2026–29

recco
Retail Energy Code Company



Forward Work Plan

Our strategy in action: **Perform**. **Protect**. **Progress**. Shaping the future retail energy market in line with Ofgem's Preliminary Strategic Direction Statement

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Foreword from our Chief Executive Officer



Sid Cox
CEO

The retail energy sector is entering a pivotal period. As the Government pursues its Clean Power and Consumer-Led Flexibility (CLF) ambitions, Ofgem's Preliminary Strategic Direction Statement (SDS) makes clear that codes and market arrangements will need to evolve to deliver those programmes. While the exact shape of future retail market reforms remains open, one thing is certain: the pace of change will accelerate.

> Our shared commitment is to anticipate the future rather than react to it

We're embracing the changes in the evolving retail energy market by aligning our work with the Preliminary SDS and by proactively preparing for the next wave of innovations to deliver *Service Excellence* today while building the foundations for a smarter, flexible energy system tomorrow.

Over the past year, we've demonstrated that we can turn ambition into action. We've strengthened our operations team, streamlined governance, and begun reviewing our Service Provider model, so it remains fit for a changing market. We've continued to improve Performance Assurance and made strides in digitalising the Retail Energy Code (REC) Portal. We've laid the groundwork for a robust Consumer Consent Solution (CCS) and for the metering and registration enhancements needed to support Market-wide Half-hourly Settlement (MHHS) and Tariff Interoperability. These achievements give us the confidence and experience to tackle the challenges and seize the opportunities ahead.

In line with our Strategy, our plan remains anchored in our core aims: **Perform**, **Protect**, and **Progress**. Our ambitions and focus remain steadfast on delivering solutions and innovations to support an effective retail market fit for today and the future. In doing so, we safeguard consumer interests and data by providing secure Digital Services tailored for market needs.

Our **2026–29 Forward Work Plan** builds on our commitments to deliver the CCS, Tariff Interoperability standards, and relaunch the REC Portal. Looking ahead, we recognise the importance of becoming a licensed Code Manager and delivering Ofgem's Preliminary SDS. We'll ensure our operating model is equipped to discharge our regulatory obligations in full.

Under Perform, we'll deliver *Service Excellence* by preparing to become the REC Code Manager licensee, strengthening our Change Management capability, and ensuring our people, processes, and systems are ready for the new licensed Code Manager regime.

Under Protect, we'll continue our Energy Theft prevention efforts, embed Data Best Practice, and launch CCS to give consumers secure control over their data.

Under Progress, we'll complete the MHHS migration, roll out Tariff Interoperability, and, crucially, undertake proactive analysis of emerging flexibility reforms so we can guide and support all stakeholders through any changes required to the retail energy market.

This Forward Work Plan embodies our shared commitment to anticipate the future rather than react to it. By investing in people, technology, and collaboration with stakeholders and delivery partners, we'll ensure the Retail Energy Code Company (RECCo) continues to deliver robust code governance, supporting services that safeguard consumer interests and empower innovation as the market evolves.

At a glance

As the retail energy industry progresses, our Forward Work Plan responds to market needs, delivering now while building the foundations for a smarter, consumer-led market.

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The Retail Energy Code Company is the custodian of the Retail Energy Code, delivering key market services that support today's market and enable its future evolution.

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The Executive Summary explains the Forward Work Plan, our strategic aims, and how we respond to retail market reform.

Perform >

Perform is about driving excellence through smarter systems, stronger platforms, and more efficient market operations.

Protect >

Protect is about safeguarding consumers and their data through secure, reliable services that build trust in the market.

Progress >

Progress is about driving innovation and solutions that keep the retail energy market effective today and ready for the future.

Strategic Direction Statement >

Ofgem's Preliminary Strategic Direction Statement outlines how energy codes should evolve toward a net zero, flexible, consumer-focused system.

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Our budget transparently funds delivery, controls costs, protects consumers, and safeguards industry value.

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Key retail energy market terms, clearly defined.

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Your input matters. Help shape the Forward Work Plan 2026–29. Please respond by 5 February 2026 (17.00) via our online form.

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Welcome to RECCo

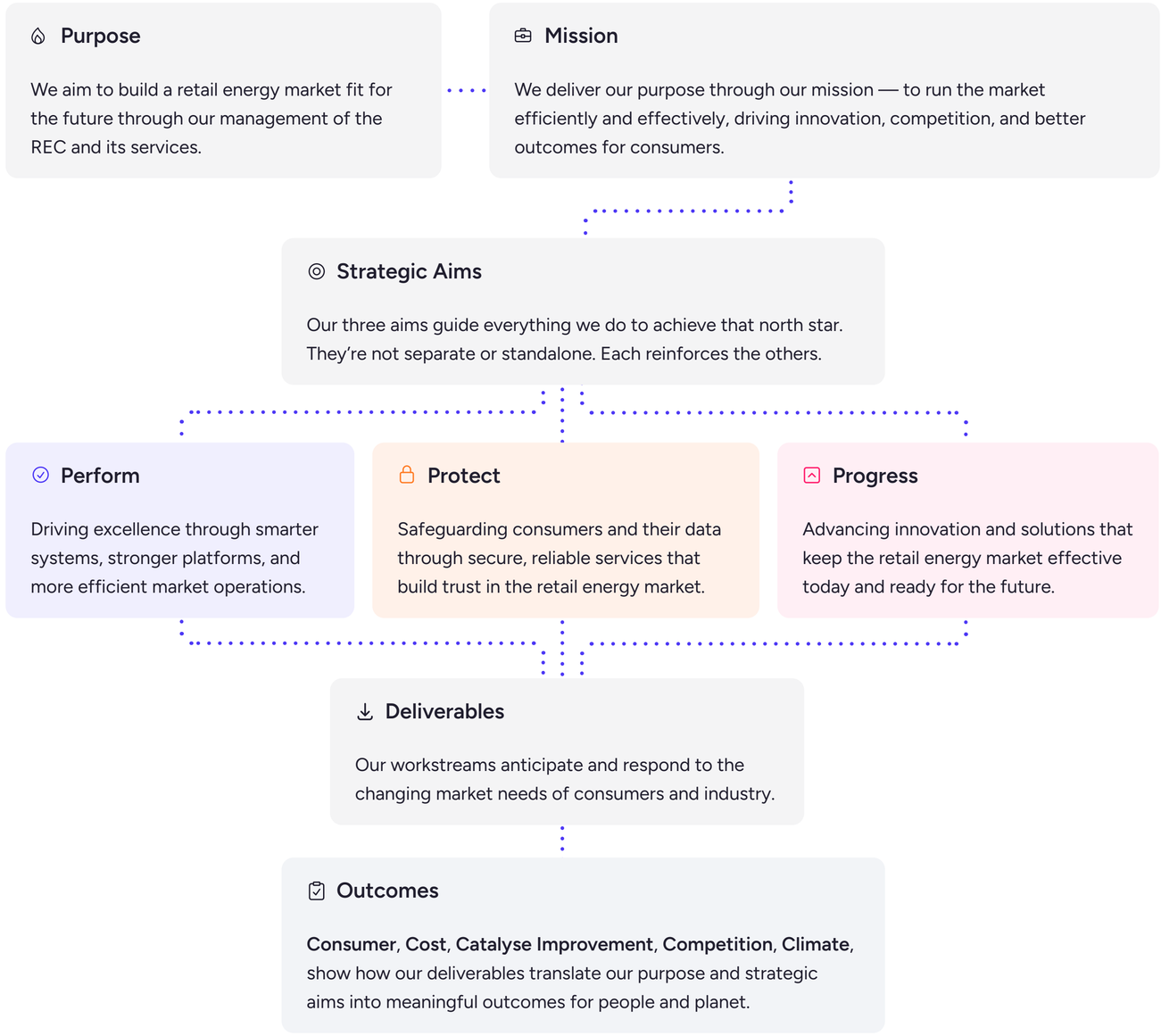
The **Retail Energy Code Company** (RECCo) is an independent, non-profit organisation responsible for the **Retail Energy Code** (REC). As its steward, we protect consumers through secure digital solutions and support a fair, efficient, and consumer-focused retail energy market.

Our purpose is clear: To build a retail energy market fit for the future. Our mission sets the standards we hold ourselves to as we operate and evolve the Code and its services. It also guides how we anticipate and respond to change.

Our strategic aims – Perform, Protect, Progress – sharpen our focus. They guide decision-making, balance priorities, and keep delivery grounded in what the industry and consumers need.

We deliver against these aims through targeted deliverables that respond to market pressures and drive practical change across governance, services, and assurance.

Our **2026–29 Forward Work Plan** shows this in action. It turns Ofgem's Preliminary SDS and the Government's Code Reform programme into clear priorities, refreshed each year to reflect what needs to change next while staying focused on the outcomes that matter most.





Executive Summary

This summary outlines how the Forward Work Plan translates our strategic aims into delivery, preparing the Retail Energy Code for market reform and the future Code Manager licence regime.

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Executive Summary

The **2026–29 Forward Work Plan** sets out how we'll deliver against our three strategic aims – Perform , Protect , Progress – while preparing for Ofgem's future Code Manager licence regime and embedding the Preliminary SDS. Although, not yet binding, we're using the Preliminary SDS as an organising framework for our work, so the REC and its governance and services remain fit for a rapidly changing, more flexible retail energy market.

Market reforms – including the MHHS, Tariff Interoperability under the Government's Smart Secure Electricity Systems (SSES) Programme, and CLF – will reshape how retailers, intermediaries, and consumers interact. This Forward Work Plan focuses on ensuring REC arrangements, services, and Performance Assurance evolve in step with those changes, rather than inadvertently obstructing them, or reacting after the fact.

Perform

Deliver Service Excellence

Under **Perform**, we'll strengthen our operating model and digital foundations so the REC continues to support a fair, efficient, and consumer-focused market.

- Code Manager Licence Readiness & Service Evolution: We'll complete the transition from the current multi-provider Code Manager model to a configuration aligned with the future licence, taking on more "design intelligence" and performance oversight in-house, while using a number of clearly scoped specialist partners. This includes aligning contracts that expire in 2026, establishing an internal Design Authority, adopting Ofgem's new prioritisation framework, and preparing Delivery Plans for the Preliminary SDS.
- Change & Assurance for Outcomes: Our Change Management and Performance Assurance arrangements will be reshaped for the licensed regime. This includes decisions moving from the Change Panel to the Code Manager, stronger stakeholder advisory input, and a more active, risk- and outcome-based assurance model with clearer Key Performance Indicators (KPI) and reporting. We'll focus on whether REC processes actually deliver good consumer outcomes and system performance, not just on whether the rules are technically met.
- Modern Digital & Data Services: We'll deliver REC Portal 2.0 and an integrated Digital Services platform, replacing current fragmented tooling with a single, user-centred entry point for interactions, data, and reporting.

  In parallel, we'll re-procure and modernise the Electricity Enquiry Service (EES) and the Gas Enquiry Service (GES). We'll explore carefully governed non-switching use of Retail Energy Location (REL) data, and continue the improvement plan for the Central Registration Service (CRS), particularly on address quality and switching data.
- Metering & Safe Isolation: We'll implement the revised Consolidated Metering Code of Practice (CoMCoP), strengthen metering assurance, and reform the Safe Isolation Provider (SIP) regime to support the rollout of low-carbon technologies by widening safe-isolation capacity while maintaining high safety and assurance standards.
- One Stakeholder Experience for REC Parties & Users: We'll establish a unified user experience and "single front door" model to clarify accountability, reduce fragmentation across Service Providers, and create a more consistent experience for REC Parties and users, improving clarity, accountability, and ease of engagement, in line with Preliminary SDS expectations for governance and institutions.



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Protect

Mitigate Consumer Harm & Promote Open Data

Under **Protect**, we'll focus on safeguarding consumers and their data, while enabling responsible innovation.

- **Energy Theft & Losses Reduction:** We'll scale interventions where possible across four pillars. This will include a strengthened **Stay Energy Safe** campaign, bedding in new theft incentive and settlement arrangements, and securing data needed for market-wide theft analytics and an updated Theft Estimation Methodology. We'll consider how to take forward the learnings from following the City of London Police (CoLP) pilot.
- **Consumer Consent Solution:** As the governance and delivery body, we'll design, build, and launch a solution that gives consumers simple, secure control over who can access their energy data. The initial Minimum Marketable Product will focus on meter data, before expanding to include additional datasets (such as tariff and smart-appliance information) and closer integration with Tariff Interoperability and other digital initiatives. This supports SDS objectives on digital systems for consumers and **CLF**.
- **Data Best Practice & Open Data:** We'll adopt Data Best Practice (DBP) ahead of licence changes, introduce REC obligations reflecting Ofgem's guidance, and publish a Digitalisation Strategy & Action Plan. Over time, we'll build an Open Data catalogue and Application Programming Interfaces (API) where appropriate, strengthening transparency, interoperability, and consumer value, while maintaining strong privacy and security controls.

Progress

Drive Solutions & Empower Innovation

Under **Progress**, we'll focus on programme delivery and work shaping the market to support net zero and future change.

- **Meter-wide Half-Hourly Settlement:** With go-live from 2025, we'll focus on completing the qualification for all relevant REC Parties, supporting migration through to 2027, and removing redundant provisions once the new arrangements are embedded to streamline the REC.
- **SSES Tariff Interoperability:** We'll finalise and govern a tariff interoperability framework, so suppliers, smart devices, and consumers can share tariff information for automation and cost optimisation. We'll deliver and test the Minimum Viable Product with industry before transitioning to a REC-governed service, with scope to support complex propositions.
- **Customer-Led Flexibility & Horizon Scanning:** Recognising the ambition in the Government's **Clean Flexibility Roadmap**, we'll analyse emerging flexibility policies and scenarios, map key flexibility use cases across REC Services, and also identify gaps, "no-regret" changes, and evolving consumer-protection needs. This proactive work will inform future SDS Delivery Plans and Forward Work Plans so that REC arrangements enable flexible, innovative offers while maintaining consumer trust.

In summary, this Forward Work Plan signals our intent to anticipate rather than react to change by aligning with Government policy and Ofgem's Preliminary SDS, investing in robust digital and data foundations, and evolving our operating model for the Code Manager licence era. We aim to keep the retail energy market fair, flexible, and people-focused while supporting industry and consumers through the transition to net zero.



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Deliverable Milestones & Alignment with Preliminary SDS Objectives

Strategic aim	2026–27 Year 1	2027–28 Year 2	2028–29 Year 3	Act Now Preliminary SDS objectives
Perform Deliver Service Excellence	**Code Manager Licence**: Prepare for implementation			**Objective 11.2** **Governance & Institutions** (licensed Code Manager reform)
	Reform Change Management: Deliver an enhanced Change Management process for the new licensed Code Manager framework			
	Code Manager Evolution: Align the Code Manager Service Model with future licensing and regulatory frameworks	Embed next-generation model, further evaluate the benefits of service model changes, and identify future optimisations		
	Performance Assurance: Strengthen for transition to active monitoring approach			
	Enquiry Services: Modernise to support non-switching use cases and net zero goals	Introduce an integrated cloud-based Enquiry Service		
	REC Portal 2.0: Launch a modern, integrated, and user-friendly digital environment	Prepare for next-generation digitalisation of REC Services		
	Metering Services: Strengthen to support metering assurance and SIP integration			**Objective 9** **Rollout Low-Carbon Technology** (Safe Isolation Providers)
	Central Registration Service: Enhance to strengthen service oversight and address data quality improvements			**Objective 13.2** **Consumer-Focused Flexibility & Switching Readiness**
Protect Safeguard consumers and data	**Consumer Consent Solution**: Deliver Minimum Marketable Product for data sharing by 2026	Expand solution to multi-sector data sharing	Maintain and evolve solution's services and supporting data-sharing standards	**Objective 14.1 & 14.2** **Digital Systems for Consumers** (Consumer Consent Solution & Digitalisation)
	Energy Theft Reduction: Expand Energy Theft Prevention through awareness, incentives, and enforcement	Embed revised Theft Incentive Scheme and evaluate enforcement pilots		
	Data Best Practice: Strengthen data privacy and security assurance frameworks for market participants	Continue cross-code work on data architecture and system digitalisation		**Objective 14.2** **Digital Architecture & Data Accessibility**
Progress Enable market transformation and net zero	**Market-wide Half-Hourly Settlement**: Support the qualification and migration			
	SSES Tariff Interoperability: Support Customer-Led Flexibility reforms	Deliver interoperability at scale	Strengthen interoperability with broader Smart Data Schemes	**Objective 13.2** **Consumer-Led Flexibility & Smart Tariffs**
	Customer-Led Flexibility: Analyse retail market reform to anticipate change, positioning REC to respond proactively	Publish insights on emerging flexibility business models		

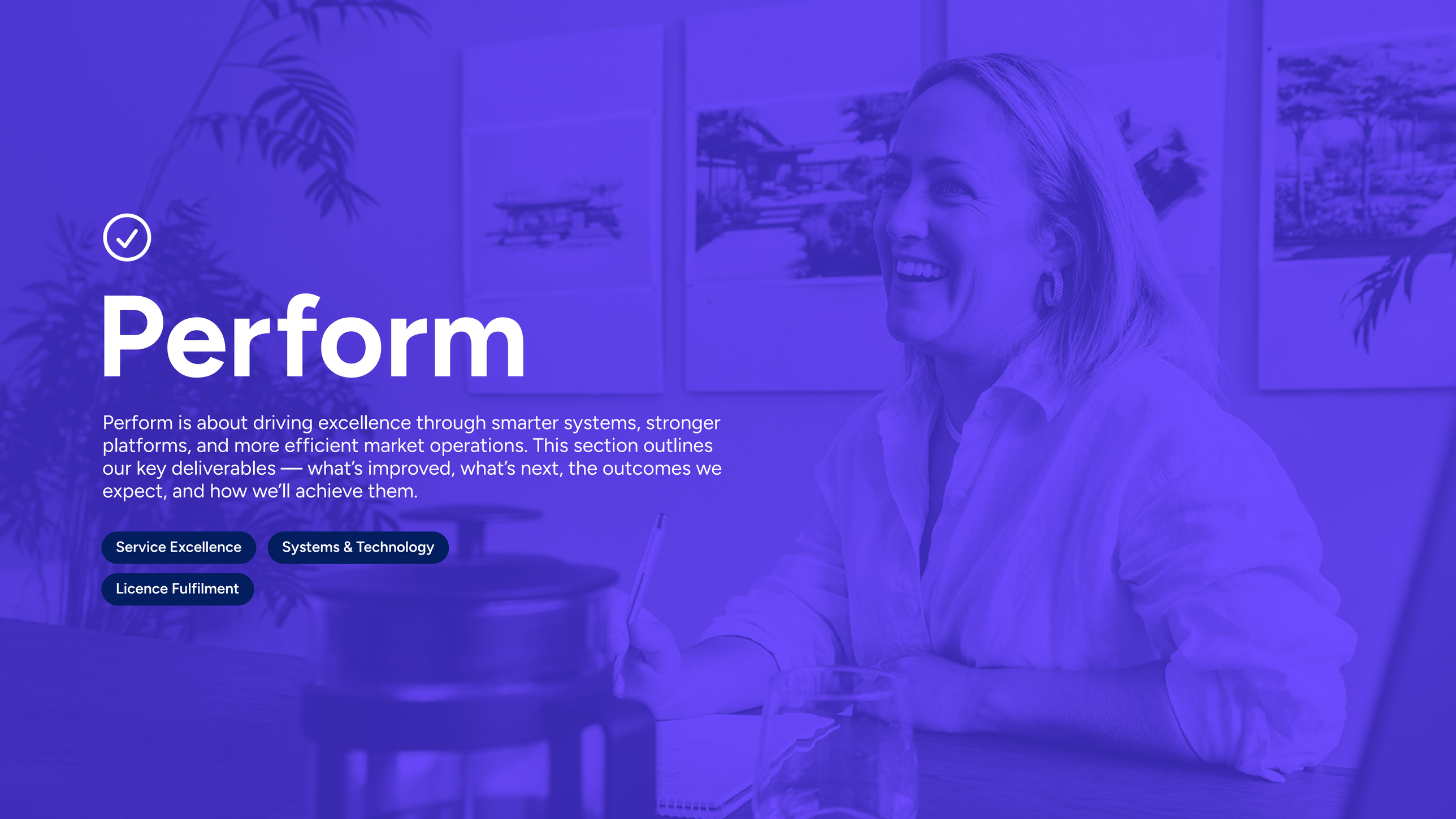
Perform

Perform is about driving excellence through smarter systems, stronger platforms, and more efficient market operations. This section outlines our key deliverables — what's improved, what's next, the outcomes we expect, and how we'll achieve them.

Service Excellence

Systems & Technology

Licence Fulfilment



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Service Excellence

Perform is a key pillar in our strategic aims. It underpins our commitment to *Service Excellence* and continual improvement of our REC Services, ensuring they remain fit for today's and tomorrow's retail energy market.

We've strengthened the capacity and capability of the operations team by introducing new delivery oversight to sharpen our focus on *Service Excellence*, enhancing governance and ways of working to accelerate innovation.

Optimising our operating model will deliver better value and higher standards for all stakeholders. Our analysis shows that taking direct responsibility for some service elements will support their optimisation and better enable us to discharge our obligations as we move towards becoming a licensed Code Manager.



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Code Manager Service Evolution

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

The Code Manager Service sits at the heart of our remit, underpinning day-to-day REC operations and supporting a fair, efficient, and consumer-focused retail energy market.

As part of Code Reform, we're preparing to become the **licensed Code Manager**. This means evolving the service to meet licence-level governance and compliance standards, while gearing up to deliver a consistently high performance across all functions.

The current model enabled the procurement and mobilisation of three Code Manager Service Providers (CMSP), with contracts running to the end of August 2026. These contracts were let before the full scope of REC activities was known and were always intended to be reviewed in light of experience and market development.

Their expiry, coinciding with the expected start of the new Code Manager licence, provides a timely opportunity to reassess what has worked well, where responsibilities are best located, and how we can strengthen resilience and value.

Extensions have been agreed with two CMSPs to support an orderly transition. We were unable to extend the full services of the current **REC Performance Assurance** (RPA) Service Provider on satisfactory terms.

Using our Intelligent Sourcing Principles, we've applied a structured service assessment and sourcing framework to determine which activities should be insourced, partnered, or outsourced. This will balance quality, efficiency, and cost, while ensuring our providers align with strategy, culture, and long-term objectives.

In parallel, we're re-procuring our **Digital Services** to create an integrated, future-ready platform expected to go-live around September 2026. This includes the REC Portal, Energy Market Architecture Repository (EMAR), Service Desk, and analytics.

From 2026 onwards, we'll take on more of the strategic and "design intelligence" roles ourselves – including the **Performance Assurance** of our Service Providers and a central Design Authority for strengthened Change Management – while consolidating specialist delivery (such as the Secretariat and Technical Services) with a smaller number of clearly scoped partners.

This is in line with the Preliminary SDS Objective 11.2 on Governance & Institutions.

Milestones and deliverables

- **Activities for 2026–27**
  - **Strengthen Governance & Prioritisation:** We'll establish an internal Design Authority to oversee change, ensure decisions follow a robust, consultative process, and consistently apply Ofgem's new cross-code prioritisation criteria. Reassess live changes against the Strategic Direction and publish SDS Delivery Plans that sequence our Forward Work Plan accordingly.
  - **Plan Service Evolution & Licence Readiness:** We'll define the scope and roadmap for Service Evolution, clarifying what changes are needed and when. This means implementing some improvements immediately (SDS-linked change must be prioritised) while phasing more substantial transformation over time. We'll also align the service model with future Code Manager licence obligations and enhanced regulatory oversight so it's equipped to handle these shifts.
  - **Assure Value for Money & Outcomes:** We'll develop and implement a value-for-money framework with enhanced KPIs to ensure the Code Manager Service delivers efficiency and focuses on the right outcomes: stronger market compliance, better performance, and positive consumer results.

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Governance & Change Management

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Our focus

At a glance

In response to Code Reform, we're strengthening Change Management so REC decisions align with the Preliminary SDS, prioritise change consistently, and support delivery through an evolving energy market.

Change Management is a core part of the Code Manager Service. It provides a structured gateway for innovation, keeps the REC aligned with strategic objectives, and ensures the Code remains responsive, relevant, and fit for purpose.

Ofgem's Code Reform programme will necessitate the REC Change Process to align with the standardised modification arrangements under the new Code Manager licence and with the Preliminary SDS Objective 11.2 on Governance & Institutions.

Key changes

- Replace Change Panel with a Stakeholder Advisory Forum (SAF)
- Code Manager-led decisions advised by SAF
- Apply a common, cross-code prioritisation framework to develop and sequence changes in line with the SDS

We recognise that moving decisions to the Code Manager increases the importance of strong internal governance, transparent reasoning, and early, consistent engagement with stakeholders.

Subject to Ofgem's statutory consultation on harmonised prioritisation, we expect the new framework to take effect during 2026. We'll then replace the current Prioritisation Matrix with the prescribed criteria and categories (aligned with the SDS, importance, and complexity) and reassess all live Change Proposals accordingly.

To support this, we'll establish an internal Design Authority function to provide technical and governance oversight of change, ensuring decisions follow a robust, consultative, and well-documented process. These arrangements will be reflected in the re-procurement of external partners that support our governance and Change Management functions.

In the pipeline

Milestones focus on adopting new prioritisation criteria, redesigning the REC Change process, and defining how the Preliminary SDS objectives translate into REC Delivery Plans.

Milestones and deliverables

- **Activities for 2026–27**
  - **Implement Ofgem's New Prioritisation Framework:** We'll adopt the cross-code prioritisation criteria and categories, re-prioritise all live Change Proposals (including SDS-linked changes), and publish clear rationale so all REC Parties can see how the change pipeline supports the SDS.
  - **Align REC Change Process with Code Manager Licence:** We'll redesign the end-to-end change process to reflect Code Manager decision-making, the SAF's role, and strengthened internal controls, with the Design Authority overseeing options, impacts, and consistency across changes.
  - **Develop Approach to SDS Delivery Plans with Stakeholders:** We'll define our translation of future SDSs into REC Delivery Plans and Forward Work Plans, engaging REC Parties, consumer bodies, and other Code Managers to ensure plans are realistic, coordinated, and clearly articulated.

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Digital Services & REC Portal 2.0

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Our focus

Our Digital Services – including the REC Portal, EMAR/ Digital Navigator, Service Desk, and reporting tools – are the primary ways that REC Parties and Service Users engage with the REC, manage their data, and interact with Code Manager processes. Feedback from users and our Annual Stakeholder Satisfaction Survey show the current, fragmented set of digital solutions is no longer delivering the experience, scalability, or flexibility the market needs.

As part of the **Code Manager Evolution** programme, we've procured a single Digital Services Provider to deliver an integrated, future-proof digital ecosystem. This will replace multiple existing solutions with a modern, modular platform that improves usability, streamlines workflows, and evolves with new market and regulatory requirements, including Open Data, flexibility, and net zero.

We've established a **REC Portal Relaunch Community** so REC Parties and Service Users can co-design the new portal and wider Digital Services. Our goal is to provide a seamless, secure, and accessible digital experience that makes it easier to find information, complete processes, and understand performance, while reducing manual effort and supporting better consumer outcomes.

Milestones and deliverables

- **Activities for 2026–27**
  - **Complete Design, Build & Test New Digital Ecosystem:** We'll finalise the iterative design, build, and test phase for the new REC Portal and core components (Digital REC, dashboards, reporting hub, Service Desk, and API gateway), reaching the integrated completion milestone in **May 2026**.
  - **Run Soft Launch with Selected Users:** We'll deliver a controlled soft launch with the Digital Services Community members and other early adopters, gather feedback on usability and performance, and implement any critical improvements ahead of full cutover, targeting soft-launch completion by **mid-July 2026**.
  - **Cutover to New REC Portal & Digital Services:** We'll migrate data, complete technical cutover, and go-live with the new integrated digital ecosystem around **September 2026**. This will replace the legacy REC Portal and related solutions while providing a single, modern entry point to REC Services.
  - **Provide Post-Go-Live Hypercare & Transition to Business as Usual:** We'll operate an enhanced support period through to **late November 2026**, closely monitoring performance, addressing defects, and embedding continuous-improvement processes before transitioning the Digital Services into business-as-usual operations under the new service model.



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Performance Assurance

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Our focus

Performance Assurance under the REC exists alongside the assurance frameworks of other industry codes. Each regime targets the risks to the processes governed by that code, but we know problems often manifest several steps downstream from their root cause. For example, switching failures or settlement errors that stem from address or meter technical details captured at the point of installation, or weaknesses in **Enquiry Services** or data flows governed elsewhere.

As we move towards the licensed Code Manager regime, Ofgem and DESNZ expect Code Managers to take clearer ownership of monitoring and managing performance – including functions historically carried out by panels – and to operate transparent, data-driven assurance arrangements with defined KPIs and public reporting.

Our Forward Work Plan shifts REC Performance Assurance towards an outcome-focused, active monitoring model that looks holistically at whether REC Processes and Services are delivering the right consumer outcomes, and whether the Code itself remains fit for purpose – not just whether individual REC Parties have met minimum obligations.

We'll strengthen cross-code collaboration where the underlying risk cuts across multiple codes, such as the Smart Energy Code (SEC), the Balancing & Settlement Code (BSC), and the Uniform Network Code (UNC).

We'll also use our evolving **Digital Services**, new Assurance Strategy, and strategic products to target interventions where they deliver the greatest benefit for consumers and the market.

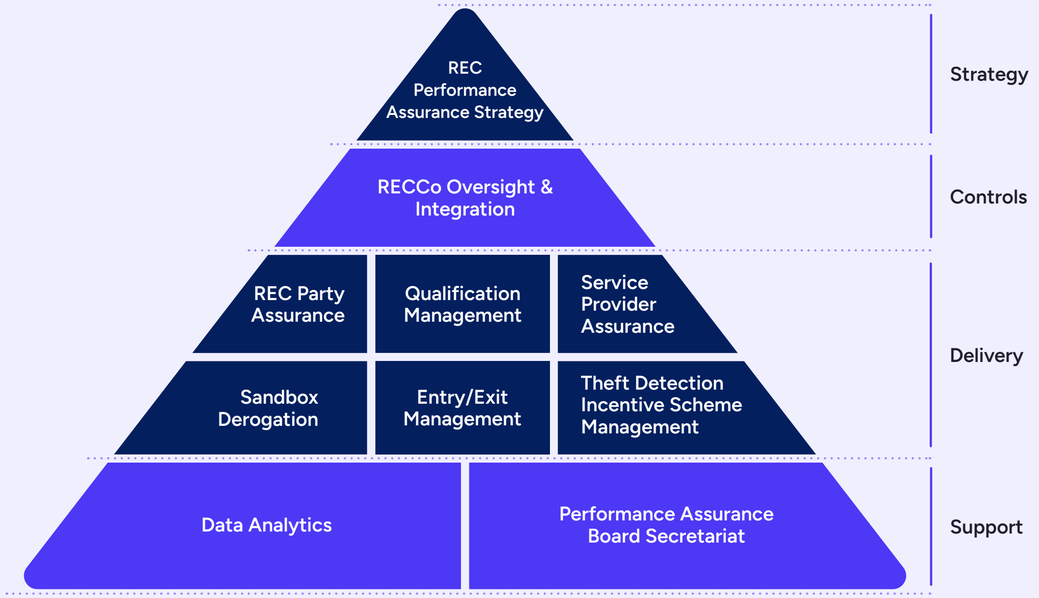


Figure 1: REC Performance Assurance service model

The REC Performance Assurance service model will be structured around four layers, with Strategy and Controls delivered internally to support our forthcoming Code Manager licence role (see **Figure 1**).

1. Strategy: Sets the Performance Assurance Strategy and core assurance products, aligned to regulatory expectations.
2. Controls: Provides oversight and integration across the Initiate, Propose, Assess, Sign-Off (IPAS) model, supporting consistent, accountable interventions.
3. Delivery: Executes the day-to-day operational assurance activities.
4. Support: Provides the services that underpin and enable all other layers.

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Performance Assurance (continued)

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Milestones and deliverables

Activities for 2026–27

- **Stand Up Interim Service Model & Refreshed Strategy:** We'll implement the REC Performance Assurance service model (see Figure 1) from **1 September 2026**. We'll directly own the strategy and cross-provider control, while specialist providers will deliver day-to-day assurance to ensure continuity after the current RPA contract ends and lay foundations for the licensed Code Manager model.

  In parallel, we'll finalise and begin operating a new, outcome-focused Performance Assurance Strategy co-designed with the REC Performance Assurance Board (PAB) and aligned with licence expectations. This will strengthen links between identified risks, assurance activity, and market outcomes while setting clearer principles on when to intervene with REC Parties, REC Processes, or the Code.

  We'll refresh key assurance artefacts – Retail Risk Register, Performance Assurance, Operating Plan (PAOP), and Methodology & Reporting Catalogue – for a coherent, accessible "plan on a page".

- **Deep Dive to Strengthen Cross-Code Assurance & Change:** We'll complete and act on PAOP 2025–26 deep dives for escalation and Secure Data Exchange Portal (SDEP) effectiveness; REC data quality and prioritisation of cleanse items; improved cross-code integration; and whether critical REC Changes have delivered their intended outcomes. These findings will shape the 2026–27 PAOP, future REC Change Proposals, and improved cross-code processes.

  We'll lead and implement cross-code collaboration work with BSC, SEC, and UNC to agree common approaches for identifying interdependencies, principles-based data sharing, coordinated escalation of multi-code incidents, and aligned sanctions and timetables that reflect REC Party peak periods.

- **Make Assurance More Responsive to Switching, Data & Consumers:** We'll build on PAB recommendations to enhance switching objection assurance by scoping a potential Forward Work Plan project on earlier, clearer signalling where consumers are not eligible to switch, and by testing whether changes like R0155 are delivering the intended benefits for non-domestic customers.

  We'll prepare to use new consumer insight (e.g., via I0189 "Voice of the Consumer") and improved digital tooling to target assurance where it most improves consumer outcomes, including meter data quality and Energy Theft reduction.

Activities for 2027–28 and beyond

- **Embed Licensed Code Manager Requirements into Assurance Framework:** We'll align KPIs, reporting, and our strategic products with the Code Manager licence performance indicators and Ofgem's SDS. This includes using assurance outputs to evidence how the Code supports consumer outcomes and strategic change.
- **Coordinate Complex Cross-Code & Consumer Issue Handling:** We'll implement mechanisms (recommended by the PAB) so the Board and Code Manager can coordinate agile responses to complex retail issues that cut across multiple services and codes and not neatly contained within one Forward Work Plan project.
- **Use Digital Services to Support Assurance & Entry Qualification:** We'll leverage the new Digital Services platform (REC Portal 2.0, dashboards, and data tooling) to ensure qualification, data submission, and engagement with assurance are more efficient for REC Parties and Service Users. Also, to improve transparency of performance information in line with the openness and transparency expectations in the licence regime.
- **Extend Performance Ratings & Information Sharing:** We'll evolve and, where appropriate, publish performance ratings for Suppliers, Distribution Network Operators, and metering providers. We'll use new code-to-code data-sharing arrangements for a joined-up view of market underperformance.

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One Stakeholder Experience

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Our focus

Today, separate identities across RECCo and the Code Manager, alongside multiple and inconsistent contact points, are creating confusion about who stakeholders are engaging with and who is accountable.

As we move to a licensed Code Manager model and renew key Service Provider contracts, we'll simplify how REC Parties experience the Code. Our aim is to make engagement clearer, easier, and more consistent, giving stakeholders confidence in how responsibilities are owned, managed, and delivered.

Alongside this, our Unified Brand Strategy will move stakeholder touchpoints across the REC ecosystem to a single RECCo identity. REC Parties will experience one organisation that owns their REC Service interactions from first contact through to resolution, regardless of which internal team or external provider is involved.

These activities will be phased to align with the new Digital Services go-live and the next generation of Code Manager contracts, ensuring improvements to ways of working, processes, and accountability are delivered together as a coherent service experience.

What this delivers

- Clarify our role as a licensed Code Manager and delivery body for central services
- Reduce confusion between RECCo and its Service Providers
- Deliver a more consistent, efficient, and trusted experience for REC Parties and users

Milestones and deliverables

Activities for 2026–27

- **Embed Unified Brand Framework:** We'll finalise and roll out a RECCo Brand Hub, setting out our visual identity, tone of voice, and editorial standards, supported by clear templates and guidance. This framework will be embedded across Code Manager and Digital Services delivery as contracts are renewed, offering a consistent experience at every touchpoint.
- **Create One Front Door for REC Users:** We'll work with Service Providers to present a single RECCo-branded entry point for support and engagement. This will include aligned email domains, helpdesk processes, and REC Portal journeys, enabling queries to be routed seamlessly without stakeholders needing to navigate organisational boundaries.
- **Unify Communications & Engagement:** We'll develop and begin implementing a common Communications & Stakeholder Engagement Framework across RECCo and Code Manager teams. Shared planning for news, events, and consultations will deliver clearer messaging, better coordination, and reduced duplication.

At a glance

We're aligning engagement across REC Services so REC Parties and users experience one joined-up journey, with clearer ownership, smoother support, and stronger trust.

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Enquiry Services

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

The Electricity Enquiry Service (EES) and Gas Enquiry Service (GES) provide core datasets underpinning switching and wider market processes. Demand is growing from REC Parties and new users, with new use cases for CLF and net zero. We'll keep these services resilient and future-ready, aligned with Preliminary SDS Objective 13.2 on Consumer-Focused Flexibility & Switching.

Over the past two years, we've conducted a structured **Options Appraisal** with current providers. Each incumbent submitted a costed proposal and roadmap for testing in clarification workshops against a common set of criteria: resilience and scalability, security and data protection, interoperability via our API gateway, service levels, delivery risk, and whole-life cost. In parallel, we undertook soft market testing and external benchmarking to validate pricing and technical assumptions.

The 2024–25 evaluation concluded that although incumbents can maintain the status quo, the model is not optimal nor cost efficient for the long term. The RECCo Board therefore endorsed moving to a modern **Dual-Fuel Service** through a phased migration. Meanwhile, existing contracts have been extended to **July 2027** with clear milestones and exit plans.

If required, these capabilities could be used to support any future compensation scheme under the Planning & Infrastructure Act 2025.

At a glance

We're modernising Enquiry Services to improve resilience, performance, and flexibility, supporting switching, innovation, and future consumer use cases.

Milestones and deliverables

Activities for 2026–27

- **Service Re-Procurement:** We'll run procurement for a cloud-native Dual-Fuel Service to replace the current EES, GES, plus the Green Deal Central Charge Database and the Secure Data Exchange Service. We'll also maintain extensions and quality during transition and publish milestones and user dependencies.
- **Secure Data Exchange Portal Improvements:** We'll scope and deliver short-term portal enhancements alongside re-procurement.
- **Broader REL Data Usage:** We'll develop a governed framework for licensed parties to access REL data beyond switching, alongside clear controls and user value tests.
- **Technology Enhancement:** We'll upgrade the EES technology stack to strengthen performance, resilience, and future-readiness.
- **Targeted Operational Relief:** Where justified, we'll provide temporary ECC232 files to approved users to mitigate peak-load pressure on the EES, pending uplift to the RESTful API solution in **June 2026** and the new platform in **2027**.

Activities for 2027–28 and beyond

- **Complete Migration to Dual-Fuel Service:** We'll retire legacy interfaces while maintaining backward compatibility, and embed continuous improvement (i.e., performance, availability, management information, and Open Data routes) to support innovation and consumer outcomes.

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Metering Services

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

We play a key role in managing Metering Services and ensuring compliance with REC standards and procedures. When the REC was created, our Metering Strategy focused on consolidating governance, Codes of Practice, and **Performance Assurance** to reduce fragmentation and deliver efficiencies. This was achieved through the CoMCoP.

However, operational experience showed that Metering Equipment Managers (MEM) struggled to demonstrate compliance and pass CoMCoP audits due to inconsistencies and lack of clarity in the consolidated document. We responded by undertaking a full review (REC Change R0152). We released a revised, clearer CoMCoP in November 2025.

Safe Isolation Providers

The SIP role was introduced into the REC in June 2023, enabling REC-accredited MEMs to perform safe isolation. The Preliminary SDS Objective 9 on Rollout Low-Carbon Technology directs simplification of the SIP route to entry. The low number of accredited SIPs is contributing to delays in works, including heat pump installations, while increasing the risk of unsafe, unregulated activity. Through Issue I0278, we're developing REC Changes to decouple SIP accreditation from MEM accreditation, lowering barriers to entry while maintaining robust technical, safety, and assurance standards.

Post-2025 Smart Metering Transition

Government proposals would, from 2027, make new non-domestic fixed-term contracts "smart-contingent", supported by supplier communications from 2026 and a legally binding consumer-protection code drafted as a new REC Schedule and monitored through REC governance. This phased contract-renewal approach is intended to increase smart coverage while protecting customers.

Milestones and deliverables

Activities for 2026–27

- **Strengthen Metering Assurance under Revised Consolidated Metering Code of Practice**: We'll conduct an R0152 post-implementation review, accreditation mark, metering hub enhancements, an audit survey, and targeted assurance work.
- **Reform & Scale Safe Isolation Provider Regime**: We'll progress I0278 to recognise SIPs as standalone REC Parties, alongside cross-industry alignment with DESNZ, the Distribution Connection & Use of System Agreement, and trade bodies (e.g., fuse upgrades and heat-pump roll-outs).
- **Prepare REC for Non-Domestic "Smart-Contingent" Contracts**: We'll stand up monitoring and reporting against the new REC Schedule, supplier guidance, Code Manager process changes, and cross-code collaboration starting **2027** to support a smooth go-live.

Activities 2027–28 and beyond

- **Risk-Based Audit Cadence:** Introduce dynamic scoring to tailor audit frequency and depth by risk.
- **Digital Assurance:** Expand digitalisation of audit trails, and integrate SIPs and wider audit data, into the REC Portal for near-real-time monitoring and efficient desktop audits.
- **Horizon Scanning:** Assess evolution of assurance and accreditation for emerging technologies (e.g., heat and hydrogen metering) to ensure interoperability, safety, and standards.

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Central Registration Service

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

The REC governs the CRS, which underpins faster, more reliable switching of energy suppliers and gives consumers confidence they can move to the tariff and proposition that best suits them.

Effective switching arrangements are a prerequisite for CLF, because time-of-use tariffs and smart metering can only deliver Preliminary SDS Objective 13.2 on Consumer-Focused Flexibility & Switching readiness if the underlying registration data and processes are accurate, timely, and stable.

To ensure switching remains fit for the future, we're delivering the jointly agreed CRS Improvement Plan with the Data Communications Company (DCC). This focuses on Address Data Quality (ADQ), Change Management, engagement and communications, reporting, and incident management.

As Ofgem prepares for the renewal of the DCC licence, we'll work to ensure that requirements in the new licence are reflected consistently in the REC provisions for CRS, so roles, incentives, and performance measures remain coherent across both frameworks. This work responds to Ofgem's consultation findings and is overseen by the REC PAB, with regular reporting to Ofgem on progress and benefits.



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Central Registration Service (continued)

Cost | Consumer | Climate | Competition | Catalyse Improvement

Milestones and deliverables

Activities for 2026–27

At a glance

We'll focus on improvements to the CRS framework, specifically on address management and data quality as key enablers of reliable switching and customer journeys. In turn, these are essential foundations for CLF.

- **Implement ADQ Governance Change:** We'll progress Change Proposal R0283 to introduce a code-defined DCC ADQ Plan, clarify the PAB's role in reviewing and approving that plan, and set out REC Party roles and responsibilities to support improvements to REL address data. This will allow the first full annual ADQ Plan cycle to commence from **1 April 2026**.
- **Rescope Issue I0200 into Operational Improvement Workstream:** We'll reframe I0200 as a Process Issue aligned to the ADQ workstream, using outputs from the unmatched-address analysis, stakeholder survey, and focus group to define "what good looks like" – and target activity on the root causes of poor address data.
- **Embed Enhanced Address Management Processes**: We'll implement the "to-be" address management process, metrics, and sprints arising from the CRS Improvement Plan to focus on reducing the unmatched address pot, clarifying end-to-end roles and responsibilities, and improving the quality of data used in switching journeys.
- **Operate New CRS Small-Change Process:** We'll launch and run the operational small-change process, allowing low-cost service improvements and minor defect fixes to be delivered with DCC (via the ServiceNow/SNOW Change route) without requiring full REC Change, while maintaining clear governance and visibility for REC Parties.
- **Strengthen Incident Management & Communications:** We'll embed the revised post-REC release incident management process, including updated templates and categories, third-party incident handling, automated routing, and improved post-resolution feedback. This will be supported by an updated REC Party contact database and refreshed user education.
- **Rationalise CRS & CSS Reporting:** We'll complete the analysis, consultation, and redesign of CRS reporting, so the catalogue is simpler, better targeted to user needs, and provides clearer insight into switching performance, ADQ, and incident trends.
- **Clarify & Improve Supplier of Last Resort Processes:** We'll develop clearer REC guidance and, where necessary, Code Changes to streamline CRS aspects of Supplier of Last Resort (SoLR) events, ensuring supplier failures are managed efficiently with minimal consumer disruption.
- **Embed Continuous Improvement in ADQ:** We'll use the ADQ Plan, new metrics, and PAB-led targeted activity to drive sustained reductions in unmatched and poor-quality REL addresses, publishing progress, and refining interventions.
- **Use Improved Management Information to Deliver Flexibility & SDS:** We'll use the rationalised reporting suite to monitor how switching performance and address quality enable time-of-use tariffs and emerging flexibility propositions, feeding insights into broader SDS and retail reform work.
- **Align with Next DCC Licence Term:** We'll ensure any requirements arising from the DCC licence renewal and competition relating to CRS performance and address quality are fully reflected in the REC, and supported by appropriate Performance Assurance incentives.
- **Deliver REC Portal "Switching Hub":** We'll build a dedicated switching hub within REC Portal 2.0 to give REC Parties a single-entry point to CRS information, tools, incident, and change tracking, guidance, and performance Management Information.
- **Review Governance & Small-Change Effectiveness**: We'll periodically review the refined REC Change Proposal and small-change processes for CRS to ensure they are delivering timely, cost-effective CSS change and can adapt to future SDS requirements.

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Code Reform & Code Manager Licence

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

Over the next year, we'll lay the remaining groundwork to become a licensed Code Manager under Ofgem's framework. Following Ofgem's August 2025 proposal to grant RECCo a licence, further consultation on the licence conditions and consequential REC Changes are expected, with the licence likely to take effect in late 2026.

Detailed Service Evolution, as well as sourcing and governance changes, are set out in the **Code Manager Service Evolution** and **Governance & Change Management** sections; this page focuses on the overarching transition and SDS planning.

The Preliminary SDS, published in August 2025, already informs this Forward Work Plan. We expect future SDSs to be issued annually each autumn, aligned with Code Manager planning and budgeting. Publication of this plan is the first step towards a formal SDS Delivery Plan, setting out code changes and supporting activities to deliver Ofgem's market vision. Although licence designation is not yet concluded, we'll be expected to have regard to, and ensure compliance with, the SDS once the licence is in place.

Under Code Reform, Code Managers will operate on a non-profit basis, with non-financial incentives linked to published performance measures (see **Performance Assurance**).

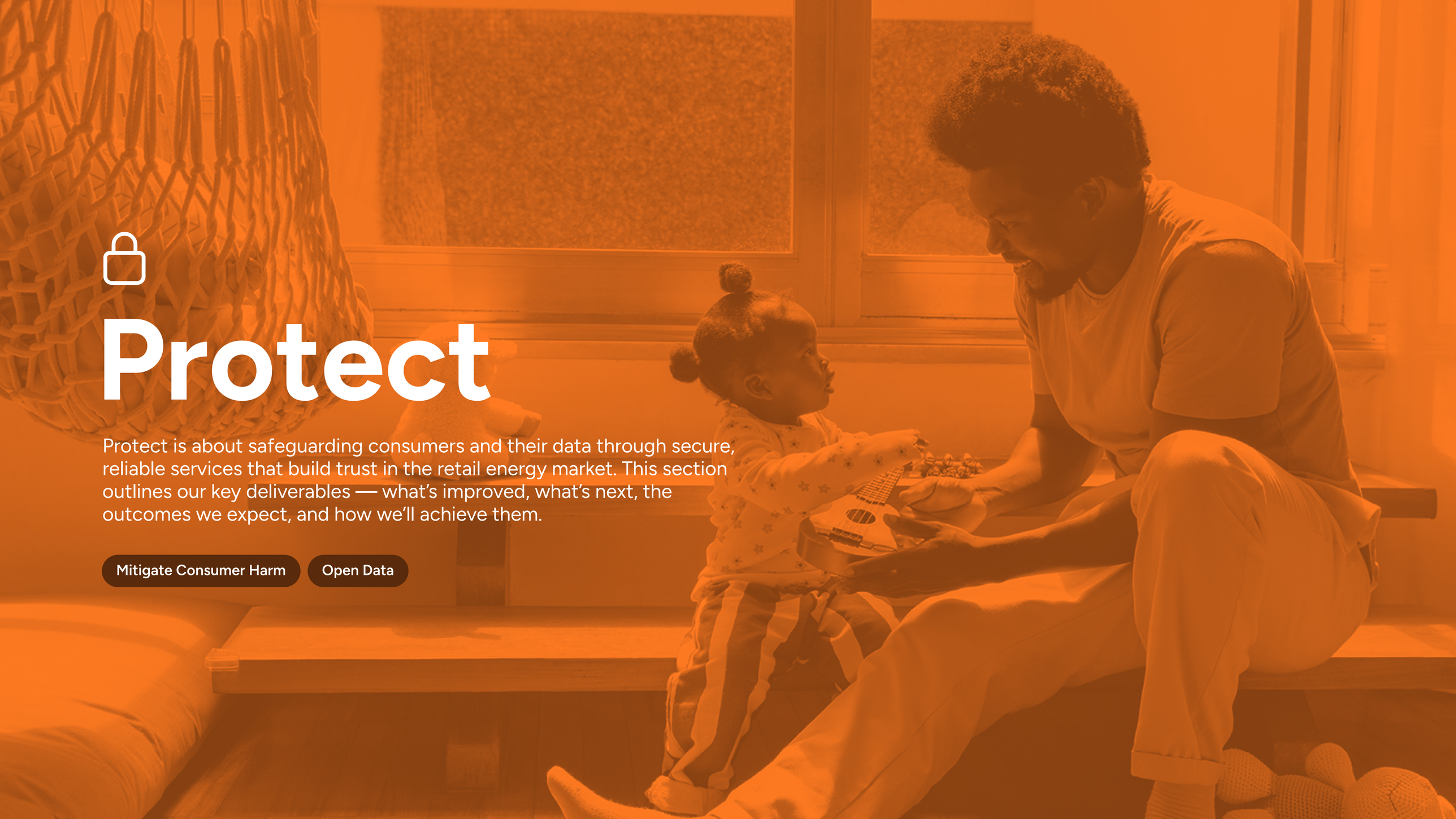
Together with other Code Bodies, we've developed an initial, outcome-based set of measures and proposed that Ofgem reintroduce a time-based KPI for its own modification decision turnaround. Ofgem is expected to consult on these shortly.

Milestones and deliverables

Activities for 2026–27

- **Licence Readiness & Transition Planning:** We'll maintain joint planning with Ofgem, DESNZ, REC Parties, and other Code Bodies. In addition, we'll progress licence-grant prerequisites, consequential REC drafting, and day-one operational readiness, so that we're fully implementation-ready when the licence takes effect.
- **SDS Delivery Plan Development:** We'll map SDS-referenced work to existing programmes, identify any new initiatives and, if appropriate, consult on a draft SDS Delivery Plan to test practicality and sequencing before Ofgem issues any binding direction.
- **Decision-Making, Engagement & Performance Framework:** We'll stand up the SAF and adapt internal decision-making accordingly; finalise and prepare to report against outcome-based performance measures; and continue to engage Ofgem on the proposed time-based KPI for its modification decisions.





Protect

Protect is about safeguarding consumers and their data through secure, reliable services that build trust in the retail energy market. This section outlines our key deliverables — what's improved, what's next, the outcomes we expect, and how we'll achieve them.

Mitigate Consumer Harm | Open Data

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Energy Theft & Losses Reduction

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

Our Energy Theft Reduction programme is maturing. We'll build on previous work to strengthen the evidence base and scale what works, reducing consumer harm and improving market efficiency through coordinated action with industry and law-enforcement partners where practicable.

For 2026–29, we'll move from pilots to delivery where evidence supports it, strengthen governance, lawful data access, and operational capability so interventions are targeted, proportionate, and measurable. The four pillars are: **Awareness, Incentives, Data & Insight,** and **Enforcement**.

1. Awareness

We'll build on the award-winning **Stay Energy Safe** campaign by strengthening our partnership with Crimestoppers and using new channels to increase awareness and referrals. In 2026–27, we'll launch our first national TV campaign, supported by out-of-home, radio, and digital/influencer activity. Messaging will highlight the dangers and consequences of Energy Theft, focusing on safety, community impact, and anonymous reporting.

We'll track effectiveness through tip-offs, cost-per-lead, reach in key demographics, and changes in safety sentiment, using these insights to sharpen supplier, network, and police activity – and improve safety outcomes.

2. Incentives

Following the October 2025 implementation of R0173, we do not expect major changes to the Theft Detection Incentive Scheme (TDIS) for 2026–27 beyond evidence-based updates to the Theft Target Methodology (including the smart/non-smart split) and an inflationary uplift to Theft Detection Values.

Recognising that R0173 introduced activity-based rewards as well as outcome-based incentives, we'll work with the PAB to run a mid-year review of investigative standards, claimed costs, and supplier feedback on Energy Theft Tip-off Service referrals, and bring forward any refinements for the 2027–28 scheme year.

With R0263 implemented in November 2025, confirmed theft information now flows to both the Central Data Service Provider and Elexon, allowing stolen volumes to be correctly accounted for in gas and electricity. This also supports development of a Dual-Fuel Reasonable Endeavours Scheme (Issue 0175) to recover exceptional costs in complex or multi-party cases outside TDIS and help manage settlement exposure.

3. Data & Insight

Building on the Capgemini smart-meter data study, we'll seek to secure access to the datasets needed to move from proof-of-concept to market-wide analytics. This will inform a Business Case for a Theft Insights & Analytics Service, potentially a central lead-generation capability as a modern successor to the Theft Risk Assessment Service.

New analytics will also underpin a substantive update to the **2022 Theft Estimation Methodology**, improving estimates of theft volumes, detection performance, and intervention effectiveness. We'll explore opportunities to use these insights with networks and other governance bodies to address wider technical and non-technical losses where this supports consumer protection and system efficiency.

4. Enforcement

Partnering with the CoLP, we've piloted the Energy Theft Enforcement Service (ETES), combining a dedicated Energy Theft Unit with a RECCo-run Referral Assessment Service that has already secured several arrests.

We'll complete and publish a joint value-for-money and lessons-learned review, although further progression in the long term will depend on the outcome of the forthcoming **Policing White Paper*** and any consequential changes to policing responsibilities. In parallel, we'll continue to develop and then consult on a risk-based inspections framework to reinforce deterrence and site safety.

*Trialed by the former Home Secretary, the expected Policing White Paper is expected to focus on neighbourhood policing, performance, structures & capabilities, and crime prevention. Taken together, these sources indicate that decisions flowing from the White Paper could affect who does what within policing and how performance is driven; context that's directly relevant to any ongoing energy-theft enforcement model.

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Energy Theft & Losses Reduction (continued)

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Milestones and deliverables

Activities for 2026–27

- **National Awareness & Prevention Campaign:** We'll scale up Stay Energy Safe and related activity (TV, Out-of-Home, radio, digital) to increase tip-offs, reduce safety incidents, and improve public understanding of theft and how to report it.
- **Embed & Optimise New Incentive & Settlement Framework:** We'll bed in R0173 and R0263, refine TDIS (targets, values, activity-based rewards) with PAB, and support REC Parties to use the new theft settlement arrangements to manage exposure.
- **Consider Future Enforcement Model and, if viable, Scale Energy Theft Enforcement Service in the long term:** We'll complete the Energy Theft Enforcement Service (ETES) pilot evaluation (with CoLP) and ensure that lessons learnt can be applied should a future launch of the service become practicable following the Policing White Paper.
- **Secure Data Access for Whole-of-Market Analytics:** We'll obtain the datasets needed for market-wide theft analytics, establishing the foundation for a central insights and lead-generation capability.

Activities for 2027–28 and beyond

- **Develop Dedicated Theft Insights & Analytics Service:** Subject to data access, we'll scope a service to replace the Theft Risk Assessment Service and support REC Parties and other Code Bodies with targeted theft detection.
- **Update Theft Estimation Methodology:** We'll update the 2022 methodology using richer meter-read and analytics data to give a more accurate view of theft volumes and intervention effectiveness.
- **Broaden Focus from Theft to Wider Losses:** We'll use improved data to help identify and address other forms of technical and non-technical losses, where this supports consumer protection and system efficiency.



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Consumer Consent Solution

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Our focus

We've been appointed as the governance and delivery body for the Consumer Consent Solution (CCS), responsible for designing, implementing, and maintaining a secure, consumer-centric consent service. As a consumer-focused code, we see this as a keystone project.

The solution directly supports the Preliminary SDS Objective 14.1 & 14.2 Digital Systems for Consumers. It will give consumers a simple, transparent way to grant, review, and revoke consent for third parties to access their energy data. Ofgem is clear that informed, revocable consent is essential for a digitalised energy system and a prerequisite for CLF.

With robust consent in place, energy data can safely underpin innovative services – from tailored photovoltaic and battery propositions to demand-side response and flexibility tools – while maintaining privacy and trust. This capability supports the Government's Clean Power 2030 ambitions and the drive towards 10–12 Gigawatt of CLF by 2030. We're already engaging stakeholders through working groups, webinars, and the Consumer Consent Digest newsletter on the REC Portal, setting out early design thinking and roadmap assumptions. While initial delivery is a Minimum Marketable Product, enduring benefits will depend on iterative expansion, wider data coverage, and close alignment with other smart-data initiatives.

At a glance

Robust consent underpins safe data sharing and trusted digital innovation, enabling flexibility to scale by giving people clear, secure control over how their energy data is accessed and used.

Milestones and deliverables

Activities for 2026–27

- **Design & Governance Foundations:** We'll finalise the scope of the solution through the REC Change Process; embed detailed governance, assurance, and performance-monitoring arrangements in the REC; and ensure alignment with related digitalisation initiatives such as SSES (Tariff Interoperability), Flexibility Market Infrastructure, Data Sharing Infrastructure, and the Smart Data Repository.
- **Stakeholder & Consumer Engagement:** We'll deliver a structured engagement programme with industry participants, consumer groups, and digital-inclusion advocates; co-design user journeys and experience standards; and maintain regular updates (e.g., Consumer Consent Digest) to support readiness and adoption.
- **Build, Test & Launch Minimum Marketable Product (by 31 March 2027):** We'll design and build the Minimum Marketable Product, enabling consumers to grant and manage consent for access to consumption data; conduct iterative user and security testing; and implement information-security and privacy frameworks (including General Data Protection Regulation compliance and International Organization for Standardization 27001-aligned controls) ahead of go-live.

Activities for 2027–28 and beyond

- **Embed & Expand Consumer Consent Solution:** We'll move from hypercare into an enduring service; extend beyond smart-meter data to additional datasets such as time-of-use tariffs and Energy Smart Appliance (ESA) data; integrate with Tariff Interoperability and wider Open Data frameworks; and use feedback and participation metrics to drive continuous improvement and future alignment with cross-sector smart-data schemes.

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Data Best Practice

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Our focus

In June 2025, Ofgem consulted on embedding its Data Best Practice (DBP) guidance into the energy codes, extending obligations beyond networks to include the REC and RECCo's governance. This marks a shift in Ofgem's Digitalisation Strategy, moving from good practice to formal licence-level expectations for how Code Bodies manage, share, and open up data.

The DBP guidance sets out 11 principles covering how organisations structure, govern, and publish data to improve transparency, interoperability, and value creation. Core themes include a presumption of openness, use of common standards and metadata, and ensuring data is high quality, interoperable, and accessible in line with user needs.

A key requirement is a Digitalisation Strategy and Action Plan (DSAP) showing how we use digitalisation to enhance data openness, improve system efficiency, and deliver consumer benefit.

Although Ofgem currently envisages DBP being implemented via supplier licence changes, we intend to move ahead of formal licence obligations and embed DBP into the REC and our own operations.

Milestones and deliverables

Activities for 2026–27

- **Embed Data Best Practice in REC Governance & RECCo Operations:** We'll raise a REC Modification to adopt DBP as a code obligation, aligned with Ofgem's direction. We'll establish internal procedures and governance to demonstrate compliance with all 11 principles and embed DBP responsibilities in data management and procurement frameworks.
- **Update Existing Digitalisation Strategy and Action Plan & Implement Open Data Triage:** We'll update and republish our Data & Digitalisation Strategy and DSAP, setting refreshed, measurable commitments on openness, interoperability, user engagement, and consumer value. We'll implement the DBP Open Data triage framework to classify REC datasets as open, shared, or closed based on privacy, commercial, and security considerations.
- **Strengthen Collaboration, Assurance & Reporting:** We'll continue to participate in Ofgem's Cross-Codes Digitalisation Steering Group; establish a compliance and assurance process consistent with Ofgem's monitoring expectations; and report against the intended outcomes of each DBP principle through the emerging assurance framework.

Activities for 2027–28 and beyond

- **Mature Digitalisation, Open Data & Smart Data Alignment:** We'll move DBP into a continuous-improvement phase: regularly update the DSAP; launch and expand an accessible REC Data Catalogue using common metadata standards; progressively add datasets (e.g., switching insights, performance indicators, and consumer participation metrics) and develop APIs to support innovation; and prepare for convergence with wider smart data schemes, aligned with the CCS and Tariff Interoperability.
- **Leverage Replatformed Enquiry Services for Open Data:** We'll replatform the EES and GES to implement more modern, API-ready, and well-documented data access routes, allowing us to apply DBP and Open Data principles more effectively and economically than is practicable on the current systems.

Progress

Progress is about driving innovation and solutions that keep the retail energy market effective today and ready for the future. This section outlines our key deliverables — what's improved, what's next, the outcomes we expect, and how we'll achieve them.

Programme Delivery

Facilitate Innovation

Horizon Scanning



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Market-wide Half-Hourly Settlement

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

The Market-wide Half-Hourly Settlement (MHHS) is a major step towards a smarter, more flexible energy system. It delivers more accurate, timely settlement and creates the platform for new incentives such as time-of-use tariffs and flexibility services.

We're pleased to have supported delivery of the MHHS Programme, which reached go-live on 22 September 2025 with code changes implemented and central systems ready.

An 18-month migration window formally began on 22 October 2025, during which all metering points will move to MHHS arrangements, with full migration due for completion by May 2027.

Before migrating portfolios, relevant REC and BSC Parties must qualify to operate under the new MHHS Target Operating Model. Our key focus is to complete MHHS Qualification for all relevant REC Parties by October 2026.

Milestones and deliverables

Activities for 2026–27

- **Complete Market-wide Half-Hourly Settlement Qualification** process for relevant REC Parties.
- **Progress Further REC Changes** to remove redundant areas of the REC once MHHS migration is complete.

Activities for 2027–28 and beyond

- **Implement any REC Changes** consequential to the full MHHS migration completion.

At a glance

The move to a modern settlement approach lays the foundation for smarter settlement and flexibility, with REC Changes simplifying the framework after migration.



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Smart Secure Electricity Systems – Tariff Interoperability

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

We're responsible for developing REC governance for tariff data interoperability under DESNZ's Smart Secure Electricity Systems (SSES) Programme.

We aim to create a common framework for sharing tariff information between suppliers, smart devices, and consumers so that ESAs, such as electric vehicle charge points, heat pumps, and home batteries, can automatically interpret and respond to tariff signals across different suppliers. This will help consumers benefit from automation and cost optimisation, while supporting decarbonisation and flexibility.

Over the past year, we've worked with DESNZ to shape the governance framework, technical requirements, and the Minimum Viable Product. We're moving from design to piloting, refining, and operationalising under REC governance.

In the pipeline

From governance and assurance through Minimum Viable Product delivery to market adoption, laying the foundations for a scalable, interoperable tariff framework.

Milestones and deliverables

Activities for 2026–27

- **Establish REC Governance & Compliance**
  - Finalise the REC Schedule for Tariff Interoperability, including assurance and compliance monitoring.
  - Publish supporting guidance for obligated parties, including Performance Assurance and escalation routes.
  - Define KPIs for system reliability, data quality, and indicative consumer outcomes.
- **Deliver & Prove Minimum Viable Product**
  - Test data exchange mechanisms for accuracy, latency, and security between suppliers, ESAs, and consumer interfaces.
  - Implement Supplier Endpoint and User Registers to support onboarding and management of participating organisations.
  - Launch the Minimum Viable Product with a cohort of suppliers and device manufacturers, and capture lessons learned.
- **Drive Market Readiness & Adoption**
  - Use an industry Working Group to coordinate readiness, standard adoption, and communications.
  - Develop training and support materials for suppliers, aggregators, and device manufacturers.
- **Insights, Innovation & Alignment:**
  - Use Open Data principles to publish insights on tariff flexibility usage and consumer outcomes
  - Work with DESNZ, Ofgem, and industry to evolve the standard in line with wider digital and smart data initiatives, including alignment with the CCS and future smart data scheme

Activities for 2027–28 and beyond

- **Embed Enduring Framework:** We'll transition from the Minimum Viable Product to a fully operational, REC-governed service, focusing on optimisation, stability, and scaling.
- **Expand Functionality & Interoperability:** We'll explore extending the framework to more complex use cases (e.g., bundled tariffs, peer-to-peer models) where appropriate.

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Consumer-Led Flexibility

Cost | Consumer | Climate | Competition | Catalyse Improvement

Our focus

Preliminary SDS Objectives

- Objective 4.2: Explore reform of retail market and respond to future developments
- Objective 5.1: Enable infrastructure for net zero at pace

The Government's **Clean Flexibility Roadmap** and companion Consumer-Led Flexibility (CLF) consultation set an ambitious agenda for scaling flexibility to support net zero. They anticipate households and businesses increasingly shifting demand to periods of plentiful, low-carbon generation, with the retail market remaining the primary channel for signalling and rewarding this behaviour. However, detailed retail policy design – tariff structures, consumer protections, and the role of intermediaries – is still evolving.

As the body that governs and maintains the REC – and, under **Code Reform**, a future licensed Code Manager expected to implement the Preliminary SDS (including its CLF objectives) – we sit at the interface between policy and delivery. Existing and emerging REC Services such as the **CCS**, Tariff Interoperability, **Enquiry Services**, the **CRS**, and **Metering** processes will be central to enabling CLF propositions and protecting consumers as new offers emerge.

Waiting until policy is finalised would risk a reactive, disruptive change. We therefore propose to begin early analysis of the potential impacts of CLF policies on REC Services and processes, and to engage proactively with DESNZ, Ofgem, NESO, Elexon, and industry on likely REC implications. This will help ensure REC arrangements evolve in step with flexibility policy, that consumer protections keep pace with innovation, and that the retail market continues to function as an effective enabler of CLF.



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Consumer-Led Flexibility (continued)

Cost | Consumer | Climate | Competition | Catalyse Improvement

Milestones and deliverables

Activities for 2026–27

- **Analyse Consumer-Led Flexibility Scenarios & Map Priority Use Cases**: We'll undertake a structured impact assessment of emerging CLF policy and regulatory proposals, identifying which REC Services, schedules, and processes are most likely to be affected. For example, **CCS**, Tariff Interoperability, **Metering**, switching, **Enquiry Services**, and consumer protections.

  We'll work with DESNZ, Ofgem, NESO, Elexon, and the industry to define a small set of priority CLF use cases (e.g., time-of-use tariffs, bundled asset propositions, and independent aggregators) and map how they flow through existing REC arrangements, highlighting dependencies, gaps, and friction points.

- **Identify Gaps, "No-Regret" Changes & Protection Needs**: We'll compare existing and proposed REC Changes and Services against these use cases to identify gaps, overlaps, and constraints, and assess what additional changes or service enhancements would be required to maximise consumer benefit realisation (i.e., simplicity of offers, ease of switching, data portability).

  We'll develop a list of potential low-regret REC Changes or clarifications that would support CLF (e.g., around data access, interoperability, or consent) and consider whether any should progress ahead of final Government policy. Using the **CCS**, Codes of Practice, and **Performance Assurance** work, we'll assess where consumer protections may need strengthening as CLF offers grow, particularly for vulnerable consumers and small businesses.

- **Feed Consumer-Led Flexibility Insights into REC Strategy & Planning**: We'll use the outputs of this analysis to inform future SDS Delivery Plans and Forward Work Plans, ensuring CLF is explicitly reflected in our medium-term planning and prioritisation.

Activities for 2027–28 and beyond

- **Translate CLF policy decisions into a REC Change roadmap**, including any structural changes to support new retail models or intermediaries.
- **Align REC Performance Assurance and reporting with CLF outcomes**, including metrics on data quality, switching experience, and the performance of CLF-related services.
- **Support Implementation of CLF-related programmes,** like new tariff models or flexibility platforms, through targeted guidance, qualification, and Change Management activity.



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Planning & Infrastructure Act 2025

Cost | Consumer | Climate | Competition | Catalyse Improvement

Preliminary SDS Objectives

- Objective 6: Continue to drive accelerated onshore network investment



Consumer Compensation for Network Upgrades

The Planning & Infrastructure Act 2025 includes powers to create a national Pounds for Pylons compensation scheme, providing bill discounts of up to £2,500 over 10 years for households located near new or upgraded electricity transmission infrastructure.

Discounts are expected to be delivered via suppliers' billing systems, with costs socialised across the market. This will likely require central eligibility checks and reconciliation, similar to existing REC schemes such as Prepayment Levelisation and TDIS, alongside close interaction with the EES.

While the Bill is not expected to be enacted until early 2026, and the delivery body is yet to be announced, we consider it prudent to make a limited provision in 2026–27 to support mobilisation work – whether as the lead delivery body or in support of another industry body – so that any scheme can be implemented for winter 2026–27 if required.

This preparatory work would focus on delivery design, data, and Enquiry Service integration, and governance options, and would only be drawn down if RECCo is formally asked to support or deliver the scheme. This would follow the approach taken with programmes such as the CCS, pending a regulatory decision.

Strategic Direction Statement

Ofgem's Preliminary Strategic Direction Statement outlines how energy codes should evolve toward a net zero, flexible, consumer-focused system. It sets broad ambitions but few firm priorities, with actions spanning **Act Now**, **Think & Plan**, and **Listen & Wait**.



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Preliminary Strategic Direction Statement

The **Energy Act 2023** gives Ofgem new powers to set the strategic direction for industry codes and, where required, to modify licences and codes so stakeholders can progress the changes needed to deliver the **Clean Power 2030** programme.

The Preliminary SDS is Ofgem's first roadmap for the codes, recognising their central role in delivering Government priorities. Although non-binding until the Code Manager licence is in place, our analysis shows strong alignment with priorities already expected in our Forward Work Plan, including multi-year projects carried forward from last year.

By aligning our plan with the Preliminary SDS, we remain at the heart of the energy transition while delivering positive consumer outcomes and supporting the efficient and effective operation of the retail energy market.

The Preliminary SDS sets deliverables across three horizons: **Act Now**, **Think & Plan**, and **Listen & Wait**.

Most **Act Now** objectives have been addressed earlier in this plan; however, some Act Now items did not specify any immediate actions. For completeness, we've also set out the initiatives for **Think & Plan** and **Listen & Wait** that we consider likely to impact the REC in the future (see **Table 1**).

Horizon	Preliminary SDS objective	Indicative action
Act Now	**Objective 2.1** Improve protection for all consumers, particularly those in vulnerable situations	Ofgem work with industry stakeholders over the next year to identify what changes, if any, are required to the REC (and other codes). We'll monitor consultations and undertake engagement appropriately.
Act Now	**Objective 2.2** Protect non-domestic consumers	DESNZ decision – **Regulating Third-Party Intermediaries (TPIs) in the retail energy market** – concludes direct regulation of the TPIs market is necessary. We'll engage with DESNZ and Ofgem to share learnings from the REC Voluntary Code of Practice, and manage any consequential changes to the REC.
Think & Plan	**Objective 3** Enable competition and investability through financial resilience	We plan to review the REC to understand what, if any, changes or improvements could be made to achieve this objective.
Think & Plan	**Objective 14.1 & 14.2** Digital systems for consumers – asset visibility	We'll await the outcome of related consultations to understand what, if any, impacts there are on the REC or its services.
Listen & Wait	**Objective 12.1** Local energy	While the REC and its services might not be directly involved in local energy provisions, we recognise that local authorities may need access to data, such as Meter Point Administration Numbers. Some authorities already access this data. We'll look at how we can proactively support local authorities in accessing this data.

Table 1: Objectives across Act Now, Think & Plan, and Listen & Wait with no immediate actions

At a glance

With the Energy Act 2023 strengthening Ofgem's role in setting direction for industry codes, the Preliminary Strategic Direction Statement is a clear signal of what needs to change. By aligning our plan now, we're supporting Clean Power 2030 while keeping the retail market efficient, effective, and consumer-focused.

Financial Projections

Our budget transparently funds delivery, controls costs, protects consumers, and safeguards industry value.



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Executive Summary from our Chief Financial & Commercial Officer



Brian O'Shea
CFCO

Our Draft Budget 2026 gives industry an early sight of the likely costs for the coming year and the opportunity to provide input prior to final budget consultation in February 2026. We also provide an overview of the expected current year outturn. We will be returning **£5.5m** of expected underspend to REC Parties as a reduction against their January 2026 invoices.

The 2026 budget reflects the resources needed to meet our core objective of delivering, evolving, and transforming central market services on behalf of industry, the consumer, Government, and the regulator. The budget for this core function is not materially different from expected 2026 costs we shared with industry last year.

However, Data Communications Company (DCC) has included a **£9m** procurement allowance in their three-year business plan for procuring the Central Switching Services (CSS) submission to Ofgem. This cost would be incurred across the next two years. For complete transparency, we've included a **£5.7m** contingency allowance for this in our Draft Budget 2026. This accounts for the material element of the higher-than-expected costs for 2026.

Inclusion of this contingent allowance does not confirm our acceptance of these charges from DCC nor of the automatic progression to procurement. In our role as intelligent customer on behalf of industry, we've written to DCC and Ofgem setting out that there is currently no business case to support the re-procurement of the CSS. The alternative would be to extend the existing contracts to 2029, enhance as necessary to meet changing industry requirements, and extract the full value of the original industry investment made in the CSS in 2022.

We will require DCC to provide a robust business case to support either of these options before we agree to their progression. We also commit to adjusting our charges in 2026-27, as early as possible, to reflect any expected non-utilisation of this allowance.

> We will be returning £5.5m of expected underspend to REC Parties as a reduction against their January 2026 invoices.

In addition to becoming the REC Code Manager Licensee, 2026 will be a year of RECCo continuing to deliver REC Services to the standard required by the industry, as well as evolving those services through continuous improvement, such as strengthening the **Electricity Enquiry Service** (EES) throughput to meet peak demands.

At a glance

Draft Budget 2026 includes a £5.7m contingency for potential Central Switching Service procurement costs in DCC's plan. This does not confirm acceptance of any charges. We've requested a robust Business Case and will adjust 2026–27 charges if unused.

It will also be a year in which key projects deliver or enter their implementation phase. These include **Market-wide Half-Hourly Settlement** (MHHS), **Consumer Consent Solution** (CCS), deploying the revised **Performance Assurance** delivery model, deploying the improved **REC Portal and Digital REC**, and investment in **Enquiry Services** to secure its long-term economic and technical viability. Together, these activities will form the material components of our work in 2026.

However, we're also required by Ofgem and DESNZ to take on an expanded delivery body role, particularly in the flexibility market. Our budget reflects the launch of two new projects in this area.

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Table 2: Draft Budget 2026

	2025 Budget (£'000)	2026 Budget (£'000)
REC Services: Delivery	32,148	33,625
Central Switching Services: Procurement	–	5,700
RECCo Operations	7,781	10,888
Projects	11,382	12,135
Change Investment	3,000	3,000
Contingency	1,250	1,250
Total	**55,561**	**66,598**

Our final Budget consultation in February 2026 will include three-year projections to provide the long-term financial context for our strategic aims and the resources required to fulfil all activities in Forward Work Plan 2026–29. We will also provide an update on the CSS procurement position.

In summary, our 2026 draft Budget shows an increase on the current 2025 Budget (see **Table 2**), and this is driven by four key factors:

1. Cost increases due to the natural life cycle within projects linked to system development and deployment (e.g., **Enquiry Services** and **CCS)**
2. Additional resources required to deliver the REC Code Manager Licence role
3. Expansion of delivery body obligations required by Ofgem and DESNZ
4. Procurement costs for the CSS

With the exception of the CSS procurement costs, our 2026 Budget costs are not materially different (+4%) from what we forecast for that year in the **Forward Work Plan 2025–28**.

REC Services & Value for Money

We're responsible for procuring and supplying REC Services to industry. In doing so, we must ensure the long-term viability of the services and achieve value for money. We use commercial principles and tools to manage service providers. We employ a principles-based intelligent sourcing approach to identify who is best positioned to deliver value, whether through internal delivery capabilities or external Service Providers. We use a variety of commercial levers to secure value, including competitive procurement, no evergreen contracts, KPIs linked to service credits, and obligations for continual service improvement and efficiency.

In 2025, we engaged with several key Service Providers and offered them the opportunity to present compelling economic and service delivery cases for the extension of their contracts beyond their natural end dates. Some of the proposals received would not deliver our required outcomes. In those cases, acting as the intelligent customer on behalf of industry, we've developed an alternative approach that will secure those outcomes over the longer term for both the **REC Performance Assurance** service and the **Enquiry Services**.

Central Switching Service Procurement

DCC currently delivers the CSS through a hybrid model of four outsourced service contracts and internal staff resources. One of the service contracts that ends in 2027 cannot be extended and will need to be procured. It is not a material value contract. The initial terms of the other three contracts also end in 2027, but they can all be extended to at least 2029.

DCC has submitted their three-year business plan to Ofgem and included a **£9m** re-procurement costs for the CSS. Currently, there is no business case, and no evidence that a procurement would deliver technical, service, or economic benefits to support that investment.

Equally, there is no business case to demonstrate that extending the existing contracts to 2029, enhancing as necessary to meet changing industry requirements, and extracting the full value of the original investment made in 2022 is the right option. In 2025, DCC completed a cost benchmarking exercise, which concluded that the overall Switching service, with the incumbent suppliers market, was competitive. DCC has committed that in the coming months, with support from RECCo, they will complete a comprehensive assessment to establish the data to support the development of a procurement or extension Business Case.

The inclusion of the cost in the DCC business plan does not automatically bestow a right for the costs to be charged to RECCo. The CSS budget is agreed through the process set out in the REC. RECCo has confirmed to DCC and Ofgem that it will not accept these charges in the absence of a business case. For full transparency, we've included the 2026–27 apportionment of the procurement costs in the budget.

RECCo Operations

To achieve our objectives, we must be a right-sized, expert organisation with resourcing levels sufficient to ensure REC Service Providers are optimally managed and new industry initiatives are delivered on time, to budget, and to quality.

We're investing in development roles across the organisation to create the delivery capability of the future. We're reducing our reliance on contractors, thereby achieving two positive outcomes: economic benefits and enhanced internal knowledge development and retention. Our resource capacity for 2026 is also expected to grow in line with this strategy, enabling us to

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meet the increasing delivery demands placed on the company.

RECCo Projects

The REC requires us to improve the retail energy market, including its systems and processes, while also protecting consumer interests and data in the operation of the REC. For the coming year, our projects are, in the main, a continuation of projects initiated in 2025.

These include supporting industry and Government in the delivery of the **MHHS**, promoting market flexibility, deploying an enhanced user experience through the **REC Portal and Digital REC**, investing in securing the long-term future of the **Enquiry Services**, and implementing the new **REC Performance Assurance** delivery model.

Change Investment

This is needed to fund functional changes to REC Services. For 2026, we've maintained our Change Investment allowance at c5% of the total budget.

Contingency

We do not include any project or other activity-specific contingencies in the Budget. Instead, we include a company contingency value to allow for complete transparency.

For 2026, our contingency is maintained at c2% of the total Budget.

Forecast Outturn 2025

Our 2025 Budget was £55.5m, including contingent project costs of c£2m, a Change Investment allowance of £3m, and a company contingency of £1.25m. The costs also reflected one other key assumption that incumbent Service Providers would set out a compelling economic case for the long-term extension of their contracts. This was not the case for some services, and the expected investment costs for the year have not been incurred; instead, they are now deferred into Budget 2026.

In 2024, we committed to reducing charges in-year where the expected outturn showed a material variance to the Budget. We did this in 2024–25.

Our expected cost outturn is c£49.2m, giving a cost underspend of c£6.3m, with our income being c£0.7m higher than expected. This gives a total returnable value to REC Funding Parties of c£7m. The Board has agreed that we will return £5.5m as a reduction against funding invoices in January 2026. The balance will be returned post-year-end on confirmation through the year-end audit.

Table 3 shows the 2025 Budget and Forecast outturn in each cost area.

Key drivers include in-year and recurring cost savings from the negotiation of REC Service charges, not progressing contingent **Energy Theft** projects, targeted change investment spend, deferring investment costs on the **Enquiry Services** to 2026, and lower-than-expected costs on deploying the **CCS** to support the introduction of **Customer-Led Flexibility** (CLF). These, in turn, meant that we did not need to utilise the full contingency.

Table 3: Budget 2025 vs Forecast Outturn

	2025 Budget (£'000)	2025 Forecast (£'000)
REC Services	32,148	31,116
RECCo Operations	7,781	7,404
Projects	11,382	7,700
Change Investment	3,000	2,500
Contingency	1,250	450
Total	**55,561**	**49,170**



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Draft Budget 2026: Financial Overview

We recognise the ongoing challenges facing REC Funding Parties and look to minimise the financial impact on them to the extent that doing so would not compromise our ability to deliver the REC objectives or meet our financial liabilities and contractual obligations. We utilise a bottom-up budget approach and have published the **Business Cases** for all the material Investment Projects to provide transparency.

Our Draft Budget 2026 is **c£66.6m**, and this is the total cost to deliver the REC, REC Services, Investment Projects, and a fit-for-purpose organisation. This is a **c20%** increase to Budget 2025 (of which 10% relates to the CSS contingent allowance) and a 14% increase (of which 10% relates to the CSS contingent allowance) on what we expected for this coming year. The CSS procurement cost is a significant component of these increases, accounting for over 50% of the movement to Budget 2025 and over 70% of the increase against what we expected for 2026–27.

The non-CSS procurement component of the budget increase (i.e., the remaining 4%) has primarily four drivers:

1. The natural life-cycle of services and system development projects (e.g., **CCS** and **Enquiry Services**)

2. An increase in our internal resourcing driven by insourcing delivery activities at contract end, hiring employees rather than contractors for economic reasons

3. A requirement from Government to expand our role as a governance and delivery body to support delivery of a flexible energy market

4. RECCo being selected as the REC Code Manager licensee

We've offset some of the impact of this through the negotiation of favourable extension terms for certain Code Manager contracts, a decision not to develop the **Energy Theft Enforcement Service** beyond its trial period, and adapting a revised delivery location strategy for our **REC Portal and Digital Services Project**. The Registered Measurement Point per annum charge will be **£1.20**.

Table 4 splits the Budget 2026 into service delivery, evolution and management, transformation delivery, and company costs. Our company costs include RECCo Board costs, all company operating costs, and people costs for Corporate Services, Finance & Commercial, and Strategy & Development.

Sixty-four per cent of RECCo costs relate to delivery, evolution, and change of REC Services for the benefit of industry, with 30% of costs relating to transformation of existing REC Services and development of new REC Services.

Table 4: Budget 2026 Analysis

	2026 Budget (£'000)	Service Delivery plus Evolution & Management	Transformation Delivery	Company Costs
REC Services	39,325	33,625	5,700	
RECCo Operations				
Board & Staff Costs	9,107	4,813	1,902	2,392
Operating Costs	1,781			1,781
Investment Projects	12,135		12,135	
Change Investment	3,000	3,000		
Contingency	1,250	1,250		
Total	**66,598**	**42,688**	**19,787**	**4,171**
Split (%)		64%	30%	6%

At a glance

Draft Budget 2026 is £66.6m (up 20% on 2025). About half the increase is due to inclusion of a contingent allowance for Consumer Consent Solution procurement, with the balance due to keeping key services up to date, bringing more work in-house, and taking on extra responsibilities.

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REC Service Delivery, Evolution & Management

The cost of delivering REC Services – including costs payable to third-party Service Providers, internal service management, and evolution capability – is **c£43m**. This is 70% of our total budget.

Under the REC, we're responsible for procuring and then supplying REC Services to industry. These range from professional services that deliver industry and code changes, compliance and Performance Assurance monitoring, **Metering Audits**, and **Energy Theft** services. We hold our Service Providers to account for their contractual service delivery obligations.

We partner with Service Providers to ensure we can keep up with the pace of innovation, technology development, and associated investment in certain specialist areas. We give them the opportunity to provide us with compelling economic and delivery cases to secure contract extensions. Where this challenge is not met, we develop alternative plans and strategies to secure value through procurement.

At a glance

Around £43m (about 70% of the Draft Budget) funds the running and improvement of REC Services, delivered by Service Providers and our internal teams. We set expectations, track performance, and use extensions or procurements to manage costs.

Table 5 compares costs for REC Services for the proposed year to last year.

As detailed earlier, we've included, for complete transparency, the 2026–27 component of the CSS procurement costs. This does not reflect our acceptance of these costs.

Central Switching Service

Working in partnership with the DCC, we've established in-year financial performance review processes and a transparent approach to budget setting. Together, we've developed a greater understanding of the resources required to deliver the CSS. We've split the CSS costs between operate (i.e., charges agreed with the DCC for the operation of the CSS) and the CSS procurement costs (see **Table 5**).

Code Management

The 2026 costs reflect the full-year impact of service changes in 2025, as well as the go-live of the enhanced **REC Portal and Digital REC**.

We expected a material uplift in costs for 2026 arising from the end of the first term of contracts in summer 2026, but were able to negotiate extensions on competitive terms. Where we were unable to do so, we've instead let the contract lapse and procured the services competitively. This has also allowed us to insource certain **Performance Assurance** activities at a more economic rate.

Enquiry Services

This budget covers the **EES**, the **GES**, the Green Deal Central Charging database, and the Secure Data Exchange Service. The projections in this draft Budget assume the continuation of the current contracts until we deploy a new delivery capability in summer 2027. Thereafter, material economic benefit will be seen from deploying the new capability.

Energy Theft Services

These services support the industry in discharging its obligations to tackle **Energy Theft** and protect consumers from injury and economic harm. They are primarily the Energy Theft Tip-Off Service and supporting **Stay Energy Safe** marketing costs.

REC Support Costs

This includes allowances for the legal review of REC Change Proposals, the cost of funding independent members of both the Change Panel and the Performance Assurance Board, and the introduction of new committees through the REC Code Manager licence.

Other Services

This reflects the cost of several sundry data reporting services required to support the PAF, as well as an allowance to fund the centralised administration costs of the metering code of practice auditor.

Table 5: REC Services

REC Services	2025 Budget (£'000)	2026 Budget (£'000)
Central Switching Services: Operate	13,000	12,700
Central Switching Services: Procurement	–	5,700
Code Management	11,438	12,075
Enquiry Services	5,591	6,237
Energy Theft Services	1,248	1,764
REC Support Costs	563	655
Other Services	306	195
Total	**32,148**	**39,325**

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RECCo Operations & Investment Projects

RECCo Operations

The budget for our operations is c£10.9m, with c60% being assigned to the management, evolution, and transformation of REC Services. The balance of £4m is the costs associated with the delivery of RECCo as a corporate entity and covers centralised functions such as stakeholder engagement, finance & commercial, people & human resources, and risk management. Our people costs have increased compared to prior years, driven by our requirement to strengthen each function to enable delivery of our expanding scope and the REC Code Manager Licence, and to secure economic savings through reduced reliance on contractors (see **Table 6**).

Table 6: RECCo Operations

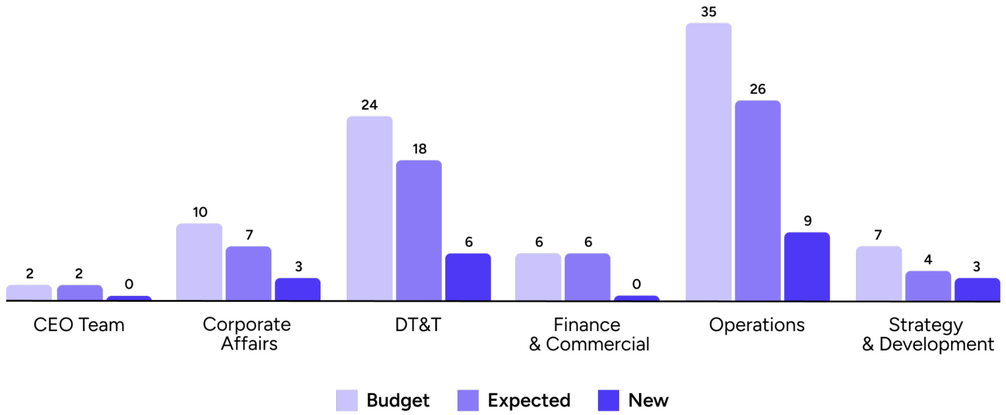
Costs	2025 Budget (£'000)	2026 Budget (£'000)
Board	342	320
Staff	6,338	8,787
Operating	1,101	1,781
Total	**7,781**	**10,888**

In line with good corporate governance and to fulfil the requirements of the forthcoming Code Manager licence, we currently have a fully independent and remunerated Non-Executive Board (NED), including an independent Chair. The Board possess the skills and experience, including consumer interest experience, to support the organisation's operation. NED recruitment is carried out through market recruitment and overseen by the Nominations Committee. Directors are reappointed through the REC Party voting arrangements outlined in the REC. Board costs are not materially different to the prior year. The Board has recently undertaken an independent Board Effectiveness Review, and the Budget will facilitate the implementation of recommendations made.

Our corporate operating costs are those required to manage the company on a day-to-day basis and meet all our statutory, regulatory, commercial, people, and risk management obligations. None of the individual costs is material in the context of the Budget. They include costs that protect REC stakeholders (e.g., Insurance and Information Security & Management), costs incurred to ensure that we Perform our stakeholder engagement activities, and costs to ensure that we comply with all our REC and wider legal obligations (e.g., statutory audit, taxation, and other compliance).

We're a remote-working organisation by design with a small, serviced office in London. In 2026, several projects will move into the implementation phase (Digital Services and Enquiry Services), and consequently, more regular physical meetings will be required. Our budget allows for this.

Figure 2: Headcount by Function 2026–27



Investment Projects

Our Forward Work Plan sets out the details of our key programmes for 2026. We've set aside £12.1m for investment projects for the coming year. In 2026, our project portfolio will comprise the continuation of seven existing projects and the introduction of two new projects. The latter is needed to support the ongoing development of the REC in support of the Government's ambitions for energy flexibility.

These projects will supplement the extensive flexibility enablers already present within existing REC Services (e.g., CSS, Enquiry Services, and MHHS) as well as those to be introduced through CCS and Tariff Interoperability.

In 2026, the investment projects show a c7% increase compared to 2025. This reflects the natural lifecycle of these projects as they enter the implementation phase with design, build, and test costs accruing. A component of this increase is also due to the deferral of costs not incurred in 2025 (i.e., Enquiry Services development costs) to this coming year.

For the two new projects, Pounds for Pylons and CLF, we've adopted a probability factor associated with the likelihood of them reaching potential. These projects are contingent on Ofgem and DESNZ decisions, and we've adjusted the values accordingly. Should they reach full potential, any additional funding will be sourced from the company contingency.

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RECCo Operations & Investment Projects (continued)

For the coming year, our projects (see **Table 7**) will encompass protecting industry and, ultimately, consumers by addressing expiring contracts that deliver central market services, as well as progressing initiatives to deliver new and emerging Ofgem or DESNZ-mandated requirements. We will continue to invest in initiatives to address **Energy Theft**.

We've published Business Cases for the following projects:

- Code Manager Service Evolution
- Digital Services
- Enquiry Services
- Energy Theft
- Consumer Consent Solution

A full description of each project, and the outcomes it's required to deliver for industry and consumers, is set out in the relevant sections of this Forward Work Plan: **Code Manager Service Evolution**, **Digital Services**, **Enquiry Services**, **Energy Theft**, and **Consumer Consent Solution**.

Change Investment

Our 2026 Change Investment Budget remains static at £3m, and this broadly reflects the current spend run rate in 2025. Change Investment includes funding to develop and deliver functional changes to the REC Services. It's not used to fund Investment Projects or RECCo operational or headcount requirements.

In 2026, we expect REC Change spend on existing services such as **MHHS**, **Digital Services**, and **Energy Theft**. While we will continue to invest in Code Manager and **Enquiry Services**, this will be tempered and assessed against the major restatement of those services through the respective investment projects.

Contingency Allowance

This is £1.25m for the coming year, and aligned to the 2025 allowance. This represents 2% of the total Budget. The future REC Code Manager licence will require the licensee to maintain a contingency in its budgets. The use of the Contingency Allowance is subject to oversight by the CEO and Board. It's used to mitigate inherent market uncertainty/instability and hedge against any unforeseen future regulatory requirements.

Table 7: Investment Projects

Projects	2025 Budget (£'000)	2026 Budget (£'000)
Consumer Consent Solution	2,160	3,748
Enquiry Services Evolution	1,830	2,862
Digital Services	3,219	1,897
Code Manager Service Evolution	300	1,168
Market-wide Half-Hourly Settlement	1,559	1,107
Flexibility	–	300
SSES: Tariff Interoperability	548	293
Pounds for Pylons	–	250
Code Reform	200	220
Sundry Minor Projects	200	290
Energy Theft Enforcement Service	1,086	–
TPI Accreditation Scheme	280	–
Total	**11,382**	**12,135**



Glossary

ADQ	Address Data Quality
API	Application Programming Interface
BSC	Balancing & Settlement Code
CCS	Consumer Consent Solution
CEO	Chief Executive Officer
CFCO	Chief Financial & Commercial Officer
CLF	Consumer-Led Flexibility
CMSP	Code Manager Service Provider
CoLP	City of London Police
CoMCoP	Consolidated Metering Code of Practice
CRS	Central Registration Service
CSS	Central Switching Service
DBP	Data Best Practice
DCC	Data Communications Company
DESNZ	Department for Energy Security and Net Zero
DSAP	Digitalisation Strategy & Action Plan
EES	Electricity Enquiry Service
EMAR	Energy Market Architecture Repository
ESA	Energy Smart Appliance
ETES	Energy Theft Enforcement Service
GES	Gas Enquiry Service
IPAS	Initiate, Propose, Assess, Sign-Off
KPI	Key Performance Indicator
MEM	Metering Equipment Manager
MHHS	Market-wide Half-Hourly Settlement
NED	Non-Executive Director
NESO	National Energy System Operator
Ofgem	Office of Gas and Electricity Markets
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PAOP	Performance Assurance Operating Plan
REC	Retail Energy Code
RECCo	Retail Energy Code Company
REL	Retail Energy Location
RPA	REC Performance Assurance
SAF	Stakeholder Advisory Forum
SDEP	Secure Data Exchange Portal
SDS	Strategic Direction Statement
SEC	Smart Energy Code
SIP	Safe Isolation Provider
SoLR	Supplier of Last Resort
SSES	Smart Secure Electricity Systems
TDIS	Theft Detection Incentive Scheme
TPI	Third-Party Intermediary
UNC	Uniform Network Code

Thank you for reading

How to respond

We welcome your feedback on our **draft Forward Work Plan 2026–29**. Your input will help shape our priorities and ensure the plan reflects the needs of consumers and the retail energy market. The questions below are intended to guide your response.

Forward Work Plan Questions

- Do you think we've identified the right workstreams under each strategic aim?
- Is there anything else we can provide to clarify the proposed workstreams?
- What feedback or suggestions do you have on the deliverables outlined?
- What else should RECCo focus on to deliver our strategic aims?

Budget Questions

- Do you have any comments on the Budget?
- Is the level of detail provided sufficient to give you a clear understanding of the Budget?
- Is there any further information you'd like us to include in the final Budget?

How to submit your response

- **Complete the** online feedback form
- **Email** recco_strategy@retailenergycode.co.uk

Response deadline: 5 February 2026 (17.00)

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