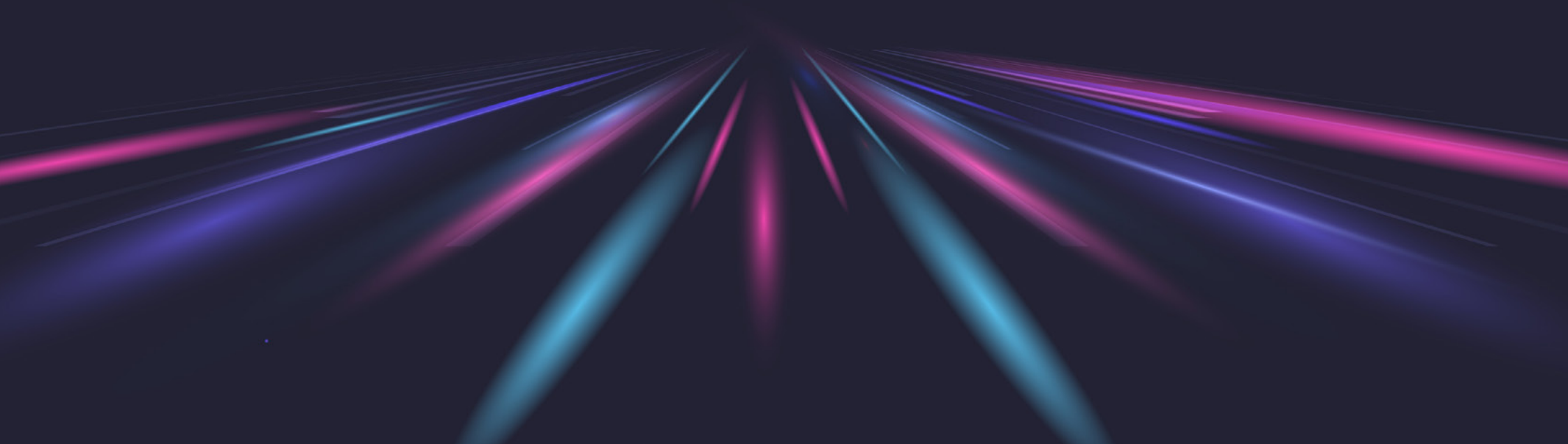




Central Data Services Provider

# Business Plan 2026-29 (BP26) Draft 1

TRUST | INNOVATE | DELIVER





Making  
Energy  
Data  
Work

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# CEO introduction



As we celebrate 20 years of being the digital heartbeat for the Great British gas industry, Xoserve is fully focused on embracing change and delivering outstanding CDSP services for Customers now and into the future. BP26 is the means for us to accelerate towards enhanced service provision and playing our part in making energy data work for all.

Steve Brittan, CEO



**Xoserve's recent Customer Strategy Day was titled 'Embracing Change' and, as we build our 2026-29 Business Plan (BP26), it does indeed feel as if there is an accelerating pace of change, both in our market and in wider society.**

Although there are still many uncertainties, it is becoming clear that the overall effort to decarbonise the UK's energy system will require a broad range of solutions and sources of energy, and that the gas network is likely to be transporting and distributing an increasingly diverse range of gases for a long time to come. We already see progress being made in adopting green gases in countries such as Denmark, Italy and France, and the formation of the Green Gas Task Force in the UK is a welcome development, which I hope will bring greater co-ordination and focus to the scaling up of green gas production in the UK.

The National Energy System Operator's most recent future energy scenarios envisage that gas will continue to make a significant contribution to the UK's energy mix for decades, and it has become very clear that the gas network will be needed to provide resilience and continuity for electricity supply, at times when renewable energy outputs are low.

As such, the initiative that we started last year to upgrade the UK Link system, Project Trident, has been justified by the events over the last 12 months. Its core purpose is to deliver a more flexible UK Link solution through to at least 2040. We have made good progress in the foundation stage of this project, and a potential solution – which is called the 'preferred hypothesis' – has been developed and shared with Customers. This hypothesis is now being tested with a solution definition project, which we are confident will provide confirmation that the preferred hypothesis is the lowest risk approach to the project. It will also provide a rich bank of information about UK Link for potential bidders.

We continue to use HM Treasury's Green Book as our approach to transparently build our Business Case, and the draft Outline Business Case will be published later in the business planning cycle. As proposed in our 2025-28 Business Plan (BP25), we have grown an in-house 'intelligent customer' and enterprise architecture capability able to capture in detail all the business processes that UK Link operates, with the objective of being ready to run a competitive tender in 2026.



To provide assurance to both Customers and the Xoserve Board, we have appointed PwC as independent project assurer, who will be reporting regularly on all aspects of the project. As forecast in BP25, spend on Project Trident will ramp up in FY26, and continue for several years. However, spend estimates are still broad – it won’t be until the competition has been run, and the Full Business Case (Green Book) developed, that the costs of Project Trident will be definitive.

Project Trident also commissioned an in-depth piece of work, delivered by Moorhouse, in which 140 Customers participated in workshops to assess future requirements, and also examine opportunities to improve existing services. This analysis has already been published, and we believe that there is scope to make improvements to our services before Project Trident delivers the UK Link upgrade. This 2026-29 Business Plan articulates a range of proposals to do this.

We also heard loud and clear that future flexibility is an absolutely key requirement for Project Trident, which aligns with the strategic context I described at the beginning of this Introduction. The preferred hypothesis for Project Trident will progressively build flexibility into the architectural core of the system once UK Link has migrated away from its current technology platform.

Ofgem has continued with its programme of Energy Code Reform, having recently selected Elexon and RECCo as the first two Code Managers – and the process of appointing the future Gas Network Code Manager is imminent. Ofgem also published its Preliminary Strategic Direction Statement in August 2025, and in this it is clearly asking Central System Delivery Bodies like Xoserve to respond in a number of ways. We embrace the opportunity to do so.

We believe that Code Reform, and the introduction of a Code Manager for gas, will be an excellent opportunity to accelerate progress in the industry, and our [White Paper](#) produced last year outlined a number of proposals, describing our vision for an integrated model of Code management for gas. We remain passionate to support decarbonisation, ongoing market development, and consumer interventions, and believe that data is a key enabler for many aspects of future initiatives.

This year, we celebrated our 20th birthday, and readers of this Business Plan will notice a new look for the Company. At our core, quality of service remains of vital importance to the Xoserve team, and is something we will never compromise on, even as we embrace the opportunities that change brings. The key performance metrics and indicators of the systems we deliver remain very high, and Customer satisfaction, as measured by our annual survey, is the highest it has been since we started tracking this. The costs to consumers of our core ‘Service and Operate’ provision, which has been in place since 2023, continue to fall in real terms, and BP26 continues this trend.

The core data service contract we have with our principal supplier, Correla (known as DSC+), terminates in 2030, and in BP26 we describe the start of the process to consider what it should be replaced with, to deliver the Central Data Service Provider (CDSP) services needed for the 2030s. Again, I see this as an opportunity for service innovation, informed by the work undertaken recently to validate CDSP service ‘pain points’. Our business architects are already working on how we could develop our services for the future. Additionally, we must consider the rapid pace of technology innovation in Artificial Intelligence (AI) and machine learning. Xoserve is planning to develop its own AI strategy and deploy AI in various aspects of its business.

To conclude, in BP26 we stay true to our core guiding principle of delivering trusted services as the digital heartbeat for the GB gas market. This Business Plan is also very much forward-thinking, as we start to embrace the strategic challenges of major systems upgrades, supporting accelerating decarbonisation efforts, and designing future CDSP services for the 2030s. We look forward to co-creating this plan with our Stakeholders.

**Steve Brittan**  
CEO, Xoserve





# Executive summary

The Xoserve 2026-29 Business Plan (BP26) sets out the required scope and budget for the provision of Central Data Service Provider (CDSP) services during the 2026-27 financial year. It also provides a forecast for the financial years 2027-28 and 2028-29.

## Customer-centric, industry conscious

We play a unique and critical role at the heart of the GB gas industry and have been its digital heartbeat for two decades. This Business Plan describes how we will continue to procure, manage, deliver, enhance and assure the critical gas industry services which our Customers rely on to be able to securely and consistently operate in the market.

The activities described in BP26 will enable us to remain focused on overseeing and enhancing dependable, Value for Money (VfM) services, and on developing innovative solutions to current and future industry priorities.



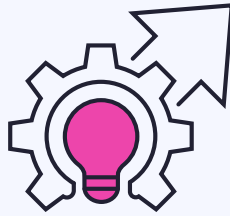
## Our strategic foundation: Trust – Innovate – Deliver

BP26 will be developed around three core strategic principles, central to our broader evolutionary strategy: **Making Energy Data Work.**



### Trust

We are dedicated to building and maintaining trust through consistent transparency and robust governance. BP26 will present information in compliance with the Business Plan Information Rules (BPIR). It will also provide a clear articulation of Value for Money (VfM) through the 5E Framework, which allows us to express how value is achieved through five equally weighted lenses: Efficiency, Equitability, Economy, Effectiveness and Evolving. Our commitment to independent third-party assurance of BPIR compliance underscores this principle, as does our development of a standardised Cost Benefit Analysis Methodology.



### Innovate

Delivering VfM necessitates continuous innovation. BP26 will propose investments aimed at enhancing the efficiency and effectiveness of CDSP Services. This includes modernising critical IT platforms, exploring the strategic application of Artificial Intelligence (AI), and undertaking independent VfM reviews to ensure our services remain benchmarked favourably.



### Deliver

We have been the digital heartbeat of Great Britain's Gas Industry for over 20 years. Our mission is to deliver excellent CDSP services, both now and into a sustainable future. This will inevitably include activities currently outside our Key Performance Measurement regime. Our mission is underpinned by our deep gas industry expertise, a focus on enhancing our capacity and capability, and proactive engagement in industry projects aligned with decarbonisation policy.

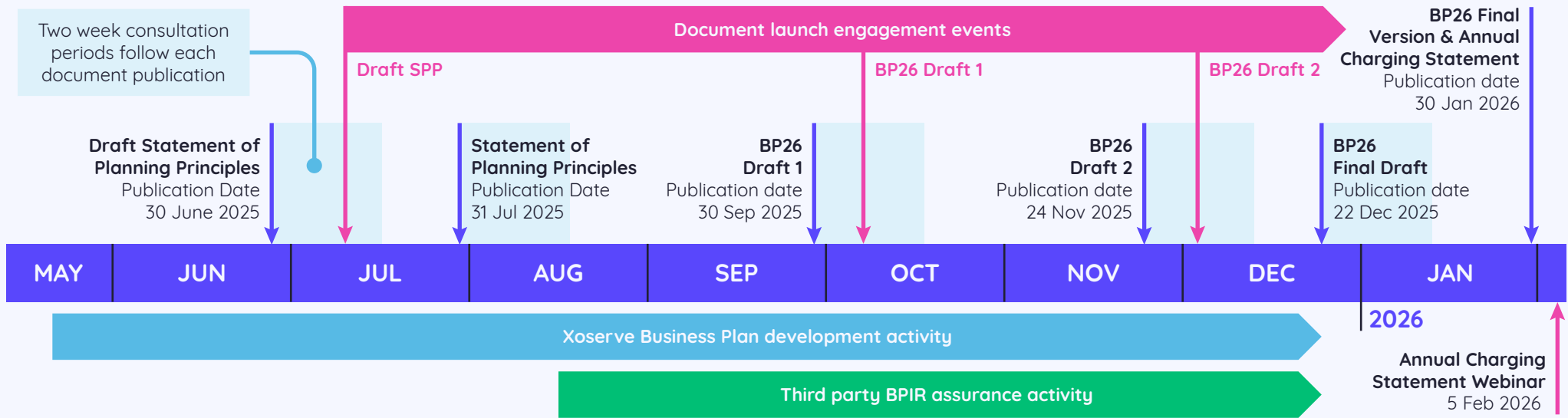


# Our commitment to Customer engagement

## Approach

We know that the individuals and organisations interested in the information and proposals in Xoserve’s Business Plan appreciate having various channels to engage with us, to suit their differing needs.

## Timeline



Each of the three drafts of BP26 will have a dedicated consultation period following publication, during which we will present content and invite discussion at in-person and online meetings. Throughout the development process, our newly established Customer Engagement team will attend data service contract (DSC) committees and DSC constituency meetings, and also proactively reach out to individual organisations with an interest in particular aspects of BP26.

We have created an [online portal](#) to make it easy to access BP26 materials, including documents, videos and post-meeting summaries. All commentary and feedback captured during development will be transparently shared on the portal, with clear signposting to how this has influenced BP26 development and content. We will inform all Customers and Stakeholders when new material is available to view or download via electronic communications.

“Engaging with Customers and Stakeholders is a critical success factor for the business planning process. We are committed to ensuring that there are ample opportunities to engage with us during the development of BP26, so that Customer priorities are understood and catered for.”

James Rigby, Head of Customer Engagement



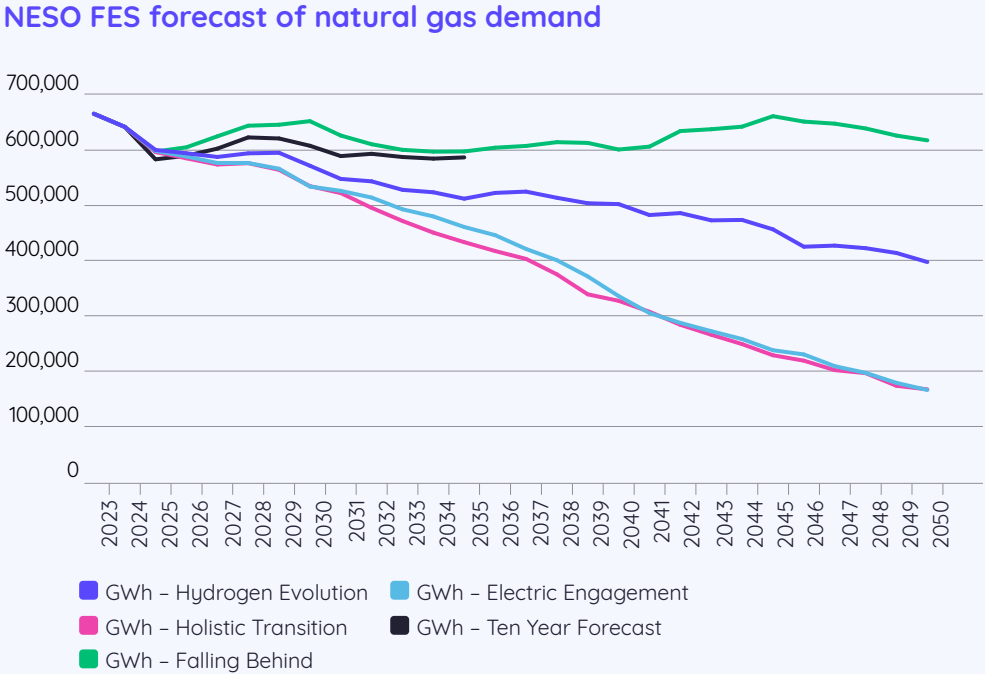




## Industry aware, embracing change

Significant policy decisions are yet to be made; however, there is growing clarity on the future of natural gas as part of a secure energy mix for Great Britain. This is reinforced by the most recent [Future Energy Scenarios](#) (FES) document published by the National Energy System Operator (NESO) in July 2025. Additionally, a fresh strategic steer from Ofgem comes via the [Preliminary Strategic Direction Statement](#) (PSDS) which was published in August 2025 (Xoserve’s initial response to the consultation can be found on the Ofgem website, alongside that of other organisations). The PSDS makes clear that central bodies such as Xoserve have an important role to play as Energy Code Reform is developed and delivered.

As such, BP26 is developed with awareness that, while the use of natural gas for domestic heating is expected to decline as we approach Net Zero 2050, central systems and processes will remain critical for a considerable amount of time. NESO predicts that, across the range of pathways that could out-turn, somewhere between 300,000 and 600,000 GWh of natural gas will still be required in 2040 to meet the demands of domestic homes and industrial and commercial businesses in Great Britain. Additionally, NESO forecasts between 11m and 22m gas boilers still being in use in 2040.



Source – Future Energy Scenarios: Pathways to Net Zero Changes

Project Trident will deliver a modernised UK Link platform that remains consistent with expected demand and flexible to how that demand changes over time.

We are also supporting tactical projects with Net Zero at their heart. These align in various ways with the PSDS, which recognises the importance of biomethane, and funding for an emerging hydrogen business model. We are finalising system testing ahead of a first project to inject more environmentally friendly non-propanated biomethane into the gas network in Girvan, Scotland. This aims to reduce overall fossil fuel emissions. Additionally, we have been supporting DESNZ with data to shape its emerging hydrogen business model design.

The CDSP Service Development Investment Proposal included in BP26 proposes funding to implement a Data Best Practice plan, prepare for the impacts of Energy Code Reform, and innovate via the development of a CDSP Artificial Intelligence strategy.

“Xoserve is invested and actively engaged in the discourse surrounding Net Zero, energy security, the role of natural gas, blending and the evolution of a hydrogen market.

Naomi Anderson, Head of Industry Projects





## Our commitment to enhancing existing CDSP services

Following isolated, high-profile performance incidents that impacted Customers during 2024, we have significantly increased focus on performance during 2025, with multiple initiatives and activities being undertaken to identify how service delivery and its measurement can be enhanced to drive more effective, efficient and/or economic Customer outcomes.

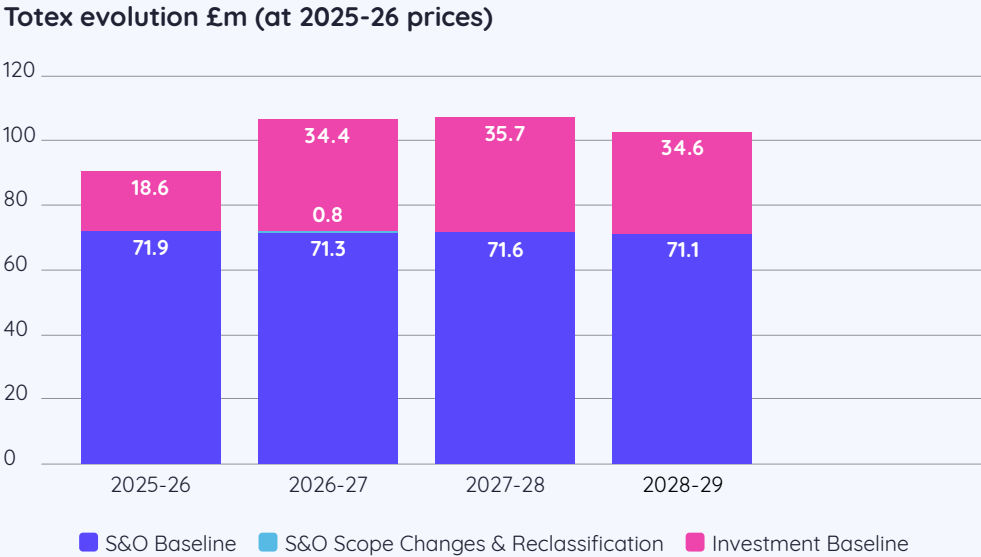
These initiatives have been conducted via Customer engagement and have included Xoserve’s annual Institute of Customer Satisfaction survey and our [Measures that Matter](#) project. Most recently, a series of workshops were held as part of Project Trident to validate known UK Link ‘pain points’ with Customers. These sessions indicated that pain points were not limited to UK Link, with feedback shared about how other central systems and/or processes could be enhanced.

This research informs the CDSP Service Enhancement Investment Proposal included in BP26. This programme of work will enable Xoserve to incrementally develop and deliver enhancements to existing services and how performance is measured.

## Budget and forecast

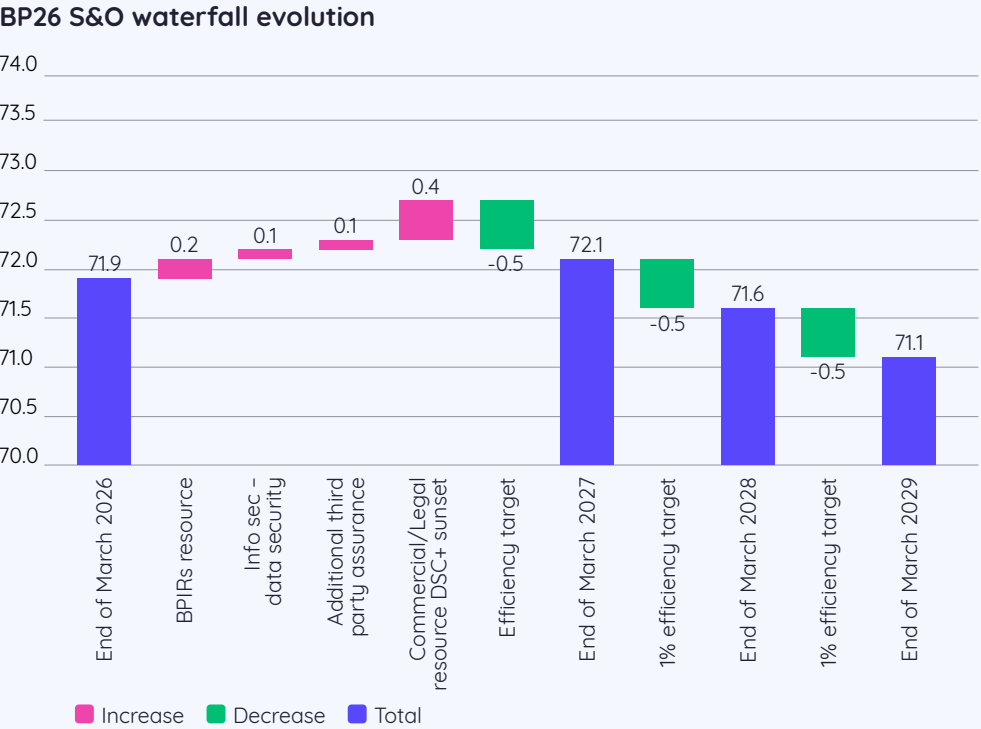
The proposed total budget to deliver CDSP services in 2026-27 is £106.6m. This is an increase of £16.17m from the 2025-26 budget, resulting from the net impact of an £0.28m increase in Service and Operate (S&O) costs and a £15.89m increase in investment costs (largely related to the development of Project Trident). This increase is in line with the BP25 forecast of the 2026-27 budget.

The budget is made up of £72.1m S&O and £34.4m proposed investment. The bar graph shows how total expenditure (Totex) is evolving (in 2025-26 prices) in comparison with the 2025-26 budget, as net S&O remains stable, while investment costs fluctuate in line with the progression of Project Trident.



## Service and Operate changes

We call the costs to deliver the day-to-day services that are so important to our Customers ‘Service and Operate’ or ‘S&O’. These costs increase by £0.28m in comparison with BP25; this is the net impact of a £0.5m decrease in outsourced S&O costs and an £0.8m increase in Xoserve’s ‘direct’ costs. This is shown in the S&O waterfall chart, with commentary to be found further on page 25.







## Investment Proposals

BP26 proposes a total investment of £34.4m.

Investment Proposal	26-27 £m Budget	27-28 £m Forecast	28-29 £m Forecast
Project Trident	20.9	23.2	23
UK Link Sustain	4.9	3.8	2.9
Gemini (Regulatory Change, Sustain/ Enhance & Data Provision)	2.4	2.4	2.4
General Change (DSC, REC, DDP)	3.4	3.4	3.4
CDSP Service Enhancement	2.0	2.0	2.0
CDSP Service Development	0.8	0.8	0.8
Total Investment	34.4	35.7	34.6

### Project Trident

Project Trident is a multi-year programme that will deliver a modernised, robust and fully supported UK Link platform. The focus during 2026-27 will be to complete a fair and competitive procurement exercise which follows HM Treasury’s Green Book approach. After that, we will commence the Design/Build/Test phase, followed by implementation planning and change management for the future UK Link solution.

### UK Link Sustain

This investment will ensure that the UK Link system estate continues to maintain high performance, reliability and resilience throughout 2026-29. Alongside the continued mitigation of risks, the investment will also ensure the UK Link platform is ‘transition-ready’ and able to integrate new capabilities and architectural changes without service degradation.

### Gemini

The Gemini platform has been modernised and enhanced via the Gemini Sustain+ Programme. The new platform was implemented earlier this year, with the service moving to cloud-based Platform as a Service (PaaS) infrastructure. BP26 investment provides funding for continued development of the Gemini system as per Customer and regulatory requirements.



### General Change

Xoserve requires an annual budget to develop and deliver changes to central systems, processes and services as per Customer and regulatory requirements. The General Change investment will ensure that the services we deliver remain compliant with all industry obligations and align with industry code modifications raised during the period.

### CDSP Service Enhancement

In response to Customer-impacting performance incidents that occurred in 2024, we have undertaken analysis and extensive Customer engagement during 2025 to understand how CDSP services, and the associated Customer experience of them, could be enhanced. With service ‘pain points’ confirmed by Customers, this programme of work will enable Xoserve to incrementally develop and deliver enhancements to existing services and how performance is measured.

### CDSP Service Development

The focus of this investment in BP26 is preparing the CDSP for the future, aligning our approach with the direction set out in Ofgem’s recent policy documents and exploring potential new CDSP services. The areas which require investment during 2026-27 include the development and delivery of a CDSP Artificial Intelligence strategy, implementation of a Data Best Practice plan, and managing the impact of Code Reform on CDSP services.

“ We balance the various lenses through which Value for Money can be articulated via the 5E framework, which gives equal weighting to each aspect.

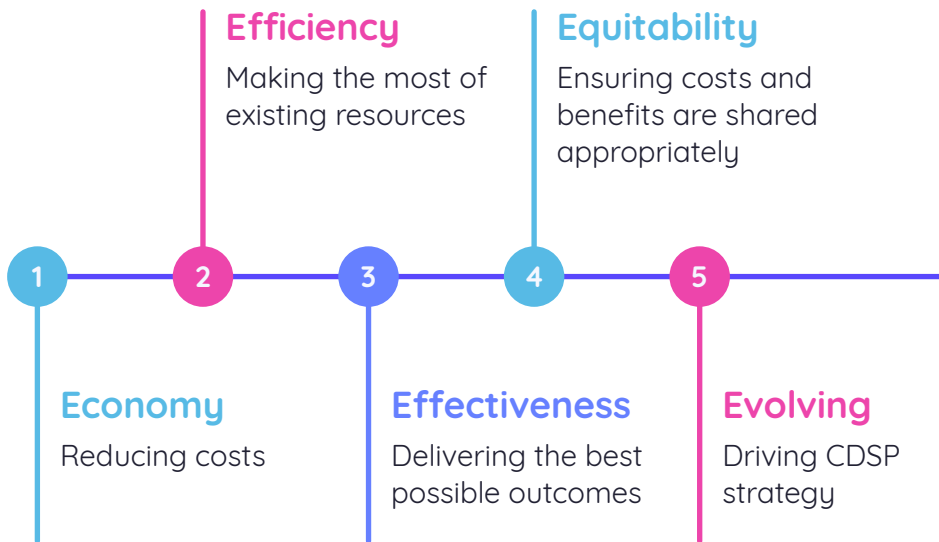
James Madge, Head of Finance





# Value for Money

## 5E VALUE FRAMEWORK



## Cost/Benefit Analysis methodology

We have also introduced a new Cost/Benefit Analysis methodology that has been used to create the Investment Proposals in BP26 (apart from Project Trident, which uses the HM Treasury Green Book approach). This provides a structured and repeatable process for establishing and articulating the value associated with various investments and S&O options.

## Efficiency review and economy target

During 2024 and 2025 we undertook a programme of work that progressed action on each finding in the [independent 2023 Efficiency Review](#). The third party who carried out the review has assessed the degree to which recommendations have been actioned. We have shared [their report](#) on the online BP26 portal. They consider that 89% of findings have now been closed, stating this demonstrates a ‘strong commitment from Xoserve to implement the recommendations and improve its performance and efficiency’.

We continue to see the 2022-23 S&O cost base that was independently assessed fall, in real terms, in line with our forecast – with a further £0.5m reduction being realised in 2026-27 (and further reductions predicted in the following two financial years).

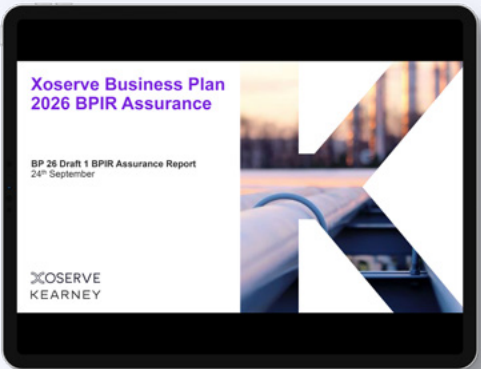
## Potential risk to economy target

A previously communicated reduction related to the Data Discovery Platform (DDP) is at risk. While the related cost reduction remains in our Draft 1 budget, pending the outcome of in-flight assurance activity, this may change in subsequent drafts. The £0.5m DDP saving is dependent on the rollout of ‘Discovery 2’ however, this has been paused until an in-flight audit of data quality, as requested by the Performance Assurance Committee (PAC), completes.

# Business Plan Information Rules Draft 1 summary

A third party review and assessment of compliance vs the BPIRs has been undertaken. We have published the results in full on our online portal. **Draft 1 has been assessed to be 89% compliant with the BPIRs.** The report also provides recommendations as to how further compliance could be achieved as we produce subsequent drafts of BP26.

Further info can be found in the Trust Section (‘**Third-party assessment of BPIR compliance**’ section) and the [full report](#) can be downloaded on our online portal.



You can access the [report here](#).



Trust

Assurance of  
**£106m million**  
budget

Ensuring  
**Value for Money**  
via fair and competitive procurement

Articulating value via standardised  
**CBA methodology**

Facilitation of independent  
**BPIR**  
assurance

Extensive  
**audit** programme

**50 contracts**  
managed and assured

Innovate

Developing  
**BP26**  
based on Customer and Stakeholder engagement

Development of a  
**CDSP Artificial Intelligence**  
Strategy

**Project Trident**

Supporting the transition to  
**Net Zero and Code Reform**  
via strategic investments

Delivery of a  
**£105m, 3-year**  
investment portfolio

Deliver

Oversight of  
**£734 million**  
energy balancing

**3.6 billion**  
process events managed in consistently available central systems

Supporting  
**>100 industry code changes**  
via hundreds of planned engagements

Introduction of  
**CDSP Service Enhancement Programme**

Assurance of  
**>300 UNC obligations**  
related to  
**>300 DSC service lines**

**Best ever**  
ICS survey results



# Trust



We are dedicated to building and maintaining trust through consistent transparency and robust governance. BP26 will present information in compliance with the Business Plan Information Rules (BPIR). It will also provide a clear articulation of value for money (VfM) through the 5E Framework, which allows us to express how value is achieved through five equally weighted lenses: Efficiency, Equitability, Economy, Effectiveness and Evolving. Our commitment to independent third-party assurance of BPIR compliance underscores this principle, as does our development of a standardised Cost Benefit Analysis Methodology.



Increasing and maintaining trust remains a priority for Xoserve, and we aim to continue to do this in a variety of ways in the development and delivery of our Business Plan 2026-29 (BP26).

**James Spicer, Director of Finance and Shared Services**

**As with the previous Business Plan, BP26 will be independently assured and the information contained will be assessed against the Business Plan Information Rules (BPIRs) that came into effect following the approval of UNC modification 0841.**

We know that the success or relative failure of any business planning process is dependent on meaningful Customer engagement and being able to respond to Customer priorities. During 2025 we have focused on performance and on increasing our understanding of Customer ‘pain points’ associated with CDSP services. This engagement has led to the introduction of a new area of investment in our budget in the form of the CDSP Service Enhancement Programme.

Key activities for 2026-27 include driving value through the management of existing contracts and preparing for future arrangements, with some additional funding being proposed in our Service and Operate (S&O) budget to increase capacity and capability. Similarly, we have included additional funding to increase our resilience to cybercrime and to have the capacity to facilitate additional external audits.



Earlier this year we developed a Cost/Benefit Analysis (CBA) methodology which has been used to produce the Investment Proposals included in this Business Plan. The development of this standardised methodology is evidence of our commitment to continuous improvement in how we communicate Value for Money (VfM), and enables Customers to see the thought process being applied when we compare the various options for delivering projects and programmes.

The 5E framework continues to allow us to express VfM through various lenses. In terms of economy (making things less expensive) we have included a £0.5m reduction in our outsourced S&O cost base. In line with a strategy to evolve and deliver maximum value, BP26 contains funding to explore how facilitative Artificial Intelligence could drive efficiency (making the most of existing resources), while the CDSP Service Enhancement Programme aims to make Xoserve and the central services we are accountable for more effective. We will continue to discuss the equitable sharing of CDSP costs in parallel to business planning activity.

Finally, we have now concluded the Efficiency Review Implementation in Xoserve (ERIX) Programme, which was introduced to deliver against a series of recommendations made following an independent Efficiency Review undertaken in 2023. We invited the independent third party that made the recommendations to assess the actions that we have taken since the review, and we are sharing [their report](#) in this Business Plan.



## Financial Information: Budget (Y) and Forecast (Y+1 and Y+2)

### Total expenditure

The total budget to deliver CDSP services during 2026-27 is £106.6m. This is an increase of £16.17m from the 2025-26 budget, resulting from the net impact of an £0.28m increase in S&O and a £15.89m increase in investment costs.

£m (2025-26 Prices)	2025-26	2026-27	2027-28	2028-29
Project Baseline	£18.6	£34.4	£35.7	£34.6
<b>Subtotal Projects</b>	<b>£18.6</b>	<b>£34.4</b>	<b>£35.7</b>	<b>£34.6</b>
S&O Scope Changes & Reclassifications		£0.8		
S&O Baseline	£71.9	£71.3	£71.6	£71.1
<b>Subtotal Service &amp; Operate</b>	<b>£71.9</b>	<b>£72.1</b>	<b>£71.6</b>	<b>£71.1</b>
<b>Totex</b>	<b>£90.4</b>	<b>£106.6</b>	<b>£107.3</b>	<b>£105.7</b>
Broken down by:				
DSC	£87.4	£103.5	£104.2	£102.6
Additional Third Party	0.2	£0.2	£0.2	£0.2
RECCo	2.9	£2.9	£2.9	£2.9
<b>Totex</b>	<b>£90.4</b>	<b>£106.6</b>	<b>£107.3</b>	<b>£105.7</b>

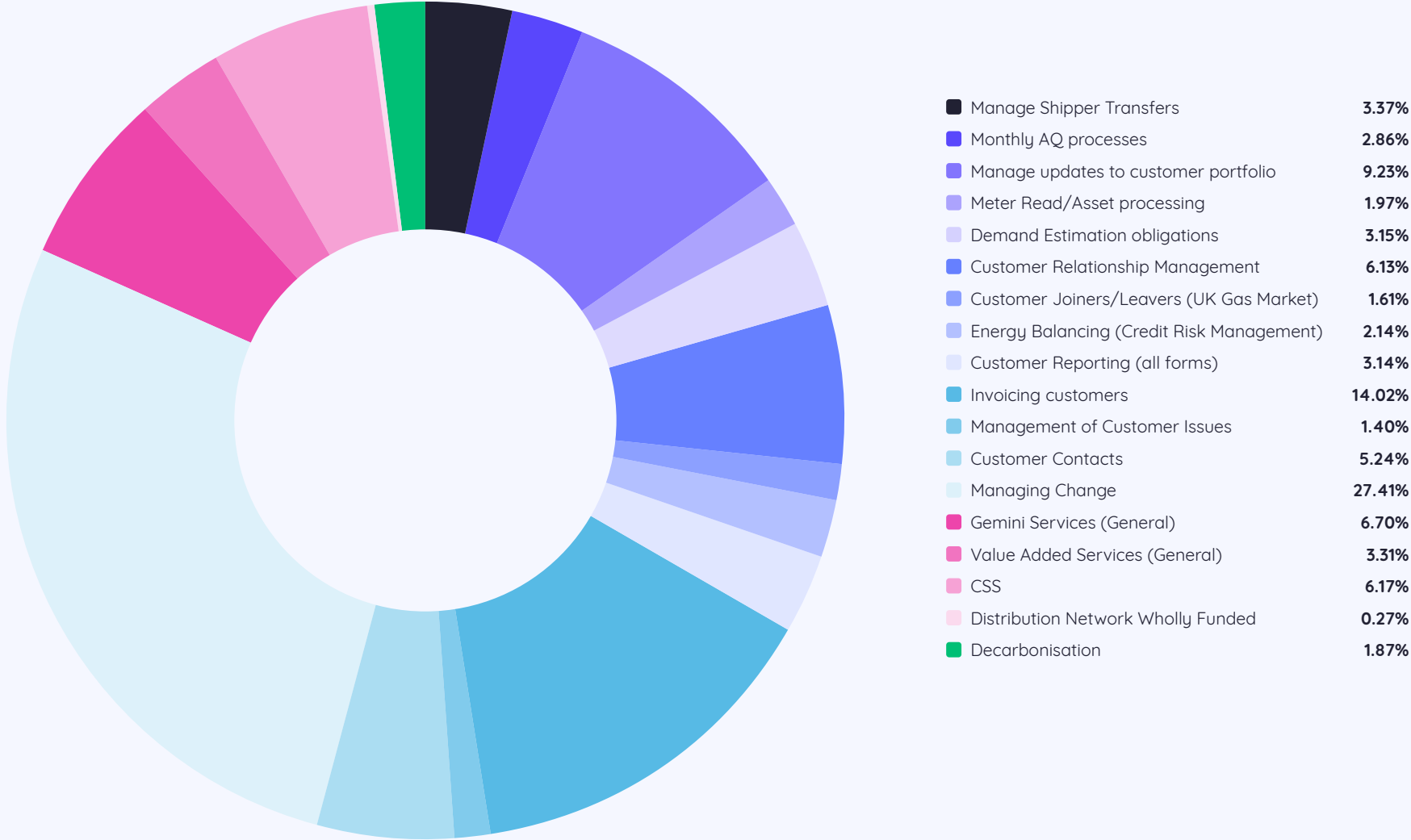
## Service and Operate (S&O)

We call the costs to deliver the day-to-day services that are so important to our Customers ‘Service and Operate’ (S&O). These costs are generally stable, reflecting the ongoing requirement to: process meter reads; update central systems with asset updates; calculate Annual Quantity (AQ); produce accurate invoices; and deliver all the other critical services we provide as CDSP. There are 18 Service Areas in total, some having been in place since 2017, and others added incrementally to reflect evolving Customer requirements.





## Service & Operate Breakdown



### S&O increases

#### Business Plan Information Rules resource (£0.2m)

Following the implementation of the gas industry’s Business Plan Information Rules (BPIRs) in the BP25 planning year, BP26 continues Xoserve’s commitment to compliance with them. To ensure the utmost transparency and accountability in our delivery against the BPIRs, in the prior year we engaged a third party to independently assess our performance, funded from the General Change budget. For BP26, we are looking to move this activity into S&O to secure funding for review on an enduring basis. Improving compliance with BPIR has also placed additional requirements on existing Xoserve resource and therefore an additional element of funding has been included to support the backfill of S&O activities.

#### Data security provision (£0.1m)

There have been several high-profile and well-publicised cyber-attacks against large businesses in the past 12 months, and Xoserve is always conscious of its place within the gas industry and its role as custodian of industry data. In response to these attacks, Xoserve is implementing a suite of monitoring and backup systems for its corporate estate to provide security of continuity and resilience against cyber-attacks, in particular ransomware.

#### Enhanced audit (£0.1m)

A strong Internal Audit function is essential for demonstrating the effectiveness of Xoserve’s CDSP delivery. The scope and requirements of audits are widening, both from a regulatory perspective and via Customer demand for focus on specific areas. This funding is for third-party audit activities to support the existing internal function, and will capitalise on our audit partners’ resource capacity and expertise. Specific audit areas will be determined through risk-based reviews with the Xoserve Audit & Risk Committee.

#### DSC+ sunset commercial planning (£0.4m)

Funding is required to position Xoserve for future success as our major strategic DSC+ contract concludes in 2030. While the current agreement provides certainty and efficiency in costs of delivery, its end creates both risk and opportunity. By securing funding now, Xoserve can plan proactively, explore alternative commercial models, and build strategic partnerships that enhance resilience. This forward-looking investment will ensure continuity, maintain competitiveness, and support Xoserve’s commitment to demonstrating Value for Money.





S&O reduction

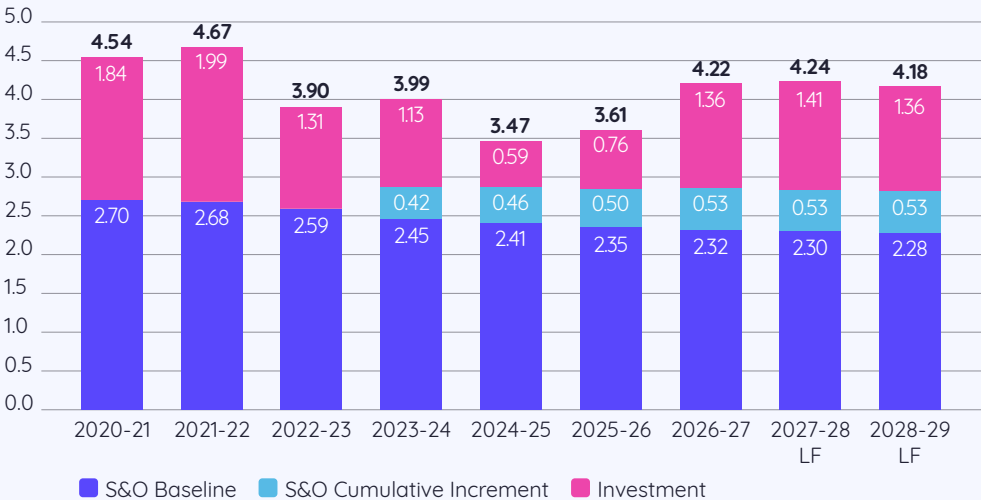
Economy target

In BP25, and resulting from the 2023 independent Efficiency Review, Xoserve committed to a 3% reduction in S&O charges against the FY22-23 baseline, on top of the 9% savings already delivered by the end of BP25. This was planned as 1% cumulative reductions in each of the BP26, BP27 and BP28 years. We are pleased to confirm this commitment in BP26 and will reduce S&O charges accordingly.



The graph below shows historic and expected reductions across multiple financial years at a ‘cost per meter point’ level expressed in 2025-26 prices.

Cost per meter point (2025-26 prices)



Cost drivers

The table below shows the budget with costs broken down based on whether work will be undertaken directly by Xoserve or via a current/future outsourcing agreement.

			Budgeted Spend 25-26 (£m)	Budgeted Spend 26-27 (£m)	Budgeted Spend 27-28 (£m)
Element	BP Category	Business Area			
Outsource	S&O	Operate	57.1	56.6	56.1
		PAFA, AUGÉ, Meter Read Agents	3.3	3.3	3.3
		RECCo Services	2.9	2.9	2.9
	Investment	Infrastructure Projects	20.6	21.2	20.2
		Change Projects	6.2	6.2	6.5
	Total Outsource		90.0	90.1	88.9
Direct	S&O	Operate	0.6	0.6	0.6
		Support	7.0	7.0	7.0
		Infrastructure & Change Projects	1.2	1.2	1.2
	Investment	Infrastructure Projects	5.2	5.8	5.8
		Change Projects	2.5	2.5	0.2
	Total Xoserve		16.6	17.1	14.8
Total		106.6	107.3	103.7	



Service and Operate breakdown

This table breaks down Xoserve’s Service and Operate (S&O) costs, which are split across 18 Service Areas; and further into sub-categories of people and non-people costs, and whether the costs are direct (Xoserve) or outsourced (service provider).

			People		Non-people	
Service Area number	Service Area	Annual Service Area Charge	Xoserve	External	Xoserve	External
1	Manage Shipper Transfers	2.2	0.1	0.3	0.0	1.8
2	Monthly AQ processes	1.9	0.1	0.4	0.0	1.3
3	Manage updates to Customer portfolio	5.7	0.3	1.0	0.1	4.3
4	Meter Read/Asset processing	1.3	0.0	0.1	0.0	1.2
5	Demand Estimation obligations	2.0	0.2	1.1	0.1	0.7
6	Customer Relationship Management	4.0	0.4	2.3	0.1	1.1
7	Customer Joiners/Leavers (UK Gas Market)	1.0	0.1	0.6	0.0	0.3
8	Energy Balancing (Credit Risk Management)	1.4	0.5	0.4	0.1	0.4
9	Customer Reporting (all forms)	2.0	0.1	0.8	0.0	1.1
10	Invoicing Customers	9.1	0.8	3.6	0.3	4.5

			People		Non-people	
Service Area number	Service Area	Annual Service Area Charge	Xoserve	External	Xoserve	External
11	Management of Customer Issues	0.9	0.1	0.5	0.0	0.3
12	Customer Contacts	3.4	0.4	1.8	0.1	1.0
13	Managing Change	17.8	2.7	9.7	0.7	4.7
14	Gemini Services (General)	4.3	0.2	1.5	0.1	2.5
15	Value-Added Services (General)	1.6	0.17	1.02	0.06	0.38
16	Central Switching Service	4.0	0.2	2.3	0.1	1.4
17	Distribution Network Wholly Funded	0.2	–	–	–	0.2
18	Decarbonisation	1.2	0.1	0.6	0.1	0.4
	Total General Services Charge	64.1	6.6	28.1	1.9	27.5
	Total Specific Services Charge	4.9	0.0	0.5	0.0	4.4
	Total Additional/3rd Party Charge	0.2				0.2
	Total RECCo	2.9				2.9
	Total Service & Operate BP26	72.1	6.6	28.6	1.9	35.0



S&O costs per DSC constituency

The table breaks down each Service Area in terms of cost per constituency – shown as both total £m, and £ per meter point. We also include an indicative S&O expenditure profile.

			Shippers		National Gas NTS	DN Operators		IGTs		Other
Service Area number	Service Area	£m	£m	£ per meter point	£m	£m	£ per meter point	£m	£ per meter point	£m
1	Manage Shipper Transfers	2.19	2.19	0.09	–	–	–	–	–	
2	Monthly AQ processes	1.86	1.86	0.07	–	–	–	–	–	
3	Manage updates to Customer portfolio	5.69	5.12	0.20	–	0.57	0.03	–	–	
4	Meter Read/Asset processing	1.28	0.42	0.02	–	0.86	0.04	–	–	
5	Demand Estimation obligations	2.05	1.02	0.04	–	1.02	0.05	–	–	
6	Customer Relationship Management	3.98	2.51	0.10	0.34	1.00	0.05	0.14	0.04	
7	Customer Joiners/Leavers (UK Gas Market)	1.05	–	–	0.52	0.52	0.02	–	–	
8	Energy Balancing (Credit Risk Management)	1.40	–	–	1.40	–	–	–	–	
9	Customer Reporting (all forms)	2.04	0.69	0.03	0.14	1.06	0.05	0.14	0.05	
10	Invoicing Customers	9.11	–	–	1.09	8.02	0.36	–	–	
11	Management of Customer Issues	0.91	0.36	0.01	0.05	0.44	0.02	0.06	0.02	

			Shippers		National Gas NTS	DN Operators		IGTs		Other
Service Area number	Service Area	£m	£m	£ per meter point	£m	£m	£ per meter point	£m	£ per meter point	£m
12	Customer Contacts	3.40	1.70	0.07	0.20	1.32	0.06	0.18	0.06	
13	Managing Change	17.82	9.26	0.37	1.25	7.13	0.32	0.18	0.06	
14	Gemini Services (General)	4.34	–	–	4.34	–	–	–	–	
15	Value Added Services (General)	1.63	1.31	0.05	–	0.29	0.01	0.04	0.01	
16	Central Switching Service	4.01	4.01	0.16	–	–	–	–	–	
17	Distribution Network Wholly Funded	0.17	–	–	–	0.17	0.01	–	–	
18	Decarbonisation	1.22	–	–	–	1.22	0.05	–	–	
	Total General Services Charge	64.14	30.46	1.20	9.33	23.61	1.06	0.73	0.24	–
	Total Specific Services Charge	4.94	2.97	0.12	–	1.97	0.09	–	–	–
	Total Additional/3rd Party Charge	0.17	–	–	–	–	–	–	–	0.17
	Total RECCo	2.90	–	–	–	–	–	–	–	2.90
	Total Service & Operate BP26	72.15	33.43	1.32	9.33	25.59	1.15	0.73	0.24	3.07





Investment costs per DSC constituency

The table shows investments split by type (Infrastructure/Change) and at DCS constituency level, to enable Customers to assess how much funding is required. We also include an indicative expenditure profile for each investment.

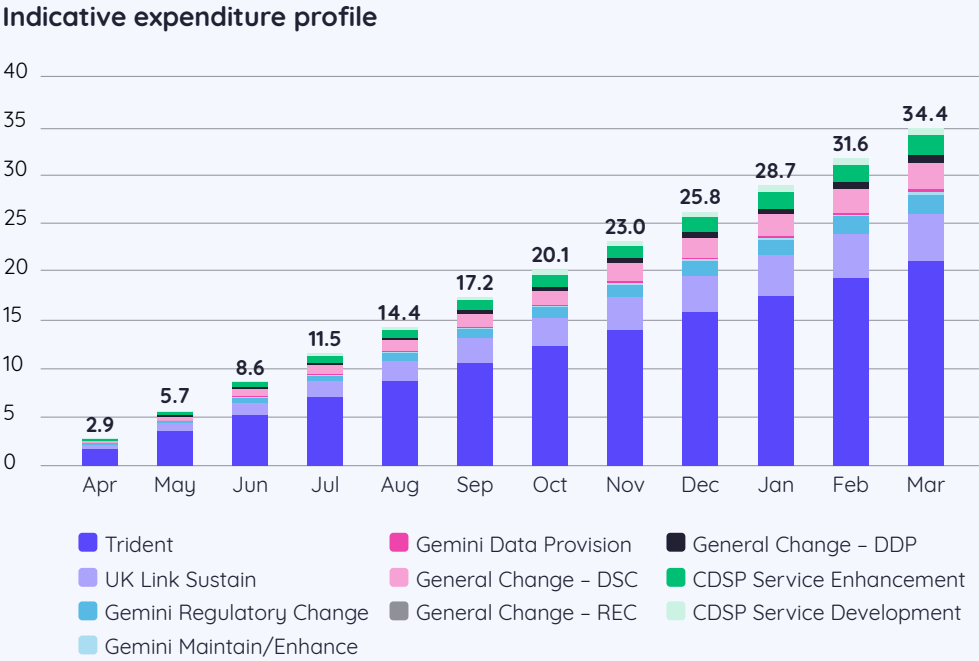
Total Infrastructure Projects		Total	Shippers		National Gas NTS	DN Operators		IGTs	
No	Infrastructure Project	£m	£m	£ per meter point	£m	£m	£ per meter point	£m	£ per meter point
1	UK Link Sustain	4.9	2.6	0.1	0.3	2.0	0.1	0.1	0.02
2	Trident	20.9	10.9	0.4	1.2	8.5	0.4	0.3	0.09
		25.8	13.5	0.5	1.5	11	0.5	0.3	0.1

Total Change Projects		Total	Shippers		National Gas NTS	DN Operators		IGTs	
No	Change Project	£m	£m	£ per meter point	£m	£m	£ per meter point	£m	£ per meter point
1	Gemini Regulatory Change	1.9	-	-	1.9	-	-	-	-
2	Gemini Maintain/Enhance	0.3	-	-	0.3	-	-	-	-
3	Gemini Data Provision	0.3	-	-	0.3	-	-	-	-
4	General Change - DSC	2.7	1.5	0.06	0.1	0.9	0.04	0.14	0.05
5	General Change - REC	0.4	0.2	0.01	-	0.1	0.01	0.02	0.01
6	General Change - DDP	0.4	0.2	0.01	-	0.2	0.01	0.03	0.01
7	CDSP Service Enhancement	2.0	1.15	0.05	0.04	0.7	0.03	0.1	0.04
8	CDSP Service Development	0.8	0.4	0.02	0.05	0.3	0.01	0.01	0.003
		8.1	3.1	0.12	2.6	2.2	0.10	0.23	0.08



## Indicative expenditure profile

The graph below shows an indicative cumulative expenditure profile for each investment:



## Value for Money (VfM)

### ERIX Programme

The ERIX Programme concluded in 2025, with 46 individual recommendations having been progressed through to conclusion. We have invited the third party who made these recommendations to assess the extent to which they have been actioned, and you can find their report on the [online portal](#).

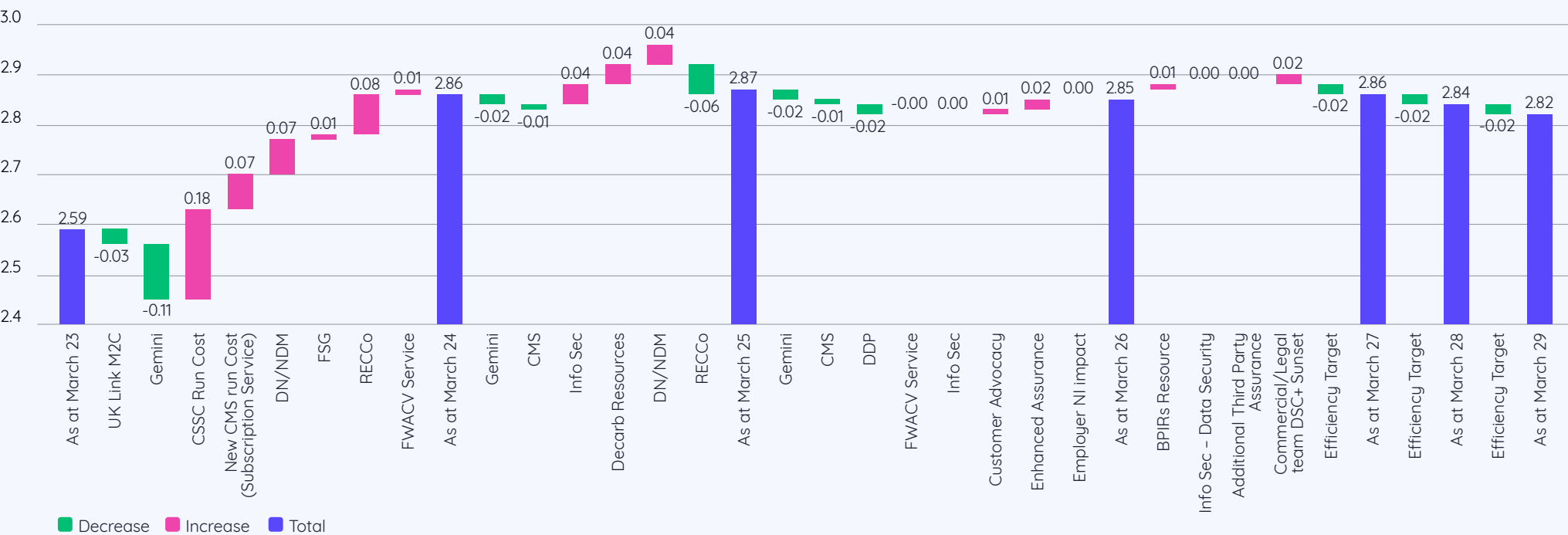
The assessor finds that ‘41 of 46 findings have been successfully closed, with progress made against the remaining five non-closed items’. They further state that this demonstrates a ‘strong commitment from Xserve to implement the recommendations and improve its performance and efficiency’.

### Economy target

Since the independent Efficiency Review in 2023, through a variety of means we have successfully reduced the 2022-23 S&O baseline.

The waterfall chart shows all changes to the 2022-23 cost base, including the cost per meter point increases (which are due to additional scope) and reductions post 2022-23. All costs are shown in 2025-26 prices, uplifted to include compound CPI-H since 2022-23.

### Cost per meter point evolution





Post 2022-23 scope VfM matrix

The table below uses the 5E framework to articulate how VfM is being delivered across the items that have been added to scope since the 2023 Efficiency Review concluded.

S&O Activity	Business Plan Description	£ per MPRN impact (2025-26 prices)	Efficiency	Economy	Effectiveness	Reason
BP23						
CSSC Run Cost	S&O costs associated with running the Central Switching Service arrangements	0.18	✓	✓	✓	Faster and more reliable arrangements for consumers to switch their energy supply. BP23 costs were £3.3m, vs BP22 estimate of £3.9m
New CMS run Cost (Subscription Service)	The subscription costs associated with the replacement CMS	0.07		✓	✓	Business Case presented to CoMC in BP22, with outcome of moving to a SaaS model. This was deemed more economical than the only viable Self Build option. System has improved since April 23, showing greater effectiveness
DM/NDM	The obligation to provide the DM service under the Uniform Network Code moved to Xserve. The obligation to provide the NDM service remained with the DNs, some of whom have chose to use Xserve, (as the CDSP), to discharge those obligations on their behalf	0.07		✓		Awarding of contracts doe DM/NDM via a competitive tender process ensured the meter read service is economical

S&O Activity	Business Plan Description	£ per MPRN impact (2025-26 prices)	Efficiency	Economy	Effectiveness	Reason
FSG	To cover process changes to accommodate faster payments for Failure to Supply Gas (FSG)	0.01	✓		✓	Now accommodates faster payments, providing improved effectiveness and efficiency
RECCo	As a result of the implementation of the Retail Energy Code, the contract and funding for Gas Enquiry Service has moved from DSC customers to RECCo. The service enhancements required by RECCo have resulted in additional run costs which will be wholly funded by RECCo	0.08	✓		✓	Introduction of the Retail Energy Code (REC) consolidates code requirements relating to retail energy activities and is intended to provide a consistent set of arrangements for gas/electricity suppliers as well as consumers, providing efficiency and effectiveness
FWACV Service	Run costs to deliver the Flow Weight Average Calorific Value service have risen, reflecting the final scope	0.01			✓	Enhanced scope of the service provides greater effectiveness





S&O Activity	Business Plan Description	£ per MPRN impact (2025-26 prices)	Efficiency	Economy	Effectiveness	Reason
BP24						
Info Sec	Following the completion of the Security and Privacy Improvement Plan this ongoing cost was been reduced thanks to renegotiations with service providers and a refocus on actual risk reduction	0.04		✓		In previous plans we forecast that we would increase our S&O cost by £2.4m, this has been reduced to £1.4m, giving an economy saving of £1m
Decarb Resources	Decarbonisation funding is being reclassified from investment into S&O	0.04		✓	✓	Moved to S&O in order to reduce reliance on contract staff and retain in-house decarbonisation expertise, ensuring retained effectiveness and economy
DM/NDM	Additional costs associated with Specific Service Area SS SA22 94 (Provision of a Managed Non-Daily Metered Sample Read Service)	0.04			✓	Additional costs reflect the new and improved service, providing greater effectiveness
RECCO	Reduction in RECCO costs as a result of negotiation with service providers	-0.6		✓		Lower costs negotiated

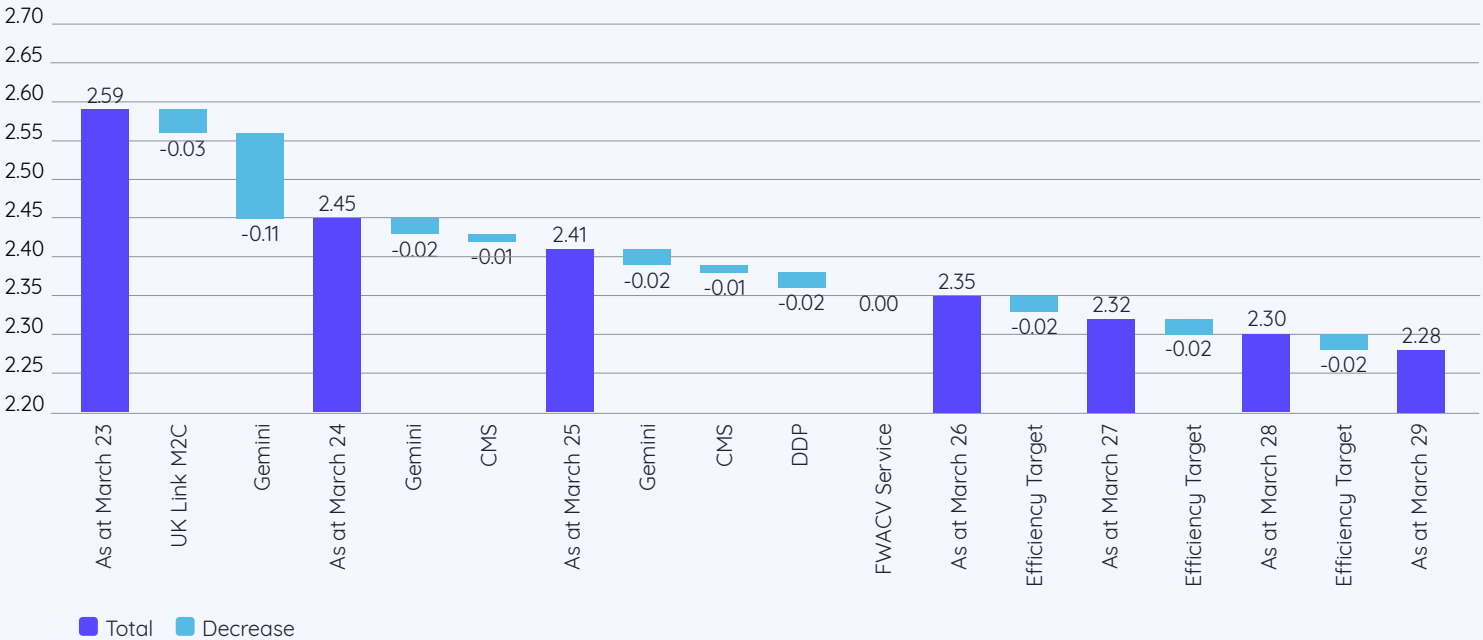
S&O Activity	Business Plan Description	£ per MPRN impact (2025-26 prices)	Efficiency	Economy	Effectiveness	Reason
BP25						
Infosec	Additional costs associated with SIP/PIP activity	0.004			✓	Increased security from threat of cyber crime
Customer Engagement Team	Additional layer of customer liaison aimed at enhancing Xoserve's capability and capacity to build strategic relationships and dialogues with customer organisations	0.01	✓		✓	This has made the service more efficient by reducing the need for customers to 'have two conversations' (one with our service providers and one with us), and more effective by making clear distinction between the operational and the strategic - we will measure this via a new strategic scorecard which will track the impact of our performance in this area
Enhanced Assurance	Additional Resources to undertake enhanced, embedded qualitative assurance to mitigate incidents that impact customer organisations	0.02	✓	✓	✓	The introduction of this new capacity and capability will lead to a more effective service with incidents that might impact customer organisations, and theoretically reduce the risk of costs being occurred. Targeting the resolution of incidents before they occur will lead to a reduction in collective post-incident effort



S&O Activity	Business Plan Description	£ per MPRN impact (2025-26 prices)	Efficiency	Economy	Effectiveness	Reason
BP26						
BPIR Assurance		0.01			✓	Adding the costs associated with BPIR assurance to S&O will mitigate the requirement for more governance being undertaken ahead of BP27. It will also secure funding for Xoserve to be as compliant as possible with Business Plan Information Rules
Infosec		0.004			✓	Increased security from threat of cyber crime
Enhanced Audit		0.02			✓	Enhancing our capacity to apply additional 3rd party audit will increase effectiveness in this area. We will continue to apply a risk based approach to selecting processes via dialogue with the Audit and Risk Committee (ARC)
Commercial/ Legal DSC+		0.02			✓	With the current major resourcing agreement coming to an end in 2030, we need to apply a greater focus to future arrangements. This funding will enable us to increase capacity and capability in this regard and therefore make us more effective

S&O baseline cost per meter point evolution

The waterfall chart below shows the incremental cost per meter point reductions applicable to the economy target.





## Equitability review

We have been undertaking analysis and engaging with Customers regarding our Cost Allocation methodology. We call this project the ‘Equitability Review’. Phase 2 of this work culminated in a ‘change pack’ being issued for consultation which contained options for changes to the way some General Service Areas are shared between DSC constituencies. However, at September 2025 committee meeting, the DSC Contract Management Committee agreed that no change should be made to the existing cost allocation arrangements until further analysis has been undertaken. Therefore, cost allocation continues as currently described in the [Budget & Charging Methodology](#) document.

### Third-party assessment of BPIR compliance

Independent assessment of our compliance with the BPIRs is an important aspect of the Business Planning process, because it gives confidence that individual rules are being satisfied. It also provides a metric through which to measure progress as we move through each draft.

Overall we are 89% compliant at this stage. In [their report](#), the assessor comments that ‘this high score can be attributed to the fact that the BP has incorporated feedback received during the BP25 Assurance Review’.

Some recommendations have been made as part of the report that we will incorporate into subsequent drafts of BP26 to maximise compliance during the development cycle. As with BP25, any BPIRs that cannot be fully satisfied (associated with some Investment Proposals) during the development cycle will be progressed once future projects are scoped/ are in-flight.

The table below shows compliance at a BPIR category.

	BPIR category	Total BPIR Rules	Total ADJUSTED BPIR rules	Count of Fully compliant	Count of Partially compliant	Count of Non compliant	% Fully compliant	% Partially compliant	% Non compliant	Adjusted Fully compliant %
Total	146	114	102	35	9	70%	24%	6%	89%	
1	Publication of material	8	4	4	0	4	50%	0%	50%	100%
2	Stakeholder engagement	7	5	5	2	0	71%	29%	0%	100%
3	Current performance	13	7	7	6	0	54%	46%	0%	100%
4	Outputs	9	9	9	0	0	100%	0%	0%	100%
5.1	Investment proposal – Trident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5.2	Investment proposal – CDSP Services Dev.	18	16	13	4	1	72%	22%	6%	81%
5.3	Investment proposal – CDSP Services Enhance.	18	17	14	3	1	78%	17%	6%	82%
5.4	Investment proposal – UKL Sustain	18	15	13	4	1	72%	22%	6%	87%
5.5	Investment proposal – General Change	18	10	9	8	1	50%	44%	6%	90%
5.6	Investment proposal – Gemini	18	12	9	8	1	50%	44%	6%	75%
6	Costs and expenditure	16	16	16	0	0	100%	0%	0%	100%
7	Allocations of costs to customer classes	3	3	3	0	0	100%	0%	0%	100%
8	Assurance Activities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Kearney





# Engagement so far

## Statement of Planning Principles

Following the publication of Xoserve’s [Draft Statement of Planning Principles](#) (SPP), we hosted Customers and Stakeholders at our headquarters in Solihull for a [Customer Strategy Day](#). The day enabled us to share information regarding how we would approach the development of BP26, and also share information/invite discussion on our proposed investments, and the format and presentation of content. As can be seen in the [post-meeting summary](#), we gathered both quantitative and qualitative data to help ensure Customer and Stakeholder priorities were understood ahead of the creation of Draft 1.

The feedback gathered included support for making more Business Plan content available digitally and revealed a range of opinion as to the timing of the next independent Value for Money (VfM) Review.

We also opened a 2-week consultation period, during which we encouraged written feedback. We received and responded to a number of Customer [letters](#), as well as comments and questions posed on the [BP26 forum](#).

The Final SPP contained changes inspired by Customer feedback, such as further information on how BP26 would address performance enhancement, and how policy decisions and/or consultations may impact its development.

As a result of SPP engagement, Draft 1 of BP26 does not include an Investment Proposal to undertake an Efficiency Review; however, we recognise that as BP26 development continues we may need to revisit this topic.

In response to consistent feedback about the need for us to focus on improvements to CDSP services, BP26 includes a CDSP Service Enhancement Investment Proposal. Draft 1 also includes information as to our approach to the application of inflation.

Finally, some BP26 content has been shared digitally, rather than in the document itself, an approach which had widespread support during SPP engagement.

## PROMPTING YOUR FEEDBACK

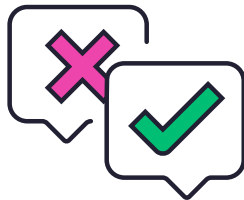
Engagement so far reveals a range of Customer opinion as to the timing and need for an up-to-date independently led Efficiency Review. The last such exercise was carried out on the 2022-23 cost base; however, scope has since been added to the list of CDSP services.

BP26 includes a matrix that shows how we believe Value for Money can be articulated across the items of scope that have been added since the last Review. Additionally, the proposed changes to S&O described in BP26, and each Investment Proposal, have been assessed using our standardised Cost/Benefit Analysis methodology.

We would like to understand your opinion as to whether we should:

- a) Use the BP25 General Change budget to fund an updated version of the 2023 Review that would include all scope added to S&O since 2023 (BP23, BP24, BP25); or
- b) Incorporate an additional budget item in BP26 Draft 2 to fund a review ahead of BP27; or
- c) Retrospectively apply the Cost/Benefit Analysis methodology to S&O cost increases for scope items that came into effect during BP23, BP24 and BP25.

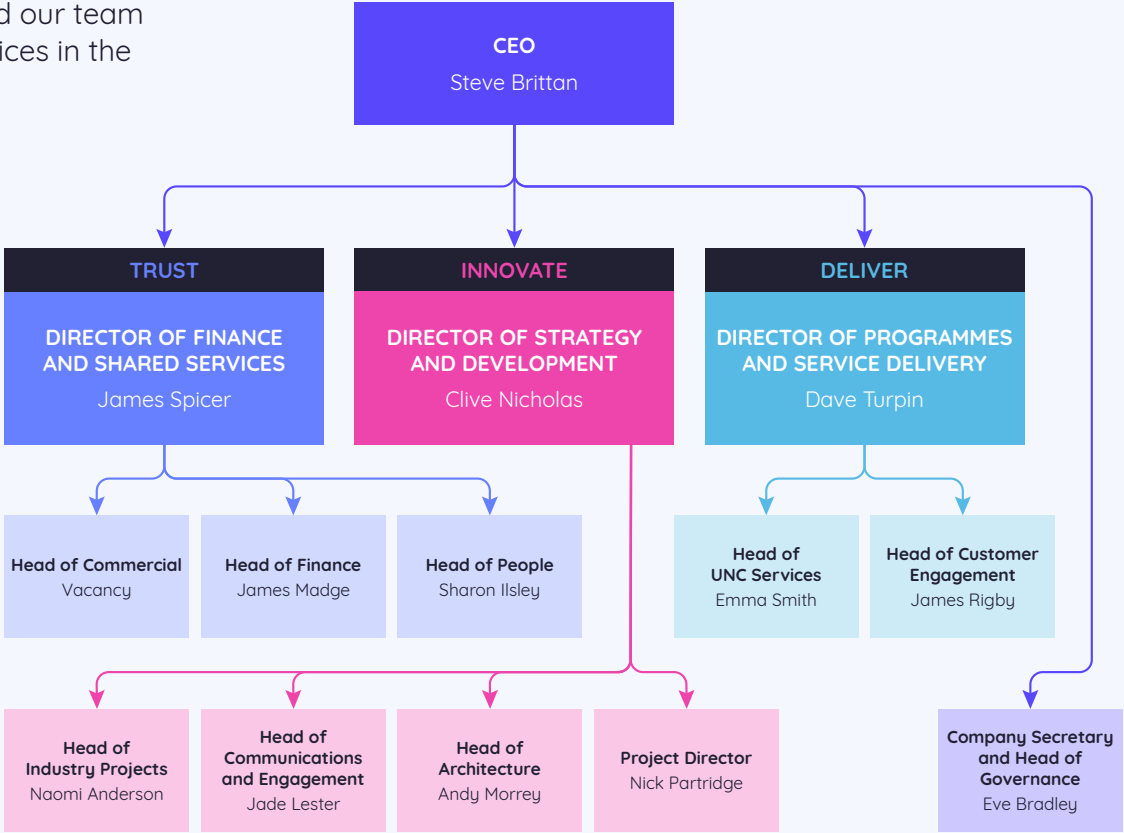
Is there anything that could be added, changed, removed or elaborated upon in Draft 1 of BP26 to increase your trust in Xoserve?





## The Xoserve team

Our people are our greatest resource. We have strengthened our team to ensure we are able to deliver the best possible CDSP services in the present and future.



The table below shows historic and end-of-current-period headcount, and a forecast for the BP26 period.

Xoserve’s approach in relation to recruiting multi-year investment resources is to maximise Value for Money. We do this by strengthening the team with permanent resources where appropriate. As such, we have included a view of the Investment-funded human resources in the table below. It should be noted however, that this doesn’t preclude bringing in shorter term resources if required or where more appropriate.

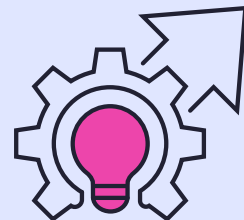
Xoserve Area	25-26	26-27	27-28	28-29
Executive Team	7	7	7	7
Finance & Shared Services	31	35	35	35
Programme & Service Delivery	28	28	28	28
Strategy & Development	17	21	21	21
Investment Funded*	8	13	13	13
Headcount	91	104	104	104

\* Headcount funded from multi-year Investments only.

We are further strengthening the Xoserve Team in 2026-27 with the additional legal and commercial capacity and capability required to focus on the post-DSC+ contract landscape.



# Innovate



Delivering VfM necessitates continuous innovation. BP26 will propose investments aimed at enhancing the efficiency and effectiveness of CDSP Services. This includes modernising critical IT platforms, exploring the strategic application of Artificial Intelligence (AI).

**Over the past two years we have seen an increase in our headcount as we have started to insource capability and have recruited to support Project Trident.**

We know that the services that we deliver are key to our Customers' operations, and how highly they value the certainty that we offer in terms of our levels of service. As technology advances and becomes proven, Customer expectations increase; and as the gas market prepares for the energy transition we need to innovate in a measured way that mitigates both implementation and operational risk. Innovation is also required if we are to achieve our Vision and make progress on our five accompanying journeys.



“

The bedrock of Xoserve's innovation is our people, whose insights and expertise can drive lasting and value-adding change.

**Clive Nicholas, Director of Strategy and Development**

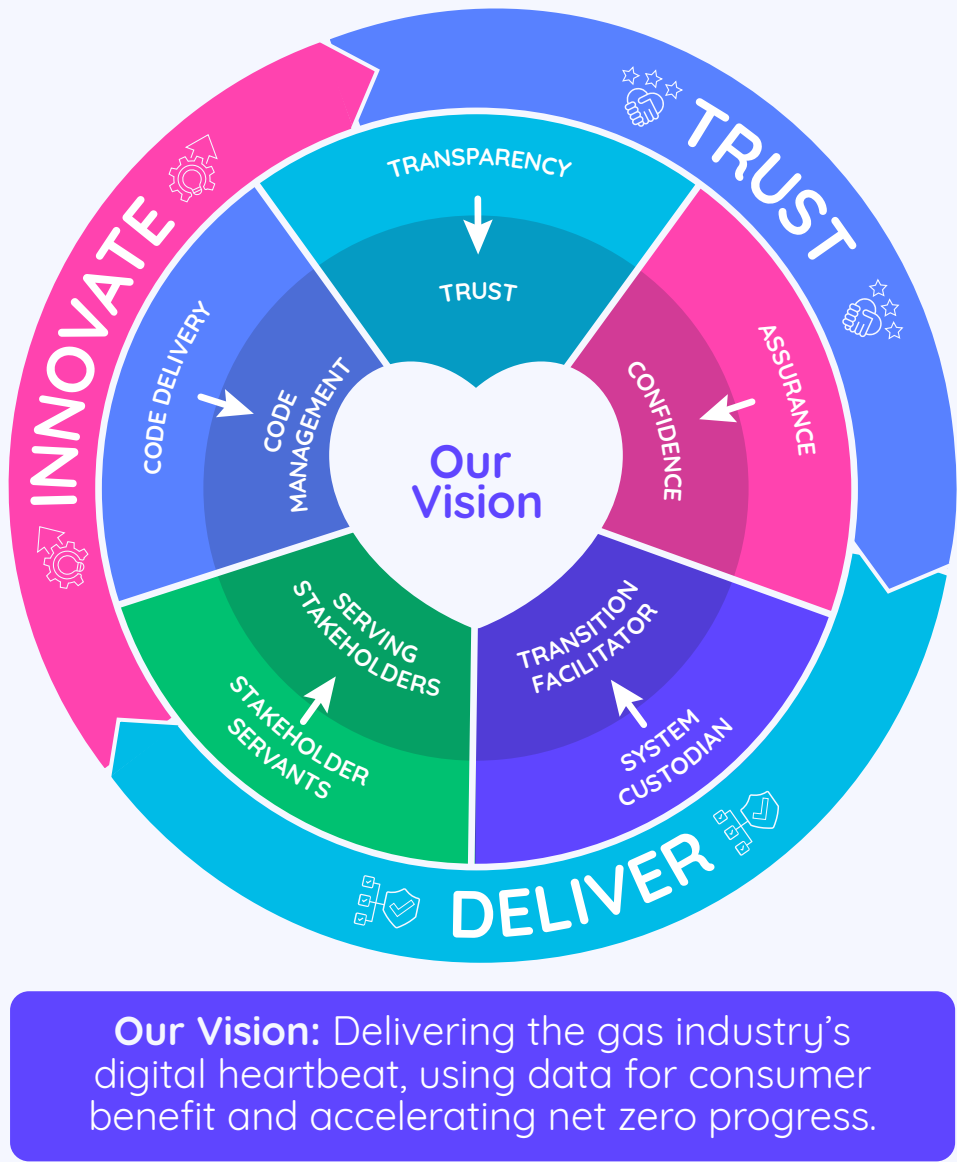




New people have brought new ideas and experience from other disciplines and different sectors. When combined with our original workforce, which includes many long-serving employees, this is producing a more powerful culture, where we balance innovative ways of doing things with respect for domain knowledge and experience. There are still some roles to fill, which provides an opportunity for this cultural evolution to continue. We place particular emphasis on looking outwards as we consider how to take our services forward.

The creation of our enterprise architecture capability is a great example of this approach. We now have a full complement of architects across the disciplines of Business, Data, Systems and Infrastructure and, as we go into the new Business Plan period, we expect to have a full set of the artefacts required under The Open Group Architecture Framework (TOGAF) model. Beyond this, we are expecting the team to gain a greater understanding of our Customers’ systems, as we believe this will allow us to improve and de-risk the ways that users interface with our own systems.

We expect to see further development of our own internal capability both before and after the expiry of our major outsource contract (DSC+), which we expect to be disaggregated into separate components when it is re-let, providing greater cost transparency and supplier diversification and substitutability. Whilst the re-let is some way off, we have already started to consider some of the principles of the new operating model that we wish to implement (see graphic). Project Trident is likely to be the vehicle for the early part of this approach.



Review Previous Model: Design Principles

The Operating Models were assessed against these agreed Design Principles – the ‘guard rails’ that we agreed to work within.

Trust	Take ownership of our <b>customer and stakeholder relationships</b>	Build and retain our <b>strategic capabilities</b>	We know, own and manage our service <b>end to end in collaboration with trusted suppliers, developing strategic partnerships</b>	Ensure industry value for money with the services we provide through <b>control and commercial management</b> of our contracts with the suppliers we partner with	Know our service standards and SLA and evaluate our performance against the right measures enabling us to uphold the highest service standards and share these with the industry stakeholders	We invest in industry and internal projects ensuring that they are delivered to a high quality, with full <b>reporting transparency and governance</b> in place
Innovate	We outsource to enable us to scale delivery of our current services and <b>innovate with new services</b> achieving greater flexibility and agility through choosing the right suppliers		Own the <b>relationship with vendors and minimise vendor handoffs with clear line of ownership</b> and accountability for each supplier package		<b>Invest in our data services knowledge</b> so we can continually improve our data services and ensure delivery to the highest standard, supporting the industry with more innovative services	
Deliver	The organisation is aligned around our processes (vs alignment to customer groups). We will invest in <b>retaining the architecture</b> and knowledge of these processes			Gain and retain expertise in industry code with <b>robust governance and management of industry changes</b>		
People	Invest in development of our people to deliver the best possible service for the industry and retain industry expertise.		Get the best out of our people	Deliver change at pace with flexibility for the future in mind		We want to attract great people to join the Xoserve team



Project Trident is also likely to be the vehicle for accommodating the varying calorific values of future gas sources into billing and settlement processes. In preparation for this, we are working with the gas networks, Ofgem and DESNZ as they consider the case for gas blending and how best to accommodate increasing quantities of biogas within the network.

Most of our Customers and Stakeholders engage with us and access the data and information we are responsible for through digital channels, primarily via our website. As part of our continued commitment to improving digital engagement, and in keeping with our evolving corporate identity, we recently refreshed the look and feel of xoserve.com. This included an update to our logo and colour palette in line with our new branding and marked the initial stage of a broader, phased approach to enhancing our digital presence.

Looking ahead to the next business planning cycle, we are preparing to implement a range of more substantial functional improvements to the website. These planned developments include, but are not limited to: enhancements to user experience; improved navigation and site functionality; optimisation of content; modernised design elements; and increased accessibility. Our aim is to ensure the website becomes more intuitive, inclusive and responsive to the needs of all users, supporting better access to the data and services we provide.

These changes are being directly informed by extensive Customer and Stakeholder feedback and insights. Through several engagement activities, we have encouraged a wide range of users to share their views on the current experience of interacting with Xoserve through digital channels and how this can be improved. This feedback has shaped our digital roadmap and will continue to guide us through the upcoming changes.

We are committed to maintaining open communication and active engagement with all relevant parties during this process, ensuring that the evolution of our website remains closely aligned with Customer expectations and delivers tangible improvements to the overall digital experience.

### CDSP Service Development

The CDSP Service Development investment was first introduced in BP25 to fund the creation of a CDSP Data and Digitalisation Strategy (expected winter 2025-26), explore options for a CDSP Open Data Solution (currently in progress), and enable responsiveness to changes resulting from Code Reform. In BP26, the focus of this investment remains on supporting the development of an efficient CDSP with the capacity to introduce innovative solutions and be proactive at a time of rapid market evolution.

#### AI strategy

Following the launch of Ofgem’s inaugural AI regulatory laboratories in February 2025 and the publication of the regulator’s AI policy in May 2025, Xoserve has begun exploring the benefits AI could bring.

We are currently evaluating how **facilitative AI** could improve internal processes or significantly enhance Customers’ experience when interacting with Xoserve. A CDSP AI strategy is being developed to guide our responsible approach to AI, ensuring its application is outcome-driven and secure.

As part of this strategy, we will undertake **proof-of-concept** exercises to explore technological options for safely introducing AI via BP26. These include assessing the potential benefits of a secure CDSP Large Language Model, alongside other AI technologies that could improve CDSP effectiveness and productivity.

#### Data Best Practice readiness activity

Ofgem recently published a consultation proposing Data Best Practice as a Code obligation. Following further bilateral discussions, it is increasingly likely that Xoserve will be required to publish a Data Strategy and Action Plan aligned with the 11 principles first introduced into the Gas Transporter licence in 2021.

The sector-wide aspiration is to extend similar obligations to all licensees, with flow-down requirements for third parties in the supply chain. This represents a significant undertaking, and we anticipate that achieving full readiness and compliance will take several years. Xoserve proposes to begin preparatory work to ensure alignment with current sector processes and expectations. As part of this, we will introduce additional governance mechanisms to enable broader access to non-confidential sector information for innovators and licensees.



Code Reform

Recent Code Reform consultations and feedback on the Preliminary Strategic Direction Statement (PSDS) have led Ofgem to request input from Central System Delivery Bodies regarding the gas market’s transition from a Code Administrator to a Code Manager model.

BP26 includes continued provision for Xoserve to participate in the cross-Code working group and the GNC working group. As the CDSP, we plan to review aspects of our governance structure and propose minor amendments to align with the proposed Code Manager operating model. We anticipate further discussions around optimal data service contract (DSC) governance, performance assurance alignment, and subcontracting arrangements.

Proposed budget and cost share

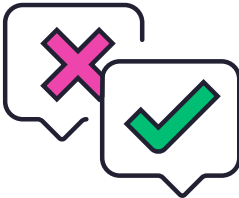
The total proposed 2026-27 budget for this activity is £0.8m. We recommend that this is shared between the DSC constituencies based on the common funding split described in section 7.2 of the [Budget & Charging Methodology](#).

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	52%	6%	41%	1%
Proposed Share £m	0.42	0.05	0.33	0.01

PROMPTING YOUR FEEDBACK

Thinking about the trade-off between innovation and risk, how would you like to see Xoserve use Artificial Intelligence to develop new/enhance existing CDSP services?

In your opinion, what are the most important trends, policies and industry developments that we should consider during the BP26 development cycle?



Project Trident

Project Trident was initiated in spring 2024, and formally launched to our Customers in September 2024 in response to SAP’s planned discontinuation of standard support for SAP ECC6 IS-U. Xoserve has established a strong Stakeholder Engagement function, ensuring Customers and Stakeholders have the latest information on Project Trident and an opportunity to meaningfully engage with the project. Over the past year engagement has included in-person and virtual briefings, presentations within DSC governance forums, one-to-one sessions and regular editions of our newsletter, The Tide. This newsletter has quickly grown to over 450 subscribers and shares how our Stakeholders can both get involved and ask questions regarding our progress. Independent assurance activity by KPMG and PwC has endorsed the governance, working practices and key approaches adopted for Project Trident.

We continue to follow the HM Treasury Green Book approach in developing the Business Case and rationale for Project Trident. Our initial iteration of this, the Strategic Outline Case (SOC), was published in September 2024, and provided the context for the initial Investment Proposal for Project Trident. We are now working on the next iteration, the Outline Business Case (OBC). This builds on the published SOC, rather than replacing it, and provides more information – particularly on the Economic and Commercial perspectives within the Green Book’s five-case model.



“ Project Trident is set to enter an exciting and important phase. We are currently working with Customers and Stakeholders to develop a preferred hypothesis, and once a solution is selected, we will proceed with a fair and competitive vendor procurement process.

Nick Partridge, Director of Project Trident





This iteration of the Business Case will further progress our compliance to the Business Plan Information Rules, with us planning to reach full compliance when the Full Business Case is published. The OBC will contain the preferred option to take to market, as well as more detail on the process we will go through to procure our partner(s).

Our analysis has considered several comparable industry case studies addressing how best to manage the transition away from pending out-of-support SAP ECC6 IS-U applications. This analysis has been supplemented with specialist third-party research (e.g. Gartner/Forrester), a review of our Customers’ experience of digital transformation, and discussions with potential suppliers through a market engagement exercise. This extensive research has led us to a preferred hypothesis, which we believe will best meet the needs of Project Trident. The preferred hypothesis is that Project Trident should adopt a hybrid approach, using a two-step process. This would start with a migration of UK Link’s SAP core to S/4HANA, followed by an optimisation phase featuring a series of incremental changes to improve flexibility and make this platform viable until 2040. This approach would reduce re-engineering, leading to the lowest levels of anticipated delivery risk and impact to our Customers, while still providing a flexible and adaptable solution for the future.

However, all options are subject to continuing research, input from Customers and our independent assurance partner, and the outcome of our solution definition phase. These steps will mean we can be confident

of reaching the best outcome and will also inform our procurement by validating architectural decisions and mapping the level of customisation in our existing solution. This work should streamline our implementation timeline and activity.

In parallel, we are evaluating all remaining options against agreed critical success factors: architectural and strategic fit, build and run costs (total cost of ownership), and delivery risk – which are all important considerations before we confirm whether the preferred hypothesis is the preferred option. This structured down-select will allow us to validate the preferred hypothesis and build a compelling package of analysis to ensure a competitive procurement phase.

Our financial request for BP26 is lower than in BP25. This reflects our current plan, which we expect to run ‘longer but thinner’: a procurement phase running until summer 2027 to allow for greater analysis of our existing UK Link solution and how our Economic Case options align against that, followed by a Design/Build/Test phase to move to a supported platform by 2030 in line with our critical success factors.

It may be possible to reduce the estimated procurement timelines – so within our request we are including contingency to allow ramp-up of a Systems Integrator, and procurement of licences such as SAP licences, in BP26. This also allows us to build further capability within Xoserve to enable the organisation to play the role of an ‘intelligent customer’ during the procurement phase, getting the best commercial deal on behalf of our Customers within the gas sector.

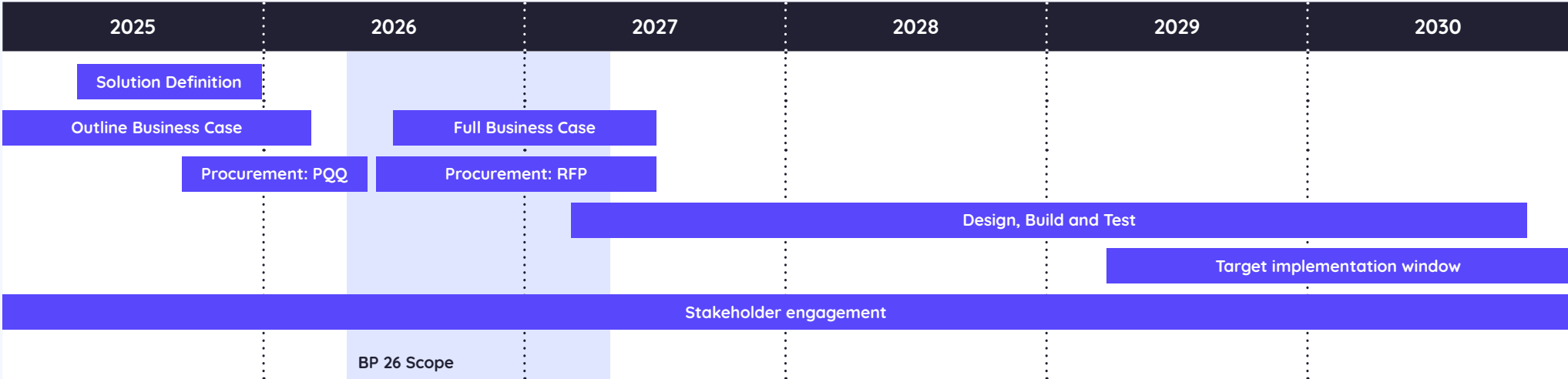
We continue to hold to an upper estimate of no more than £110m; execution of our full procurement and the associated FBC will allow us to provide greater certainty on expected budgetary out-turn for Project Trident.

Proposed budget and cost share

The total proposed 2026-27 budget for this activity is £20.9m. As with BP25, we recommend that this is shared between the DSC constituencies based on the common funding split described in section 7.2 of the Budget & Charging Methodology.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	52%	6%	41%	1%
Proposed Share £m	10.91	1.21	8.51	0.27

Timeline



Note: Project Trident timelines are being informed by our engagement and procurement activities throughout 2025. These are indicative dates as of Q3 2025 and will be developed further.



# Deliver



We have been the digital heartbeat of Great Britain's Gas Industry for over 20 years. Our mission is to deliver excellent CDSP services, both now and into a sustainable future. This will inevitably include activities currently outside our Key Performance measurement regime. Our mission is underpinned by our deep gas industry expertise, a focus on enhancing our capacity and capability, and proactive engagement in industry projects aligned with decarbonisation policy.



Our Customers rely on us to deliver robust and secure CDSP services right now – so effectively delivering, and wherever possible, enhancing these services, is our number one priority.

**Dave Turpin, Director of Programmes and Service Delivery**

**As we celebrate Xoserve's 20th birthday, it's with great pride that I reflect on the role we have played, operating at the heart of the gas industry since our creation in 2005.**

Our longevity and expertise make us unique, and our not-for-profit operating model means that we can always be fully focussed on delivering excellent services to the Customers who co-fund us.

Our history makes us who we are, and our experience enables us to make the most of current opportunities and navigate future challenges. Looking forward, our Business Plan 2026-29 (BP26) describes our plan to deliver a modernised UK Link via Project Trident, and thereby futureproof 'mission-critical' platforms as the Net Zero horizon approaches. The options for future Central Data Service Provider (CDSP) operating models are also being assessed, with thought being given to how we can maximise the benefits of a modernised suite of IT once implemented.

As our most valuable resource, our people will deliver BP26 by leveraging their understanding and knowledge of the GB Gas Market and central systems and processes, collaborating with Customers via excellent engagement, and enabling access to the critical data services that our Customers rely upon every day.



While our performance against data service contract (DSC) key performance metrics and indicators is consistently robust, Customer-impacting service incidents during 2024 have necessitated a redoubling of efforts to identify where services need to be enhanced and how performance is measured.

Since the start of 2025, we have undertaken a series of initiatives and Customer engagements to identify, categorise and prioritise opportunities for service enhancement. BP26 proposes investment to boost our capability and capacity in this regard, with the newly established Customer Engagement Team set to lead a programme of service improvements in areas prioritised by Customers.

## CDSP Service Enhancement Programme

### Consolidating the outputs from other initiatives

Completed initiatives such as the annual Institute of Customer Satisfaction survey, our in-house ‘Measures that Matter’ project, and our UK Link ‘pain points’ workshops, have provided valuable Customer suggestions about potential service enhancement.

### CDSP Service Enhancement Programme scope

The CDSP Service Enhancement Programme will take inputs from each initiative to form a categorised and prioritised list of potential enhancements and costed solution options. It will provide us with a robust and consistent way to continuously improve the performance of existing CDSP services, together with an ongoing end-to-end process for Customer engagement on this topic. The programme will develop and deliver solutions to pain points that are not in scope of Project Trident.

### Development and delivery approach: feasibility framework

We propose to move forward with a phased development and delivery approach, with potential enhancements captured in the list of pain points, which will be categorised into consistent themes, explored, and then incrementally resolved.

“ Following isolated but high-profile performance incidents that impacted Customers during 2024, we have significantly increased focus in this regard during 2025, with several initiatives and activities being undertaken to identify how service delivery and its measurement can be enhanced to drive more effective, efficient and/or economic Customer outcomes.

**James Rigby, Head of Customer Engagement**

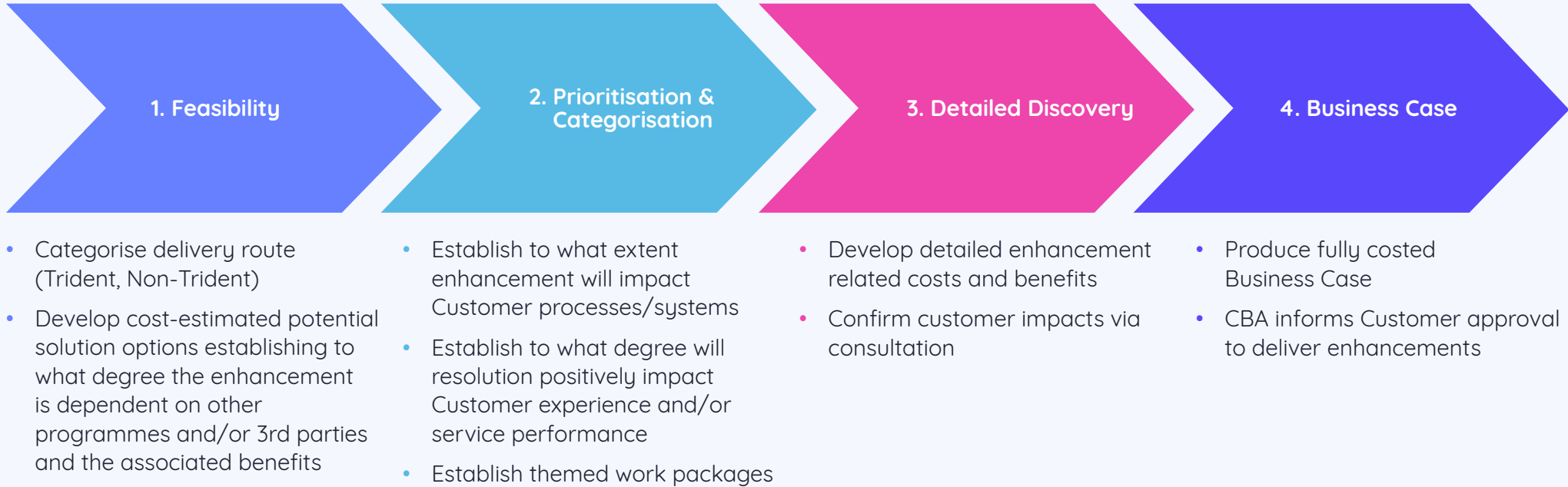






## Feasibility framework

Enhancements will be explored, prioritised and delivered based on the following criteria:



### Proposed budget and cost share

We propose a total investment of £2m. This will include a £0.5m budget to fund programme resources and a £1.5m budget to fund incremental delivery of prioritised enhancements. As the feasibility analysis is not yet complete as we present Draft 1 of BP26, the incremental enhancement budget may change when we present Draft 2 in November 2025.

We propose that budget should be shared between the DSC constituencies based on General Change (DSC element) shares. This is because, as with General Change, we will ask Customers to draw down on the enhancement budget after we present themed Business Cases.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	58%	2%	35%	5%
Proposed Share £m	1.15	0.04	0.7	0.11

“Wherever possible we will utilise existing governance processes (e.g. delivery sub-groups, consultation ‘change packs’) to engage with Customers and understand impacts on their processes and systems. This will allow us to prioritise pain point resolution and discuss solution options. Where enhancements require industry code changes, we will engage appropriately with the relevant code development processes.

Emma Smith, Head of UNC Services





### PROMPTING YOUR FEEDBACK

In the CDSP Service Enhancement Programme, we will ask Customers to incrementally approve work packages of enhancements to existing services. These could be either ‘technical’ or ‘contractual’. In your opinion, what would be the best approach to the governance of this programme?

- a) Use existing DSC committees, asking the relevant group the relevant questions
- b) Choose either Change Management Committee or Contract Management Committee as ‘decision-maker’
- c) Have a combined ‘sub-group’ of CoMC and ChMC representatives to bring the required Customer expertise together to make decisions
- d) Something else (please specify)



## UK Link Sustain

Continued investment is required over the coming years to ensure continued security, stability, processing efficiency and performance of the many system components that work in collaboration to provide UK Link.

### Scope

The pieces of work which would be covered under this investment are summarised in the following key areas:

- **Essential maintenance:** Scheduled maintenance to address vulnerabilities and essential version upgrades covering applications, frameworks, operating systems and databases. The necessary upgrades are based on the end of support/extended support by the vendor. Keeping components in vendor support ensures system reliability and uptime, and in some instances, security levels.
- **Sustain:** Strategic decisions on key UK Link components comprising ‘sustain’, upgrade’ and ‘replace’ activities will be needed over the next three years. Appropriate expenditure will ensure the right decisions are made regarding the future architecture of the UK Link platform prior to Project Trident, and in line with Xoserve’s technical strategy to minimise ‘regret spend’.
- **Service Essentials:** This budget area covers ongoing activities to support day-to-day operations, such as decommissioning legacy services (e.g. PIX); optimising the Enterprise Hub; strengthening identity and authentication capabilities; and enhancing test management processes to improve quality assurance.

Collectively, these activities will maintain vendor support across the estate, reduce technical and operational risk, and position UK Link for a smooth and efficient transition to the future platform.

“ With the replacement of UK Link on the horizon, this investment ensures a proactive approach to the maintenance needs of the existing architecture, preventing service disruption and/or service degradation, which would impact Customers’ operational practices. It will enable us to sustain the high standard of service in place today.

Andy Morrey, Head of Architecture







UK Link Sustain Roadmap

Roadmap							
Themes	BP 2025/26	BP 2026/27	BP 2027	2025	2026	2027	2028
Essential Maintenance	Yes	Yes	Yes	SAP Applications Yearly Maintenance	SAP Applications Yearly Maintenance	SAP Applications Upgrade/Sustain App/OS/DB	
	Yes	Yes	Yes	AMT Sustain	AMT Sustain	AMT Maintain (Application, OS , DB)	
	-	Yes	Yes				
	Yes	-	-	Batch			
Sustain/Transform	Yes	Yes	Yes	EFT Upgrade/Data Centre Move	EFT Upgrade/Replace		
	Yes	Yes	-	Compatibility Upgrade			
	-	Yes	Yes		MoveIT/API Gateways		
	Yes	-	-	DCC Gateway (HSM) Replatforming			
	-	Yes	Yes	UK Link Security Maintenance	UK Link Security Maintenance	UK Link Security Maintenance	
Service Essentials	-	Yes	Yes		Enterprise Hub		
	-	Yes	Yes		Service Network Maintenance		
	Yes	Yes	-		PIX Decommissioning		
Enabling changes							
Transformation changes	TBC	TBC	TBC				
Key dependencies and risks	Product Vendor Releases and Support Models, Industry Activity, Trident timelines (Xoserve Strategy & Programme timelines influences the sustain landscape and activities)						

Proposed budget and cost share

The total proposed 2026-27 budget for this activity is £4.9m. We recommend that this is shared between the DSC constituencies based on the common funding split as described in section 7.2 of the Budget & Charging Methodology.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	52%	6%	41%	1%
Proposed Share £m	2.56	0.28	1.99	0.06





## Gemini

Following the completion of the Sustain + programme, this investment provides the investment to deliver industry-change driven as well as proactively identified service enhancements in the Gemini platform.



“As with previous Business Plans, BP26 provides the necessary funding to ensure critical central platforms remain robust, secure and compliant

with existing and future industry code requirements.

Simon Harris, Gemini Service Manager

## Scope

The scope of this investment covers the following elements:

- **Regulatory change:** As with previous years, investment is needed to fund any regulatory/Gemini change arising from Code modifications and consequent system changes to the Gemini estate.
- **Maintain/enhance:** The Gemini Sustain+ Programme included several proposals that, with agreement from Customers and the industry, have not been delivered by the initial upgrade programme. These were placed into an ‘opportunities pipeline’ to be looked at post implementation; therefore they will be considered throughout the BP26 period.
- **Data provision:** A number of market-driven changes (non-regulatory) related to data provision initiatives are being considered, with the aim to progress these throughout the BP26 period.

## Proposed budget and cost share

The total proposed investment is £2.4m and will be solely funded by National Gas Transmission.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	0%	100%	0%	0%
Proposed Share £m	0.0	2.4	0.0	0.0

## General Change

This investment secures within-Business-Plan-year funding to ensure that we can develop and deliver changes to CDSP services across the following areas:

- DSC Code (Regulatory) and non-Code (non-regulatory) services
- Data Discovery Platform (DDP) visualisation and data provision services
- Retail Energy Code (REC) change development responsibilities.

“It’s critical for Xoserve to hold a budget to incrementally design and deliver changes that result from industry code amendments and/or changes to CDSP services. Holding a General Change budget, following engagement with DSC Customers, allows us to do this.

Paul Orsler, SPA and AQ Service Manager



## Proposed funding and cost share

We propose a total budget of £3.4m. Cost share between constituencies is based on the scope:

General Change DSC	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	58%	2%	35%	5%
Proposed Share £m	1.53	0.06	0.92	0.14

General Change DDP	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	50.0%	0.0%	41.7%	8.3%
Proposed Share £m	0.21	0.00	0.18	0.03

General Change REC	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	59.0%	0.0%	35.5%	5.5%
Proposed Share £m	0.21	0.00	0.12	0.02



Discovery 2

We are awaiting the outcome of an in-flight independent audit of the DDP before rolling out the new version, ‘Discovery 2’. Benefits of Discovery 2 include whole-portfolio download capability and more intuitive dashboards that load up to 50% faster than currently.

Gas Enquiry Service

Xoserve continued to successfully deliver the Gas Enquiry Service (GES) to RECCo and its Customers. The Gas Enquiry Service is a core provision of the REC arrangements, enabling REC parties and non-REC parties to access essential data for switching purposes. Key achievements during the last 12 months include the successful re-platforming of GES towards the end of 2024, which resulted in Xoserve being able to offer a cost saving to RECCo.

Xoserve is delighted to have finalised agreement with RECCo to continue with the delivery of the Gas Enquiry Service and work with RECCo on further improvements that will enhance user experience. We continue to support RECCo in the advancement of open data initiatives to align with open data principles.

Information exchange (and migration to CIX)

Information exchange (IX) is critical to the successful operating practices of many industry participants and is a service that the CDSP supports and operates under the DSC. There are two forms of IX used by Customers: the ageing physical network (PIX) and a cloud network (CIX), with the former being phased out through 2025 and into 2026. This is in response to the telecoms industry announcing that all ADSL circuits (copper telephone lines) are to be decommissioned by January 2027.

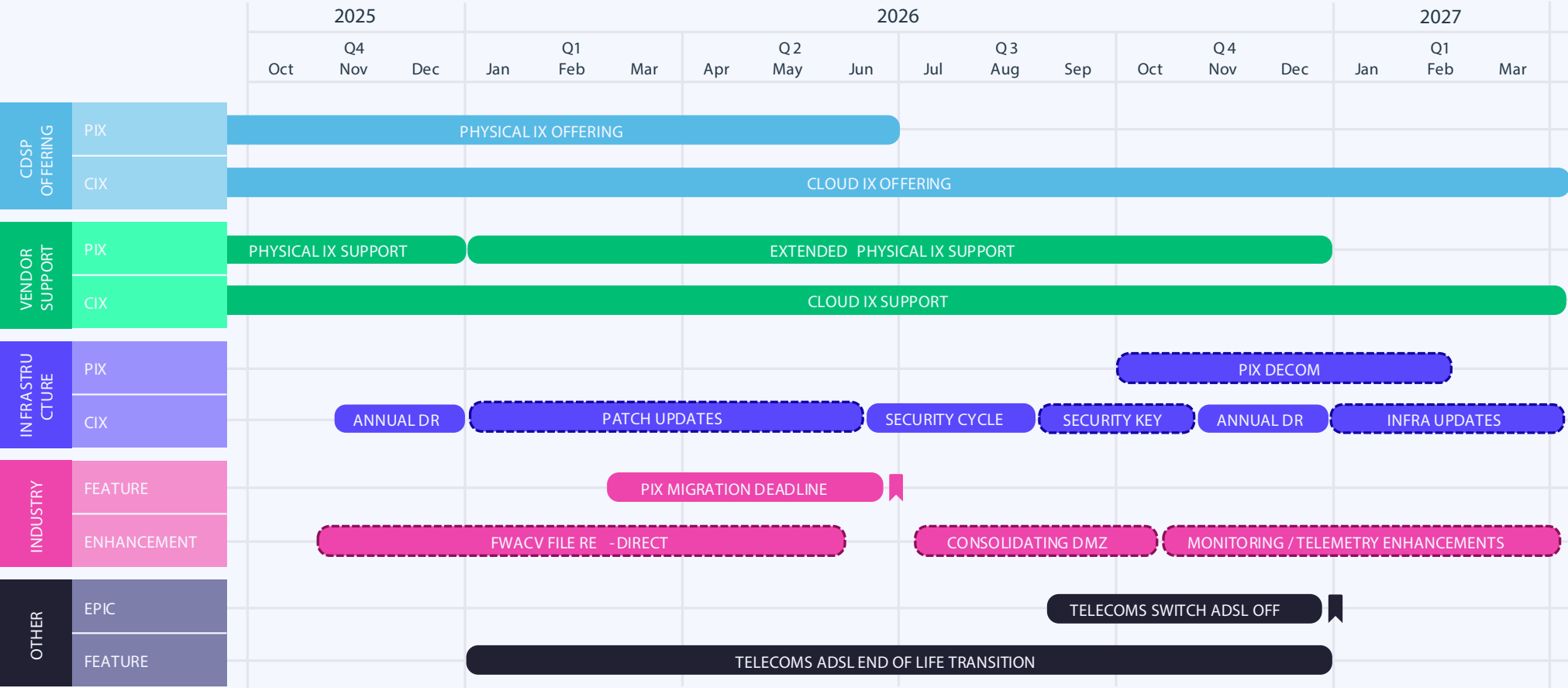
Cloud IX service

Through our cloud IX service, Customers benefit from:

- encrypted file transfers – both our secure file transfer protocol (SFTP) and our cloud-secure software ensure compliance with GDPR standards
- no datacentre requirements – there is no need for a physical datacentre as it is entirely hosted in the cloud
- disaster recovery processes – our Customers get a full backup of their data in the cloud.

The focus for the CDSP through 2026 will be ongoing support for industry participants to migrate to CIX by 30 June 2026, which is the industry-recognised date for decommissioning the PIX service.

IX Roadmap







**Contract horizon**

Alongside the procurement activity that we describe in Project Trident, there are other activities in the pipeline.

**Non-Daily Metered Service Provider (NDMSP)**

Xoserve provides this important service – regular meter reads – on behalf of some of the Distribution Network Operators (Cadent, Northern Gas Networks and Wales & West Utilities), and the data collected by this service is also used to help improve gas usage forecasting. The service includes both data provision and field service elements, and we will be looking to re-procure during 2026-27 to ensure continuity of service when the existing contract terminates.



**Daily Metered Service Provider (DMSP)**

This contract requires Xoserve to provide a daily meter reading service for all Class 1 Supply meter points. Like the Non-Daily Metered service, the requirements include both data provision and field service elements. We will be looking to engage with all relevant parties to review the service and ensure that any changes in industry requirements can be incorporated when we start our re-procurement activities during 2026-27, with the aim of ensuring continuity of service when the existing contract terminates in 2028.

**Performance Assurance Framework Administrator (PAFA)**

As the end of the initial term for the current contract approaches (July 2026) we will begin working with the Performance Assurance Committee to review the procurement options and decide on ‘next steps’, to ensure continuity of the service when the existing contract terminates in 2027.

**Current performance across existing DSC key performance metrics and indicators (KPMs/PIs)**

We measure our effectiveness in delivering CDSP services via 49 individual KPMs and PIs. In recognition of the criticality of the services we are responsible for, targets are appropriately stretching. Many of the KPMs/PIs require flawless management of the 3.6 billion annual ‘process events’ that are critical to the smooth operation of the GB gas industry, including: consumer switching in central systems; processing of meter reads; updating asset information; calculating Annual Quantity; responding to and resolving Customer contacts/queries/tickets; forecasting Non Daily Metered consumption and processing daily meter reads; invoicing; balancing; and General Change delivery.

Performance against the KPMs and PIs is robust, with outcomes being maintained and critical systems available. We expect performance and operational workloads to remain consistent through 2026-27. A detailed performance and workload forecast is available in the Annexe (see the Current Performance and Outputs sections).







## Annexe

**The aim of this Annexe is to support the independent/Customer assessment of BP26 vs the Business Plan Information Rules (BPIRs) by signposting where we believe BPIRs have been satisfied and/or providing further details that aren't already provided in the BP26 document.**

Further BP26 information can be found in the [Annexe](#).

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  - 1.7 Allocation of costs to Customer classes
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2. About Xoserve
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The logo for XOSERVE, featuring a stylized 'X' icon followed by the word 'OSERVE' in a bold, sans-serif font.