Xoserve

BUSINESS PLAN 2025-28

TRUST INNOVATE DELIVER

DRAFT 2

TRUST
INNOVATE
DELIVER

Contents

ANNEXED INFORMATION

The BP25 Draft 2 Annexe document is available to download from the BP25 Hub

CEO Introduction

> We embrace change and are keen to play our part

I am delighted to present Xoserve's New Business Plan for 2025-2028 (BP25). This plan has been developed against a background of increasing change in energy markets. Perhaps of most significance is the new Government coming to power. But I would also note that the National Energy Systems Operator (NESO) is also about to "go live"

Although as yet we haven't seen direct impact on the markets in which Xoserve operates, we anticipate that we will be called upon to support a range of policy interventions, and the acceleration in decarbonisation of energy supplies. We embrace this change and are keen to play our part in support of the Government's objectives and collaborate with NESO.

The regulator has already consulted on changes to Code governance, and again this is an area where Xoserve is keen to contribute fresh thinking – our White Paper on Gas Code Management is to be published alongside BP25 in November and we hope that the Regulator and industry partners will find this helpful as the Regulator moves forward to implement new Code Management arrangements.

Another significant new initiative is Project Trident. This will see the migration of the UK Link system from its current SAP platform, which is soon to go 'out of support' by SAP. We are advocating an earlier start to this project than had previously been considered, as recent Proof of Concept

work showed us that migrating the existing system would be more complicated and take longer than had been anticipated. The earlier start of Project Trident is designed to reduce risk to migration, allowing greater time for testing of the new system whilst the existing UK Link system remains in service.

This will be a major project, spanning several years in the 'build' phase, with a target for the new system to be operating through to at least 2040. NESO's recently published future energy scenarios demonstrated that in all cases considered, a system like UK Link will be needed.

BP25 is accompanied by the Project Trident Strategic Outline Case (SOC), which has been developed using the Treasury 'Green Book approach'. As we consider options for the project, we will then develop the Outline Business Case (OBC), and finally a Full Business Case (FBC). Necessarily, at this early stage of Trident, we have only very approximate initial costings, which the OBC and FBC will quantify more accurately.

We are committed to running a competitive tendering process for Trident, and want to engage a broad range of potential suppliers to bring innovation into the Central Data Service Provider estate. We will also be establishing bespoke customer consultative groupings, employing best practise from other recent similar projects.

Last year, we commissioned an independent third-party to undertake a comprehensive Efficiency Review. This bench-marked our costs against a broad range of comparator organisations, and found in general that we benchmarked well. The review proposed that we should target an improvement in Value For Money of between 2%-8% in real terms for the Core Service and Operate budgets, from the BP22 baseline that was assessed. I am delighted to confirm here that in BP25, this target has been met. We also anticipate a continued real terms decrease in core Service and Operate, and will continue to focus on finding areas to improve the Value for Money of our services.

Arguably, more importantly, the assessor also recom-mended that Xoserve should develop from a Contract Assurance company to become Competition Ready, develop a new Digital Strategy, and utilise its contractual levers to deliver better outcomes. In essence this mandated a transformation in our capabilities, to become the Intelligent Customer and Enterprise Architect of the CDSP estate.

The Board tasked the Executive Team to develop a new strategy to draw these strands together and recently approved an organisational redesign which allows Xoserve to fulfil the twin roles of Intelligent Customer and Enterprise Architect. This was briefed at high level at our Stakeholder Engagement day in May, and the organisational redesign is presented here in more detail in BP25.

The Xoserve team is growing, and I have been very pleased to appoint several new people into senior roles, who bring a breadth of industry, project management and technical knowledge and experience. You will see their contributions featured in BP25, the Code Manager White Paper and the Trident SOC.

This Business Plan is the first to be constructed with the new Business Plan Information Rules in place. I committed Xoserve to acting more transparently in BP24, and we continue in this vein in BP25. To provide assurance to customers of our compliance with the new Rules, we have commissioned the same third-party that undertook the Efficiency Review to undertake an independent audit of the planning approach for BP25, which will be reported as part of the BP25 suite of documents.

Customer feedback is of course important at all times, and we want this Business Plan to provoke dialogue and challenge. Several of the Investment Proposals contained in BP25 are the direct result of such feedback, including investments in Open Data, Digital Experience and communications.

It has also been put to me that Xoserve should "concentrate on the day job." It is of course our core mission to ensure that CDSP services are delivered efficiently, and effectively. But it is my view that to guarantee this on a long term, sustainable basis we have to think about the future and prepare for this. Project Trident is the obvious example, but I would also point out the likely changes coming from the Government and regulator and wider market developments, and the expectation that our data will be put to work to support a broad range of policy objectives.

As such, Xoserve is building its capabilities, and growing capacity as defined by its strategy. The focus on ensuring continued high quality service delivery at excellent value for money is undiminished, but augmented with additional capabilities that will make us a better CDSP. I hope that you will agree with this after you have read this Business Plan.

Steve Brittan
CEO, Xoserve

> Xoserve is building its capabilities, and growing capacity as defined by its strategy. The focus on ensuring continued high quality service delivery at excellent value for money is undiminished.

About this document

The Xoserve 2025-28 Business Plan (BP25) sets out the required scope and budget for the provision of Central Data Service Provider (CDSP) services during the 2025-26 financial year. It also provides a forecast for the financial years 2026-27 and 2027-28.
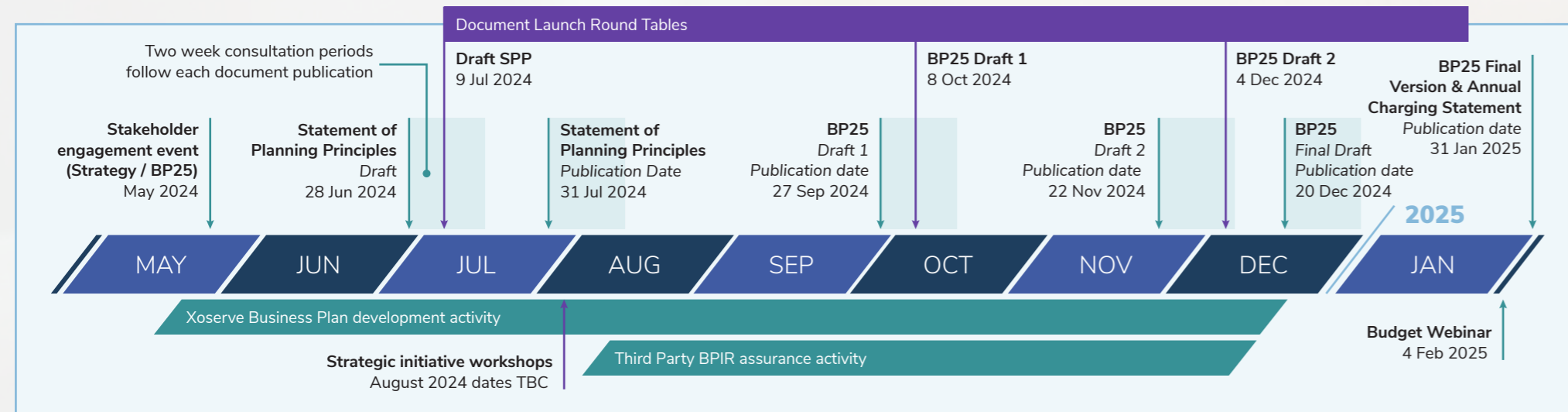
Draft 2

BP25 will be developed over 3 iterative drafts- this being Draft 2 – with the process culminating in a Final Version, which will be published following Xoserve Board approval in January 2025.

The main body of Business Plan contents align to the strategic principles of **Trust > Innovation > Delivery**, as set out in the Statement of Planning Principles (SPP). These principles, along with 5 associated journeys, have been identified as critical in our evolution towards an entity that delivers maximum value for customers and stakeholders.

We know from previous business planning cycles, that customers and stakeholders prefer to consume these documents in different ways. Therefore, for readers who want to know the headlines, we have included an executive summary which provides high-level information about our strategic direction, the scope and related budget. The main body of the document builds out the themes captured in the executive summary, but for readers who want to consume the lowest level of detail, there are also 3 annexed items, including:

- a detailed traceability against the Business Plan Information Rules (BPIRs) that were introduced by UNC modification 0841, which was approved by the regulator in May 2024. This includes a 3rd party assessment of our compliance with each BPIR

- A general description of Xoserve, which includes metrics and useful insights about our evolution as a business

- A glossary

Timeline

Document Launch Round Tables

Two week consultation periods follow each document publication

Draft SPP
9 Jul 2024

BP25 Draft 1
8 Oct 2024

BP25 Draft 2
4 Dec 2024

BP25 Final Version & Annual Charging Statement
Publication date
31 Jan 2025

Stakeholder engagement event (Strategy / BP25)
May 2024

Statement of Planning Principles
Draft
28 Jun 2024

Statement of Planning Principles
Publication Date
31 Jul 2024

BP25
Draft 1
Publication date
27 Sep 2024

BP25
Draft 2
Publication date
22 Nov 2024

BP25
Final Draft
Publication date
20 Dec 2024

2025

| MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN |

Xoserve Business Plan development activity

Strategic initiative workshops
August 2024 dates TBC

Third Party BPIR assurance activity

Budget Webinar
4 Feb 2025

Approach to commercial information

As we move towards being a competition ready, 'Intelligent Customer', it's important that our approach to information sharing is well considered and protects the integrity of future procurement exercises. Where we see a risk associated with publicly sharing information (e.g. cost breakdowns in certain Investment Proposals), we have redacted that information.

Of course, we want to share this information transparently with customers, but in a confidentially secure way. As such, a private briefing session was facilitated on 11th November 2024 during which we continued to build the trust that comes with repeated transparency. During this session we shared further information about Project Trident in a manner that protected against jeapordising future procurement activity.

Full, unredacted information will be made available to the 3rd Party contracted to assure BP25 versus new Business Plan Information Rules introduced via UNC modification 0841.

How to feedback

There will be ample opportunity to engage in the process of developing BP25, including via:

- Written feedback as part multiple consultation periods that follow the publication of each iterative Draft

- Dedicated in-person and online roundtable events, workshops and webinars

- Our online BP25 portal which contains all relevant media (including videos, documents, Q&A)

Draft 2 consultation themes

To help keep the dialogue between us open, we include the questions below to stimulate discussion:

Trust

- Are there other ways in which you would like to see Xoserve engage with customers and stakeholders during the business planning cycle?

Innovate

- Do you agree that the scope of the Investment Proposals represent customer priorities (and if not, why)?

Deliver

- Is there any information missing from BP25 about Xoserve's capability and / or capacity to deliver the scope of BP25 (and if so what is missing)?

Stakeholder feedback

We received five non-confidential responses, which have all been uploaded to the BP25 portal, along with our reposnses. We welcome all feedback on this Draft - please email us at **business.planning@xoserve.com** if you have comments or questions regarding Draft 2.

A summary and location of changes made in Draft 2 (either inspired by stakeholder feedback or via recommendations made by the 3rd Party Assessor) can be found in the **Trust section of this document**.

Executive summary

The Xoserve Business Plan for 2025-28 (BP25) sets out the strategy and means to:

- Continue to build **trust**,
- **innovate** to provide future value, and
- **deliver** the robust, secure Central Data Service Provider (CDSP) services that are required now, and in the future.

We procure, manage, deliver and assure the critical gas industry services which our customers and stakeholders rely on to be able to operate in the market. We are focused on overseeing dependable, Value for Money (VfM) services, and on developing innovative solutions to current and future industry priorities. We are evolving in ways we believe will maximise our value to all.

BP25 builds on all the aspects of BP24 that customers and stakeholders told us were important and valued, such as being open and transparent with information, articulating VfM and building the Business Plan on engagement. Our commitment is to now apply these things as standard, building up from this solid foundation, and leading the collaboration required to meet the challenges, and make the most of the opportunities ahead.

Market evolution - pathways to net zero

The National Energy System Operator's (NESO) recently updated view of the Future Energy Scenarios (FES), identifies the potential routes towards net zero. Three 'Pathways' have been described through which the 2050 target can be achieved. In each one, it is clear that the production and consumption of natural gas is forecasted to endure well into the 2040s, and in some capacity all the way through to 2050, as other fuels / solutions begin to replace domestic heat demand.

This underlines the need for the IT and services we are responsible for, not only to adapt in ways that facilitate the transition (e.g. blending) but also to endure to meet that demand. The Pathways are acknowledged in this Business Plan, via the introduction of Project Trident, which will ensure the provision of an enduring, flexible, scalable and integrable central UK Link platform for as long as it is required.

NESO also sets out key actions that need to be undertaken over the coming two years, including the need to accelerate market reform. We recognise that this introduces an era of industry code reform into the gas industry, and we see opportunities in which Xoserve can help prepare for this. As such, BP25 includes proposals that will enable us to mature our strategy and execution of digital and open data capabilities.

Strategic Principles

As the market evolves, so must we. In the Statement of Planning Principles document, published on 31st July 2024, we set out 3 strategic principles, and 5 supporting journeys, which we believe will not only provide tangible and recognisable improvements to the Business Planning process and its content, but also provide a map for navigating our evolution, during which we will build:

- **Trust** by providing 'transparency as standard' and identifying new ways we can drive valuable outcomes for all
- **Innovate** in order to help facilitate the transition to Net Zero
- **Deliver** the robust services needed now, and in the future

To fulfill these principles, we need to build on current capacity and capability, moving forward from:

- **Transparency to Trust** - repeated transparency as standard, breeding trust
- **Assurance to Confidence** - demonstrating the value we add via assurance, breeding confidence in our capability and capacity to do more
- **System Custodians to Transition Facilitators** – developing value-adding, flexible, scalable and integrable solutions fit for future scenarios
- **Stakeholder Servants to Serving Stakeholders** – embodying the behaviors that nurture trust and confidence
- **Code Delivery to Code Management** - Preparing for code reform, bringing coherence between code and digital systems development.

Organisational re-design and competition readiness

We are already building the capacity and capability needed to continue delivering the robust and secure CDSP services our customers and stakeholders rely on. This increasingly means moving towards a strategic position of 'Intelligent Customer' and 'Enterprise Architect'.

The development of Project Trident, a significant infra-structure modernisation programme included in BP25, is a key strategic objective. In response, we have re-de-signed the orgsanisation, with the new Executive and Leadership Team having already started the process of recruiting the skills and expertise that are required for the next phases of Trident and Xoserve's associated evolution. This enables us to even more keenly focus on customer and industry priorities.

CEO
Steve Brittan

DIRECTOR OF FINANCE & SHARED SERVICES
James Spicer

Financial Controls
Human Resources
Contract Management and Assurance
Procurement

DIRECTOR OF STRATEGY & DEVELOPMENT
Clive Nicholas

Communications and Business Planning
Industry Projects
Enterprise Architecture
Project Trident

DIRECTOR OF PROGRAMMES & SERVICE DELIVERY
Dave Turpin

Service Delivery Management
PMO / Change Assurance
Customer Relations

BP25 contains the funding required to take the necessary next steps towards being fully 'competition ready', and therefore also being able to deliver CDSP services for as long as they are required. This will mean an increase in budget over the coming 3 years as Project Trident progresses, and a larger number of people than we currently employ. Our forecast is that headcount will increase by 17 in 2025-26.
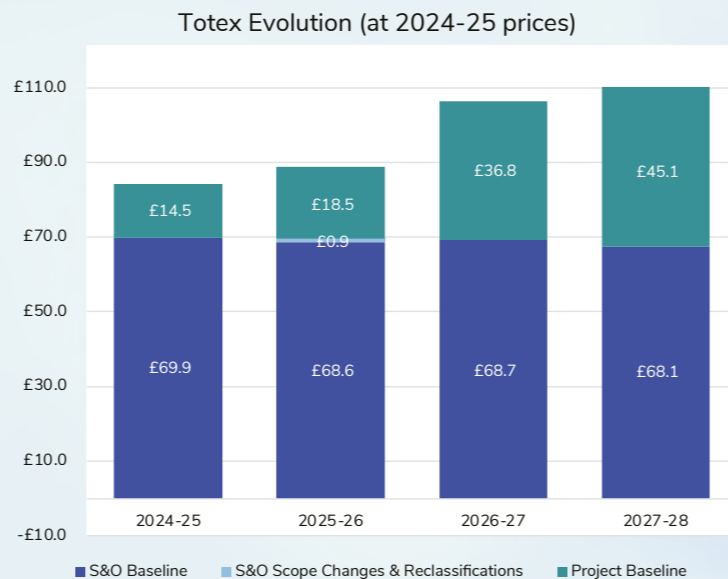
Trust

Budget and Forecast

The total cost to deliver CDSP services in 2025-26 is £87.9m. This is an increase of £3.5m from the 2024-25 budget, resulting from the net impact of £0.5m reduction in S&O and a £4m increase in investment costs (largely related to the introduction of Project Trident).

The 2025-26 budget is made up of £69.4m S&O and £18.5m proposed Investment. The bar graph shows how Totex is evolving (in 2024/25 prices) in comparison with the 2024/25 budget, as net S&O decreases and investment costs increase in line with the progression of Project Trident.

Totex Evolution (at 2024-25 prices)

	2024-25	2025-26	2026-27	2027-28
Project Baseline	£14.5	£18.5	£36.8	£45.1
S&O Scope Changes & Reclassifications		£0.9		
S&O Baseline	£69.9	£68.6	£68.7	£68.1

■ S&O Baseline ■ S&O Scope Changes & Reclassifications ■ Project Baseline

Service and Operate changes

We call the cost to deliver the day-to-day services that are so important to our customers 'Service & Operate', or 'S&O'. **These costs decrease by £0.5m in comparison with BP24** – this is the net impact of a £1.4m decrease in outsourced S&O costs and £0.9m increase in Xoserve's 'direct' costs. This is shown in the 'S&O Waterfall' graph, with commentary to be found further on in this document.

S&O Waterfall

■ Increase ■ Decrease ■ Total

	Value
End of March 2025	69.9
Gemini Run Costs	0.6
CMS Run Costs	0.2
DDP	0.5
FWACV savings	0.1
Info Sec Completion	0.1
Customer Advocacy Team	0.3
Enhanced Assurance	0.4
Employer NI Impact	0.1
End of March 2026	69.4
1% Efficiency target	0.7
End of March 2027	68.7
1% Efficiency target	0.7
End of March 2028	68.1

Value for Money - Efficiency Review Implementation in Xoserve (ERIX) programme

In order to articulate the multifaceted nature of 'value', in BP24 we introduced the 4E framework. To reflect our new strategic principles, BP25 augments **Economy**, **Efficiency**, **Effectiveness** and **Equitability**, with a 5th 'E' which represents our need to **Evolve**.

We have applied the 5E Framework as the criteria to determine the changes to scope, costs and investments proposed in this business plan.

The ERIX programme was established in January 2024 to progress potential opportunities that resulted from the 2023 Efficiency Review. The review, carried out by an independent 3rd party, benchmarked the 2022-23 costs of delivering CDSP services against similar organisations, concluding that most services benchmarked positively. The assessor also identified potential areas for exploration as to how services might be made more economic, efficient and / or effective.

Since the initiation of the ERIX programme, we have worked with a Customer Advisory Board (CAB) populated by volunteers from the Data Service Contract (DSC) Contract Management Committee (CoMC) to explore and develop each potential opportunity in more depth.

The £0.5m annual reduction in Data Discovery Platform (DDP) run costs included in BP25 is a response to a key finding from the Efficiency Review, which concluded that Reporting services could be made more economic. Through positive engagement with our service providers, we are able to reduce annual costs and introduce new, enhanced functionality which addresses common customer pain points.

The assessment identified an overall range of opportunity between 2%-8% and in BP24 we stated that our aim was to surpass the top end of this range. Via a series of economy gains made on the 2022-23 cost base, we will do so, reducing the associated cost per meter point by 9% by the end of 2025-26.

We recognise the need to continue this important work, and aim to reduce the 2022-23 cost base further as we progress with the ERIX programme until it concludes each potential opportunity. We therefore aim to reduce the 2022-23 S&O cost base by 12% by 2028.

The bar chart shows how costs have evolved since 2022-23, with 'S&O Baseline' representing the 2022-23 baseline.

Cost per meter point (2024-25 prices)

Year	S&O Baseline	S&O Cumulative Increment	Investment	Total
2020-21	2.61		1.8	4.38
2021-22	2.60		1.9	4.52
2022-23	2.50		1.3	3.76
2023-24	2.36	0.40	1.1	3.86
2024-25	2.33	0.45	0.6	3.35
2025-26	2.27	0.48	0.7	3.49
2026-27 LF	2.25	0.48	1.5	4.19
2027-28 LF	2.22	0.48	1.8	4.48

Innovate

BP25 proposes projects that will lead to the implementation of innovative, essential and value-adding solutions, enabling us to deliver a more effective, efficient and economic suite of CDSP services.

These new investments include **Project Trident**, a multi-year programme which will modernise the UK Link platform ahead of a mandated SAP upgrade later this decade. This project is a key enabler for the provision of enduring, robust and secure future CDSP services.

Procuring and implementing the right solution is dependent on Xserve growing its capacity and capability in key areas of expertise – something we have already started to do by increasing our maturity in Enterprise Architecture and roles that enhance our ability to provide an 'Intelligent Customer'

lens and become competition ready. Funding in BP25 will provide the means for us to move into the next phase of Trident which includes building out the project team.

Additionally, we see the requirement for us to proactively undertake **CDSP Service Development**, so that we can maximise our value to customers, stakeholders and consumers, and ensure we are ready for incoming code reform. We will start by maturing our digital / data strategy and explore how our capability in this space can evolve.

Table of investments

In total, there are 5 Investment Proposals within BP25, which require £18.5m funding (£12.1m for Infrastructure projects, and £6.4m for Change projects). The costs presented in the table below are in 2024-25 prices.

Infrastructure Investment Proposals	2025-26 £m	2026-27 £m	2027-28 £m
UK Link Sustain	2.3	2.6	3.5
Project Trident	9.7	26.7	35.5
Total Infrastructure investment	**12.1**	**29.3**	**39.0**

Change Investment Proposals	2025-26 £m	2025-26 £m	2025-26 £m
Gemini Regulatory Change	2.4	2.45	2.5
DSC Change Budget	3.4	3.4	3.4
CDSP Service Development	0.6	1.6	0.2
Total Change investment	**6.4**	**7.5**	**6.1**
Total Investment £m	**18.5**	**36.9**	**45.2**

Deliver

Everybody at Xoserve is committed to the provision of a full suite of excellent services. We know how important the 'day job' is in terms of the smooth running of consumer impacting outcomes, and to the effectiveness of industry processes. After corporate restructuring, our role changed in 2021, with Xoserve's focus evolving from directly delivering all CDSP services to contract managing and assuring an ecosystem of third-party service providers.

To reflect the criticality of the CDSP services, we manage our providers' performance via 49 separate Key Performance Metrics and Indicators, ensuring that the complex central systems we are responsible for are maintained and have the capability to process billions of 'process events' each year, and the related processes run smoothly and lead to VfM outcomes.

BP25 forecasts show that the number of 'process events' that central systems need the capacity to process will not materially change between 2025-28 (with the total number remaining at c3.6bn per year). Our aim is for service provision performance to be maintained to the current level – we will continue to report this to the monthly DSC Committees (ChMC / CoMC as dictated by the KPM / PI).

BP25 includes the means for Xoserve to undertake procurement and contract management and assurance activities. Since the birth of the 'new Xoserve' in 2021, key outcomes have reflected our maturing capabilities. For example:

Institute of Customer Service (ICS) - our overall UK Customer Satisfaction Index (UKCSI) score has improved by 16.2 points, with improvements in all 26 individual measures across Service Experience, Complaint Handling, Customer Ethos, Emotional Connection and Ethics categories

DSC Key Performance Metrics / Indicators - maintained or improved performance across 49 DSC KPMs and PIs

Procurement of new services - In each of the years following company separation, our procurement activity has increased. During this time, new services have emerged and existing services renewed, and we have steadily increased the number of tenders undertaken in each financial year. 2025-26 will be our busiest year in this regard, with procurement activity being required in key strategic investments such as Project Trident, Digital UX and CDSP Service Development , along with BAU tenders and smaller value commercial agreements.

Assurance - Business Plan Information Rules (BPIRs)

UNC modification 0841 was approved by the regulator in May 2024 following 12 months of industry development. This process ran concurrently with the creation of BP24, which proactively included many of the BPIRs that are now enshrined in the Network Code. Ahead of the publication of this Draft, we procured a 3rd party to assure our compliance with the BPIRs and present their findings in section 1.8 of the annexed information. The assessment concluded that Draft 2 was 83% compliant (with the BPIRs that are possible to be compliant with at this stage of the business planning cycle) and made recommendations as to how compliance can be improved in later drafts of BP25.

Please see section 1.8 of the BP25 Annexe

Trust

Assurance of **£87.9 million** budget

Preparing for **competition readiness**

£11.8m rebated in most recent Annual Charging Statement

Organisation **redesigned**

Driving value via the **ERIX programme**

Inflight **BPIR** assurance

Innovate

Developing a **BP25** which is aligned to strategic principles and based on customer and stakeholder engagement

Supporting the transition to **net zero and code reform** via strategic investments

ProjectTrident XOSERVE

Project Trident

Management of a **£100m, 3 year** investment portfolio

Deliver

55 contracts managed

18 individual audits

49 maintained or improved outcomes in **Key Performance Metrics and Indicators**

ISO / NIST Compliance

3.6bn process events managed in consistently available central systems

Oversight of **£734m energy balancing** with CICM distinction

Ensuring current CDSP systems are **robust** and **secure**

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

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

Best ever **ICS survey** results

Trust

"Since 2005, Xoserve has been entrusted with providing what we refer to as Central Data Service Provider, or 'CDSP' services. As a not-for-profit central body, providing these services to their maximum value is as much of a priority as is the consistency and robustness of our performance. We recognise 5 lenses through which value can be articulated.

We know that customers and stakeholders look to us to drive value, making services more economic and efficient, and that they expect us to understand how national / global economic scenarios impact end consumers of the product that they collectively serve and supply. We know that being as effective as possible in overseeing and assuring the delivery of critical services is equally important, as is ensuring that costs are shared in an equitable way. And we know that with the big collective challenges and opportunities that lie ahead, value creation is dependent on our capacity to evolve.

James Spicer
Director of Finance and
Shared Services

BP25 communicates how we intend to build on the good progress made over the last year in transparently and meaningfully engaging with customers and stakeholders who are reliant on our service, articulating the value we offer now, and in progressing the opportunities that can help us improve even further.

Trust is the bedrock of BP25, and everything we are doing now is aimed at fostering a culture of confidence and collaboration, so that we can achieve our maximum value."

Engagement - feedback received so far and how we've responded

Approach

We are proud that our Business Plan process is built on engagement. We present three iterative drafts of the plan and related budget to customers and stakeholders between the months of September and December, each with an associated consultation window during which customers and stakeholders are encouraged to provide written feedback.

BP24 introduced more ways to engage than ever before, resulting in positive feedback from individuals and organisations with an interest in how the Business Plan develops. These engagement channels have been retained and augmented in BP25, during which customers and stakeholders will be able to:

- Attend a series of in-person and online roundtables, webinars and drop-in sessions intended to promote discussion with the Xoserve Executive Team and Board, and initiate action

- Visit and interact with an open, online portal which allows consumption of all Business Plan media such as videos, documents, Q&A and presentations

- Provide written feedback that will be shared externally / responded to unless deemed confidential

Pre-Draft 1 feedback and related action

We began the process of BP25 engagement 2 months earlier than in previous cycles. This was to maximise the opportunity for customers and stakeholders to discuss Xoserve's new strategic direction, which was first shared at a well-attended, in-person Stakeholder Event on 15 May 2024. During this event and in a subsequent online roundtable on 9 July 2024, we also presented information and welcome discussion about Project Trident (the forthcoming programme of work associated with the upgrade/replacement of UK Link), and our preparations for code reform.

All feedback, correspondence, the Xoserve response and traceability to the current Draft of BP25 is saved on the BP25 Hub. A summary of common themes is as follows:

TRUST

Strategic principles

Feedback during the events was generally positive regarding 3 strategic principles: (Trust>Innovate>Deliver) and the 5 journeys that will enable our arrival at new, enhanced destinations. We received positive affirmation that they were coherent, made sense in the context of the current market and Xoserve's evolution, provided good coverage, and 'generally made good sense'. With the confidence of customer and stakeholders, we based the Statement of Planning Principles on the principles, and continue with this approach in this Draft, which is structured accordingly.

Project Trident

The May event also provided the opportunity for Xoserve to present emerging thinking on the development of Project Trident. We asked for feedback on the approach, perceived challenges and benefits associated with Project Trident. Attendees saw the clear need to proceed with the programme, given the mandated nature of the SAP upgrade and the importance UK Link has in ensuring the smooth operation of critical gas industry processes (e.g. switching, settlement, invoicing), and felt that the lessons learned from the previous UK Link replacement programme (Project Nexus) should be used to ensure the success of Project Trident. A comprehensive Project Trident Investment Proposal has been included in BP25.

Draft 2 Feedback and Actions Taken

During and after the consultation period for Draft 1, we received 5 written responses from customers including Centrica, Wales and West Utilities, Northern Gas Networks, SGN and Cadent. Each correspondence was uploaded to the BP25 portal, along with our individual replies.

Key themes and the actions taken are summarised below, with signposts to where additional information can be found in BP25 Draft 2 documentation. This includes recommendations (made by the 3rd party assessor as to our compliance with the BPIRs) and how these recommendations have influenced the content of Draft 2 (or will influence future documents).

Feedback theme #1 - more focus should be applied to the improvement of CDSP services

Some customers felt that Draft 1 didn't fully address specific examples where performance has been suboptimal due to incidents that have occurred. Our approach to presenting our 'effectiveness' at providing CDSP services in Draft 1 was to focus on our performance vs the series of **49 Key Performance Metrics** and Indicators (Data Service Contract 'KPMs' and 'PIs'). These metrics are wide-ranging, with our performance

either being improved or maintained in comparison with the previous Financial Year.

In some cases, incidents that occur with service provision are not directly relatable to, nor impact upon on a KPM or PI. Following customer feedback, we recognise that Draft 1 didn't go far enough in terms of explaining what we intend to do in addressing and mitigating against such incidents from reoccurring in future.

How does Draft 2 address this?

Draft 2 addresses this by proposing that Xoserve's capacity and capability to perform qualitative assurance at key phases of projects and releases being delivered by 3rd parties is enhanced. We propose to increase direct Xoserve Service and Operate by £0.4m from 2025-26 to fund dedicated enhance qualitative assurance resources.

Root cause analysis of recent incidents suggests that applying a greater degree of qualitative assurance during test phases of releases could have prevented the incidents from occurring. These new resources will be embedded into projects and releases being delivered by 3rd party suppliers, with the intensity of deployment

being based on a predetermined set of criteria (e.g. risk, cost) – we will share our approach to each project / release prior to deployment with the DSC committees (ChMC and CoMC) as appropriate. Once resources have been deployed, we will provide customers with regular in-flight project health-checks and the actions we are taking to mitigate future incidents from occurring.

We are also set to facilitate a review of the existing KPMs and PIs with the DSC CoMC, with work commencing before the start of the BP25 period. In addition, we are developing strategic Key Performance Indicators which will allow us to measure progress against the strategic journeys that we set out in the Statement of Planning Principles. We will ensure that we engage customers and stakeholders as this proceeds.

Feedback theme #2 - The scope presented in the Digital UX Investment Proposal isn't critical for BP25

We received feedback as to the timing, scope and criticality of the proposed investment in Digital UX, with multiple respondents stating the need for BP25 to focus on priorities such as CDSP service improvements and Project Trident.

While we believe the benefits set out in the Investment Proposal are tangible and achievable, we also recognise

that BP25 should focus on customer priorities at this point time – given the lack of support for this project to proceed in 2025-26, we have reassessed its inclusion in BP25.

How does Draft 2 address this?

We are withdrawing the Digital UX investment from this Business Plan cycle and will reassess its inclusion in BP26. We will instigate further customer discussion ahead of the BP26 cycle.

The withdrawal of this Investment Proposal reduces the overall investment profile in the 2025/26 budget by £0.9m. The impact on S&O is that the £0.3m 'run' costs associated with a future Digital UX solution have also been removed.

Feedback theme #3 – Constituency costs should be included

Multiple customers shared the requirement for a summary cost breakdown at DSC constituency level

How does Draft 2 address this?

We have included the costs for Shippers, Distribution Networks, National Gas Transmission and Independent Gas Transporters in **Draft 2**.

Feedback theme #4 – Funding should reflect CDSP scope

Respondents sought reassurance that BP25 was solely focused on CDSP scope.

How does Draft 2 address this?

We are clear that the scope of the CDSP Service Development Investment Proposal, is to deliver a CDSP Data and Strategy, explore the potential for a CDSP Open Data solution, and to insulate CDSP services and processes from potential changes that may arise from Code Reform (i.e. following the publication of the inaugural Strategic Direction Statement).

Feedback theme #5 – further compliance with the BPIRs could be achieved

As part of their independent assessment of Draft 1 compliance, the assessor made a series of recommendations.   The list below summaries how we have updated BP25 to address these recommendations, and how customer feedback on BPIR compliance has been used to make improvements.

How does Draft 2 address this?

The following sections of the **Annexe document** have been updated:

1.1 Schedule for the publication of material - updated with **new publication dates**

1.2 Stakeholder engagement – updated with all Draft 1 **customer correspondence and Xoserve's responses** and non-confidential Project Trident Q&A

1.3 Current Performance – updated with a **Q2 performance table**

1.4 Outputs – updated with reference to the inclusion of **proposed new Enhanced Qualitative Assurance resources**

1.5 Investment Proposals – updated with reference to **planned activities to address not-fully-compliant BPIRs**

1.6 Costs and Expenditure – updated with **new VfM table**

1.7 Allocation of costs to customer classes - updated with additional information about **cost allocation and the planned Equitability Review activity**

1.8 Assurance activities – updated with **D2 assessment**

...

Value for Money (VfM)

We were pleased that the subject of ongoing VfM also featured in pre-Draft 1 discourse, because BP25 continues our committed drive towards developing CDSP services so they become as economic, efficient and effective as possible. Consultation responses following the release of the Statement of Planning Principles (SPP) included requests to comment on how BP25 would address 'VfM' and respond to the findings from the 2023 independent Efficiency Review.

We have included proposals in this Draft regarding the opportunity to reduce Reporting costs (by £0.5m per year) while also enhancing the effectiveness of the same service. We have also included investment proposals that address the need for us to 'enhance our current capabilities to support initiatives by building more maturity in the capabilities typically required by leading assurance and outsourced IT organisations.' These proposals include Project Trident, and Digital UX.

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

Total Expenditure

The total budget to deliver CDSP services during 2025-26 is £87.9m. This is an increase of £3.5m from the 2024-25 budget, resulting from the net impact of £0.5m reduction in S&O and a £4m increase in investment costs.

£m (2024-25 Prices)	2024-25	2025-26	2026-27	2027-28
Project Baseline	£14.5	£18.5	£36.8	£45.1
Subtotal Projects	£14.5	£18.5	£36.8	£45.1
S&O Scope Changes & Reclassifications	-	£0.9	-	-
S&O Baseline	£69.9	£68.6	£68.7	£68.1
Subtotal Service & Operate	£69.9	£69.4	£68.7	£68.1
Totex	£84.4	£87.9	£105.5	£113.2
Broken down by:				
DSC	£81.5	£85.0	£102.6	£110.3
Additional Third Party	0.1	£0.1	£0.1	£0.1
RECCo	2.8	£2.8	£2.8	£2.8
Totex	£84.4	£87.9	£105.5	£113.2

Service and Operate

We call the cost to deliver the day-to-day services that are so important to our customers 'Service & Operate', or 'S&O'.   These costs are generally stable, reflecting the ongoing requirement to; process meter reads, update central systems with asset updates, calculate Annual Quantity, produce accurate invoices, and all other critical services we provide as CDSP. There are 18 Service Areas in total, some having been on-line since 2017, others added incrementally thereafter to reflect ongoing customer requirements.
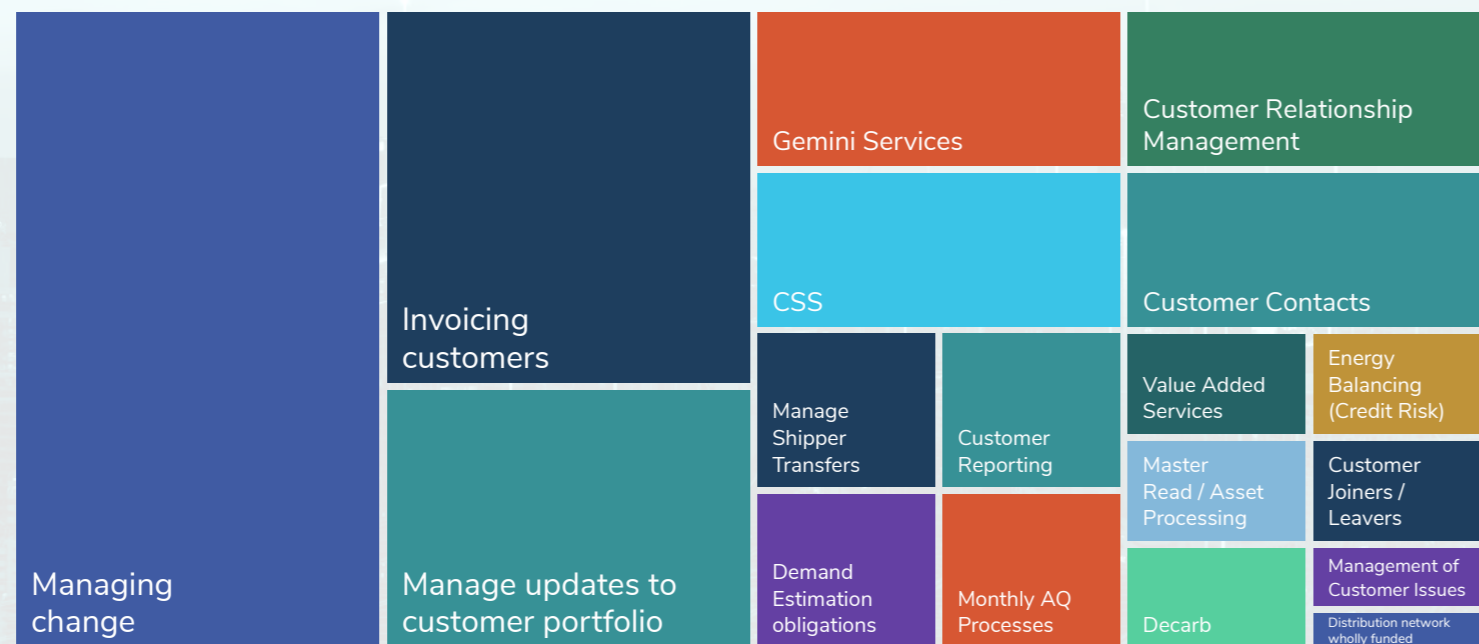
When S&O costs fluctuate, they do so as a result of economy gains (cost reductions), new scope being applied, or because of a reclassification from investment to S&O (BP25 doesn't include any reclassifications). S&O costs are shared across the 18 Service Areas as per the Cost Allocation Methodology, and across DSC constituencies that benefit from the service (as per the calculations set out in the Budget and Charging Methodology), with shares having been agreed during the Funding Governance and Ownership (FGO) industry project that was implemented following Regulator approval in 2017 (some Service Areas have since been added following approval in the DSC Contract Management Committee).

The cost to deliver S&O is decreasing by £0.5m in comparison with BP24 – this is the net impact of a £1.4m decrease in Outsourced S&O and £0.9m increase in Direct S&O:

Decreases (total -£1.4m)

As forecasted in BP24, the run costs associated with Gemini (Service Area 14) and Contract Management System ('CMS' as per Service Area 3) reduce by £0.6m and £0.2m respectively. The Gemini saving results from optimisation of the system, brought about via the Gemini Sustain + programme, which is scheduled to conclude in 2024. For CMS, as more scope is delivered via the new solution, costs reduce in line with decommissioned legacy scope.   In addition to this, we have negotiated a £0.5m reduction in the cost to sustain and maintain the Data Discovery Platform (DDP, Service Area 15), while also delivering functionality enhancements, such as the means to download 'whole portfolio' sized information.

We have also been able to reduce the cost to deliver the Flow Weighted Average Calorific Value (FWACV) service (Service Area 17) by £0.1m via license management and automation.

Increases (total £0.9m)

We propose an additional £0.25m in Service Area 6 - 'Customer Relationship Management', to fund additional resources within Xoserve to oversee the delivery of this service. Service Area 6 is currently almost exclusively outsourced, with activities pertaining to the non-specific engagement with customers being delivered by Correla under the DSC+ contract.

The current focus is predominantly on operational matters, and this continues to be important. But we believe this service would be enhanced by introducing a strategic layer, which will allow for more focused / frequent opportunities for customers to interact directly with Xoserve, and for us to use these interactions to shape the future delivery of this vital service as we approach significant scope changes (e.g. Project Trident), and market developments (e.g. code reform, net zero). We believe this funding will make us more effective (measurable via Performance Indicator 12 and the annual ICS survey) and supports the journey 'From Stakeholder Servants to Serving Stakeholders' and 'System Custodians to Transition Facilitators'.

Following Draft 1 customer feedback, we propose to add £0.4m to the S&O (direct Xoserve) budget to build Xoserve's capacity and capability to perform Enhanced Qualitative Assurance (EQA). We believe that these new resources will allow us to mitigate future customer-impacting incidents and improve service provision. EQA activity will include embedded assurance in projects being delivered by 3rd party suppliers, undertaking assurance at key phases, such as testing.

We also have a requirement to uplift S&O in line with the National Insurance changes as communicated in HM Government's autumn budget. S&O increases by £0.1m in line with this announcement.

A further £0.1m is also required following completion of the Security and Privacy Improvement Plan (SIP/PIP) activities.

Cost drivers

To facilitate the journey from Transparency to Trust, we are proactively presenting the 2025-26 budget in new, more granular ways. The table below shows how the budget looks when costs are broken down based on whether work will be undertaken directly by Xoserve or via a current / future outsourcing agreement.

Element	BP Category	Business Area	Budgeted Spend 25/26 (£m)	Budgeted Spend 26/27 (£m)	Budgeted Spend 27/28 (£m)
Outsource	S&O	Operate	55.8	55.2	54.6
		PAFA, AUGE, Meter Read Agents	3.2	3.2	3.2
		RECCo Services	2.8	2.8	2.8
	Investment	Infrastructure Projects	9.6	22.6	30.1
		Change Projects	5.6	5.7	5.9
		Total Outsource	**77.0**	**89.5**	**96.7**
Direct	S&O	Operate	0.6	0.6	0.6
		Support	5.9	5.8	5.7
		Infrastructure & Change Projects	1.2	1.2	1.2
	Investment	Infrastructure Projects	2.4	6.7	8.9
		Change Projects	0.8	1.8	0.2
		Total Xoserve	**10.9**	**16.0**	**16.5**
		Total	**87.9**	**105.5**	**113.2**

Service and Operate breakdown

This table breaks down the Service and Operate (S&O) costs that are split across 18 General Service Areas (SAs) into sub-categories, such as people and non-people costs whether they are direct (Xoserve) or outsourced (service provider) costs.

Service Area no.	Service Area	Annual Service Area Charge £m	People		Non-people	
			Xoserve	External	Xoserve	External
1	Manage Shipper Transfers	2.1	0.0	0.1	0.02	1.8
2	Monthly AQ processes	1.8	0.1	0.4	0.03	1.3
3	Manage updates to customer portfolio	5.5	0.2	1.1	0.1	4.2
4	Meter Read / Asset processing	1.2	0.01	0.1	0.01	1.1
5	Demand Estimation obligations	2.0	0.1	1.1	0.05	0.7
6	Customer Relationship Management	3.8	0.6	2.3	0.1	1.1
7	Customer Joiners/Leavers (UK Gas Market)	1.0	0.1	0.6	0.03	0.3
8	Energy Balancing (Credit Risk Management)	1.3	0.5	0.4	0.04	0.5
9	Customer Reporting (all forms)	2.0	0.1	0.8	0.03	1.0
10	Invoicing customers	8.8	0.5	3.6	0.2	4.4
11	Management of Customer Issues	0.9	0.1	0.5	0.03	0.3
12	Customer Contacts	3.3	0.3	1.8	0.1	1.1
13	Managing Change	17.1	2.1	9.7	0.5	4.8
14	Gemini Services (General)	4.2	0.2	1.5	0.1	2.5
15	Value Added Services (General)	1.6	0.1	1.4	0.04	0.3
16	CSS	3.9	0.2	2.3	0.1	1.3
17	Distribution Network Wholly Funded	0.2	-	-	-	0.1
18	Decarbonisation	1.2	0.1	0.6	0.1	0.4
	Total General Services Charge	**61.7**	**5.2**	**28.3**	**1.4**	**27.2**
	Total Specific Services Charge	**4.8**	**0.0**	**0.5**	**0.0**	**4.3**
	Total Additional / 3rd Party Charge	0.2	-	-	-	0.2
	Total Rec Co	2.8	-	-	-	2.8
	Total Service & Operate Business Plan 25	**69.4**	**5.2**	**28.8**	**1.4**	**34.5**

S&O Costs per constituency

The table breaks down each Service Area in terms of cost per constituency at a £m and per meter point level. We also include an indicative S&O expenditure profile, which is currently representative of cumulative 1/12 instalments.

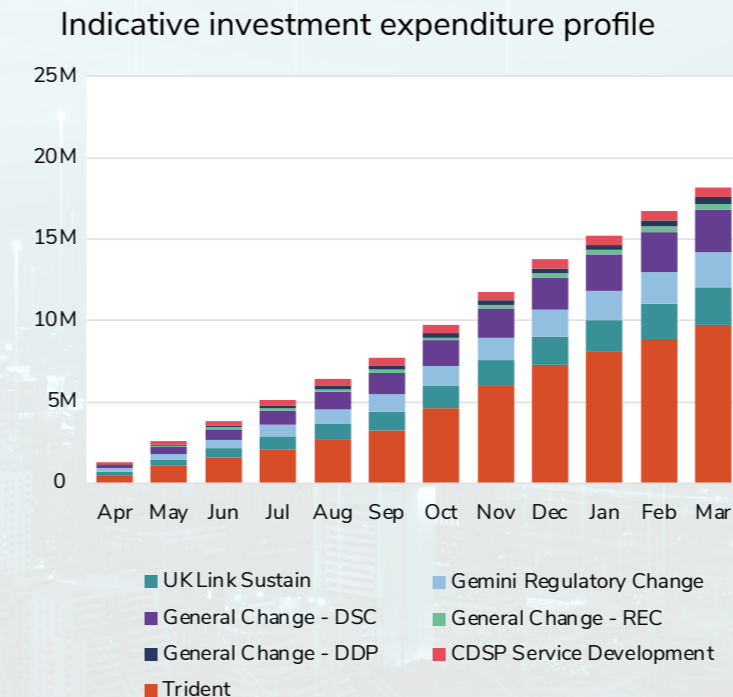| Service Area no.	Service Area	Total Service & Operate £m	Shippers £m	£ per meter point	National Gas NTS £m	DN Operators £m	£ per meter point	IGTs £m	£ per meter point	Other £m
1	Manage Shipper Transfers	2.1	2.1	0.08	-	-	-	-	-	-
2	Monthly AQ processes	1.8	1.8	0.07	-	-	-	-	-	-
3	Manage updates to customer portfolio	5.5	4.9	0.20	-	0.5	0.02	-	-	-
4	Meter Read / Asset processing	1.2	0.4	0.02	-	0.8	0.04	-	-	-
5	Demand Estimation obligations	2.0	1.0	0.04	-	1.0	0.04	-	-	-
6	Customer Relationship Management	3.8	2.4	0.10	0.3	1.0	0.04	0.1	0.04	-
7	Customer Joiners/Leavers (UK Gas Market)	1.0	-	-	0.5	0.5	0.02	-	-	-
8	Energy Balancing (Credit Risk Management)	1.3	-	-	1.3	-	-	-	-	-
9	Customer Reporting (all forms)	2.0	0.7	0.03	0.1	1.0	0.05	0.1	0.05	-
10	Invoicing customers	8.8	-	-	1.1	7.7	0.35	-	-	-
11	Management of Customer Issues	0.9	0.3	0.01	0.0	0.4	0.02	0.1	0.02	-
12	Customer Contacts	3.3	1.6	0.06	0.2	1.3	0.06	0.2	0.06	-
13	Managing Change	17.1	8.9	0.35	1.2	6.9	0.31	0.2	0.06	-
14	Gemini Services (General)	4.2	-	-	4.2	-	-	-	-	-
15	Value Added Services (General)	1.6	1.3	0.05	-	0.3	0.01	0.04	0.01	-
16	CSS	3.9	3.9	0.15	-	-	-	-	-	-
17	Distribution Network Wholly Funded	0.2	-	-	-	0.2	0.01	-	-	-
18	Decarbonisation	1.2	-	-	-	1.2	0.05	-	-	-
	Total General Services Charge	**61.7**	**29.3**	**1.16**	**9.0**	**22.7**	**1.02**	**0.7**	**0.23**	**-**
	Total Specific Services Charge	**4.8**	**2.9**	**0.11**	**-**	**1.9**	**0.09**	**-**	**-**	**-**
	Total Additional / 3rd Party Charge	0.2	-	-	-	-	-	-	-	0.2
	Total Rec Co	2.8	-	-	-	-	-	-	-	2.8
	Total Service & Operate Business Plan 25	**69.4**	**32.2**	**1.28**	**9.0**	**24.6**	**1.11**	**0.7**	**0.23**	**3.0**

Investment costs per DSC constituency

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

Total Infrastructure Projects		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	2.3	1.2	0.05	0.1	1.0	0.04	0.03	0.01
2	Trident	9.7	5.0	0.20	0.6	4.0	0.18	0.13	0.04
	Total Infrastructure Service	**12.1**	**6.2**	**0.25**	**0.7**	**5.0**	**0.22**	**0.16**	**0.05**

Total Change Projects		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	2.2	-	-	2.2	-	-	-	-
2	Gemini Maintain/Enhance	0.3	-	-	0.3	-	-	-	-
3	General Change - DSC	2.7	1.5	0.1	0.1	0.9	0.0	0.1	0.0
4	General Change - REC	0.4	0.2	0.0	-	0.1	0.0	0.0	0.0
5	General Change - DDP	0.4	0.2	0.0	-	0.2	0.0	0.0	0.0
6	CDSP Service Development	0.6	0.3	0.0	0.0	0.2	0.0	0.0	0.0
	Total Change Service	**6.4**	**2.3**	**0.1**	**2.5**	**1.5**	**0.1**	**0.2**	**0.1**

Investment Expenditure Profile

The graph below shows an indicative expenditure profile for each investment.

Indicative investment expenditure profile

Legend:
- UK Link Sustain
- General Change - DSC
- General Change - DDP
- Trident
- Gemini Regulatory Change
- General Change - REC
- CDSP Service Development

Efficiency Review Implementation in Xoserve (ERIX) Programme

During September 2023, a thorough review of the 2022/23 cost base was carried out by an independent third party. The output of this work concluded that the majority of services benchmarked positively against other similar organisations, but highlighted some opportunities that could lead to a 2%-8% reduction in S&O costs. We accepted this output and set out an aim to surpass 8%, with our focus being on S&O due to its enduring and less fluctuating nature (in comparison with investment costs).

We also launched the Efficiency Review Implementation in Xoserve (ERIX) programme, and invited customers to provide input via a Customer Advisory Board (CAB). The aim of the ERIX programme being to explore the opportunities resulting from the Efficiency Review and drive initiatives aimed at improving the value of CDSP services, be that making them more economic, efficient, or effective.

The table overleaf shows a summary of the potential opportunities that were identified, what our response has been and the related impact so far, plus some further details about in-flight initiatives being pursued via the ERIX programme.

| Opportunity	Description	Progress	Impact to date	Related In-flight ERIX Initiatives
Rationalise & optimise project spend	Improved prioritisation and execution of project change	In line with this finding, we have reprioritised the phasing of UK Link optimisation activity. We paused optimisation (a feature of the BP23 and BP24 UK Link Roadmap budgets), in order to re-assess the scope, timing (in light of ongoing policy unknowns v the support requirements of the current platform) and long-term value of this work. We adopted a more measured approach, undertaking a Proof of Concept exercise aimed at learning more about the potential benefits and challenges involved in upgrading from the current SAP platform to SAP S4/HANA. This work then extended to exploring potential other options (such as building a modernised UK Link on different technology platforms)	• £3.5m UK Link Roadmap funding rebated via **2024/25 Annual Charging Statement** • Initiation of Project Trident which is focused on the modernisation of the UK Link platform.	• Market testing • Development of processes around change roadmap
Optimise execution of fixed change	Enhance execution of standing change budget to ensure maximum throughput.	In early 2024, we re-designed Xoserve's organisation structure. This included changes to what was formerly the Customer Change space.	• Creation of function/code-specific Service Delivery Manager roles, which will lead to a more efficient and effective service, as role holders are able to develop, maintain and manage the performance of functional services (such as Settlement, or Invoicing) and specific industry codes	• Supplier - agnostic test strategy • Test automation • Rationalisation of Change Assurance • Change packaging • Agile where possible
Optimise operations in collaboration with Correla	Pull contractual levers to ensure Value for Money delivery from Correla. Look for new opportunities to create win-win outcomes for Xoserve and Correla	The review found that the provision of gas RECCo services benchmarked negatively in comparison with similar electricity services. Following negotiations with service providers that took place in parallel with the Efficiency Review, we were able to include a cost reduction in BP24. The review also found that Reporting services benchmarked negatively in comparison with similar organisations. Following negotiations with service providers following the Efficiency Review, we are able to include an annual cost reduction in BP25 associated with the run costs pertaining to the Data Discovery Platform (DDP), which is currently our primary reporting solution. This also involves an enhanced service with common customer pain points addressed. We also undertook an assessment of the capabilities and capacity required to more effectively manage the DSC+ identifying that additional Contract Management expertise was required.	• £1.4m reduction in RECCo service costs • £0.5m reduction in DDP costs • Recruitment of additional Contract Management expertise exclusively focused on services outsourced to Correla	• Market monitoring • Rationalisation of Customer Reporting • Spend envelopes • Rescoping of activities into Xoserve • Equitability Review
Enhance current capabilities	Enablers to support initiatives by building more maturity in the capabilities typically required by leading assurance and outsourced IT organisations.	The Board tasked the executive team to develop a new strategy and approved an organisational redesign which allows Xoserve to fulfil the twin roles of 'Intelligent Customer' and 'Enterprise Architect'. Following an assessment of the capabilities and capacity required to progress with Project Trident, we have made major strides in making Xoserve 'competition ready'. This has been achieved by identifying and resolving gaps in key areas. This means that we can move to the critical next phases of the project with confidence including project & governance design, Strategic Outline Case / Outline Business Case development, customer & stakeholder launch, market test and team assembly.	• Re-prioritisation of UK Link investment funding to recruit key expertise including: • Head of Architecture • Project Director • Procurement specialism • Project Assurance	• Competition readiness • Supplier agnostic change control • Roadmap visibility • IT strategy • KPM improvements

Economy Target

Economy gains made since 2022-23, alongside applicable reductions communicated in BP25, mean that we have reduced the 2022/23 S&O baseline by a total of 9%. Our aim is to continue the work that is in-flight via the ERIX programme to reduce the 2022/23 baseline by a further 3% by 2027/28.

We use the 2022-23 baseline (inflated to be inclusive of present day CPI-H) as the starting point for measuring the progress of economy gains. We do this because the 2022-23 cost base was what the Efficiency Review was based upon. Scope that was applied to our cost base
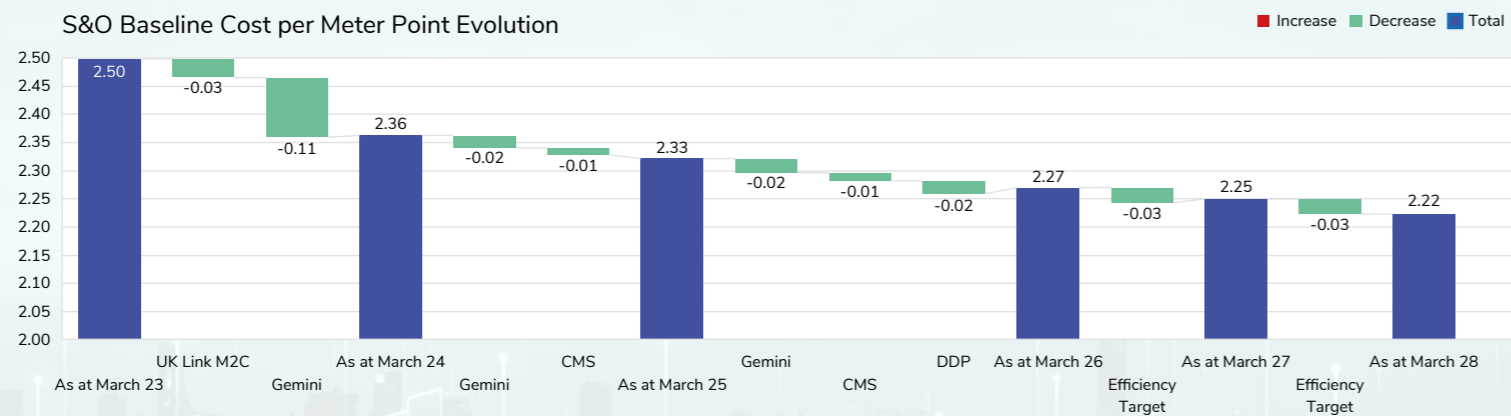
after 2022-23, or any economy gains on scope that came on-line after the 2022-23 baseline (e.g. a £1.4m reduction in RECCo costs included in BP24), are not included in the target. We show this at a cost per meter point level to demonstrate how the costs might impact on a consumer's bill. The figures are calculated by dividing the '£m' costs by the number of meter points in CDSP systems at annual intervals (December 1st).

The waterfall shows all changes to the 2022-23 cost base including the cost per meter point increases (due to additional scope) and reductions post 2022-23. All costs are shown in 2024-25 prices having been inflated to be inclusive of compound CPI-H since 2022-23.

Cost per Meter Point Evolution

Legend: ■ Increase ■ Decrease ■ Total
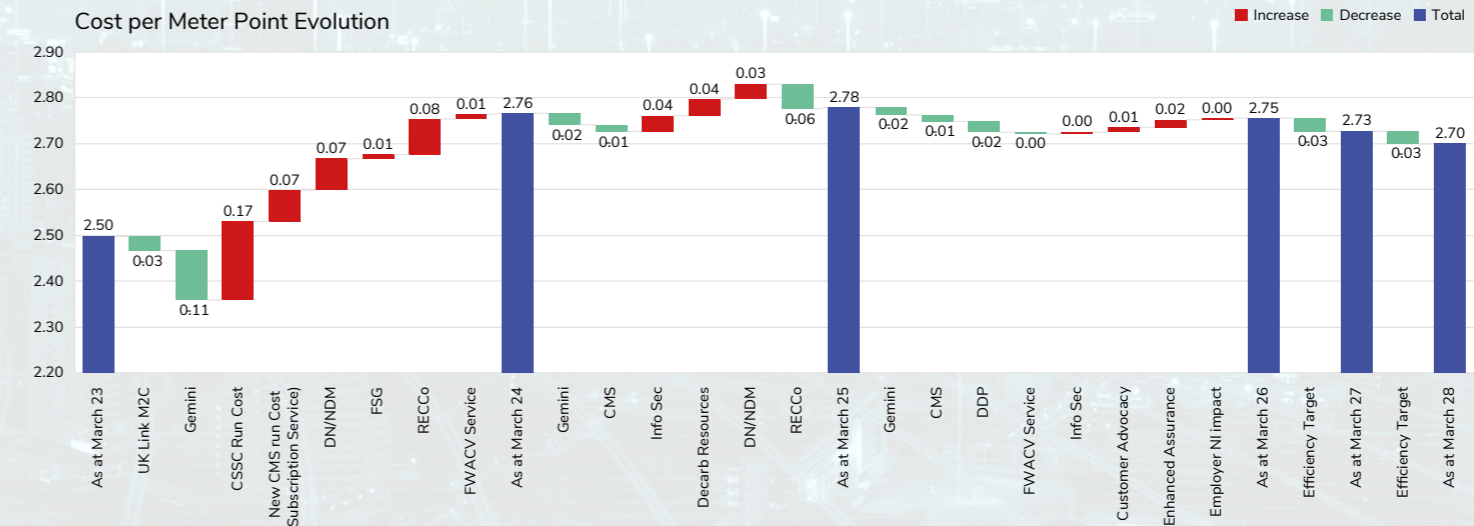
The waterfall below shows the incremental cost per meter point reductions applicable to the economy target.

S&O Baseline Cost per Meter Point Evolution

Legend: ■ Increase ■ Decrease ■ Total

Waterfall values:
- As at March 23: 2.50
- UK Link M2C: -0.03
- Gemini: -0.11
- As at March 24: 2.36
- Gemini: -0.02
- CMS: -0.01
- As at March 25: 2.33
- Gemini: -0.02
- CMS: -0.01
- DDP: -0.02
- As at March 26: 2.27
- Efficiency Target: -0.03
- As at March 27: 2.25
- Efficiency Target: -0.03
- As at March 28: 2.22

Equitability Review

Though not directly linked to the 2023 Efficiency Review, we have been developing an analysis of our Cost Allocation Methodology – we call this S&O funded project the 'Equitability Review'. As shared with the ERIX Customer Advisory Board (populated by industry experts from the DSC Contract Management Committee or 'CoMC'), this work is expected to conclude before the BP26 cycle. For the avoidance of doubt, the Equitability Review has no impact on the 2025-26 budget, or the way related funding will be allocated. The Cost Allocation Methodology and Budget and Charging Methodology documents describe how costs are currently shared across Service Areas and customer groups.

Evolving our strategy

The successful launch of our strategy in May 2024 provided an applicable route map that will help us navigate towards destinations that are critical to Xoserve fulfilling maximum potential value. Everything proposed in BP25, including the operational services we already provide, and the new investments being proposed, is aligned with the strategic principles and journeys that we have set out.

Contract landscape

Supporting our value framework

Over the last year we have continued to focus closely on the management and assurance of our contracted services to ensure they are performing well and continue to meet our customers' needs.

We continue to **evolve**, having expanded the team and our knowledge to drive further improvements in our procurement and contract management functions. Our aim is to continue to create a simpler and more flexible system that underlines equality, integrity, **transparency**, and **Value for Money**. These are all behaviours that we will continue to demonstrate when building and maintaining commercial relationships. Delta, our new e-procurement solution introduced late last year, provides further **assurance** through enhanced controls and traceability within a single centralised system.

What we have achieved

Over the last year we have successfully completed several procurements, including

- A retender for the Performance Assurance Framework Administrator (PAFA) role where we were able to mitigate future implementation costs for the publishing portal by bringing this in-house;

- The appointment of an independent assurer to review our alignment with the new Business Rules introduced to support our annual Business Plan preparation;

- New IT agreements for systems and hardware as part of technical separation; and

- Establishing relationships with a number of new providers in order to expand our supplier base and reduce cost, improve performance and mitigate service continuity risks.

In the pipeline

As well as the 'normal' ongoing procurement and contract management activities, there are a number of key CDSP procurements scheduled to be undertaken in the coming year, some of which are described below.

Project Trident

Our UK Link system is core to the data processing capabilities of the gas industry, connecting the complex information, technology and communications systems that are essential to the successful competitive retail gas market in Britain. Its core is a SAP product set which is approaching the end of its serviceable life so we must now consider the options for a cost-effective and innovative UK Link of the future. The team will support this industry critical project, from early market engagement activities, through to the procurement and engagement of supporting services and the system solution itself. These activities will run through 2025-26, and our activities will be determined in part by the outcome of stakeholder engagement sessions to help identify the optimum requirements.

Allocation of Unidentified Gas Expert (AUGE)

The AUGE service follows a set cycle, during which the Expert develops weighting factors that are used to share out the cost of 'missing' (unidentified) gas between relevant industry participants. The AUGE role is due to be re-tendered in 2025 and we are in the process of preparing for this procurement. Once two industry Modifications relating to this service have reached their conclusion, we will commence a competitive procurement, with the requirements aligned to the outcome of those Modification decisions.

Non-daily metered service provider (NDMSP)

This important service provides 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 used to help improve gas usage forecasting. The service includes both data provision and field service elements and we will be looking to undertake a competitive procurement during 2025 to ensure continuity of the service when the existing contract terminates in early 2026.

Innovate

Clive Nicholas
Director of Strategy
and Development

"Change is coming. The strategic principle of actively seeking ways to innovate is driven by a clearly emerging requirement: Xoserve must focus on the longer-term value we can deliver, as well as the immediate need to continue to provide robust, secure VfM CDSP services.

Innovation, with the trust and confidence of customers and stakeholders in our capabilities, can propel Xoserve into a powerful agent and conduit for change. As such, we are focused on modernising our IT infrastructure so that it is flexible and scalable across multiple scenarios, and leading collaboration to address the challenges that require our attention now. We are making sure we listen and act on customer and stakeholder feedback, and responding in proactive ways that enable us to help facilitate the transition to Net Zero.

The journey to net zero is an evolving one, with collective steps being taken incrementally. As the scale of the task ahead becomes ever clearer, the gas industry landscape and energy policy also evolve. NESO's recently published three Pathways (and a 'Counterfactual') provide a multi-fuel forecast including how domestic heating may evolve through to 2050 – all estimates underline the need for central systems such as UK Link, with a similar processing capacity to the current solution, to be in place for at least the next 20 years. This, a mandated SAP upgrade later this decade, and our commitment to driving value outcomes for customer and stakeholders, creates the need for Project Trident.

Similarly, the collective push to net zero is shaping energy policy in other ways. We recognise the shifting sands resulting from industry code reform and can see how Xoserve will be able to help facilitate this. We are exploring Xoserve's credentials in terms of becoming the forthcoming Gas Network Code Manager with customers and stakeholders, however BP25 is completely focused on the activities we believe will help everyone prepare for the forthcoming new era, regardless of the direction the regulator takes in terms of future appointments. This includes working collaboratively with other central bodies and maturing our digital and data capabilities.

Change is coming, and innovation can help Xoserve to thrive and deliver maximum future value."

INNOVATE

Future Energy Scenarios: Pathways to Net Zero

In July 2024, the National Energy System Operator (NESO) published an updated view of the Future Energy Scenarios (FES), which identifies the potential routes towards Net Zero. NESO has set out three 'Pathways' through which the 2050 target can be achieved, either via Holistic Transition - net zero met via a mix of electrification and hydrogen (mainly around I&C clusters) and strong consumer engagement, Electric Engagement – net zero met through mainly electrified demand, and Hydrogen Evolution – net zero met through fast progress with hydrogen in industry and heat. The 'Counterfactual' is that, while some progress is made, net zero by 2050 is missed.

In each Pathway, it is clear that the production and consumption of natural gas is forecasted to endure at similar scale to today for some time, and in some capacity all the way through to 2050, as other fuels begin to replace demand. This underlines the need for the IT and services we are responsible for, not only to adapt in ways that facilitate the transition (e.g. blending) but also to endure to meet that demand. The capacity required in central platforms to process information exchanged between market participants to drive critical processes such as switching, settlement and invoicing will therefore be required for some time ahead. There are currently >25m MPRNs, of which

99% are related to domestic properties reliant on natural gas for heating – NESO estimates that across all three Pathways, there will still be 11 million gas boilers in 2040 (and 4m in 2045). The Counterfactual estimate is 23m by 2040 (and 18m by 2045).

The Pathways are acknowledged in this Business Plan, via the introduction of Project Trident, which will ensure the provision of a central UK Link platform (as the current version becomes unsupported) that endures throughout the period towards net zero. We aim to develop a flexible, scalable and integrable solution that is fit for all future scenarios.

NESO also sets out key actions that need to be undertaken over the coming two years, including the need to accelerate market reform. We recognise that this reform includes the introduction of an era of Code Management into the gas industry. We see opportunities in which Xoserve can help prepare for this era, such as maturing our digital and open data capabilities.

Project Trident

As the Central Data Services Provider (CDSP), Xoserve offers critical centralised services to Great Britain's gas market. We are responsible for maintaining the gas supply register data, consumption and settlement data and transporting this data securely on behalf of our stakeholders and the market.

At the core of these data processing capabilities is the UK Link system. This system connects the complex information, technology and communications systems that are essential to the successful competitive retail gas market in Britain.

UK Link is built on the SAP IS-U ECC6 product set, which is approaching the end of its serviceable life. In 2027, SAP will end the product life of ECC6/BW along with its associated product support. Whilst Xoserve have the option to extend support for UK Link until 2030, we must consider the options now for a cost-effective and innovative UK Link for the future.

We have an obligation to ensure the services that UK Link provides remain reliable, highly available and secure. Xoserve has established Project Trident to fulfil these responsibilities and commitments set out within BP25 documentation.

Project Trident represents three elements of the UK Link platform:

1. **'Core'** – a bespoke configuration of SAP ISU ECC6 and SAP BW.

2. **'VCO'** - a collection of systems which Validate, Convert, and Orchestrate data into and out of Core, with the objective of maintaining data quality and integrity of Core.

3. **'Customer Edge'** – customer-facing systems that DSC parties use every day to engage with Xoserve and ultimately Core.
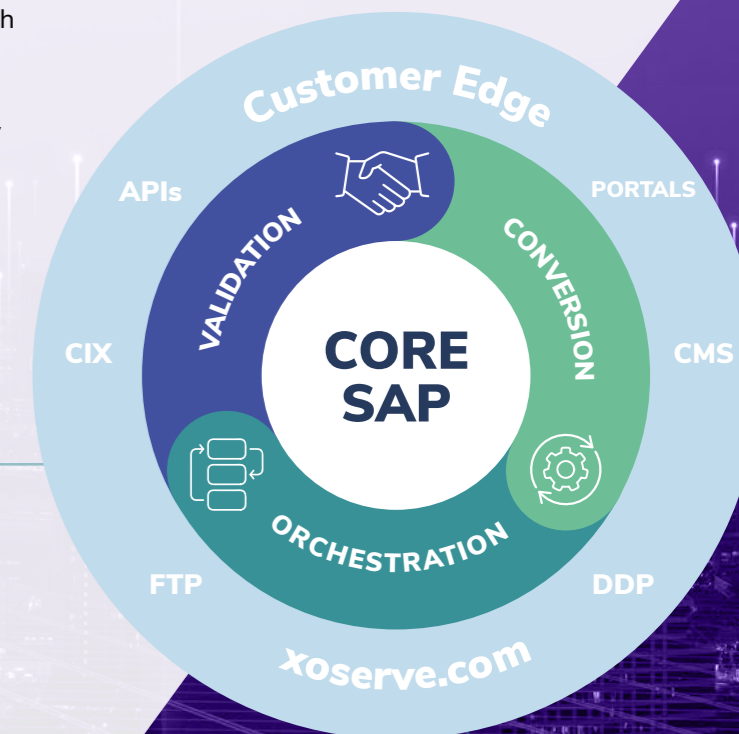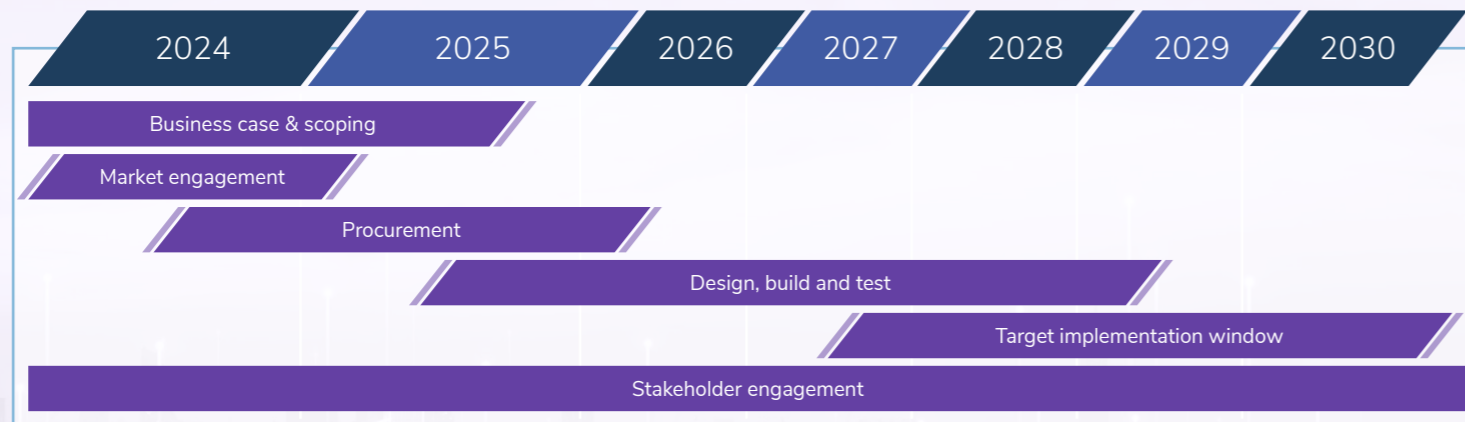
Project Trident seeks to:

- Secure the future of the services UK Link supports.
- Provide an enabling platform that delivers operating and agility for future change.
- Address the risk of future capacity limits on the current UK Link systems.
- Optimise our organisation structure, operating model, and partner relationships to improve value for money, quality, control and flexibility.

Indicative timeline and upcoming milestones:

2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030

- Business case & scoping
- Market engagement
- Procurement
- Design, build and test
- Target implementation window
- Stakeholder engagement

Strategic Outline Case

In BP25 Draft 1, we present a Strategic Outline Case (SOC) which defines the need for change, the parameters within which the project will work, and the outcomes to be achieved. It also presents how the project fits within the context of government and regulatory transformation and wider market demands.

Proposed funding

We propose to invest £9.7m in BP25 and forecast that a further £26.7m will be required in BP26 and £35.5m in BP27.

We propose to apply the 'common funding' default split between parties to reflect the expected shared benefits:

Shipper	Nat Gas	DN	IGT
51.50%	5.90%	41.20%	1.30%

The means for calculating this funding split is set in the Budget and Charging Methodology (section 7.2, p,20).

Read the Strategic Outline Case in full.

CDSP Service Development

Our new strategic principles clearly set out our intention to build **trust** and **innovate** to **deliver** maximum value to customers, industry stakeholders and consumers alike. We believe that in order to do this, we need to evolve our capabilities and capacity to deliver the changes that we know are on the horizon, such as Project Trident, **and be flexible** enough to add value when as-yet-unknown events occur outside of our annual business planning cycle.

As recent history informs us, the horizon isn't fixed and there are policy, market and societal 'unknowns' that, as central body for the gas industry, we need to be flexible enough to respond to if / when they arise. We intend to be proactive, introducing enhanced horizon scanning to assess the ways in which external factors will impact CDSP services, and in ways we can innovate to provide new central services where they can benefit all.

Code reform is firmly on the horizon. As communicated in the 2024 Multiyear Strategy document, Ofgem will be publishing an inaugural annual Strategic Direction Statement (SDS). This will set out Ofgem's vision for how codes should evolve. As a central body delivering central services, this vision may include initiatives or changes that impact the services we are responsible for. We need to have the capacity and capability to react to this.

The first SDS is proposed to be published during the winter of 2024/25 and will encompass all codes regardless of whether Code Managers for each have been selected - this will "provide opportunities for strategic change to be progressed and co-ordinated under existing governance" (**Consultation on the implementation of energy code reform (ofgem.gov.uk)** section 4.5, p.37).

In addition to ensuring we are aware of and can react to future policy, we have set out our ambition to move from Assurance to Confidence, proactively identifying where Xoserve can innovate to either take on services that are already being delivered (and delivering them centrally in a more economic / efficient / effective and more equitable manner), or identify new services that can deliver beneficial outcomes.

We see open data and digitalisation as areas of clear importance that require exploration, both in response to net zero policy, and as potential avenues for innovation and CDSP service development. Digitalisation and data sharing is clearly an important enabler for net zero[1], as is further underlined by the introduction of a **Data Orchestrator**, and for innovation.

1   Shubhi Rajnish, chief information officer, National Grid Electricity System Operator: Net Zero 'next to impossible without data sharing' - Utility Week

This investment will fund the development of a CDSP Data and Digitalisation strategy and exploration of CDSP Open Data Capability. The former will inform the latter, with exploration of potential Open Data solutions being brought forth in the BP26 cycle.

Finally, we are planning to evolve industry support for vulnerable customers, who may be left behind as the energy industry decarbonises and gradually transitions away from gas fired boilers for domestic heating. Our package of works includes hosting Fuel Bank events to support development of energy policy, improvements to the Priority Services Register and delivering vulnerability data projects with central bodies and Ofgem/DESNZ.

Proposed funding

We proposed to invest £0.6m in BP25 to undertake:

- Industry horizon scanning and response (to the Strategic Direction Statement and other government / policy sources), and proactive market and data analysis to develop CDSP Services (£0.2m)
- Delivery and execution of a CDSP Data and Digitalisation strategy (£0.1m)
- Exploration of Open Data Capability (£0.3m)

We propose to apply the 'common funding' default split between parties to reflect the expected shared benefits:

Shipper	Nat Gas	DN	IGT
51.50%	5.90%	41.20%	1.30%

The means for calculating this funding split is set in the Budget and Charging Methodology (section 7.2, p,20).

Read the Investment Proposal in full.

Deliver

Dave Turpin
Director of Programmes
and Service Delivery

"The ongoing requirement to deliver in 'the now' and the opportunity to robustly prepare for delivery in the future is catered for in BP25.

As custodians of the Great British gas industry's central systems and processes, we understand the importance of strong delivery. For two decades, we have approached this task with a passion and commitment to serve, with our most important asset being our people. We are proud of the job our people do, and it is extremely pleasing to see consistently positive feedback captured in the annual ICS survey in terms of the helpfulness and competence of our employees. Indeed, our overall UK Customer Satisfaction Index (UKCSI) score has improved by 16.2 points since 2021.

We can see the impact our people have on our performance across the 49 separate DSC Key Performance Metrics and Indicators, with monthly performance having been improved or maintained over the 2023/24 financial year. This doesn't 'just happen', rather it's a result of both the maturing assurance we apply and the diligence and expertise of our service providers, with those two factors being equally important as we collectively manage the billions of process events that occur across a typical year.

It's clear that, with critical and significant transformation ahead in the form of Project Trident, we need to ensure Xoserve has the capabilities required to perform 'the day job' as well as ensure CDSP services endure for as long as they are required. We have made organisational enhancements ahead of the BP25 period, via a redesigned structure, and the recruitment of resources for key activities, that will enable us to balance present obligations with the need to plan for the future.

I'm confident that our people have the capabilities to deliver robust secure services today and that we can build the capacity to do so tomorrow."

DELIVER

Organisational design

BP25 engagement started much earlier than in previous business planning cycles. A common theme via feedback to date has been the requirement for Xoserve to provide assurance that we can continue to deliver CDSP services while also preparing for the future, by ensuring that the ongoing provision of our core role is guaranteed and our value maximised.

To address both our capacity and capability, we have enhanced Xoserve's organisational design, with the introduction of new Executive and Leadership teams. This allows us to apply greater focus to the various aspects of our role across three distinct but complimentary directorates.

Reporting into our CEO Steve Brittan are 3 Directors, each responsible for distinct but complimentary aspects of CDSP scope:
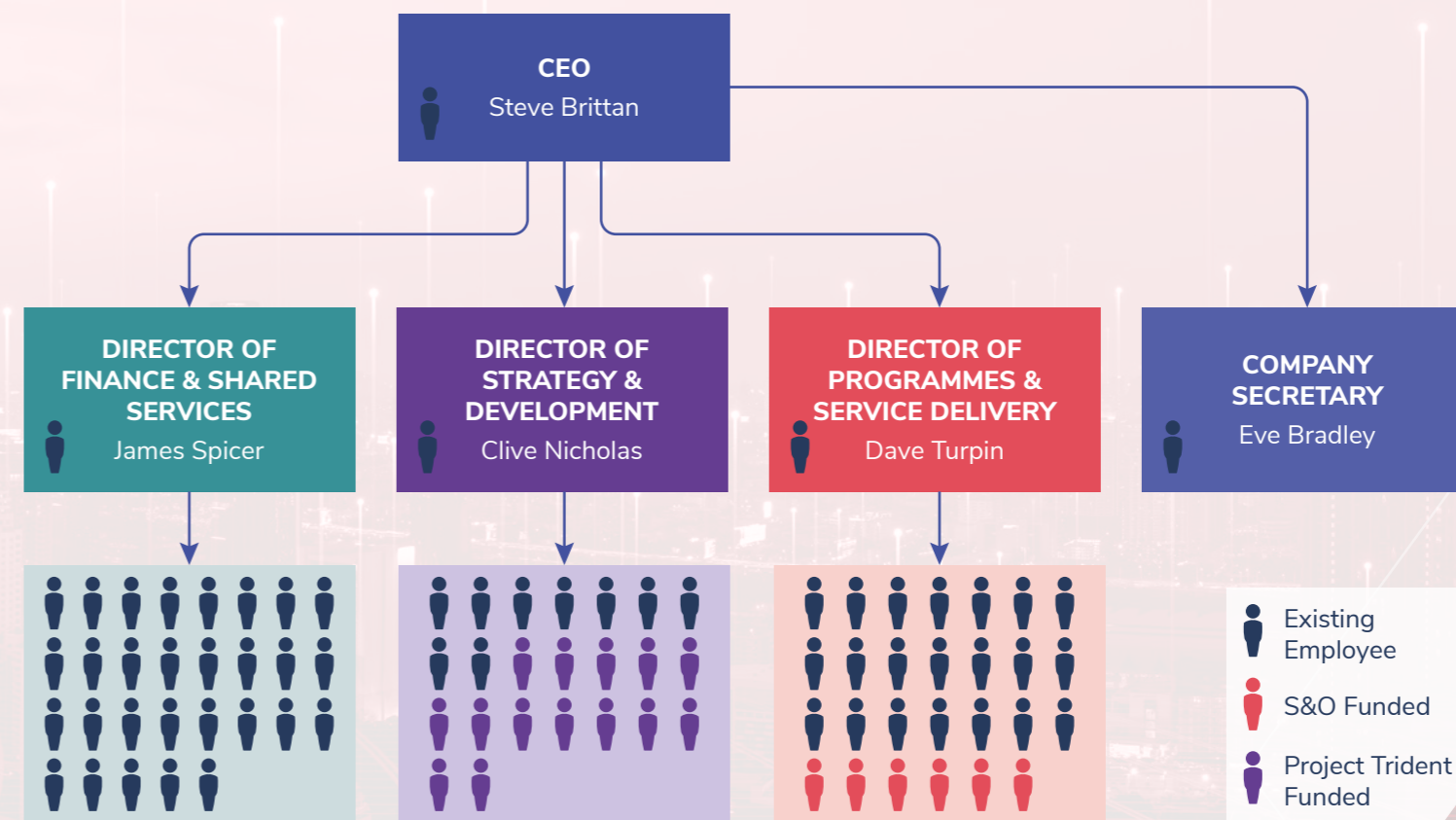
James Spicer leads our Finance and Shared Services department responsible for the Finance, Risk, Internal Audit, information Security, Credit, Neutrality, Contract Management, Procurement, Information Technology and Human Resources teams.

As Strategy and Development Director, **Clive Nicholas** oversees Industry Projects, Enterprise Architecture, the initial phase of Project Trident and the Business Planning process and Communications function.

Dave Turpin, our Director of Programmes and Service Delivery, is responsible for a new team of Service Delivery Managers, each one focused on the development of an industry code, or the development and performance of a Data Service Contract (DSC) Service Area, and the Portfolio Assurance team. The team is largely customer facing

The Xoserve Executive Team (XET) is supported by the Xoserve Leadership Team (XLT) populated by 'Heads of' roles aligned to CDSP priorities.

Xoserve Executive Team and Organisational structure

CEO
Steve Brittan

DIRECTOR OF FINANCE & SHARED SERVICES
James Spicer

DIRECTOR OF STRATEGY & DEVELOPMENT
Clive Nicholas

DIRECTOR OF PROGRAMMES & SERVICE DELIVERY
Dave Turpin

COMPANY SECRETARY
Eve Bradley

Existing Employee

S&O Funded

Project Trident Funded

Enhancing our capabilities and capacity

Our approach to enhancing CDSP capability and capacity has been multifaceted. The principles that underpinned the re-organisation were to maximise the wealth of expertise and experience of our existing human resources by enabling focus on service priorities, and identifying and addressing capability gaps in the context of incoming challenges and opportunities.

Maximising capabilities

In terms of maximising existing capabilities, new 'Service Delivery Managers' were introduced into the Programmes and Service Delivery directorate. These roles replaced more generic Customer Change roles in our old structure, and allow the experts (for example in functional areas such as Settlement, or codes such UNC/IGTUNC/REC) to focus on ensuring their related service areas are functioning to an optimal level. They are also more able to focus on / interact with market, industry code and / or policy changes that impact their service. Similarly, the Service Delivery Managers whose role is to help develop specific industry codes can now do so in a more immersive manner. The team works collaboratively to ensure an anti-siloed approach.

These roles are largely customer facing and this partly in response to feedback, with customers telling us that they value Xoserve presence in the multiple interactions they have in relation to CDSP services.

Augmenting the team with new expertise and specialism

In support of the initial phase of Project Trident, and with critical procurement activity ahead, we have hired a Trident Programme Director, an Enterprise Architect, and specialised procurement expertise. These critical new roles are funded via a mix of restructuring, repatriation of previously outsourced resources, and utilising the UK Link Roadmap (now called Project Trident) budget that was provided via BP24.

Including interim appointments and vacancies, the total number of Xoserve employees is expected to be 64 by the end of 2024-25, which represents an increase of 6 from our 2023-24 end position.

The table shows historic and end-of-current-period headcount information, and a forecast for the BP25 period:

Xoserve Area	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Executive Team	-	-	6	6	6	6
Finance & Shared Services	-	-	28	28	28	28
Programme & Service Delivery	-	-	21	27	27	27
Strategy & Development	-	-	9	23	23	23
Total Headcount	**45**	**58**	**64**	**84**	**84**	**84**

The increase in headcount during 2025-26 is mainly due to the gathering pace of Project Trident (numbers to be reviewed as the project continues), but also contains a small number of additional resources required to add a strategic layer into Service Area 6 (Customer Relationship Management) as described in the Trust section of the business plan.

Current Performance (Effectiveness)

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 perfection in the management of the 3.6b 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 NDM consumption and processing Daily Meter reads, invoicing, balancing and general change delivery.

Performance during the 2023-24 financial year was robust, with outcomes being maintained or improved (# of compliant months during a complete financial year versus the previous financial year).

We expect performance and operational workloads to remain consistent through 2025-28. A detailed view of performance and workload forecast is available in this document.

Outputs

The majority of ongoing 'day-to-day' CDSP services are captured within S&O across 18 'General Service Areas'. Each service area represents a commitment to deliver an output, be that the number of process events being managed in central systems, the number of related DSC service lines, or the number of industry code obligations that are required to be satisfied via each process. We then measure outcomes, predominantly via a suite of DSC KPMs and PIs, or specific surveys.

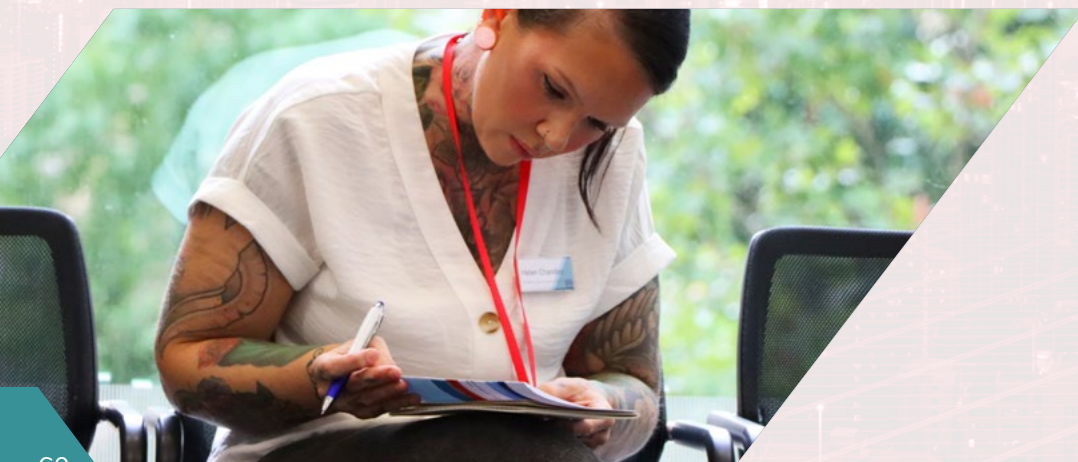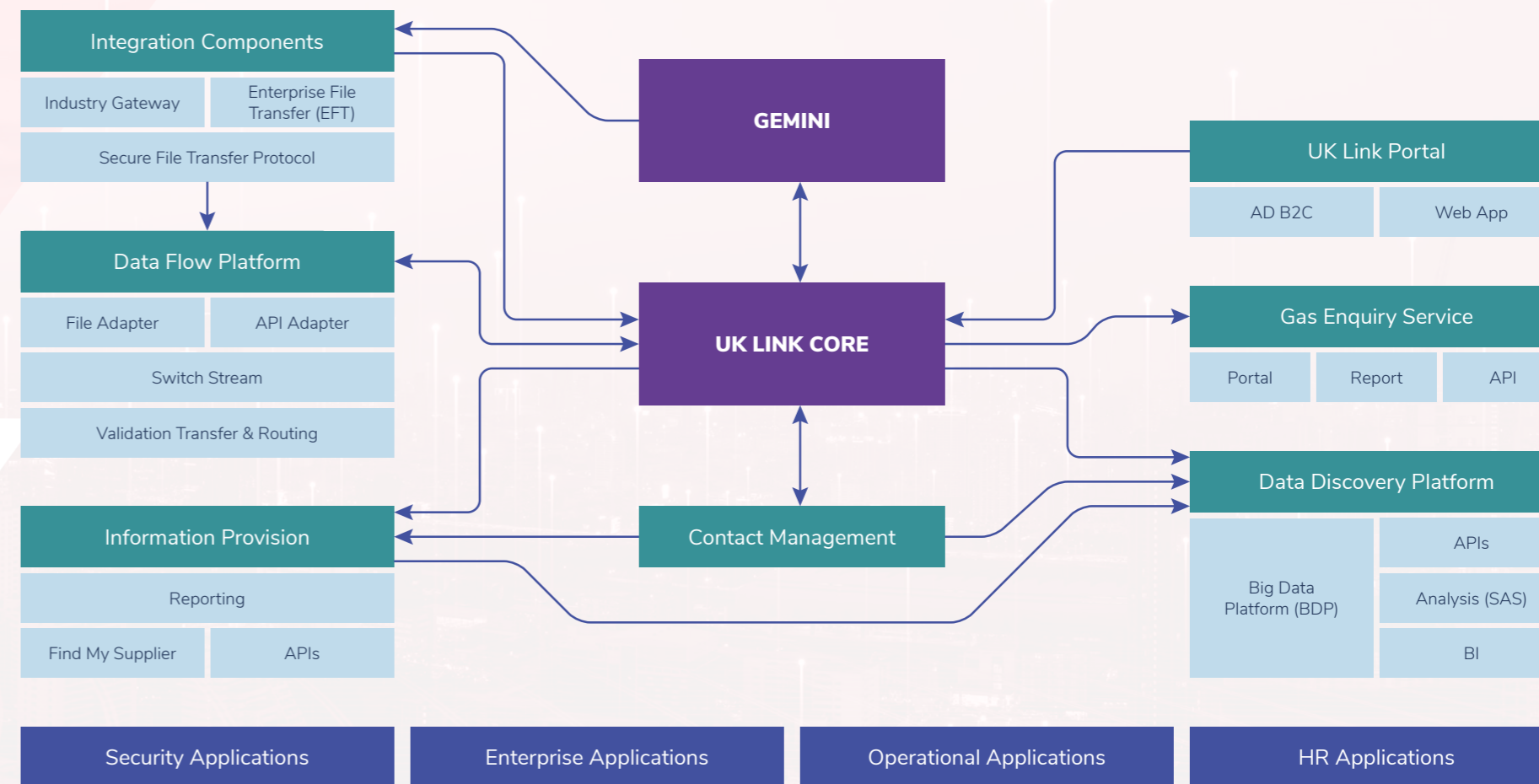A detailed view of our commitments, outputs and outcomes can be found in Annexe 1.4.

Assurance and industry engagement

Xoserve assures that CDSP services are delivered economically, efficiently and effectively. We do this in different ways ranging from commissioning / performing periodic audits (18 individual projects planned for 2025-26) and specific 'assurance' reviews, such as the recent Efficiency Review and the work that is being done currently to assess our compliance with the Business Plan Information Rules.

We also engage with our customers and stakeholders in the development of industry codes and contracts such as UNC / IGT UNC / DSC / and REC. Our forecast for such work in 2025-26 is listed in Annexe 1.4.

UK Link Sustain

The UK Link platform is critical to the provision of secure, robust services, which are discharged by Xoserve, as the Central Data Service Provider, and its supply chain via the Data Services Contract (DSC).

Integration Components
- Industry Gateway
- Enterprise File Transfer (EFT)
- Secure File Transfer Protocol

Data Flow Platform
- File Adapter
- API Adapter
- Switch Stream
- Validation Transfer & Routing

Information Provision
- Reporting
- Find My Supplier
- APIs

GEMINI

UK LINK CORE

Contact Management

UK Link Portal
- AD B2C
- Web App

Gas Enquiry Service
- Portal
- Report
- API

Data Discovery Platform
- Big Data Platform (BDP)
- APIs
- Analysis (SAS)
- BI

Security Applications | **Enterprise Applications** | **Operational Applications** | **HR Applications**

The platform facilitates key gas industry processes such as settlement, invoicing, switching and demand estimation, with feeds into other key industry services such as Gemini and the Gas Enquiry Service. These need to occur seamlessly and robustly, so that Xoserve's customers and stakeholders can operate effectively in the market.

If the performance of UK Link (e.g. system availability / processing capacity) were to drop below the required levels, there would be a material impact on the gas industry. Its continued performance is therefore crucially important to Xoserve's customers, stakeholders and UK consumers.

The scope of this Investment Proposal encompasses the activities required to sustain the core UK Link system and its related components over the next three years. This period is critical to ensure a continuous and reliable service delivery to our customers and the energy market while ensuring a stable foundation for Project Trident.

The required work includes:

- **Essential Maintenance:** Scheduled maintenance to address vulnerabilities and essential version upgrades covering applications, operating systems and databases (Microsoft SQL, Oracle Linux and Windows all of which reside on the Azure Cloud, servicing UK Link components). The necessary upgrades are based on the end of support/extended support by the vendor. Keeping components in vendor support and ensuring system reliability and uptime.

- **Sustain:** Strategic decisions on a number of key UK Link components comprising of, sustain or, upgrade activities over the next three years to ensure the right decisions are made regarding the architecture of the platform prior to Trident. All work will be assessed against Project Trident to minimise regret spend.

- **Service Essentials:** Continuation of service essential activities such as migration, decommissioning and the planning for future upgrades for Enterprise Hub (vulnerability scanning, monitoring and event management) and Network Maintenance.

Proposed funding

We propose to invest £2.4m in 2025-26 and forecast a further requirement for £2.6m and £3.5m in 2026-27 and 2027-28 respectively.

We propose to apply the 'common funding' default split between parties to reflect the expected shared benefits:

Shipper	Nat Gas	DN	IGT
51.30%	5.90%	41.20%	1.30%

The means for calculating this funding split is set in the Budget and Charging Methodology (section 7.2, p,20).

Read the Investment Proposal in full.

General Change

The annual General Change budget provides funding to develop and deliver changes that industry and DSC customers have stipulated are required. Typically, these changes become required following industry code changes resulting from modifications to codes such as the UNC its IGT equivalent and Retail Energy Code that necessitate functional changes to be applied to central systems or new reports / data visualisations to be provided.

Once iteratively approved by the Data Service Contract (DSC) Change Management Committee (ChMC, following the process set out in the Change Management Procedures), changes are prioritised for delivery either via periodic major (3 per year) or minor (4 per year) releases or, where directed, in a more 'ad hoc' way.

We propose to hold a total budget of £3.4m in 2025-26 and forecast the same values will be required in 2026-27 and 2027-28, to fund the following:

1. Data Service Contract Change Budget (£2.65m)

The DSC Change Budget is an annual investment made by customers to deliver changes approved for design and implementation by the industry elected DSC Change Management Committee (ChMC). As with previous years, this budget comprises of funds made available to support our improved Change Development 'design factory model' and ongoing funds to enable evolution of the Performance Assurance Committee Reporting requirements.

The funding split applied is based on historic usage of the DSC Change Budget:

Shipper	Nat Gas	DN	IGT
57.70%	2.10%	34.80%	5.40%

2. Retail Energy Code (REC) Change Budget (£0.35m)

As with previous years, a ring-fenced allocation of £350k exists to support Retail Energy Code change processes – namely the initial, preliminary, and detailed Impact Assessment of Retail Energy Code Change Proposals, alongside other related REC services provided by the CDSP.

The funding split applied is based on historic beneficiaries of this activity:

Shipper	Nat Gas	DN	IGT
59.00%	0.00%	35.50%	5.50%

3. Data Discovery Platform Core Delivery (£0.4m)

The continuation of consequential change and improvements in how we provision data to customers through DDP, allowing customers to self-serve and access increased amounts of actionable insights (DDP Core delivery). We will consider within this Investment Proposal the impacts of removing this budget from the General Change Investment.

The funding split applied is based on historic beneficiaries of this activity:

Shipper	Nat Gas	DN	IGT
50.00%	0.00%	41.70%	8.30%

4. Decarbonisation Change Budget (N/A)

This year we propose that the reserved investment funds for Distribution Networks and National Gas are removed, with any CDSP technical or operational delivery activities relating to trials or network innovation projects being funded via the DSC Change Budget, should trials or projects take place in BP25.

Read the Investment Proposal in full.

Gemini Regulatory Change

The Gemini platform has been significantly modernised over the last 3 years via the Gemini Sustain + programme. Proposed investment across 2025-28 is more modest in comparison to recent business planning cycles, however a budget to deliver incremental change resulting from industry code modifications and future funding for evolving the product is required.

The scope of this Gemini Investment Proposal can be split into the following areas:

- **Regulatory Change:** As with previous years, investment is needed to cover off any regulatory / Gemini consequential change as a result of Code Modifications and consequential system changes to the Gemini estate.

- **Product evolution and sustain:** The Gemini Sustain+ programme invested in the modernisation of the system. Some sustaining activities will be required from 2026-27, this is to ensure that all the software, security and hardware components that Gemini depends on are maintained, to maximise availability.

We propose to invest £2.15m in 2025-26 and forecast a further £2.45m and £2.5m in 2026-27 and 2027-28 respectively. The investment is solely funded by National Gas Transmission.

Read the Investment Proposal in full.

Links to further useful info

➡ Business Plan Information Rules,
About Xoserve, and Glossary
BP25 Annexe Document

➡ CDSP service documents
**DSC / CDSP Documents | Joint Office of Gas
Transporters
(gasgovernance.co.uk)**

➡ Previous Business Plans
**www.xoserve.com/about-us/about-xoserve/
business-plan**

➡ Further info about our role and our customers
Our role and customers (xoserve.com)

➡ Business Plan Hub
bp25.xoserve.com