

## Minutes of Panel Meeting 51

26 January 2021 | 10:30 – 17:00

Videoconference

Status of the Minutes: **Draft**

## MEMBERS PRESENT

Trisha McAuley OBE	TM	Chair	Helyn Mensah	HM	Panel Member (Independent)
Richard Barton	RB	Panel Member (Associated Retailer)	Elsa Wye	EW	Panel Member (Independent) – part meeting only
Trevor Nelson	TN	Panel Member (Unassociated Retailer)	John Vinson	JV	Alternate - Panel Member (Independent) – part meeting only
Michelle Burns	MB	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) – part meeting only
Mark Holloway	MH	Panel Member (Wholesaler)	Sarah McMath	SM	Affiliated Panel Member (MOSL)
Martin Mavin	MM	Panel Member (Wholesaler) – part meeting only	Dan Mason	DM	Affiliated Panel Member (Ofwat)
Michael Rathbone	MR	Panel Member (Wholesaler)	Adam Richardson	AR	Panel Secretary
Nicola Smith	NS	Panel Member (Unassociated Retailer)			

## OTHER ATTENDEES

Axelle Saada	ASa	MOSL Presenter item 7	Martin Hall	MHa	MOSL Presenter item 11
Annabel Parsons	AP	Satori Presenter item 1	Charlotte Glass	CG	Wave Observer
Giles Naylor	GN	Satori Presenter item 1	Ethan Fleming	EF	MOSL Secretariat
Steve Arthur	SA	MOSL Presenter item 15	Christopher Wright	CW	Castle Water Observer
Stuart Boyle	SB	MOSL Presenter item 5, 17, 18	Antoine Schmidt	AS	Thames Water Observer
Evan Joanette	EJ	MOSL Presenter item 5	Kerry Spencer	KS	MOSL Observer
Amanda Hinde	AH	MOSL Presenter item 8, 9	Steve Formoy	SF	MOSL Presenter item 13

## APOLOGIES



Mike Keil	MK	Panel Member (Customer Representative)			
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## Closed Session

### 1. Satori Findings and Q&A

- 1.1. Satori Board Review, represented by AP and GN, presented an overview of their recommendations from their review of Market Governance and provided an opportunity for Panel questions and discussions.
- 1.2. The next steps would be for the Market Governance Steering Group to consider these findings and the priorities and timescales for action in developing a way forward. The Panel noted that the Governance steering group would report at the next Panel meeting.

## Open Session

### 2. Welcome and Introduction

- 1.3. The Chair welcomed Panel Members and all other attendees to Panel Meeting 51.
- 1.4. Apologies had been received from MK, who had nominated CB as their alternate who would join the meeting shortly.
- 1.5. SM reported that MOSL had been reviewing its organisational design and capability as part of its three-year business plan. Due to this there would be a change to the MOSL leadership team with the removal of the role of Director of Market Performance. SM confirmed that this meant that SA would be leaving MOSL. SM expressed her thanks to SA for his hard work and dedication to both MOSL and the market.
- 1.6. The Panel expressed their thanks to SA for all of his work and wished him well in his future endeavours.
- 1.7. SA thanked the Panel for their kind words and wished MOSL and the Panel all the best in the future.

### 2. Minutes and Actions

- 2.1. The Panel approved the minutes for the Panel meeting 50.
- 2.2. The Panel agreed that the following actions could be closed as they had been completed:
  - 2.2.1. A48\_02; A50\_01; A50\_02
- 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. It was confirmed that, following the last meeting, those Panel Members who had requested a more detailed discussion on the Credit Committee's findings on Issue 1 (Panel Paper 50/06) had met with MOSL to better understand the conclusions and that no further action was needed.
- 2.5. A member asked what the timeline and next steps were for the engagement map. SM confirmed it was still being developed but had already been shared with the Strategic User Forum (SUF) and Satori.

### 3. Ofwat Update

- 3.1. DM reported that Ofwat were looking to publish a joint statement with MOSL on the afternoon of the 28<sup>th</sup> outlining the response to the latest lockdown.
- 3.2. A Call for Inputs had been issued in November in relation to the risks of elevated customer bad debt due to COVID. Through discussions with Retailers, it had become clear that early certainty on key elements of how elevated levels of bad debt would be treated was essential for planning purposes. A consultation would be issued before the end of the financial year on timings and preferred options following analysis of the CFI results.
- 3.3. A member asked if the response to COVID was likely to require code changes from the Panel. DM confirmed that this was not the case and that the extension on the suspension of market performance standards charges did not require a code change.
- 3.4. A member noted that there was likely to be a backlog of bilateral transactions due to COVID which may require a response from Ofwat to ensure Trading Parties were not caught unawares and that customers received the correct service. DM responded that Trading Parties should work together where possible and take common sense approaches that were best for customers.

*CB joined the meeting.*

- 3.5. DM confirmed that decisions had been made since the last meeting on change proposals CPW108, CPW50, CPM34 and CPW104. Decisions on CMP36 and CPW69 were due to be released shortly.
- 3.6. A member asked if anything could be learnt from changes that were rejected. DM confirmed that guidance had been issued to MOSL on the level of detail provided, often this related to the quality and analysis of evidence. This could be something to be addressed as part of the governance review.
- 3.7. Ofwat's Innovation in Water fund was now open and could award bids of up to £250,000.

### 4. Change Report

- 4.1. The Panel considered the proposed assessment approaches and assessment timetables for new change proposals.
- 4.2. SB confirmed that CPW85 had been sent back by Ofwat, MOSL were consulting with the proposer to clarify the deliverables with the SLA and would recommend the solution at the February Panel for November implementation. A member noted that it was important for Trading Parties to be clear what issue they were trying to address.

- 4.3. CPW111, CPW113 and CPW114/CPM037 were housekeeping changes that would be considered later in the agenda.
- 4.4. [CPW109 \(Changing the Constraints on Customer Reads\)](#) was proposed to be consulted February/March for Panel presentation in April with implementation in August. A member asked why this required consultation as it did not have an impact on CMOS. Another Panel member advised there were areas in the current proposal they believed needed further consideration. The Panel noted that the Metering Huddle had considered this change and wished to expand the solution to include monthly reads which would require a consultation to gather evidence regarding potential impacts on Trading Parties. Panel Members noted that feedback from Trading Parties indicated a preference for longer, rather than shorter, consultations. Shortening the consultation time would not be well received by Trading Parties. There was also a need to allow at least two months for Ofwat to consider the change.
- 4.5. Panel Members observed that the current proposal reflected what was currently occurring in the market with some Trading Parties and would align with guidance being issued to customers. If the change was kept to biannual reads a consultation was not needed and a separate change could be raised to deal with the monthly read improvements identified by the Huddle.
- 4.6. [CPW110: 'Sharing non-household emergency contact details'](#); had originated from the RWG and was seeking to standardise the format used to exchange emergency contact details between retailers and wholesalers. However, a recent RWG meeting had since changed the scope to a technical solution possibly involving CMOS. Further development and assessment of this solution was needed. It was therefore proposed that the change would be recommended to the June 2021 Panel with implementation targeted for May 2022. In the meantime, Trading Parties could continue to exchange the data as provided for under the current rules.
- 4.7. The Panel:
- **AGREED** (unanimous) the assessment approaches and assessment timetables for new change proposals (13 in favour):
    - [CPW110: 'Sharing non-household emergency contact details'](#);
    - [CPW111: 'Housekeeping change to align the codes with CMOS'](#);
    - [CPW112: 'Clarifications to CSD 0102 and CSD 0105'](#);
    - [CPW113: 'Housekeeping changes to fix typographical errors and ensure standardisation'](#);
    - [CPW114 and CPM037: 'Housekeeping changes to fix typographical errors and ensure standardisation'](#);
    - [CPW115: 'Amending and updating the definition of Insolvency event to remove the 'negative net assets' criterion'](#);
  - **AGREED** (unanimous) that a consultation should not be held for [CPW109 \(Changing the Constraints on Customer Reads\)](#) and should be considered for recommendation to Ofwat no later than the March 2021 Panel meeting (13 in Favour).
- 4.8. EJ reported that the Bilaterals Programme would seek to redesign at least 22 of 67 operational processes by June 2022 which would require code amendments. Some code documents would be presented to the Panel multiple times as the solution developed. To facilitate the Panel's

consideration of so many documents and to provide guidance to the Market on the direction of travel, as they became available, code amendments would be scrutinised by the Panel's Code Advisory Group (CAG). The CAG would then make its recommendations to the Panel in work packages. The first of these packages would be presented at the February meeting where the Panel would be asked to endorse the first package of amendments. In April, it was intended that a full and final set of code amendments relating to part (a) of the Bilaterals Programme would be presented to Panel for formal recommendation to Ofwat.

- 4.9. The Panel noted that one of the key technical documents relating to these amendments (the CSD0601 data catalogue) had been released to the market to allow Trading Parties to begin building their data and transaction catalogues. CSD0601 had been endorsed by the Code Advisory Group (CAG) as sufficient to meet its purpose.
- 4.10. Robust feedback from CAG and Ofwat had been that the Bilaterals Programme ensure that what governance and industry engagement had occurred, be made clear as the changes developed. The feedback and changes from each level of engagement should be recorded. Panel Members noted that at least twenty-two Trading Parties were represented on the various governance groups that were providing input to the programme. It was noted that efforts were continually being made to engage Trading Parties, in particular smaller parties, and there was a dedicated communications person assisting with this.
- 4.11. An agile approach had been taken to meet the Ofwat timeline. This required designing and building the solution at pace and any delays would cause additional costs and delay realisation of benefits.
- 4.12. DM reported that if there was insufficient reassurance of industry engagement, a statutory consultation would likely be lengthy and could cause delays.
- 4.13. A member asked where the results of the internal audits of the project would be presented. It was confirmed they were presented to the Project Steering Group.
- 4.14. A member asked when the decision on when the system went live and when it became mandatory would be made. MOSL responded that CPW070 laid out the Ofwat-mandated timetable and identified clear dates as to when the Panel needed to make decisions and approvals. Ofwat approval and subsequent implementation of changes into the market codes would determine when the system became mandatory.
- 4.15. A member asked how the Panel would receive assurance that there had been sufficient testing of the system for Trading Parties, in particular smaller parties, to begin using when it was mandatory. If the system was mandatory but not sufficiently tested this could have a serious impact on customers. They noted that the first deliverable, the C1 Process had taken longer than originally intended, so without a change in code implementation date, this may have shortened the testing time.
- 4.16. MOSL reported that there were testing milestones and partners lined up (e.g. the Pathfinder group comprising many Trading Parties). Panel recommendations on code amendments would help to provide assurance to the market that they could rely on the stability of draft code if they felt they were building at risk. The Bilateral Programme was working with Ofwat and if governance groups identified that there was a critical need for more time, then this would be reported to Ofwat.

- 4.17. Another Panel Member noted that Trading Parties needed to accept that the system would become mandatory and get on board with the testing and implementation.
- 4.18. A member of the Bilaterals Steering Group (JV) confirmed that there was continual review of how to engage Trading Parties of all sizes. The group had also seen the internal audit report.
- 4.19. SM reported that there was a Contract Managers meeting on Friday which would include discussion of the bilaterals testing.

## 5. Committee Report

- 5.1. The Panel noted the committee report.
- 5.2. The Chair of the DC reported that the DC03 meeting had considered an urgent dispute request in relation to DIS20. The committee had determined the dispute was not urgent and there was no need for an expedited timetable. The dispute would be considered at DC04.

## 6. Draft Recommendation Report: CPW111 - Housekeeping change to align the codes with CMOS

- 6.1. The Panel considered Change Proposal 'CPW111: Housekeeping change to align the codes with CMOS'. This change sought to make housekeeping changes to CSDs 0202 (Meter Read Submission: Process), CSD 0203 (Meter Read Submission: Validation) and CSD 0301 (Data Catalogue) in order to remedy inaccuracies relating to a small number of data transactions.
- 6.2. A member asked if the timetable for this and the other housekeeping changes could be accelerated. MOSL responded that the Changes were scheduled to allow for the two months requested by Ofwat to make a determination on changes recommended by the Panel. Implementation was assumed to be in the next scheduled release. The member noted this and asked that when releases occurred should be kept under review.
- 6.3. The Panel:
  - **AGREED** (unanimous) to recommend the implementation of CPW111 to Ofwat for approval (13 in favour)
  - **AGREED** to recommend an implementation date of:
    - 14 May 2021, if Ofwat approval is received by 22 April 2021, or
    - 27 August 2021, if Ofwat approval is received by 6 August 2021.

## 7. Draft Recommendation Report: CPW113 – Housekeeping change to correct typographical errors and enhance standardisation

- 7.1. The Panel considered Change Proposal 'CPW113 – Housekeeping change to correct typographical errors and enhance standardisation'. This Change Proposal sought to correct a small number of typographical errors in Parts 2 (Business Terms) and 3 (Operational Terms) of the WRC Schedule 1.
- 7.2. Several members had submitted minor points of detail outside of the meeting, but these did not impact the Panel's ability to recommend the Change.

The Panel:

- **AGREED** (unanimous) to recommend the implementation of CPW111 to Ofwat for approval (13 in favour)
- **AGREED** to recommend an implementation date of:
  - 14 May 2021, if Ofwat approval is received by 26 March 2021, or
  - 27 August 2021, if Ofwat approval is received by 4 August 2021.

## 8. Draft Recommendation Report: CPW114/CPM037 – Housekeeping changes to correct typographical errors and enhance standardisation

8.1. The Panel considered change proposal 'CPW114/CPM037 – Housekeeping changes to correct typographical errors and enhance standardisation'. This Change Proposal sought to correct a small number of typographical errors in CSD 0002 (Market Performance Framework) and CSD 0501 (Change Management), WRC Schedule 1 Part 4 and the MAC.

8.2. The Panel:

- **AGREED** (unanimous) to recommend the implementation of CPW114/CPM037 to Ofwat for approval (13 in favour)
- **AGREED** to recommend an implementation date of:
  - 14 May 2021, if Ofwat approval is received by 26 March 2021, or
  - 27 August 2021, if Ofwat approval is received by 4 August 2021.

## 9. Strategic Metering Review

9.1. MHa presented P51\_06 and presented the options following Panel discussions at the last meeting. The Metering Huddle favoured the establishment of a committee to reflect how significant the Strategic Metering Review was to the market. It was recommended that a broad range of knowledge be reflected in the committee members as this would provide the most benefit.

9.2. MHa confirmed that work on the improvements outlined in the quick start programme on metering had begun or would shortly begin over the next week.

9.3. A Panel Member questioned if CCW should be a voting member. MOSL responded that the Terms of Reference (TOR) were the standard TORs from market opening that mirrored the original Panel composition. If the Panel chose, they could amend the TOR to allow for a voting customer representative.

9.4. A Panel Member asked why the quorum was not consistent with some other Panel committees (e.g the Market Performance Committee or the Disputes Committee). Panel Members noted that the proposed quorum was consistent with other committees established by the Panel (e.g. the GDPR Issue Committee). Members discussed if the quorum should be lower than six and if so at what level. As it was a key priority for the market the quorum should be balanced against the practicalities of holding meetings.

- 9.5. It was noted that following the governance review there may be changes to the standard terms of reference for committees that would require implementation.
- 9.6. Panel Members agreed that inviting observers to the committee would be beneficial.
- 9.7. The Panel asked that the time commitment for committee members be made clear when seeking nominations.
- 9.8. A Panel Member recommended that the Panel seek to begin to implement some of the initial findings from the governance review such as ensuring delegation was clear with objectives for committees with KPI's to track performance. This could be delegated to the committee as experts to decide upon and report back to the Panel to approve. The Panel should also ensure that the committee was not just populated with the correct experience but with the correct skill sets and competencies.
- 9.9. A Panel Member asked if the KPIs were likely to take the shape of a programme of work that the Panel would agree to and receive progress reports against. The Panel typically established committees to examine areas of the market that required improvement and KPIs could include the changes they were making for improvement. It was agreed to remit this to the committee once established to report back to a future Panel for approval.
- 9.10. MHa confirmed that the committee would meet on a monthly basis to help provide momentum.
- 9.11. A Panel Member asked what the Panel's role was in the work, what was MOSL's role and how the committee would fit into this. MOSL responded that the Strategic Metering Review was a key part of MOSL's overall strategy. Some work would not require changes but other ways of working with the Market to address. The committee would be in a position to support the overall programme of work and identify and develop code changes as required. Some Panel Members felt there was a risk of tension between MOSL and Committee responsibilities. It was noted that this could be resolved if it occurred through active dialogue on priorities. Another Panel Member supported concerns over the role of each group in this work. It was agreed that the roles should be defined as part of the work to establish the committee's objectives and KPI's.
- 9.12. A Panel Member believed that the MOSL business plan had initially included a step change in metering by the end of 2020/21. However, the current plan only included a review and identification of steps to take forward.
- 9.13. The Panel discussed if a Panel sponsor was required. This existed in other industries and the Panel had the power to appoint one but had seldom done so. The Panel Sponsor could provide a driving force to the committee and keep engagement between the committee and Panel strong. The Chair would discuss this with the Panel Secretary and report back at the next meeting.

**ACTION A51\_01**

- 9.14. The Panel:
- **AGREED** (unanimous) to establish a Metering Committee with standard committee Terms of Reference (13 in favour), with two modifications:
    - To allow CCW to be a voting member

- To establish a quorum of five.
- **AGREED** (unanimous) that MOSL seeks nominations for Metering Committee Members (13 in favour).

*MM left the meeting.*

## 10. Panel Election 2021

- 10.1. SB reported that developments had taken place since the issuing of paper P51\_07. It had been noted that the MAC required a nomination meeting to be held no later than the 1st March with the current Panel term due to finish on the 31st March. Formal notice for a meeting on the 1st March was required 20 business days in advance and informal notice had gone to Trading Parties that morning.
- 10.2. [CPM036 \(Provision to vary term of Panel Members\)](#) was awaiting a decision from Ofwat, who had been requested to bring the implementation date forward if approved. If Ofwat approved the decision a request could be made to extend the current term of the Panel. This would have to be made by 2nd February but could not be submitted until the Change was approved. Extending the Panel term would mitigate the risk of running two full-panel elections in short order if Panel composition changes were sought in light of the findings of the Satori review. In addition, it would allow for continuity in implementing the Satori findings, including establishing the Panel purpose which would inform Panel composition and how that composition was achieved. Any extension in term would apply to all members including independents and any members elected on the 9th February.
- 10.3. One Panel Member and an observer confirmed they were conflicted in relation to this decision due to the impact this it would have on contracts for services. It was agreed both should remain present but the Panel Member would not participate in the discussion or the vote.
- 10.4. A Panel Member asked why notice had been sent that morning of a Panel nomination meeting on the 1st March. SB confirmed that this was a consultation and not a formal notice. It was issued in case the Panel chose not to apply for an extension or if Ofwat did not approve the change or the request for extension.
- 10.5. A Panel Member expressed support for extending the Panel term but for a limited period of no more than six months. This would allow time for the purpose work to be undertaken and provide appropriate pressure for it to be delivered in that timescale. Although Satori had identified a lot of recommendations, a small number could be prioritised that would most benefit from the Panel extension. Another Panel Member supported this view and felt deferring a decision for the Governance Steering Group to assess it and make a recommendation would be of little benefit. This was supported by several other Panel Members.
- 10.6. A Panel Member expressed support for continuing with the elections as planned with Trading Parties choosing between voting for continuity candidates or new candidates. They did not believe the work would be complete in six months.
- 10.7. A Panel Member noted that some members of the current Panel had not fulfilled a two-year appointment due to resignations and replacements. The Panel Nomination Meeting on 9 February provided an opportunity for new Retailers to join the Panel should any be keen to take a seat on the Panel. It was noted that this did not apply to Wholesalers. The member also noted

that historically, some Panel vacancies could be difficult to fill and there was often not a huge choice at elections.

*EW left the meeting.*

*JV became EW's Alternate.*

- 10.8. SB confirmed that the consultation on CPM036 had identified support for delaying elections for between six and twelve months. The Panel purpose work could be achieved within a six-month period. However, it would require prioritisation over work by MOSL.
- 10.9. DM informed the Panel that he expected the decision on CPM036 would be published on the 27th for implementation on the 28th.
- 10.10. The Panel:
- **REJECTED** (unanimous) delaying a decision to request an extension of the term of existing Panel Members to an Ad-hoc meeting in next few days (11 in favour, one abstain<sup>1</sup>)
  - **AGREED** (unanimous) to request the term of elected Panel Members, including those appointed at the 9 Feb 2021 Panel Nomination Meeting, is extended to 30 Sep 2021, pending the Ofwat decision on CPM36 (11 in favour, one abstain).

## 11. Panel Audit Sub-Group

- 11.1. SF reported that the last meeting of the sub-group had received an update from John Gilbert on the internal audit of the Bilaterals project. This would be undertaken by MOSL internally on a six-monthly basis. The report had also been presented to the Bilaterals Steering Group and the MOSL Board and would be reported to Ofwat by the end of the week. There were no major findings and five minor findings.
- 11.2. The sub-group had considered the market auditor tender and agreed to extend PwC's tenure for another year. This gave additional time to embed a compliance framework and consider how best to gain assurance on settlement without the settlement engine developed by PwC.
- 11.3. PwC was currently focussed on data privacy and MOSL's compliance with it. A survey would be issued to Trading Parties assessing their compliance to understand the level of risk.
- 11.4. MOSL was working internally to build a compliance framework to look at processes and controls and testing the high-risk items. This would change PwC's approach to auditing MOSL compliance and they were currently undertaking a pilot of the scheme.
- 11.5. A communications plan would be presented at a future meeting which would seek to emphasise the value of the market audit and why it occurs.

## 12. MOSL Business Update

- 12.1. Members were invited to submit questions via email to SM.

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<sup>1</sup> Two members had left the meeting due to diary commitments. One member had nominated an alternate who abstained from the vote after declaring a conflict of interest.

### 13. MOSL Market Update

- 13.1. Members were invited to submit questions via email to SA.

### 14. Quarterly Workstream Update

- 14.1. The Panel noted the report P51\_10.
- 14.2. AR reported that the Code Review Steering Group had met the previous week and agreed the next steps for code simplification and the rules to simplify and guide code development.

### 15. Panel Nomination Meeting

- 15.1. A Panel Nomination meeting was scheduled for the 9th February to appoint two new retailer members. Due to the upcoming implementation of CPM034 (Retailer Panel Member Changes) unassociated retailers could also be nominated in the event that not enough associated retailers nominations were received. Nominations for unassociated retailers were open in anticipation of CPM034 implementation.
- 15.2. One of the vacancies was due to MB resignation from the Panel subject to candidates coming forward to replace her. The Panel thanked MB for her hard work during her time on the Panel.

### 16. Enhanced Change Service Update

- 16.1. SB reported that one of MOSL's business objectives was to enhance the change service. Some changes had already been made such as amendments to the website and emailing Trading Parties in advance to notify them what changes were being considered at the Panel. SB noted that MOSL had already had positive feedback on these steps which had been well received. An amended change proposal form, DRR form and Change Charter would be presented at a future Panel meeting.

*HM left the meeting.*

- 16.2. A member noted there currently appeared to be a large degree of duplication between the change proposal form and the DRR.

### 17. AOB

- 17.1. There was no AOB discussed.

*MB and CB exited the meeting.*

### Closed Session

### 18. Reflections on Panel Meeting 51

- 18.1. The Panel reviewed the effectiveness of the meeting, reflecting on what went well and on any areas for improvement with the aim to continue to ensure the 'smooth' running of Panel meetings.



## Actions

<b>Action Number</b>	<b>Action</b>
A51_01	Panel Chair to discuss the potential for appointing a Panel Sponsor to the Metering Committee with the Panel Secretary and report back at the February Panel Meeting.