

Minutes of the Market Performance Committee Meeting 86

26 June 2024 | 09:30 – 12:50

Via MS Teams

Status of the Minutes: FINAL

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Jon Fuller	JF	Wholesaler Committee Member Alternate
Paul Baker	PB	Retailer Committee Alternate	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*
Wendy Monk	WM	Retailer Committee Member	Shaun Kent	SK	Ofwat Representative
Gerard Lyden	GL	Wholesaler Committee Member			

**Non-Voting Members of the Committee*

OTHER ATTENDEES

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

APOLOGIES

Michael Rathbone	MR	Wholesaler Committee Member	Trevor Nelson	TN	Retailer Committee Member
Sarah McMath*	SMc	MOSL Representative			

CLOSED SESSION

1. Welcome and Introductions

- 1.1. The Chair welcomed everyone to the Market Performance Committee (“Committee”) meeting and noted that apologies had been received from TN and MR. It was noted that PB would be acting as alternate for TN and JF in place of MR and that SMc had offered her apologies for the meeting.
- 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. In TN’s absence, but ahead of his retirement at the end of the Summer, the Chair asked that the Committee’s thanks for his commitment be formally noted in the minutes.
- 1.4. It was confirmed that the meeting was quorate.

Performance Reviews

2. Trading Party 1

- 2.1. The Committee noted an update on Trading Party 1’s escalation to Strategic Panel following the ad-hoc Strategic Panel meeting that took place on 18 June 2024.
- 2.2. The Committee briefly discussed the update provided, noting that the Committee felt that whilst the performance metrics would not necessarily put Trading Party 1 in the lower quartile on all measures, the length of time of its poor performance and its lack of engagement were

enough to necessitate this escalation. The Chair confirmed that this was also picked up in the Strategic Panel's discussions.

2.3. It was noted by the Committee that there are weaknesses in the process under the current framework, particularly with regard to defining the involvement of the regulator in escalations. The Committee supported the Strategic Panel's plan to meet with the CEO of Trading Party 1.

2.4. The chair thanked SW for the update.

3. Trading Party 2

3.1. The Committee reviewed Trading Party 2's performance following a request to review this trading party at MPC83.

3.2. The Committee noted that there has been an improvement in performance but the Market Performance Standards (MPS) metrics (MPS 7 in particular) is a concern. SW suggested carrying out assurance around Trading Party 2's data and work around meter exchanges.

3.3. The Committee was happy with the recommendation to remain in Focussed Monitoring but concerns were raised about the customer impact, particularly with regard to the inaccuracies in meter location and the knock-on effect on billing for customers. SW agreed to ask Trading Party 2 how many meters are involved. The Committee was also concerned about the situation with Trading Party 2's long term vacancy (LTVs) and asked SW to get an update on what it is doing to address this issue.

ACTION 086_01

3.4. Following discussion, the Committee:

- **AGREED** to keep Trading Party 2 in Focussed Monitoring. Additionally, the Committee asked to review the responses regarding its meter assurance work and its work on addressing its ongoing high levels of LUMs at MPC87 in July.

3.5. The chair thanked SW for the update.

4. Review of Committee Working Practice / Future planning for Performance Assurance Committee

- 4.1. The Committee discussed how to address recent challenges in working practice and steps to prepare for handover to the Performance Assurance Committee (PAC). The survey, circulated to the committee prior to the meeting, received some responses and these were shared with the committee at the beginning of the discussion. It was agreed to leave the questionnaire open for updates if members wished to do this after this meeting.
- 4.2. There was a discussion based on the committee's reflections based on the themes outlined in the paper that was circulated to the Committee prior to the meeting, namely Culture, Working Practice, Information Requirements, Engagement, Support for Questions and Certainty.
- 4.3. The Committee felt that the quality of papers is good; papers could do more to quantify the impact on customers. Within this, consideration needs to be given to situations where a trading party's underperformance/non-compliance is the cause of creating cost/inefficiency for another trading party. The Committee felt that understanding cost impacts will help timely escalation.
- 4.4. Members felt that within the current committee's culture, having an independent chair allowed all voices to be heard. It was agreed that discussion must be appropriate but robust around the monitoring of performance. The Committee was clear that whilst a pragmatic approach to performance management could be taken, this should never trump due process. Members felt that the MOSL recommendations should not be automatically adopted as the default position for discussions, rather as a starting point for discussions. It was also suggested that there should be more clarity in the expectations of trading parties being called in to discuss performance with the MPC.
- 4.5. The Committee considered the way that decisions have been made by the MPC and it felt that decisions could be broken down into separate elements in order to facilitate clear decision making. It was also felt by the Committee that face to face meetings (held from time to time) could be away of building more effective working practice and trust, particularly in the early days of a committee.

- 4.6. The Committee felt that it was important to establish a meeting cadence where underperformance prompts the necessary details and evidence to assess impact before taking the next steps to escalation. The Committee was also clear that, whilst it would be preferable to have more of the meeting held in open session, dealing with commercial information should be held in closed session; the balance would allow for clear rationale and effective communication of decisions and an improvement of transparency in performance management.
- 4.7. It was agreed by the Committee that direct, clear and early engagement with trading parties that are both being escalated or at risk of escalation was important. Capturing clear rationale for decisions; this would inevitably help when revisiting decisions where additional information or assumptions had changed enough to necessitate this.
- 4.8. There was unanimous support from the Committee for employing cabinet responsibility once a decision had been reached. Where decisions are not unanimous, however, the Committee felt that the decision recording should include rationale for any contrary views.
- 4.9. The chair thanked AR for presenting this item.

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. The Committee noted that there were no new LOCs this month. The Committee also noted that two new metrics for Wholesalers have been added to the performance dashboard.
- 6.3. The Chair thanked SW for the update.

7. AMPR Pre-publication view

- 7.1. The Committee received the “embargoed” version of the document. The final design deadline was shared with the Committee and ML confirmed that comments made had been incorporated into the final report.
- 7.2. The Chair thanked ML for his update.

OPEN SESSION

MEMBERS PRESENT

Pamela Taylor	PT	Chair*	Jon Fuller	JF	Wholesaler Committee Member Alternate
Paul Baker	PB	Retailer Committee Alternate	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*
Wendy Monk	WM	Retailer Committee Member	Shaun Kent	SK	Ofwat Representative
Gerard Lyden	GL	Wholesaler Committee Member			

**Non-Voting Members of the Committee*

OTHER ATTENDEES

Sam Webb	SW	MOSL Presenter	Nichola Sampford	NS	MOSL Secretariat
Markus Lloyd	ML	MOSL Presenter	Peter Strain	PS	Trading Party Observer
Axelle Saada	AS	MOSL Presenter			

APOLOGIES

Michael Rathbone	MR	Wholesaler Committee Member	Trevor Nelson	TN	Retailer Committee Member
Sarah McMath	SMc				

8. Welcome and Apologies

- 8.1. The Chair welcomed attendees to the open session and noted that apologies had been received from TN and MR. It was noted that PB was acting as alternate for TN and JF in place of MR.
- 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 30 May 2024 as an accurate record of the meeting.

10. Statement of work for Unplanned Settlement Runs (USRs) Review

- 10.1. The Committee received information on the audit scope. This was driven by a desire to understand the causes of USRs. Members were asked if they had any comments on the way that MOSL will select the USRs for review and anything that they felt would add value.
- 10.2. The Committee felt that it would be useful to bring out that the purpose of the audit is to investigate the factors that create the need for USRs. Clarification was sought around the definition of “USRs requested before RF”, one of the three pools of USRs included in the audit. It was confirmed that it was all USRs within the 16-month period after the invoice period.
- 10.3. It was suggested that currently, MOSL is seeking to understand the causes of USRs that have the most impact with a view to potentially changing rules within the market or for CMOS. This could help to encourage the right behaviours within the market, in particular around retrospective amendments. AS will also provide analysis of the generalised data on all USRs.
- 10.4. The Chair thanked AS for her presentation.

11. MPF Programme Update

11.1. The Committee noted an update on the Programme. The Performance Advisory Group (PAG) is looking at the metrics in depth over the summer and the cadence of PAG meetings has moved to weekly meetings. The focus is to get the appropriate level of Trading Party engagement and this group has helped MOSL in its work with the development and streamlining of proposed metrics.

11.2. The Chair thanked AR for the update.

12. Tabled Updates

12.1. The Committee noted the Tabled Updates paper circulated in advance of the meeting.

12.2. SK added that Ofwat had published its report on the impact of changes to the Business Retail Market governance arrangements, available on the Ofwat website. This largely focuses on Strategic Panel and Code Change Committee.

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

- **AGREED** that the following action would be closed: A85_01 and A85_03.
- **AGREED** that the following actions would remain open: A83_05, A84_04, A85_02, A85_04 and A85_05.

12.4. It was agreed that MPC88 in August should be cancelled.

13. AOB incl. Reflections on the Meeting

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