

Minutes of the Market Performance Committee Meeting 79

30 November 2023 | 09:30 – 14:45

Held via Videoconference (Microsoft Teams)

Status of Minutes: **APPROVED**

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	David Seymour	DS	Wholesaler Committee Member Alternate
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	Nichola Vincendeau	NV	MOSL Secretariat
Markus Lloyd	ML	MOSL Presenter	Representatives from Trading Party 1		

APOLOGIES

Gerard Lyden	GL	Wholesaler Committee Member	Sarah McMath	SM	MOSL
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CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and that apologies had been received from GL, with DS acting as alternate, and SM.
- 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.

2. Trading Party 1 Pre-Brief

- 2.1. The Committee was asked to consider the information to be presented in item 3.

3. Trading Party 1 PRP Update

3.1. The Committee discussed the Performance Rectification Plan with Trading Party 1, where the following key points were raised:

- The Committee wanted to know what would lift performance in Trading Party 1's plan as there are significant impacts when any trading party is under-performing, not just to that party but to the market as a whole and to customers.
- The Committee expressed its concern that the areas covered in the response from Trading Party 1 are not the areas of concern raised by the Committee; these measures for performance are set across the industry and the fact that, with a year of intervention, Trading Party 1 are still at the bottom of the holistic reporting table and this gives pause for concern¹.

3.2. The Chair thanked Trading Party 1 for their PRP update.

4. Trading Party 1 PRP Review

4.1. Following on from discussion at MPC78, the Committee reviewed the PRP Update plans, raising the following key points:

- Whilst appreciative of the time given to the presentation, the MPC was not convinced that Trading Party 1 understood the rationale of the escalation process, the significance of the measures being applied to all trading parties and the importance of improving performance against these measures within reasonable timescales.
- The Committee thought that a subset of MPC members could offer to meet with Trading Party 1. The purpose of such meeting should not be to offer advice and support on potential rectification or improvement activity, this was a matter for Trading Party 1. Rather, the subset approach offer the opportunity to explain the focus on the measures used in holistic reporting and emphasise the importance of performance improvement.
- The Committee would like to see a more prescriptive approach including monthly milestones for specific measures and the monthly percentage contribution that Trading Party 1 expect that to make, their risk management and mitigation plans (specifically around how they plan to control risks in terms of improvement) and a report from their senior leadership on a regular basis to give their view on progress against the plan.
- The Committee believe that escalation to Strategic Panel is the next step.

4.2. Following the discussion, the Committee:

- **AGREED** (Unanimous) to invite Trading Party 1 to MPC in January 2024;
- **AGREED** (Unanimous) to the Chair writing to the (acting) Chair of Strategic Panel to escalate Trading Party 1 to Panel; and
- **AGREED** (Majority) to offer Trading Party 1 the opportunity to meet with a subset of the MPC to discuss Holistic Reporting requirements further.

Action 079_01

¹ Trading Party 1 was escalated for performance concerns against OPS Metering & Verification, OPS Customer Service & disconnection, MPS, VOA, GIS and R-MeX and their Performance Rectification Plan was accepted at MPC68 in December 2022

5. Tabled Updates

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

6. Review of Holistic Performance and Escalation Decisions

6.1. The Committee received an update on current status of Letters of Concern (LOC) recipients.

6.2. Following discussion, the Committee:

- **AGREED** (Unanimous) to review the responses of the companies who have received Letters of Concern at MPC81 in January

7. Trading Party 2

7.1. The Chair provided the Committee with an update on the upcoming meeting with Trading Party 2 This meeting was scheduled for 6 December 2023.

7.2. Following a query raised a member of the MPC, it was agreed that MOSL would circulate a copy of the Strategic Panel's Communication Policy with the papers for the next meeting.

Action 079_02

OPEN SESSION

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	David Seymour	DS	Wholesaler Committee Member Alternate
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	Angela Day	AD	MOSL Presenter
Reindorf-Elijah Akakpo	REA	MOSL Presenter	Nichola Vincendeau	NV	MOSL Secretariat
Markus Lloyd	ML	MOSL Presenter	Peter Strain	PS	Castle Water Observer
Evan Joanette	EJ	MOSL Presenter			

APOLOGIES

Gerard Lyden	GL	Wholesaler Committee Member	Sarah McMath	SM	MOSL
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8. Welcome and Apologies

- 8.1. The Chair welcomed attendees to the open session and noted that apologies had been received from GL, with DS acting as alternate and SM.
- 8.2. 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.
- 8.3. It was confirmed that the meeting was quorate.

9. Housekeeping

- 9.1. The Committee agreed to approve the minutes of the Market Performance Committee meeting held on 18 October as an accurate record of the meeting.
- 9.2. The actions update circulated in advance of the meeting was noted and it was:
 - **AGREED** that the following actions could be closed: A77_02.
 - **AGREED** that the following actions would remain open: A55_01, A69_04, A73_02, A73_04, A73_05, A73_08, A75_01, A75_02, A75_03 and A77_01 and to review the

Actions grouped in the Actions Update (MPC79_07) at the end of the next meeting to agree on closing them.

- **AGREED** that the Action Updates will be reflected in the MPF Forward Look after review.

10. MPF Reform Update

- 10.1. The Committee noted the latest updates from MPF Reform Programme.
- 10.2. The Committee briefly discussed the update provided, noting that there had been lots of feedback on metrics in the consultation. It was noted by the Committee that setting metrics is a significant task and agreed that this must include detailed design of the metric calculations and careful drafting to ensure these were captured clearly.
- 10.3. The Committee was keen that customer impact should remain the main focus.
- 10.4. The Chair thanked EJ for his presentation.

11. Implementation of Interim Improvements (MPF Reform)

- 11.1. The Committee received an update on changes implemented under Code Change [CPW144 'Interim Improvements'](#) which had been approved by Ofwat ahead of MPC 79. The changes would remove meter reading failures from the count of failures used to determine performance under Market Performance Standards 18 and 19 (MPS 18/19) where meters had an open bilateral task against them (specifically meter verification and repair tasks). This approach also applied to the reporting against Long Unread Meters (LUMS). Together with revised market indicators and additional performance indicators endorsed by the MPC in summer 2023, the change would help support timely resolution of meter asset issues by wholesalers to support resolution of meter reading issues affecting retailers.
- 11.2. The update also covered the development of the Wholesaler LUM (WLUM) Additional Performance Indicator (API), the Days Late API development, the Count of Deferrals market indicator and the ongoing work of the Data Assurance programme to baseline ineligible premises for wholesalers.
- 11.3. The Committee briefly discussed the update provided, noting that, on WLUMs and counting days late, MPC approval was requested on the calculation method. The MPC approved the methodology. Two options were proposed for the Days Late API and MOSL recommended accepting Option 1. The MPC agreed this option.
- 11.4. Following discussion, the Committee:
 - **AGREED** (Unanimous) the calculation method for the WLUMs API
 - **AGREED** (Unanimous) the calculation method for Days Late API would use Option 1 (as set out in the video provided prior to the meeting)
- 11.5. The Chair thanked ML for his presentation.

12. Market Performance Operating Plan

- 12.1. The Committee was asked to comment on the draft Market Performance Operating Plan (MPOP) ahead of publication with the MOSL business plan consultation in January.

- 12.2. The Committee noted that the MPOP had been set out in light of the market risks identified by the MPF reform programme. It was noted that the MPOP should outline, at a high level, the performance monitoring focus and actions that would best mitigate these risks.
- 12.3. The Committee noted the proposed MPOP was an extension of the approach currently being taken by the MPC and included continued reference to the use of holistic reporting and additional performance indicators. Following the discussion, the Committee:
 - **AGREED** (Unanimous) that TN and MR would assist ML by providing comments on the MPOP following the meeting.
- 12.4. The Chair thanked ML for his presentation.

13. MO Compliance Update

- 13.1. The Committee noted an update on MO Compliance.
- 13.2. The Committee briefly discussed the update provided, noting a new, minor, non-compliance which could have impacted 3 trading parties, but which was mitigated with a manual workaround. It was noted that the issue had subsequently been addressed.
- 13.3. The MPC also noted progress on the assurance work associated with MPS calculations. PwC is currently looking at this and there will be an update at the next quarterly report to the MPC. Committee members reflected that the MPF reform must ensure new metrics were implemented with appropriate assurance.
- 13.4. The Chair thanked AD and REA for their update.

14. Tabled Updates

- 14.1. SK provided a verbal update; Ofwat had approved CPW144 and reminded the MPC that Ofwat retain the right to reinstate charges. Ofwat has also written to all Wholesalers and Retailers to outline its position on credit support arrangements.
- 14.2. Regarding the BR-Mex project, consultants were carrying out field work at present and the R-Mex survey has been collated with an invitation to comment on how it works. The outcome of the R-Mex survey would be published by MOSL in December. Ofwat continues to work with MOSL ensure alignment of BR-Mex with the MPF Reform. There will be a workshop on December 14 for interested stakeholders for the latest on BR-Mex developments.
- 14.3. The Committee asked MOSL to adjust the Forward Plan so that items that are not urgent for the next meeting in January 2024 (MPC81) are moved to the February MPC Meeting (MPC82) and MPC80 in December will be cancelled following the delay in the date of this meeting.
- 14.4. The tabled updates provided in advance of the meeting were noted.

15. AOB and Reflections

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