

Minutes of the Market Performance Committee Meeting 87

24 July 2024 | 09:30 – 12:15

Via MS Teams

Status of the Minutes: FINAL

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Michael Rathbone	MR	Wholesaler Committee Member
Paul Baker	PB	Retailer Committee Alternate	Paul Stelfox	PS	Wholesaler Committee Member Alternate
Neil Pendle	NP	Retailer Committee Member	Adam Richardson	AR	MOSL Representative*
John Spreadbury	JS	Retailer Committee Member Alternate	Shaun Kent	SK	Ofwat Representative
Gerard Lyden	GL	Wholesaler Committee Member			

**Non-Voting Members of the Committee*

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Rob Heatherington	RH	Ofwat Observer			

APOLOGIES

Adam Boyns	AB	Customer Representative Committee Member	Trevor Nelson	TN	Retailer Committee Member
Sarah McMath*	SMc	MOSL Representative	Fallon Wilkinson	FW	Retailer Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	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 had been received from TN and MR. It was noted that PB would be acting as alternate for TN, JS in place of FW and PS in place of JW. SMc, WM and AB had offered their apologies 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.

Performance Reviews

2. Trading Party 1

- 2.1. The Committee received an update on latest performance ahead of the meeting with the Strategic Panel Chair.
- 2.2. The Committee briefly discussed the update provided, noting that whilst the overall picture is improving, there are still areas of performance that give cause for concern. There will be more information about how Trading Party One is performing against its plan at MPC89 in September.

- 2.3. The Committee asked about the forward planning for Trading Party One (and other trading parties in escalation/focussed monitoring) during and after the transition to the new Performance Assurance Committee. It was confirmed that this will form part of the handover documentation from MPC to PAC that will be developed and finalised in the last two MPC meetings in September and October. It was also noted that, as Trading Party One is escalated to Panel, there will be some continuity in the process.
- 2.4. The Committee received information about the reply to the Chair of Strategic Panel by the CEO of Trading Party One including information about what the company is doing to address its performance issues and
- 2.5. [Not for Public Minutes] SK noted that Ofwat was aware of the letter sent by the Chair of Strategic Panel to the CEO of Trading Party One, inviting him to a meeting. This was followed up by a communication with the CEO and David Black (Chief Executive of Ofwat) is aware of this situation.
- 2.6. The Committee noted that, whilst work has been carried out by Trading Party One and this is appreciated, the projects that it has undertaken do not focus on the metrics that Holistic Reporting measure on, or the areas that Trading Party One was escalated for.
- 2.7. The chair thanked SW for the update.

3. Trading Party 2

- 3.1. The Committee reviewed Trading Party Two's performance, following a request at MPC84.
- 3.2. MPC last looked at South Staffordshire in February and it has been in Focussed Monitoring since then. South Staffordshire has remained at the bottom of the performance table since then. SW acknowledged that its performance is improving but progress is incredibly slow. The Committee noted that SMC is meeting with the CEO of Trading Party Two in early August and faster improvement is one of the areas of discussion planned. Trading Party Two is prioritising metrics that have a customer impact.
- 3.3. The Committee noted that it was good that the company is prioritising customers but it is hard to see a line of sight for overall improvement in performance. The Committee would like a more ambitious approach to give greater confidence in improving performance. The Committee agreed that Focussed Monitoring should continue for now but that it would be

good to ask Trading Party Two for an update for the final MPC meeting about being ambitious in its improvement plan.

3.4. Following discussion, the Committee:

- **AGREED** to continue in Focussed Monitoring with an update at MPC90 in October on forward plans for improving performance.

3.5. The chair thanked SW for the update.

4. Trading Party 3

4.1. The Committee reviewed Trading Party Three's performance, following a request for an update at MPC86.

4.2. Trading Party Three has been using the assurance process for vacancy and this work started recently. It was acknowledged that Trading Party Three's position has not changed much but there has been some positive movement in its performance.

4.3. The Committee agreed that MPS7 (Late meter read submission – Wholesaler) continues to be an area of concern. Some meters have very long days late attributed to them; the Committee was interested to hear from Trading Party Three if it was tackling these issues proactively.

4.4. Following discussion, the Committee:

- **AGREED** to continue with Focussed Monitoring with an update at MPC90 on forward plans for improving performance with particular reference to MPS7 and whether Trading Party Three is being proactive on their issues with late reads.

4.5. The chair thanked SW for the update.

5. Trading Party 4

5.1. The Committee reviewed Trading Party Four's performance, following a request at MPC84. A member of the Committee recused themselves from the meeting during this item in case of a perceived or actual conflict of interest.

5.2. The metrics on all measures are improving for Trading Party Four and it remains very engaged with the process. Previously, performance measures have been impacted by processing older work and this work is now being completed. Many of the long-term vacancies have been

assured and Trading Party Four is no longer triggering on this metric. Legacy long-unread meters have been reduced as part of its work on addressing performance measures.

5.3. The Committee noted that Trading Party Four has provided an update on customer disconnections; it has recruited more staff to tackle this issue (including its offshore team) and this team will be working on the complex cases.

5.4. In terms of Retailers in its area, it was noted that Castle Water are currently top performance against the meter reading metric within the Retailer holistic table.

5.5. Following discussion, the Committee:

- **AGREED** to continue with Focussed Monitoring for Trading Party Four with an update at MPC90 in October.

5.6. The chair thanked SW for the update.

6. Tabled Updates and Review of Holistic Performance and Escalation Decisions

6.1. The tabled updates provided in advance of the meeting were raised.

6.2. The Committee received an update and discussed current status of proposed Letters of Concern (LOC) recipients, raising the following key points:

- Trading Party Five received its last Letter of Concern in November 2022 and is triggering the issuing of a letter of concern on the same metrics, MPS, Vacant with Consumption and Long-Unread Meters (LUMs). Vacant with consumption is not concerning but MPS and LUM data is, so the recommendation was to send this letter.

6.3. Trading Party Six is second from bottom on the NAV table. Leep also trigger a letter or concern on LUM and MPS and it also received a Letter of Concern as they triggered on these metrics in November 2022. Performance has not changed hugely since that time.

6.4. Trading Party Seven is second from bottom on the Wholesaler table. It received LOCs in July 2022 and November 2023. Improvements to performance were expected to be seen in the first quarter of this year but this has not been the case.

- 6.5. The Committee agreed that the letters should be issued but it was mindful that, for example with Trading Party Five, the number of meters was not significant compared to other Trading Parties. However, low volume does not mean that no action should be taken for poor performance.
- 6.6. With significant numbers of NAVs coming into the market, the monitoring of market performance around NAVs could be tricky and the Committee wanted to ensure that this will be flagged to the new Performance Assurance Committee as a potential area of concern. It was also suggested that, if this is not already happening, concerns could be raised in stakeholder meetings with those trading parties that are due to receive LOCs to help with engagement and improving performance.
- 6.7. It was agreed that SW could have a conversation with the three smaller trading parties this month and that the LOCs would be sent next month instead.

ACTION A87_01

- 6.8. It was also suggested that SW could reach out to the Independents Network Association as this group is made up of smaller trading parties and NAVS has a monthly meeting.
- 6.9. In the Performance pack, the Committee noted some Retailers were reporting that they had received no complaints and the Committee was interested in seeking the opinion of CCW at the next meeting about this.

ACTION A87_02

- 6.10. The Chair thanked SW for the update.

OPEN SESSION

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Jon Fuller	JF	Wholesaler Committee Member Alternate
Paul Baker	PB	Retailer Committee Alternate	Michael Rathbone	MR	Wholesaler Committee Member
Neil Pendle	NP	Retailer Committee Member	Paul Stelfox	PS	Wholesaler Committee Member Alternate

John Spreadbury	JS	Retailer Committee Member Alternate	Adam Richardson	AR	MOSL Representative*
Gerard Lyden	GL	Wholesaler Committee Member	Shaun Kent	SK	Ofwat Representative

*Non-Voting Members of the Committee

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Markus Lloyd	ML	MOSL Observer
Axelle Saada	AS	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Evan Joanette	EJ	MOSL Presenter	Peter Strain	PS	Castle Water Observer

APOLOGIES

Adam Boyns	AB	Customer Representative Committee Member	Trevor Nelson	TN	Retailer Committee Member
Sarah McMath*	SMc	MOSL Representative	Fallon Wilkinson	FW	Retailer Committee Member
Wendy Monk	WM	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member

7. Welcome and Apologies

- 7.1. The Chair welcomed attendees to the open session and noted that apologies had been received from TN and MR. It was noted that PB would be acting as alternate for TN, JS in place of FW and PS in place of JW. SMc, WM and AB had offered their apologies for the meeting.
- 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 26 June 2024 as an accurate record of the meeting.

9. Statement of work for YVE Audit

9.1. The Committee received information on the audit scope and discussed it. AS clarified that the settlement analysis on YVE will cover all trading parties to know the total settlement impact. The customer impact will be based on the selection criteria set out in the Statement of Work.

9.2. AS mentioned that work is underway on the Tariffs audit at the moment and there was no selection criteria for this audit so she has been in contact with some wholesalers and there are lessons learned from that which have been built into this process. The Committee suggested that the process should not be too rigid to build in some flexibility so that this work can be useful in the future for the MPF Reform Programme and AS said that she would ensure that this happened.

9.3. It was suggested that using Self Supply as a control group may be of interest to the audit team as this group should have accurate YVEs (or, at the very least, as accurate as they can be) and there are associated meter readings which may add to this piece of work. AS said that she would include this group in the selection criteria analysis but not include them in the final selection for the customer impact audit.

9.4. The Chair thanked AS for her presentation.

10. MPF Programme Update

10.1. The Committee received information on the Programme.

10.2. The Committee noted that priority KPIs will be delivered in April and others will come later and this has been agreed by the MPF Steering Group.

- 10.3. Part A (MPF Reform Governance) has been approved Part B (MPF Reform Non-Financial Tools) is currently with Ofwat.
- 10.4. The Committee noted that the projected budget has reduced from £1.1m to £955K. Consultation 4 (principles on Financial Tools) is currently open. PAG meetings continue and questions and concerns are being addressed in this forum.
- 10.5. The Committee raised that it was looking at the transition to the Performance Assurance Committee (PAC) in its next two meetings and asked for a projection, as part of that work, on what tools are proposed to be in place leading up to April and to have a view from the Programme on this.
- 10.6. The Committee asked about the possibility, given the timelines involved, of shadow running tools and EJ confirmed that the goal for the programme was to have as much shadow running as possible of Key Performance indicators (KPIs), the tools with financial implications for trading parties, and to give as much visibility of this as possible so as to give comfort to the market as well as giving a view to the Programme and the incoming PAC on how the metrics will work.
- 10.7. The Committee was also keen to know if the split between the new MPF and R-Mex/BR-Mex if there is a delay and when trading parties would be made aware. It was confirmed that the Programme is in discussion with Ofwat and SK said that the responses to its draft determinations would be taken into account, but that early sight of the direction of travel would be communicated as soon as practicably possible.
- 10.8. The Chair thanked EJ for the update.

11. Tabled Updates

- 11.1. The Committee noted the Tabled Updates paper circulated in advance of the meeting.
- 11.2. Ofwat updated the Committee on two documents that it published recently. The first was the decision on the cost recover mechanism (part of the Supplier of Last Resort arrangements). This was consulted on previously and the document covers Ofwat's decision on how it sees that working. The second document was its decision on the Customer Protection Code of Practice Changes. The Committee was invited to give any views by 23

August. It was noted that a new RWG Working Group has been set up to look at contact details linked to the second document.

11.3. The actions update circulated in advance of the meeting was noted and it was:

- **AGREED** that the following action would be closed: A84_04 and A85_05.
- **AGREED** that the following actions would remain open: A85_04 and A85_02 and that it was prudent to keep A83_05 (re: Decisions Log) open as a suggestion in the handover to PAC.

12. AOB incl. Reflections on the Meeting

12.1. It was noted that, due to the retirement of TN, there would be a vacant Retailer seat on MPC for its last two meetings.

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