recco

Forward Work Plan

2025-28

Welcome & Housekeeping

Rachael Anderson
Director of Corporate Affairs

During the event, please:

- Keep your camera and microphone off
- Use Microsoft Q&A to ask questions (chat is unavailable) or raise your hand
- Keep questions relevant and avoid mentioning other organisations
- Questions may be visible to others after the event
- This event will be recorded and shared on our YouTube channel and website

Thank you

Forward Work Plan 2025-28
Your Speakers

Sid Cox
CEO

Elizabeth Lawlor
Chief Operating Officer

Jon Dixon
Director of Development
& Strategy

Pete Davies
Director of Data, Technology
& Transformation

Brian O'Shea
Chief Finance
& Commercial Officer

Forward Work Plan 2025-28

Contents

01 *Welcome & Introduction*

02 *REC Services & Evolution*

03 *Energy Theft & Code Licence*

04 *Upcoming Industry Initiatives*

05 *Draft 2025-26 Budget*

06 *Next Steps*

07 *Q&A*

01 Welcome & Introduction

Forward Work Plan 2025-28
Aims & Objectives

➤ Give stakeholders an overview of our recently published **draft Forward Work Plan for 2025-2028**

➤ Gather valuable input during the **consultation period**

**PRESENT OUR 2025-28
FORWARD WORK PLAN**

Give an overview of our draft
plan and priorities for 2025-28

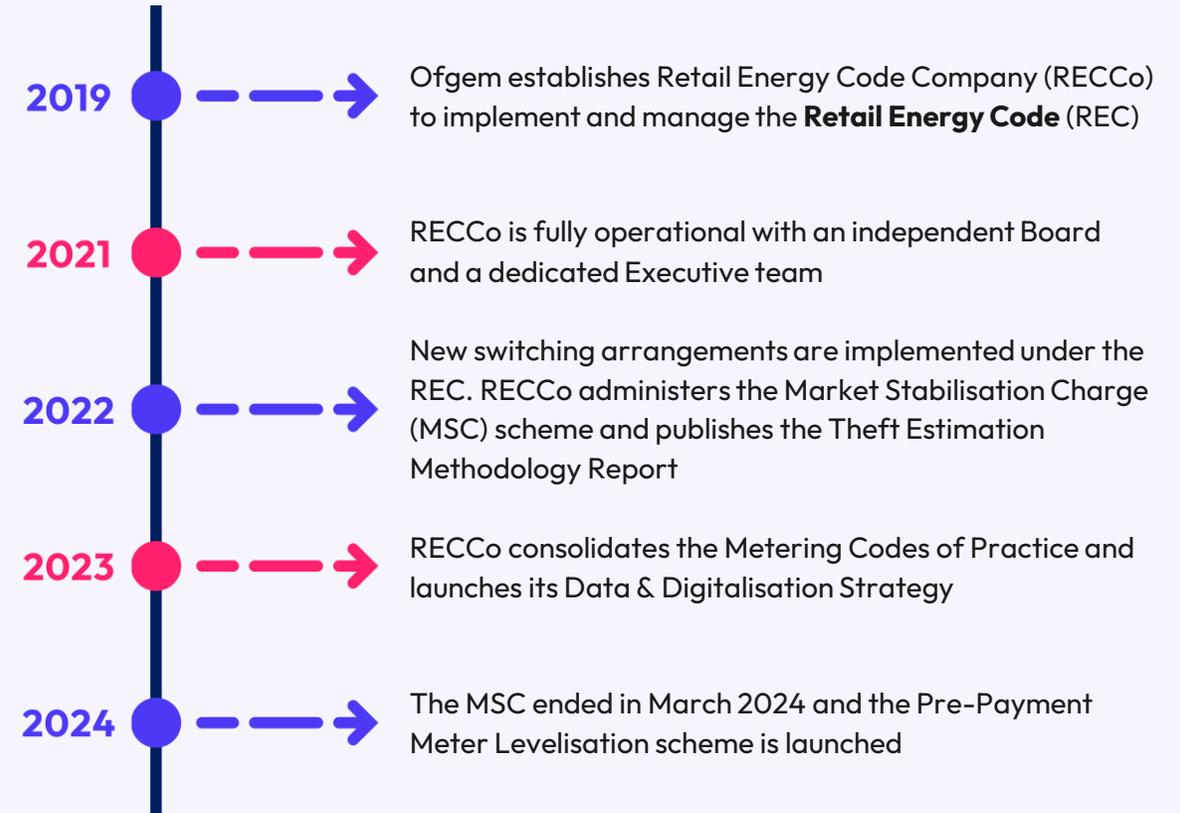**ENCOURAGE YOUR
PARTICIPATION**

Hear your views
& answer your questions

About RECCo

Our mission

➢ We will facilitate the efficient and effective running of the retail energy market, including its systems and processes

➢ We will do this through promoting innovation, competition, and delivering positive consumer outcomes

Our timeline

2019 — Ofgem establishes Retail Energy Code Company (RECCo) to implement and manage the **Retail Energy Code** (REC)

2021 — RECCo is fully operational with an independent Board and a dedicated Executive team

2022 — New switching arrangements are implemented under the REC. RECCo administers the Market Stabilisation Charge (MSC) scheme and publishes the Theft Estimation Methodology Report

2023 — RECCo consolidates the Metering Codes of Practice and launches its Data & Digitalisation Strategy

2024 — The MSC ended in March 2024 and the Pre-Payment Meter Levelisation scheme is launched

Our Operating Model

➤ **Delivering Service Excellence**

REC Services

Code Manager

Metering Auditor

Energy Enquiry Services

Central Switching Service

Green Deal

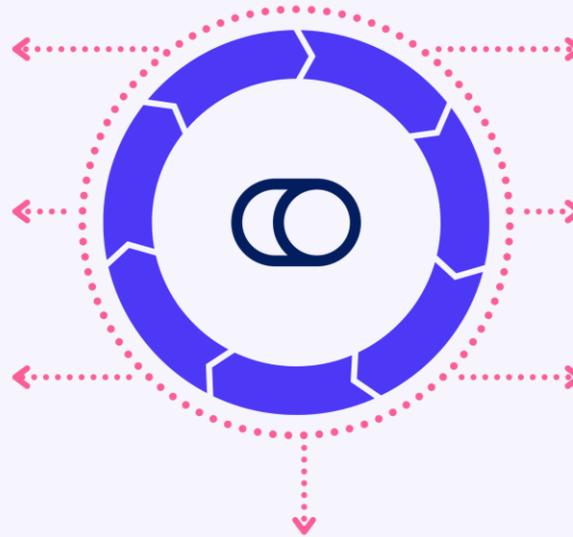Data Services

Theft Reduction Services

Focusing on Stakeholders

Delivery informed by lessons from past code arrangements

Collaborating

A unified approach to service management

Value Making Decisions

Value-driven changes to improve service and reduce costs

Managing Programmes

Centralised visibility across all service providers

Setting Mission & Strategy

Clearly aligned with REC objectives

Defining Service Scope

Clear understanding of requirements

Managing Contracts

Active oversight on behalf of the industry

REC Parties

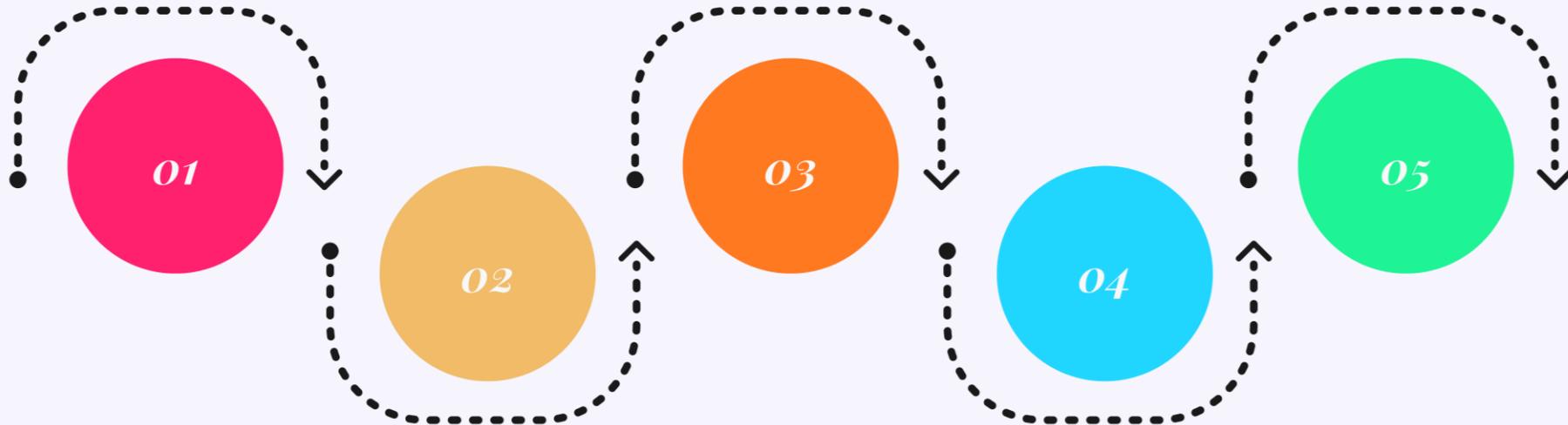**Non-Party Service Users**

Our Five C's

➤ Our five C's represent the **outcomes** we aim to achieve, keeping us true to our **mission**

01 Consumer

Working towards the ultimate aim of delivering consumer benefits

02 Competition

Proactively identifying efficiencies and innovations that will support competition

03 Catalyse Improvement

The steps we take promote change, efficiencies, and innovation that contribute to the energy industry moving towards decarbonisation and delivering consumer benefits

04 Cost

Our services are efficient and cost-effective

05 Climate

Supporting the decarbonisation of the energy industry and contributing to the UK's overall net zero transition

Our Strategic Aims

➤ Our three strategic aims are interconnected, strengthening one another to drive our priorities, decision-making, and business planning

Perform

We are a trusted expert provider and enabler of code management and services

Protect

We safeguard consumers' interests and data by providing secure digital services tailored for the retail energy market

Progress

We drive solutions and innovations to support an effective retail market for today and the future

Our Key Focus in 2025-26

We are here to

- ✓ Deliver an Excellent Service
- ✓ Support and facilitate innovation in the retail energy market
- ✓ Increase capacity and capability

In 2025-26, we will focus on *six key programmes*

①	②	③	④	⑤	⑥
REC Services & Evolution	Market-Wide Half-Hourly Settlement	Dedicated Energy Theft Unit	Code Reform & Licence	Consumer Consent	Smart Secure Electricity Systems

02 REC Services & Evolution

Service Excellence

Continuous Improvement – Code Manager Services

1. Change Management

Achievements & Enhancements

✓ Increased Code Manager resource

✓ Revised REC Change process & improved transparency

✓ Upskilled Operational Account Managers (OAMs) and REC Service Desk teams

Planned Activities: Coming Year

• Undertake a pilot to identify areas for improvement

• Improve REC Change reporting and the user experience of REC digital tools

Service Excellence

Continuous Improvement – Code Manager Services

2. Performance Assurance

Achievements & Enhancements

Planned Activities: Coming Year

- ✓ Streamlined the Performance Assurance Catalogue
- ✓ Delivered comprehensive training to improve first-contact issue resolution
- ✓ Increased REC Performance Assurance Framework engagement

- • Introduce tailored Market Entry and Assurance training
- • Focus on Retail Risk Mitigation

Continuous Improvement – Code Manager Services

3. Technical Services

Achievements & Enhancements

- ✓ Improved user experience across the REC Portal, Digital REC, and ERIN

Planned Activities: Coming Year

- Further user experience improvements

- Develop a targeted REC Portal notification system

- Enhance REC Portal content and release management

- Integrate Digital Services Provider to design and implement tailored solutions

Service Excellence

Code Manager Evolution Project

Over the coming year, we will

Digital Services Procurement

1. Create a stakeholder user group

2. Design, develop, and test our new digital solutions through 2025/26

3. Plan a soft launch, followed by a full go-live in 2026/27

4. Establish, embed, and operate new operational services

Wider Code Manager Service

1. Review service performance and effectiveness to inform our future service approach

2. Seek to understand the impact and implications of the current Code Review

3. Define our approach to further extensions of the existing Code Manager contracts

5

Service Excellence

Central Registration Service Governance

Planned Activities: Coming Year

We're committed to enhancing CRS performance

- Improved governance and operational models

- Address quality assurance

- Focus on stakeholder engagement and reporting

- Implement technical and process enhancements

Planned Activities: 2026/27 & Beyond

- Drive continuous improvement

- Engage stakeholders proactively

- Strengthen governance and oversight

- Create and deliver benefits to consumers and users

Service Excellence

Enquiry Services Evolution Project

Planned Activities: Coming Year

- Enhance service performance

- Advance open data initiatives

- Optimise service delivery

- Strengthen security measures to prevent, manage, and respond to evolving risks

Planned Activities: 2026-27 & Beyond

- Implement enhancements based on the Request for Proposal (RfP) to our Enquiry Service providers, considering post-2027 service delivery

Service Excellence

Market Wide Half Hourly Settlement

Achievement: Major Milestone

✓ Ofgem approved **REC Change Proposal R0209**

Planned Activities: Coming Year

- Test REC Services, including replanned System Integration Testing (SIT), to ensure readiness

- Plan and deliver Market Participant qualification requirements

- Implement REC Changes

- Ensure operational readiness of RECCo & REC Service providers

Planned Activities: 2026-27 & Beyond

- Implement post-MHHS changes to the REC

Forward Work Plan 2025-28
Your Questions

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03 Energy Theft & Code Licence

Energy Theft

Achievements & Enhancements

- ✓ Published Outline Business Case for dedicated Police Unit
- ✓ Launched a pilot for the Theft Data Portal
- ✓ Improved the Theft Detection Incentive Scheme (TDIS) and streamlined the submission process

Planned Activities: Coming Year

- **Awareness**: Continue to build on the success of the Stay *Energy Safe* campaign and strengthen our partnership with Crimestoppers
- **Incentives**: Implement REC Change R0173
- **Data & Insights**: Conduct a proof-of-concept to leverage real-time data for theft detection and trial the new Theft Data Portal
- **Enforcement**: Continue to develop the Police Energy Theft Unit Business Case

Code Reform & Licence

- **Licensing**: Engage with Ofgem and DESNZ in the selection process

- **Decision Making & Stakeholder Engagement**: Code managers will make decisions (self-governance) or recommendations to Ofgem. Stakeholder input will be essential, particularly through the Stakeholder Advisory Forum to replace the current Change Panel

- **Performance Measures**: Collaborate with Ofgem and REC stakeholders to develop a set of ambitious, outcome-based performance measures

- **Wider Code Reform**: Work to establish a programme that delivers the requirements necessary to become, and discharge the obligation of being, a licensed entity

- **Ofgem's Strategic Direction Statement**: Expect publication in Q1 2025/26

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04 Upcoming Industry Initiatives

Data & Digitalisation

Consumer Consent

Dependent on **Ofgem** confirming 'minded to' position

What

➢ Consumers can consent to their data being shared by energy suppliers

How

➢ Focus on consumption data first, then enable additional data sources

➢ Design Phase: Engage with the industry through working groups and the REC Change process

When

➢ Anticipated for September 2026 or when MHHS goes live

2025-26 Focus

➢ Design Phase: Consult, develop, and test

➢ Collaborate and align with other initiatives

Data & Digitalisation
Smart Secure Electricity Systems

Dependent on **DESNZ** confirming 'minded to' position

What

➢ Establish REC governance and enable services to support tariff interoperability

When

➢ Anticipated for September 2026 or when MHHS goes live

How

➢ Suppliers should develop APIs to provide tariff data

➢ Ongoing engagement with suppliers via the DESNZ-led Tariff Interoperability Working Group (TIWG)

2025-26 Focus

➢ Initial Technical Framework, stakeholder engagement, pilot, and testing

➢ Performance Assurance, REC Schedule development and collaboration with Consumer Consent

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05 Draft 2025-26 Budget

Summary

- Our key driver is to deliver and evolve the current REC Services

- We are aware that we are spending industry and consumers' money

- We must evolve to meet future market and user needs in an economical and efficient way that delivers value

- We have a broad and rich portfolio of activities for 2025-26

- Following your feedback from last year, we have:
  - o Increased transparency
  - o Provided year-on-year comparisons
  - o Headcount disclosure
  - o Published business cases

- We have also implemented intra-year cost reductions

- Our Draft 2025-26 Budget shows a 3.5% increase compared to the prior year

- This includes c£9m of cost, which is contingent on projects crystalising

Table: Draft 2025-26 Budget and longer-term projections

	2024-25 Budget £'000	2025-26 Budget £'000	2026-27 Indicative £'000	2027-28 Indicative £'000
REC Services	34,185	31,649	36,849	40,576
RECCo Operations	6,102	7,091	7,933	8,931
Projects	6,760	11,934	8,937	3,681
Change Investment	4,000	3,000	3,000	3,000
Contingency	2,000	1,250	1,250	1,250
Total	**53,047**	**54,924**	**57,969**	**57,438**

REC Services & RECCo Operations

REC Services

- The budget for REC Services is £31.6m and covers services that the REC requires RECCo to perform

- The budget will enable the industry to protect its regulatory, governance, and operational obligations

- Commercial pressure on our service providers includes DCC

- We have reduced the overall cost by c.8%

RECCo Operations

- Shows an increase of c.16% compared to prior year

- The resources required to enable RECCo to perform all its functions

- Includes costs for:

  o Service and commercial management of service providers to drive value

  o Transformation activities to drive greater value and meet evolving market

- Budget commentary provides a breakdown of cost

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Draft 2025-26 Budget
Investment Projects

Investment Projects

- Meet the needs of an evolving market: MHHS, Consumer Consent, SSES, and Code Reform

- Meet the need to protect services that support the industry in performing their operational requirements:
  - Natural lifecycle of existing contracts
  - Address industry feedback on digital user experience

- Increase the 2024-25 Budget to address the above

- Several Investments are "contingent" for a variety of reasons (see Budget commentary)

- Contingent costs are c.£9m

Table: Projects

	2024-25 Budget £'000	2025-26 Budget £'000	2026-27 Indicative £'000	2027-28 Indicative £'000
Digital Services	500	3,512^	1,433	-
Consumer Consent	-	2,524*	4,495	-
Enquiry Services Evolution	300	1,830^	-	-
Market Half Hourly Settlement	3,745	1,559	744	99
Energy Theft Investigation Service	500	1,246**	-	-
SSES: Tariff Interoperability	-	548*	548	-
TPIs: Accreditation Scheme	100	334**	150	150
Code Reform (Code Manager Licence)	100	200	50	-
Sundry Minor Projects	200	200	400	400
Code Manager Service Evolution	380	181	1,117	3,032
2024: Closed Projects	835	-	-	-
Total	**6,760**	**11,934**	**8,937**	**3,681**

Draft 2025-26 Budget
Change Investment & Contingency
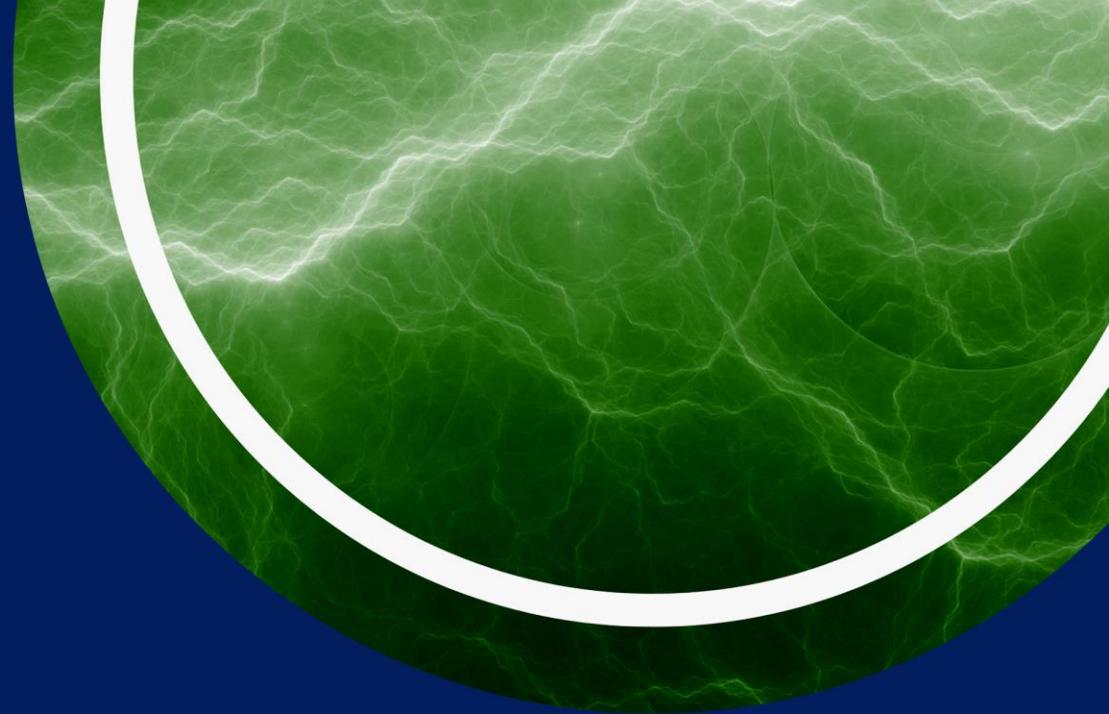
Change Investment

- Revised approach to address industry feedback
- 25% reduction
- Funds functional changes to REC Services
- Not used to fund project shortfalls, operating costs, or staff costs

Contingency

- Revised approach to address industry feedback
- 37.5% reduction
- Not sufficient if SDS changes or DESNZ increases SSES scope
- Use of contingency is subject to Board approval

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06 Next Steps

Next Steps

How to *Respond*

We welcome your **feedback** and **comments** on our draft **Strategy** and **Forward Work Plan**

Complete Online Survey

Email: recco_strategy@retailenergycode.co.uk

Response deadline: 5 February 2025, 17.00

Join our *Budget Webinar*

Join our **Budget Webinar** to find out how we will deliver our **Strategy** and **Forward Work Plan**, REC Services, and industry commitments

Sign Up Here

Save the date: 26 February 2025, 11.00–12:30

07 Q&A

Forward Work Plan 2025-28
Your Questions

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