

Table 2: Overview of 2020/21 Budget versus 2019/20 Estimated Outturn

Key variances:

SECCo & Panel Operations: This area shows an increase of £257,116 compared to 2019/20 Estimated Outturn, which is primarily driven by the fact that Independent User CIO costs have been moved into this category, out of SECAS Services, to sit alongside all other SECCo third party costs.

SECAS Services: This area shows an increase of £509,230 compared to 2019/20 Estimated Outturn, which is driven by the proposed increase in headcount for SECAS to manage the increasing volume and complexity of technical issues being addressed.

Please note that the 'Contractual Discount' negotiated by SECCo into the SECAS contract, is now factored into the Approved Budget for 2020/21.

Sections 2 – 5 provide a breakdown of each budget category, their drivers and key variances between the Approved Budget for 2020/21 and the Estimated Outturn for 2019/20.

Total costs by Sub-Committee/ Service Area are provided in Table 3 below. This draws out the relevant costs from the SECCo & Panel Operations, and SECAS Services Budget Categories.

Service Area	Sub-Committee	Budget Provision			
		Core Team	Subject Matter Experts	Independent Chairs/ Committee Members	Total
Panel & Board	Panel and Board	£425,485	£71,301	£167,452	£664,239
Technical Operations	TABASC	£462,581	£143,085	£72,000	£677,666
	OPSG	£626,156	£85,851	£120,000	£832,007
	TAG	£482,012	£57,234		£539,246
Security & Privacy	SSC	£643,350	£795,504	£196,000	£1,634,853
	SMKI PMA	£121,239	£0	£69,000	£190,239
	Privacy	£17,724	£24,608		£42,331
Change & Release Management	Change Board, CSC, Working Groups	£979,686	£114,468		£1,094,154
Party Engagement	N/A	£943,650	£33,445		£977,095
Total		£4,701,883	£1,325,495	£624,452	£6,651,830

Table 3: Total costs by Sub-Committee/Service Area 2020/21 Budget

2. SECCo and Panel Operations

2.1 Overview

The budget for the SECCo and Panel Operations category is set out in Table 4 below, and includes the following budget lines:

- **Panel and SECCo Board Operations** – this covers any costs associated with the SEC Panel and SECCo Board Members, Independent User CIO, Licences, and contractual requirements.

(Items '6. User CIO', and '7. Licences' were included in the SECAS Services Budget Category last year, but have been moved here alongside all other SECCo contractual costs);

- **Sub-Committee Expenses** – this covers provision for potential expenses relating to each sub-committee;
- **Independent Chairs and Specialist Resource** – this covers the expenditure on Independent Chairs and any specialist resource required for each Sub-Committee; and
- **Systems** – provides for costs incurred on systems maintained on behalf of SEC Panel and SECCo. CodeWorks (digital SEC) Licences have been added as a new Budget Line.

Description	2019/20 Approved Budget	2019/20 Estimated Outturn	Budget Lines	2020/21 Approved Budget	Variance Draft Budget to 2019/20 Estimated Outturn
Panel and SECCo Board Operations	£163,801	£163,801	1. Panel Members	£167,452	
	£25,000	£25,000	2. SECCo	£25,000	
	£50,000	£25,000	3. Legal	£30,000	
	£5,500	£6,235	4. SEC Party Engagement Day	£10,000	
	£10,350	£10,350	5. Customer Satisfaction Survey	£10,350	
			6. User CIO	£200,000	
			7. Licences	£3,300	
Sub Total	£254,651	£230,386		£446,102	£215,716
Sub-Committee Expenses	£30,000	£20,000	8. All Sub-Committees	£30,000	£10,000
Independent Chairs and Specialist Resource	£35,000	£35,000	9. SMKI Specialist	£35,000	
	£200,000	£200,000	10. SSC and SMKI PMA Independent Chair	£200,000	
	£72,000	£72,000	11. TABASC Independent Chair	£72,000	
	£100,000	£120,000	12. OPSG Independent Chair	£120,000	
	£20,000	£13,600	13. OPSG Independent Specialist	£0	
Sub Total	£427,000	£440,600		£427,000	-£13,600
Systems	£15,000	£20,000	14. Website Maintenance	£20,000	
	£30,000	£30,000	15. Business Process Modelling	£30,000	
	£4,000	£4,000	16. File Sharing Solution	£4,000	
	£0	£80,000	17. CodeWorks	£125,000	
Sub Total	£49,000	£134,000		£179,000	£45,000
Total	£760,651	£824,986		£1,082,102	£257,116

Table 4: 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 2019/20 are also explained.

Panel and SECCo Board Operations

1. Panel Members – comprises Panel Chair remuneration (including the annual RPI uplift, forecast to be 2.7%) and Panel Member expenses relating to attendance of SECCo Board, SEC Panel and Panel Finance and Contracts Sub-Group (PFCG) meetings. Expenses have been based on the 2019/20 run rate.
2. SECCo – this includes the cost of the annual financial audit and insurance, and assumes that costs will be similar to 2019/20.
3. Legal – this provision is for general legal counsel advice to SECCo, and has been set at a level slightly above forecast out-turn for 2019/20, to cater for the Independent CIO procurement taking place.
4. SEC Party Engagement Day – this provision covers the cost of external venue hire, facilities, refreshments, and digital services for the annual SEC Party Engagement day, held in line with SEC Section C2.3(k). The cost has increased due to the increasing costs of external venue hire, and use of video, which will allow more SEC Parties to benefit from the event.
5. Customer Satisfaction Survey (CSS) – this provision is for the annual contractual Customer Satisfaction Survey carried out by a third party research agency (£6,000 based on 2019/20 costs). Also included is £4,350 to cover the SEC portion of the annual Code Administration Performance Survey, introduced by Ofgem in 2017.
6. Independent User CIO – as outlined in the SEC, the costs relating to undertaking User Security and Privacy Assessments will be charged directly to Users via Explicit Charges from the DCC. In addition to this, the User CIO also undertakes activities to support the Security and Privacy Assessment processes, and these costs are centralised. The budget provision is based on the current run-rate, and allows for attendance at SSC meetings; engagement with Parties in the form of seminars and tailored workshops; and any additional support required. In 2019/20 this cost was included in the SECAS Services Budget Category, Security & Privacy.
7. Licences – a £1,500 provision is included to cover subscription costs to the British Standards Institution (BSI) in order to keep up to date with any changes to the standards referred to within the SEC e.g. ISO27001. A £1,800 provision is included for the DLMS User Association annual membership fee, which gives members access to the DLMS specifications. In 2019/20, these costs were included under the SECAS Services Budget Category.

Sub-Committee Expenses

8. Sub-Committee Expenses – these costs are based on the Panel Expenses Policy, with the budget maintained at the same level as last year. Although the Estimated Outturn for 2019/20 is £10k under budget, the increase in meetings planned in 2020/21 is expected to offset this.

Independent Chairs and Specialist Resource

9. SMKI Specialist – this covers the provision of support to the SMKI Policy Management Authority (SMKI PMA) as outlined within SEC Section L1.14(a). The level of support required is expected to be similar to 2019/20.
10. Security Sub-Committee (SSC) and SMKI PMA Independent Chair – this covers provision for the Independent Chair of the SSC and SMKI PMA, including specialist activities and support. The cost is based on the Estimated Outturn for 2019/20, assuming similar activity levels next financial year.

11. TABASC Independent Chair – this covers provision for the Independent Chair of the Technical Architecture and Business Architecture Sub Committee (TABASC), including specialist activities and support. The provision is the same as the Estimated Outturn for 2019/20, assuming similar activity levels next financial year.
12. Operations Group Independent Chair – this covers provision for the Independent Chair of the Operations Group, and is based on the Estimated Outturn for 2019/20. This incorporates the introduction of a second monthly meeting, established to review DCC Performance Reports.
13. Provision for the Operations Group Independent Specialist has been removed from the budget as it is assumed that the SECAS Core Team have acquired the necessary expertise.

Systems

14. Website Maintenance – this covers second line support provided by a third party website provider, at a rate of £675 per month, per the contractual arrangements in place. First line support is provided by SECAS Subject Matter Experts. An additional £12,000 has been included to cater for small scale enhancements required to the Website over the period.
15. Business Process Modelling – this provision covers the shared service costs for Casewise in line with the current Memorandum of Understanding between SECCo and the Master Registration Agreement Service Company (MRASCo). Costs have also been included for any required updates to the Business Architecture Model.
16. File Sharing Solution – this covers the cost of Egress, the confidential file sharing solution used by all Governance Committees and the User CIO to share User Security Assessment reports with Parties. The £4,000 provision relates to the annual licence and platform support.
17. CodeWorks – provision of a digital SEC follows the digitalisation strategy laid out by Ofgem. This covers the annual cost of licences required by SEC Parties to be able to access and interact with CodeWorks, the digital SEC.

3. SECAS Services

3.1 Overview

The breadth and depth of code management services now required by industry extends beyond that originally envisaged.

At a high level, the scope of the services provided now includes the following activities and functions. Some of these are directly called out in the SEC, however some are a consequence of the changing regulatory landscape and assisting Parties in meeting their obligations:

- Technical Consultancy – identifying and proposing solutions to issues that could affect the technical and business architecture, contributing to the identifying, monitoring, and resolving of operational issues, and providing expert input into testing requirements and assurance of testing outputs.
- Security Expertise – provision of support to Users throughout the assessment process, including management of the Independent CIO, and security expertise to provide validation of assessments carried out, in order to protect the integrity of the system.

- Party Support – supporting the on-boarding of new Users to DCC systems and the SEC, navigating them through the complexities of the SEC requirements and keeping them up to date through regular communications and tailored events.
- Change and Release Management – provision of Critical Friend support to Proposers of change, expert guidance and input in developing business requirements and identifying appropriate 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 and procurement support to SECCo Ltd.

The original scope of the SECAS Service is outlined SEC Sections C7.2 and C7.3:

- Advising and supporting governance entities in the delivery of obligations and improvements that better facilitate the objectives of the SEC;
- Establishing and managing the proceeding of governance entities, including the nominations and elections of Members;
- Advising and supporting the planning and progression of parties through accession and user entry processes. This includes the co-ordination of activities with the DCC and the Competent Independent Organisation;
- Providing and procuring services and expertise as prescribed or required from time to time by the Panel;
- Advising, planning and managing the progression of SEC Modifications and Releases, including the publication of the Modification Register; and
- Acting in accordance with the principles of the Code Administration Code of Practice (CACoP).

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

3.2 Categorisation

In order to provide greater transparency of costs relating to each Sub-Committee, SECAS Service costs have been categorised by Sub-Committee (where Sub-Committees exist), and are grouped as:

- Panel & Board
- Technical Operations Technical and Business Architecture Sub Committee (TABASC)
Operations Group (OPSG)
Testing Advisory Group (TAG)
- Security & Privacy Security Sub Committee (SSC)
Smart Meter Key Infrastructure Policy Management Authority (SMKI PMA)
Privacy (no Sub-Committee)

- Change & Release Management Change Board, Change Sub-Committee (CSC), Working Groups
- Party Engagement (no Sub-Committee)

There is presently no Sub-Committee dedicated to 'Privacy' due to low volumes, with all matters currently discussed at Panel meetings. This position will be reviewed each year as part of the budgeting process. Committee Support costs are allocated to the relevant Sub-Committee, rather than appearing as a separate Service Area. Similar to last year, each area will be supported by the Core Team plus agreed Subject Matter Experts, drawn upon for their specific areas of expertise. Accommodation Costs are listed separately.

Core Team

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 change in nature and volume of work required to manage the SEC, as it becomes fully operational.

One key change has been the incorporation of more technical roles, in response to continued demand in this area. These roles are at a more junior level than the Subject Matter Experts, enabling SECAS to match resources to the requirement, by providing a range of expertise.

A further change has been the upgrading of some roles. This is in response to the complex technical nature of the SEC, the expectation of increased code management behaviours, the downsizing of SEC Party regulatory teams, and the needs of SEC Parties.

Additionally, Account Manager roles have been introduced in response to feedback provided by SEC Parties, that they would like more tailored support to be provided. Further detail on the Core Team make-up is provided in Section 3.3.

Subject Matter Experts

The Core Team will continue to be supported by named Subject Matter Experts who provide specialist in-depth technical and security expertise as required. This resource is used on a call-off basis when demand requires, and spend is controlled on a monthly basis through the management report, and at a work package level on a quarterly basis.

Accommodation Costs

This includes the cost of meeting rooms, refreshments, Panel Chair office and contractor space rental, and expenses for any off-site visits.

More detail on the above costs is provided in Sections 3.2 – 3.4 below.

3.2 Costs by Service Area

A breakdown of costs by Service Area is provided in Table 5 below.

Service Area	Sub-Committee	Budget Provision		Total
		Core Team	Subject Matter Experts	
Panel & Board	Panel and Board	£425,485	£71,301	£496,787
Technical Operations	TABASC	£462,581	£143,085	£605,666
	OPSG	£626,156	£85,851	£712,007
	TAG	£482,012	£57,234	£539,246

Security & Privacy	SSC	£643,350	£795,504	£1,438,853
	SMKI PMA	£121,239		£121,239
	Privacy	£17,724	£24,608	£42,331
Change & Release Management	Change Board, CSC, Working Groups	£979,686	£114,468	£1,094,154
Party Engagement	N/A	£943,650	£33,445	£977,095
Total		£4,701,883	£1,325,495	£6,027,378

Table 5: 2020/21 SECAS Services Budget Line Provision

A comparison of the 2020/21 Approved Budget compared to the 2019/20 Estimated Outturn is set out in Table 6 below, with key variances explained in section 3.2.1.

Service Area	2019/20 Approved Budget	2019/20 Estimated Outturn	Sub-Committee	2020/21 Approved Budget	Variance Draft Budget to 2019/20 Estimated Outturn
Committee Support	£903,259	£917,000		£0	-£917,000
Panel & Board	0	£0		£496,787	£496,787
Technical Operations			TABASC	£605,666	
			OPSG	£712,007	
			TAG	£539,246	
<i>Sub Total</i>	£934,603	£1,123,000		£1,856,919	£733,919
Security & Privacy			SSC	£1,438,853	
			SMKI PMA	£121,239	
			Privacy	£42,331	
<i>Sub Total</i>	£1,524,303	£1,634,303		£1,560,092	-£74,211
Change & Release Management	£1,242,189	£1,122,819	Change Board, CSC, Working Group	£1,094,154	-£28,666
Party Engagement	£626,714	£736,000	N/A	£977,095	£241,095
Total	£4,327,809	£5,533,122		£6,027,378	£494,256

Table 6: 2020/21 SECAS Services Budget versus 2019/20 Estimated Outturn

Please note that the above costs are subject to a 10% contractual discount, totalling £602,738.

3.2.1. Key Variances

Variances between the 2020/21 Approved Budget and 2019/20 Estimated Outturn are outlined below:-

- **Panel & Board** - this is a new Service Area which incorporates some of the activity previously included in the Committee Support Service Area. See Section 3.2.2 below for details.
- **Committee Support** - a reduction of £917,000 appears here, with Committee Support costs now recorded under the relevant Sub-Committee cost.

- **Technical Operations** - the increase of £733,919 within this category is somewhat misleading, as it now incorporates £320,000 Committee Support resource, previously listed separately. The remainder relates to additional technical resourcing being required within the Core Team to support the expanding scope of services, resulting from the increased roll out rate and experience of live operations. The work undertaken by the team in supporting TAG, TABASC and the OPSG has been intensive over the last year and it is not expected to dissipate during the 2020/21 period.
- **Security & Privacy** - a reduction in budget of £74,211 is partly explained by the fact that Independent User CIO and IPA costs of £200,000 have been moved into the SECCo & Panel Operations section, alongside all other SECCo contract costs. An increase in Security Expert resource has been provisioned, to cater for an increase in User Assessments forecast.
- **Change & Release Management** - the budget remains in line with the 2019/20 Estimated Outturn.
- **Party Support** - there is an increase of £241,095 within this Service Area when compared to the 2019/20 Estimated Outturn. This reflects the incorporation of two new Account Management roles, who will provide more tailored support to SEC Parties.

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

3.2.2. Panel & Board

Activities to support the management of SEC Panel & SECCo Board meetings have been separated out into this new category (previously captured under the Committee Support budget line), and comprise of the following Core Team and Subject Matter Expert activities.

Core Team activities

This area includes meeting management services, budgeting and activity planning:

- Provision of agendas, papers, headlines and minutes (circa 30 documents per meeting);
- Liaison with the DCC and BEIS in relation to preparation for each meeting;
- Maintenance of action logs, and progression of actions;
- Maintenance of Risk and Issue Registers and Activity Planners;
- Development of annual budgets (including engagement with PFCG);
- Provision of quarterly Work Packages and Out-turn reports;
- Maintenance of SECCo Policy & Procedures;
- Maintenance of SECCo contracts; and
- Company Secretary – provision of Company Secretary duties.

Subject Matter Expert activities

This area includes the provision of finance support to SECCo Ltd and includes:

- Financial reporting – monthly management account provision and reforecasting;
- Audit – support to the annual SECCo audit;

- Insurance – procurement of insurance;
- Invoicing & Expenses – processing and payment of all SECCo invoices and expenses; and
- Companies House – maintenance of Companies House information.

Forward look – years 2 and 3

Resourcing and costs for this area are expected to remain stable in years 2 and 3.

3.2.3. 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). Activity in these areas continues to rise, as the roll out progresses, operational issues arise, and more activities move from transitional to enduring governance. The service will continue to be delivered by a Core Team, supported by technical Subject Matter Experts who have in-depth knowledge and expertise in the relevant areas.

3.2.3.1 TABASC

In light of the additional workload expected to be handled by TABASC next year, and to reduce reliance on the technical Subject Matter Experts, it is proposed that the Core Team is increased by 1 FTE. The following activities are included under this provision:

Core Team activities

- Processing submissions of the Certified Products List (CPL), including undertaking 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 the updates to the CPL;
- Facilitating monthly TABASC committee meetings, including provision and presentation of papers and management of actions;
- Liaison with the TABASC Chair and DCC between meetings on content of meetings, outstanding actions, and documentation;
- Maintenance of action logs, and progression of actions;
- Changes to Code Specifications co-ordinated through TABASC;
- Maintenance of Risk Register and risk mitigation plans and providing input into the Panel Risk Register where required;
- Providing the Panel with monthly updates on the activities undertaken by the TABASC;
- Supporting the Technical and Business Expert Community (TBEC), including managing any nominations and providing regular updates on TABASC activities;
- Interaction with transitional and DCC-led groups as required, including Technical and Business Design Group (TBDG), Technical Specification Issue Resolution Subgroup (TSIRS), Technical Design and Execution Group (TDEG) and Design Forum.
- Undertaking a review of the effectiveness of the End-to-End Technical Architecture, Business Architecture and HAN Requirements via a Technical Effectiveness Review Questionnaire and reporting to the Panel on the outcome; 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);
- Monitoring of Modification Proposals and BEIS led Changes, assessment of impact, reporting to TABASC and implementing any required changes;
- Working with DCC, Ofgem and SEC Parties to identify solutions and refine Supplier of Last Resort processes; and
- Any ad-hoc support required in relation to the technical and operational aspects of the SEC, e.g. providing expert knowledge required to support the helpdesk, CPL submissions, advice on issue resolution, dispute resolution and events of default.

3.2.3.2 OPSG

The OPSG is addressing an increasing list of operational topics. A particular emphasis is on urging DCC to deliver a resilient and SEC-compliant service: this encompasses both strongly challenging DCC where appropriate, but also working constructively with DCC to ensure that the User perspective is understood. SECAS supports the OPSG in this work.

The number of operational issues arising is expected to increase again next year, as we move further into live operations. This is in addition to the anticipated effects of the industry events outlined in the Projects section (section 4 below). To cater for this rise, it is proposed that the Core Team is increased by 1 FTE. In support of the OPSG, the following activities are included under this provision:

Core Team activities

- Facilitating monthly OPSG committee meetings, including provision and presentation of papers and management of actions (OPSG now meets twice-monthly reflecting the increased workload);
- Liaison with the OPSG Chair between meetings on content of meetings, outstanding actions, and documentation;
- Reviewing and liaising with the DCC / BEIS / Ofgem on the DCC reporting suite, specifically the monthly DCC Performance Report;
- Reviewing major incident reports, and liaison with the DCC;
- Liaison with the DCC between meetings on outstanding actions, and documentation;
- Providing the Panel with monthly updates on the activities undertaken by the OPSG;
- Management of operational issues;
- Supporting OPSG by reviewing DCC Planned Maintenance proposals;
- Supporting OPSG by reviewing DCC BDCR proposals;
- Supporting OPSG by reviewing DCC SSI proposals;
- Maintenance of Risk Register and Issues Log and updating Parties as and when required;

- Coordinating OPSG assessment of DCC readiness for live operation of Releases and SMETS1 phases;
- Interaction with transitional and DCC-led groups as required, in particular, the Implementation Managers Forum (IMF); and
- Management of membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- Supporting the Issues Process, liaising with SEC Parties, Technical Experts, Sub-Committees and the DCC on solutions and workarounds;
- Monitoring of Modification Proposals and reporting to the OPSG on progression of Modifications; and
- Providing support for ad hoc requests from the OPSG.

3.2.3.3 TAG

In light of the additional workload expected to be handled by TAG next year, and to reduce reliance on the technical Subject Matter Experts, it is proposed that the Core Team is increased by 1 FTE. The following activities are included under this provision:

Core Team activities

- Facilitating monthly TAG committee meetings, including chairing meetings, provision and presentation of papers, and management of actions;
- 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; and
- Management of membership, undertaking scheduled and ad-hoc elections.

Subject Matter Expert activities

- 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;
- Provision of support to Sub-Committees when assessing whether DCC has met the Live Services Criteria for all Device Model Combinations to be enrolled during the quarter;
- Provision of guidance on how risks associated with testing environment constraints can be managed effectively; and
- Supporting TAG committee assessment of the severity of SMETS1 Testing Issues, along with the provision of guidance relating to how SMETS1 Testing Issues can be managed and resolved.

Forward look – years 2 and 3

It is difficult to predict the challenges and opportunities that live operations will bring, and the impact this will have on resourcing. On the one hand we would hope that as the infrastructure stabilises and operational issues settle, that a reduction in resource will be required. However, at present there is no

evidence as to when such improving trends will allow a reduction in activity. Additionally, as wider industry changes emerge which have an impact on the SEC, and transitional governance arrangements transfer over from BEIS, demands on this area will grow. For the purpose of budgeting, we have therefore assumed stable resourcing and cost for years 2 and 3.

3.2.4. Security & Privacy

The Security & Privacy area encompasses the activities which fall under two Sub-Committees: the Security Sub-Committee (SSC) and Smart Meter Key Infrastructure Privacy Management Authority (SMKI PMA). SECAS supports a number of activities in relation to the security and privacy obligations in the Code. Over the past year the number of SEC Parties undergoing security assessments has increased significantly, requiring support to Parties and proactive management of the Independent User CIO. Furthermore, activities to ensure the continued strength of the security infrastructure have risen.

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

Core Team activities

The size of the Core Team will remain unchanged, and they will undertake the following activities:

- Providing support to Parties throughout the User Security and Privacy Assessment process. This includes setting up secure areas on the file sharing site to enable the sharing of confidential information, providing helpdesk support via a dedicated security mailbox, and holding engagement calls with Parties in the lead up to their User Assessments;
- Liaison with the User CIO in relation to assessment booking, the assessment process, and updates to documentation;
- Liaison with SMKI Specialist and Security Experts, managing requirements and activities to be undertaken;
- Liaison with the SSC and SMKI PMA Independent Chair on specific items of business, approval of meeting agendas, gaining input on required actions;
- Paper development and review, meeting attendance, and other post meeting activities;
- Provision of updates to Panel on Party assurance status' following security assessments and any other decisions made via delegated authority;
- Management of the User CIO, including forecasting, invoicing and contract review meetings;
- Monitoring CPA certificates, requesting supplier remediation plans and collating information for SSC meetings;
- Monitoring of any security risks for escalation to the Panel;
- Supporting the Security Incident Management Process, including liaising with Parties, handling any sensitive information, communications to SEC Parties and liaising with the SSC, Security Experts and the DCC on appropriate resolution; and
- Development and continuous improvement of the Security and Privacy Assessment process.

Subject Matter Expert activities

Current activity levels, including the volume of Security Assessments being undertaken, is set to continue for the forthcoming year, requiring the input of three Security & Privacy Experts, who are accredited security professionals. They will undertake the following activities:

- Undertaking the validation stage of the User Security and Privacy Assessment Process. This involves reviewing the User Security Assessment Report and the Management Response against any observations;
- Attendance at the Security Sub-Committee meetings to provide expert advice and support;
- Providing security expertise on any security incidents raised;
- Updating the Security and Privacy Controls Framework following direction by the appropriate governance entity;
- 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; and
- Support to any activities outlined in the SEC and as directed by the SSC Chair.

Forward look – years 2 and 3

It is anticipated that this budget category will remain the same for years 2 and 3.

3.2.5. Change & Release Management

56 open modifications have been progressed over the last 12 months, with 22 implemented, and 28 new Modification Proposals raised during this time. 12 BEIS led designations have been processed, 4 scheduled SEC Releases and 4 ad hoc SEC Releases have been managed. We expect modification volumes to continue at this level, perhaps with a shift towards more DCC System-impacting Changes, following improvements being made to DCC test systems.

Acting on SEC Party feedback, we are looking to enhance the technical capabilities and resource grades within the Core Team to improve support provision further. We will also be taking forward Code Administrators' Performance Survey feedback to ensure that the modification process is easily explained, particularly for new entrants, and that the impact of modifications to organisations is clearly articulated.

Core Team activities

The following Core Team activities will be undertaken to support SEC Modifications and Release management:

- Preparation and review of problem statements, business requirements and legal text for each Draft and Modification Proposal in the process;
- Liaising with the Proposers of Modification Proposals and providing Critical Friend support and expert advice throughout the process;
- Drafting and reviewing Modification Reports for each Modification Proposal in the process;
- Consulting with industry participants and Panel Sub-Committees over views and impacts of each Draft and Modification Proposal in the process;

- Liaising with the DCC regarding solution development and seeking Preliminary Assessments and Impact Assessments for Modification Proposals that impact the DCC;
- Chairing and provision of secretariat support to the monthly Modification Working Group, Change Sub-Committee and Change Board meetings;
- Hosting a SEC Modifications Webinar on a monthly basis;
- 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 Process in accordance with the CACoP, including providing up-to-date guidance on the process; and
- Implementing continuous improvement to the Modifications Process.

Subject Matter Expert activities

Where technical modifications are raised, and in-depth technical analysis and solution development is required, Subject Matter Experts will be called upon to assist. The provision covers the following activities:

- Undertaking initial reviews of Modification Proposals to highlight any impacts, inaccuracies, and/or questions;
- Development of business requirements and solution options for Modification Proposals;
- Providing technical support at the Working Group meetings and modification updates at Sub-Committee meetings; and
- Reviewing DCC Preliminary and Impact Assessments to check the solution against requirements.

Forward look – years 2 and 3

Due to the demand led nature of change it is difficult to predict the size and scope of upcoming modifications. We therefore assume that costs will remain consistent for years 2 and 3.

3.2.6. Party Engagement

The focus of the Party Engagement function has altered over the past year as the number of Parties acceding to the SEC has reduced, whilst the number of Parties defaulting has increased. Furthermore, with energy suppliers reducing the size of their regulatory teams, the reliance on the SEC newsletter, website and Party Engagement team for information and guidance, has increased.

The recent Code Administrators' Performance Survey highlighted an opportunity for Codes to provide even more tailored, 'account management' style support where a direct contact is available to Parties. Smaller organisations particularly, would like a better on-boarding process, including better sign-posting of information, better guidance and training to make understanding Codes easier, and more directive communications so that organisations know what actions they need to take.

The launch of CodeWorks, the digital SEC, supports the need identified above, but additional activity has been identified such as the introduction of webinars and interactive online guidance tools, as well

as more use of video, which will be more accessible to a wider audience. We also plan to refocus the team and introduce two new Account Manager roles, who can provide one-to-one tailored support, and would also like to offer more regional events, which would be more accessible for Parties to attend.

Core Team activities

The following activities have been provisioned for within this budget:

- Review of consultation, decision and technical documents from BEIS, Ofgem and the DCC;
- Development and circulation of bi-weekly SEC Party newsletter and ad hoc news items;
- Maintenance and development of guidance, including updating existing guidance documents in line with updates to the SEC;
- Liaison with BEIS, Ofgem and the DCC to share information and knowledge on how best to provide support to industry;
- Facilitation of Party Engagement events, including quarterly 'Spotlight on the SEC' and 'Introduction to the SEC' Seminars;
- Helpdesk support via email and telephone. The SECAS helpdesk currently deal with an average of 1500 emails and 50 calls per month;
- Administration of the Accessions Process, including providing tailored support and advice to Parties, as well as administering the EUI-64 Identifier and Signifier allocation processes following accession;
- Support to Parties through the DCC User Entry Process as set out in SEC Section H1;
- Ongoing management and maintenance of SEC Party Details and distribution lists;
- Maintenance of the contact list required to support the management of Critical Alerts after DCC User to Non-DCC User churn;
- Managing Events of Default in accordance with the SEC;
- Working with the DCC, Ofgem and other stakeholders to further support the Supplier of Last Resort process; and
- Sessions with individual Parties on an ad-hoc basis, covering specific areas of the SEC, or providing a general overview of the SEC arrangements.

Subject Matter Expert activities

- Website enhancements to improve customer experience and ease of navigation, and ongoing website maintenance and management of content;
- Marketing support in the creation of guidance documents, materials and presentations; and
- Provision of support in the use of webinars and video.

Forward look – years 2 and 3

It is anticipated that this budget category should remain stable for years 2 and 3 of the budget.

3.3 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.

Further to experience of managing this technical Code and evolution of the service being provided, the intention is to provide more resources at higher Grades. The rationale for this change is provided in the detailed sections above.

Grade	2019/20 Approved Budget FTE	2020/21 Approved Budget FTE	Role
Grade 6	0.6	0.3	Head of Code (0.3 FTE) – provides contractual oversight and maintains strategic direction.
Grade 5	1	1	Overall responsibility for the delivery of the services provided by the SECAS Core Team and Subject Matter Experts. Strategic decision making and regular client interactions.
Grade 4	5.2	7	Includes Delivery Managers with day-to-day responsibility for the SECAS Core Team, and Technical Specialists, to partner with the Independent Chairs for each sub-committee.
Grade 3	5	11	Includes new Core Team Technical Consultants, Party Engagement Account Managers, and Team Leaders.
Grade 2	10	10	Includes secretariat support to the Panel and Sub-Committees, front line support to SEC Parties, Change Modification, Security and Technical Analysts.
Grade 1	3	0	
Total	24.8	29.3	

Table 7: Core Team Resource Breakdown

These resources are allocated to each Service Area as follows:

Service Area	Grade 6	Grade 5	Grade 4	Grade 3	Grade 2
Panel & Board	0.3	0.4	0.3	1	
TABASC		0.1	1.2	1	0.5
OPSG		0.1	1.2	1	1.5
TAG		0.1	1.2	1	0.5
SSC		0.1	0.85	0.75	2.5
SMKI PMA		0	0.2	0.2	0.5
Privacy			0.05	0.05	
Change & Release		0.1	1	3	2.5
Party Engagement		0.1	1	3	2
Total	0.3	1	7	11	10

Table 8: Resource Allocation by Service Area

3.4 Accommodation Costs

Accommodation Costs comprise the following elements:

- Meeting Rooms & Refreshments;
- Panel Chair Office;
- Contractor Space Rental; and
- Expenses.

3.4.1. Meeting Rooms & Refreshments

The demand for meetings is increasing, with some Sub-Committees now requiring two meetings per month, and several ad hoc meetings being arranged to discuss and agree upon urgent matters. The forecast for 2020/21 is for 162 large meetings and workshops to be held, a 12% increase on budgeted numbers for 2019/20.

Meeting rooms are either provided at SECCo's registered premises or via an external meeting provider, if rooms are not available. Meetings are serviced with appropriate facilities including catering and business support to attendees. Meeting rooms arranged at the registered premises are charged at £1,000 per meeting (a charge which has not been increased since 2013). Where a meeting room is required at an external meeting provider (due to size or short notice request), costs will be charged on a pass-through basis, and will generally be around £2,000 per meeting, depending on the number of attendees. Gemserv has negotiated preferential rates with a number of providers in close proximity to the registered premises to keep the costs down, and every effort is made to hold meetings at the registered premises where possible, with client meetings taking precedence over internal meetings.

An additional £10,000 has been built in to cover the cost of videography and webinar facilities. A total provision of £169,000 has been included to cover the total cost of Meeting Rooms & Refreshments.

The breakdown of meetings and workshops forecast to be held in 2020/21 is shown below.

Meeting	2019/21 Budget	2020/21 Forecast
Panel/Board and PFCG	14	17
Change Board and Working Groups	52	36
SMKI PMA	12	12
SSC	24	24
TABASC and Expert Groups	12	12
Operations Group	12	28
TAG	12	20
Ad hoc		5
Party Engagement Seminars and Workshops	6	8
Total	144	162

Table 9: Meeting Forecast

3.4.2. Panel Chair Office

In line with previous years, the cost of the Panel Chair's dedicated office has been capped at £2,000 per month, without indexation, across the three years of this Approved Budget. This is based on comparable market rates for an average of 13 days per month, and includes a private room and associated infrastructure.

3.4.3. Contractor Space Rental

SECCo have contracted with a number of individuals who provide specialist support to the Panel's Sub-Committees including Independent Chairs. SECAS provides office accommodation to these contractors within its registered premises:

- SMKI PMA & SSC Independent Chair;
- TABASC Independent Chair; and
- Operations Group Independent Chair

The provision of £50,400 covers 28 days office accommodation per month at the rate of £150 per day. The provision is based on contractual arrangements with the above contractors and estimated accommodation needs based on the increase in meetings to be held.

3.4.4. Expenses

This provision enables SECAS to claim expenses in relation to Party Engagement visits. This will allow SECAS to claim travelling expenses when attending meetings held at the request of a Party, for education or knowledge sharing activities. In the first instance, video or teleconferencing would be offered to minimise the impact of external travel.

3.4.5. Total Accommodation Costs

Accommodation costs built into the budget are as follows:

Cost	2019/20 Estimated Outturn	2020/21 Approved Budget
Meeting Room Hire & Refreshments	£125,000	£169,000
Panel Chair Office	£24,000	£24,000
Contractor Space Rental	£40,000	£50,400
Expenses		£10,000
Total	£189,000	£253,400

Table 10: Accommodation Costs

Variations

The total cost is £64,400 above the 2019/20 Estimated Outturn, driven by the increase in meetings planned, additional use of office space for contractors, and inclusion of expenses.

4. 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 Plan.

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 SEC Panel and SECCo Board through the Operations and Management Reports on a monthly basis.

Furthermore, SECAS presents a quarterly Work Package report to the SECCo Board which includes an estimate of the costs, timescales and resources required to deliver the expected activities during the up-coming quarter, and reports back on actuals against estimated costs for the previous quarter.

The following sub-sections include estimates for budgetary purposes only, and represent a combination of expected Third Party Consultancy expenditure, and SECAS costs.

Project	2020/21 Approved Budget	2021/22 Estimated Budget	2022/23 Estimated Budget
Industry Driven			
Faster and More Reliable Switching	£50,000	£0	£0
Market-Wide Half Hourly Settlements	£40,000	£0	£0
Smart Homes & Connected Devices	£25,000	£50,000	£50,000
Electric Vehicles & Proportional Load Control	£26,250	£0	£0
Decarbonisation of Gas Networks	£0	£20,000	£20,000
Smart Metering Strategic Technical Design	£75,000	£0	£0
Enduring Change of Supplier	£35,000	£10,000	£0
Market Structure Impacts	£41,250	£30,000	£0
Issues Management Process/ TSIRS transfer from BEIS	£75,000	£53,000	£0
SMETS1 Integration	£25,000	£0	£0
Elective Services	£25,000	£0	£0
SEC Driven/ Initiated			
Technical Specification Ambiguities	£0	£70,000	£0
Supplier of Last Resort	£65,000	£0	£0
Performance Assurance	£52,500	£150,000	£0
Quality Assurance (of Services)	£30,000	£80,000	£0
Annual Security Obligations - Risk Assessment	£150,000	£170,000	£180,000
Annual Security Obligations - Security Architecture	£70,000	£70,000	£75,000
Quantum Computing (Independent Expert Crypto Analysis)	£0	£50,000	£100,000
Security Threat Mapping	£125,000	£0	£0
CPA SC & Use Case Workshops	£48,000	£60,000	£60,000
SMKI Document Set Review	£60,000	£60,000	£60,000
User CIO Procurement	£25,000	£0	£0
Digitalisation	£75,000	£30,000	£30,000

DCC Cost Governance	£56,250	£30,000	£30,000
CACoP	£17,500	£35,000	£35,000
TOTAL	£1,191,750	£968,000	£640,000

Table 11: 2020-23 Project Budgets Category

4.1 Industry Driven Projects

4.1.1 Faster and More Reliable Switching

This Ofgem led programme to implement Faster Switching and Centralised Registration will have potential systems and change implications for the DCC, and impacts on the SEC. Within this role, SECAS will continue to support Ofgem in the design of the Central Switching Service (CSS) and the development of the Retail Energy Code (REC), identifying and managing any consequential impacts to the SEC during the transition to the future energy retail market governance arrangements. It is assumed that SECAS will need to manage technical architecture changes, ensure alignment of security obligations, introduce new operational processes, resolve operational issues associated with migration, review and draft responses to relevant market consultations on the future market arrangements, and engage with SEC Parties and stakeholders. It is anticipated that work will continue to be carried out in 2020/21 in readiness for implementation of the enduring REC and CSS.

4.1.2 Market-Wide Half-Hourly Settlement

This Ofgem led project (with Elexon in a lead role) is planning to leverage the capabilities for smart metering data, which will have potential impacts on DCC system capacity and the SEC. TABASC has been leading on the identification of impacts to the smart technical and business architectures, with this work expected to conclude in 2020-21. Any operational impacts associated with implementation are expected to be handled by the Core Team.

4.1.3 Smart Homes & Connected Devices

The BEIS initiative to encourage smarter homes, using a range of internet connected devices, brings threats and opportunities for smart metering that need to be understood and planned for. This could have potential implications for the SEC, security model and controls, and technical specifications. The outputs of the review on 'Mitigating Security Risks from Interconnected Devices' will be considered in determining the next phase of work required.

4.1.4 Electric Vehicles and Proportional Load Control

The BEIS proposal to enhance existing load control functionality for uses such as Electric Vehicle smart charging, batteries and heat pumps, is likely to have an impact on the SEC, technical architecture and SMETS/GBCS, and is currently targeted for the November 2020 Release. This project provision will allow for an impact analysis to be conducted.

4.1.5 Decarbonisation of Gas Networks

Government policy is moving towards the decarbonisation of the Gas Network, either by retirement or by replacing natural gas with bio and hydrogen. There are likely impacts on the SEC, technical architecture, SMETS/GBCS, the security model, and operational implications of removing the Gas Smart Metering Equipment (GSME) and Gas Proxy Function (GPF). This project provision allows for an impact analysis to be conducted.

4.1.6 Smart Metering Strategic Technical Design

There is an opportunity for the DCC to perform a strategic review of the findings from the first five years of Smart Metering, in order to identify technological and process advances to improve the technical architecture and to develop improved procurement models for contracted services. This provision allows for SEC Panel and Sub-Committee input into the review, which could have SEC implications, technical architecture and solutions, SMETS/ GBCS and operational impacts.

4.1.7 Enduring Change of Supplier

This BEIS led project will have implications for the SEC, security model, security and technical architecture, and operational issues associated with migration, which will need to be assessed. It is assumed that a review will need to commence in Q4 2020, with work to manage changes and operational issues taking place in 2021.

4.1.8 Market Structure Impacts

Changes to the energy market structure (e.g. Meter Splitting and Aggregators), some initiated by BEIS and Ofgem policies and some by market forces, may create challenges for SEC governance that need to be assessed and planned for. For example, BSC Modifications P375 and P379 seek to introduce, amongst other things, sub-metering of assets within a premise and enabling the consumer to purchase the energy for the asset from a Supplier other than their register (import) supplier. These changes have impacts on smart metering business and technical architecture, which need to be assessed. Furthermore, the outcomes of the 'Smart Meter Policy Framework post 2020 consultation', will need to be assessed in terms of its impact on SEC governance.

4.1.9 Issues Management Process/ TSIRS Transfer from BEIS

BEIS intend to transfer the operation and management of the Technical Specification Issues Resolution Sub-group to SECAS mid-2021. Work to facilitate the transfer will need to be carried out to ensure that the necessary capabilities, systems and processes are in place prior to transfer.

4.1.10 SMETS1 Integration

BEIS, Users and other SEC Parties are looking to introduce new functionality into the SEC, based upon SMETS2 functional and non-functional requirements, which had not been previously considered from a SMETS1 perspective.

4.1.11 Elective Services

This project will allow for consideration and preparation for the DCC's use of Elective Services.

4.2 SEC Driven/Initiated Projects

4.2.1 Technical Specification Ambiguities

There are areas where various technical specifications are ambiguous on expected behaviour which causes operational problems and should be resolved. An example is when power to a premise is restored and a rare condition occurs where the electricity meter may wake up and send the power restoration alert, before the Comms Hub is awake and can receive and transmit the alert – and neither SMETS, CHTS or GBCS defines behaviour that ensures the alert is received by the Electricity Distributor. This project is to identify and set out proposals to manage these omissions.

4.2.2 Supplier of Last Resort

SECAS will be involved in implementing market-wide solutions to address a risk to continuity of supply where a Supplier of Last Resort (SoLR) event affects consumers with smart meters in

prepayment mode. In 2020/21 we anticipate leading a detailed process design, supporting users during implementation and leading an end-to-end test of the process.

4.2.3 Performance Assurance

As identified by BEIS SMETS2 Interoperability Review, a performance assurance framework may be required to ensure that Parties are complying with their obligations. The type of framework that industry wants to be put in place will need to be established, and subsequent changes to the SEC would be needed, to afford the SEC Panel greater powers to take action.

4.2.4 Quality Assurance

Shortcomings in the operational quality of DCC services continue to cause concern to Users. Examples are the frequency and severity of Incidents and the impact of defects in the live service. This first stage of the project would explore whether the Panel and SEC Parties, are of the opinion that further quality assurance measures defined from a User perspective are required, and, if so, what strategy should be adopted. The second stage is to implement the chosen strategy: the cost and schedule of implementation could vary greatly depending on the strategy adopted.

4.2.5 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. The SSC will procure the services of a specialist security organisation to complete the risk assessment whilst providing appropriate governance support.

4.2.6 Annual Security Obligations – Security Architecture

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.

4.2.7 Quantum Computing/ Independent Expert Crypto Analysis

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. Next steps in this area are pending NCSC advice.

4.2.8 Security Threat Mapping

An exercise is required to refresh the original security threat mapping which created the CPA Security Characteristics in 2013. Threats have developed since 2013 which need to be assessed, and BEIS, NCSC and SSC believe that a project is required to review these threats and, if necessary, update the CPA Security Characteristics. A test lab will be required to undertake the exercise.

4.2.9 CPA SC & Use Case Workshops

SEC Section G7.19(f) requires the SSC to maintain the CPA Security Characteristics. This provision provides for iterative workshops with industry on proposals either for changes to the CPA Security Characteristics or to investigate Use Cases for Device Refurbishment.

4.2.10 SMKI PMA Document Set

SEC Section L1.17(c) requires the SMKI PMA to review the effectiveness of the SMKI Document Set. This project will facilitate the annual review of the SMKI Document Set (includes Section L, and 17 Appendices) to ensure these are fully up to date.

4.2.11 User CIO Procurement

The contract for the Independent User CIO expires in July 2020, prior to which a robust tendering exercise needs to be carried out to ensure best value for money is achieved for SEC Parties.

4.2.12 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 includes provision to improve meeting management facilities (such as video-conferencing, webinars, virtual meetings, remote voting), continuous improvement to the SECAS website (including more self-service workflow tools), further development of the CodeWorks platform, Helpdesk automation and reporting, and more tailored newsletters and articles being provided.

4.2.13 DCC Cost Governance

In order to ensure 'best value' for SEC Parties, continual focus and challenge on DCC costs is required. This is particularly important regarding the cost of Change, where costs are presently prohibitive, and solutions need to be found to unlock and facilitate Change.

4.2.14 CACoP

A separate project budget is proposed to undertake cross-Code activities, and for SECAS to demonstrate leadership in this area to ensure that the impacts of all Code initiatives are assessed across Codes. It is also proposed that more time is invested in the Code Administrator Code of Practice (CACoP) meetings, to ensure that, where possible, common tools, websites, forms and processes are developed to improve the experience of customers.

4.3 Contingency

A contingency provision of 5% has been included for 2020/21, which equates to £397,595. As projects become approved, budget will be moved out of the contingency budget into the projects budget. As with any other part of this budget, any spend from contingency must be authorised by the Panel and overseen by the Board.