

Minutes of the Market Performance Committee Meeting 84

24 April 2024 | 09:30 – 13:00

Via MS Teams

Status of the Minutes: FINAL

MEMBERS PRESENT

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

**Non-Voting Members of the Committee*

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Markus Lloyd	ML	MOSL Presenter
Axelle Saada	AS	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat

APOLOGIES

Neil Pendle	NP	Retailer Committee Member	Shaun Kent	SK	Ofwat Representative
-------------	----	---------------------------------	------------	----	----------------------

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted apologies had been received from NP and SK. It was noted that FW would be late for the meeting.
- 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

- 2.1. The Committee considered the OPS/MPS figures for Trading Party 1, with a review of their monthly update for March.
- 2.2. Currently Trading Party 1’s performance matched what was stated in the revised plan. The main area of concern flagged was the Geographic Information System (GIS) metric which, at 69%, rested significantly below the predicted target level of 80%. SW said that Trading Party 1 has not informed her when to expect the bulk upload.
- 2.3. The Committee noted that Trading Party 1 was largely on track and it had more confidence than in previous months in Trading Party 1’s progress against its plan. The Committee agreed to asking Trading Party 1 for some indication about when to expect the buik upload of GIS data.

2.4. The volume of tasks against the Operational Performance Standards (OPS) are low, making the results against this metric volatile.

2.5. Following the discussion the Committee:

- **AGREED** (Unanimous) that SW would write to Trading Party 1 to welcome its progress, noting that it was below the targets on the revised plan for GIS and OPS, reminding Trading Party 1 that the MPC will take a decision in May about next steps based on the milestones reached in April as agreed at MPC82 in February. Additionally, the Committee would like some indication from Trading Party 1 on when to expect the bulk upload of GIS data.

3. Closed Session Tabled Updates

3.1. The tabled updates provided in advance of the meeting were raised. Letters of Concern (LOCs) were sent to Trading Party 2, Trading Party 3 and Trading Party 4. It was noted that these trading parties have entered the lowest quartile for performance because of the improvement in performance of others around them in the table. The Committee will review responses to the LOCs at MPC85 in May.

3.2. The Committee discussed the triggers for Letters of Concern, particularly with regards to comparative performance and it was agreed that it should be discussed as an agenda item at MPC85 in May.

ACTION 84_01

4. Review of Holistic Performance and Escalation Decisions

4.1. The Committee received an update on the current status of LOC recipients, including Trading Party 5, Trading Party 6 and Trading Party 7.

4.2. The Committee noted that Trading Party 5's performance related to OPS has improved and there has been slower progress related to Value Office Agency (VOA) metrics. Trading Party 5 is currently reviewing SPIDs through the Bilateral Hub to assure data (including Unique Property Reference Numbers – UPRN – data). SW recommends Focussed Monitoring; Trading Party 5 is engaging with the process.

4.3. Whilst its progress was noted by the Committee, members felt that progress is slow. Committee members were uncomfortable with the possible perception that trading parties may not be treated equitably. Although it agreed with the recommendation of Focused Monitoring, the Committee asked SW to write to Trading Party 5 to say that the MPC will continue to monitor its performance and, whilst the Committee is encouraged to hear that there is a focus on customers, Trading Party 5 need to keep in mind its performance against the metrics.

ACTION 084_02

4.4. Trading Party 7 received a LOC due to issues with performance relating to Market Performance Standards (MPS) and Long Unread Meters (LUMs) metrics. SW reminded the Committee that the figures detailed in the papers circulated before the meeting show a three month rolling average and therefore it will take some time for those figures to reflect improvements. SW recommended Focused Monitoring. The sharp drop was due to a member of staff who was closing tasks incorrectly. In addition to this, Trading Party 7 has taken on over 3000 SPIDs which it is currently working through – this SPID increase contributed to the volume of LUM increasing by around 370 as these LUMs transferred to Trading Party 7.

4.5. The Committee agreed the recommendation, noting that Trading Party 7 has changed its meter reading service and asked SW to give feedback from MPC on ensuring that it has the necessary systems in place to prevent this happening again and Trading Party 7 should focus on mitigating risks in taking on LUMs.

ACTION 084_03

4.6. A committee member recused themselves due to a potential conflict of interest.

4.7. The Committee considered the latest data for Trading Party 6 as part of the six-monthly review agreed at MPC83. Trading Party 6 has been in Focused Monitoring following the issue of a LOC and is very engaged with the process, providing monthly updates to SW, explaining what it is doing and how it is mitigating risk. Currently Trading Party 6 is working on old tasks that relate to OPS metrics and SW has agreed that this should be the main focus.

4.8. The Committee agreed with continuing with Focused Monitoring and welcomed the level of engagement between SM's team and Trading Party 6. However, it felt that going back to Trading Party 6 (as with the previous Trading Parties) and raising a question about assurance

on LUMs would be useful and that the Committee would like to see more movement on some of the metrics where Trading Party 6 is underperforming. The Committee would like an update on Trading Party 6 in July.

ACTION 084_04

4.9. Following discussion, the Committee:

- **AGREED** to keep Trading Party 5 in Focussed Monitoring with a review of progress in July
- **AGREED** to keep Trading Party 7 on Focussed Monitoring with a six month review
- **AGREED** to keep Trading Party 6 on Focussed Monitoring with a review of progress in July

4.10. The chair thanked SW for the update.

5. Review of Holistic Performance and Escalation Decisions on Smaller TPs

5.1. GL rejoined the meeting.

5.2. The Committee discussed whether Holistic Reporting has impacted Smaller Trading Parties and if so, how. The following key points were raised:

- Not all the Smaller Trading Parties are very small in terms of number of SPIDs but most have fewer than 2500 SPIDs. More than half of the Smaller Trading Parties are performing above the overall average. It was acknowledged that some of the “smaller” Trading Parties have a large proportion of water usage¹.
- SW will reach out to Trading Party 8 and Trading Party 9 to remind them of the importance of inputting meter read data. It was noted that the retailers at the bottom

¹ A trading party that is counted as small in terms of SPID count may not be small in terms of attributed consumption volume; it may have, for example, a small number of customers with a large consumption volume.

of the table of smaller retailers table are still performing well compared to the rest of the market.

- In terms of next steps, SW proposed to carry on with the current approach, raising Letters of Concern where appropriate, but with the smaller Trading Parties, reaching out in a less formal way is as effective to address concerns and give guidance on how to address performance issues and how to use the tools available.

5.3. The chair thanked SW for her presentation.

6. Skip Codes Audit Findings

6.1. The Committee reviewed the findings report of the Skip Codes audit, raising the following key points:

- AS explained that the auditees have all engaged with the Skip Codes Audit (as this may not have been clear in the paper). Not all auditees were able to provide data as it was either difficult or impossible to extract from household data, or there were no skip codes available for the required period. The findings have been shared with the Metering Team and the MPF Reform Team within MOSL.
- It was noted that there isn't a correlation between specific processes and performance. There appears to be different ways of achieving good performance, and as a result, meter reading performance could be better incentivised as an outcome rather than a set of processes. It was also noted that selection criteria could be more flexible for this particular audit if carried out in the future to ensure that the findings are relevant for the market as a whole.
- The Committee suggested an extra piece of analysis linking skip codes and wholesaler LUMs (WLUMs) and AS agreed that she would look for the next Committee meeting.
- The Committee also felt it was noteworthy that this audit appears to confirm the fact that meter readings are skipped on the whole because it is impossible to access the meter and this should inform behaviour within the market to ensure that inaccessible meter issues are addressed. The issues around asset and property access, it was acknowledged, is outside of the control of the MPC and it noted that smart meter

rollout could help address some of the issues around meter reading. The Metering Committee and RWG Access Group have both been looking at this issue.

6.2. The chair thanked AS for her presentation.

OPEN SESSION

MEMBERS PRESENT

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

**Non-Voting Members of the Committee*

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Evan Joanette	EJ	MOSL Presenter
Axelle Saada	JG	MOSL Presenter	Matt Labrum	MLa	MOSL Observer
Markus Lloyd	ML	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat

APOLOGIES

Neil Pendle	NP	Retailer Committee Member	Shaun Kent	SK	Ofwat Representative
-------------	----	---------------------------	------------	----	----------------------

7. Welcome and Apologies

- 7.1. The Chair welcomed attendees to the open session and noted that apologies for absence had been received from NP and SK.
- 7.2. 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.
- 7.3. It was confirmed that the meeting was quorate.

8. Housekeeping

- 8.1. The Committee agreed to approve the minutes of the Market Performance Committee meeting held on 27 March 2024 as an accurate record of the meeting.
- 8.2. The actions update circulated in advance of the meeting was noted and it was:
 - **AGREED** that the following action would be closed: A73_04, A83_01, A83_03 and A83_04.
 - **AGREED** that the following actions would remain open: A83_02 and A83_05.

9. Statement of Work for Wholesaler Tariff Audit

- 9.1. The Committee took a first look at the scope of the Wholesaler Tariff Audit, and raised the following key points:
 - AS confirmed that she is in contact with the RWG Tariff Subgroup and has also reached out to the Strategic Panel's Tariff Group and will assess how the audit can be of use to the market. AS confirmed that she will add some detail to the background of the audit report and some explanation around how tariffs work. The Committee confirmed that that it was in agreement with the statement of work.
 - AS also confirmed that she will come back next month with the revised Audit Plan for 2024-25.
- 9.2. The chair thanked AS for her presentation.

10. Market Performance Framework Incremental Improvements

- 10.1. The Committee received an update for information on the Market Performance Framework Incremental Improvements.
- 10.2. The Committee briefly discussed the update provided, noting that it would be useful to have targeted communication with Wholesalers. It was confirmed that the MOSL website needs updating to reflect changes made. Concerns were raised about the Wholesaler LUM metrics; it was agreed that this would be taken back to the MPF Reform Team to take into account when developing related metrics under the reformed MPF.
- 10.3. The Chair thanked ML for the update.

11. MPF Reform Programme Update

- 11.1. The Committee received information on the Programme.
- 11.2. The Committee noted that the first part of the delivery, Part A: Governance, was considered at the April Code Change Committee meeting and was recommended for approval. It is now with Ofwat for their consideration for approval.
- 11.3. The programme team is making good progress with Part B (Non-financial tools) with the Performance Advisory Group (PAG).
- 11.4. The Chair thanked EJ for the update.

12. Tabled Updates

- 12.1. The Committee noted the Tabled Updates paper circulated in advance of the meeting detailing information about the Panel and its committees. AS also confirmed that she will be adding updates on Audits in the Tabled Updates from now.

13. AOB incl. Reflections on the Meeting

The Committee reflected on the meeting. There being no further business, the Chair closed the meeting.