

Minutes of the Market Performance Committee Meeting 72

20 April 2023 | 09:30 – 13:15

Held via Videoconference (Microsoft Teams)

Status of Minutes: FINAL

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Neill Pendle	NP	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Fallon Wilkinson	FW	Retailer Committee Member	Adam Richardson	AR	MOSL Representative*

* Non-Voting Members of the Committee

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Alexander Cowie	AC	MOSL Secretariat
Jacqueline Gibson	JG	MOSL Presenter	Harriet George	HG	MOSL Secretariat
Markus Lloyd	ML	MOSL Presenter	Steve Formoy	SF	MOSL Presenter
Sarah McMath	SMc	MOSL Observer			

APOLOGIES

Sean Mills	SM	Ofwat Representative*	Shaun Kent	SK	Ofwat Representative*
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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 SM and SK.
- 1.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 1.3. It was confirmed that the meeting was quorate.

2. Trading Party 1 Performance Rectification Plan Review

Trading Party 1 Review

- 2.1. The Committee briefly discussed the revised performance rectification plan (“PRP”) that had been provided by Trading Party 1 and circulated in advance of the meeting, noting that the plan addressed the issues with the original plan raised by the Committee following engagement at the February Committee meeting. The high level of engagement by Trading Party 1 with MOSL when developing their revised PRP was also noted by the Committee, who viewed this in a positive light.
- 2.2. Following discussion, the Committee:
 - **AGREED** (unanimous) to de-escalate Trading Party 1 and move it to MOSL focused monitoring.

3. Initial Performance Reviews

Trading Party 2

- 3.1. The Committee reviewed Trading Party 2’s response to letter of concern issued in March as well as their recent performance and raised the following points:
 - The Committee was satisfied with the response, which was viewed as comprehensive, demonstrated an awareness of customer impact and that there was a clear action plan to rectify performance.
- 3.2. Following discussion, the Committee:
 - **AGREED** (unanimous) to move Trading Party 2 to MOSL focused monitoring.

Trading Party 3

- 3.3. The Committee reflected on Trading Party 3’s performance against its initial commitments set out in response to a letter of concern issued in July 2022, as well as its recent response to a request for an update on performance levels and the progress of work being undertaken to improve performance and raised the following points:
 - While the Committee noted that some of the issues highlighted in Trading Party 3’s response were outside of its direct control, insufficient progress had been made and the performance commitments that were provided in its original response had not been met.
 - Although Trading Party 3’s initial performance commitments had not been met, the Committee recognised the work that had been undertaken and the issues raised and were minded not to escalate Trading Party 3 at this point and to request a revised plan for how performance improvements would be achieved along with additional data.
- 3.4. Following discussion, the Committee:
 - **AGREED** (majority) not to escalate Trading Party 3 and to continue with MOSL focused monitoring subject to a further review following the provision of a revised performance improvement plan.

- 3.5. The Committee also noted feedback provided by Trading Party 3 on the holistic reporting framework and the role of the MPC and it was agreed that the Chair would engage with Trading Party 3 in response to the points raised.

ACTION A71_01

Trading Party 4

- 3.6. The Committee reflected on Trading Party 4's performance against its initial commitments set out in response to a letter of concern issued in July 2022, and raised the following points:
- Although the Committee was disappointed with the progress demonstrated by Trading Party 4, it was noted that Trading Party 4's initial commitment was to improve performance by the end of the 2022/23 financial year and that the data for this period would not be available until the May Committee meeting.
 - Trading Party 4's apparent lack of engagement with MOSL was an aggravating factor, and without this information it was hard to form a full view of Trading Party 4's progress.
- 3.7. Following discussion, the Committee:
- **AGREED** (unanimous) not to escalate Trading Party 4 and to continue with MOSL focused monitoring, with a further review of performance at the May Committee meeting.
- 3.8. It was agreed that the Committee Chair should write to Trading Party 4 to communicate the Committee's dissatisfaction at its apparent lack of engagement with MOSL.

ACTION A72_02

4. General Comments

- 4.1. Following the Performance Review discussion, the Committee discussed the operation of the holistic reporting escalation process and the potential for further refinements, raising the following key points:
- The list of companies on MOSL focussed monitoring had grown too large and a review of how companies move off this stage (either because their performance has improved sufficiently that they can move back to standard market monitoring or because they have not improved and further intervention by the Committee is required) should be undertaken. It was noted that this was likely to come back as part of the escalation framework review discussion at the May Committee meeting.
 - The Committee should be cognisant of situations where trading party performance was improving but they were not able to move out of the bottom quartile because of market-wide performance improvements when taking escalation decisions or deciding whether a trading party could be move from MOSL focussed monitoring to standard market monitoring.
 - While there might be some merit to developing set escalation criteria, the Committee was of the view that a one size fits all approach should be avoided and that the Committee's ability to exercise its judgement and discretion when reviewing whether to apply the interventions available to it should be retained.

- It would be beneficial for the Committee to undertake a review of how its interventions (e.g. letters of concern and escalation) had impacted performance at individual trading parties and that the Committee should also review the extent to which it has delivered the Strategic Panel’s directives as described in its [Priorities document](#). Links between these reviews and the production of the Annual Market Performance Report (“AMPR”), plans to report to the Strategic Panel in July on the impact the Committee has had across the year and plans to review potential changes to the holistic reporting APIs (including the delivery of ‘quick wins’ from the Market Performance Framework Reform Programme) and the Committee’s focus across the coming year in June and July were noted. It was agreed that the aim should be for the Committee to be able to have completed these reviews and be in a position to report on them to Strategic Panel in October and that Secretariat would take the feedback from this discussion on board and circulate a revised and extended version of the forward plan that reflected it as soon as practicable.

ACTION A71_03

5. Future Audit Work

- 5.1. The Committee noted the statements of work for the skip code and YVE audits circulated in advance of the meeting as well as a brief verbal update from JG.
- 5.2. The Committee reflected on the statements of work, raising the following key points:
 - The Committee was generally supportive of the proposed methodology and potential crossover with the Market Performance Framework Reform Programme and the ability to share insight and learnings was noted.
 - A question was raised over the rationale for undertaking the skip code audit and it was noted that it would be useful for the business case and/or how the audit targeted identified market risk to be more clearly brought out in future updates.
 - The Committee encouraged the MOSL team to consider the timescales and impacts on resources of these audits for trading parties when considering the sequencing of audit work.
- 5.3. The Committee reflected more generally on the perception of market audit and that being selected to be part of a market audit could be seen as a negative by some trading parties. As such the Committee encouraged MOSL to consider how the positioning and phrasing around market audit could be revised to position it as more as a positive learning experience for the organisations involved.
- 5.4. The Chair thanked JG for her presentation.

6. Audit Outputs

- 6.1. The Committee noted final outputs and findings from the non-market meter read and transfer behaviours audits.
- 6.2. The Committee briefly discussed the updates provided, noting the crossover between the outputs of the non-market meter reads and transfer behaviours audits and the work being undertaken by the Metering Committee and reflecting that the potential for duplication of effort should be considered as part of the selection of future market audits.

7. Closed Session Tabled Updates

7.1. The closed session tabled updates provided in advance of the meeting were noted.

OPEN SESSION

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Gerard Lyden	GL	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
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Sam Webb	SW	MOSL Observer	Harriet George	HG	MOSL Secretariat
Jacqueline Gibson	JG	MOSL Observer	Markus Lloyd	ML	MOSL Observer
Sarah McMath	SMc	MOSL Observer	Jamie Davies	JD	Castle Water Observer
Andrew Johnson	AJ	MOSL Observer			

APOLOGIES

Sean Mills	SM	Ofwat Representative*			
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8. Welcome and Apologies

- 8.1. The Chair welcomed attendees to the open session and noted that apologies for absence had been received from SM.
- 8.2. The Chair reminded Committee members of the requirement to act impartially and not in the interest or as a representative of any organisation or individual. If Committee members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item.
- 8.3. It was confirmed that the meeting was quorate.

9. Housekeeping

- 9.1. The minutes of MPC71 in March were approved as an accurate record.
- 9.2. The actions update circulated in advance of the meeting was noted and it was:
 - **AGREED** that the following actions could be closed: A68_02 and A71_01.

- **AGREED** that the following actions would remain open: A55_01; A59_01; A64_01; A67_05; A68_01; A69_03; A69_04; A70_01; A70_03 and A71_02.

10. Annual Market Performance Report

- 10.1. The Committee noted the proposed narrative direction of the 2022/23 Annual Market Performance Report (“AMPR”) set out in the paper circulated in advance of the meeting.
- 10.2. In response to a request for Committee members to volunteer to support MOSL in the drafting of the AMPR and to provide feedback and input ex-Committee, it was agreed that TN and JW would provide input on behalf of the Committee.

11. Tabled Updates

- 11.1. The tabled updates provided in advance of the meeting were noted.
- 11.2. The Committee noted the potential interaction between holistic reporting, and the wider Market Performance Framework Reform programme outcomes, and the development of the BR-MeX, raising concerns about the potential for double jeopardy. The Committee further noted that this issue was under consideration by the BR-MeX working group.

12. MPS Calculation Challenges

- 12.1. The Committee noted a brief update from SF on MOSL’s response to date regarding challenges raised by a trading party over the calculation of performance against Market Performance Standards (“MPS”), which was also set out in paper MPC72_11.

13. AOB and Reflections

- 13.1. A question was raised as to how the findings from Project Déjà Vu, Project Looking Glass and other Market Improvement Fund initiatives were being taken forward and used to drive improvements in the market. It was noted that the findings from Project Déjà Vu and Project Looking Glass were largely being picked up by the Strategic Metering Programme / Metering Committee and had been integrated into its Quick Start Projects, the Strategic Metering Roadmap and the Interim National Metering Strategy (the latter two of which had been reviewed and agreed by the Strategic Panel). It was further noted that the findings from both Project Déjà Vu and Project Looking Glass had also helped to inform the approach to the data cleanse. More broadly MIF Project reports were published via the MOSL website and each project underwent a close-out audit which considered how the funding had been spent, what benefits had been delivered and what the best forum was to take forward the projects’ findings.
- 13.2. The Committee members reflected on the meeting.
- 13.3. There being no further business, the Chair closed the meeting.