

MPF Steering Group (01)

Location: MS Teams

Date and time: 05 May 2022, 1530 - 1700

Status of Key Points: FINAL

Key Points & Actions

Members

Name	(Initial)	Role/Organisation
Sarah McMath	SM	Chair
Georgina Mills	GM	Ofwat representative
Mike Rathbone	MR	Wholesaler representative
Paul Smith	PS	Strategic Panel representative
Phillip Marsden	PM	MOSL Board representative

MOSL

Name	(Initial)	Role/Organisation
Adam Richardson	AR	Market Design Director
John Gilbert	JG	Programme Director
Markus Lloyd	ML	Communications Lead
Samantha Webb	SW	Market Assurance Lead
Helen Fryer	HF	Notes

Apologies

Name	(Initial)	Role/Organisation
Steve Formoy	SF	Finance Director
Mike Keil	MK	CCW Representative
Claire Yeates	CY	Retailer Representative

Welcome

SM welcomed everyone to the first meeting of the Market Performance Framework Reform Steering Group (MPFRSG) and introductions took place.

SM reiterated the role of the Steering Group was to steer the programme rather than help design the new Market Performance Framework in detail, which would be the role of the Performance Advisory Group (PAG) once established.

JG outlined the sequence of the Steering Group meetings in relation to Strategic Panel meetings for 2022/23 and proposed that minutes of this meeting could be used to update the next imminent Strategic Panel meeting.

Steering Group Terms of Reference

The Steering Group noted the following regarding the Terms of Reference:

- Steering Group can monitor if the programme is achieving milestones, but it would benefit from having a sense of what a 'good' quality outcome would look like.
- In terms of quality, with the industry designing something for the industry, the programme needs to ensure there is 'check' and 'balance' in place. Noting that it would be very unlikely for the advisory group to all agree on one direction, the role of the Steering Group will be to ensure that appropriate industry and independent input, review and checks and balances have been applied to deliver the overall reform in a direction consistent with the outcomes and priorities of the Strategic Panel.
- Direction on 'what good looks like' welcomed to ensure focus is on delivering something that is impactful and improves trading party performance to the benefit of customers & the environment.
- Difference between the Market Performance Framework Reform project and Bilaterals was highlighted.
- Programme and its outputs would benefit from a 'critical' friend approach from the Steering Group.
- Call for Information had identified some key principals for the programme outputs.
- JG would work with PS to draft a set of bullet points as to what a 'good' quality outcome looks like.

Formation of Advisory Group

The Steering Group noted the proposed formation of a PAG and the following points:

- It was important to recognise the difference between the proposed PAG and the Bilaterals advisory groups. The programme should identify PAG members that will focus on the development of effective and efficient ways to affect performance improvement in the marketplace when positions are advertised.

- SMM acknowledged need to reach the decision makers and budget holders within businesses.
- Is there common knowledge of the current shortcomings? Have the issues and challenges been identified within the current framework? MOSL must share these with the advisory group to enable moving forward. SMM advised that the current framework was not driving the right outcomes for the customer or the environment and in some cases, actual drives the wrong behaviour.
- Within the ToR, encourage a way for advisory group to deal with arguments and thought processes around the interests of consumers.
- Set out member requirements that could potentially encourage more operational junior participation from trading parties. Ideally, seek members who are accountable to their company board/senior exec team for performance.
- MOSL would present 'strawman' proposals for review and comment to the PAG.
- AR to review the PAG Terms of reference and bring out more forcefully the customer focus element (particularly the code principles), adapt the bullet points around member knowledge and experience to lift it up a level prior to the advertisement being placed.

The Steering Group approved the formation of the Performance Advisory Group subject to the amendments outlined above.

Overview of the High-level Milestone Plan

JG outlined the milestone plan advising the Steering Group that the proposal was to give an overview of progression against time/cost/quality. Going forward, MOSL would move to a detailed project plan presented to the Steering Group in July's meeting. The high-level milestone plan will be circulated to the Steering Group monthly.

The Steering Group agreed that quality should be a key focus for the programme.

Market Risks and Issues Tracker

SW presented the Market Risks and Issues Tracker.

The Steering Group noted that it is important to note that not every risk or issue identified necessarily needs a solution, measure of target.

The Steering Group advised focusing on risks and issues that mattered most for good consumer outcomes.

The Steering Group advised moving away from micro targets and consider drawing on consumer survey.

SM advised that the risk register will also help MOSL guide the Data Insight programme.

Overview of MPF Work

AR presented an overview of the work completed to date. MOSL is currently developing the future Governance of the target model framework. An important part of the frameworks will be to describe who makes what decisions and when.

The Steering Group queried what interventions other than financial could currently be taken against a poor performing trading party. MOSL noted that interventions are limited. Trading parties that are delivering well against the current framework might still in fact not be delivering the right outcomes for customers, when others are trying actively to improve customer outcomes, but their market performance standing doesn't reflect this.

The Steering Group noted that Ofwat is keen to support the MPF to assist in monitoring wholesaler performance.

AR noted that the principle of peers holding each other to account was an important point to explore and raises some interesting questions that need to be addressed.

Risks and Issues

The Steering Group noted importance of quality over time or cost, though all need measuring.

The Steering Group noted that a framework, clear working method and key objectives from the outset should mitigate quality risks. The Steering Group would provide constructive challenge to the programme and accountability reassurance to the Board and Strategic Panel.

JG to present the programme RAID log to the Steering Group at July's meeting.

Any other business

The Steering Group requested that papers to be issued as early as possible prior to the meeting.

ACTION ITEMS

Item	Person	Date	Comments
Strategic Panel	JG		Provide the Strategy Panel with a summary of SG-01 minutes for their next meeting.
Quality Outcome	JG/PS		JG to work with PS to provide Steering Group with bullet points as to what a 'good' quality outcome looks like.
PAG Terms of Reference	AR		Review the PAG Terms of Reference and bring out more forcefully the customer focus element (particularly the code principles), adapt the bullet points around member knowledge and experience to lift it up a level prior to the advertisement being placed.
Milestone project plan	JG		Present a detailed high level milestone project plan to the Steering Group at July's meeting. Provide an updated version of the high-level milestone plan monthly.
The principle of peers holding each other to account	AR		Explore the principle of peers holding each other to account and address any questions and issues that may raise.
RAID log	JG		Present the programme RAID log to the Steering Group at July's meeting.