

## MPF Steering Group (07)

**Location:** MS Teams

**Date and time:** 09 May 2023, 1400 - 1600

**Status of Key Points:** FINAL

## Key Points & Actions

### Members

Name	(Initial)	Role/Organisation
Sarah McMath	SM	Chair
Christina Blackwell	CB	CCW representative (alternate)
Shaun Kent	SK	Ofwat representative
Paul Smith	PS	Strategic Panel representative
Mike Rathbone	MR	Wholesaler member

### MOSL

Name	(Initial)	Role/Organisation
Chris Dawson	CD	PAG Chair
Steve Formoy	SF	Finance Director
Evan Joanette	EJ	Programme Lead
John Gilbert	JG	Programme Director
Lisa-Ann Lott	LAL	Notes

### Apologies

Name	(Initial)	Role/Organisation
Mike Keil	MK	CCW representative
Adam Richardson	AR	Market Design Director
Claire Yeates	CY	Retailer member

### **Actions from previous meeting**

The Steering Group discussed options to address the current lack of Retailer Representation. The group's Retailer Member has been unable to attend due to sickness and has no confirmed return date. The Steering Group highlighted the need for a Retailer member as at sensitive stage of the Programme.

**The Steering Group requested that the programme team reach out to the retailer organisation to see if any update on possible return of the member.**

### **Consultation 2 Headlines**

The Steering Group queried whether the Programme was comfortable that sufficient feedback has been received from a range of stakeholders and had looked at customer views (e.g., customer research of the market) including from CCW. MOSL noted it had received no direct engagement from customers, though it had called for end-customer consultation responses via CCW, MEUC and social media.

The Steering Group noted MOSL's engagement with customers attending CCW's business customer forum where key market initiatives are shared with business representatives. The Steering Group noted that customers supported an incentive system that drove improvements and were unsurprised that customers would elect not to take part in a relatively technical consultation. CCW, for its part, would continue to reach out to customers.

EJ highlighted that MOSL had created a video providing a customer friendly view of the MPF and this could be part of a regular awareness raising effort online.

### **Quick wins - PAG Feedback**

EJ noted PAG views that any quick wins change proposal ought to deliver a significant enough change for trading parties to merit pressing ahead, otherwise it could distract from the main work of MPF reform. Alternate proposals from PAG were that MOSL explore the early introduction and shadow running of additional performance indicators (APIs) as part of quick wins.

The Steering Group noted that the Programme pledged to establish the criteria against which quick wins should be judged and confirmed MOSL had proposed criteria to the PAG alongside the proposed quick wins which was broadly agreed. Criteria would apply regardless of whether the current or a proposed new menu of quick wins was taken forward.

The Steering Group noted that quick wins would be welcomed where there is customer benefit. However, it noted the delivery challenge of proposals that might require system changes and would therefore not be “quick”.

JG highlighted intention to use quick win to test implementing changes to the MPF and ‘fail fast’ as a learning exercise.

### **Programme Risk Register**

The Steering Group noted the highest risks includes how to respond to feedback from some trading parties questioning the need for an MPF. Some retailers desired having no metrics applied to them and allow natural incentives instead to govern the market. MOSL intended to unpick such feedback with relevant trading parties. The Steering Group noted Ofwat had received similar feedback.

#### **Ofwat to follow up on discussions regarding Retailers ex committee.**

EJ noted that a call for inputs and two consultations for feedback on metrics/interventions had now been run which gave retailers an opportunity to specifically call out which obligations could/should be in an MPF. The flexible nature of MPF 2.0 could allow specific suggestions from retailers not already proposed to be incorporated later.

The Steering Group noted that some Retailers seemed to be making two points; 1) There’s no need for metrics on Retailers, 2) MOSL should simply monitor existing code obligations. To that end, the Steering Group requested that a retailer representative be put in place to speak to these issues.

The Steering Group raised the risk of duplication between MPF and other programmes e.g., Ofwat.

#### **MOSL agreed to consider this risk at the next RAID meeting.**

The Steering Group noted that some in the retailer community would prefer natural incentives only, but competition is not effective on its own for all customers and the market and thus incentives to meet market code obligations were needed. A similar argument could be made on why the market needs price regulations, despite its competitive nature.

### **Programme Plan**

JG highlighted the plan may change post June based on feedback from Consultation 2 and therefore the timeline will return to the Steering Group in July.

<p><b>Outline Business Case</b></p> <p>LAL ran through details of the business case approach noting the Outline Business case as the second stage of the process with the Full Business case intended for approval in September 2023.</p> <p>The Steering Group advised to not only focus on quantifiable items within the business cases but to include non-quantifiable dynamic benefits.</p>
<p><b>Next Steps</b></p> <p>EJ noted next steps:</p> <ul style="list-style-type: none"> <li>• Consultation 2 full report</li> <li>• Consultation 3 sizing</li> <li>• Review of quick win proposals</li> </ul>

**ACTION ITEMS**

Item	Person	Date	Comments
Steering Group Retailer representative	JG		Reach out to retailer organisation to query return of their team member to the Steering Group
Risk Review	JG		Consider the risk of duplication between MPF and other programmes
Retailer discussion on metrics/MPF	SK		Follow up on discussions regarding Retailers ex committee.