

Executive *Summary*

Our Forward Work Plan focuses on improving our existing services while preparing for the future.

Our 2024/25 four key priorities:

1. Delivering Service Excellence

2. Data and Digitalisation Strategy

3. Energy Theft Reduction Strategy

4. Regulatory Programmes and Policy Delivery



Delivering Service Excellence

In 2023/24, we completed our first year of operation of the full suite of REC Services. These comprise services that went live or were migrated at Retail Code Consolidation and the integration of the Central Registration Services and Gas Enquiry Service, which went live in summer 2022 as part of the Ofgem Switching Programme. Over the last year, we have taken stock and listened to stakeholders. We recognise that some services and code functions need to improve, including change, assurance and technology. We have initiated several immediate improvements, but there is more to do.

We will redouble our efforts to integrate closely and work in partnership with our service providers to deliver unified, effective, and efficient services to parties by improving the operating model across RECCo, the Code Manager and other services. This will be a renewed focus as we anticipate our role becoming a licensable activity, as provided for in the Energy Act 2023. Our main objective in 2024/25 will be implementing improvements to our core services, targeting issues raised via stakeholder feedback and changes that will have the greatest impact on delivering our mission statement.

1. Code Manager services

Improvements to the Code Manager services will focus on service quality, ways of working, and increasing industry knowledge within delivery teams. The Performance Assurance team will focus on the simplification and improved targeting of reporting and improving the qualifications process. We will provide further support for REC Parties by upskilling and increasing the capacity of the Operational Account Managers (OAMs). We will build upon and improve the REC change management process, minimising outstanding changes and expediting appropriately prioritised future changes. When developing solutions, we will increase and better target our stakeholder engagement. We will extend our work on improving the user experience of our platforms and build on the progress that has been made on the REC Portal and the digital REC to the extent possible in the short-term.

2. Switching Service

The REC holds the Data Communications Company (DCC) to account for its Central Registration Service (CRS), albeit this accountability is limited to the recovery of service performance credits. As retail market conditions continue to evolve, it is critical that there is confidence in CRS's ability to cope with increased switching volumes. A significant part of our work in the coming year is to complete a review of the performance charge regime. We will also feed into the Ofgem review of the DCC licence and continue to advocate for a separation of switching arrangements from that licence, with improved governance and accountability for the delivery of switching services wholly under the REC and/or contract with RECCo.

3. Enquiry services

We are mindful that many of the other programmes and initiatives that we and REC stakeholders wish to progress will be dependent upon change to the enquiry services, not least the Market Half Hourly Settlement (MHHS) programme. In the coming year, we will seek to maximise service performance while improving the user experience and security.

4. Our people

Our efforts to continually improve the services we provide and work more effectively in partnership with our service providers will be supported by ongoing learning and investment in our people. We have also learnt from operational experience how to perform our role more effectively as contract managers. Our plan, therefore, includes bolstering our operations team to ensure we have the resources necessary to manage our service providers' delivery.

Effective and efficient procurement is a cornerstone of our approach to service delivery. We believe that a disaggregation of the services that constitute REC code management allows for the procurement of 'best in breed' service providers, obviating the need to compromise in any aspect and delivering a partnership that is greater than the sum of its parts. However, experience has shown that some lower-level activities may have been performed better or achieved greater synergies if they had been performed as part of a different role. In advance of the services reaching the end of contractual renewal or expiry dates, we will initiate a project to re-organise the Code Manager services, informing a competitive procurement no later than 2027.

Data and Digitalisation Strategy

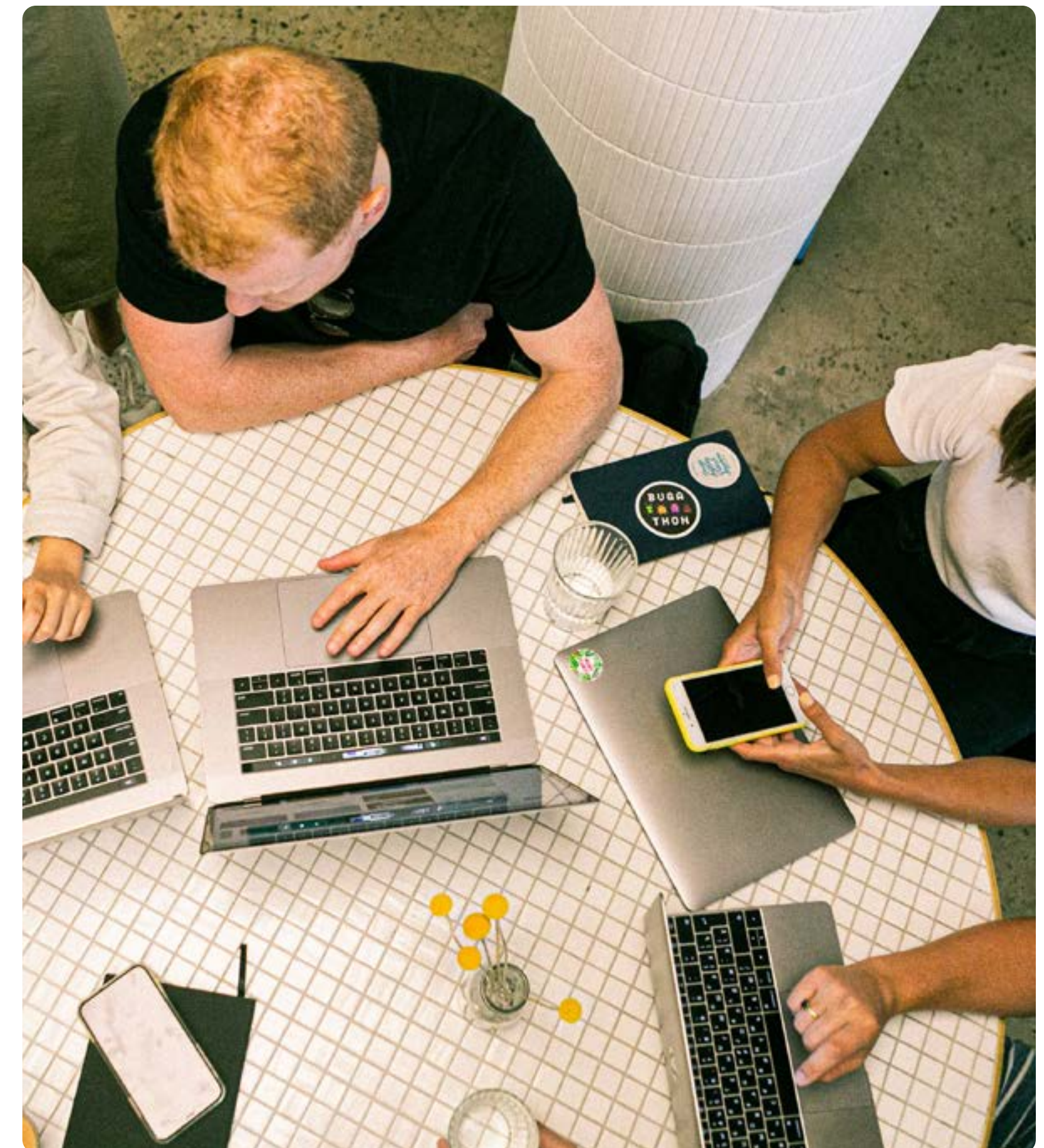
In 2024/25, we will address pain points experienced by users of our enquiry services and disparities in the use of technologies, standards of security and access to data, many of which are a legacy of the formerly separate governance arrangements.

We will continue to simplify the process by which REC Parties and other users access enquiry service data, while maintaining strict controls over what they have access to and for what purpose. We will continue to [strengthen the security and resilience of the services](#), including the way we respond to potential incidents.

This year, we updated our Data and Digitalisation Strategy, which focuses on opening access to REC controlled data and consumer consent. We consider that facilitating appropriate access to data will be a key contribution we make towards the delivery of Net Zero, for instance, through facilitating a consumer-centric approach to more flexible energy management. The greater sharing of data with appropriate consumer consent may also allow for the better targeting of support.

We have also delivered several user experience improvements, including a **Digital Navigator** and [ERIN \(Energy Resource Information Network\)](#) tool built using Artificial Intelligence (AI) and Natural Language Processing (NLP). This enhances digital users' experience by providing clear, conversational and understandable information on REC products in an efficient and easily accessible way.

Over the coming year, RECCo will be implementing an **Application Programming Interface (API) gateway**. We will move to a microservice architecture to allow greater flexibility in the system, better enable continuous improvement and to enable changes to the current RECCo enterprise architecture. A microservice architecture is where applications are structured as a collection of services organised around business capabilities, with each service being independently deployed and maintained. Moving to this approach will support our drive to deliver large, complex applications in a more agile way, bringing improved reliability and scalability.



Energy Theft Reduction Strategy

Our Energy Theft Reduction Strategy aims to deliver the insights, services and other tools that will enable REC Parties to more effectively *Prevent, Detect and Respond* to energy theft.

We facilitate work on behalf of REC Parties to identify the scale and nature of energy theft and provide services to help them prevent, investigate and resolve the problem.

For instance, in 2022, we commissioned what we believe to be the first independent and industry-wide review of theft for around ten years. It found the combined volume of gas and electricity theft in Great Britain to be worth around £0.9mn – 1.4bn per year (based on December 2022 prices).



Our work to assist REC Parties to more effectively tackle theft and keep consumers safe from the dangers of meter tampering will focus on five key areas:

Engagement

We consider that the issue of energy theft can only be tackled through coordinated and collaborative action. Engagement will support us in developing the Theft Reduction Strategy and associated initiatives.

Awareness

We will build upon the work conducted in Autumn 2023 to identify where we must focus our efforts in raising awareness of and changing attitudes towards the issues associated with energy theft. This will, in part, be aimed at driving additional calls about individual cases of theft to the tip-off service operated by Crimestoppers, but we will also prompt greater engagement with policy-makers and other agencies, with whom the industry must work to address the systemic problems.

Data and Insights

We will continue to identify, procure and analyse data that may better inform RECCo and REC Parties' efforts to identify the scale and location of likely theft or other inadvertent causes of energy consumption being unmetered. We will continue developing the services we procured during 2023/24 to support this work, including social media monitoring and the theft data portal.

Incentives

We will improve the efficacy of the Theft Detection Incentive Scheme to increase the number of investigations. As additional data and insights become available, we may seek to incentivise other behaviours that mitigate the risk of energy theft.

Enforcement

We will continue to work with the police and other agencies to strengthen the options available to REC Parties to tackle serious and systemic instances of theft. This may involve establishing a means of direct referral for police investigation and providing guidance to REC Parties on best practice in respect of evidence-gathering and other issues.

Regulatory Programmes and Policy Delivery

In addition to the work that we may plan for ourselves or raise through the REC Change Management process, we must also respond appropriately to policy initiatives from Ofgem or the Government that affect the REC or wider retail energy arrangements.

These key pieces of work are set out in the Regulatory Programme and Policy Delivery section of this document.

Those with the greatest impact upon the REC and RECCo are summarised below:

Deliver our MHHS obligations

In 2024/25, MHHS will enter a critical phase of development, namely **Systems Integration Testing** (SIT). We will resource our MHHS team to ensure we meet our programme deliverables on time, within budget and to the quality standard required.

Code Reform and Licensing

We will continue to engage with Ofgem, Government and other code bodies to share the learnings from Retail Code Consolidation and REC Code Manager services procurement. This will help facilitate wider code governance reform and minimise disruption to REC Parties and service providers.

Tariff Levelisation

We will design, build and deliver the systems and processes required to facilitate the removal of the Pre-Payment Meter (PPM) premium from domestic standing charges. While Phase 1 of this levelisation policy will be implemented by 1 April 2024, the ongoing development of Ofgem’s policy in respect of standing charges may have further implications for us.

Third Party Intermediaries

Following on from the introduction of the TPI Code of Practice, we will develop an accreditation and assurance framework which will, subject to approval by Ofgem, facilitate it being made a mandatory requirement under the REC for non-domestic suppliers to use only a TPI that is compliant with that Code of Practice.



Table of Key Deliverables

Strategic Priorities	Workstream	Outcomes	Consumers	Climate	Competition	Cost	Catalyse
Delivering Service Excellence	Code Management	<ul style="list-style-type: none"> Enhance the efficiency and effectiveness of the REC Change Management Process Grow RECCo Code Manager support resource Optimise REC Service User engagement and accessibility across REC help desks and other advisory services Improve the REC performance assurance regime aligned to stakeholder feedback Improve the user experience across our digital platforms Initiate the re-procurement strategy to prepare for the contract renewal process 	✓			✓	✓
	Enquiry Services	<ul style="list-style-type: none"> Enhance RECCo's data management practices Improve the capacity and performance of both our electricity and gas enquiry services Work to deliver an Open Data approach to enquiry services Advance security incident management practices 			✓	✓	✓
	Switching: Central Registration Services	<ul style="list-style-type: none"> Implement recommendations from P1 Major Incident Improve incident and performance management procedures Enhance operational ways of working with DCC Review governance model and implement improvements Engage with Ofgem on the separation of CRS from the DCC licence 	✓		✓	✓	✓
	Our People	<ul style="list-style-type: none"> Launch a comprehensive programme to enhance team capabilities Introduce new initiatives to support physical and mental health 				✓	

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Data and Digitalisation	Data and Digitalisation	<ul style="list-style-type: none"> Continue to support Ofgem and DESNZ in their development of policy on Consumer Consent Improve REC alignment with Ofgem's Data Best Practices Implement changes to RECCo's enterprise architecture Implement an API gateway Strengthen RECCo system security Continue to develop AI capability 	✓	✓	✓	✓	✓
Energy Theft	Energy Theft Reduction Programme	<ul style="list-style-type: none"> Improve the efficacy of the incentives scheme Develop a portal to improve industry-wide data sharing Consult on a proposal for a dedicated police unit to tackle energy theft Progress recommendations of the end-to-end process review 	✓	✓	✓	✓	✓
Regulatory Policy Delivery	Market-wide Half-hourly Settlement (MHHS)	<ul style="list-style-type: none"> Deliver six core workstreams (code drafting, qualification, design changes, testing, operational readiness and stakeholder engagement) to support the successful implementation of MHHS 	✓		✓		✓
	Code Reform and Licencing	<ul style="list-style-type: none"> Engage with and implement code governance reform Undertake preparation and process to acquire Code Manager license 	✓	✓			✓
	Tariff Levelisation	<ul style="list-style-type: none"> Deliver payment levelisation reconciliation from 1 April 2024 Assess impact of standing charge levelisation to inform future policy development 	✓				
	Third-Party Intermediaries	<ul style="list-style-type: none"> Develop assurance and accreditation processes for the TPI Code of Practice 	✓			✓	✓

Financial Overview

RECCo operates on a not-for-profit basis with its income matching its costs in each financial year. Any underspend (including change allowance and contingency) against the overall Budget is returned to funding parties as a rebate against the following year’s charges. RECCo expects to underspend against its 2023-24 Budget and, to the extent possible, this underspend will be returned as a reduction against the 2024-25 charges.

Table 1 provides an overview of the 3-year indicative financial projection. Most costs over the period remain largely consistent. The increase in 2025-26 is due to the inclusion of costs anticipated for the Code Manager services procurement. The original indicative costs for 2024-25 are shown for comparison purposes.

REC Services are those services which are live and in operation currently. Projects reflect proposed initiatives for the coming year, of which ‘Must Haves’ are 83% and ‘Should Haves’ are 16%, with the remaining 1% being an allowance for small projects.

Table 1: 3-Year indicative financial projection

RECCo 3-year projections summary	2024/25 Indicative £'000	2024/25 Budget £'000	2025/26 Indicative £'000	2026/27 Indicative £'000
REC Services	38,040	34,045	37,472	40,780
RECCo Operations	5,315	6,102	6,513	6,789
Projects	6,122	6,760	10,510	3,200
Change Allowance	4,000	4,000	4,000	4,000
Contingency	2,000	2,000	2,000	2,000
Total	55,477	52,907	60,495	56,769



We hope you found this Strategy, Forward Work Plan and associated financial projections useful.

Comments

We invite all comments from any interested parties via email by 5pm on 5th February 2024 to:

strategy@retailenergycode.co.uk

recco_strategy@retailenergycode.co.uk

Webinar

We would be happy to answer any questions you may have at our webinar on Tuesday, 23rd January at 10am.

[Register](#)



Retail Energy Code Company Ltd,
27 Old Gloucester Street,
London. WC1N 3AX

