

## Minutes of Panel Meeting 52

23 February 2021 | 10:30 – 17:00

Videoconference

Status of the Minutes: **FINAL**

### MEMBERS PRESENT

Trisha McAuley OBE	TM	Chair	Helyn Mensah <sup>1</sup>	HM	Panel Member (Independent)
Richard Barton	RB	Panel Member (Associated Retailer)	Elsa Wye	EW	Panel Member (Independent)
Trevor Nelson	TN	Panel Member (Unassociated Retailer)	John Vinson <sup>2</sup>	JV	Alternate - Panel Member (Unassociated Retailer)
Charlotte Glass	CG	Panel Member (Associated Retailer)	Pamela Taylor	PT	Panel Member (Independent)
Claire Yeates	CY	Panel Member (Unassociated Retailer)	Christina Blackwell	CB	Alternate - Panel Member (Customer Representative)
Mark Holloway	MH	Panel Member (Wholesaler)	Sarah McMath	SM	Affiliated Panel Member (MOSL)
Martin Mavin	MM	Panel Member (Wholesaler)	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Michael Rathbone	MR	Panel Member (Wholesaler)	Adam Richardson	AR	Panel Secretary
Fallon Wilkinson	FW	Panel Member (Associated Retailer)			

### OTHER ATTENDEES

Axelle Saada	ASa	MOSL Presenter item 7	Huw Comerford	HC	MOSL Presenter item 6
Stuart Boyle	SB	MOSL Presenter item 4, 10, 11	Ethan Fleming	EF	MOSL Secretariat
Evan Joannette	EJ	MOSL Presenter item 5	Kerry Spencer	KS	MOSL Observer
Antoine Schmidt	AS	Thames Water Observer	Christopher Wright	CW	Castle Water Observer
Hunada Nouss	HN	MOSL Board Member Observer	Conor Kearney	CK	Castle Water Observer
Patty Quintana	PQ	Southern Water Observer	John Gilbert	JG	MOSL Presenter item 5
Flo Monea	FM	MOSL Presenter item 8	Hannah Allardice	HA	MOSL Presenter item 8

<sup>1</sup> Departed the meeting at the end of Item 9, having already nominated JV as their alternate in advance

<sup>2</sup> From Item 10 onwards also an alternate independent member however with only one vote. From Item 13 onwards they ceased to act as an alternate retailer member and acted solely as an alternate independent member

## APOLOGIES

Mike Keil	MK	Panel Member (Customer Representative)	Nicola Smith	NS	Panel Member (Unassociated Retailer)
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### 1. Welcome and Introduction

- 1.1. The Chair welcomed the new Panel Members CG and FW to their first meeting.
- 1.2. HN was welcomed to the meeting, HN was a MOSL Board member and would be observing the meeting.
- 1.3. Apologies had been received from NS who had nominated JV as their alternate.
- 1.4. Apologies had been received from MK who had nominated CB as their alternate.
- 1.5. The Chair reminded Panel Members that in line with section 5.7 of the MAC they were to act impartially and not act in the interest or as a representative of any particular body or individual. If Panel Members believed they had an actual or perceived conflict they should declare this at the start of the meeting or before an agenda item. A register of interest form would be distributed to Panel Members following the meeting for completion and return to MOSL. Items discussed in closed sessions were confidential and should not be discussed with individuals outside of the Panel or confidential papers shared.
- 1.6. The Chair noted that in line with the proposed observer protocol on the agenda CW had submitted specific comments in advance and would be invited to note these to the Panel in advance of Panel Members discussion. This would be applied to other observers who wished to speak.

### 2. Minutes and Actions

- 2.1. The Panel approved the minutes for the Panel meeting 51.
- 2.2. The Panel agreed that the following actions could be closed as they had been completed:
  - 2.2.1. A51\_01
- 2.3. The Panel further agreed that the following actions would remain open:
  - 2.3.1. A26b\_04; A39\_05; A45\_10; A47\_03
- 2.4. Electronic voting would not be used at this meet due to the need to provide training to new Panel Members. A trial would be undertaken at a Panel meeting in March with full adoption from April.

### 3. Ofwat Update

- 3.1. DM reported that since the last meeting Ofwat had rejected [CPW069: Right of a Retailer to appoint an Accredited Entity to repair or replace a faulty meter when a Wholesaler misses the associated SLA](#) and approved both [CPW036: G/02 Form Amendments and G/03 Temporary Consent Form](#) and [CPW099: Clarify the responsibilities of Trading Parties during a planned event](#).

- 3.2. The Ofwat consultation on proposed changes to the Customer Protection Code of Practice in relation to meter reads, following an original proposal from Castle Water, had been published and would close on the 1st March.
- 3.3. The consultation setting out Ofwat's 'minded to' proposals around how to treat excess levels of customer bad debt arising from Covid-19 would be published in the week following the Panel meeting.
- 3.4. Following the Satori report and in relation to the governance review next steps, DM reinforced Ofwat's support for the review, which Ofwat saw as strategically important in the development of the market. DM reminded the Panel of Ofwat's vision for the market, which is one that creates value for customers and society. In reviewing industry governance, Ofwat's view is that thinking should not be constrained by the existing Codes which could be amended to ensure market governance acted as an enabler to deliver for customers and facilitate innovation. DM clarified what Ofwat saw as its role which is primarily around making sure the market is delivering for customers and providing strategic direction, but that Ofwat would continue to assist in driving change with MOSL where industry may find it difficult, to help eliminate market frictions.
- 3.5. Ofwat's view was that Panel should have more autonomy and be a more strategic body that focussed on improvements that are in the interests of the market and that would ultimately deliver greater benefits to customers, and that a purpose that reflected this would be beneficial. It is important that the Panel had the ability to shape its own priorities and agendas. This may be though greater use of sub-groups to focus on technical aspects to free up Panel resource.
- 3.6. DM reiterated Ofwat's expectations from Project RISE that all those operating in the market – including Panel, demonstrate behaviours that are in line with the spirit (rather than letter) of the Code and act in the interests of the market and customers. DM emphasised the importance of the role that Ofwat believes non-trading party Panel Members can play to call out vested interests and to pursue changes that seek to aid the removal of barriers to greater innovation to help achieve Ofwat's vision of a market that creates value.
- 3.7. Finally, DM stressed Ofwat's view that collaboration and partnership working are absolutely crucial to the delivery of our vision for the market and underpinned the concept of industry governance. It is important that all in the market worked together so that the market is collectively delivering benefits for customers and using this as its focus.
- 3.8. The Chair confirmed that DM would be joining the Governance Steering Group.

## 4. Change Assessment and Implementation Report

- 4.1. There were no new change proposals presented to the meeting.
- 4.2. A Panel Member asked if the MPF was to be changed in September to reflect market developments and whether the Panel would be involved in advance of the change as the MPF was fundamental to incentivising market behaviours. It was confirmed that the MPF sub-group was meeting on a fortnightly basis and reporting to MPC on progress. This would inform when the Panel was engaged.
- 4.3. SB explained that [CPW106: Deregistration of long-term vacant premises](#) was being amended by the proposer in light of consultation feedback and considerations whether it might require CMOS changes. MOSL proposed it be presented to the June Panel meeting. The proposer

clarified that since they had last communicated with MOSL their solution had further developed and may not involve a CMOS change which may allow the recommendation to be bought forward.

#### 4.4. The Panel:

- **AGREED** (unanimous) the amended change proposal plan for '[CPW106: Deregistration of long-term vacant premises](#)' (14 in favour).

## 5. CPW070a Bilaterals Interface Solution - Initial consideration of code amendments (package 1)

- 5.1. The Panel considered Change Proposal '[CPW070a: Bilaterals Interface Solution \(package one\)](#)'. This change sought endorsement for CSD 0601 (Data Catalogue) to give the industry confidence in their systems development ahead of formal code recommendation.
- 5.2. JG reported that the bilaterals project had communicated with Trading Parties a series of checkpoints leading up to July including "must do", "can do" and "should do" items to ensure readiness.
- 5.3. A survey had been issued to Trading Parties in February to judge readiness and there had been good engagement in relation to this with a high response rate. The survey would act as a benchmark for future surveys. Generally Trading Parties were content with the approach being taken and a number had confirmed they were using a mixture of high and low volume interfaces as had been initially requested. Five parties had responded with low level of readiness and they had been contacted to discuss how MOSL could support them either in a technical manner or with further documentation. Anonymised responses to the survey would be published on the MOSL website.
- 5.4. EJ reported that as the project was being developed at pace with an agile approach it was important to provide as much as assurance as possible to the market to mitigate Trading Parties being required to build at risk. To do this endorsement had been sought from the Code Advisory Group (CAG) on the data catalogue. This was being presented to the Panel for endorsement before seeking final recommendation from Panel to Ofwat at a future meeting. Before presentation to the CAG and Panel the solution was tested through the Operational Advisory Group (OAG), Technical Advisory Group (TAG) and Pathfinder groups. This approach also provided opportunity to the Panel to consider documents as they were being developed and mitigated against a large presentation of new documents to Panel all at one time.
- 5.5. The code amendment proposed for endorsement was CSD0601: Data Catalogue. After initial release in December it had progressed through several iterations in response to feedback. EJ confirmed that it had been reviewed by the CAG.
- 5.6. As industry engagement was in a different form to the usual consultation a summary pack had been produced to give clarity to Trading Parties and request responses over any concerns. Once summary responses had been received these would be reviewed by the CAG and included in the final version presented to Panel for approval.
- 5.7. Other proposed documents were currently under review by the governance groups involved and would be presented at the March Panel meeting.

- 5.8. DM reported that Ofwat was fully supportive to the approach taken by MOSL. Ofwat had provided constructive challenge to the change proposals.
- 5.9. A Panel Member reported that although they supported the programme and what it was attempting to do, they had significant concerns about how it was presented to the Panel and how the Panel received assurance. In their view the Panel was responsible for recommending the code change at a strategic level and was not part of the programme. To this end a statement was required from the Bilaterals Programme Steering Group that the documents were produced to a sufficient technical quality as this could not be undertaken by the CAG or Panel. Industry should rely on the assurance of the steering group that it was the current technical view of the solution and would have appropriate change control for any future iterations. The programme should have a measure of quality for each deliverable and so should be endorsing code documents as meeting the deliverables. As the Panel could not confirm if a change was technically correct it would be unable to endorse it and should just be noting it.
- 5.10. JG reported that the Steering Group considered time, cost and quality and reported on this to the MOSL Board which could be made available to Panel Members if required. Assurance was needed on the technical aspects and this was provided by the OAG and TAG. The TAG had issued supported for the technical aspects including the requirements for the data catalogue. The TAG recommendations and OAG recommendations were brought together at the CAG before endorsing it to the Panel.
- 5.11. A Panel Member expressed an understanding of this view and asked that in the future an explanation of the process, scrutiny, and endorsements it had received before being presented to Panel be included. This was important as future documents were likely to be more complicated.
- 5.12. A Panel Member noted that the project was complex and challenging and that, in their view, the Steering Group was better placed to provide technical endorsement. The assurance from TAG and OAG should be made clearer. Rather than endorse the Panel Member suggest that the Panel issue a "minded to support statement". This would not fetter the Panel's ability to make any changes to the proposals in the future but still provide a level of assurance to industry that the Panel did not currently have any concerns with the proposals.
- 5.13. A Panel Member agreed that it would be too late for the Panel to raise concerns for the first time when being presented with the final proposal. They supported the use of "minded to support" that endorsement. Several other Panel Members agreed with using the term "minded to support".
- 5.14. A Panel Member reported that the CAG had expressed concerns from a technical perspective. Another Panel Member who was also a member of the CAG confirmed that the CAG had discussed technical issues relating to the use of an XML document and had worked to understand the due diligence and assurance provided by the other groups to gain comfort. This allowed the CAG to confirm that the concern was resolved, and the document would deliver the change it was required to do.
- 5.15. A Panel Member expressed concern over long governance procedures which required Trading Parties to build at risk until eventual approval by Ofwat. As much assurance as could possibly be given to the industry would be of benefit.
- 5.16. A Panel Member asked for more information in future proposals on how the CAG mitigated risks and interpreted the best interests of the market.

- 5.17. A Panel Member continued to express that the Steering Group should provide assurance on the document and for Trading Parties and the Panel to understand how in an agile environment a change would be communicated. The Steering Group was responsible for the deliverables of the project and therefore should recommend them to the Panel in their opinion.
- 5.18. MOSL responded that the steering group operated at programme level and did not go into the level of detail to provide technical assurance. Neither was it composed of technical specialists. Consistent with programme governance the steering group gained assurance regarding the design and development of the solution through the scrutiny of the programme's various advisory groups. In relation to the change control issue the MOSL website laid out the live documents and the controls and version. Sprint reports would be issued to provide additional help. The Steering Group would not be providing a view on the technical aspects of the solution and would rely on other groups in the governance structure as they were not responsible for the detailed analysis of changes.

The Panel:

- **AGREED** (unanimous) it was minded to support CSD 0601 (Data Catalogue) (13 in favour, 1 abstain).

## 6. Draft Recommendation Report: CPW085 – Premises Vacant transaction link to DPID

- 6.1. The Panel considered Change Proposal '[CPW085: Premises vacant transaction link to DPID](#)'. This Change Proposal sought to prohibit Retailers from changing a premises' occupancy status to 'vacant' where an active Discharge Point Identifier (DPID) exists. If approved the change would introduce validation to prevent Wholesalers from creating new Discharge Points where the occupancy status of a Supply Point was Vacant. It also sought to define a service level on Wholesalers for termination of a DPID within the G6 'Termination of Trade Effluent Consent' process of the Operational Terms.
- 6.2. It was noted that CPW085 had previously been returned by Ofwat. The Panel was invited to confirm that the matters raised by Ofwat had been addressed and that it therefore still wished to recommend to Ofwat that the change be approved.
- 6.3. The Panel noted that the term 'best available date' had been clarified in response to Ofwat's feedback. This meant that the Retailer could claim back fully from all customers.
- 6.4. An observer noted that there was a reference to the confidential consultation response, and this should be disregarded. Ofwat had previously stated they did not wish parties to appeal directly to them via confidential responses.
- 6.5. A Panel Member noted the change was predicated on one Wholesaler and one Retailer being involved however there was likely to be a considerable amount of cases where the water and waste were different. The use of vacancy flags and DPID could create further issues with other parties. Disputes arising from this were likely to be extremely complicated. Another Panel Member agreed and stated that it could result in a transfer of costs to the Retailer without route of recovery.
- 6.6. Currently there was no guidance on when the DPID should be completed.

- 6.7. A Panel Member expressed concern that a deeper exploration of customer impacts was needed and that the report did not appropriately lay out the benefits and risks for the customer. It would be of benefit to see the case presented from a customer point of view. The size of the issue was also not clear or quantified in terms of numbers. Another Panel Member questioned if the customer impacts should be consulted on.
- 6.8. The Panel noted that they should consider if the change, as presented, was better than the baseline.
- 6.9. The proposer responded that if the Water Only Company (WOC) was notified of a customer vacancy then the vacancy flag could be applied without informing other parties. This change would ensure the communication that took place to update the appropriate data items. There may be issues on the sewerage account that impacted the overall account. The customer impact of inconsistency between WOCs and Water and Sewerage Companies (WASCs) data could cause wrongly issued enforcement letters to the customer with a long timescale to correct the data and resolve the issue.
- 6.10. A Panel Member noted that trade effluent was the responsibility of the Wholesaler and the change risked a transfer of burden to the Retailer who may be unaware there was a trade effluent license in place. The amount of trade effluent consents in the market was low and the scale of this issue was likely only a small amount. The change would force the issue to be corrected at the time than allow it to go undetected in the long term.
- 6.11. A Panel Member did not support a consultation as it was not clear that the solution was proportionate as the problem had not been quantified.
- 6.12. Other Panel Members noted that the need for a consultation may change depending on any re-assessment of the solution and that further consultation may be one of the routes to better understand the customer impacts. They noted that customer impact should be assessed on a historic as well as future basis.
- 6.13. A Panel Member noted that application of Trade Effluence consents varied. Some Wholesalers granted consents in relation to customers and others in relation to premises and, if the property became vacant, the occupier was effectively the landlord.
- 6.14. A reassessment would include an analysis on the size and scale of the issue and impacts and to reframe it from a customer perspective with MOSL retaining the right to consult if it was found to be required.
- 6.15. The Panel noted that, if the change was referred to MOSL for reassessment then MOSL would present a revised timetable at the next meeting. Further, it would not be possible to include the change in the November 2021 release.

The Panel:

- **AGREED** (unanimous) to return CPW085 to MOSL for further assessment (13 in favour, one abstain);

## 7. Draft Recommendation Report: CPW109 – Changing the constraints on Customer reads

- 7.1. The Panel considered change proposal '[CPW109: Changing the constraints on Customer reads](#)'. This Change Proposal sought to relax the restriction which states that only one customer read is allowed per year for bi-annually read meters.
- 7.2. The Panel was invited to consider if the proposed solution was better than the baseline and if the alternative solution was better than the baseline. If both solutions were found to be better than the baseline, then a judgement should be made as to if the alternative was better than the proposed.
- 7.3. An observer noted that Ofwat was encouraging customer reads and the alternate solution appeared to be a sensible solution to support this.
- 7.4. A Panel Member expressed concern over the removal of the backstop read as this could place the customer at a significant disadvantage. Even though this may currently be being circumvented it was not a reason to remove it if it was a key protection for customers.
- 7.5. A Panel Member who was also a member of the Panel's metering huddle group responded that the change had the potential to deliver good results for customers and there was still a requirement on Retailers to undertake meter reads to ensure customer protection was in place. The metering huddle had not found any evidence to suggest the customer reads were likely to be any more erroneous than Retailer reads with the data quality staying the same. Most customers asked to submit reads often submitted a photograph of the meter read as they wished to ensure accurate reads for accurate bills. Retailers would still be required to validate customer reads which may involve Retailer reads. The situation could be monitored to understand if the impact to the customer was negative, this may include how many customers reached RF without a visual read or validation.
- 7.6. Due to the ongoing metering review there may be further changes in relation to metering in the future. It was noted that MOSL's customer segmentation work may inform if customers meter reads could be varied dependant on meter sizes or volumes.
- 7.7. A Panel Member expressed concern that, if implemented, the change would dilute Retailer responsibilities and could place undue pressure on customers. Another Panel Member agreed and questioned why the backstop was being presented as mutually exclusive with submitting multiple reads and if there were quality standards around validation.
- 7.8. It was clarified that Retailers would retain a duty to ensure meter reads were correct no matter what the source (customer, third party) and to complete verification checks. CMOS also applied the same validation criteria to reads. There was a natural incentive on Retailers to do the right thing for their customers and if not, customers would choose to switch. A customer could ignore a request for a read which would trigger a Retailer read. Additional quality standards for reads may be established as part of the metering review. Retailers may also take additional steps to incentivise customers.
- 7.9. It was confirmed that the Market Performance Framework (MPF) only measured the timeliness of reads not quality but the MPF sub-group was reviewing this.
- 7.10. A Panel Member commented that the change related to if settlement should be predicated on Yearly Volume Estimates or customer reads. If customer reads were submitted for settlement

into CMOS, then wouldn't that come at a CMOS cost. It was confirmed that there was no validation rule in CMOS for customer reads, if the change was rejected an alternative change would be introduced to implement the validation rule which would be at a cost.

7.11. A Panel Member expressed concern that the lack of consultation may not be well received by Ofwat.

7.12. It was observed that a new meter would have a Retailer validated read and not a customer read. Meters that were unsafe for customer access or hard to find would also be deal with by Retailers.

7.13. The Panel:

- **AGREED** (unanimous) that the proposed solution better facilitated the code objectives and principles (13 in favour, 1 abstain);
- **AGREED** (unanimous) that the alternative solution better facilitated the code objectives and principles (10 in favour, 4 abstain);
- **AGREED** (by majority) to recommend to Ofwat that the CPW109 alternative solution be approved for implementation and the CPW109 proposed solution be rejected (10 in favour, 1 against, 3 abstain); and
- **AGREED** to recommend an implementation date of;
  - 14 May 2021, if Ofwat's decision is received by 30 April 2021, or
  - 27 August 2021 if Ofwat's decision is received by 6 August 2021.

## 8. Draft Recommendation Report: CPW112 – Clarifications to CSD 0102 and CSD 0105

8.1. The Panel considered change proposal '[CPW112: Clarifications to CSD 0102 and CSD 0105](#)'. This Change Proposal sought to enhance the clarity of the wording in CSD 0102 Registration: Transfers and CSD 0105 Error Rectification and Retrospective Amendments to ensure consistency and alignment between the market codes and current operating practice when submitting a transfer read and performing a retrospective amendment.

8.2. A Panel Member asked how this would impact on the Market Performance Standards reporting on transfer reads and if CMOS should be amended in retrospect. MOSL assured the Panel Member that if CMOS was amended retrospectively rather than accept the custom and practice that had developed this would require a much more detailed change. Currently CMOS aligned with custom and practice and this change would align the codes in this manner.

8.3. The Panel:

- **AGREED** (unanimous) to recommend the implementation of CPW112 to Ofwat for approval (14 in favour);
- **AGREED** to recommend an implementation date of;
  - 14 May 2021, if Ofwat's decision is received by 22 April 2021
  - 27 August 2021 if Ofwat's decision is received by 6 August 2021.

## 9. Governance Review

- 9.1. The Panel considered the Governance Review: Next Steps proposal, which outlined the potential options for progression following the Satori Board Review report.
- 9.2. MOSL reported the work to implement the Satori recommendations had been split into two tranches consisting of a strategic roadmap and a working practices (or service) road map. The strategic roadmap would look to take forward establishing a Panel purpose and the changes resulting from this such as composition of the Panel in advance of the September 2021 elections.
- 9.3. The service roadmap included several areas some of which could only be taken forwards once the purpose had been established.
- 9.4. It was proposed that the Market Governance Steering Group (MGSG) would monitor the overall programme and provide input into the purpose work.
- 9.5. The plan recognised that code changes would result from the work which should be assessed by a Panel Sub-Group/Committee. This would include [CPM021: Panel Membership and Voting Rights](#) which had already been raised. A sub-group would assist with industry engagement on code changes.
- 9.6. An observer noted that it appeared an opaque ringfence was being placed around changes that required code changes and changes that did not. The MGSG was operating in an opaque manner and should have wider membership and more open proceedings with the release of their previous minutes and agendas.
- 9.7. A Panel Member questioned the approach which proposed the MGSG began defining a straw-man Panel purpose. They felt this should be done by the Panel collectively. This may prevent the work being repeated in future years. They also felt that the split between the MGSG and proposed Governance committee was not clear. Two other Panel Members supported this, as the purpose was a fundamental piece of work it should be undertaken collectively to ensure collective responsibility and required more transparency and Panel input than what was proposed.
- 9.8. It was noted that to submit the changes to Ofwat with enough time for them to assess them, make a determination and for the changes to be implemented in time for the September election meant that the Panel purpose needed to be considered over the coming six to eight weeks. A high-quality straw-man purpose statement by the end of March would allow engagement with the industry in April.
- 9.9. A Panel Member noted that if the MGSG undertook early development of the Panel purpose which was then debated and amended by the Panel this would ensure appropriate input and collective responsibility. Anything approved by the Panel, the Panel was collectively responsible for. If the Panel wished to be involved as a body at an earlier stage, then this would likely slow the timetable down. Several Panel Members agreed with this view that the Panel should be involved but practically it may be important for the Panel to be provided with “strawmen” for discussion which would assist in creating a dialogue.
- 9.10. AR confirmed that the Panel would be engaged throughout with the purpose not moving from one stage to the next without Panel discussion. Code changes arising from this would be scrutinised in the usual manner.

- 9.11. Panel Members requested that enough time was allowed for Panel discussion and if possible, it was not undertaken at a standard meeting to allow enough time. This may require external facilitation. Due to the timescales involved Panel Members flexibility for meeting dates was required.
- 9.12. Panel Members suggested reversing elements of the plan to allow wider engagement first. One Panel Member expressed support with beginning with stakeholders and the industry before the Panel considered the matter of its purpose.
- 9.13. It was noted that the publishing of the Satori report may prompt inputs or could be used to prompt inputs in the future.
- 9.14. AR stated that MOSL would work with the Market Governance Steering Group to take account of the Panel discussions in a redrafted project plan to engage the correct people at the correct stage and work with Trading Parties, Ofwat and CCW to understand views from outside of the Panel. To support these conversations strawmen proposals and external facilitation of conversations would be helpful. If these were not used and industry was engaged with first, then this risked a lot of unstructured comments that may not be helpful. A consultation with industry on the purpose could be held with questions to reply to. Such a consultation should seek to engage with all stakeholders and go beyond just Trading Parties. Delaying code changes would require discussion with Ofwat on how much time it required to assess changes. Updated roadmaps would be circulated out of committee.

**ACTION: 52\_01**

- 9.15. An observer noted on the meeting protocols that the role of observers was linked to Panel composition which was likely to change and the Panel should defer a decision until this was resolved. In their view, the Panel terms of reference were inconsistent with the MAC which required all meetings to be open and did not make provision for the closed sessions that the Panel undertook.
- 9.16. Panel Members noted that the protocols were likely to evolve and be adjusted over time.
- 9.17. The Panel:
- **AGREED** (unanimous) to publish the Satori report (14 in favour);
  - **AGREED** (unanimous) to implement the proposed meeting protocols (14 in favour);
  - **DEFERRED** approval of the recommended strategic roadmap; and
  - **DEFERRED** approval of the recommended service roadmap.

*HM left the meeting.*

## 10. Governance Committee

- 10.1. The Panel considered the options for forming a sub-group or committee to assess Change Proposals that may arise from the governance review.
- 10.2. SB reported that at least four code changes had been identified from the Satori recommendations with further changes possible dependant on developments. It was proposed that the composition of the group established have a membership of no more than 50% of Panel members set as a limit than a target. The proposer of changes submitted to the group would

usually be a member of the sub-group and as such it was proposed that the proposer of [CPM021: Panel Membership and Voting Rights](#) would be a member.

- 10.3. It was summarised that sub-groups were focussed on changes from design stage to recommendation to the Panel and generally acted in a more agile manner than committees. Usually they did not have minutes as their discussions and decisions were captured in the change proposal consultation and the recommendation reports submitted to the Panel. Committees had a broader remit and worked to a cycle of monthly meetings with published minutes. MOSL was proposing a sub-group to allow for a more agile approach that could react to the programme controlled by the MGSG.
- 10.4. An observer noted that there was a discrepancy over the use of the term “committee” in the papers and the slides.
- 10.5. A Panel Member expressed support for populating a group with governance experts but if a sub-group was formed it should be more transparent than sub-groups usually were with published minutes. At this stage however it appeared too early to form any type of group. They noted that although standard Terms of Reference (ToRs) had been presented these could be adjusted by the Panel.
- 10.6. MOSL confirmed that minutes could be produced for sub-groups however would be at a high level.
- 10.7. A Panel Member supported the agile approach of a sub-group but that due to the nature of the work transparency was needed and supported high level published minutes.
- 10.8. Ofwat supported the balance of Trading Party and non-Trading Party composition and felt that the customer voice was important to include.
- 10.9. It was confirmed that a sub-group would be populated by seeking nominations and presenting them to Panel for decision.
- 10.10. A Panel Member strongly felt that a committee was required due to the importance of transparent governance and that committees could operate in an agile manner.
- 10.11. Several Panel Members expressed support for a sub-group as its work was to assess and consider changes from the governance review but to increase its transparency to a level comparable with a committee. Composition was important however the ultimate decision rested with the Panel to make decisions.
- 10.12. It was agreed that a vote should be taken on if a sub-group or committee was formed with the exact ToR’s taking into account Panel comments to be presented out of committee to the MGSG for approval before seeking Panel approval. This would allow nominations to be sought during March.

**ACTION: 52\_02**

- 10.13. A Panel Member raised an objection that they did not think it was appropriate to take a vote at this time and that a sub-group was not appropriate.

- 10.14. The Panel:

- **AGREED** (by majority) in principle to form a sub-group and to consider approval of the group's formation and terms of reference via ex-committee decision ahead of the next regular Panel Meeting in March (12 in favour, one against).

## 11. Enhanced Change Service

- 11.1. The Panel noted MOSL's work to develop the change service and proposed revised templates for Recommendation Reports and Change Proposals.
- 11.2. SB reported that the purpose of the work was to improve the MOSL service and make it easier for Trading Parties and the Panel. Best practice had been taken from other industries and consultation with the market and Panel Members.

*MH left the meeting.*

- 11.3. An observer noted that the Change Charter omitted previous comments from Ofwat around the use of external professional services in relation to technical issues. The Draft Recommendation report and Change proposal included prompts but was not consistent across all documents presented. The changes were positive however appeared to be the lowest common denominator changes from the Request for Information.
- 11.4. A Panel Member commented that the naming of changes was often problematic, and titles were not updated as solutions evolved. SB agreed that this could cause issues and MOSL was looking to apply working titles or other solutions to this.
- 11.5. Comments were invited to be sent to the Panel Secretariat via email on the Change Charter and DRR form.

**ACTION:52\_03**

- 11.6. The Panel:

- **AGREED** (unanimous) to the revised Change Proposal form (12 in favour).

## 12. Panel Committee Membership

- 12.1. The Panel considered whether to extend existing committee members' tenures or to seek new nominations for members as provided for under the current Terms of Reference.
- 12.2. An observer noted that the justification for extending the DC membership was poor and membership was out of line with the MAC requirements.

*CB left the meeting.*

- 12.3. A Panel Member asked if CCW should be a member of the MPC. MOSL would make a recommendation on this at the next meeting.

- 12.4. The Panel:

- **AGREED** (unanimous) to seek nominations for Market Performance Committee Members in advance of 31 March 2021, consistent with the current MPC terms of reference (11 in favour).
- **AGREED** (unanimous) to seek nominations for Disputes Committee membership in August/September 2021, in line with its terms of reference (11 in favour).

*PT left the meeting.*

## 13. Panel Terms of Reference

13.1. The Panel considered the proposal to update its Terms of Reference following the implementation of '[CPM034: Retailer Panel Member Changes](#)' and '[CPM036: Provision to Vary Panel Members Terms](#)'.

13.2. The Panel:

- **AGREED** (unanimous) to the revised Panel Terms of Reference (10 in favour).

## 14. Committee Reports

14.1. The Panel noted the committee report.

## 15. MOSL Business Update

15.1. Comments on the MOSL Business Update were invited to be sent via email.

## 16. MOSL Market Update

16.1. Comments on the MOSL Market Update were invited to be sent via email.

## 17. Closed Session

## 18. Metering Committee Members

18.1. The Panel noted the nominations received for the Metering Committee.

18.2. Due to a number of Panel Members leaving the meeting and several other Panel Members declaring a conflict in relation to nominations the Panel would not be able to appoint members in a quorate fashion.

18.3. The Panel:

- **DEFERRED** approval of metering committee membership.