

Strategic Panel Delegation Policy

1. Delegation of Decision-Making Authority

The Strategic Panel's functions and responsibilities are defined in the Market Arrangements Code (MAC Section 5.2) and parts of the Wholesale Retail Code. Definitions and a clear scope for three Strategic Panel Committees are set out in MAC Schedules 9, 10 and 14, which the codes require the Strategic Panel to establish.

There are three Strategic Panel Committees with explicit functions and certain decision-making authority laid out in the MAC. They are:

- Disputes Committee (MAC Schedule 9)
- Market Performance Committee (MAC Schedule 10)
- Code Change Committee (MAC Schedule 14).

2. Work Allocation

With the specific exception of the Disputes Committee, which cannot deal with any matters that do not directly relate to Disputes, work can be allocated to the Market Performance Committee and the Code Committee. Where the activity remit is outside these areas, the MAC allows the Panel to allocate work to Additional Strategic Panel Committees that it may set up for that express purpose (MAC Schedule 12).

2.1 Why allocate work?

The market codes are bilateral and multilateral agreements that sit within a complex market hierarchy. The Strategic Panel has many responsibilities to ensure an efficiently functioning market and because of limited resources it should delegate some tasks. Benefits of delegating work include:

- Allowing sufficient time and attention to be focused on a particular issue
- Providing for more specialised activity and capability in delivering the Strategic Panel's responsibilities
- Assisting decision-making.

2.2 Considerations when delegating work

To ensure a Committee or Sub-group has a clear purpose and remit, the following questions may be considered to establish the value and reinforce the decision to delegate work. Determinations should be included in the Committee's Terms of Reference.

- What should the Committee produce or deliver?
 - The Strategic Panel should clearly detail its expectations of the committee or group together with the committee or group's anticipated impact.
- Who should be on the Committee and in what capacity?

- What decisions are needed and are these being taken by persons with appropriate knowledge and expertise whilst avoiding duplication of effort
- Should Strategic Panel Members be allowed to sit on Panel Committees.
- To whom, and how, should it report its activities?
 - To ensure a Strategic Panel Committee or Sub-group is effective and continuing in its purpose, regular updates should be provided to the Strategic Panel to provide effective monitoring. The Strategic Panel can confirm the frequency in the Committee's Terms of Reference.
- Does the Committee have a limited timescale to produce its output or is it on-going?
 - This should be determined from the scope of activity.
- How does the Committee fit into the existing portfolio of Strategic Panel Committees - are there any overlaps in remit and are the dividing lines between Committees clear?
 - Does the MAC explicitly define what activities should be delegated to Committees? Other areas outside this scope will need to go to an Additional Panel Committee set up for the purpose. However, it should be clear that the activity cannot be delegated to an existing Committee.
- How will conflicts of interest be handled?
 - Where a conflict of interest arises after a Committee has been established, it should be clarified who they need to advise in writing - the Panel Secretariat or the Committee Secretariat.

2.3 How will the Strategic Panel delegate work?

When a decision has been made to delegate work this should be clearly noted in the Strategic Panel meeting minutes, a decision log and the relevant Committee (or sub-group) Terms of Reference.

3. Checks and balances

3.1 Impartiality

MAC Schedule 12 refers to section 5.7 which extends the requirement to act impartially to all Additional Panel Committee members. Committee members should act in the best interests of the market as a whole and be guided by the Principles and Objectives set out in the market codes. As Strategic Panel members are expected to fulfill their duties to the market in this manner so should members of Committees undertaking work on the Strategic Panel's behalf.

3.2 Reporting and Monitoring

The Strategic Panel Secretariat, the Strategic Panel Sponsor and the Committee Chair will each have a role in reviewing Committee effectiveness and reporting back to the Panel.

- The Strategic Panel Secretariat will provide the Strategic Panel with a report of the progress of Committees

- The Strategic Panel Sponsor (if one is appointed) has a role of convening with the Committee Chair regularly to discuss the progress and effectiveness of the Committee, which can be communicated back to the Strategic Panel
- The Committee Chair will be responsible for the Committee itself, so they have a role in ensuring that progress is made at each Committee meeting, and they communicate any issues and successes to the Strategic Panel Sponsor.

The form that this reporting takes will be decided by the Strategic Panel on a case-by-case basis, it is likely that each Committee will have its own specific reporting measures, which should be captured in the Terms of Reference.

3.3 Secretariat

The Strategic Panel Secretariat will be responsible for communicating progress of objectives and actions between the Committees and the Strategic Panel.

3.4 Committee and sub-group costs

The Strategic Panel should identify where Strategic Panel Committees and sub-groups may need to procure expert advice to support their work. Where this is the case, the Strategic Panel should quantify maximum anticipated spend in relation to such work. Such funds will be borne by MOSL and recovered from members via Market Operator (MO) charges. The mechanisms for accessing such funds (or any additional funds) will be set out in the Committee or sub-group's Terms of Reference.

4. Strategic Panel Sponsors

The Strategic Panel should consider whether to appoint a Strategic Panel Sponsor for any of the Committees it establishes. Strategic Panel Sponsors should engage and advise the Committee and are responsible for:

- Communicating the vision, goals and expectations of the Strategic Panel to the Committee members
- Providing constructive challenge to assure themselves and the Strategic Panel that Committees are operating effectively and in line with the Strategic Panel's overall objectives
- Building relationships between the Committee and the Panel, acting as an ambassador for the Committee, engaging in critical debate when challenged and inspiring stakeholder confidence.

The Strategic Panel Sponsor should meet with the Committee Chair on a regular basis (at least quarterly); however, the Strategic Panel Sponsor should not become part of the operation of the Committee.

5. Policy Review

The Delegation policy will be reviewed regularly as needed, but at least annually.

Date of next review: February 2023