

# Stakeholder

FY 2023-24

## ENGAGEMENT REPORT

Through the autumn of 2023, the CMA engaged in a round of stakeholder communications. These included face-to-face meetings with small groups of Licensed Providers held in Bristol, Manchester, and Glasgow, and two surveys of participants, which targeted Central Systems and CMA users, and, in a Strategic Survey, sought the views of senior managers.

In all stakeholder engagement activity, it was confirmed that individual respondents would remain anonymous, as would the organisations from which the responses came. However, it was also noted that the feedback would be

used to inform the CMA Board's thinking, while important themes would be summarized and reported to the Market. This briefing note provides a consolidated report on the messages that CMA received from participants.

### Licensed Provider meetings

The lunchtime meetings with Licensed Providers highlighted four areas of interest to attendees: what performance and Market data should be published; how value could be added to Market data through analytics; thoughts on the regulatory process; and useful extensions to CMA services.

Topic	Ideas and suggestions
<b>Data publication</b>	<ul style="list-style-type: none"> <li>• Transparency with respect to data and performance is a good thing and should be the presumption for the Market.</li> <li>• CMA should present the equivalent to MOSL dashboards on the website (with improvements where possible).</li> </ul>
<b>Data analytics</b>	<ul style="list-style-type: none"> <li>• CMA should provide more information around settlement, including changes in settlement between invoice periods and the drivers of that change.</li> <li>• There was interest in innovative data analytics: – information on consumption at SPID level; linking the Central Systems to third party databases (e.g., information on flooding or network incidents). It was noted that further data cleansing (e.g. of postcodes) could facilitate the delivery of this.</li> <li>• Some cautioned about not interfering with LPs' competitive advantage.</li> </ul>
<b>Regulation</b>	<ul style="list-style-type: none"> <li>• It was felt the Market needs to find better ways to engage with the regulator.</li> <li>• There was some scepticism around whether the Market Health Check framework could be made to work.</li> <li>• There was strong support for innovative approaches to performance reporting, initially at the TP/MPF, to discourage 'bad behaviour'.</li> </ul>
<b>CMA Services</b>	<ul style="list-style-type: none"> <li>• CMA survey themes were reiterated – there was an appetite for the provision of more data on all aspects of the Market, and the extension of Central Systems opening hours.</li> <li>• It was noted that Scotland needs to speed up with respect to systematizing operational processes and integrating them into the performance regime. The CMA should help encourage Scottish Water to deliver on this.</li> </ul>

## Survey of Central Systems and CMA users

The survey of Central Systems and CMA users sought to understand the current day-to-day experiences of users, and also where they would like to see improvements and additional support.

Issue	Finding
<b>The 'typical' user</b>	<ul style="list-style-type: none"> <li>• Uses the Central Systems for operational work, but also for providing customer service.</li> <li>• Is either a daily user or an infrequent user.</li> <li>• Has been using the Central Systems for more than 3 years.</li> </ul>
<b>Impact of the Technology Refresh</b>	<ul style="list-style-type: none"> <li>• 5% - worse because the timeout seems quicker.</li> <li>• 24% - don't use the CS enough to notice a difference.</li> <li>• 24% - systems were always good, so no change.</li> <li>• 48% - improved speed, functionality, and presentation.</li> </ul>
<b>Central Systems meeting user needs</b>	<ul style="list-style-type: none"> <li>• Speed of response: 4.3/5</li> <li>• Ease of use/presentation: 4.18/5</li> <li>• Functionality: 4.14/5</li> <li>• Availability of systems: 4.23/5</li> </ul>
<b>What improvements from the CMA are wanted?</b>	<ul style="list-style-type: none"> <li>• Offering longer opening hours, including 24/7 access.</li> <li>• Improving the presentation of data, including both content and style.</li> <li>• Improving searching and filtering.</li> <li>• Enhancing data entry, for example, allowing photographs of meter locations.</li> <li>• Providing new data, for example, average daily consumption by meter.</li> <li>• Providing high-level data analytics, for example, the drivers in changes in settlement.</li> <li>• Providing user friendly guides to transactions.</li> </ul>
<b>What additional services or support from CMA are wanted?</b>	<ul style="list-style-type: none"> <li>• The provision of Market charts/dashboards equivalent to those provided by MOSL.</li> <li>• More reports and insights regarding Market data.</li> <li>• The ability to report incorrect data (by read-only users within an organisation).</li> <li>• The expansion of the MVI.</li> <li>• Earlier development of Release specifications/URs and the provision of 'business language' versions.</li> </ul>

## Market Strategy survey

The Market Strategy survey was designed to be an important input to the CMA Board's strategic planning process, and particularly the development of the 2025-27 Strategic Plan. Senior executives were asked to provide a view on risks and priorities for the CMA, taking account of environmental and social factors and lessons from England.

Questions/topics	Key aspects of responses
<b>How well participants understand Market rules</b>	<ul style="list-style-type: none"> <li>• It would be helpful to have a simplified version of the Market rules.</li> <li>• It would be helpful to have examples of processes.</li> <li>• CMA could offer guidance and support through an enquiries service.</li> </ul>
<b>Who should benefit from the Market?</b>	<ul style="list-style-type: none"> <li>• Customers, the environment, and stakeholders (representing customers).</li> <li>• Scotland should have more discussion of water efficiency.</li> </ul>
<b>The main risks to Market viability</b>	<ul style="list-style-type: none"> <li>• Covid and the cost-of-living crisis.</li> <li>• Financial resilience does not protect the Market or customers from disorderly exit; also, the inflexibility of credit arrangements creates risk.</li> <li>• Cyber-attack.</li> <li>• Misinformation (for example on pricing) spread by third parties.</li> </ul>
<b>Areas of the Market that could be improved</b>	<ul style="list-style-type: none"> <li>• Change management should have longer consultation, and more collaboration from WICS.</li> <li>• Remove pre-payment of wholesale charges, provide reasonable interest on pre-payments.</li> <li>• Need better visibility of bilaterals, Scottish Water portal needs to be equivalent to MOSL's bilaterals hub.</li> <li>• Strengthen the Performance Standards framework.</li> <li>• Develop a clear strategy on water efficiency and resilience.</li> </ul>
<b>Lessons from England</b>	<ul style="list-style-type: none"> <li>• The change process works better in England.</li> <li>• Data visibility and data insights in England are useful.</li> <li>• The absence of pre-payment and the use of letters of credit in England encourages entrants.</li> <li>• Water efficiency and smart metering are more advanced.</li> <li>• The bilaterals hub has improved wholesaler performance.</li> <li>• R-Mex is not effective.</li> </ul>
<b>CMA's strategic objectives</b>	<ul style="list-style-type: none"> <li>• Continue with existing objectives, but note, (6) 'resilience to extreme events' and (7) 'utilise data analytics' need more work. CMA should clarify what is happening with 5(b) 'systematization of bilaterals'.</li> <li>• Consider how/when to intervene when participants under-perform.</li> <li>• Greater focus on making market data and analytics available.</li> <li>• Pro-actively identify Market Code improvements.</li> </ul>
<b>How to express environmental and social objectives</b>	<ul style="list-style-type: none"> <li>• CMA should express environmental and social objectives through better market operation (particularly governance), and the provision of data (particularly on consumption) and data insight.</li> <li>• The counter position: CMA should not express environmental and social objectives.</li> </ul>
<b>How can the Central Systems improve</b>	<ul style="list-style-type: none"> <li>• Specific functionality: downloadable information by SPID; additional validation; additional reports, data and peer tables; improve the error rectification and RA processes.</li> <li>• Themes: changes that reduce the administrative burden on LPs; user friendly interfaces; develop change through continuous collaboration.</li> </ul>
<b>What additional services should be provided?</b>	<ul style="list-style-type: none"> <li>• Real-time self-service settlement.</li> <li>• As above, data, data visualisation, analytics.</li> <li>• As above, process automation, equivalent to MOSL bilaterals.</li> </ul>
<b>What additional market data should be provided?</b>	<ul style="list-style-type: none"> <li>• Specific suggestions include consumption data, water efficiency data, and replicating MOSL dashboards.</li> <li>• Work with individual LPs to pull bespoke data in a flexible way.</li> </ul>