

Minutes of Code Change Committee

Meeting 13

08 March 2023

MS Teams

Status of the Minutes: FINAL

Anthony Pygram	AP	Independent Chair	Ulrike Hotopp	UH	Independent Member
Mike O'Connor	MO	Independent Member	Paul Stelfox	PS	Wholesaler Member
Mike Rathbone	MR	Wholesaler Member	Matthew Glover	MG	Retailer Member
Neil Pendle	NP	Retailer Member Alternate (for Claire Yeates)	Christina Blackwell	CB	Customer Representative
Steve Creighton	SC	Alternative Customer Representative			

AFFILIATE MEMBERS PRESENT

Sarah McMath	SM	MOSL Affiliate Member	Dan Mason	DM	Ofwat Affiliate Member
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SECRETARIAT

Adam Richardson	AR	Panel Secretary	Sam Mawby	SMa	Secretariat
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OTHER ATTENDEES

Stuart Boyle	SB	MOSL Presenter (item 3)	Sasha Pearce	SP	Ofwat
Chris Dawson	CD	MOSL Presenter (item 4)	Steve Formoy	SF	MOSL Proposer (item 4)
Oli Robins	OR	MOSL Observer (item 4)	Spencer Mattia	SMat	MOSL Observer (item 4)
John Gilbert	JG	MOSL Observer (item 4)	Huw Comerford	HC	MOSL Presenter (item 5 &7)
Matt Labrum	ML	MOSL Proposer (item 5)	John Davies	JD	MOSL Observer (item 5)
Ivy Mandinyenya	IM	MOSL Presenter (item 6)	Phoebe Nixon	PN	MOSL Observer

APOLOGIES

Claire Yeates	CY	Retailer Member			
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1. Welcome and Introductions

- 1.1. The Chair welcomed members to the Code Change Committee (CCC) meeting.
- 1.2. It was confirmed that the meeting was quorate.
- 1.3. Apologies were received and accepted from CY. NP attended as an alternate for CY.
- 1.4. Code Change Committee members were asked to declare any potential conflicts of interest in relation to the meeting agenda and there were no declarations.

2. Minutes and Outstanding Actions

- 2.1. The Committee noted the minutes from CCC12 (08 February 2023) which had been circulated for review with the agenda and meeting papers for CCC13. There were no additional comments, and the minutes were approved for publication.
- 2.2. The Code Change Committee agreed that the following actions should be closed:
CCC01_08 and CCC12_01

- 2.3. The Code Change Committee agreed that the following actions should remain open:
CCC02_01, CCC03_01 and CCC12_02

3. Change Report

- 3.1. SB presented a summary of the change report. This highlighted the current delivery programme, upcoming changes, changes that were currently on hold, those in the pipeline, consultations, post-implementation reviews and Ofwat decisions.
- 3.2. The CCC noted that the post implementation review for CPM045 [‘Extending the right of the Market Operator to Raise Changes’](#) would be presented in April. The Panel and Ofwat had requested a review of this change although it had had limited impact so far.
- 3.3. SB advised that the Ofwat decision to reject CPM046 [‘Approved Codes of Practice’](#) had been based on the lack of clarity as to whether the proposed change would add value to the existing code change mechanism.
- 3.4. SB highlighted that the majority of the changes in the current pipeline related to the delivery of strategic panel priorities.
- 3.5. A CCC member asked for an update on the CPW137 [‘Interim Supply: Customer Data Provisions’](#) change proposal. SB advised that the working group had determined the minimum viable solution required. The next step was to consult with trading parties particularly in light of limited retailer representation on the working group. The working group still anticipated presenting an interim solution to the May CCC meeting.
- 3.6. A CCC member asked whether there was anything that the committee could learn from the rejection of CPM046 that could inform committee thinking in the future.
- 3.7. A CCC member commented that the solution had been put forward by the RWG (Retail Wholesale Group). The aim had been to bridge the gap between RWG guidance that was adopted on a voluntary basis and the expectation by Ofwat that trading parties adopted best practice. The solution had been developed over quite a long period during which time much of the impetus for the change had fallen away. The member noted that in a rapidly changing environment the needs of the market might be different at the point that the proposed change was put forward for approval. Another CCC member added that it could be useful to build in a checkpoint before a draft recommendation report reaches the CCC to establish whether it still had relevance.
- 3.8. DM commented that the change proposal had had validity. However, it was important to strike the right balance in a competitive market where it was appropriate to allow individual trading parties to agree and develop their own practice alongside enforceable obligations on

trading parties to ensure good customer outcomes. The change proposal seemed to try to sit between these areas and, in Ofwat's view, didn't add clear value to the existing arrangements.

- 3.9. AR added that an area of Strategic Panel focus related to policy alignment and that it was currently engaging with RWG on this. One of the areas for further exploration over the coming months would be to determine whether the Strategic Panel could provide guidance or insight to particular areas that might be candidates to bring into the market codes.
- 3.10. The Code Change Committee:
- **NOTED** the change report.

4. Change Plan – CPW139 and CPM051 Bilateral Hub

- 4.1 The Code Change Committee considered the change proposal plan for '[CPW139 and CPM051 Bilateral Hub](#)' which proposed to standardise, combine, and/or streamline the remaining processes of the Operational Terms before bringing them into the Bilateral Hub, enabling Wholesalers to decommission their legacy systems.
- 4.2 CD provided an overview of the Bilateral programme to date and an outline of the next phase including anticipated benefits. The programme had received MOSL member approval as part of the MOSL Business Plan and would run from 2023-2025.
- 4.3 CD highlighted that the same governance structure would be retained from phase one of the programme to provide trading parties with visibility of activities and transparency around decision making. Stakeholder engagement would also continue to be a key part of the programme's approach.
- 4.4 Initial analysis indicated that adding the remaining bilateral processes to the Bilateral hub would save trading parties a further £1.1 million per year in addition to the £2.4 million already being delivered in savings.
- 4.5 CD commented that in terms of code principles many of the improvements would not be particularly visible to customers, however the basis of the Bilateral programme had always been to improve the customer experience of the market by standardising processes throughout the market and improving response times for customers.
- 4.6 The next phase of the Bilateral programme would expand the scope of the Bilateral Hub to include the remaining operational processes. Trading parties had been consulted and had endorsed the proposed approach and the areas for prioritisation. The two-year programme would encompass six separate implementations under one code change to realise benefits as quickly as possible.

- 4.7 The Bilateral programme would ensure that the prioritisation of work was regularly reviewed and an opportunity to take stock had been built in for a sub-group of the CCC to meet in September 2023 ahead of the development of the MOSL Business Plan 2024-25. SMat added that the order and grouping of processes in the programme plan, together with timings, had been informed by trading party feedback.
- 4.8 A CCC member asked whether in terms of programme priorities, if those with the biggest impact on customers were kept to the forefront. CD confirmed that impact to customers was a key consideration.
- 4.9 A CCC member commented that there might be a perception that some of the processes were of lower value to trading parties in terms of time saved or numbers of transactions. However, a lower value process could still allow for much greater insight and visibility to customers on areas that impacted them.
- 4.10 A CCC member commented that with the programme delivery articulated through one change proposal it provided trading parties with longer term visibility of the outline plan, reassurance as to how the programme fitted into the MOSL Business Plan and advance notice to start looking at their internal processes to be able to adapt systems as needed.
- 4.11 A CCC member asked how the project team ensured that the lessons learned from the first phase of the programme were incorporated into the next phase. SMat responded that this was a key part of the project plan with a reflection point built in at the end of each release with lessons learned incorporated into the next release as needed. In terms of cost efficiencies, the project plan had been developed so that processes by largest volume were prioritised, whilst still bearing in mind customer impact, to establish as much benefit as possible.
- 4.12 The Code Change Committee:
- **AGREED** (unanimous) to progress to assessment;
 - **AGREED** (unanimous) the Change Proposal Plan

5. Recommendation – CPM050 Data Cleanse Funding

- 5.1 The CCC considered the draft recommendation report for '[CPM050 Data Cleanse Funding](#)' which sought to create a charging framework for the initial phase of the data cleanse project.
- 5.2 HC advised that the special resolution, submitted with the MOSL Business Plan, to levy charges on Wholesalers to deliver the initial Data Cleanse Service activities had been

approved by trading party members at the recent General Meeting (23 February 2023). CPM050 would enable the charging of Wholesalers separately, as agreed, to come into effect.

- 5.3 A CCC member asked whether a cost control mechanism, given the significant sum concerned, would be put in place. HC responded that, in line with all MOSL led projects, there would be regular reporting on expenditure and all charges would be transparent and open to scrutiny. JD added that the management of the budget would be approached in the same way as the management of the MOSL Business Plan. MOSL's commitment was to manage this work within the agreed budget, however, in the unlikely event that further spend was felt appropriate, any additional investment would be subject to a further vote by trading party members. The existing controls and measures in place were appropriate for the Data Cleanse project.
- 5.4 A CCC member added that Wholesalers would be closely monitoring the spend and the return on this investment.
- 5.5 A CCC member reported some confusion with the option to acknowledge but not respond to the consultation. The CCC noted that it was important to be very clear when structuring consultation documentation as to what was being required of a respondent to ensure consistent and quality responses.
- 5.6 A CCC member asked what the project governance would be and how progress would be reported. JD responded that a similar approach to the Bilateral and MPF Reform programmes would be adopted. A working group would be established which would include trading party representation together with a steering group. The working group would be used to define the detailed design and implementation and then track the validity of the data provided. The working group would also look at the value being realised which would help to inform any request for funding for 2024-25.
- 5.7 In terms of reporting the progress of the Data Cleanse project at this stage the CCC's focus was to consider the recommendation for CPM050 which specifically related to the funding mechanism for the project. However, there might need to be subsequent code changes in the future depending on the outcomes of the project. It would be important to share the learning from the Data Cleanse project with the MPF Reform programme and there was also a good rationale to keep the Market Performance Committee (MPC) updated in relation to data cleanse activity.

- 5.8 A CCC member commented that the Data Cleanse project could have significant implications for the work of the CCC in the next 12-18 months. The CCC agreed that a progress report would be submitted to the CCC in Autumn 2023 to review how the charging framework was operating and whether there might be potential future code changes for consideration.

ACTION CCC13_01

- 5.9 The Code Change Committee:

- **AGREED** (unanimous) to recommend CPM050 to Ofwat for approval;
- **AGREED** (unanimous) the rationale that CPM050 better facilitated the principles of the MAC;
- **AGREED** (unanimous) to recommend that, if approved, CPM050 be implemented 17 business days after Ofwat's approval of the change.

6. Plan for Post-Implementation Review: CPW120 Final Meter Reads Where No Visual Read is Available & CPW130 Transfer Read Estimate Reason Code

- 6.1 The Code Change Committee considered the plan for the post-implementation review (PIR) of [‘CPW120 Final Meter Reads where no Visual Read is Available’](#) and [‘CPW130 Transfer Read Estimate Reason Code’](#).
- 6.2 IM provided the background to both changes and the proposed areas of focus for the Post Implementation Review. IM added that the Metering Committee would review the data gathered at the mid-point of the PIR review period (one year) to identify any emerging trends that might require further investigation. The Metering Committee would also consider the questions in a follow up consultation or request for information to ensure these were appropriately targeted.
- 6.3 A committee member added that the PIR was important to help to identify the barriers that were stopping actual reads being taken and avoid another skip code being used as the default.
- 6.4 A committee member suggested that there could be scope to look at the potential of unintended consequences in relation to CPW 120. The committee member commented that there could be an opportunity to look at some of the behaviour around how the Final (F) reads were determined and whether, if this was clearly visible as an estimate, it might lead to more challenges.
- 6.5 A committee member asked whether qualitative work would form part of the PIR in terms of asking trading parties why they acted in a particular way. IM confirmed that this would be

considered by the Metering Committee who would follow up on the data gathered with specific questions.

6.6 The Code Change Committee:

- **AGREED** (unanimous) the areas for consideration in the post implementation reviews.

7. Plan for Post-Implementation Review: CPW128 Updating Volume Validations Tolerance

7.1 The Code Change Committee considered the plan for the post-implementation review of [‘CPW128 Updating Volume Validations Tolerance’](#).

7.2 HC provided the background to the change. The proposed areas of review had been considered by the Metering Committee and it was proposed to take a snapshot of the relevant information at the point of implementation that could be monitored over the course of the year and reviewed by the Metering Committee. There was also the potential to carry out a further consultation with trading parties, if needed.

7.3 A committee member noted that the three PIR plans considered by the committee during CCC13 would all generate the data to underpin discussions around where opportunities existed to improve outcomes for the market. The Metering committee would be a key stakeholder in these discussions.

7.4 A committee member added that it would be useful to understand whether there had been any unintended consequences as a result of implementing the change. HC advised that the Metering committee would have input to developing the questions that could be put to trading parties to explore this.

7.5 The Code Change Committee:

- **AGREED** (unanimous) the areas for consideration in the post implementation review.

8. AOB

8.1 There was no AOB put forward for discussion.

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CLOSED SESSION:

9. Committee Reflections

- 9.1 The committee shared their learning from other market governance committees and group they were involved in and reflected on the meeting.