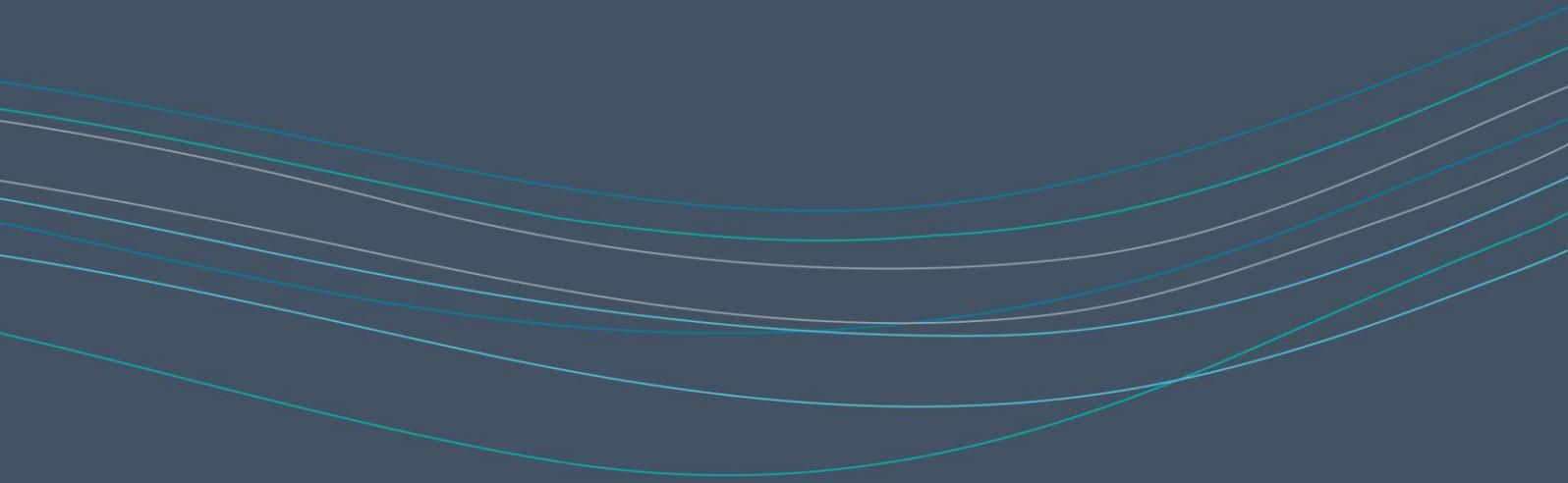


## MOSL Quarterly Report (Q1 2020)

Providing an update on progress against MOSL's 2020/21 Business Plan



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## Executive Summary

There is no hiding away from the impact that COVID-19 has had on the water retail market over the first quarter of this year. As we approached the beginning of the market's fourth year, we were collectively dealing with unprecedented pressure to keep the market running and ensure water companies and their business customers could survive the threat of lockdown-imposed closures.

In managing this crisis, the market has, in turn, shown unprecedented resilience not only to survive, but to come through COVID-19 stronger, with a greater drive to improve the market for the benefit of its participants and their customers.



Over the past few months, MOSL has taken an active role in supporting the market. We have worked closely with Ofwat and trading parties to put in place a number of measures to provide liquidity and manage the risk of bad debt. We are now looking forward to the unwinding of these measures to ensure that they are sustainable and work in the best interest of the market as a whole.

Just as the time and resource impact of COVID-19 has been felt across our water company members, MOSL too has had to focus its efforts on prioritising our activities, while working with trading parties, Ofwat and the Panel to implement a series of interim solutions.

This has no doubt impacted our business as usual activities; however, I am proud that MOSL has worked tirelessly over the past four months to ensure we continue to deliver our services to members and make good progress on the commitments made in our 2020/21 Business Plan.

This quarterly report is the first in our commitment to provide regular updates to the market and our members on our performance. This follows on from the publication of this year's [Annual Report and Financial Statements](#) which has been enhanced following feedback from our members. This year's Annual Report includes a number of metrics that show the size and complexity of the services we offer, as well as Key Performance Indicators (KPIs) to help track performance over time. This is a big step forward, setting a baseline against which MOSL can track and report performance against.

While MOSL's Quarterly Report is focused on the 19 commitments made in our 2020/21 Business Plan - under the themes Service Excellence, Market Assurance, Market Improvement, Governance and Building Capability - over the coming quarters we will look at how we incorporate all areas of MOSL's performance, for example, performance against our services and KPIs. And as we continue to develop our strategy, which will inform our three-year business planning for 2021-24, we will further look to develop the quarterly report so that it provides a single view of MOSL's performance across key areas of the business.

I would like to encourage our stakeholders to review this report and provide feedback on ways we can improve. Your views will be incorporated into future iterations of the quarterly report and the annual Trading Party Survey we publish at the end of the year.

## Introduction to the report

This document marks the first quarterly report on our business plan commitments for the financial year April 2020 to March 2021. This report covers the period from 1 April to 30 June 2020. Further reports will be prepared and issued throughout the year. The proposed timetable is detailed below in Table 1.

Table 1. Quarterly Report Timetable

Activity	Quarter 1 dates	Quarter 2 dates	Quarter 3 dates	Quarter 4 dates
<b>Workstream Report prepared</b>	w/c 29th June	w/c 28th Sept	w/c 28th Dec	w/c 29th March 21
<b>SLT Review</b>	w/c 6th July	w/c 5th Oct	w/c 4th Jan 21	w/c 5th April 21
<b>Report issued</b>	w/c 13th July	w/c 12th Oct	w/c 11th Jan 21	w/c 19th April 21
<b>Board Meeting</b>	4th August 20	28th Oct 20	27th Jan 21	26th May 21

We are keen to seek feedback on the style and format of this report from stakeholders and will look to review and include comments and recommendations into future reports.

In order to monitor and measure progress against our business plan commitments, MOSL has introduced a project/change management framework ‘OSCAR’. The purpose of the OSCAR framework is to provide MOSL management and colleagues with a point-in-time view of progress on a project, as well as identifying any ‘path to green’ activities. This allows any risks and issues associated with these planned activities to be flagged, helping to identify what is clear and known and what is less clear and, therefore, a potential risk. Each of our 19 business plan commitments have been assessed and tracked using this methodology.

## Applying the OSCAR framework

The OSCAR framework is detailed below in Figure 1. It should be noted that in the application of this framework, for each of its component, the assessment is binary, i.e. either yes (green) or no (red). If a component is red, focus will be on finding the ‘path to green’ actions. This binary assessment is intentional, and necessary, to avoid the ‘amber’ middle-of-the-road assessment that can often stifle progress.

In addition, the framework focuses the owners of the projects on consistency, builds a common language across the business and identifies any gaps in knowledge or potential risks to the project’s delivery. These gaps can then be filled with ‘path to green’ activities i.e. the actions you need to take to get/keep the project on track.

Figure 1. The OSCAR framework

OSCAR definitions	Question	Yes	No
Objective	<i>Is it clearly understood and documented what needs to be delivered by the end of the Initiation phase (end of May) and is there a full understanding across the wider team?</i>		
Scope	<i>Is the scope known, documented and the appropriate metrics have been defined so progress can be measured?</i>		
Constraints	<i>Are the constraints (risks, issues and interdependencies) that could impact May delivery known and mitigated? e.g. bandwidth to deliver</i>		
Authority	<i>Are the sign-off requirements known and are the decision makers and stakeholders aligned to the sign-off requirements for May delivery?</i>		
Resource	<i>Is there a project and resource plan?</i>		

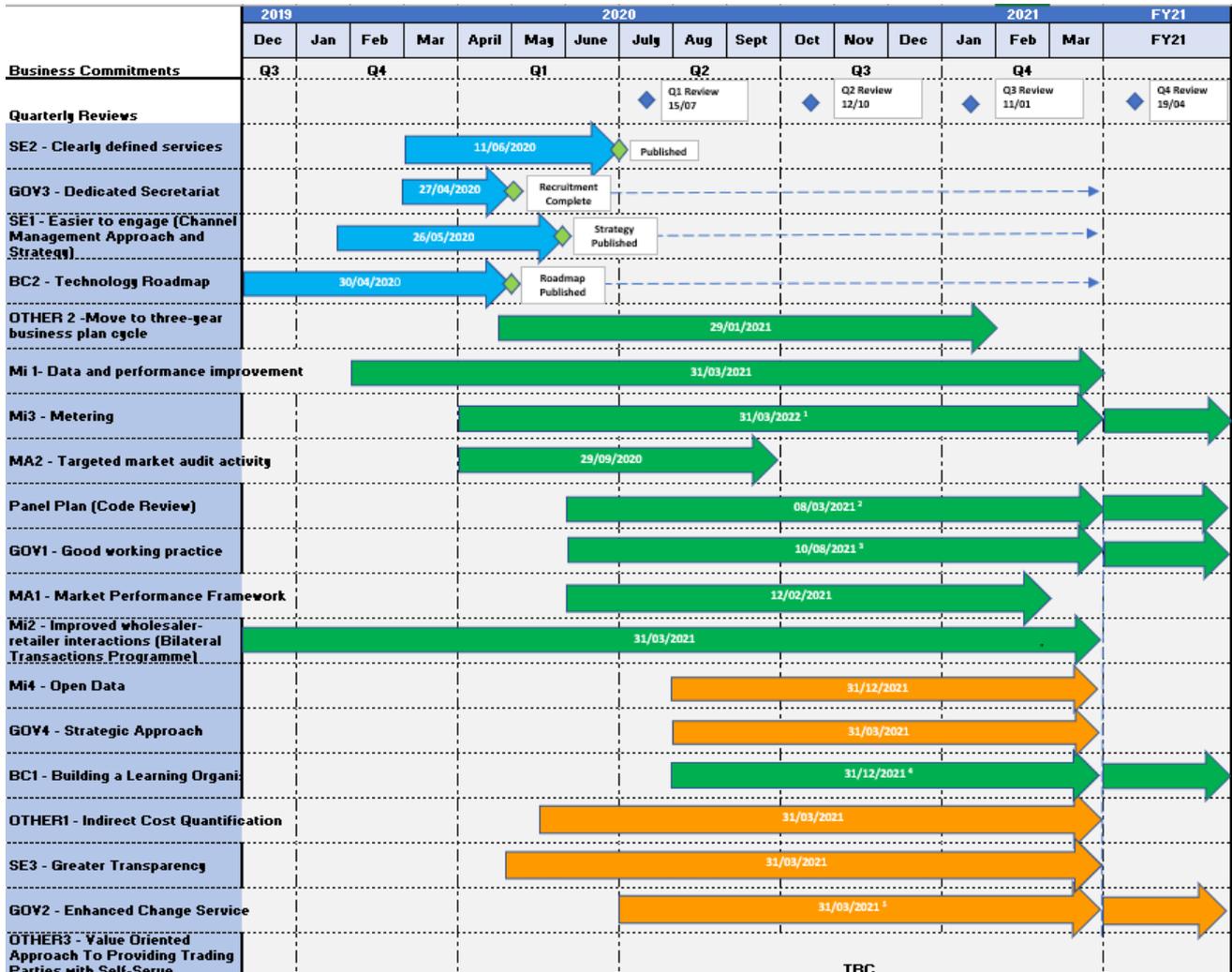
MOSL’s new Programme Management Office (PMO) has established a weekly frequency of progress updates and project review with each of the commitment leads. This includes identifying the project milestones and monitoring completion of these milestones against agreed success criteria. Weekly programme updates are then shared with the Head of Planning and presented back to the MOSL Senior Leadership Team.

## Assessment of business plan commitments

In MOSL’s 2020/21 Business Plan, we made 19 commitments to the market. This includes the preparatory work we would initiate at the end of 2019/20 to support us delivering against our plan across 2020/21.

The phasing of the commitments we made is shown in Figure 2.

Fig 2. MOSL's 2020/21 Business Plan timeline



Legend	
	Complete.
	Implementation moves from milestone delivery to business as usual activity
	On track.
	Indicative Timeline- Detailed Planning Ongoing.
	Objective Milestone delivered
	Quarterly Reviews.
1	Delivery timescales may change depending on the recommended changes required, some fundamental changes to the market models may span several financial years.
2	Produce an code architectural principles statement by March 21. Recommendations to align existing codes with principles statement to be progressed through FY21/22
3	Panel effectiveness review and working practice improvements to be delivered by March 2021. Any recommended structural changes to be identified by March 2021 and progressed through FY21/22.
4	HR Processes and Policies Review and Building Back Better Project will commence in FY20 but complete in FY21.
5	Tactical solutions will be implemented by March 2021. Medium solutions will move into FY21 in order to align with The Channel Management Strategy.

A high-level overview of these commitments is shown in Table 2, which outlines:

- 💧 The commitment description (as worded in the business plan)
- 💧 The Senior Leadership Team (SLT) owner
- 💧 Commitment priority and status (as of the end of June 2020).

Table 2. MOSL's 19 2020/21 Business Plan commitments

Theme	Business Plan Commitment	SLT Owner	PRIORITY/STATUS
SE1	Easier to engage (Channel Management Approach and Strategy)	Lyvia Nabarro	HIGH/ COMPLETE
SE2	Clearly defined services	Steve Arthur	HIGH/ COMPLETE
SE3	Greater transparency	Steve Formoy	HIGH/ ONGOING
MA1	Improving the MPF	Steve Arthur	MEDIUM/ ONGOING
MA2	Targeted market audit activity	Steve Arthur	MEDIUM/ ONGOING
MA3	Developing the future market audit approach	Steve Arthur	LOW/ ONGOING
Mi1	Data and performance improvement	Steve Arthur	HIGH/ ON GOING
Mi2	Improved wholesaler-retailer interactions (Bilateral Transactions Programme)	John Gilbert	HIGH/ ONGOING
Mi3	Metering	Steve Arthur	HIGH/ ONGOING
Mi4	Open data	John Davies	LOW/ ONGOING
GOV1	Good working practice	Adam Richardson	MEDIUM/ ONGOING
GOV2	Enhanced change service	Adam Richardson	MEDIUM/ ONGOING
GOV3	Dedicated secretariat	Adam Richardson	HIGH/ COMPLETE
GOV4	Strategic approach	Adam Richardson	LOW/ ONGOING
BC1	Building a learning organisation	Angela Day	MEDIUM/ ONGOING
BC2	Technology roadmap	John Davies	HIGH/ COMPLETE
OTHER1	Indirect costs quantification	Steve Formoy	MEDIUM/ ONGOING
OTHER2	Move to three-year business plan cycle	John Gilbert	MEDIUM/ ONGOING
OTHER3 (SE)	Value orientated approach to providing trading parties with 'self-serve' services	TBC	LOW/NOT COMENCED

In the first quarter of this year (1 April to 30 June 2020), we have commenced work on 17 of the 19 commitments. All 17 are being monitored in line with their individual project plans. Four of our high priority commitments have been completed against the agreed scope of work. These are:

- ◆ SE1 - Easier to engage (development and sign off of MOSL’s Channel Management Approach and Strategy)
- ◆ SE2 – Clearly defined services (review and sign off of MOSL’s key services and the development of the new Market Services Framework)
- ◆ GOV3 – Dedicated secretariat (consolidation and recruitment of secretariat staff)
- ◆ BC2 – Technology roadmap (development and sign off by Digital and Data Committee)

At the end of the first quarter, all of the commitments initiated have been assessed as on track to be delivered before the end of the financial year. In some cases, for example, the commitment ‘easier to engage’ has been marked as complete, as we have undertaken the preparatory work in quarter four 2019/20 and in the first quarter of this year. This will allow work to progress and be delivered across 2020/21.

Following the review of the project workplans we have also combined two assurance commitments, MA2 (targeted market audit activity) and MA3 (developing the future market audit approach) into one combined commitment in order to realise management time and procurement dependencies between these activities.

One commitment is yet to be initiated - OTHER3 (value orientated approach to providing trading parties with ‘self-serve’ services). It has been agreed that this commitment requires further work in order to complete its OSCAR assessment and establish a baseline plan to be agreed and signed off. The PMO function will manage this process during quarter two of 2020/21.

With MA2 and MA3 commitments now combined and OTHER3 not yet initiated, this report will focus progress against the 17 commitments.

As a reminder the business plan key themes are:

- ◆ Service Excellence
- ◆ Market Assurance
- ◆ Market Improvement
- ◆ Governance
- ◆ Building Capability.



More information on each commitment, including whether the commitment is on track to be delivered prior to March 2021, what has been delivered to date, and the risk and issues that may impact the deliverables, is detailed in the following sections of this report.

## COVID-19 measures

Although the business plan set out what MOSL expected to achieve across 2020/21, the impact of COVID-19, along with trading parties' own resources, appropriately shifted focus in the first quarter of this year. Since the beginning of March, MOSL has been working closely with Ofwat, the Panel and with trading parties to put in place a range of measures to provide support and liquidity to the market.

Our initial assessment was that as a result of the lockdown the economy would slow as workplaces temporarily closed their doors, non-household (NHH) water consumption would fall (with a corresponding increase in consumption in the household market), and in the absence of actual meter reads, CMOS would over-estimate consumption based on historical usage. We worked with the Panel and Ofwat to put in place a regime for identifying and flagging temporarily vacant properties, and to put in place a [suite of measures](#) to address the liquidity issues facing the market as water consumption falls and/or NHH customers are unable to pay their bills. These measures included:

- ◆ Suspending the levy and collection of Market Performance Standards (MPS) charges and Operational Performance Standards (OPS) charges for a time-limited period commencing 1 March 2020
- ◆ Ensuring performance charges which have already been invoiced in 2019/20, are available for redistribution to members in accordance with the Market Arrangements Code (MAC) rather than using them to fund longer term market improvement projects
- ◆ Easing the cash burden on retailers by allowing them to offset £1,639k of 2020/21 Market Operator (MO) charges against a proportion of the performance charges that would otherwise be returned to them in September 2020
- ◆ Using the vacant property flag to enable retailers to identify businesses which have temporarily closed as a result of COVID-19, to suppress estimated consumption and volume based primary charges
- ◆ Creating new real-time reporting on vacant properties and meter reading to track the operational impact
- ◆ Introducing interim and medium-term measures via change proposal [CPW094: 'Payment deferral interim measures'](#) and [CPW096: 'Payment Deferral Medium Term'](#) to provide for the deferral of up to 50 per cent of primary charges between wholesalers and retailers.

As lockdown restrictions are lifted, we will continue to work closely with Ofwat on the unwinding of these measures, including through the [Ofwat consultation](#) on next steps published on 9 July. Whilst we have focused our resources on supporting the market, we have continued to deliver our business as usual activities and make process against our commitments.

## Service Excellence

<p>Business Plan commitment</p>	<p><b>SE1 Easier to engage – Head of Corporate Affairs and Communications, Lyvia Nabarro</b></p> <p><i>A simplified set of communication channels to deliver our services.</i></p>
<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>Through the course of 2020/21 we committed to implementing a simplified set of communication channels to deliver our services. This includes a specific focus on how we manage and respond to queries and service requests and improvements in how we make information and data available.</p> <p>Our commitment of making it ‘easier to engage’ is heavily reliant on redefining our services. Now that we have completed work to review and update MOSL’s services, we are in a position to build on this work as part of our channel management strategy. This will include the review of our website and how we make information available, which will make it easier for members and other stakeholders to interact with us. We recognise that this commitment has a number of co-dependencies, but we are on track to deliver a number of improvements to simplify our channels and develop a more intuitive and informative website.</p>
<p>Deliverables to date</p>	<p>As part of this commitment we undertook preparatory work to better understand our current channels and the way in which stakeholders use our website.</p> <p>Prior to the end of Q4 2019/20 we undertook User Experience (UX) testing of our website and audited our current communication channels, services and systems.</p> <p>In May 2020 we published our <a href="#">Channel Management Approach</a>, followed by the <a href="#">Channel Strategy</a> in June. These documents outlined the approach we will take to rationalise our services and channels and:</p> <ul style="list-style-type: none"> <li>◆ Make it easier to engage with MOSL</li> <li>◆ Reduce the indirect cost to members</li> <li>◆ Provide greater openness and transparency</li> <li>◆ Work proactively and collaboratively with stakeholders</li> <li>◆ Deliver greater overall value for money</li> <li>◆ Iteratively develop of our website to create a ‘single front door’ into MOSL.</li> </ul> <p>From September, we will be looking to engage directly with stakeholders on this work.</p>

Risk/issues that impact the deliverables	<p>Prioritisation and resourcing of the web development project.</p> <p><b>Mitigation plan</b> – Working with department leads to ensure co-dependencies are tracked.</p>
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Business Plan commitment	<p><b>SE2 Clearly defined services – Director of Market Performance, Steve Arthur</b></p> <p><i>A simpler, clearer set of MOSL services, reported against transparently and easily accessible.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>We committed to refreshing how we describe and communicate our full suite of core services. These refreshed descriptions will also include the Service Level Agreements (SLAs) associated with our services, as well as how we will measure and report on performance against them. We have progressed to plan against these deliverables and our revised suite of 12 core services have been captured within a new framework. We are committed to reporting openly and transparently through 2020/21, with a consistent set of metrics being used with our Board, our employees and our members.</p>
Deliverables to date.	<p>In the first quarter of 2020/21, we have reviewed and updated MOSL’s service descriptions and developed the <a href="#">Market Services Framework</a>. This framework has been communicated to the market and is featured in MOSL’s <a href="#">Annual Report</a> and <a href="#">Market Focus</a> newsletter (page 4), both published in June 2020. The first quarterly update against these services and Key Performance Indicators (KPIs) is incorporated into the Annual Report.</p>
Risk/issues that impact the deliverables	<p>None.</p> <p>Channel management strategy will support the access to and reporting against MOSL’s revised services. We will use the annual Trading Party Survey to gain feedback from members on our performance against the services.</p>

Business Plan commitment	<p><b>SE3 Greater transparency – Director of Finance, Steve Formoy</b></p> <p><i>Providing greater openness and transparency regarding the services we offer and our performance against them.</i></p>
Is the commitment on track to be	<p>Yes.</p>

<p>delivered prior to March 2021?</p>	<p>Good progress has been made through the KPI reporting within the Annual Report (see below).</p> <p>Updated reporting versus this baseline will take place quarterly starting from the end of Q2 (September 2020). Further details on how performance tracks over time and versus targets, where appropriate, will also be included.</p> <p>MOSL’s Finance team will iterate the format of reporting, making it more interactive, and integrating with development of the new website.</p>
<p>Deliverables to date</p>	<ul style="list-style-type: none"> <li>• KPIs and metrics have been agreed across the new service definitions</li> <li>• Owners have been identified and agreed</li> <li>• Methodology on how we measure each KPI is in place</li> <li>• Baseline KPIs and metrics were published in the Annual Report in June. (This is a key milestone, setting a baseline for future reporting, and was called out as step forward in external communications on the <a href="#">Annual Report</a>.)</li> </ul>
<p>Risk/Issues that impact the deliverables</p>	<p>The current process required to collate KPI information is manual and time consuming. This could impact agreed timelines.</p> <p><b>Mitigation-</b> Standardised quarterly process to ensure consistency of definitions/measurement, assurance and sign off is now being implemented.</p>

## Market Assurance

<p>Business Plan commitment</p>	<p><b>MA1 Improving the MPF – Director of Market Performance, Steve Arthur</b></p> <p><i>Delivering the first elements of a multi-year improvement programme to the standards, incentives and tools in the Market Performance Framework.</i></p>
<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>MOSL’s <a href="#">2020/21 Business Plan</a> acknowledged the need for a multi-year approach to improving the Market Performance Framework. It’s reliance on time-based standards, lack of qualitative measures and absence of a line of sight to customer outcomes was flagged as a priority focus for this year.</p> <p>The three-year roadmap to improve the framework, developed in conjunction with the Market Performance Committee (MPC) was completed in December 2019. This forms the basis for programmes of work in 2020/21, including a focus on the data improvements needed to facilitate a smarter suite of measures and our developing smarter incentives and intervention tools.</p> <p>There are numerous inter-dependencies between MPF improvement activities flagged in the roadmap and areas of focus in this year’s <a href="#">Market Performance Operating Plan</a> (MPOP). These have been mapped and captured in the MPOP published in June 2020.</p>
<p>Deliverables to date</p>	<p>The MPC sub-group has been established and is supporting the delivery of year one roadmap activities. Data cleanse activities to support these new measures, standards and incentives have commenced. This includes work focused on customer and asset data captured in the MPOP.</p> <p>All other inter-dependencies between the MPOP, Strategic Review of Metering and the MPF Roadmap have been mapped.</p>
<p>Risk/issues that impact the deliverables</p>	<p>None.</p>

<p>Business Plan commitment</p>	<p><b>MA2 Market audit (2020/21 and future approach) – Director of Market Performance, Steve Arthur</b> (Now combined with MA3)</p> <p><i>Smarter and more integrated market assurance through an intelligent, risk-based approach.</i></p>
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<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>In addition to capturing the lessons learnt from the previous year’s approach to the market audit, this year, we are committed to delivering a targeted audit and developing a more joined-up, longer-term approach as part of our three-year business plan.</p>
<p>Deliverables to date</p>	<ul style="list-style-type: none"> <li>• The Audit Committee has approved the approach to the 2020/21 audit</li> <li>• Urgent COVID-19 audit packages are already underway covering temporary vacancy (due to complete July 2020) and payment deferral</li> <li>• The Panel sub-group have met and provided direction to 2020/21 audit coverage</li> <li>• Initial scope for remaining 2020/21 targeted audit activity across trading party compliance, market operator compliance and settlement assurance has been drafted.</li> </ul>
<p>Risk/issues that impact the deliverables</p>	<p>No.</p>

## Market Improvement

Business Plan commitment	<p><b>Mi1 Data and performance improvement – Director of Market Performance, Steve Arthur</b></p> <p><i>Delivering data quality and metering improvements and smarter means of addressing underperformance.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>Our business plan recognised the importance of a continued focus on data quality in driving better customer outcomes and reducing costs to serve for trading parties. We are also committed to delivering improved tolls for intervention where trading parties’ performance doesn’t meet expected levels.</p>
Deliverables to date	<p>This commitment is being delivered through MOSL’s <a href="#">Market Performance Operating Plan</a> (MPOP) 2020/21, which we scoped and consulted on through April and May and published at the end of June.</p> <p>The workstream to improve customer and asset data is underway and the first outputs in customer segmentation and geo-spatial work are being verified with ‘pilot’ trading party collaboration.</p> <p>The newly developed COVID-19-dedicated workstream of MPOP includes vacancy guidance, a suite of regular COVID-19 reporting and has delivered updated vacancy documentation and high-quality impact reports for the Panel, MPC and trading parties.</p> <p>Lesson learnt captured from the Initial Performance Rectification Plans (IPRPs) managed in 2019/20, enabled a set of changes to be implemented to the IPRP and Performance Rectification Plan (PRP) approach.</p>
Risk/issues that impact the deliverables	<p>None.</p>

Business Plan commitment	<p><b>Mi2 Bilateral Transactions Programme – Head of Planning, John Gilbert</b></p> <p><i>Deliver the mandate from Ofwat to work with its water industry members to develop a ‘bilateral transactions’ solution to address this issue in order to improve the efficiency of the market.</i></p>
Is the commitment	<p>Yes.</p>

<p>on track to be delivered prior to March 2021?</p>	<p>The first eight bilateral processes are planned to be delivered by the end of March 2020.</p> <p>User requirements documentation is currently in progress for the first bilateral process to be delivered - C1, Verification of Meter Details or Meter Supply Arrangements.</p> <p>First sight of pilot deliverables will be available towards the end of 2020.</p>
<p>Deliverables to date</p>	<p>Yes.</p> <p>The business case for the Bilateral Transactions Programme will be progressed through three stages:</p> <ul style="list-style-type: none"> <li>💧 Strategic Business Case (March 2020)</li> <li>💧 Outline Business Case (May 2020)</li> <li>💧 Full Business Case (September 2020)</li> </ul> <p>Following the submission of the Outline Business Case in May, the MOSL Board requested the acceleration of a 'Pilot' bilateral process in 2020. User requirements documentation is currently in progress for the first bilateral process to be delivered – 'C1, Verification of Meter Details or Meter Supply Arrangements'.</p> <p>Approval of the Full Business Case in September will lead to a further seven bilateral processes being developed as a minimum viable product (MVI) by the end of March 2021. The new processes will be accessed by trading parties using a new bilaterals hub developed and hosted by MOSL.</p>
<p>Risk/issues that impact the deliverables</p>	<p>None.</p>

<p>Business Plan commitment</p>	<p><b>Mi3 Strategic Metering Review – Director of Market Performance, Steve Arthur</b></p> <p><i>Undertaking a broader review of the issues affecting the provision of timely and high-quality consumption data.</i></p>
<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>As captured during the 2019/20 CEO Forum - metering and the numerous, interlinked issues affecting it - require a different approach to that taken in the first three years of market operation. MOSL committed to leading a strategic review of the pain points related to metering, to include roles, ownership models, service provision and the role</p>

	of technology.
Deliverables to date	<p>The objectives, scope and high-level plan and approach were approved by Panel at its meeting on 30 June 2020.</p> <p>The first sections of the metering journey have been mapped to allow data mapping and prioritisation.</p>
Risk/issues that impact the deliverables	None.

Business Plan commitment	<p><b>Mi4 Open Data – CIO, John Davies</b></p> <p><i>Improving the quality, accuracy and timeliness of core market data, such that we can derive meaningful insight to support data-driven decision making across all strategic workstreams.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>Q1 will focus on improving our insight into customer segmentation and consumption data. The output from the deliverables highlighted will directly support a number of business plan commitments and the Market Performance Operating Plan (MPOP) 2020/21.</p>
Deliverables to date	<p>Material progress has been made in matching/mapping the industry classification for premises in CMOS, improving the algorithms used to calculate/forecast consumption (and band premises accordingly) and in the visualisation of this data on a map with the overlay of other relevant data sets (e.g. Water Resource Management Zones).</p> <p>MOSL has commissioned some work with Isle Utilities, a leading technology and innovation consultancy, to work with our team to identify value in the market from the UK water sector. This will aim to:</p> <ul style="list-style-type: none"> <li>💧 Explore the concept and feasibility of generating and redistributing extra value in the retail market sector and water sector in general, with a focus on water efficiency</li> <li>💧 Examine how gaps in customer data can be filled and the impact that better data could bring to strengthening the market</li> <li>💧 Align with MOSL’s business planning process and to provide focus for</li> </ul>

	the data quality improvement activities.
Risk/issues that impact the deliverables	<p>Yes.</p> <ul style="list-style-type: none"> <li>• Having the appropriate skills and capacity within the team to maximise the value we can drive from the data</li> <li>• Being mindful of the current data protection obligations in the Market Arrangements Code (MAC) and Wholesaler Retail Code (WRC) could prevent open data and, if so, how do we navigate around that (This risk will be managed by the defined change processes)</li> <li>• Being mindful that this could encroach on the competitive nature of the market. i.e. need to be mindful of the differentiated services that retailers are investing in. This work will not seek to encroach on, and will look to preserve/enhance, the competitive nature of the market</li> <li>• There is a risk that instigating a “clean-up” of any central market data could affect the integrity between CMOS and trading party systems e.g. billing platforms. This would need to be carefully coordinated with all trading parties.</li> </ul>

## Governance

<p>Business Plan commitment</p>	<p><b>GOV1 Good Working Practice - Director of Market Design, Adam Richardson</b></p> <p><i>We will continue to work with the Panel to improve the existing governance arrangements, building on the work completed last year which standardised the Panel’s approach to assessing change proposals, implemented new Panel voting rules to support efficient decision-making and added a voting customer representative to the Panel.</i></p>
<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>This commitment is being delivered as part of an integrated workstream on Market Governance. This work is on track to conclude its discovery phase and implementation of “quick wins” regarding good working practice by the end of this year.</p> <p>This will encompass an effectiveness review of the Panel. (The implementation of more substantive changes to market governance that arise from the recommendations of this work will progress through 2021/22).</p>
<p>Deliverables to date</p>	<p>A formal process to manage urgent change proposals was implemented in the last quarter of 2019/20.</p> <p>Ofwat is currently considering a pre-approval process we have developed with the Panel to speed up the approval of changes that require minimal regulatory intervention.</p> <p>The objectives, scope and approach for the Market Governance Review is now established. The approach will take account of the findings of Ofwat’s <a href="#">Project RISE</a> which will be published at the beginning of August. A detailed project plan is in place and we are progressing work against this plan.</p> <p>Next steps include engagement of a third party to support the Panel effectiveness review and a review of governance structures in other markets.</p>
<p>Risk/issues that impact the deliverables</p>	<p>None.</p>

<p>Business Plan commitment</p>	<p><b>GOV2 Enhanced Change Service – Director of Market Design, Adam Richardson</b></p> <p><i>We are planning for an increase in the volume of market changes arising from market</i></p>
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	<i>improvement work and consistent with the current upward trend in change proposals being raised. We will also take a new approach to make it easier for trading parties to raise and engage on market changes.</i>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>Improvements to be delivered this year include enhanced FAQs and guidance documents for potential change proposers and a move to shorter and sharper recommendation reports for the industry and Panel.</p> <p>Other improvements interact with MOSL’s channel management and technology roadmap and may need to be delivered in subsequent periods. These include plans to deliver dynamic web content that will show visitors the progress of live changes.</p>
Deliverables to date	<p>Since developing the 2020/21 Business Plan we have identified a range of potential service improvements through engagement with colleagues. These have been organised into themes including “writing for the reader”, “improving proposer relationships”, “smarter consultations”, “internal process checks”, “maintenance of standing documents, and dynamic information”.</p> <p>We have also recruited into vacant analyst roles to enable enhanced support to proposers of changes. The recruitment of a dedicated secretariat will enable design analysts to focus on delivering these service improvements.</p> <p>The enhanced change service workstream has been integrated into MOSL’s workstack planning and reporting to manage and monitor progress.</p>
Risk/issues that impact the deliverables	<p>Yes.</p> <p>There is a recognised interdependency between enhancing our change service, channel management and improvements to the MOSL website.</p> <p><b>Mitigation</b> -The market design and communications teams will be collaborating to mutually support their workstack deliveries.</p>

Business Plan commitment	<p><b>GOV3 Dedicated Secretariat – Director of Market Design, Adam Richardson</b></p> <p><i>We will establish a dedicated secretariat function to deliver improved administrative and secretariat services to the Panel and its committees.</i></p>
Is the commitment on track to be delivered prior to	<p>Yes.</p> <p>The work to define this service is complete. Rollout is on track to deliver ahead of</p>

March 2021?	March 2021.
Deliverables to date	<p>Two Governance Manager roles have been created to provide consolidated secretariat support and governance expertise to the Panel, its committees and groups as well as the User Forum.</p> <p>Appointments have been made for both Governance Manager positions, bringing experienced secretariat and governance experts into the business.</p> <p>One Governance Manager joined MOSL on 1 July. The second joins on 3 August. A phased handover across the existing portfolio of secretariat work will run over the coming weeks to complete through to October.</p>
Risk/issues that impact the deliverables	None.

Business Plan commitment	<p><b>GOV4 Strategic Approach – Director of Market Design, Adam Richardson</b></p> <p><i>We will continue to work jointly with the Panel to develop and deliver against a strategic, multi-year roadmap for the market – the Panel Plan.</i></p>
Is the commitment on track to be delivered prior to March 2021?	Yes.
Deliverables to date	<p>In the last quarter we have established the objectives, scope, approach and associated workplans for four of the five key Panel workstreams. These include:</p> <ul style="list-style-type: none"> <li>◆ A Market Governance Review</li> <li>◆ A review of the Market Codes</li> <li>◆ A review of Metering</li> <li>◆ Consideration of Open Data.</li> </ul> <p>A fifth workstream regarding enabling innovation is also under consideration. Each workstream has an SLT sponsor and an identified lead within MOSL to ensure the work is progressed.</p> <p>The workstreams have been integrated into MOSL’s workstack planning and reporting to manage and monitor progress. Together these workstreams are expected to set the</p>

	Panel's agenda for the next few years and inform MOSL's three-year business planning for 2021-24.
Risk/issues that impact the deliverables	None.

## Building Capability

Business Plan commitment	<p><b>BC1 Building a Learning Organisation – Head of People, Angela Day</b></p> <p><i>We will place learning at the centre of our organisation to create, acquire and share ideas to enable MOSL and the market to thrive.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>The year one plan is on track for delivery for 2020/21. This commitment will be delivered over a three-year period in line with MOSL’s strategy (currently being finalised).</p>
Deliverables to date	<ul style="list-style-type: none"> <li>💧 Year one development needs have been established with a plan for core skills development, for example, communicating with confidence, managing projects, business writing</li> <li>💧 MOSL has started the roll out of Insights Discovery Profiling to colleagues to support better awareness of self, others and developing communication strategies</li> <li>💧 MOSL’s Market Training e-learning has been shared externally and is being used by our trading parties for induction and training</li> <li>💧 Introduction to Agile session to colleagues completed. This approach will be used to deliver the Bilateral Transactions Programme.</li> </ul>
Risk/issues that impact the deliverables	<p>Yes.</p> <p>We are currently exploring how we can deliver core training requirements, remotely, with sensitivity to other business priorities.</p>

Business Plan commitment	<p><b>BC2 Technology Roadmap – CIO, John Davies</b></p> <p><i>Defining a clear and concise target architecture to support MOSL’s overarching objective to make it ‘easier to do business’ in the non-household (NHH) Market, supported by a long term and short-term technology roadmap for MOSL.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p>

<p>Deliverables to date</p>	<p>As part of this commitment we have defined the <b>Target Architecture</b> (a 3-5 year horizon, predicated on making it ‘easier to do business’ and moving to a ‘market place ecosystem’ with a single front door for MOSL and our services), and a shorter term <b>Technology Roadmap</b> that supports the wider 2020/21 Business Plan commitments.</p> <p>To ensure we have appropriate technical engagement with trading, we have established a <b>Technology Advisory Group</b> (TAG).</p> <p>We have also now created a three-year Technology Roadmap with defined <b>Transition States</b> at the end of each business plan year. This will be presented to the Data and Digital Committee on 27 July 2020 for approval. Each of these artefacts will be living documents and will continue to evolve through our business planning cycles, but provide a clear direction of travel against which to assess each deliverable. As an example, the target architecture has informed the high-level design for the Bilateral Transactions Programme.</p> <p>In parallel, we have defined a <b>Cloud Strategy</b> and completed an initial assessment of how we will move CMOS to a public cloud as a first step in its modernisation. A proof of concept (PoC) is now underway to fully understand and size the migration effort.</p>
<p>Risk/issues that impact the deliverables</p>	<p>None.</p>

## Other

<p>Business Plan commitment</p>	<p><b>OTHER1 Indirect cost quantification – Finance Director, Steve Formoy</b></p> <p><i>Improving our understanding of indirect cost of participation in the market incurred by our members – using this information to prioritise our resource and investments in a way that drives the most overall value for our members – by reducing their indirect costs.</i></p>
<p>Is the commitment on track to be delivered prior to March 2021?</p>	<p>Yes.</p> <p>The is commitment remains in its early stages but is still on track for delivery by March 2021.</p>
<p>Deliverables to date</p>	<ul style="list-style-type: none"> <li>💧 Bilateral Transactions Programme Outline Business Case used process level cost information obtained from trading parties to help quantify benefits case</li> <li>💧 Information on cost base and key volume indicators is being collated across trading parties using publicly available information.</li> </ul> <p>Next steps include:</p> <ul style="list-style-type: none"> <li>💧 Building stronger relationships at senior finance level between MOSL and trading parties – so there is recognition of the benefit to market of MOSL having clearer view of indirect costs</li> <li>💧 Completing cost collation exercise from public data, understanding gaps in key cost data, where an information request may be required</li> <li>💧 Working with Ofwat and trading parties to understand how we can obtain this data in a co-ordinated way which limits the time requirements on members.</li> </ul> <p>Cost data will then be used as part of three-year planning process – feeding into business cases for strategic initiatives on high value areas.</p>
<p>Risk/issues that impact the deliverables</p>	<p>Yes.</p> <p>Concerns over commercial confidentiality may make it more difficult to obtain cost data at the level required in effectively assessing how we best drive value.</p> <p><b>Mitigation-</b> building strong relationships with Chief Finance Officers and Finance Directors to understand the benefit of MOSL having information for the market as a</p>

	<p>whole and ensuring confidence in the way we handle this information and maintain its confidentiality.</p> <p>Limited resources may reduce ability to collate and analyse large volumes of financial data by March 2021.</p> <p><b>Mitigation-</b> Focus for this year is on key financial data that will provide the greatest benefit in assessing how MOSL can best drive value for trading parties by reducing level of indirect costs.</p>
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Business Plan commitment	<p><b>OTHER2 - Move to three-year Business Plan cycle – Head of Planning, John Gilbert</b></p> <p><i>For the next business year, the MOSL Business plan will cover a three-year planning horizon across 2021-24.</i></p>
Is the commitment on track to be delivered prior to March 2021?	<p>Yes.</p> <p>A high-level programme plan has been prepared with the aim of gaining trading party approval of the business plan in January 2021. This plan will be shared with the MOSL Board in August.</p> <p>Work on MOSL’s purpose, vision and strategy will be a key input into the development of the plan as will the 2020/21 quarterly reports.</p>
Deliverables to date.	<ul style="list-style-type: none"> <li>💧 SLT sub-group has been established to lead the three-year business planning programme and is working in six-week sprint cycles</li> <li>💧 MOSL’s newly developed purpose, vision and strategy has been shared internally with MOSL colleagues in preparation for sharing externally with trading parties</li> <li>💧 The MOSL webinar ‘Creating a path for progress’ is scheduled for 22 July, which will be used to provide greater detail on this quarterly report and gain feedback for future reports. Also used as an opportunity to socialise MOSL’s purpose, vision and strategy with trading parties and key stakeholders.</li> </ul>
Risk/ Issues that impact the deliverables	<p>Yes.</p> <p>Bandwidth of MOSL SLT is in line with criteria path on overall programme plan.</p> <p><b>Mitigation</b> - PMO resource embedded in business plan sub-group to monitor progress. Financial stress on trading parties as a result of COVID-19 will need to be carefully managed with respect to MOSL cost base and trading parties’ appetite to fund.</p>

**Mitigation** - Early sight of base business plan financial numbers communicated to trading parties with structure opportunity to challenge, discuss and feedback.  
Development of communication plan to support engagement.

## Conclusion

This report marks the first of the quarterly reports for our 2020/21 Business Plan. As we continue to develop the way in which we report against our performance through our baseline KPIs, and as we look to standardise the quarterly review process to ensure consistency of definitions and measures, we will seek to incorporate all aspects of performance into a single quarterly update.

This will feed into our three-year business planning, as we look to develop our business plan for 2021-24. We are keen to seek trading party feedback on this report to ensure it provides the information you would like to see. If you have any feedback on this project, please email the [Communications Inbox](#).

