

Code administrators performance survey

Smart Energy Code (SEC)

Gemserv

Introduction

As part of its 2016 Code Governance Review Final Proposals (Phase 3) (CGR3), it was decided that Ofgem should commission a standardised cross-code study to monitor and assess the performance of code administrators in their role in respect of each code that they administer.

The study evaluates the service provided by code administrators in accordance with the principles of the Code Administration Code of Practice (CACoP) which aims to align processes across the industry codes and identify areas of best practice.

This report looks specifically at the results for the Smart Energy Code (SEC) administered by Gemserv and all verbatim comments were provided in respect of the SEC and/or Gemserv, however they may be more widely applicable

Method

A mixed mode programme of research was conducted with organisations interacting with industry codes consisting of:

- 15 depth interviews to inform questionnaire design
- A core survey with 204 participants to measure experience and performance of code administrators (34 participants answering about the SEC)
- 22 follow-up depth interviews to get a more detailed understanding of drivers of satisfaction/dissatisfaction

Throughout the report, results are shown:

At a total level (aggregated results for all codes)

At a total for the SEC (due to small base sizes, results are not broken down by subgroup)

*If SEC results are significantly higher than the average, the total is shown in **green***

*If SEC results are significantly lower than the average, the total is shown in **red***

Where percentages do not sum to 100%, this could be due to rounding or the exclusion of 'Don't know' or 'Not applicable' responses

Quotes from respondents included in the report and are not intended to be representative of the range of views, but rather offer a range of opinions, feedback and suggested improvements

*Where base sizes are small, this is shown by an * for bases less than 30 and ** for bases less than 15. This indicates that the data should be treated with caution*

Industry context

It is important that the structure and perceptions of the energy industry in which organisations operate are taken into account when interpreting survey results.

Organisations recognise that the energy market is going through a transitional phase and that the changes occurring may affect how they interact with codes. Highlighted changes include:

- Requirement for codes to be in line with European legislation

- Prevalence of new entrants into the market
- Attempts to streamline processes, such as the Code Administrators Code of Practice
- Recent creation of the Department for Business, Energy and Industrial Strategy (BEIS) in mid-2016
- SEC being a relatively new code

Some feel that the market is getting more complex and there are occasions when Ofgem can add to the complications of processes associated with codes.

Codes are perceived as complex and typically very different, with some being more technical than others. Organisations highlight that increased cross-code coordination overall and simplifying operational aspects of codes would greatly assist them. For example, when changes to one code affect another, communications and associated processes should be in place for all the codes that are impacted. There is also a call for a cross-code accession process (to avoid having to provide the same information to each code administrator).

Some organisations believe that industry-wide interventions could be initiated centrally to help streamline processes.

These external factors can influence how organisations perceive the service provided by code administrators. Nonetheless, they are generally considered to be performing well.

Executive summary

Overall there are mixed reactions with regards to Gemserv in relation to SEC.

- Most organisations are satisfied with the support provided by Gemserv, though a substantial minority feel neutral about Gemserv's service.
- The report highlights the scope to improve the support provided in particular with regards to ease of interpreting information for the organisation.
- There are aspects of the website that are identified as in need of attention; particularly the ease of understanding the information.

Organisation profiling

ORGANISATION'S SIZE

	No. of employees			
	0-49	50-249	250-999	1,000+
Total (204)	27%	17%	15%	38%
SEC (34)	38%	18%	9%	29%

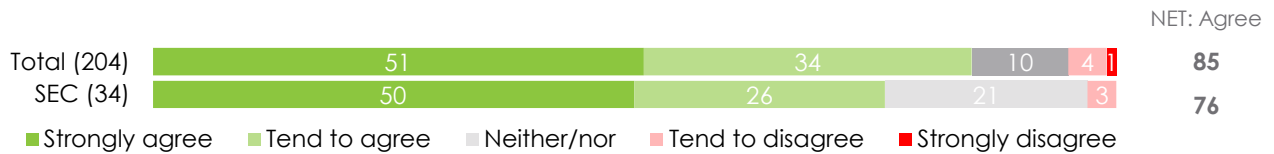
ORGANISATION'S ENERGY MARKET EXPERIENCE

	0-5 years	6-9 years	10+ years
	Total (204)	13%	10%
SEC (34)	26%	18%	56%

Across all codes, there are some broad differences between organisations of different sizes and their length of operation in the energy market. Individuals employed by small organisations (0-49 employees), or new entrants to the market (within the last 5 years) tend to express slightly lower levels of contentment throughout the survey across all codes. It is likely this is due to lack of resource and expertise, which are more frequently highlighted as issues by these groups. However, even

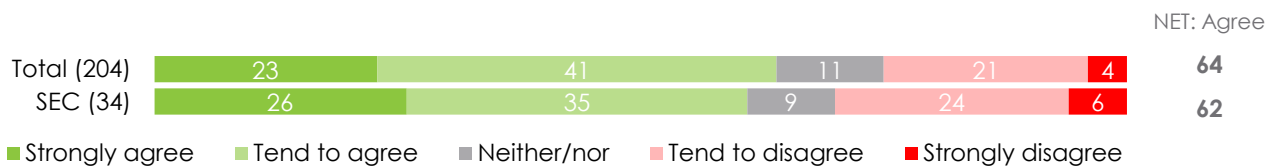
those working for larger organisations say they sometimes face challenges when interacting with codes.

SUFFICIENT ORGANISATIONAL EXPERTISE TO DEAL WITH CODES



Q1. To what extent would you agree or disagree that your organisation has sufficient expertise to enable you to deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

ORGANISATION'S RESOURCE



Q2. And to what extent would you agree or disagree that you have enough resource within your organisation to sufficiently deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

Smaller organisations highlight the need for support across interactions with the code.

"Happy with what they do. The SEC are more aware of the fringe players and they have a more customised and specific service."

"For smaller players to be given help understanding what the consequences of changing everything are."

Key findings

KPIS

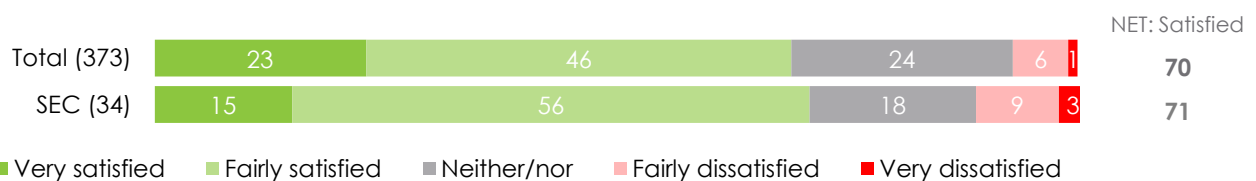
The survey collected three measures of satisfaction:

1. Overall satisfaction with the service provided to their organisation.
2. Satisfaction with the provision of support.
3. Satisfaction with support received when requested.

OVERALL SATISFACTION

Seven in ten organisations are satisfied with Gemserv's service in relation to the SEC and just over one in ten are dissatisfied.

Organisations acknowledge that the SEC is relatively new so the SECAS (Smart Energy Code Administrator and Secretariat) is still learning, and that processes can be longer than for other codes due to requiring sign off by BEIS. However, customers are generally positive about Gemserv's performance in relation to the SEC in spite of this.



Q10. Thinking about all aspects of your dealings with the code administrator in relation to <this/these> codes, overall how satisfied are you with the service provided to your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

However, organisations highlight a range of service areas that Gemserv could improve on.

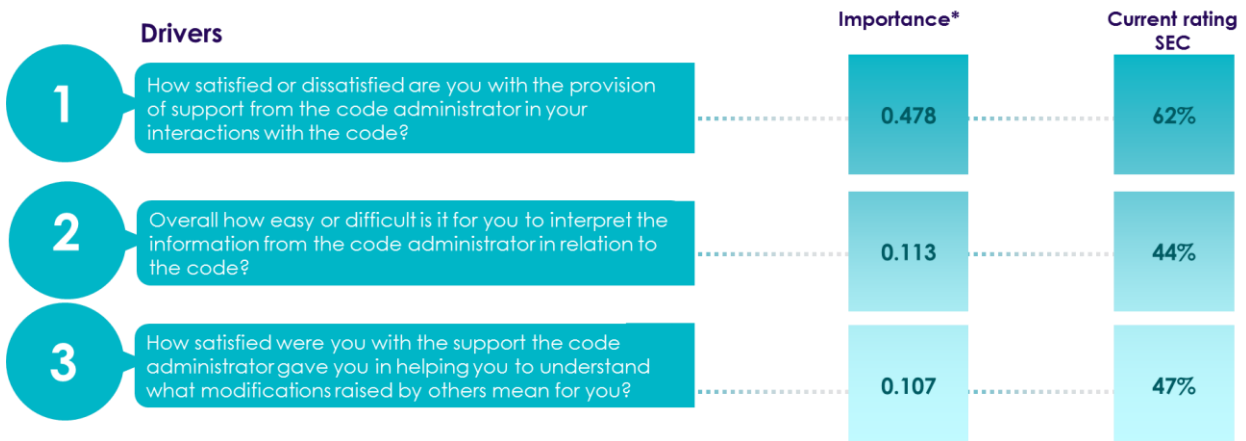
“Look at whether they can make things more transparent and open... I just want to be able to dip in and dip out.”

“Pretty good, but it's new and complicated. There's still more that could be done to make sure everyone understands it more.”

“SEC is just starting up and is a bit difficult due to smart metering issues. The government (BEIS) are controlling a lot and neither we nor the code administrator can do a lot without their say so.”

“SEC are comparatively new, they're still learning, but they're learning at a very fast rate. They are able to respond very quickly to changing events.”

To understand the aspects of service delivery that most impact overall satisfaction, key driver analysis (KDA) was conducted.¹ The aspects of service that have the greatest impact on overall satisfaction are



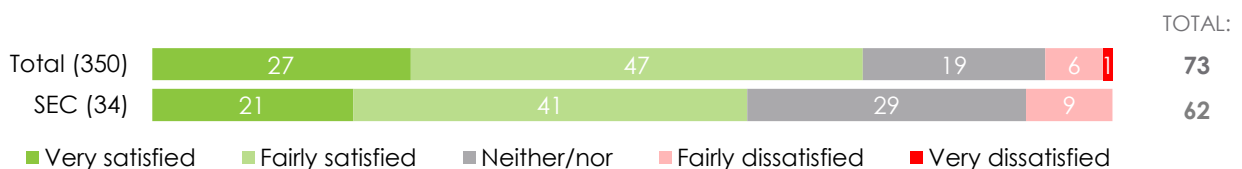
* The importance value will always have a value between -1 and +1, where, a large positive correlation means two ratings 'move together' and a negative correlation means the ratings move in the opposite direction. A correlation of 1 means an exact linear relationship (i.e. everyone gives the same rating for overall satisfaction as for provision of support.)

Due to the small base sizes, it is not possible to identify the key drivers for individual codes. The importance scores are based on the combined total for all codes and the current rating is specific to the SEC. While Gemserv receives a good overall satisfaction, there are several areas such as information provision and the website where improvements could be made.

SATISFACTION WITH PROVISION OF SUPPORT

Generally, organisations acknowledge the need for comprehensive detail from administrators. However additional support in interpreting this information is appreciated, particularly for small organisations or those new to the market.

Organisations that deal with the SEC are broadly satisfied with Gemserv's provision of support, though a large minority (29%) are neutral and 9% are dissatisfied.



Q11a/Q11c. How satisfied or dissatisfied are you with the provision of support from the code administrator in your interactions with the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

¹ KDA tests the strength of the correlation between ratings of core metrics against perceived level of satisfaction by which we can derive which factors have the greatest impact on overall attitudes – this is a subconscious measurement rather than a stated level of importance.

Areas suggested for improvement are around greater understanding of customers and communication.

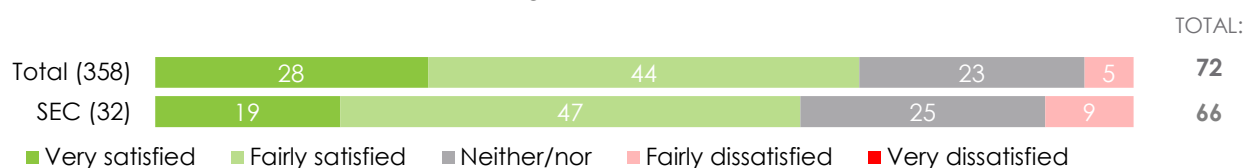
"I would ask them to understand signatories better, understand the people that they're working for better. Individual contacts are excellent, everything else is poor."

"Because it's a very important part of the industry at the moment, more communication would be beneficial."

"I don't think they're going far enough to explain the code to all suppliers or parties to the code."

SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Most organisations are satisfied with the help they receive from Gemserv when it's requested, but a large minority are neutral or dissatisfied. However, customers are understanding that there may be more difficulties with the SEC due to it being relatively new.



Q13/Q13b. And when you request support from the code administrator in relation to the <code> how satisfied or dissatisfied are you with the support you receive? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

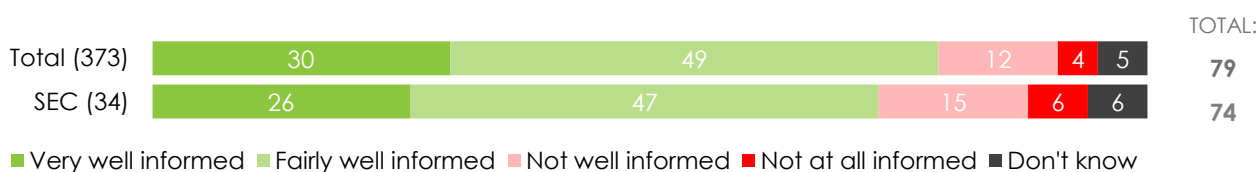
Perceptions of information provision

On average, organisations receive information about the SEC from Gemserv around once or twice a week and for the majority (72%), this frequency is about right.

KEPT INFORMED ABOUT THE CODE

At an overall level, there is correlation between the experience and size of an organisation and perceptions of being informed about the codes. This demonstrates that resource and familiarity tend to produce a more comfortable position in which to deal with code processes.

Most organisations (74%) say that Gemserv keeps them well informed about the SEC and one in five say they are not well or not at all informed.



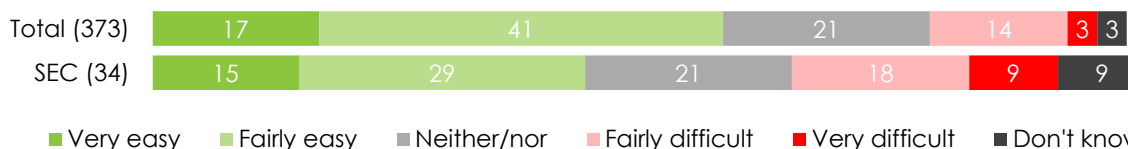
Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

EASE OF INTERPRETING INFORMATION

At an overall level, those with more experience of industry codes find it easier to interpret related information. While organisations face some challenges with interpretation across all codes, they acknowledge that it may be difficult to simplify information due to the complexities of the code itself.

A minority of organisations feel that information about the SEC is easy to understand. Over a quarter say information is difficult to understand.

NET: Easy



Q15/Q15b. Overall how easy or difficult is it for you to interpret the information from the code administrator in relation to Base: All responses for those involved with code (number of respondents in brackets) (results in %)

"The wording can often be very difficult to understand (technical and legal) - would be better to use everyday English."

Perceptions of direct services

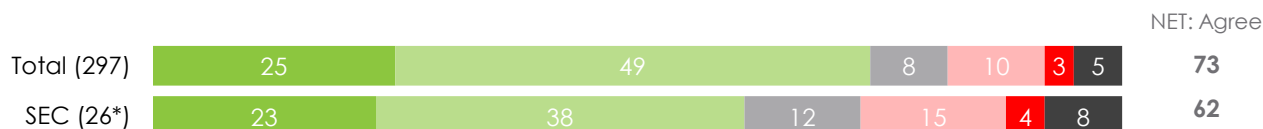
EMAIL

Generally, organisations prefer to receive information via email so they do not have to manually search through websites to keep track of developments. It helps them to stay on top of changes to the code and provides a ready-made audit trail they can reference.

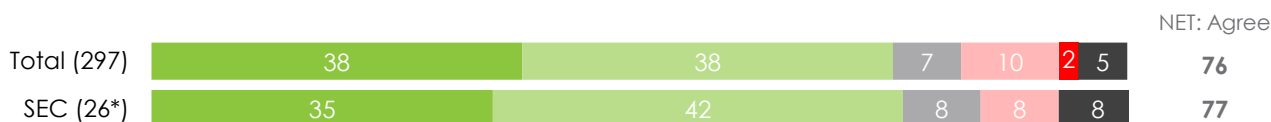
Some emails are considered too content heavy and the volume of information can be hard to digest for those with limited resource. Organisations mention difficulties in identifying which emails require immediate action or contain information that is relevant to them. This can lead to important information being missed. There is appetite for a more tailored service across all codes, such as mailing lists that are specific to company type (such as generators or suppliers) or company size.

Gemserv's emails about the SEC are seen as difficult to understand for a minority of organisations, but Gemserv performs well on making it clear to organisations where emails require action. As with other codes, by simplifying and tailoring information for different types of organisations Gemserv could further improve these scores.

'The emails I receive are easy to understand'



'The emails I receive make it clear when action needs to be taken'



■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q19. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those receiving information from code administrator (number of respondents in brackets) (results in %)

A range of improvements are suggested for emails.

"At their end, having staff that understand the code and the market participants so they can send relevant information to the right parties, instead of doing a mass email to everyone with everything."

"Make it clearer whether the changes apply to domestic or non-domestic suppliers. My company is non-domestic so some of the information is irrelevant. Perhaps flag it in the heading."

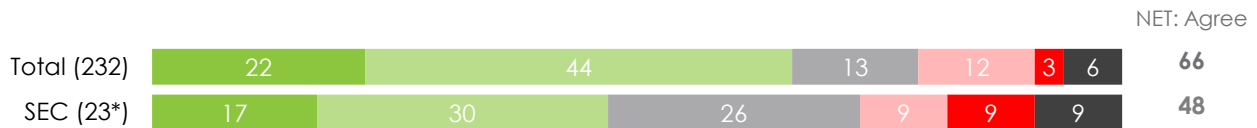
"Make it a bit clearer. Perhaps definitions in there could be more clearly defined."

WEBSITES

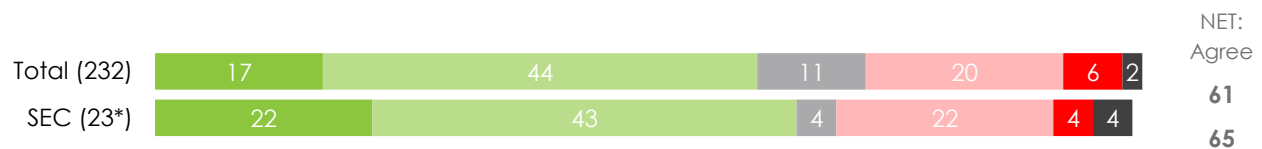
At an overall level, those accessing specific code websites more regularly find them easier to navigate, while those less familiar feel it can be difficult to find the information they are looking for. Code administrator websites are thought to vary in quality and some are not updated as frequently as others.

Although two-thirds (65%) say they are able to easily find information on the Gemserv website, there is some dissatisfaction expressed: around one in five disagree that the website keeps them sufficiently informed of any changes or modifications to the SEC and that the information is easy to understand. Some were also pleased that the website had been updated based on feedback from customers.

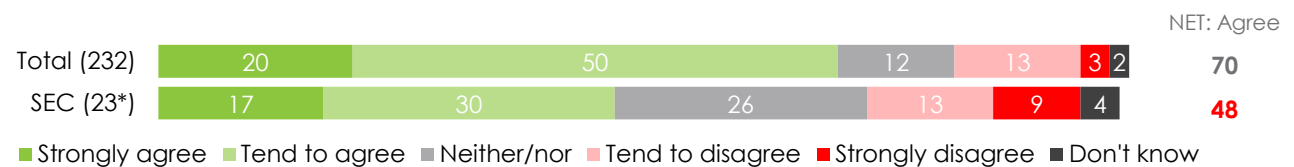
'The website keeps me sufficiently informed of any changes or modifications to the <code>'



'I am able to easily find information on the website'



'The information on the website is easy to understand'



Q20. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those using code administrator website (number of respondents in brackets) (results in %)

"I'm particularly impressed with the SECAS website, it's incredibly easy to use."

There are some improvements to the website that are suggested.

"Need a clearer website."

"Content is fine, perhaps there's some presentational stuff but nothing major."

MEETINGS

Overall, meetings and workshops are perceived as well run and useful. Introductory sessions are valuable for new entrants, chairs are generally impartial and effective, and organisations find it easy to contribute. Organisations indicate that code administrators try to encourage attendance from stakeholders.

However, organisations say it can be difficult to attend all meetings due to resource and financial constraints. Meetings are perceived as mainly London centric, which can be problematic for those not based in the capital.

Teleconference facilities can be problematic due to audio problems (hearing and being heard), and confusion about who is talking.

The proportion of those who have attended a meeting or workshop about the SEC in the last 12 months is similar to the average at 47%. At an overall level, 43% have attended a meeting or workshop in relation to the code they interact with. Gemserv customers are likely to agree that they

receive information in sufficient time before meetings and that the materials received prior to the meeting(s) provide enough information about the objectives

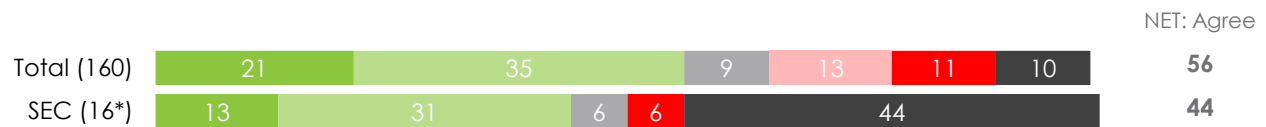
'It is easy for me to actively participate in the discussion'



'The materials that I receive prior to the meeting(s) provide me with enough information about the objectives'



'Teleconference facilities are fit for purpose'



■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q22. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those attending meetings (number of respondents in brackets) (results in %)

"The panel is always there to challenge the code administrator, particularly if they are allowing too much time for assessment etc. They have to get on with it. Delivery is good."

RAISING MODIFICATIONS

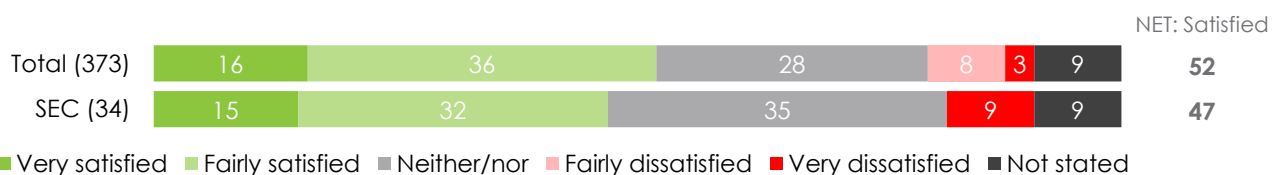
Twelve per cent have raised modifications in respect of the SEC within the last 12 months which is in line with the average (13%) for all codes.

Of those raising a modification, all (100%) say the process of raising a modification was easy and that they are satisfied with the support Gemserv gave in the development of their proposal.

"Just early days so it's difficult to propose a modification for something that's just in the forming stage. Still in its embryonic stages. They have knowledgeable experts."

UNDERSTANDING MODIFICATIONS

Roughly half the organisations interacting with the SEC are satisfied with how Gemserv explains modifications to them, but one in ten are very dissatisfied.



Q28. How satisfied were you with the support the code administrator gave you in helping you to understand what modifications raised by others mean for your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

"It can be hard to articulate points during the modification process and we often find that other companies have more time and expertise to raise them. We can't react as quickly or as efficiently because there are gaps in our knowledge as it's a very technical industry, and we're tiny in comparison with other firms."

ACCESSION PROCESS

Twenty seven people said they are employed by organisations who became party, or began the process to become party to, the SEC in the last five years. Of these, fifteen found the process easy, two found the process difficult and nine had no direct involvement with the process.

Conclusions

- Satisfaction with Gemserv's service provision is positive but there are some aspects which are in need of attention.
- There is scope to improve the support provided in particular with regards to ease of interpreting information for the organisation.
- There are aspects of the website that are identified as in need of attention; particularly the ease of understanding the information.
- Teleconferencing facilities are not rated as highly as other aspects of meetings.