

2026-29



Forward Work Plan Webinar

Aims and Objectives

Today's session will:

- Set out RECCo's role, strategic priorities, and planned activity for 2026–27
- Provide a clear overview of the Draft Forward Work Plan and indicative financial projections to support informed consultation responses

We will also:



Explain how our planned activities align with regulatory and market developments



Build stakeholder confidence in RECCo's delivery approach and future readiness



Answer any questions you may have

Welcome and Housekeeping

- Please ensure that cameras and microphones remain switched off during the speaker sessions
- We encourage you to submit questions throughout the event using the Q&A function
- As a polite reminder, please keep all questions relevant to the session and avoid referencing other organisations
- Please note that the meeting is being recorded
- The recording and slides will be made available on our website and communication channels following the session



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Welcome

Sid Cox | Chief Executive Officer



RECCo at a Glance

- Not-for-profit organisation, established by Ofgem in 2019
- Custodian of the Retail Energy Code and supporting REC Services
- Act as an intelligent customer on behalf of the industry
- Focused on effective delivery today and the evolution of a future-fit, consumer-focused retail energy market
- Guided by three strategic aims:
Perform, Protect, Progress

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

Strategic Focus 2026–27

Sid Cox | Chief Executive Officer



Strategic focus

Our role is to:

- ✓ Deliver excellent and future-proofed retail market services
- ✓ Enable innovation and a more consumer-focused retail energy market
- ✓ Build the capability and resilience needed to support stakeholders and future market change

In 2026–27, we will focus on four key priorities:

1

Code Manager
licence transition

2

Modernising our
systems and services

3

Continuing delivery of
established programmes

4

Supporting Consumer-
Led Flexibility

RECCo Executive Team



Sid Cox

CEO



Jon Dixon

Director of Strategy
& Development



Elizabeth Lawlor

Chief Operating Officer



Pete Davies

Director of Data, Technology
& Transformation



Brian O'Shea

Chief Financial
& Commercial Officer



Rachael Anderson

Director of Corporate Affairs

Code Reform & Code Manager Licence

Jon Dixon | Director of Strategy & Development



Code Reform and Code Manager Licence

Focus



- Transition to a licensed Code Manager under Ofgem's Code Reform framework
- Operate on a non-profit basis with outcome-based performance incentives

Deliverables 2026–27



- Licence readiness and transition planning
- Strategic Direction Statement (SDS) preparation
- Decision-making and engagement framework
- Prepare for outcome-based performance reporting

Ofgem's Strategic Direction Statement

Jon Dixon | Director of Strategy & Development



Preliminary Strategic Direction Statement

Background

- The **Energy Act 2023** strengthens Ofgem's role in setting strategic direction for industry codes
- **Ofgem's Preliminary SDS** is the first roadmap on how codes will support **Clean Power 2030**
- The Preliminary SDS sets **deliverables**
- We've aligned our **Draft Forward Work Plan** to the Preliminary SDS



Q&A



Q&A Instructions

- ✓ Please use the Microsoft Teams **Q&A function** to ask your questions or raise your hand
- ✓ Questions are **not anonymous** – your name will be visible once you click 'post'
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REC Services

Elizabeth Lawlor | Chief Operating Officer



Code Manager Evolution

Focus



- Preparation for operating as a licensed Code Manager under Ofgem's Strategic Direction Statement
- Enhancing governance, transparency, and performance assurance capabilities as part of the licence regime
- Ongoing transformation of the existing Code Manager service to meet regulatory expectations
- Evolving REC Performance Assurance Framework to better support the retail energy market
- Clear stakeholder engagement and governance improvements

Deliverables 2026–27



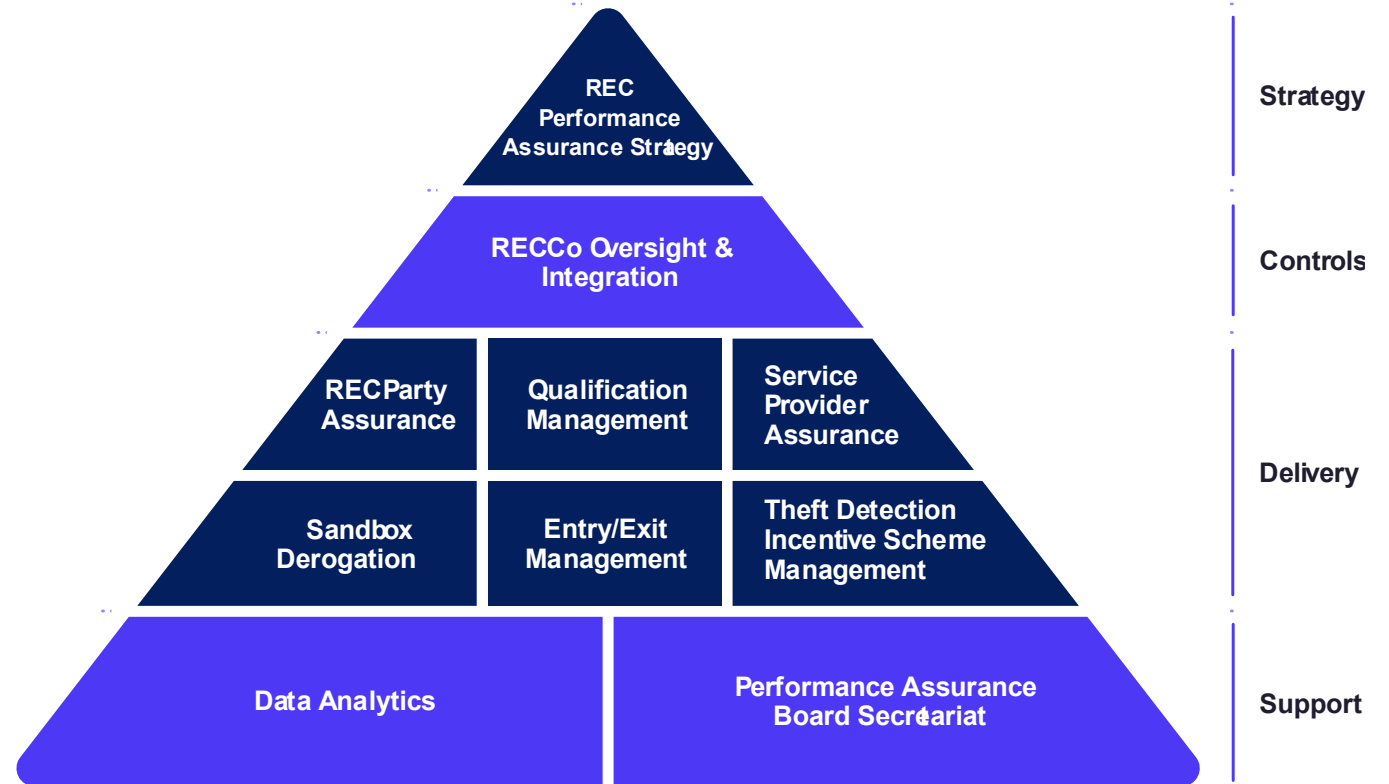
- Defined milestones and transition activities linked to achieving Code Manager licence obligations.
- Updated operating model for REC services under the licensed regime (i.e., establishment of REC Design Authority)
- Improved performance metrics and oversight aligned to Code Manager licence expectations
- Changes to performance assurance delivery models (e.g., more direct RECCo oversight)
- Updated Performance Assurance Strategic Products (e.g., Operating Plan and risk register enhancements)

REC Performance Assurance

Focus



Transitioning to a licensed Code Manager model will clarify ownership of REC performance by bringing core products in-house (using specialist partners where needed), leveraging data and digital capabilities to target interventions, and strengthening cross-code collaboration on shared risks



New service model: Strategy | Controls | Delivery | Support

Digital Services & REC Portal 2.0

Focus



- Delivering RECCo Digital Services to modernise the digital infrastructure that supports REC governance and REC services
- Establishing user communities to inform digital product development
- Relaunching and redesigning the REC Portal as a user-centric digital platform

Deliverables 2026–27



- Complete Discovery, Design, Build & Test phases for the new portal and supporting Digital Services
- Implement improved interfaces, dashboards, and user workflows
- Soft launch and phased rollout of the new portal platform scheduled – July 2026
- Cutover and go-live – September 2026
- Hypercare and business as usual transition – Autumn 2026

Enquiry Services

Focus



- Modernising and strengthening the delivery of Electricity and Gas Enquiry Services – Current and Future.
- Enhancing service performance, data access, and openness to future market requirements.
- Integration with RECCo's broader Data & Digitalisation Strategy e.g. API Gateway.

Deliverables



2026–27

- Implement in-flight enhancements to service delivery, including data access improvements
- Align with digital priorities to support expanded use cases and stakeholder needs
- Establish user communities to inform future service development
- Appoint service provider to deliver dual-fuel energy Enquiry Services for completion 2027/28

Flexibility & Our Programmes

Pete Davies | Director of Data, Technology & Transformation



REC Changes to enable Consumer-Led Flexibility

Government's **Clean Flexibility Roadmap** and **Consumer-Led Flexibility** (CLF) consultation set an ambitious agenda for scaling flexibility. RECCo is starting early analysis to avoid reactive change with a focus on the potential impacts of CLF policies on REC services and processes

Preliminary SDS Objective 4.2 & 5.1

Deliverables

2026–27

2027–28



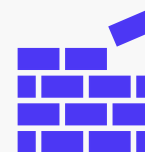
Analyse CLF scenarios
& Consumer Impacts



Collaborate with
Ofgem & DESNZ



Create REC Action Plan



Execute REC Action Plan

Delivering Tariff Interoperability as part of Smart Secure Electricity Systems Programme

Deliver a secure, consumer-centric service under REC governance, enabling sharing of tariff data in a standardised format for organisations and individuals to use in their services.

Preliminary SDS Objective 14.1 & 14.2

Deliverables

2026–27

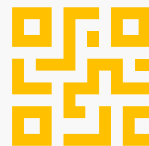
2027–28



Review Consultation
Responses to inform
REC Design



Build & Test



Finalise Technical
Design



Launch Tariff
Interoperability



Additional Tariff Types

Consumer Consent Service Minimal Marketable Product: Roadmap to March 2027

Deliver a secure, consumer-centric consent service under REC governance, enabling informed and revocable access to energy data via consent.

Minimal Marketable Product starting dataset: Energy usage data

Preliminary SDS Objective 14.1 & 14.2

Deliverables

2026–27

2027–28



Stakeholder
Collaboration & Alignment



Finalise Design
(inc. Governance)



Launch Consumer
Consent Service (MMP)



Addition of
Data Sets

Q&A



Q&A Instructions

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Financial Projections 2026–27

Brian O'Shea | Chief Financial & Commercial Officer



2025 Expected Outturn

- An expected full year underspend of **£7.1m**
- Combination of cost underspend of **£6.4m** and increased income of **c£0.7m**
- **Material drivers**
 - negotiated cost reductions on REC Services
 - limited use of contingency
 - targeted use of change investment allowance
 - revised procurement approach for Enquiry Services
 - closure of theft “proof of concept” trial
 - revised location delivery strategy for Digital Services
- Some of the underspend are “timing” driven
- Some are costs savings and will deliver both in-year and enduring savings
- **We’ve returned £5.5m to REC Parties this month**

| | 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 |

Draft 2026 Budget: Summary

- Key driver for coming year is to deliver and evolve REC Services
- We're aware that we're spending industry and consumers' money
- We must create value in everything we do
- We must secure the future of the REC Services
- We must deliver the expanded remit given to us by Ofgem and DESNZ
- We must evolve our operating model to meet our Code Manager Licence obligations
- Our Draft 2026 Budget is £66.6m. This is a 14% increase on what we expected to incur for 2026
 - 4% of the increase is on core activities
 - 10% relates to inclusion of contingent allowance for CSS procurement

| | 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 |

Key Elements for 2026

- Deploy new in-house delivery capability
- Deliver 7 projects initiated in 2025–26
- Deliver 2 new projects to support flexible market development and protect consumers interests
- Become the licensed REC Code Manager
- Increase headcount and people costs
 - Insourcing and new activities, economic savings, and capability development
- Investment projects
 - Deliver long-term REC Service viability, improved performance, and value for industry
- DCC procurement costs
 - £5.7m contingent allowance included for transparency
 - Working closely with DCC to secure best outcome



Analysis by Activity

- Provides an understanding of where costs are incurred
- 64%** of RECCo costs relate to delivery, evolution, and change of REC Services for the benefit of industry
- 30%** of costs relate to transformation of existing REC Services or development of new REC Services

| | 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% |

CSS Procurement Allowance

Four Key Contracts Expiring in 2027

- Options available
 - Full procurement at **c£9m** cost
 - Enhance and extend to 2029 (costs tbc)
- **£5.7m** contingent apportioned allowance in Budget for full transparency
- Working closely with DCC
- Confirm best option to secure future service delivery and service improvements
- Inclusion of allowance is not an acceptance of the costs or the procurement option
- No costs incurred until option confirmed
- Any underspend will be returned to REC Parties as early as possible

| | 2025 Budget (£'000) | 2026 Budget (£'000) |
|---|---------------------|---------------------|
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REC Services

REC Services

- Services that enable the operation of the market
- Excluding DCC procurement impact, the expected costs for 2026 are lower than we expected for that year:
 - Benefit of cost reductions secured in 2025
 - Benefit of revised location delivery strategy
 - Impact of revised approach to delivery of theft initiatives
- Costs show an increase on 2025, and this reflects the impact of indexation, new service enhancements going live, and the impact of the new Code Manager Licence

| 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 |

Investment Projects

- Secure the future of REC Services (i.e., Enquiry Services)
- Continue to deliver market projects (i.e., MHHS)
- Create an infrastructure to support digital delivery and enhanced Code Manager user experience (i.e., Digital Services)
- Deliver services to support a future market model (e.g., Consumer Consent & Tariff Interoperability)
- **7** projects are currently underway & **2** projects are new (Pounds for Pylons and Consumer-Led Flexibility)

Costs are higher than 2025:

- Costs peaks due to natural project lifecycle
- Revised procurement approach
- Revised deployment approach for Performance Assurance capability
- Timing shift on milestone payment profile for Digital Services

| 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 |

RECCo Operation, Change and Contingency

RECCo Operating Costs

- Resources required so RECCo can perform all its functions
- Higher than we were expecting for 2026
- Increased headcount drivers:
 - Bringing services inhouse (Market Design and Performance Assurance)
 - Required to do new things (Consumer Consent and Code Manager Licence)
 - More economic to recruit than to contract (BA and TA)
 - Developing future talent pool with development roles

Change Investment

- Funds functional changes to REC Service
- Maintained at 2025 level

Contingency

- <2% of total draft Budget value
- Maintained at 2025 level

| | 2025 Budget (£'000) | 2026 Budget (£'000) |
|-------------------|---------------------------|---------------------------|
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Next Steps

Rachael Anderson | Director of Corporate Affairs



Next Steps

How to respond

We welcome your feedback and comments on our draft Forward Work Plan and indicative financial projections

Email: recco_strategy@retailenergycode.co.uk
or **Complete the online form:** [here](#)

Response deadline: **5 February 2026 | 17:00 (GMT)**

Join our 2026–27 Budget Webinar

We'll break down the key elements of our 2026–27 Budget, provide insights into our financial planning, and answer your questions live.

25 February 2026 | 11:00–12:30 (GMT)

[Register here](#)

Thank you for joining us!

If you have any questions on the Draft Forward Work Plan,
please contact the team at:

recco_strategy@retailenergycode.co.uk

 info@retailenergycode.co.uk

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