



## Case Study

Delivering efficiencies while  
strengthening capabilities

## Executive summary

The central data services that Xoserve delivers via its not-for-profit business model, are critical to the smooth and reliable operation of Great Britain's gas industry. As the Central Data Service Provider (CDSP), Xoserve is focused on delivering Value for Money (VfM) to its Customers, either through reducing costs, making central systems and processes more efficient, or increasing its capability and capacity to become more effective. Robust governance ensures that Xoserve's Customers co-fund these services in an equitable manner.



Through the completion of a series of initiatives implemented over the last three years, **Xoserve has incrementally reduced its 2023 cost base by 9%**, while simultaneously extending its service provision and capabilities.

In 2023, an independent review was commissioned to benchmark Xoserve's delivery of services with other organisations. This in-depth review provided assurance that the cost to deliver CDSP services compared favourably with other organisations and identified potential opportunities for Xoserve to become more efficient, economic and effective. These opportunities were progressed via a dedicated programme of initiatives.

Through the completion of a series of initiatives implemented over the last three years, Xoserve has incrementally reduced its 2023 operational cost base by 9% (over £5m), with further reductions forecast across subsequent financial years.

Since then, Xoserve has also increased its capability and capacity to perform an 'intelligent customer' role on behalf of the gas industry, thereby further ensuring that existing central systems and processes are maintained sustainably and securely, and future services are procured efficiently and effectively.

Xoserve is committed to co-developing its budget via a transparent annual Business Planning process designed to **ensure Value for Money**.

Xoserve's budget is developed via a transparent and engaging annual business planning process during which its Customers and stakeholders are invited to share feedback at every stage, from planning principles to the final draft. This collaborative process ensures that industry priorities are incorporated and provides the opportunity to articulate how investment represents VfM for Customers.

During the development of Xoserve's budget, independent assurance provides an assessment of compliance against Uniform Network Code (UNC) Business Plan Information Rules (BPIRs), ensuring that the annual budget represents Value for Money (VfM).

This case study highlights how Xoserve provides VfM, while prioritising stakeholder collaboration and continuous service enhancement.

## Delivering critical central services

As the Central Data Services Provider for Great Britain, Xoserve is crucial to ensuring the gas market operates economically and reliably. Xoserve provides a single, consistent and trusted service for Customers to securely transfer data across the industry, embedding a culture of continuous improvement. Core responsibilities include:

- **Central data repository** – Maintenance of the central register and information flows through advanced IT platforms and data services
- **Billing and invoicing** – Delivering invoicing on behalf of National Gas Transmission and Distribution Networks

- **Switching, settlement and balancing** – Processing industry data exchanges supporting switching, settlement and balancing
- **Benchmarking performance** – Responsibility for industry performance reporting and regulatory data intelligence
- **Technical IT support** – Provision of technical support and IT services for market participants
- **Administering Government initiatives** – Acting as scheme administrator for national government interventions including the Energy Price Guarantee scheme.

Given the scale and criticality of these tasks, ensuring the efficient and cost-effective delivery of these services is essential for Xoserve's Customers and stakeholders.

## The 2023 efficiency review – benchmarking central services

In August 2023, an independent review assessed Xoserve's 2023 cost base against comparable organisations. The review confirmed that Xoserve operated efficiently and made recommendations that could further enhance its capabilities to become more effective, efficient and economic.

The recommendations spanned contract strategy, applications, change delivery, Customer reporting, and financial and operational reporting. Some actions increased short-term costs but unlocked future value over the long term while boosting resilience and auditability.

Following the review, Xoserve committed to a structured programme to progress each recommendation transparently.



## Efficiency Review Implementation in Xoserve (ERIX) programme – progression of recommendations

To deliver these improvements, Xoserve launched the ERIX programme. ERIX focused on systematically implementing the recommendations from the independent review, which included:

- **Becoming a more intelligent customer** – Boosting Xoserve internal knowledge to increase value of procurement processes
- **Enhanced procurement** – Maximising cost-efficiency of Xoserve procurement processes through enhanced competition
- **Digital estate strategy** – Developing a comprehensive future strategy for Xoserve’s digital assets essential to delivering customer services.

Following completion of the ERIX programme, an independent assessment found that 89% of recommendations had been successfully implemented, with further progress being made to the enhancement of assurance processes, the exploration of future contractual arrangements and the implementation of a more economic, effective customer reporting platform and data strategy.

The ERIX programme reinforced Xoserve’s strategic approach to target investment in new capabilities and service effectiveness to drive sustainable VfM.

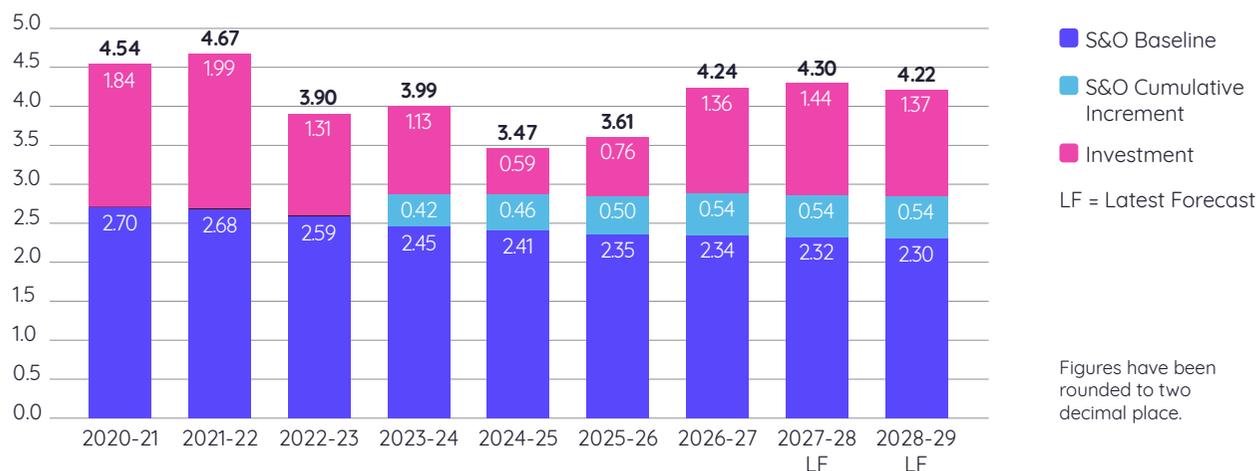
### Measurable financial impact

Xoserve has successfully reduced its 2023 operational cost base by 9% (equivalent to over £5m) through actions delivered over the last three years, while maintaining and expanding service capability.

A sustainable focus upon VfM has enabled Xoserve to achieve savings through contract negotiations, supplier efficiency improvements, prioritisation discipline and process streamlining. This approach has enabled Xoserve to maintain and improve service effectiveness while driving down costs.

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

Cost per meter point (2025-26 prices)



## Business Planning approach

### VfM by design via the '5E framework'

Xoserve develops its budget via an annual Business Planning process that is designed to encourage stakeholder engagement and provide information transparently, so that stakeholders can scrutinise how the costs to deliver central services represent VfM.

The Business Plan sets out the activities and services required across the forthcoming three financial years, and assesses / articulates VfM through 5 equally important lenses:

- **Economy** – are costs reducing?
- **Efficiency** – are resources being maximised?
- **Effectiveness** – are services being delivered to quality standard and/or enhanced?
- **Equitability** – are costs being shared fairly?
- **Evolving** – are activities supporting the delivery of strategic priorities?

## Transparent and independent scrutiny

Xoserve's commitment to industry collaboration, continuous improvement and the delivery of VfM central services was demonstrated in the work undertaken in 2023/24 with customers to develop Business Plan Information Rules (BPIRs) through modification of the Uniform Network Code (UNC modification 0841). The modification was approved by Ofgem in 2024 and introduced wide-ranging rules that obligate Xoserve to provide detailed information that ensures transparency and enables stakeholder scrutiny.

The primary purpose of the rules is to ensure that information provided during Business Planning development clearly evidences how the budget required to deliver central services is efficient and represents VfM. The modification also introduced the requirement for independent scrutiny and assurance of Xoserve's Business Plan, with [BP25](#) and [BP26](#) having been assessed to be 91% and 93% compliant versus the BPIRs, with the [assessor confirming](#) that "this high score can be attributed to the fact that the Business Plan has been written with the BPIRs in mind from the inception, rather than be written and then subsequently evaluated against them".



## Conclusion

Xoserve is focused on delivering VfM for its critical services. Through independent review, structured implementation and industry collaboration, Xoserve has reduced costs on a like-for-like basis compared to 2023, strengthened its capabilities and made continuous, incremental improvements in efficiency and performance. The outcome is a more resilient, trusted and cost-effective central data services provider ready to support future market reform.



Lansdowne Gate, 65 New Rd, Solihull B91 3DL | 0121 229 2000

[www.xoserve.com](http://www.xoserve.com)

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