

# Code administrators performance survey

## Balancing and Settlement Code (BSC)

Elexon

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### Introduction

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

The first study was conducted in 2017 and intended to evaluate 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.

The study was not intended to take account of the relative funding of the Code Administrators (CA), or whether they offer value for money.

**In 2018**, the study has been repeated to monitor performance and identify any developments. Specifically, the survey has been developed to:

- **Identify:** Organisations' interaction with codes and CAs; including awareness of CA responsibilities, confidence in dealing with codes, and expectations of the service which Code Administrators should be providing
- **Measure:** Overall performance of CA on key metrics, including overall satisfaction, support, communications and modification process
- **Assess:** Specific aspects of service delivery, including email, websites, meetings and accession process.

### Method

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

- A total of five in-depth interviews to inform questionnaire design (14-20 Feb 2018)
- A core survey with 216 participants to measure experience and performance of code administrators – **44 participants answering about the BSC** (27 Mar – 11 May)
- 25 follow-up in-depth interviews to get an understanding of drivers of satisfaction/dissatisfaction (18 May – 20 Jun)

#### **Throughout the report, results are shown:**

*At a total level (aggregated results for all codes)*

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

*Quotes from respondents included in the report 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.*

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## Industry context

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Organisations still acknowledge that codes are inherently difficult to navigate with some more technical than others. While the environment is challenging:

- Organisations do expect the governance of codes to be stringent
  - They believe that this is essential as it protects business, and smaller organisations in particular
- There is recognition that complexities associated with an individual code impact the way each code administrator operates

Perception that Ofgem could play a much bigger role in providing guidance and protection for business; this is driven by a view that the market does not always lend itself to a level playing field:

- Concerns around some businesses submitting tactical modifications for their own commercial gain
- View that smaller organisation more likely to be impacted as they have limited resource for personnel to attend meetings and to raise such modifications

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## Executive summary – BSC

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Overall, Elexon is regarded highly:

- Over four-fifths say they are satisfied with the overall service provided to their organisation (two-fifths are 'very satisfied') in relation to the BSC.
- Nearly all are satisfied with the provision of support (97%) and the support received when requested (95%).
  - *Satisfaction scores are up from 2017*
- However, while results are strong, there are a few areas where Elexon could further improve BSC services:
  - *Improving teleconferences facilities so that they are fit for purpose*
  - *Helping users to understand modifications*

## Organisation profiling

The level of expertise organisations have to deal with codes remains consistent with 2017. It is encouraging that there is a positive directional improvement around availability of resource.

The means to deal with the codes and their requirements is linked to the size and experience of the company. However, compared to 2017, smaller businesses are reporting greater confidence in their ability to deal with codes.

### ORGANISATION'S SIZE



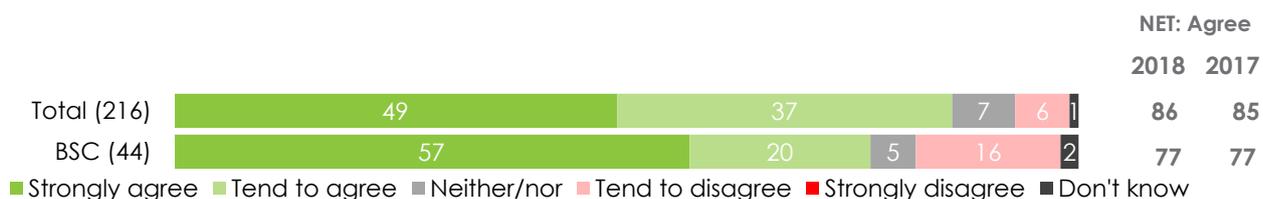
	No. of employees			
	0-49	50-249	250-999	1,000+
Total (216)	18%	16%	14%	47%
BSC (44)	16%	11%	14%	50%

### ORGANISATION'S ENERGY MARKET EXPERIENCE



	0-5 years	6-9 years	10+ years
	Total (216)	16%	6%
BSC (44)	18%	0%	80%

### 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 indicate that they often deal with multiple codes, which can make it challenging to know the intricate detail of the BSC, or other codes they may deal with.

## Key findings

### KPIS

The survey collected four wide measures of satisfaction:

1. Perceived improvements from service received in the last year (new for 2018).
2. Overall satisfaction with the service provided to their organisation.
3. Satisfaction with the provision of support.
4. Satisfaction with support received when requested.

Organisations rate the BSC highly across all KPIs. There is little dissatisfaction reported across the measures and over four in ten say they are 'very satisfied' with the overall service. Nearly all say they are satisfied with the provision of support from Elexon in respect of their interactions with the BSC.

### PERCEIVED IMPROVEMENT

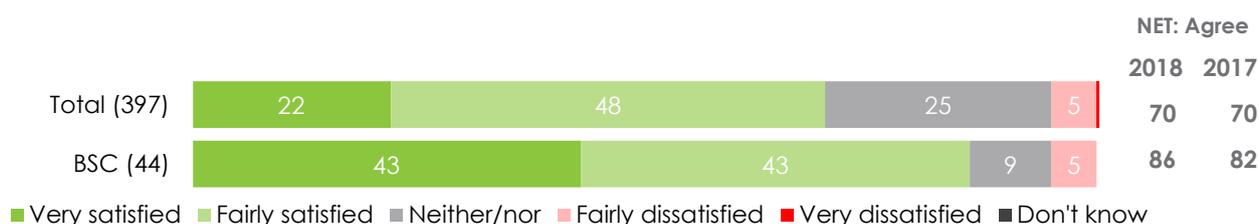
A high proportion of organisations feel the service received in relation to their code has not changed (57%). For BSC, this is even more apparent with 73% stating that service levels have not changed from last year. Eleven percent say the BSC service has improved from last year, and while this is a modest increase, it is worth noting that performance was strong in 2017.



Q29b. Thinking about the service that you have received in relation to the <code> in the last year, would you say it has improved, remained the same or got worse? (number of respondents in brackets) (results in %)

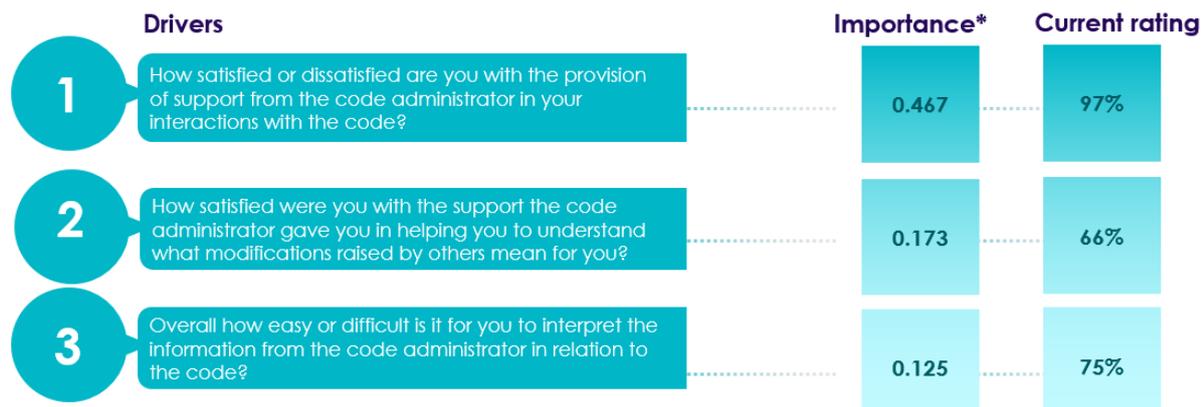
### OVERALL SATISFACTION

At an all code level, seven in ten say they are satisfied with the service provided by their Code Administrator. Over four-fifths indicate that they are satisfied with Elexon's service regarding the BSC.



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 %)

To understand the aspects of service delivery that most affect overall satisfaction, key driver analysis (KDA) was conducted.<sup>1</sup> 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.)

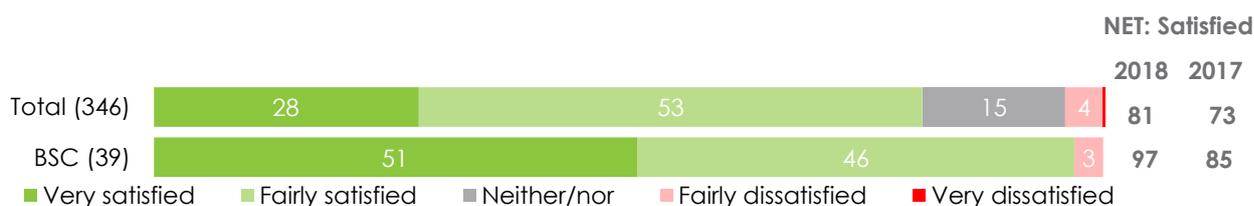
Due to the small base sizes, it is not possible to identify the key drivers for individual codes. The importance scores above are based on the combined total for all codes and the current rating is specific to the BSC.

At an overall level, the three key drivers of satisfaction continue to be around support and information. There are opportunities to improve service around two of the three key drivers. With service improvements to these core areas, it is likely that there will be a positive lift in reported overall satisfaction

### SATISFACTION WITH PROVISION OF SUPPORT

More generally, Code Administrators are perceived to have improved the provision of support to small businesses from the previous year. There is a significant increase in reported satisfaction from 2017; smaller organisations tended to be less satisfied than larger organisations. It is however worth noting that although the gain for the smaller organisations is highly significant, larger organisations still report greater satisfaction.

Elexon is rated very highly for providing support in relation to the BSC, achieving a near perfect score in comparison to an already positive rating last year.



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 %)

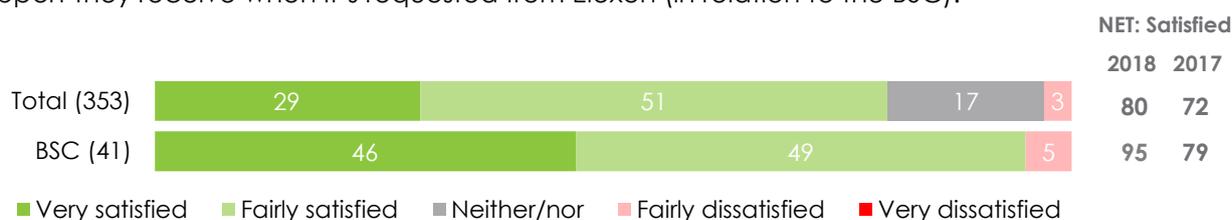
*"I think Elexon are very good."*

*"[the BSC]... structure is more open, you can find the subsidiary documents that you are looking for more easily."*

<sup>1</sup> 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 satisfaction – this is a subconscious measurement rather than a stated level of importance.

## SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Experience of the code plays the greatest part in influencing perceptions of support received when directly requesting it from Code Administrators. Organisations are highly satisfied with the support they receive when it's requested from Elexon (in relation to the BSC).



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 %)

*"We are happy with the service provided."*

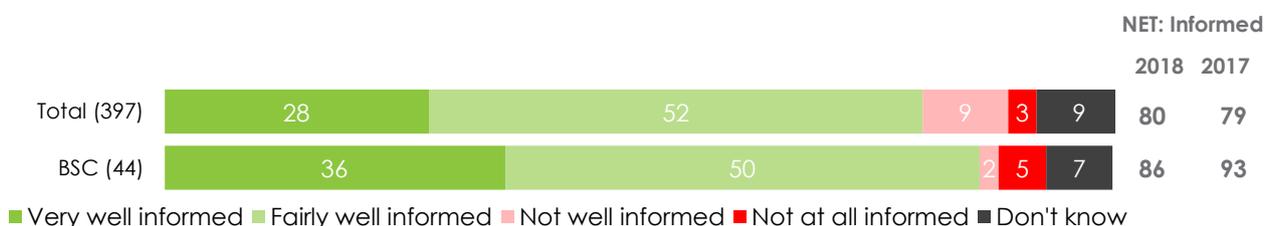
## Perceptions of information provision

On average, organisations receive information about the BSC from Elexon 2-3 times a week and for the vast majority (92%), this frequency is about right.

### KEPT INFORMED ABOUT THE CODE

Although customers agree that they are kept informed, there are some concerns around CA resourcing and the view that some CA teams are stretched. As we observed last year, there is still a view that those who are less familiar with the codes struggle to interpret the information received. So while the obligation to provide information is being met, there is a need to continue to simplify and to target communications.

Elexon is performing very well in this area: over four-fifths say they feel 'very' or 'fairly' well informed about the BSC.

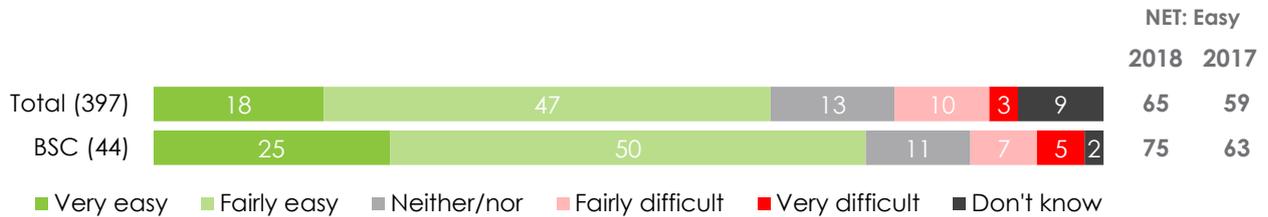


Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

## EASE OF INTERPRETING INFORMATION

Information provided by Elexon is generally fit for purpose, with three-quarters of organisations saying it is easy to interpret. While some organisations face some challenges with interpretation, they acknowledge that it may be difficult to simplify information due to the complexities of the code itself.

More generally, those with more personal experience of codes and in organisations with 250+ employees are more likely to find interpreting information easier. However, encouragingly, there has been a positive uplift in reported ease among those within smaller organisations and those in the energy market for 5 years or less.



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 %)

*"[improve by] clear and simplified reporting of information."*

*"For all the codes that are technical such as BSC (deals with things like metering or settlements, network arrangements), you need to have a good background knowledge to understand the more technical side of things so generally it would be a good idea for code administrators to publish a very accessible set of guides."*

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## Perceptions of direct services

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### EMAIL

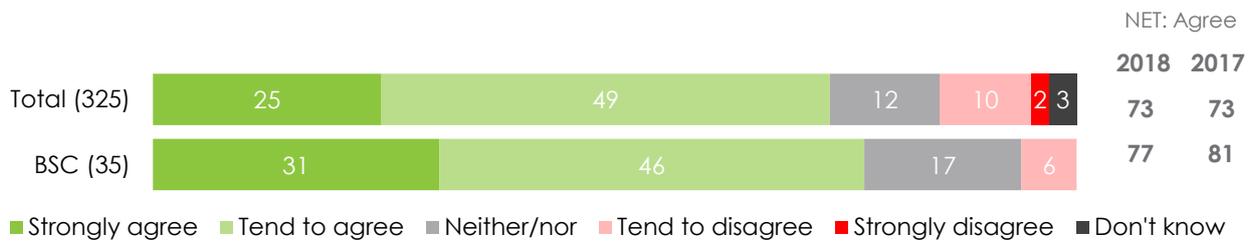
Overall, information is easily accessible via email – it is the most used both by CAs to provide information and by organisations to seek information. Communication by email means there are regular updates of information and organisations can stay on top of changes to the code. Organisations also prefer using email as it ensures there is an audit trail.

Email can however be overwhelming as CA communications are only one of many; this is especially so when several emails related to a code are sent in a single day. Furthermore, when emails do not include the key take outs, core messages can get lost.

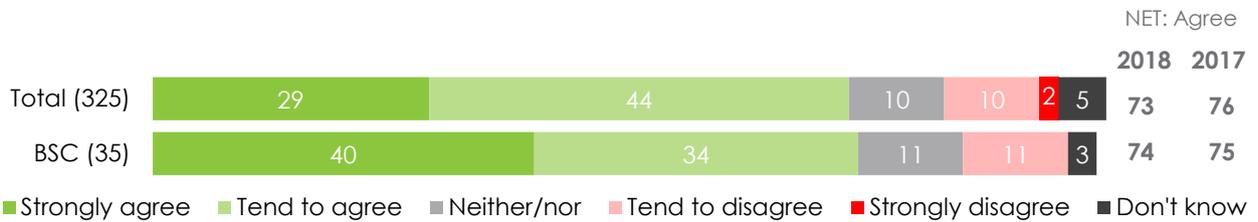
The volume of emails can make it difficult for organisations to identify which messages contain vital information, which ones need immediate action or prioritisation against those providing more general updates.

There is a relatively high level of agreement that Elexon's emails in relation to the BSC are easy to understand (77%) and make it clear when action needs to be taken (74%). There is however scope for Elexon to further improve on these scores.

**'The emails I receive are easy to understand'**



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



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 %)

**WEBSITES**

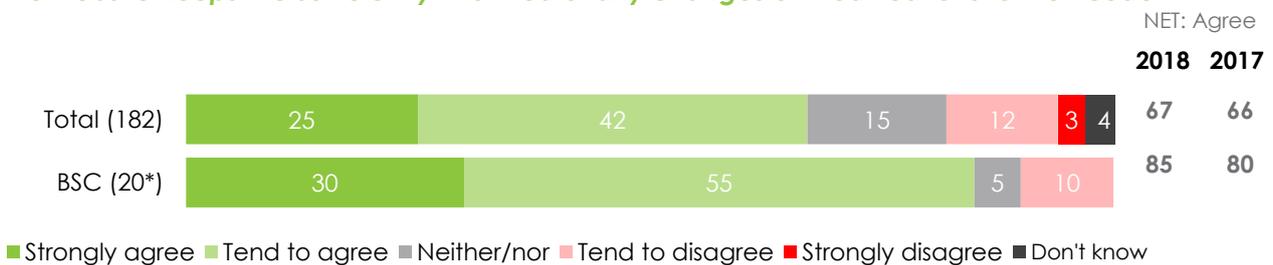
Generally, customers value having information on websites, they use them to keep up to date with various code changes. Information included on websites can be insightful, providing businesses with the depth of understanding they require to navigate codes.

There are some highlighted concerns around the ability for customers to easily navigate websites, and limited signposting. Overall, there is a decline in the proactive use of websites (52% in 2017 vs 28% in 2018). While customers perceive websites as not fit for purpose use may decline further.

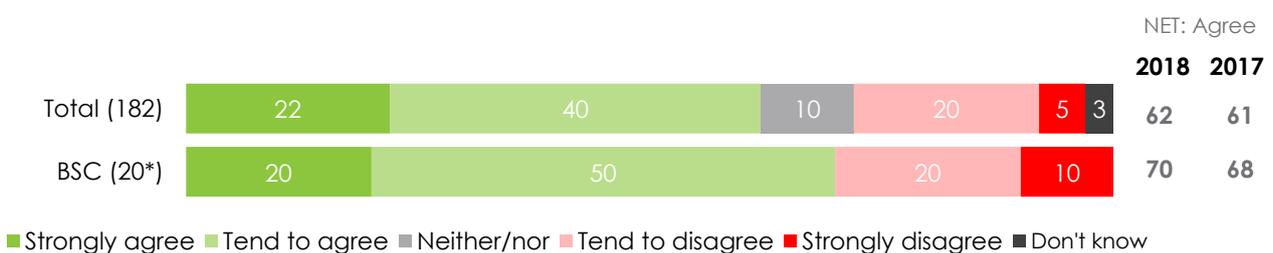
The proportion of BSC customers agreeing that the website keeps them sufficiently informed of any changes or modifications to the code is high. However, as seen in 2017, there is some dissatisfaction expressed with aspects of the Elexon website: three in ten say it is difficult to find information on the site.

It is worth noting that The Elexon website was updated in April 2018, after the interviews took place, therefore next year's research will show the impact of the update.

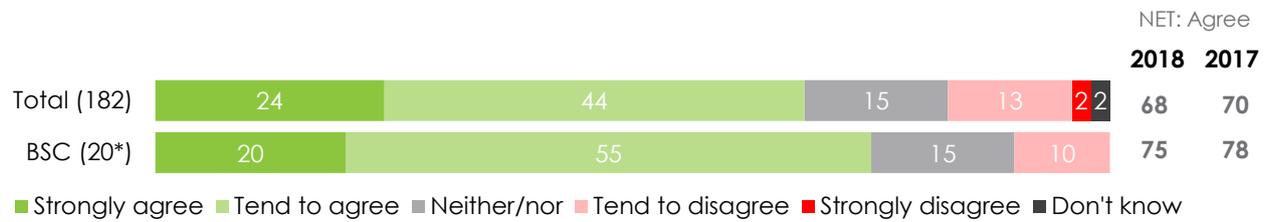
**'The website keeps me sufficiently informed of any changes or modifications to the <code>'**



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



### 'The information on the website is easy to understand'



\* Low base

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 %)

*"With Elexon you have an extra complexity because you have an Elexon portal as well where all the mandate data is stored. I think it is right that they have separate websites but it might be helpful to have a guide on how to navigate anyway."*

*"Navigation of their website can be difficult at times."*

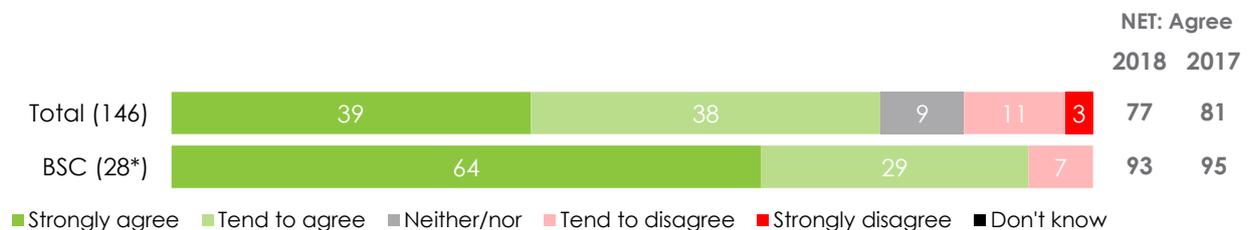
*"Easier navigation on the website."*

### MEETINGS

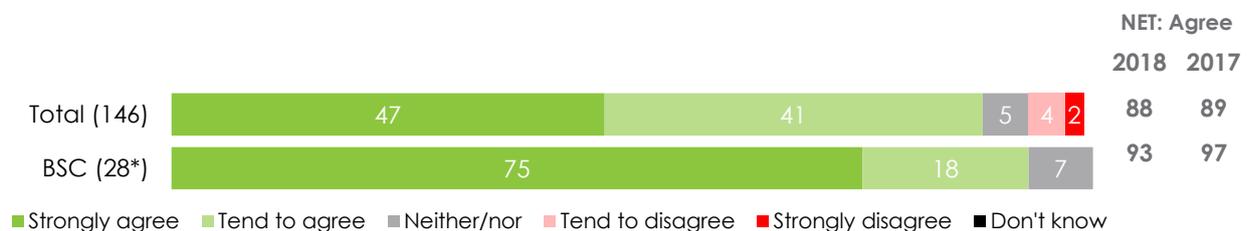
Over half (57%) have attended a BSC meeting or workshop in person in the last 12 months; this is significantly higher than the total average attendance (32% have attended a meeting or workshop in relation to the code they interact with).

Elexon is performing well in relation to BSC meetings. The majority of organisations are satisfied with the timeliness of information they receive in relation to BSC meetings and believe that meeting facilities are fit for purpose. There is however scope to improve the ease for organisations to actively participate in discussions and teleconference facilities.

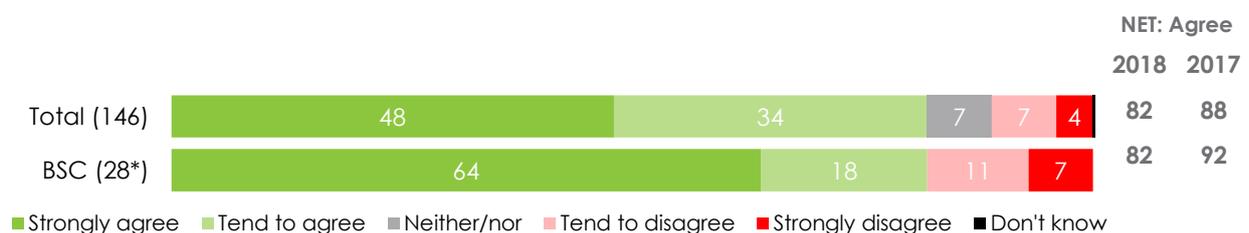
### 'I receive information in sufficient time before meetings'



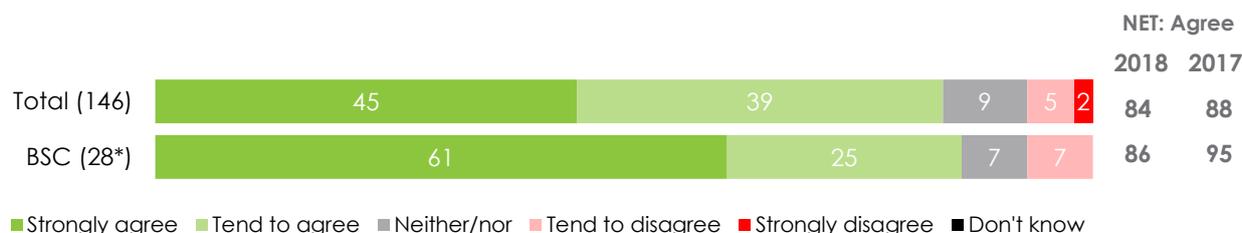
### 'Meeting facilities are fit for purpose'



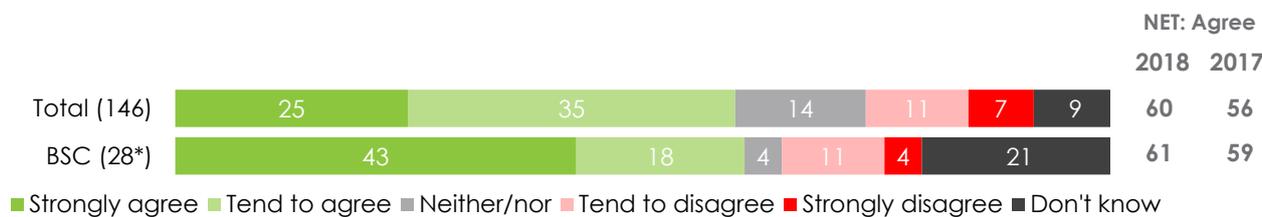
### 'It is easy for me to actively participate in the discussion'



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



**'Teleconference facilities are fit for purpose'**



\* Low base

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 %)

*"Better facilities for multiple people to video conference."*

*"BSC (Elexon) were good, people and meeting rooms available, very efficient."*

It is worth noting that The Elexon Teleconference facilities were updated in April 2018, after the interviews took place, therefore next year's research will show the impact of the update.

**RAISING MODIFICATIONS**

Five percent (two organisations) have raised BSC modifications within the last 12 months. Both organisations found the process of raising a modification difficult.

Some comments from businesses indicate that there are elements of the process that may need to be reviewed.

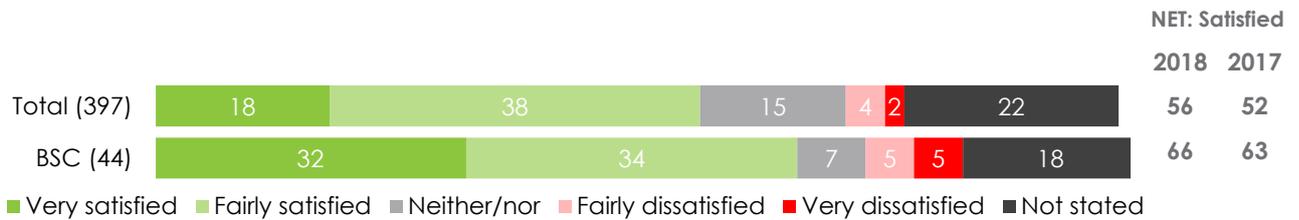
*"Hard to know what we need to bother about and what we don't"*

*"On modifications, the Elexon process for BSC is very robust and thorough albeit slow (but it probably has to be)"*

**UNDERSTANDING MODIFICATIONS**

Overall, just over half (56%) of organisations are satisfied with the support their Code Administrator provides to help to understand what modifications raised by others mean for them, a similar level to the previous year.

Two-thirds of organisations who deal with Elexon are satisfied with their support in understanding BSC modifications, whilst one in ten are 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 would help if when listing modifications there was a clear assessment of the impact... where the organisations are simply not staffed to be able to dedicate full time resources to the management of BSC modifications / developments etc. There needs to be a clear and concise Impact Assessment (who, how and how much) for each modification to allow us to direct our efforts."*

### ACCESSION PROCESS

Eleven respondents (25%) are employed by organisations who became party, or began the process to become party to, the BSC in the last five years. Of these, three found the process easy, three found the process difficult and five had no direct involvement with the process.

*"Elxon [in relation to the BSC] were very knowledgeable about the process, no sort of grey areas, saying 'if this is what you want, then this is the next step', mentioning the pitfalls, and every question that we asked they were on top of"*

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## Conclusions

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- Elexon is performing strongly on most aspects of BSC service provision – with many aspects of service slightly improved from last year.
- Meeting facilities are well regarded; however, there is scope to improve teleconference facilities.
- The ability to find information on the website is also an area that is highlighted as in need of some improvements.
- There are some indications that the modification process may be difficult; similarly, businesses give a modest rating for the support received in helping them to understand what modifications raised by others mean for their organisation.

*“Elexon is doing a pretty good job [in relation to the BSC], but there is always room for improvement”*