

# Minutes of the Market Performance Committee Meeting 78

18 October 2023 | 09:30 – 14:25

Held via Videoconference (Microsoft Teams)

**Status of Minutes: FINAL**

## MEMBERS PRESENT

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

\* Non-Voting Members of the Committee

## OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Evan Joanette	EJ	MOSL Presenter
Axelle Saada	AS	MOSL Presenter	Matt Labrum	MLa	MOSL Presenter
Markus Lloyd	ML	MOSL Presenter	Sarah McMath	SMc	MOSL Observer
Nichola Vincendeau	NV	MOSL Secretariat			

## CLOSED SESSION

### 1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that no apologies had been received.
- 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. No conflicts of interest were declared.
- 1.3. It was confirmed that the meeting was quorate.

### 2. Closed Session Tabled Updates

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

## Performance Reviews

### 3. Trading Party 1

3.1. The Committee was asked to reflect on Trading Party 1's Performance and raised the following key points:

- The response to the letter of concern was late in arriving and this was noted by the committee and it is keen to ensure that Trading Party 1 meet further communication deadlines
- The Committee noted that the timeline set by Trading Party 1 is ambitious which is encouraging; it is keen to see how Trading Party 1 adhere to the deadline.

3.2. Following discussion, the Committee:

- **AGREED** (Unanimously) to Focussed Monitoring

### 4. Trading Party 2

4.1. The Committee was asked to reflect on Trading Party 2's Performance Rectification Plan (PRP) Update and raised the following key points:

- It was noted in MPC77 in September that the Committee was not satisfied that the PRP was delivering the desired improvements in performance.
- The Committee considered what the potential next steps could be, including escalating to Ofwat or the Strategic Panel and what value this would add to the process or, in the case of an escalation to the regulator, if the observed persistent low performance might constitute a material breach of the licence.
- The Committee felt that it should raise this issue with Strategic Panel whilst acknowledging that it had the delegated responsibility for monitoring market performance.
- The Committee noted that the responsibility for improvement lies with the trading party and the MPC's responsibility is to monitor and hold the trading party to account. With this in mind, it would be in the interests of the process that on the development of a new rectification plan, the Committee allows for more regular active monitoring.
- The Committee looked at the options for escalation under the current framework to consider its next steps.

4.2. Following discussion, the Committee:

- **AGREED** (Unanimously) that Trading Party 2 should be invited to MPC79 (November) to discuss next steps with its Performance Rectification Plan and the revision of this; and
- **AGREED** (Unanimously) that any future plan should have more frequent milestones that are monitored by MPC and that Trading Party 2 would be invited to report back to the Committee on a more regular basis; and
- **AGREED** (Unanimously) that further steps will be subject to consideration of the revised PRP and will may initiation of reassurance and/or targeted audits in relation to Trading Party 2.

## 5. Review of Lessons Learned from Trading Party 2

5.1. The Committee reflected on the Escalation Process and any lessons that it had learned in the implementation of the Holistic Performance model in relation to Trading Party 2's PRP. The following key points were raised:

- The Committee was mindful that it could have been perceived as cautious when agreeing the PRP with Trading Party 2. The issue with the frequency of milestones and reporting back to the Committee was discussed and it was agreed that the Committee should, in future, require trading parties on a PRP to attend MPC more frequently to discuss any issues identified with a PRP.
- The Committee noted the need for a realistic timeframe for improvement to performance. Data will naturally have some lag and it also noted that the speed the Committee can act has to be considered due to the timing of data drops for trading parties who are escalated.
- The Committee considered the tension between the level of scrutiny from senior staff at a trading party when performance has become an issue and the point at which the MPC would require its input if a PRP is failing to show progress on performance. The course of action taken in this case has worked in the past.
- The Committee felt that, whilst the plan belongs to the company, concern about it not delivering the required results and the impact on the customers and other stakeholders needed to be taken into account and monitoring improvements could improve customer outcomes.

### OPEN SESSION

#### MEMBERS PRESENT

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

Sam Webb	SW	MOSL Presenter	Matt Labrum	MLa	MOSL Presenter
Axelle Saada	AS	MOSL Presenter	Sarah McMath	SMc	MOSL Observer
Markus Lloyd	ML	MOSL Presenter	Nichola Vincendeau	NV	MOSL Secretariat
Evan Joannette	EJ	MOSL Presenter	Peter Strain	PS	Castle Water Observer

## 6. Welcome and Apologies

- 6.1. The Chair welcomed attendees to the open session and noted that no apologies for absence had been received.
- 6.2. 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. No conflicts of interest were declared.
- 6.3. It was confirmed that the meeting was quorate.

## 7. Housekeeping

- 7.1. The Committee agreed to approve the minutes of the Market Performance Committee meeting held on 21 September as an accurate record of the meeting.
- 7.2. The actions update circulated in advance of the meeting was noted and it was:
  - **AGREED** that no actions were to be closed.
  - **AGREED** that the following actions would remain open: A55\_01, A69\_04, A73\_02, A73\_04, A73\_08, A75\_01, A75\_02, A75\_03, A77\_01 and A77\_02.

## 8. Update on agreed API/Market Indicators

- 8.1. The Committee noted an update on changes to holistic reports for Market Performance Standards (MPS) 18 and 19 and Long Unread Meters (LUMS), Wholesaler Long Unread Meters (WLUMs) API development and development of Market Indicator baselining ineligible premises for wholesalers. The following key points were raised:
  - The volume of open bilateral tasks is not impacting MPS meter reading performance significantly and the largest impact for both these and Long Unread Meters (LUMs) are found in smaller trading parties. There is the potential for more bilateral tasks to be raised for meters that are not being read or that are broken.
  - The Committee was asked to comment on average number of days that the tasks are open. The Committee noted that measures agreed were working. The Committee sought clarity on why the metric had used the average time that a wholesaler's bilateral tasks had been open, noting that the implication was that a single wholesaler with a single open bilateral task that had been raised a year ago (a time span that included possible deferral periods) could appear in a lower quartile than a wholesaler with 100 open bilateral tasks, the oldest of which might have been raised six months ago) ML confirmed that alternative ways of comparing performance would be explored and that the intention of the metric was to identify how quickly a wholesaler resolved their tasks without comparing wholesalers on the volumes of their tasks.
  - The Committee welcomed the prospect of insights into the data as well as what was presented to the Committee today. The Committee was hopeful that this would encourage the raising of bilaterals in a timely way. The Committee asked for more clarity around deferred tasks and ML confirmed that these would be brought to the next MPC.
  - The Committee was also hopeful that the data cleanse work would provide an appropriate measure to track.
- 8.2. The Chair thanked ML for his update.

## 9. Market Audit Reporting

9.1. The Committee discussed new ways of reporting audit findings, raising the following key points:

- The Committee welcomed the proposal and reflected on the suggestion that more detailed audit findings would be presented in closed session, detailing issues such as non-compliance which could then feed into the decision making as part of any escalation and any follow up actions would also be suggested at this point and called out in reports going forward.
- The Committee suggested that the practical use of audit findings in escalation decisions would need to be further defined when the situation arises in the future, for example whether audit findings could constitute an extra trigger for escalation and how to balance escalation decisions with trading parties that were not audited.
- The Committee was mindful that conflicts of interests could be wide-ranging, particularly where a group of trading parties were mentioned in audit findings; consideration would have to be given to members recusing themselves from decisions.
- The Committee looked forward to implementing the new way of reporting audit findings.

9.2. The Chair thanked AS for her presentation.

## 10. Deferrals Audit Findings

10.1. The Committee reviewed the early findings for the deferrals audit.

10.2. The Committee briefly discussed the update provided, noting that there was a need for caution with the wording for deferrals and to avoid labelling all deferrals as bad. The Committee noted that it was important to identify those trading parties who may be using deferrals incorrectly. The Committee noted that some reason codes can cover several realities. Non-compliance will be covered by in the final findings.

10.3. The Chair thanked AS for her presentation.

## 11. Data Assurance Update (on results of the Pilot) and next steps

11.1. The Committee discussed an update from the Data Cleanse team on the extent to which data provided in Phase 1 pilots has been reviewed.

11.2. The Committee briefly discussed the update provided, noting that, from the perspective of the MPC it would like the reassurance that Wholesalers are using the data they are getting from the project.

11.3. In terms of next steps, there is a technical drop-in session on 2 November and, following completion of the pilots, the first data drop will be on 22 November. The project will be looking at Level one priority eligibility concerns over the next twelve months. Market Focus, mailing lists, the MOSL website and emails will be used to communicate the next steps.

11.4. The Chair thanked MLa for his presentation.

## 12. Market Performance Framework (MPF) Reform Update

12.1. The Committee noted the latest updates from the MPF Reform Programme.

- 12.2. The Committee briefly discussed the update provided, noting that EJ would continue to receive a standing invitation to present MPF Reform Updates, but that it would be content to only receive updates on significant progress.
- 12.3. The Chair thanked EJ for his presentation.

### 13. Tabled Updates

- 13.1. SK gave a brief verbal update to MPC on BR-Mex.
- 13.2. The tabled updates provided in advance of the meeting were noted.

### 14. AOB and Reflections

- 14.1. The Committee members reflected on the meeting.
- 14.2. There being no further business, the Chair closed the meeting.