



Business Case

# Digital Services

## 2026–27

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## Executive Summary

<p><b>Background</b></p>	<p>The Digital Services project forms a critical component of RECCo’s evolution of the Code Manager service. This project is set to deliver a step change in how digital infrastructure supports the delivery and management of the REC and the wider retail energy market.</p> <p>Following a review of the performance of the Code Manager service it was identified that the existing digital solutions that underpin Code Manager operations are not delivering the required value or experience to users, with significant limitations identified in terms of scalability, flexibility, and alignment with future market requirements.</p> <p>RECCo is committed to modernising its digital infrastructure to better serve industry participants, enable regulatory obligations to be met, enhance consumer outcomes, and increase the efficiency and effectiveness of the Code Manager service.</p> <p>As the REC continues to evolve in response to market developments—such as open data, digitalisation, the growth of low carbon energy solutions and the UK’s transition to Net Zero—it is essential that RECCo invests in a future-proof digital ecosystem.</p> <p>Following REC Board approval, the procurement of the Digital Services was initiated in July 2024. The procurement was completed in June 2025 with the appointment of the Digital Services Provider (DSP). The implementation phase of the project was initiated in July 2025, with the go-live date for the new service due on 1 September 2026. This project aims to take forward the replacement of the existing disparate digital solutions, with an integrated platform that offers improved functionality, resilience, and user satisfaction.</p>
<p><b>High-Level Objectives</b></p>	<p>The primary objective of the Digital Services project is to design, procure, and implement a new integrated digital ecosystem that will replace the current digital solutions and deliver a modern, scalable platform capable of supporting future growth and innovation in the energy market. The project will aim to:</p> <ul style="list-style-type: none"> <li>• <b>Enhance user experience:</b> Provide an intuitive, efficient, and user-friendly interface for all stakeholders.</li> <li>• <b>Streamline operations:</b> Improve operational efficiency by reducing process duplication and automating manual tasks.</li> <li>• <b>Future-proof the digital infrastructure:</b> Ensure scalability and flexibility to accommodate evolving market requirements and innovations. Furthermore, the modular architecture of the new digital ecosystem will facilitate the seamless integration or replacement of individual solution components, reducing dependency on any single provider. This flexibility will empower RECCo to adapt the Digital Services in response to future market changes or advancements in technology without requiring a wholesale system overhaul.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Align with environmental sustainability goals:</b> Contribute to the energy industry’s transition to Net Zero by leveraging energy-efficient technologies and solutions.</li> </ul>
<p><b>High-Level Outcomes</b></p>	<ul style="list-style-type: none"> <li>• <b>Improved Digital Service delivery:</b> A streamlined, cohesive digital ecosystem that enables better service delivery to REC Parties, REC Service Users, stakeholders, and consumers.</li> <li>• <b>Increased stakeholder satisfaction:</b> Enhanced user experience, leading to higher satisfaction across all stakeholder groups.</li> <li>• <b>Greater market efficiency:</b> More efficient processes contributing to the efficient functioning of the retail energy market.</li> <li>• <b>A future-proof platform:</b> A digital ecosystem that supports future market changes, new services, and innovations.</li> </ul>
<p><b>Recommendations</b></p>	<p>Continue with the implementation of a single DSP to design, implement, and support the integrated digital ecosystem. This approach will reduce complexity, enhance service delivery, and align with RECCo’s long-term strategic goals. The modular approach embedded within the new ecosystem’s design will further ensure that future transitions between Service Providers or the introduction of new technology components can be executed with reduced risk and operational impact, fostering a competitive environment and ensuring continued value for money.</p> <p>A budget allocation of £1.9m is requested for the 2026–27 financial year to complete the development, testing, soft launch, cutover, transition, and stabilisation of the new service. The project is expected to complete and close in the 2026–27 financial year.</p> <p>The forecast outturn for FY2025–26 is £2.2m, which would bring total project spend to £4.1m. This represents a reduction of £0.4m from the forecast in last year’s Business Case, which was £4.5m.</p>

Description	
Benefits & Outcomes	<p><b>Strategic Benefits</b></p> <ul style="list-style-type: none"> <li>• <b>Market leadership:</b> RECCo’s investment in its digital ecosystem will position it as a leader in code management innovation. The ability to scale and adapt the platform to emerging market needs, such as energy flexibility and data-driven regulation, will ensure that RECCo remains at the forefront of the retail energy sector.</li> <li>• <b>Compliance and governance:</b> As regulatory requirements, particularly around data security, consumer protection, and market competition evolve, the new digital platform will enable compliance with all relevant legislation and reduce the risk of breaches or penalties.</li> </ul> <p><b>Operational Benefits</b></p> <ul style="list-style-type: none"> <li>• <b>More intuitive user interfaces:</b> The current digital platforms, while functional, do not meet the evolving needs of users or offer the most efficient user experience. The new Digital Services will provide a more streamlined, intuitive interface that simplifies navigation and increases productivity for users.</li> <li>• <b>Automation and efficiency:</b> The integration of advanced data analytics, the use of an API gateway, and an increase in automated workflows will reduce manual processes, increasing operational efficiency. This will result in a more efficient service delivery. Additionally, the adoption of open standards and modularity in system design will allow for the independent evolution of different service components, providing RECCo with the flexibility to swap Service Providers or specific technological elements with minimal disruption to ongoing operations.</li> </ul> <p><b>Consumer Benefits</b></p> <ul style="list-style-type: none"> <li>• <b>Improved access and transparency:</b> The new system will enhance access to information; and greater flexibility and scalability will support the evolving interaction between market participants and the REC to facilitate competition and empower consumers to make informed choices.</li> <li>• <b>Consumer protection:</b> Enhanced security features will ensure that sensitive consumer data is protected, mitigating risks of data breaches and fostering trust in the Digital Services provided by RECCo.</li> </ul> <p><b>Sustainability Benefits</b></p> <ul style="list-style-type: none"> <li>• <b>Energy efficiency:</b> The new platform will leverage modern cloud-based solutions and energy-efficient data centres, aligning with RECCo’s commitment to sustainability. This will contribute to reducing the carbon footprint of RECCo’s digital operations and support the broader energy industry’s transition to Net Zero.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Long-term flexibility:</b> By designing the system with future market needs in mind, RECCo will avoid costly upgrades or replacements in the near term, ensuring that the platform can evolve alongside industry changes.</li> </ul> <p><b>Key Success Criteria</b></p> <ul style="list-style-type: none"> <li>• Successful design, build, and deployment of the integrated digital ecosystem by September 2026, based on the current plan.</li> <li>• Positive feedback from stakeholders and end-users, indicating improvements in usability, functionality, and performance.</li> <li>• Compliance with regulatory requirements and security standards.</li> <li>• Demonstrated operational efficiencies and reduced manual interventions.</li> </ul>
<p><b>Deliverables &amp; Outputs</b></p>	<p><b>Contract Award &amp; Mobilisation (COMPLETE)</b></p> <ul style="list-style-type: none"> <li>• Finalisation of the procurement process and selection of a DSP.</li> <li>• Formal contract award to the chosen provider.</li> <li>• Establishment of project governance structures, including the formation of project teams, roles, and responsibilities.</li> <li>• Kick-off meeting with the DSP to outline project scope, objectives, and expectations.</li> <li>• Development and finalisation of the detailed project plan, timelines, and risk management strategies.</li> </ul> <p><b>Discovery (COMPLETE)</b></p> <ul style="list-style-type: none"> <li>• Detailed stakeholder engagement and user research to develop comprehensive requirements for the new digital ecosystem.</li> <li>• Workshops and consultations with key stakeholders, including REC Parties and Service Users, to validate user needs and business objectives.</li> <li>• Creation of design prototypes and storyboards for core components, including the REC Portal, digital code navigation, and other user-facing elements.</li> <li>• Stakeholder feedback and approval of the design prototypes to ensure alignment with user experience goals.</li> <li>• Documentation, agreement, and RECCo formal approval of the finalised solution selection; the system requirements and specifications, including functionality, scalability, and integration requirements.</li> </ul> <p><b>Design, Build &amp; Testing (IN PROGRESS)</b></p> <ul style="list-style-type: none"> <li>• Development of the integrated digital ecosystem, incorporating elements such as the DXP Portal, Digital REC, Data Analytics, and User Authentication services.</li> <li>• Iterative design and development sprints, allowing for continuous feedback from stakeholders and users.</li> <li>• Regular review sessions with stakeholders to present design updates, functionality, and progress against the initial storyboards.</li> </ul>

	<ul style="list-style-type: none"> <li>• Completion of functional, security, and performance testing, ensuring that all solutions meet the defined requirements and standards.</li> <li>• User Acceptance Testing to validate the user experience and ensure the system functions as intended across different user personas.</li> <li>• Execution of the data migration strategy and completion of any data migration from the existing providers' systems to the new integrated ecosystem.</li> </ul> <p><b>Soft Launch</b></p> <ul style="list-style-type: none"> <li>• Initial deployment of the new Digital Services to a selected group of trusted stakeholders for real-world testing and feedback.</li> <li>• Collection of feedback from the soft launch users, focused on identifying any usability issues, technical challenges, or gaps in functionality.</li> <li>• Enhancement sprints to address user feedback and implement necessary improvements before the full system rollout.</li> <li>• Final validation of the system's readiness for full deployment, including data migration and cutover processes.</li> <li>• Comprehensive user training and onboarding materials delivered.</li> </ul> <p><b>Full Deployment &amp; Hypercare</b></p> <ul style="list-style-type: none"> <li>• Full deployment of the new integrated digital ecosystem to all users, ensuring smooth operation across the entire REC landscape.</li> <li>• Ongoing monitoring and support during the initial post-launch period with dedicated resources in place to quickly address any issues or defects.</li> <li>• Formal transition from project phase to business-as-usual operations, with the new Digital Services becoming fully integrated into the daily activities of REC Code Manager Service Providers.</li> </ul> <p><b>Hypercare Exit &amp; Transition to Enduring Operation</b></p> <ul style="list-style-type: none"> <li>• Continued monitoring and addressing any remaining issues during the hyper care phase.</li> <li>• Full knowledge transfer to the internal support teams, ensuring long-term stability and operational readiness.</li> <li>• Development and implementation of continuous improvement processes for the digital ecosystem, supporting ongoing user feedback and system enhancements.</li> <li>• Official handover of the system of the DSP to RECCo's operational teams.</li> </ul> <p><b>Transition from Current Digital Solutions</b></p> <ul style="list-style-type: none"> <li>• Formal amendments to the contracts of the existing Code Manager Service Providers, removing any digital solution delivery responsibilities.</li> <li>• Development of transition agreements, detailing the phased withdrawal of Digital Services currently provided by these service providers.</li> </ul>
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	<ul style="list-style-type: none"> <li>• The full transition of all digital solution delivery to the new DSP will trigger the removal of the use of digital systems and infrastructure currently provided by the existing Code Manager Service Providers.</li> <li>• Coordinated decommissioning of legacy digital solutions to ensure no overlap or conflicts during the handover to the new system.</li> <li>• Completion of any outstanding data migration from the existing providers’ systems to the new integrated ecosystem, ensuring agreed historical and operational data is transferred securely and accurately.</li> </ul>
<p><b>Objectives</b></p>	<ul style="list-style-type: none"> <li>• Deliver a robust, scalable, and future-proof digital infrastructure to replace the existing services in provided by the Code Manager Service Providers, ensuring that it can accommodate future regulatory changes and market growth.</li> <li>• Enhance user experience for all stakeholders, including REC Parties, Code Manager Service Providers, and consumers, by providing a more intuitive, efficient digital platform.</li> <li>• Support the UK’s transition to a low-carbon economy by implementing energy-efficient digital infrastructure and reducing the environmental impact of RECCo’s operations.</li> <li>• Improve operational efficiency through automation and integration and reducing manual processes.</li> <li>• Ensure compliance with data protection, security, and regulatory requirements, safeguarding consumer data and protecting RECCo’s reputation.</li> </ul>
<p><b>Options</b></p>	<p>Options have previously been considered between retaining and enhancing existing systems or procuring a new integrated digital ecosystem. The decision has already been made to proceed with the procurement and implementation of the new service.</p>
<p><b>Value for Money</b></p>	<p>The investment in a new integrated digital ecosystem represents good value for money by ensuring that RECCo is positioned to support the evolving needs of the retail energy market. While the initial costs are significant, the long-term operational efficiencies, reduced reliance on legacy systems, and improved user experiences will deliver significant returns over the system’s lifecycle.</p> <p>The project will be structured to minimise risk through phased deployment. Additionally, the system’s scalability will provide a strong foundation for future growth without requiring costly upgrades or overhauls.</p>
<p><b>Stakeholder Engagement</b></p>	<p>Obtaining stakeholder feedback on the current digital solutions and services has been a primary focus of the Digital Services project from the outset. The feedback gathered through various channels has been instrumental in shaping the direction and objectives of the project. Our approach to stakeholder engagement has been multifaceted, incorporating insights from a range of activities:</p> <ul style="list-style-type: none"> <li>• <b>Industry engagement events:</b> In June and July 2023, we held three dedicated events with REC Parties and Service Users. These sessions provided a platform for stakeholders to openly share their experiences,</li> </ul>

	<p>challenges, and expectations regarding the current Code Manager service and the Digital Services. These events have recently been repeated in October 2024.</p> <ul style="list-style-type: none"> <li> <b>Annual Surveys:</b> Over the past three years, the results from RECCo’s Annual Surveys have provided critical data on stakeholder satisfaction, highlighting recurring pain points and areas for improvement in the digital solutions.         </li> <li> <b>Bilateral meetings:</b> Ongoing bilateral meetings between RECCo and various Service Users have offered deeper, more tailored feedback, allowing us to explore specific issues and ideas for improvement in greater detail.         </li> <li> <b>Service Desk and Operational Account Manager (OAM) feedback:</b> We’ve systematically analysed feedback submitted through OAMs and the REC Service Desk. These channels have provided real-time insights into the operational challenges faced by users, helping us pinpoint the root causes of dissatisfaction.         </li> <li> <b>User Experience Project:</b> Through the User Experience (UX) Project, which has focused specifically on the REC Portal and Digital Navigator. This initiative has been key in understanding how users interact with these digital tools, revealing both technical and usability challenges.         </li> </ul> <p>To ensure ongoing engagement and a more structured feedback process, we established a Stakeholder Advisory Group (SAG). This group was composed of key service users and industry stakeholders, each bringing valuable perspectives and expertise to the project. The SAG served as an advisory body, providing guidance and constructive feedback to the project team as it navigates through the various phases of the Digital Services project.</p> <p>The SAG has offered critical insights into both the technical and strategic aspects of the project. The SAG was closed following successful procurement of the DSP.</p> <p>Following closure of the SAG, and commencement of the implementation phase, a User Group has been established, made up of Service Users, REC Parties and market participants. The User Group will help guide the design, development, and testing of the new digital solutions. Users can sign up to the User Group and be kept up-to-date on progress through a dedicated page on the RECCo website (<a href="#">REC Portal Relaunch: Retail Energy Code Company</a>).</p> <p>Getting user input early and then consistently through the design, development, and implementation is critical to the project being a success.</p>
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# Expenditure Plan

## Budget Breakdown

### Total Budget:

Digital Services	2025–26 £ million	2026–27 £ million	Total £ million
<b>Total: Project &amp; Implementation</b>	<b>2.293,965</b>	<b>1.9</b>	<b>4.1</b>
<i>Previous forecast</i>	3.2	1.3	4.5
Difference (-ve = underspend)	-1.0	+0.6	-£0.4

While the revised forecast for 2026–27 is higher than the previous forecast in the [2025–26 Business Case](#), this is due to distributional effects of when spend is taking effect rather than an overall increase in expenditure. The revised project costs shows a £0.4k expected underspend against original expectations. This has been secured predominantly due to cost reductions secured in the competitive procurement process, as well as some reduction to expected project expenditure.

### Project Expenditure

- Continuation of the Business Analyst until the go-live milestone, and of the Quality Assurance Manager until the completion of the hypercare phase.
- Continuation of lead contacts from the RPS and RPA to support the design, build, and test of the new solutions.
- Data migration, transition, and cutover support from the incumbent providers.
- Additional support from the Code Manager operational teams to support the transition to the new solution.

### Resources

- The project will be delivered through a hybrid model of internal RECCo staff, subject matter expertise contractors on fixed term contracts, and resources secured from incumbent Code Manager Service Providers. This hybrid model with resources targeted to areas of specialism is the most efficient delivery model.
- The resources required cover areas such as stakeholder engagement, testing and quality assurance, project management, and subject matter expertise in Code Manager services.

### Implementation Costs (DSP)

The implementation costs for the DSP have been agreed in the contract and are subject to the requirements, controls, and protections in the contract. These cannot be disclosed publicly as to do so would be a contractual confidentiality breach. These costs are reflected in the total project values quoted earlier.

<p><b>Cost–Benefit Analysis</b></p>	<ul style="list-style-type: none"> <li>• The overall cost–benefit case for procuring a new DSP has already been provided.</li> <li>• The continuation of the Business Analyst and Quality Assurance Manager are essential to ensure the must-have requirements are mapped, tracked, and delivered in line with required acceptance criteria and quality standards.</li> <li>• The continuation of CMSP support is essential to ensure the design of the new solution meets the needs of the operational teams delivering the service, as well as the smooth transition from legacy systems to the new digital ecosystem.</li> <li>• A Change Allowance is required to respond to changing user needs / priorities, unidentified gaps, and areas of ambiguity as the project progresses through the iterative design, build, and test phase. Estimates for the cost of incumbent providers managing the data migration, transition, and orderly closedown of the legacy services are also based on estimates, and it’s possible that additional activities will be required. Without an appropriate Change Allowance, the project would be dependent on the use of company contingency to manage these unforeseen scenarios, which will need to be responded to promptly to protect the timeline and outcomes of the project.</li> </ul>
<p><b>Assumptions</b></p>	<ul style="list-style-type: none"> <li>• The DSP will deliver all must-have requirements to time and quality at the fixed costs agreed in the contract.</li> <li>• The uplift in day-rates for the Business Analyst and Quality Assurance Manager when the current work order is renewed will not exceed 3.8%, in line with CPI(H).</li> <li>• CMSP support requirements align to the estimates set out in the budget forecast.</li> <li>• Changes required following implementation / go-live of the new solution will be managed through BAU and funded through Change Allowance.</li> <li>• Any extension required to incumbent services as a result of delays to the project will not be funded from the project budget. It is assumed this will either be funded from Operational Expenditure or Company Contingency.</li> <li>• The project will formally close by January 2027, following completion of the hypercare phase.</li> </ul>

Risk Analysis	
<b>Project Risks</b>	<p>Project risks are maintained through the <a href="#">project RAID log</a>.</p> <p><b>Current Top Risks</b></p> <ul style="list-style-type: none"> <li>• <b>R137:</b> Risk that interim RPA service providers will be mobilised part-way through DSP implementation, risking gaps in the DSP design or delays in deliverables.</li> <li>• <b>R161:</b> Risk that the testing approach from the DSP Provider will not be sufficient to capture and resolve critical defects prior to go-live.</li> <li>• <b>R163:</b> Risk that the DSP resourcing model does not deliver the required quality of outputs.</li> <li>• <b>R135:</b> Risk that the data migration requirements from legacy systems impact the successful transition to the new system.</li> </ul>
<b>Mitigation</b>	Mitigations are set out in the <a href="#">project RAID log</a> .
<b>Contingency</b>	Contingency plans will be agreed with the DSP and incumbent Service Providers in the event that the project fails to deliver the new service in time for 1 September 2026. This will be discussed as part of the transition / exit requirements, including notice requirements to continue with legacy services for a longer period or dual-running of systems to mitigate the risk of a delayed go-live.

# Implementation Plan

Timeline	2025												2026											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec						
Mobilisation	Mobilisation												M1: Mobilisation Completed											
Discovery	Discovery												M2: Discovery Completed											
Design, Build & Test	Design, Build & Test												M3: Iterative Design, Build & Test Checkpoint M4: Iterative Design, Build & Test Completed API GW Service Wrap Complete											
Soft Launch	Soft Launch												M5: Completion of Soft Launch											
Transition & Go Live	Transition / Go Live												M6: Deployment & Go Live											
Hypercare	Hypercare												M7: Hypercare Exit											
Resources	Resources have already been assigned to the project and include a hybrid model of internal staff and externally sourced subject matter expertise.																							

## Conclusion

The Digital Services 2026–27 initiative represents a strategic investment in RECCo's future capability and its continued role at the centre of the retail energy market. By delivering a modern, integrated digital ecosystem, RECCo will replace fragmented legacy systems with a user-focused platform that enhances both operational efficiency and stakeholder experience.

The proposed 2026 budget of £2.1m will fund the completion of design, development, testing, migration, and go-live activities, ensuring a seamless transition to the new service by September 2026. The allocation also includes appropriate provisions for change management and risk mitigation to maintain project integrity and delivery certainty.

This investment is not merely an upgrade of technology—it's a transformation of how RECCo, the REC, and Enabling Services deliver value to the market. The project will:

- Simplify and improved UX.
- Drive efficiency and improvement in REC processes.
- Enable greater transparency and accessibility for stakeholders and consumers.

The successful implementation of this programme will provide a robust foundation for future innovation, ensuring that RECCo remains agile and adaptable as the market evolves. With strong stakeholder engagement, disciplined project governance, and a clear focus on value for money, the Digital Services project will position RECCo as a leader in digital transformation across the energy code management landscape.

Recommend proceeding with the mobilisation and implementation of a new integrated digital ecosystem via a single DSP. This aligns with RECCo's objectives of enhancing service delivery, promoting innovation, and supporting market efficiency.



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