

## Minutes of the Market Performance Committee Meeting 83

27 March 2024 | 09:30 – 13:00

Via MS Teams

Status of the 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	Sarah McMath	SM	MOSL Representative*
Shaun Kent	SK	Ofwat Representative*	Adam Richardson	AR	MOSL Representative*

*\*Non-Voting Members of the Committee*

### OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Matt Labrum	MLa	MOSL Presenter
Axelle Saada	AS	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Markus Lloyd	ML	MOSL Presenter			

## 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.
- 1.3. It was confirmed that the meeting was quorate.

### 2. Trading Party 1

- 2.1. The Committee was updated on the progress following MPC81 and considered the response(s) from Trading Party 1 and next steps, raising the following key points:
  - Trading Party 1 had asked for a change in the submission date for April and SW confirmed that this was acceptable.
  - It was agreed that the Committee will review the data at MPC84 in April.

### 3. Closed Session Tabled Updates

- 3.1. The tabled updates provided in advance of the meeting were raised. A Letter of Concern (LOC) was sent to Trading Party 2 and SW said that, if nothing changes, LOCs will be sent to Trading Party 3 and Trading Party 4. It was agreed that it would be useful to see if Trading Party 4’s drop in performance was related to the same issues that it was escalated to focussed monitoring for previously.
- 3.2. Following the discussion, the Committee:
  - **AGREED** to review Trading Party 4 at MPC84 in April, noting what the previous escalation related to.

## 4. Review of Holistic Performance and Escalation Decisions

- 4.1. The Committee received an update on the current status of LOC recipients (Trading Party 5, Trading Party 6 and Trading Party 3).
- 4.2. Trading Party 5 has been monitored for the past four months; the agendas for previous meetings had not allowed for a fuller conversation about its performance issues. Whilst it was noted that there have been improvements in some areas since it received a LOC, issues remain with certain metrics. Trading Party 5 was not aware that it could make use of assurance tools. The Committee was happy to continue with Focussed Monitoring but with the proviso that South Staffordshire provided information about its plan to improve its performance against the metrics and when it expected to see an improvement and move off the bottom of the table.
- 4.3. Trading Party 6 has been in Focussed Monitoring for almost a year. It had moved out of the red zone for some metrics; it was acknowledged that performance against the metrics with smaller volumes of activity is volatile. (In practice a small number of failed events could be a large proportion of those measured each month, making these metrics subject to a larger percentage of performance from month to month). Part of the reason for Northumbrian being in the red zone for some metrics is because other trading parties have moved around them. MPS7 (Meter Read Submission) continues to impact Northumbrian's MPS performance. The Committee raised a concern about Northumbrian's systems and in particular regard to the [CPW142](#) change and future planning.
- 4.4. Trading Party 3's performance continued to be a cause for concern; if nothing changes it will be issued with a Letter of Concern in April. Trading Party 3 was doing what it said it would when last seen by MPC. The MPS performance could be linked to the work on resolving issues with Long Unread Meters (LUMs). It was agreed that Focussed Monitoring should continue and MPC will review again in April. It was noted that the Committee is keen for Trading Party 3 to concentrate on its LUM plan and there was some concern around vacancy with consumption figures.
- 4.5. Following discussion, the Committee:
  - **AGREED** to review Trading Party 5's performance at MPC84 in April, with particular focus on VOA/UPRN metrics

- **AGREED** to continue with Focussed Monitoring for Trading Party 6 and review at MPC86 in June unless there is a further decline in performance
- **AGREED** to continue with Focussed Monitoring for Trading Party 3 and review at MPC85 in May with particular focus on MPS/LUM metrics
- **AGREED** to review Holistic Reporting's impact on Smaller Trading Parties at MPC84 in April, including switching issues, whether it is working for Smaller Trading Parties.

***ACTION A83\_01***

4.6. The chair thanked SW for the update.

## 5. Yearly Volume Estimates (YVE) Audit Findings

5.1. The Committee reviewed the findings report of the YVE audit, raising the following key points:

- CMOS was applying caps (based on YVEs) to a relatively high proportion of estimates. However, it appeared that, in many cases, this was because the YVEs were set at a low value. The audit indicated that the retailers' calculation methods were reasonable but that the YVE values need more regular reviews.
- The committee asked if the bigger issue was around the level of cap values (and whether the cap value should be increased). However, AS explained that by increasing the cap, its relevance decreases. The issues are with the YVE values, not with the capping level.
- Trading Party 7 had declined to engage in addressing the concerns raised by the audit with respect to the YVE values it was using for meters with no read history as it could not see what to base the review on.
- It was agreed that there was no need for a Code Change, but that the proposed updates to the guidance would be useful.
- The MPC noted the need to set out how a yearly data audit would fit in the new MPF. AS indicated that this was being considered and still needed to be fleshed out. AS suggested that the YVE could sit with the Assurance Team with a yearly audit, with the

potential for this being picked up at a later date as an Additional Performance Indicator (API).

- The team can continue to do this audit work in a more automated way once a year (in the background) and reach out to trading parties where there are potential issues (where YVE caps are applied too much).[SM left the meeting.]
- It was agreed that there needs to be more information about the level of risk around the zero and one entries, assessing the impact on customers and wholesalers. This could lead to conversations about increasing the cap value or removing the cap. The follow-up audit work should be proportionate to the level of risk identified and how this risk compares to others in the Market Risks and Issues Tracker.
- The MPC asked for a follow-up letter to the Trading Party that declined to review YVEs for meters with no read history and that the four companies audited could be approached for more information on the link between YVE and customer billing.

***ACTION A83\_02***

5.2. The chair thanked AS for her presentation.

## 6. Audit Plan for 2024-25

6.1. [SM rejoined the meeting; NP left the meeting] The Committee received a presentation of the Audit Plan for MPC approval, and discussed the following key points:

- It would be useful to see the Market Risks and Issues Tracker in conjunction with the Audit Plan in the future to get the bigger picture
- There was a suggestion that the “follow up” deferrals audit could look at deferrals from a retailer’s perspective to develop understanding and a more rounded view
- There was a question around whether the Unplanned Settlement Runs Audit was more operational than strategic in its scope
- The Committee recognised that the additional work requested on YVEs to assess the level of risk would need to be added into the plan.

- It was agreed that the Committee will look at the Audit Plan again next month in light of the discussion at this meeting

***ACTION A83\_03***

6.2. The chair thanked AS for her presentation.

## 7. Data Assurance Audit Update

7.1. The Committee discussed an update from the data assurance team on the extent to which the data provided in phase 1 has been implemented / actioned by wholesalers, of which the following points were covered:

- There have been varying levels of engagement with the work around market eligibility assurance activity. There was a good approval rate (79% where both trading parties have jointly reviewed). The programme was seeing a slightly lower run rate than it would like to see at this point, although the deadline for this was November 2024.
- The programme was aware that of concerns from some trading parties around resource. There was an acknowledgement that some trading parties have indicated that they will start at the beginning of the new financial year. The programme will carry out one-to-one sessions with trading parties who have and have not engaged.
- It was also acknowledged that this was not an official API as things stand.
- A question was raised about the feedback on clarification on eligibility. It was noted that approval rate across the board was good, it varies for those who have a higher concentration of rural areas. Where supply points are not being taken forward for deregistration, these fall under the more challenging areas in terms of eligibility.
- The Committee was interested to hear what would happen with the mixed use supply points. The early thoughts for a solution is that those who continually look like a household supply point would have a CMOS systems assurance mechanism applied to enable them to be highlighted and ring-fenced. MLa will be meeting with the Data Assurance Working Group to look at this. The programme is also looking at farms and holiday lets and working with CCW and Ofwat around eligibility guidance around the principles behind principal and mixed use supply points.

- The Committee was interested to hear an update on when the dial will move on UPRN and VOA. The programme has done some work around premises piloting and now it is looking at address piloting (starting in June). It is hard to verify the accuracy of premises data at the moment, therefore the address assurance piece needs to start in earnest and it will be towards the end of the year that it will need to come back to MPC (or the new Performance Assurance Committee) for further scrutiny of that.

The chair thanked MLa for his presentation.

## 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
Fallon Wilkinson	FW	Retailer Committee Member	Adam Boyns	AB	Customer Representative Committee Member
Shaun Kent	SK	Ofwat Representative*	Sarah McMath	SM	MOSL Representative*
Adam Richardson	AR	MOSL Representative*			

*\*Non-Voting Members of the Committee*

### OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Matt Labrum	MLa	MOSL Presenter
Axelle Saada	JG	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat

Markus Lloyd	ML	MOSL Presenter	Peter Strain	PS	Trading Party Observer
Evan Joanette	EJ	MOSL Presenter			

#### APOLOGIES

Neil Pendle	NP	Retailer Committee Member			
-------------	----	---------------------------	--	--	--

## 8. Welcome and Apologies

The Chair welcomed attendees to the open session and noted that apologies for absence had been received from NP for the open session.

8.1. 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.

8.2. 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 24 January as an accurate record of the meeting.

## 10. BR-Mex

10.1. The Committee received a verbal update from Ofwat on BR-Mex.

10.2. The Committee briefly discussed the update provided, noting that the report and guidance for BR-Mex was due in the next few weeks. The BR-Mex survey for the shadow period would be going to tender shortly. Ofwat would be hosting a data quality workshop with Wholesalers as well as a workshop on the R-Mex Survey and a workshop on MPF metrics under the umbrella of BR-Mex, with a view to continuing these discussions as it moved towards draft

determinations and that there would be time to consider issues carefully (particularly in relation to MPF metrics) before final determination.

10.3. The chair thanked SK for the update.

## 11. CPW144 – Market Performance Framework Incremental Improvements

11.1. The Committee received an update for information on the CPW144 – Market Performance Framework Incremental Improvements.

11.2. The Committee briefly discussed the update provided. A point was raised about the possibility of an unintended consequence of the code change of removing a performance indicator. It was acknowledged by MOSL that this was not an oversight and had been part of the intended solution. The Committee noted that the code change would be reviewed in a Post Implementation Review (typically carried out 12 to 18 months after the code change implementation).

**11.3.** It was agreed that the MOSL Team would look at the next available time to bring this back for discussion and update the MPC Forward Look document accordingly.

***ACTION A83\_04***

11.4. The Chair thanked ML for the update.

## 12. MPF Reform Programme Update

12.1. The Committee received information on the Programme including the forthcoming code change on Governance.

12.2. The Committee briefly discussed the update provided, noting that the MPF Reform Programme will take the first code change (Governance) to the Code Change Committee next month. This followed work with the Performance Advisory Group (PAG) and Code Advisory Group (CAG) as well as Strategic Panel to agree the constitution of the new Performance Assurance Committee (PAC).

12.3. A question was raised by the Committee around timelines; as previously suggested, it is anticipated that the MPC will be stepped down in late Autumn 2024.

12.4. The Chair thanked EJ for the update.

### 13. Tabled Updates

13.1. The Committee noted the Tabled Updates paper circulated in advance of the meeting detailing progress on the Committee's workstreams and metering-related projects.

13.2. The actions update circulated in advance of the meeting was noted and it was:

- **AGREED** that the following action would be closed: A75\_03.
- **AGREED** that the following actions would remain open: A73\_04.

### 14. AOB incl. Reflections on the Meeting

14.1. The Committee reflected on the meeting.

14.2. The Committee discussed recent decisions and it was agreed that a Decisions Log would be implemented for future meetings. Secretariat will determine how this can be developed.

***ACTION A83\_05***

14.3. There being no further business, the Chair closed the meeting.