

Minutes of the Market Performance Committee Meeting 52

29 July 2021 | 09:30 – 15:30

Held via Videoconference (Microsoft Teams)

Status of Minutes: **DRAFT**

MEMBERS PRESENT

Pamela Taylor	PT	Chair	Adam Boyns	AB	Customer Representative Committee Member
Claire Yeates	CY	Retailer Committee Member	Wendy Monk	WM	Retailer Committee Member
Trevor Nelson	TN	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Gerard Lyden	GL	Wholesaler Committee Member	Steve Hayfield	SH	Alternate Wholesaler Committee Member – Jo Ecroyd

OTHER ATTENDEES

Samantha Webb	SW	MOSL Presenter	Adam Richardson	AR	MOSL Presenter
Markus Lloyd	ML	MOSL Presenter	Alexander Cowie	AC	Secretariat
Georgina Mills	GM	Owat Observer	Sam Mawby	SM	Secretariat
Darren Hayes	DH	Owat Presenter	Alexandra Piper	AP	MOSL Presenter
Janet Judge	JJ	MOSL Presenter	Lisa-Ann Lott	LL	MOSL Observer

APOLOGIES

Jo Ecroyd	JE	Wholesaler Committee Member	Patrick McCart	PM	Retailer Committee Member
Michael Rathbone	MR	Wholesaler Committee Member			

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies for absence had been received from MR, PM and JE and that SH was standing in as JE’s alternate.
- 1.2. The Chair noted that AC had joined the Market Operator Services Limited (“MOSL”) Secretariat team and would be taking over from SM as Secretary to the Committee. The Chair welcomed AC and thanked SM on behalf of the Committee for her work as Secretary.
- 1.3. It was confirmed that the meeting was quorate.

2. Refinements to Retailer Trading Party Performance Reporting

- 2.1. ML presented MOSL's retailer trading party performance heat map, which built on feedback received at a previous Committee session. ML confirmed that the intention was to include all retailers but that these illustrative examples focused on only ten. ML noted that there were two key changes to the methodology, the first being the use of quartiles to present a clearer image of comparative retailer performance and the second being the use of an absolute rather than relative performance target to provide a clear view of market performance, noting that the market mean would not drive improvement.
- 2.2. The Chair and committee members thanked ML for his work.
- 2.3. A Committee member noted that they liked the new set up but expressed concerns that use of two tables could, if they were communicated externally, lead to confusion as to what good performance looked like. The Committee member expressed a preference for the peer-comparison quartiles table to be the only one distributed publicly while the Committee could continue to use both tables as they reviewed market performance. This view was echoed by several other Committee members.
- 2.4. One Committee member expressed an additional concern that the use of quartiles could lead to misinterpretation of good and bad performance due to individual pre-disposition in terms of whether, for example, being in the first quartile was good or bad. ML clarified that, in this instance the fourth quartile represented the best performance and first quartile the worst performance, but that he was happy to take guidance from Ofwat on their preferred categorisation. An Ofwat representative noted that they would be happy to connect ML with Ofwat's analysts on their preferred categorisation of quartiles.

ACTION A52_01

- 2.5. A Committee member raised a concern that the combination of splitting retailers into three different groupings (e.g. large retailers, smaller retailers and self-supply retailers) and then allocating quartiles could cause confusion for customers reviewing these performance tables in terms of comparative retailer performance across the three different groupings. The Chair thanked the Committee member for raising this issue and summarised the core matter as being around the principle of whether all retailers should be compared together in the same table or whether, if customers were not able to switch between retailers from different groupings, they should be split out for clarity. An Ofwat representative noted that from a customer perspective, with the exception of self-supply, retailers were completely interchangeable within a national market.
- 2.6. ML confirmed that retailers would be able to drill down into the detail of the table and that the absolute performance percentage targets currently used in the second table were produced by MOSL and built on the back of previous reporting, but that this is something that would have to be considered and developed further by the Committee.
- 2.7. A Committee member noted that existing Market Performance Standards ("MPS") and Operational Performance Standards ("OPS") performance tables split retailers by size and questioned whether there would be a rationale here for splitting retailers by size, especially given that the lower task volumes performed by smaller retailers could lead to disproportionate volatility in their performance when measured against larger retailers performing higher task volumes. ML noted that, with regards to the MPS and OPS performance reporting, retailers had been separated by size historically but that as the

metrics have been developed they have found better ways to measure and analyse the data that enabled all retailers to be brought together in a consolidated list on a level playing field, although this is something that still needs to be developed before coming to the Committee. ML also noted that including self-supply in the tables would have a significant impact on the quartile performance of other types of retailers, in effect pushing them down one or two quartiles.

2.8. In response to a Committee member expressing a strong preference for all retailers to be included in one comparison table, the Chair asked Committee members to indicate whether they supported: (1) all retailers being compared in a single table; or, (2) the comparison to be limited to only those retailers that customers are able to switch between. In response to this request:

- Two Committee members indicated a preference for the tables to include all retailers, regardless of whether or not customers were able to switch to them; and
- Four Committee members indicated a preference for the tables to be limited to those retailers that customers were able to switch between.

2.9. A Committee member noted that this performance table would need to be communicated in a way that customers can easily understand, particularly in terms of the terminology used and how the data presented links to the actual customer experience. The CCW representative indicated that CCW would be prepared to help translate the table in a way that would be easily digestible for customers.

ACTION A52_02

2.10. An Ofwat representative noted that they thought the tables should be published but questioned whether this was something the Committee actually wanted customers to consider at this point given existing complexities with the Market Performance Framework, while also noting that communicating the table to customers should be a future aspiration. Several Committee members agreed with this comment and one Committee member noted that a league table was already being published and questioned whether these tables, in their current guise, would add anything to that for most customers as a decision-making tool.

2.11. A Committee member requested clarification on whether, if the end game was for these tables to be used to inform customer choice, customers have actually been asked what points of comparison are actually important to them in making an informed choice. It was noted that CCW's research is starting to show a shift from price being the only driver of choice to indicate service levels as increasingly important.

2.12. A Committee member also drew a distinction between customer impact and customer benefit measures. They felt these metrics were about driving wider customer benefits beyond simply measuring customer service levels, making them tricky to translate directly for customers as a comparison of service.

2.13. The Chair reiterated that the Committee was grateful to ML for his work and summarised the Committee's position, noting that:

- there was broad support for the tables, with the first being published and the second continuing to be used internally by the Committee;
- MOSL should liaise with Ofwat to review the methodology and agree on the best use of quartiles; and

- (while longer-term this approach might be a useful tool for customers) it should not be actively pushed out to customers while the Market Performance Framework (“MPF”) MOSL Review was ongoing.
- 2.14. The Chair then asked Committee members to re confirm their preferences on who should be included in the comparison. In response to this request:
- Two Committee members indicated a preference for the tables to be limited to those retailers that customers were able to switch between; and
 - Four Committee members indicated a preference for the tables to include all retailers, regardless of whether or not customers were able to switch to them.
- 2.15. The Chair therefore concluded that the Committee’s preference was for the published tables to include all retailers, regardless of size or the ability of customers to switch between them but noted that in the longer term this could be subject to review and amendment if the Committee does decide that the tables should be pushed out for customer consideration.
- 2.16. The Ofwat representative recommended that the Committee review the table that includes all the Trading Parties before taking a final decision on whether to publish this table. There was general agreement on this approach amongst the Committee and it was agreed that the tables including all Trading Parties should come back to the September Committee meeting for review.
- 2.17. ML set out the proposed timetable and invited comments and questions from the Committee. A Committee member asked that retailers get sight of the performance tables as early as possible and that the first sight of it should not be in December when it is published. ML noted that it could be communicated earlier and covered at the September User Forum with an invitation for retailers to comment so that the tables could be refined based on these comments prior to publication. In response to a request for guidance from the Committee on whether there should be a full consultation, the Committee indicated that a full consultation would not be necessary. One Committee member felt that in addition to a discussion at the September User Forum there should be a specific communication to trading party contract managers so that they can communicate their thoughts ahead of publication.
- 2.18. AR agreed with the points made around communication and further added that he was mindful that this needed to be handled very carefully given the MPF review was going on at the same time with a clear explanation of what is being asked of Trading Parties. The Chair thanked Committee members for their comments and asked for an update on the comms plan to be provided to the Committee at its September meeting.

ACTION A52_03

- 2.19. ML noted that the reports would come to the Committee from September onwards and that his intention was that the reports would be discussed in open sessions from January.
- 2.20. The Chair thanked ML and the Committee for their contributions and, in addition to the points highlighted earlier, the Committee:
- **AGREED** the proposed timescale for launching the holistic reporting approach;
 - **AGREED** that MOSL should provide more detail to come to the September Committee meeting on the move from shadow reporting to being live and part of the Committee’s decision making; and

- **AGREED** that MOSL should provide more information on how company confidentiality in relation to the table data should be managed and at what point this should be communicated openly.

3. Review of Wholesaler Trading Party Performance

- 3.1. ML introduced the agenda item and set out that he would like the Committee to provide their views on the hypotheses underpinning the wholesaler holistic performance review reporting methodology.
- 3.2. JJ noted that the purpose was to create the same sort of holistic performance rating for wholesalers as was discussed under agenda item 2 for retailers. JJ set out the three performance segmentations, being: Group 1, existing standards (MPS and OPS); Group 2, existing Additional Performance Indicators (“APIs”) (including Data Dashboard APIs, Unique Property Reference Number, Valuation Office Agency and Geographical Information System); and, Group 3, candidate APIs (including Legacy Long Unread Meters, Meter Estate Quality, Long Term Vacant and Measures of Experience). JJ noted that the measures would be presented in grouped categories and that she would be happy to take feedback and direction from the Committee on what should be included within each grouping.
- 3.3. Following some initial comments on the groupings from Committee members, the Chair summarised the Committee’s initial feedback as being to ensure that the same principles were applied to the wholesaler performance measures as to the retailer measures, particularly in terms of using single or multiple OPS and MPS measures. In relation to the proposed measures in Group 2, one Committee member expressed a concern that setting a 100% target was incongruous with other targets used in the market and potentially made it very hard to rank wholesaler performance against such a target.
- 3.4. JJ set out the four candidate APIs within Group 3 as being: (1) Long Term Vacant Premises (“LTVs”); (2) Legacy Long Unread Meters (“LLUMs”); (3) Efficiency of Meter Estate Meter Technology; and, (4) Measure of Experience, including R-Mex¹ and B-Mex² scores. JJ then provided further details on each candidate API and the hypothesis for its inclusion.

Candidate API - Long Term Vacant Premises

- 3.5. With regard to LTVs, JJ noted that while retailers are responsible for determining vacancy this is an area where wholesalers are able to influence performance and that rectification would improve accurate identification of eligible premises in the Non Household Market. It was also noted that it would drive customer and consumption data accuracy in the Central Market Operating System (“CMOS”) and lead to better management of customer consumption and more accurate billing by retailers.
- 3.6. One Committee member expressed a preference for the measurement of LTVs by percentage and indicated that they were not in favour of the use of multiple measures. The Committee member also expressed the opinion that this should be introduced on the back of [CPW106 - Management of Long-Term Vacant Supply Points](#), although there was not consensus support amongst Committee members for this. No further comments on this candidate API were offered by the Committee.

¹ Retailer Measure of Experience of Wholesaler services in the business retail market.

² The Business Customer Measure of Experience of Wholesaler services in the business retail market.

3.7. The Committee:

- **AGREED** that it was supportive of this candidate LTV API and the hypothesis, with a preference for the percentage measure but noting that the impact of Ofwat's forthcoming decision on [CPW106 - Management of Long-Term Vacant Supply Points](#) should be taken into consideration.

Candidate API - Legacy Long Unread Meters

3.8. With regard to Legacy Long Unread Meters, JJ noted that if a meter had not been read prior to market opening wholesalers would be responsible for investigating the issue despite retailers technically being responsible for meter reads. She also highlighted that rectification of this issue would enable the deregistration of meters that should not be in the Non Household ("NHH") market and drive more accurate consumption and meter data into CMOS, which would enhance the accuracy of customer billing.

3.9. Generally, the Committee expressed support for this candidate API. One Committee member raised a concern that both the proposed measures, percentage and by volume, could create perverse incentives for wholesalers (for example disincentivising wholesalers to work with retailers to reduce Long Unread Meters where LLUMs are being measured as a percentage against them) and issues with volume as a metric for peer comparison due to the relative size of wholesalers. Several Committee members expressed a preference for the percentage measure over pure volume and that the percentage measure could be improved by measuring the percentage of LLUMs against total meters within the wholesaler region rather than against all Long Unread Meters (meters unread for the last 12 months) in the market to offset relative size distortion. ML agreed that LLUMs percentage of all meters in a wholesale region was the better measure and noted that the team were using 'unread since market opening' as the definition of a LLUM but that this could be revisited in more detail.

3.10. The Committee:

- **AGREED** that it was supportive of this candidate LLUMs API and the hypothesis, with a preference for the percentage measure being the percentage of LLUMs in the wholesaler region.

Candidate API - Efficiency of Meter Estate

3.11. With regard to Efficiency of Meter Estate, JJ noted that a transition from "dumb" meters to meters which are either "smart" or Automated Meter Readers ("AMR") is a key step towards the facilitation of water efficiency initiatives as well as delivering financial and ecological efficiencies. It was also noted that rectification in this area would drive more accurate consumption data into CMOS and enable retailers to manage customers' consumption more efficiently and bill them more accurately.

3.12. Several Committee members noted that, while they liked the general direction of travel of this candidate API, there were some issues that would need to be carefully considered. One Committee member noted that, in relation to this measure, the timescale for addressing any issues was five to ten years and expressed the opinion that it was unlikely to drive behaviour as there was no real immediate action to take. This was echoed by another Committee member who noted that any move to remote read meters will be driven by long-term price reviews and customer priorities, although another Committee challenged this position noting that unless someone makes a start the momentum for change would not come. One

Committee member expressed a preference that the metric not be heavily weighted in terms of the overall scoring.

- 3.13. A Committee member also noted that some retailers have a preference for their own, or third party, data loggers over any remote read functionality provided by the wholesaler and that, in contrast to the other proposed APIs, this measure did not relate to an existing obligation and would introduce a new area of focus.
- 3.14. A Committee member noted that this candidate API would, as it is published over the longer term, present the kind of data that customers might be interested in as a way of measuring how their designated wholesaler was performing in terms of supporting water efficiency efforts. A Committee member raised a point of concern that the percentage of smart meters on an estate would not necessarily drive water efficiency development as there was a wider point about data sharing under consideration by the strategic metering review that may undermine this hypothesis
- 3.15. A Committee member thanked JJ for the way in which she had set up the hypothesis behind each candidate API and how the impacts and benefits linked to the customer. Several Committee members expressed an interest in seeing how this candidate API linked to Long Unread Meter rates and whether it would provide data that demonstrated that old technology is a driver of high levels of Long Unread Meter rates. A Committee member noted that this was an area that the Strategic Metering Review was considering, and another Committee member noted that the strategic driver for smart meter technology was water efficiency rather than price management. However, a Committee member pushed back on this position noting that non-water-stressed areas would not have the same kind of economic drivers for smart meter roll out as water-stressed areas and that in those regions the business case for the introduction of more smart meters would not necessarily be supported.
- 3.16. An Ofwat representative expressed an opinion that this candidate API would provide useful information and, as a reputational rather than financial measure, would be a good metric for use in holding wholesalers to account if they are lagging behind the field in smart meter roll out. This was endorsed by several Committee members with one expressing the view that customers had the right to have a meter, which their billing is based on.
- 3.17. Overall Committee members' views were divided with multiple Committee members seeing the data as useful but several others expressing concerns about whether it would drive behaviour and as such if it was appropriate as an API.
- 3.18. AR confirmed that MOSL could consider this candidate API further and seek feedback from the User Forum. It was noted there was not a time pressure to introduce this proposed API and that MOSL was comfortable taking more time to ensure that it was developed correctly.
- 3.19. The Committee:
 - **AGREED** that the MOSL team revisit this candidate Meter Estate API and come back to the Committee for further discussion.

Candidate API – Measure of Experience

- 3.20. With regard to Measure of Experience, JJ noted that the qualitative reporting from retailers and business customers would confirm the delivery of improved customer outcomes by the wholesalers and would drive the reduction of some market frictions. The Committee noted that R-Mex and B-Mex could be considered holistically with other APIs, providing context behind other performance metrics.

- 3.21. The Committee expressed strong support for this candidate API, with an Ofwat representative expressing the opinion that these were the best metrics to be considered in isolation as they were qualitative and focussed directly on customer outcomes. This view was echoed by several Committee members.
- 3.22. In response to a request for clarification from one Committee member as to whether this would be a single aggregated view on R-Mex and B-Mex or whether these would be separated out. ML confirmed that MOSL's preference was to use two columns for this API because of the very clear customer focus.
- 3.23. The Committee:
- **AGREED** that it was supportive of this candidate API.
- 3.24. JJ set out the timeframe for the introduction of reporting on these candidate APIs, with the aim being to develop the dashboards and consult, communicate and engage with industry though to the end of the calendar year before running shadow reporting against current MPS and OPS metrics between January and March 2022 and launching holistic wholesaler reporting alongside holistic retailer reporting in April 2022.
- 3.25. The Chair thanked the MOSL team for their work and noted that MOSL had two major actions to take away. These being:
- to work up the heatmap for wholesaler reporting and bring this back to the September Committee meeting; and
 - to review the proposed Efficiency of Meter Estate API.

ACTIONS A52_04 AND A52_05

- 3.26. ML indicated that having received a steer on direction from the MPC, a heatmap would now be brought back to the September Committee meeting and that this would mirror the retailer heatmap provided for agenda item 2.
- 3.27. There was a final request from one Committee member for the MOSL team to come back to the September meeting with a clear rationale on whether or not to include the smallest wholesalers in the heatmap given that this was a major discussion point on the retailer heatmap.

4. Interim Performance Rectification Plan ("IPRP") Update

- 4.1. AP introduced the IPRP update paper drawing the Committee's attention to the up-to-date data in paper MPC_52_03a, noting that of the four MPS IPRPs only one had been extended and that that Trading Party was now on a six month plan.
- 4.2. The Chair thanked AP and noted that the decision to extend was a MOSL decision and that it was for the Committee to review the IPRP and decide whether or not it wanted to convert the IPRP to a Performance Rectification Plan ("PRP").
- 4.3. A Committee member noted that an issue in regard to MPS 7 was raised in the paper and asked for an explanatory note on this to be circulated after the meeting. AP confirmed she was happy to send an explanatory note to Committee members following the meeting.

ACTION A52_06

- 4.4. There were no further comments and the Chair confirmed that the Committee did not indicate a desire to convert the IPRP to a PRP.

- 4.5. The Committee:
- **NOTED** the IPRP update and the performance of Trading Parties outlined within it.

5. B-Mex Nominations

GL and AB left the meeting.

- 5.1. It was noted that GL and AB had recused themselves from this section of the meeting as they were both prospective members of the B-Mex Committee.
- 5.2. SH indicated that he would abstain from the vote as he felt his newness both to the Committee and the industry meant he would be unable to make an informed decision.
- 5.3. AR confirmed to the Committee that AB was CCW's nomination for the B-Mex Committee.
- 5.4. The Committee considered the 12 nominations received for members of the B-Mex Committee.
- 5.5. The Committee:
- **AGREED** to appoint the following nominees as members of the B-Mex Committee:
 - Gerard Lyden;
 - Lissa Balmer;
 - Brett Conibere;
 - Kate Wood;
 - Sharon Bellwood; and
 - Michael Rathbone.
- 5.6. The Chair noted that two of the appointed members were also MPC members and the Committee concluded that GL and MR could decide on a case-by-case basis which of them reported back to the Committee.
- 5.7. The Chair thanked the Committee for their votes and deliberations and asked MOSL to contact candidates and communicate whether or not they had been successful.

ACTION A52_07

OPEN SESSION

GL and AB re-joined the meeting.

6. Housekeeping

- 6.1. The minutes of the MPC 51 meeting were approved as an accurate record.
- 6.2. Following an update from SM, the Committee agreed that the following actions could be closed: A50_03; A51_02; and A51_04.
- 6.3. It was noted that the following actions would remain open: A49_04; A49_06; A49_10; A51_01; and A51_03.
- 6.4. SM asked the Committee for any questions or comments on the open actions. A Committee member noted that, with regards to A49_06, no Committee members had taken up the offer

to engage on the MPF review. The Chair thanked the Committee member for raising this and agreed that this should be kept open and further prompts to engage should be made.

ACTION A52_08

7. Market Performance Operating Plan (“MPOP”) Consultation Feedback

- 7.1. The Chair noted that the MPOP was a MOSL document and this item was presented as an opportunity for the Committee to contribute any feedback following the consultation responses that had been received.
- 7.2. ML also noted that there was a proposal to integrate the MPOP into MOSL’s annual reporting framework and invited comments and feedback from the Committee.
- 7.3. An Ofwat representative noted that there had been some feedback in the consultation which questioned whether switching (including transfer reads), which is included as a focus area in the MPOP, was a material concern and suggesting that efforts be focussed elsewhere. The Ofwat representative noted that this was an issue that the Committee had raised previously but that, after discussion, the Committee had agreed that it should remain as an area of focus as it went right to the heart of the customer experience. The Ofwat representative reaffirmed their view that this was an important area of focus and asked MOSL for its thoughts on the consultation feedback in this area. AR responded stating that timely and accurate switching (with transfer of good quality data) was a key area that could impact the customer experience and should be retained in the MPOP. AR further noted that MOSL currently has limited information on the extent to which issues may be arising but that this is an area it could look at to review if further focus is needed. ML further emphasised that this interacted closely with the holistic reporting work and issues of data quality and noted that it was an area MOSL would look to keep within the MPOP going forwards.
- 7.4. A Committee member noted that in terms of reviewing consultation responses it was at least as important for MOSL and the Committee to really consider the rationale behind the points raised as it was to look at the percentage splits in support or against a particular issue. ML confirmed that MOSL’s response to the consultation would take this approach and would set out the hypothesis behind the individual metrics proposed to be included and removed.
- 7.5. The Chair thanked ML for the update on behalf of the Committee, and the Committee noted MOSL’s proposed plan of action.

8. MPC Priorities Straw Model

- 8.1. ML introduced the agenda item, noting the speed with which this proposal had been developed and thanked Committee members for their input to date. ML noted that there were two main priorities, the holistic reporting work and the MPF review and that the straw man has been put together building on the work already being undertaken in these two areas.
- 8.2. ML clarified that the decision request is for the Committee to approve the plan as set out on the final page of MPC52_06 at this meeting, confirming that it was happy with the proposed timescales.
- 8.3. Several Committee members raised questions about the alignment between the Committee priorities and other business plan improvement programmes currently being undertaken, such as the bilaterals programme or the B-Mex Committee, and noted that this was something that

would need further consideration by the Committee to ensure that the Committee's priorities did not duplicate the work being done by other working groups. It was also felt that a major benefit of this would be to ensure alignment between delivery of the Committee's priority deliverables and those of other large-scale MOSL projects and ensuring that the Committee was able to use all of the available levers to deliver the its priorities. ML noted that there were linkages between all of the projects outlined in MPC52_06 but that more could possibly be done to draw these out and that he could introduce some simple graphics on the timeline that would help the Committee to understand the windows of opportunity for inputting to those other large-scale MOSL projects.

- 8.4. Following a request from a Committee member for the revised document to include descriptive content on the golden deliverables for each decision point, it was agreed that the best approach would be to set this out in a separate document that sits behind the simple graphic, and that this document would need to be a live document that was responsive to changes in project timelines.
- 8.5. The Chair thanked the Committee for their comments and summarised the action as being for MOSL to create a separate document that details the influencing deadlines for the interaction between the Committee's priorities and other major projects.

ACTION A52_09

- 8.6. MOSL also noted that it would seek to create a larger document that set out the interaction of the various change programmes across the market as a whole. It was noted that this second document may be more of a reference tool for the new strategic panel but that it could also provide context for the Committee.
- 8.7. The Chair asked the Committee to confirm that it was happy to approve the plan, as detailed in paper MPC52_06, subject to the additional document on the interaction between the MPC priorities and other major deliverables which would be brought back to the September MPC.
- 8.8. The Committee:
 - **AGREED** the plan.

9. MPF Review Update

GM left the meeting.

- 9.1. CY introduced the agenda item, recognising that a considerable amount of work needed to be done to keep the MPF review on track to meet its deadlines and thanked the MPF review group members for their input and MOSL for its support.
- 9.2. CY outlined that the key points to touch on were: the need to set the scene so that the consultation and responses were focussed on customer outcomes and market efficiency; that customers as well as Trading Parties should be engaged with; and, that all of the recommendations coming out of the MPF review should be supported by clear evidence.
- 9.3. CY emphasised that the MPF Review Group was looking to create a future-proof set of principles that were reflective both of what the market needs now and would also stand the test of time as the market evolves. CY noted that the aim was to get the consultation out in September and that information would continue to be shared with the Committee and that the consultation documents would come to the Committee for sign off at the September meeting before they were issued.

- 9.4. A Committee member recommended that the drafting team ensure that customer outcomes and market efficiency benefits are clearly set out early on in the document. It was also noted that the rationale for the 'case for change' segment of the document that references the fact that the need for change should be accepted as a given and that how the change is made is the subject of the consultation would need also need to be very clearly written . CY thanked the Committee member for their feedback and acknowledged that the tone and wording would need to be carefully thought through and invited Committee members to provide comments on the existing document which can be accessed via SharePoint.
- 9.5. CY indicated that the consultation would open for at least four weeks and that the MPF Review Group were very keen to get the results to the new Strategic Panel in November.
- 9.6. AR emphasised that there was a piece of work to be done to ensure that the MPF Review consultation was supported as thoroughly as possible through additional engagement opportunities. A Committee member suggested that there might be the opportunity to engage with Trading Parties in a more creative way through videos or other engagement tools and that careful thought should be given to the most effective engagement mechanisms. AR also noted that the new Strategic Panel may not be in place by November so there may be a little more time in which to develop the proposals.
- 9.7. AR indicated that the MPC had the delegated authority to progress the MPF Review and that it did not need to go back to the Panel at this stage. However, AR noted that the new Strategic Panel may want to review the work at an early stage and that the Committee should be prepared to engage with it in due course. CY noted that the MPF Review timeline had been adopted with a view to engaging with the new Strategic Panel.

10. Market Participants Update

- 10.1. DH noted that since the paper had gone out, the Business retail Market: Customer bad debt decision³ had been released along with decisions on the Code changes for bilaterals and governance⁴.
- 10.2. DH picked up on a point raised previously by a Committee member and noted that the temporary vacancy flag update was included in the paper and suggested there might be a benefit from a contract manager communication from MOSL on this. AR indicated that MOSL would take the contract manager point away and revert to the Committee member and DH.

ACTION A52_10

- 10.3. DH indicated that the release of the second Review of Incumbent Company Support for Effective Markets (RISE 2) would stretch into August, that it was not currently intended to be as substantial a piece of work as [Project RISE](#) and that his understanding was that its focus would be the business retail market. AR noted that further communication on the use of Yearly Volume Estimates ("YVEs") had not been issued and that MOSL would look at whether this was required in light of lockdown measures unwinding.

ACTION A52_11

³ <https://www.ofwat.gov.uk/publication/business-retail-market-customer-bad-debt-decision-and-consultation/>

⁴ Bilaterals and Governance related Code change decisions consisted of [CPW070a / CPM043a – Phase 2 - Bilateral Transaction Programme: Decision document](#), [CPM040 and CPW121 Ofwat Decision Document](#) and [CPM021 and CPM039 Ofwat Decision Document](#)

10.4. The Committee welcomed the Panel update and noted it without any further comments.

10.5. The Committee:

- **NOTED** the update from the Market participants.

AB left the meeting

11. AOB

11.1. AR described the purpose of the Committee training session scheduled for 2 September 2021 as being driven by one of the key findings of the Panel Effectiveness review. He indicated that the topics under consideration for the training included training on the Competition Act and conflicts of interest but that there may be other things included going forward. It was further noted that there could be room to include an MPF Review session on 2 September if it was required.

11.2. A Committee member noted that he would not be able to make the 2 September training session and asked whether he would be able to undertake the training outside of this Committee session. AR noted that the MOSL team would consider this and come back to the Committee member.

ACTION A52_12

11.3. AR indicated that no preparation would be required prior to the training session and that Panel members who had recently undergone similar training had not been asked to undertake extensive reading in advance. The Chair indicated that some form of introduction to the topics that brought all Committee members up to a basic level would facilitate a more focussed session on questions and issues. AR confirmed that MOSL would look into this and would aim to distribute slides and Committee-specific scenarios for consideration ahead of the session.

ACTION A52_13

11.4. There being no further business, the Chair closed the open session of the meeting.

CLOSED SESSION

12. MPC52 Reflections

12.1. The Committee reflected on the meeting.

12.2. There being no further business, the Chair closed the meeting.