

Consultation Response

Response to the Forward Work Plan Consultation (2026–29)

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Introduction

Thank you to all stakeholders who responded to RECCo's consultation on the Draft Forward Work Plan (FWP) 2026–29 and the proposed 2026–27 Budget. We received six responses, including both survey submissions and detailed written feedback.

We appreciate the time taken to review the proposals and share constructive views. Stakeholder feedback is an important part of ensuring our plans remain proportionate, transparent, and aligned with industry needs.

The RECCo Board has carefully considered all responses. The Board considers that the proposed workstreams and related budgets align with RECCo's mission statement, Strategy 2025–30, Retail Energy Code (REC) objectives, and Ofgem's Preliminary Strategic Direction Statement (SDS).

Importantly, they are based on prudent service and contract management or obligations directed by Ofgem or DESNZ. For activities within the SDS, the majority are weighted to the "**Act Now**" horizon (the next two years), and others are in the "**Think & Plan**" horizon. The latter requires preparatory analysis rather than immediate delivery.

While the Board concluded that the Forward Work Plan and Budget do not require substantive changes, several respondents raised important points regarding clarity, proportionality, and transparency. We recognise these points and will make improvements to how information is presented in the final Forward Work Plan 2026–29.

This document summarises the key themes raised through the consultation and the actions RECCo will take in response. A more detailed summary of responses to each consultation question is provided in the [Appendix](#).

Regulatory Context and Board Decision

RECCo's Forward Work Plan 2026–29 is developed within the context of Ofgem's Preliminary SDS for code reform. The SDS sets out the framework for future code governance. The SDS categorises potential code changes into three time horizons:

- 1 Act Now:** Changes expected to be developed and implemented within two financial years (2025–26 and 2026–27); stakeholders are asked to prioritise these within existing budgets.
- 2 Think & Plan:** Changes expected within two to three years, with preparatory work in advance and budgeting for delivery in 2027–28.
- 3 Listen & Wait:** Longer-term changes that may only require early scoping work.

Where appropriate, RECCo has used these categories to structure the Forward Work Plan. Many of the workstreams identified fall into the **Act Now** horizon, with some falling into the **Think & Plan** category. Those require planning and analysis, but no immediate commitment of significant funds. For each activity, we've assessed the pace and scope.

This approach aims to balance readiness with proportionality, ensuring RECCo is prepared for future obligations, without committing unnecessary resources before the policy direction is clear. Based on this regulatory context and the feedback received, the Board decided to maintain the current work plan and budget, focusing on greater transparency and clarification instead of altering the plan.

Summary of Consultation Themes and Rationale for No Change

Although the majority of respondents supported RECCo's direction, several overarching themes emerged, as detailed in Table 1.

Table 1: Overarching themes

Theme	Feedback Summary	RECCo's Response
Pace, scale, and proportionality	<p>Supportive of overall direction but concerned that some activities are moving too quickly and too broadly ahead of policy clarity.</p> <p>Respondents sought clear triggers for starting, pausing, or stopping workstreams.</p>	<p>We recognise the importance of demonstrating proportionality and providing clearer visibility of how workstreams progress.</p> <p>In the final publication of the Forward Work Plan, we will clearly label workstreams according to the SDS (Act Now, Think & Plan, Listen & Wait). To provide greater clarity in the document, we will also outline key decision point criteria (where known) and provide regular updates on the workstream progress through our communication channels.</p> <p>Many of the activities included in the Forward Work Plan are either mandated or preparatory in nature. On this basis, the Board has confirmed that no changes to the scope of the Forward Work Plan or supporting Budget are required at this stage.</p>
Cost growth and transparency	<p>Some elements of Budget growth and contingencies were seen as insufficiently justified.</p> <p>Respondents also asked for a narrative on year-on-year cost drivers and a breakdown of mandatory vs discretionary spend.</p>	<p>We recognise the importance of providing clear visibility of cost drivers and how funds are being used. The Board has confirmed that cost growth reflects necessary investment to deliver mandated services, and prepared for upcoming market changes, including the Code Manager Service Evolution and Enquiry Services.</p> <p>The increase relating to the Code Manager Services Evolution budget reflects the change in the service operating model, bringing delivery of the Performance Assurance strategy and core assurance products in-house, increasing transparency, strengthening control, and enabling a faster response to emerging retail risks.</p> <p>We're also using the opportunity to evolve our Service Partner model. In addition, we've appointed Moorhouse as the new REC Party Assurance provider to support RECCo and provide a fresh insight and challenge to the role, as well as improved service levels. For more information, please see our recent news article.</p> <p>For the Enquiry Services Evolution project, the Budget includes implementation costs within the Investment project category and longer-term operating costs within the REC Services category. From 2027–28, our operating costs start to reduce, thereby securing a quick return on investment. In 2027–28 the costs to operate are circa 45% of the 2026–27 level.</p> <p>For future Budgets, we commit to:</p> <ul style="list-style-type: none"> • Providing a clear narrative explaining year-on-year cost drivers • Ensuring REC Parties understand baseline operational costs vs one-off transformation costs • Clarifying principles for the use and sizing of contingency

Theme	Feedback Summary	RECCo's Response
Internal resourcing	Concerns that RECCo's headcount growth may outpace confirmed need and increase burden on suppliers.	<p>We understand these concerns and remain conscious of cost pressures on suppliers. The proposed increases primarily reflect the requirements associated with the restructuring of the Performance Assurance delivery model, transition to the licensed Code Manager role, impact of increased delivery body obligations, and the economic benefits of bringing certain capabilities in-house.</p> <p>Headcount is managed centrally to provide flexibility across delivery priorities rather than being allocated to specific projects, and the Forward Work Plan does not include project-specific staffing contingencies.</p> <p>We will also consider supplier capacity constraints and industry impact as part of planning and prioritisation.</p>
Performance assurance	Current performance assurance activities are viewed as causing a high-burden with limited demonstrable value.	<p>We recognise the feedback regarding the current Performance Assurance Framework and associated delivery. Based on feedback, RECCo is revising the service model, as outlined earlier. This includes bringing in-house the creation of an updated Performance Assurance Strategy, which will focus more strongly on areas of highest risk – and include an outcomes measurement framework. This workstream is already included in the Forward Work Plan for 2026–29. As a result, no further change to the Forward Work Plan or supporting Budget is required.</p> <p>We will consult further with stakeholders on the updated strategy to ensure industry input continues to shape its development.</p>
Mandatory vs discretionary activities	Respondents found it hard to distinguish between mandatory activities arising from Ofgem/DESNZ directions and discretionary initiatives.	<p>We agree that it's important to clearly distinguish between activities that are mandated and those that are discretionary.</p> <p>In the final Forward Work Plan, we will clearly label activities and spend as mandatory (arising from Ofgem/DESNZ directions or SDS) or discretionary. The current Forward Work Plan largely reflects mandatory and preparatory activities, and therefore, no changes to the plan are required.</p>
Policy-dependent activities	There was concern that investment in areas such as Consumer-Led Flexibility, Tariff Interoperability, and "Pounds for Pylons" could be premature.	<p>We recognise the importance of ensuring that investment is proportionate and aligned with policy direction.</p> <p>Activities in these areas are currently categorised within the SDS as part of the "Think & Plan" category. This means our focus is on preparatory work, including analysis and coordination with Ofgem, DESNZ, and other code bodies, to better understand the potential requirements and maintain the viability of the expected timetable.</p> <p>We consider the budget allowances to be proportionate and aligned with the scale and pace of these industry initiatives. No substantive spend will be incurred until policy direction and delivery responsibilities are confirmed.</p>

Conclusion

The consultation responses broadly supported the direction of RECCo's Forward Work Plan while highlighting areas where greater clarity would be helpful.

After considering the feedback and the regulatory context provided by Ofgem's SDS, the RECCo Board concluded that the proposed workstreams and budget remain appropriate.

The actions outlined above will improve transparency and provide stakeholders with clearer insight into how RECCo prioritises activities, manages costs, and prepares for future regulatory obligations.

Appendix: Summary of Responses by Question

Question 1 – Have we identified the right workstreams under each strategic aim?

Three survey respondents agreed that the right workstreams have been identified, while one respondent questioned whether the plan is proportionate and prioritised. Email respondents generally supported the proposed workstreams but emphasised the need for collaboration with central system delivery bodies and alignment with the SDS.

Question 2 – Is there anything else we can provide to clarify the proposed workstreams?

Two respondents did not request further clarification; the other two respondents sought clearer information on the triggers for initiating proactive workstreams and greater transparency about when work would pause or stop. Specific requests included reassurance that RECCo will remain lean and avoid bureaucratic interventions, clarity on cross-code management activity, and further detail on energy theft incentives and data access.

Question 3 – What feedback or suggestions do you have on the deliverables outlined?

Two respondents urged caution about progressing deliverables that are speculative or depend on unsettled policy; they suggested focusing on analysis and engagement rather than solution design. The other respondents had no material comments.

Question 4 – Do you have any comments on the Budget?

Three respondents provided detailed comments on budget transparency and growth:

- **Transparency and resource growth:** Respondents sought a breakdown of full-time equivalents (FTEs) and explanations of how resources are allocated across programmes. There was concern that RECCo may be expanding into areas beyond its scope and adding cost contingencies without clear justification.
- **Performance assurance costs:** The current performance assurance model was viewed as bureaucratic and high-cost relative to its value. Respondents requested a refocused function centred on market entry, core compliance, and evidence-based development.
- **Contingency and policy-dependent spend:** Stakeholders questioned the inclusion of a £5.7m contingency for Central Switching Service procurement and a significant investment in policy-dependent areas, such as flexibility and infrastructure.

One respondent cautioned that expanding internal capability could create pressure to generate additional work, and another had no specific comments.

Question 5 – Is the level of detail provided sufficient to give you a clear understanding of the Budget?

Three respondents stated that the details were sufficient, while one requested additional transparency.

Question 6 – Is there any further information you would like us to include in the final Budget?

Suggestions included a clearer breakdown of FTEs, a distinction between mandatory and discretionary spend, and a more flexible consultation format. One respondent had no additional requests.