

## Minutes of the Performance Advisory Group 21

26 July 2023 – 10:00 to 12:00

### MEMBERS PRESENT

Jamie Davies	JD	Castle Water	Ryan Simmons	RS	Southwest Water
Wendy Monk	WM	Wave	David Morris	DM	Water Plus
Trevor Nelson	TN	Business Stream	Adam Boyns	AB	CCW
Rebecca Gale	RG	Waterscan (Alternate)	Jon Fuller	JF	Wessex Water
Mitchell Yeoman-Boldry	MY	Yorkshire Water (Alternate)			

### OTHER ATTENDEES

Chris Dawson	CD	MOSL (Chair)	Adam Richardson	AR	MOSL
Janet Judge	JJ	MOSL	Evan Joanette	EJo	MOSL
Sam Webb	SW	MOSL	Lisa-Ann Lott	LAL	MOSL (Notes)
Steve Formoy	SF	MOSL	Oliver Robins	OR	MOSL
Nichola Vincendeau	NV	MOSL			

### APOLOGIES

Shaun Kent	SK	Ofwat	Claire Yeates	CY	Waterscan
Kate Russell	KR	Yorkshire Water	Mike Rathbone	MR	Severn Trent
Emily Jerrome	EJ	Water2Business	John Gilbert	JG	MOSL

## ACTIONS FROM MEETING(S)

NO	Action required	Action by	Action Date

### 1. Welcome & Actions from previous meeting & update.

EJ welcomed attendees to the meeting, noted apologies and confirmed the agenda.

EJ presented the programme plan on a page.

CD provided an update from the latest Steering Group meeting including their support for the release of documents setting out key components (i.e., activities, metrics, tools, governance) ahead of consultation 3 and support for MOSL’s approach to developing a change proposal to deliver interim improvements to the MPF.

### 2. Final review of metrics

CD noted the objectives for the session including seeking endorsement for the metrics to be included in consultation 3.

SF explained the methodology and process for selecting the metrics to take forward into consultation 3, including subject matter expert review and challenge groups.

SF noted that a qualitative approach was taken at the SME workshops and MOSL considered if the metrics covered the related risks, issues and root causes which were identified for the nine activities in focus.

SF reminded members of the different types of metrics that were being proposed, including KPIs upon which incentives were most likely to be based, Market Indicators, which gave an indication of overall market health and additional metrics which would support KPIs if there was evidence of prolonged poor performance. SF highlighted not every KPI will attract a financial incentive and parameter setting will follow at a later stage after tools agreed.

TN enquired if the methodology used compared with proposed metrics to existing MPF, noting there wasn’t complete coverage of the existing holistic reports. MOSL noted need to review.

TN observed Retailers generally have more KPIs on average per activity than Wholesalers despite the incentive of competition acting on Retailers. TN urged MOSL to consider this dynamic when reviewing metrics.

TN noted the need to ensure that metrics truly do measure if the activity is completed successfully, and these are allocated appropriately to either the Wholesaler or Retailer.

SF noted that KPIs were not all alike and some Wholesaler KPIs were broader and may attract more robust interventions. SF noted that the natural incentive of competition would not obviate the need for metrics.

JJ explained that nine focused activities have been published for several weeks with no pushback from industry. JJ ran through a high-level overview noting metrics reviewed against each activity, totaling 20 unique KPIs, 13 Market indicators and 10 Additional metrics. JJ noted that some metrics were used across more than one activity.

JJ highlighted no KPIs are presently linked to activity A4, and this activity was promoted to the initial focus of the MPF following discussion with PAG. JJ noted KPIs may be developed in future relating to this activity and there could be a link to R-MeX or BR-MeX in the future.

JJ noted that following the PAG meeting, new metric references would be created like they were for the activities to give better clarity of the shorter list.

PAG feedback per activity is captured in the following table:

Activity	Notes from meeting	Decision
<b>A1 Timely and accurate customer and consumption data – Retailer</b>	<p>Members noted whilst metrics account for timely data they do not account for accuracy.</p> <p>MOSL proposed that a market indicator could be introduced; settlement parity (ratio of actual to estimated reads in settlement), to account for the above. Alternatively, meter reading resubmissions into CMOS could be considered as an additional metric.</p> <p>CCW noted that complaints metric does not appear against any activity despite it directly representing customer sentiment about service. Another PAG members noted the need to ensure if customer complaints included as a metric, it does not create ‘double jeopardy’ and recommended it should be either a market indicator or additional metric. A member noted that complaints</p>	<p><b>MOSL to review adding settlement parity as market indicator and resubmissions as an additional metric. MOSL to also consider a KPI or additional metric on reading of non-market meters.</b></p> <p><b>MOSL agreed to review the proposal to include customer complaints as a Market indicator</b></p>

	<p>data is self-reported and lacks consistency of approach and can be quite old.</p> <p>CCW recommended that MOSL and CCW could review the application of complaints further as they were confident they could address issues around granularity and timeliness.</p>	<p><b>or an additional metric with CCW.</b></p>
<p><b>A2 Outgoing Retailers Transfer good data on switch (customer &amp; SPDI) – Retailer</b></p>	<p>TN noted that MOSL was proposing a metric that considered changing the code obligation for transfer meter reading from incoming retailer to outgoing retailer. TN proposed that MPF reform should focus on metrics, incentives etc. set against current set of market codes.</p> <p>TN noted that changing the responsibility for transfer reads would require a change proposal beyond what ought to be expected from MPF reform without due consideration by experts like the metering committee which is developing its interim metering strategy and working toward an enduring solution.</p> <p>Other PAG members supported TN’s viewpoint noting the switch of responsibility no longer aligns to the activity which had been elevated for inclusion on the recommendation of the PAG and consideration should be given in the normal way as to whether a broader change is required. Members recommended the activity remains with the incoming retailer and the metric should measure that accordingly.</p> <p>EJ noted TN’s feedback and agreed more consideration would be needed and it could prove a distraction presenting this to the industry in the next MPF consultation. EJ noted that the scale of a transfer read responsibility change may be too much to put forward at this time, but there would still need to be code changes relating to MPF Reform.</p> <p>MOSL noted the PAG’s view; where potential code changes are highlighted by the PAG during the MPF reform process these should be flagged to relevant committees e.g., metering committee for more in depth review and the MPF should be based upon the existing requirements. It was also noted the revised MPF must be sufficiently agile to allow necessary code changes to be actioned when required.</p> <p>Members also highlighted where risks are not resolved by the framework it may be necessary or more appropriate for other stakeholders to intervene such as CCW or Ofwat.</p>	<p><b>MOSL to change the transfer reading metric to make clear responsibility rests with incoming retailer and any proposal to change responsibility will be discussed with the metering committee.</b></p> <p><b>MOSL to ensure related metrics are all worded appropriately to indicate the incoming retailer’s responsibility.</b></p>

	TN queried why A2 attracts four metrics and A1 only 3 given they are both related to reads. JJ explained A2 includes estimated reads whereas this is not possible for A1 thus only 3 metrics are required.	
<b>A3 Ensure occupancy classification is accurate – Both</b>	<p>Members queried if these metrics relate to internal and/or external meters. MOSL confirmed the intention to have separate KPIs for internal and external.</p> <p>Members noted that some metrics aimed to identify where consumption is occurring on a vacant property and this aligns more closely with A1 than A3 as consumption per se is not about occupancy classification.</p> <p>Members noted the codes do not contain an obligation regarding vacancy status and a metric should measure this. Members proposed the focus needs to be placed on assuring the vacancy status is accurate rather on whether meter reads are being undertaken.</p> <p>Members also noted if all meter reads are under A1 then this too could incorporate whether B5 and C1s were raised (ie. As a way to net off any penalties for meters that can't be read because they need fixing or finding)</p>	<b>MOSL to merge A3 KPIs into A1 where meter reading related and stratify by Occupied, Unoccupied and External and Internal meters.</b>
<b>A4 Customers supported during unplanned events – Both</b>	Not discussed as only activities with related KPIs covered during the meeting.	
<b>A5 Facilitation of new connections – Both</b>	Members raised no comments on A5	
<b>A6 Maintain asset and premises data - Wholesaler</b>	<p>TN highlighted the metrics all relate to premises data not asset data noting when a customer switches the new retailer wants to ensure the meter reader will read the correct meter and this requires asset data as well as premises data.</p> <p>SF noted the above will require a view from the data cleanse working group and could include GIS. CD added meter make and naming issues within CMOS also require consideration.</p>	<p><b>MOSL to review KPIs on :-</b></p> <ul style="list-style-type: none"> <li>- <b>Asset data quality (GIS, postcode).</b></li> <li>- <b>CMOS updates post</b></li> </ul>



<p><b>A8 Assets (inc. smart meters) to drive water efficiency – Wholesaler</b></p>	<p>MOSL noted the two metrics under KPI are providing information on the smart meters in terms of how many are being read and submitted into CMOS and what percentage of smart meter consumption is being settled on actual meter reads versus estimated reads whereas the market indicator provides what proportion of the total market is covered by smart metering.</p> <p>MOSL clarified as there is not a requirement in the codes for smart meters this is why the proportion relates to a market indicator and the KPIs relate to all meters.</p> <p>TN highlighted water efficiency includes unmetered properties as well and queried if there should be a ‘proportion of non-metered properties’ as a metric.</p>	<p><b>MOSL to review “unmetered properties” as possible market indicator</b></p>
<p><b>A9 Timely resolution of customer service requests - Wholesaler</b></p>	<p>It was noted this activity could attract a metric related to customer complaints.</p> <p>MOSL noted comments relating to deferrals made on other activities/metrics also relate to A9</p>	<p><b>CCW/MOSL review to include A9</b></p>

Ex committee decisions to be sought from PAG on market indicators and additional indicators and following revision the KPIs to be resubmitted to the PAG at the next meeting to gain endorsement.

AR recommended the metrics are published including additions received from PAG and highlighting further feedback will be taken into account over the next month and form part of consultation 3.

CD noted A9, A8 and A5 were agreed by members without changes.

AR noted the addition of a market indicator on settlement parity and the reframe of KPIs in A3 under A1 but stratified for occupied/unoccupied and internal/external meters.

Members generally agreed to the publication provided it is made clear PAG have not endorsed these at this stage and further input will be made prior to consultation 3.

### 3. AOB

CD confirmed next meeting scheduled for 16 August, agenda to provide a final review of tools.

There being no other AOB the Chair closed the meeting.