Annex A: Transitional Performance Framework

Contents

Schedule 1: Context to the Transitional Performance Framework

Purpose and content

1.1 This document sets out the transitional code manager performance framework required under condition 25.13 of the code manager licences for the Retail Energy Code (REC) and the Balancing and Settlement Code (BSC).

1.2 Subject to consultation, RECCo's and Elexon's (the 'code managers') licences will be amended to include a new Part F of Standard Licence Condition (SLC) 25 (Performance Incentives). Part F will require the code managers to establish the "Transitional Performance Framework" by no later than 1 April 2027. It will also require the code managers to ensure that the Transitional Performance Framework aligns with the requirements and instructions set out in this document.

1.3 This document consists of the following three schedules. Some elements are mandatory and some are included as guidance or context only:

- Schedule 1 (context to the Transitional Performance Framework) contains non-mandatory content
- Schedule 2 (Transitional Performance Framework – performance requirements) sets out mandatory minimum content for the Transitional Performance Framework, except for:
    - any housekeeping changes the code managers reasonably need to make to the content of schedule 2 in establishing the Transitional Performance Framework
    - text in square brackets, which provides instructions to inform how the code managers must develop relevant sections and subsections of the Transitional Performance Framework
- Schedule 3 (code information metrics – non-performance requirements) sets out further mandatory minimum content for the Transitional Performance Framework, with the exception of any housekeeping changes the code managers reasonably need to make to the content of schedule 3 in establishing the Transitional Performance Framework

1.4 The Transitional Performance Framework will apply until an enduring performance framework, as required by SLC 25, is introduced into the Relevant Codes.

1.5 The metrics established under the Transitional Performance Framework are additional to, and do not replace, any existing performance metrics contained in the Relevant Codes.

1.6 The framework is designed to support a consistent approach across code managers while allowing code-specific information to be provided where necessary.

Status and interpretation

1.7 This document should be read alongside the Code Manager Licence (including any amendments made to that licence).[1]

1.8 The Transitional Performance Framework may be updated from time to time in line with the governance arrangements set out in Part F of the amended SLC 25.

Summary of the Transitional Performance Framework

1.9 The Transitional Performance Framework is intended to incentivise code managers to perform well. It focuses on the core elements of their role, namely administering the governance of the code, making effective decisions related to code governance, and aligning the code with Ofgem's strategic direction. It aims to support delivery of the desired outcomes of code governance reform, which are to facilitate the delivery of strategic priorities, improve the efficiency of the code change process so industry codes are agile and responsive to system change, and improve code user experience to encourage innovation and reduce regulatory burden.

1.10 The framework consists of three performance measurement areas that are supported by seven key performance indicators (KPIs). The KPIs are informed by ten performance metrics, stakeholder surveys, a supporting narrative provided by the code manager, and where applicable, additional context will be provided by the code information metrics.

1.11 The stakeholder surveys will include three types of survey: SAF and PAB surveys, event-based surveys, and a stakeholder satisfaction survey. The code managers will develop the questions used for the surveys and then will introduce them into the Transitional Performance Framework, following consultation with the SAFs.

[1] Department for Energy Security and Net Zero (DESNZ) and Ofgem (2026), Code Manager Standard Licence Conditions. Available at: Code Manager Standard Licence Conditions (PDF)(accessed 24 August 2026). Available at: energy_code_manager_standard_licence_conditions.pdf

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Figure 1. Overview of the Transitional Performance Framework

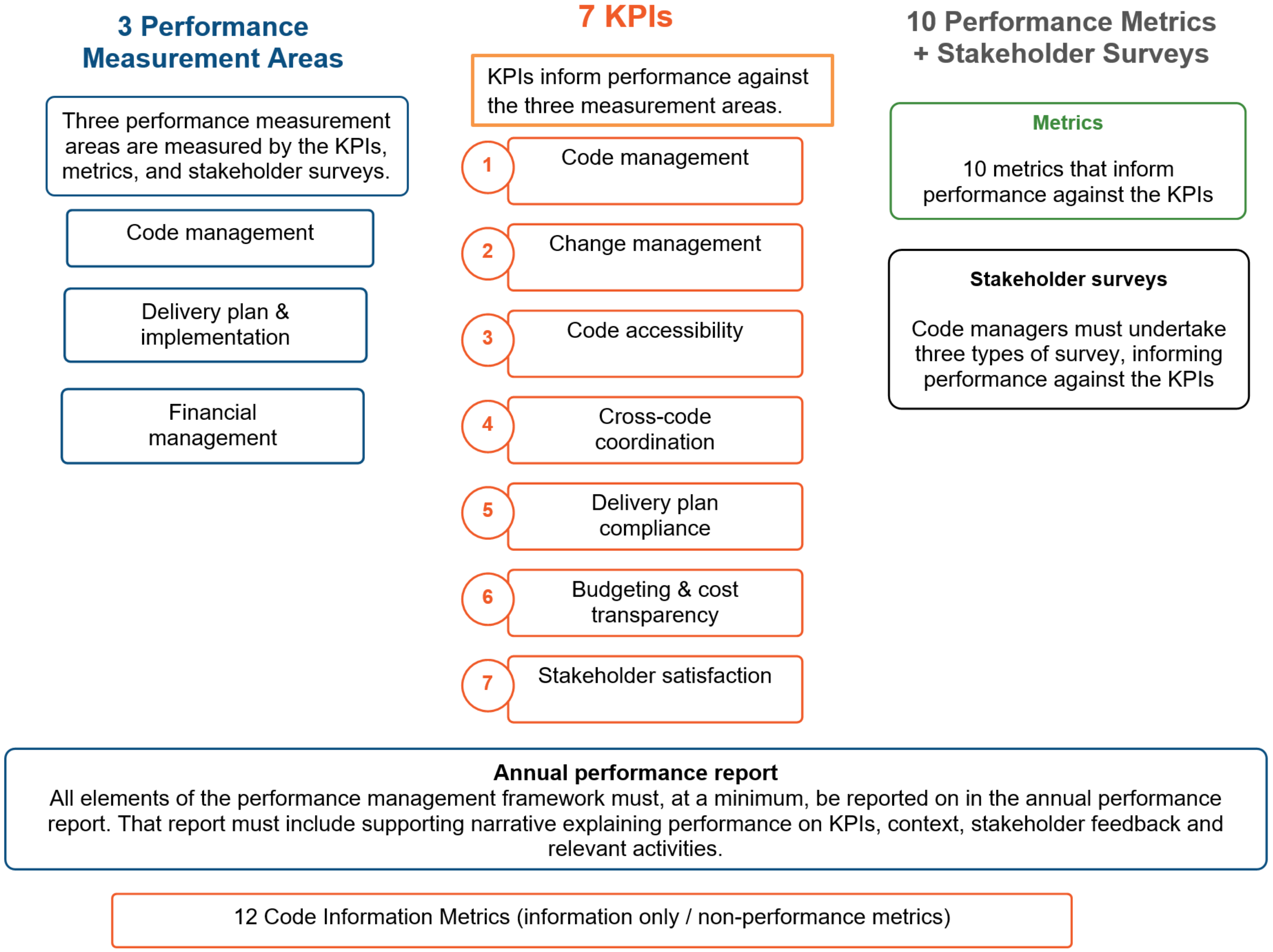

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Diagram shows how the Transitional Performance Framework is structured. It is based on three performance measurement areas: code management, delivery plan and implementation, and financial management. These areas are assessed through seven key performance indicators, supported by performance-related metrics, stakeholder survey results, supporting narrative from the code manager, and relevant code information metrics where applicable. The framework is intended to provide a consistent basis for monitoring and reporting code manager performance during the transitional period.

Schedule 2: Transitional Performance Framework – Performance requirements

1.12 This schedule, in addition to schedule 3, sets out mandatory content for the Transitional Performance Framework, including the metrics the code managers must monitor, the survey data they must collect, and how they must report on it. Code managers' annual Code Manager Performance Reports ('Report') must address all matters listed in tables in this schedule.

Performance measurement areas

1.13 The framework is structured around three performance measurement areas, as set out in table 1 (performance measurement areas). The annual Report must be clear on how the code manager has performed against these three areas.

Table 1. Performance measurement areas

Area	Description
Code management	Managing the code in a transparent, effective, and collaborative manner.
Delivery plan and implementation	Producing a clear, understandable and ambitious yet achievable delivery plan, which is implemented in a timely and effective way.
Financial management	Efficient, cost-reflective and transparent budgeting and cost recovery.

Key performance indicators

1.14 Code managers' annual Reports must report against each key performance indicator (KPI) in table 2 (key performance indicators) below. In assessing and reporting performance against a KPI, the code manager should draw on, as relevant:

- the performance metrics set out in this document
- stakeholder survey and engagement feedback
- any relevant code information metrics
- supporting narrative

1.15 The narrative should explain performance against the KPIs, provide appropriate context for metric results and stakeholder feedback, and describe any additional activities that have contributed to delivery of the KPIs.

1.16 Table 2 (key performance indicators) sets out the KPIs against which code managers must report. KPIs 4 and 7 are measured using stakeholder surveys. Code managers can supplement reporting with other relevant information.

Table 2. Key performance indicators

Number	KPI	Description
1	Code management	Transparent, effective and collaborative management of the code.
2	Change management	Effective and timely prioritisation, assessment and progression of modifications, supported by robust analysis and decision-making, so codes are agile and responsive to changes in the energy sector.
3	Code accessibility	Making codes more accessible and easier to navigate, helping participants understand and comply with the rules.
4	Cross-code coordination	Identifying and managing impacts that span multiple codes and supporting coordination across codes.
5	Delivery plan compliance	Producing and implementing a clear, understandable, ambitious yet achievable delivery plan which supports delivery of strategic priorities.
6	Budgeting and cost transparency	Efficient, cost-reflective, and transparent budgeting and cost recovery.
7	Stakeholder satisfaction	Stakeholder engagement and surveying provide evidence on code manager performance.

Performance-related metrics

1.17 To support the monitoring and assessment of code manager performance, code managers must measure, monitor and, in the annual Report, report against the performance-related metrics set out in table 3 (key performance indicators). These metrics are designed to provide evidence of performance across the KPIs and performance areas.

1.18 Where the reporting requirement is specified in percentages, the reporting must be accompanied by the underlying figures from which the percentage is derived.

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Table 3. Performance-Related Metrics

Performance measurement area	ID	Metric	Relevant KPI
Code management	CM1	Percentage of SAF/PAB/Workgroup meetings where papers were issued within service level agreement (SLA) (not including agreed short notice items) and minutes were both issued on time and received no upheld complaints on factual accuracy (Meaning: misrepresentation of what was said and views provided when the final version has been circulated to relevant parties).	KPI 1: Code management
Code management	CM2	Percentage of code modifications with cross code impacts where all such impacts were identified ahead of the draft modification report being published for consultation.	KPI 2: Change management
Code management	CM3	Percentage of self-governance classification decisions (i.e., self-governance vs Authority-consent) under SLC 27.5 that are not appealed or that are upheld following appeal.	KPI 2: Change management
Code management	CM4	Percentage of modification reports 'sent back' by the Authority under defined reasons as set out SLC 27.9, requiring resubmission before the Authority can make a final determination.	KPI 2: Change management
Code management	CM5	Percentage of self-governance modifications without successful appeal of code manager decisions to reject or approve the modification.	KPI 2: Change management
Code management	CM6	Percentage of code only changes (not systems) implemented to agreed date as per the implementation date agreed in the decision to approve a modification (including	KPI 4: Cross-code coordination

Performance measurement area	ID	Metric	Relevant KPI
		any formally agreed revised implementation date).	
Financial management	FM1	Number of appeals upheld against the code manager budget(s) that applied during the relevant financial year.	KPI 6: Budgeting and cost transparency
Financial management	FM2	Number of within year budget amendments in the relevant financial year.	KPI 6: Budgeting and cost transparency
Delivery plan and implementation	DP1	Percentage of SDS 'Act now' priority areas where the code manager has taken tangible action* during the relevant financial year. *meaning: relevant deliverables have been included in the delivery plan and actioned through either publishing an issue (as per the pre-modification process), raising a modification, publishing a consultation response, or through a code modification outcome such as a establishing a new service or programme	KPI 5: Delivery plan and implementation
Delivery plan and implementation	DP2	Percentage of SDS delivery milestones as set out in the final published delivery plan achieved by the deadlines set out in the delivery plan, where such deadlines fell within the relevant financial year	KPI 5: Delivery plan and implementation

Stakeholder engagement and surveying

1.19 This section sets out the three types of survey that code managers must undertake (see table 4 – 'stakeholder survey requirements'), setting out the survey questions, frequency requirements and, where applicable, triggers for event-based surveys.

Process for developing questions

1.20 Code managers must do the following to establish the survey framework:

- for the three survey categories below in table 4 (stakeholder survey requirements), develop a core set of survey questions that will measure the performance areas listed in table 2 (key performance indicators) and that can be consistently applied to all code managers
- for the event-based surveys, define the circumstances in which the event-based surveys must be issued

1.21 In developing the survey questions the code managers must:

- take all reasonable steps to ensure that the questions are clear, comprehensible, capable of eliciting reliable and meaningful responses, and suitable for informing the assessment of the code managers' performance against the three performance areas (as set out in table 1 – 'performance measurement areas')
- take all reasonable steps to define a scale to enable questions to be scored consistently across code managers
- have regard to the illustrative questions that Ofgem published in annex A to its phase 1 consultation

1.22 Code managers must take all reasonable steps to incorporate the survey questions into the Transitional Performance Framework as soon as reasonably practicable, and not later than 31 March 2028.]

Mandatory stakeholder survey requirements

1.23 Code managers must undertake the following surveys to the parties listed at the frequency listed in table 4 (stakeholder survey requirements) below.

Table 4. Stakeholder survey requirements

Survey Type	Description	Parties	Frequency
SAF and PAB survey	Each code manager must survey the SAF, and where applicable, the PAB or equivalent assurance body on a six-monthly basis (or as close as reasonably practicable) and include the survey results in the annual Report. The survey will cover multiple aspects of the code manager's performance.	Stakeholder advisory forum (SAF) Performance assurance board (PAB) (or equivalent assurance body)	Six-monthly

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Survey Type	Description	Parties	Frequency
Event-based surveys	Code managers must survey all participants of events using prescribed questions and at the frequency prescribed.	Code managers specify the parties that must be surveyed	Code managers define the circumstances in which the event-based surveys must be issued
Stakeholder satisfaction survey	Each code manager must invite, at a minimum, all code parties to take part in an annual survey to determine satisfaction with code manager services.	Code parties	Annually (minimum)

Schedule 3: Code Information Metrics – Non-performance requirements

1.24 Code managers' annual Reports must report on the information metrics in table 5 (code information metrics) below. The code managers should provide narrative where needed to explain context, trends, and limitations.

1.25 Where the reporting requirement is specified in percentages, the reporting must be accompanied by the underlying figures from which the percentage is derived.

1.26 These metrics are for information only.

Table 5. Code information metrics

Number	Metric
1	Number of issues raised to the code. For this purpose, "issue" means an issue identified in relation to the Relevant Code that a person considers warrants a modification to that code.
2	Percentage of new issues converted to modifications.
3	Number of modifications raised to the code.
4	Percentage of new modifications and issues raised by: code manager; code party; non-code party; Authority.
5	Number of code modifications raised by the code manager in response to other code change (cross-code).
6	Percentage of modifications completing the modification process, to submission of modification report or self-governance decision, within the code manager's estimated modification progression timetable.
7	Percentage of Authority modification decisions received within the Authority estimated decision date.
8	Average time, in days, from modification raised to submission of modification report to the Authority, for modifications where the report was submitted during the performance year, split by modification proposer.

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Number	Metric
9	Average time, in days, from modification raised to implementation or self-governance decision, for self-governance modifications where the code manager made a decision during the performance year.
10	Percentage of code manager recommendations on authority-consent modifications, agreed by the Authority.
11	Percentage of code manager modification recommendations, aligned with majority SAF view.
12	Number of code modifications raised by the code manager with expressed outcome in delivering SDS “Act Now” priorities.