

# Panel Delegation Policy v1.0

## 1. Delegation of Decision-Making Authority

The Panel's functions are defined in the Market Arrangements Code (MAC Section 5.2). Definitions and a clear scope for three Panel committees are set out in MAC Schedules 9-11, which the codes require the Panel to establish.

There are 3 Panel committees with explicit functions and certain decision-making authority laid out in the MAC. They are:

- Trading Disputes Committee (MAC Schedule 9);
- Market Performance Committee (MAC Schedule 10); and
- Market Incident Management Plan Committee (MAC Schedule 11).

Apart from the decision-making authority provided for by the MAC in relation to these committees, the Panel will not further delegate authority for making decisions.

## 2. Work Allocation

With the specific exception of the Trading Disputes Committee, which cannot deal with any matters that do not directly relate to Trading Disputes, work can be allocated to the Market Performance Committee and the Market Incident Management Plan Committee. Where the activity remit is outside these areas, the MAC does allow the Panel to allocate any work to Additional Panel Committees that it may set up for that express purpose (MAC Schedule 12).

The Panel may also establish sub groups (such as Working Groups) to consider Change Proposals in accordance with MAC Sections 6 and 7.

### 2.1 Why allocate work?

The market codes are bilateral and multilateral agreements that sit within a complex market hierarchy. When considering changes to the market codes or evaluating the performance of the market, the impact on the other areas of market architecture need to be considered to ensure the market principles are being effected. The Panel has many responsibilities to ensure an efficiently functioning market and because of limited resources it can allocate some tasks. Benefits of allocating work include:

- Allowing sufficient time and attention to be focused on a particular issue;
- Providing for a more specialised activity and capability in delivering the Panel's responsibilities; and
- Assisting decision-making.

### 2.2 Considerations when allocating work

To ensure a committee or sub group has a clear purpose and remit, the following questions may be considered to establish the value and reinforce the decision to allocate work. Determinations should be included in the committee's Terms of Reference.

- What should the committee produce or deliver?

- The Panel should clearly detail the expected output from the group.
- Who should be on the committee and in what capacity?
  - Should Panel Members be allowed to sit on Panel committees.
- To who, and how, should it report its activities?
  - In order to ensure that any Panel committee or sub group is effective and continuing in its purpose, regular updates should be provided to the Panel to ensure effective monitoring. The Panel can confirm the frequency in the committee's Terms of Reference.
- Does the committee have a limited timescale to produce its output or is it reviewed on an on-going basis?
  - This should be determined from the scope of activity.
- How does the committee fit into the existing portfolio of Panel committees - are there any overlaps in remit and are the dividing lines between committees clear?
  - It is clear from the MAC what activities can be allocated to the committees explicitly defined in the MAC, areas that fall out of their scope will need to go to an Additional Panel Committee set up for the purpose. However, it should be clear that the activity cannot be allocated to an existing committee.
- How will conflicts of interest be handled?
  - Where a conflict of interest arises after a committee has been established, it should be clarified who they need to advise in writing - the Panel Secretariat or the committee Secretariat.

### 2.3 How will the Panel allocate work?

When the decision has been made for allocating work this should be clearly noted in the Panel meeting minutes, a decision log and the relevant committee or sub group Terms of Reference.

## 3. Checks and balances

### 3.1 Impartiality

Schedule 12 refers to section 5.7 which extends the requirement to act impartially to all Additional Panel Committee Members. Committee members should act in the best interests of the market as a whole and be guided by the Principles and Objectives set out in the market codes. As Panel Members are expected to fulfill their duties to the market in this manner so should any members of committees undertaking work on the Panel's behalf.

Members of sub groups of the Panel, such as Working Groups, should seek to develop and assess solutions for the benefit of the market.

### 3.2 Reporting and Monitoring

The Panel Secretariat, the Panel Sponsor and the committee Chair will each have a role in reviewing committee effectiveness and reporting back to the Panel.

- The Panel Secretariat will provide the Panel with a report of the progress of committees;

- The Panel Sponsor (if one is appointed) has a role of convening with the Chair regularly to discuss the progress and effectiveness of the committee, which can be communicated back to the Panel; and
- The committee Chair will be responsible for the committee itself, so they have a role in ensuring that progress is made at each committee meeting, and they communicate any issues and successes to the Panel Sponsor.

The form that this reporting takes is to be decided by the Panel on a case-by-case basis, it is likely that each committees will have its own specific reporting measures, which should be captured in the Terms of Reference.

### 3.3 Secretariat

The Panel Secretariat will be responsible for knowledge transfer between the committees and the Panel.

### 3.4 Committee and sub group costs

The Panel should identify where Panel committees and sub groups may need to procure expert advice to support their work. Where this is the case the Panel should quantify any maximum anticipated spend in relation to such work. Such funds will be borne by MOSL and recovered from members via Market Operator (MO) charges. The mechanisms for accessing such funds (or any additional funds) will be set out in the Committee or sub-group's Terms of Reference.

## 4. Panel Sponsors

The Panel should consider whether to appoint a Panel Sponsor for any of the committees which it establishes. The role of a Panel Sponsor is set out below.

Panel Sponsors perform an engagement and advisory role. The Panel Sponsor is responsible for:

- Communicating the vision, goals and expectations of the Panel to the committee members;
- Providing constructive challenge to assure themselves and the Panel that committees are operating effectively and in line with the Panel's overall objectives; and
- Building relationships between the committee and the Panel, acting as an ambassador for the committee, engaging in critical debate when challenged and inspiring stakeholder confidence.

The Panel Sponsor should meet with the committee Chair on a regular basis (at least quarterly), however, the Panel Sponsor should not become part of an operational process.