

A stylized illustration of a woman with dark skin, curly hair, and glasses, wearing a blue top. She is holding a document titled "Your water bill". The background is a teal and light blue geometric pattern.

**MOSL**

# **Market Performance Framework (MPF) Reform**

## **Consultation 4**

High level quantitative feedback

29 August 2024 (updated)

## Document control

Please note the following changes and clarifications relating to this document since it was published on 12 August 2024:

- Quantitative headlines (Slide 5): the final bullet point has been amended to clarify that it refers to the extent to which the programme delivers against the *overall* success criteria. The percentages of the three responses have also been added (see slide 12)
- The percentages quoted are based on the number of responses to each question, not the total number of responses to the consultation. The percentages represent only trading parties that expressed a view. Example: if a question was answered by 27 of the 28 respondents, the results for that question reports on those 27 responses. The number of respondents for each answer to each quantitative question is provided in the breakdowns on slides 7-12. Where the total number of responses to a question is below 28, this indicates that a proportion of parties did not respond to that question.
- SES Water was referred to incorrectly as SES Business Water in the table on Slide 4. This has now been amended.

# About Consultation 4

- MPF Consultation 4 ran from 8 July to 2 August
- The consultation focused on 'Part D' of the programme, i.e. financial incentives and penalties
- Pre-reading documents were issued in advance for stakeholders' 'early sight'
- This document provides a first view of the response rate and quantitative responses from three sections of the survey
- A detailed report, including MOSL's response to stakeholders' comments (i.e. qualitative analysis), is due to be issued by Friday 6 September
- The results will also be presented at an event in London on Thursday 12 September (invitations being issued via email)



**MOSL**

Market Performance Framework (MPF) Reform  
Consultation 4

Thank you for completing this survey. A PDF and Word version is available on the [MOSL website](#) if you would like to review and share the questions before submitting your response.

Only the 'about you' section has mandatory questions. The rest of the questions are optional, giving you the flexibility to concentrate on the areas you feel are most important to your organisation.

To go back to a previous answer, use the icons at the bottom of the page.

The deadline for submissions is Friday 2 August.  
For any queries, please email [mpfreform@most.co.uk](mailto:mpfreform@most.co.uk).

[BEGIN SURVEY](#)

# Respondents (28 in total)

Wholesalers	Consultation		Retailers	Consultation		Other	Consultation	
	3	4		3	4		3	4
Affinity Water	✓	✓	ADSM	-	✓	CCW	✓	✓
Anglian Water	✓	✓	Business Stream	✓	✓	The Energy Consortium	✓	-
Dŵr Cymru (W)	✓	✓	Castle Water	✓	✓			
Northumbrian Water	-	✓	Clear Business Water	✓	✓			
Portsmouth Water	✓	✓	Dŵr Cymru (R)	✓	✓			
SES Water (W)	✓	✓	Everflow	✓	✓			
Severn Trent	✓	-	Nottingham CC (self-supply)	-	✓			
South East Water	✓	✓	Pennon Water Services	✓	✓			
South Staffs Water	✓	✓	Sefton Council (self-supply)	✓	✓			
South West Water (inc Bristol)	✓	✓	SES Business Water (R)	✓	-			
Southern Water	✓	✓	Water2Business	✓	✓			
Thames Water	✓	✓	Waterscan	-	✓			
United Utilities	✓	✓	WaterPlus	✓	✓			
Wessex Water	✓	✓	Wave	✓	✓			
Yorkshire Water	✓	✓						
<b>Totals</b>	<b>14</b>	<b>14</b>		<b>11</b>	<b>13</b>		<b>2</b>	<b>1</b>

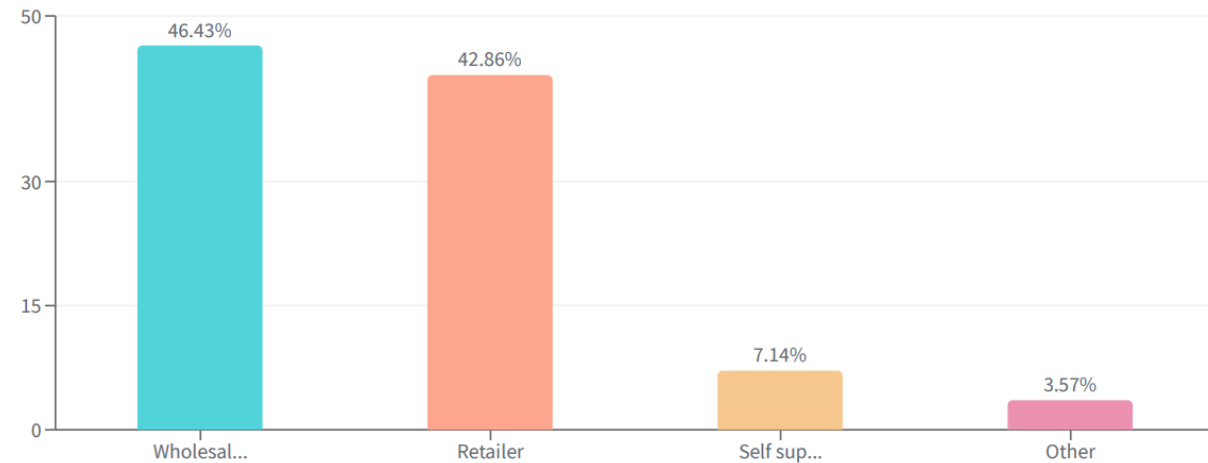
Almost all respondents to Consultation 4 also responded to Consultation 3

## Quantitative headlines

- **Excellent engagement:** 28 responses, incl 14 wholesalers, 13 retailers (Consultation 3: 27 responses)
- **Very strong agreement with principle of 'minimum' and 'outstanding' standards** (82%), but respondents divided on whether standards should be inside (56%) or outside (44%) the codes
- **Strong support for the proposed financial tools** (64%); further investigation required on the other 36%
- **The majority of respondents (57%) disagree with removing the cap** on penalty charges and compensation payments. Again, further investigation will be needed
- **Nearly all (96%) respondents support the principles for financial tools** and performance standards
- **All respondents believe that the proposed changes will be significant** to their organisation/the market, with 70% believing the changes will be 'very' or 'extremely' significant
- **All respondents believe that the proposed changes will be impactful, but are divided on the extent:** 56% believe changes will be 'very' or 'extremely' impactful vs 44% saying 'somewhat'
- **Respondents were divided on the clarity of the consultation.** 46% found the process 'very' or 'extremely' clear. 46% found it 'slightly unclear'. Two found it 'very' unclear (7%)
- Around 70% of respondents attended the webinar before submitting their responses. Of these, **more than three quarters (77%) found the webinar useful**, with 22% finding it 'very' or 'extremely' useful
- **Respondents believe that the proposed changes to the MPF's proposed financial tools and incentives meet the programme's overall success criteria** 'largely' (65%) or 'to some extent' (28%), 4% 'not at all'.

# Section 1: About you

- Strong engagement: 28 responses
  - 14 wholesalers (46%)
  - 11 retailers (43%)
  - 2 self-supply (7%)
  - 1 'other' (CCW) (4%)



## Section 2: Principles & Performance Standards

### **Q2.1 More than 80% agree that KPIs should have 'minimum and 'outstanding' standards**

- Yes – 23 (82%)
- No – 5 (18%)

### **Q2.3 Respondents are more divided on whether performance standards should be included in the Market Codes or sit outside the Codes (i.e. under the PAC and Panel)**

- Included in the Codes – 15 (56%)
- Outside the Codes – 12 (44%)

### **Q2.5 Approximately two thirds of respondents agree with the three financial tools being proposed in the reformed MPF (i.e. penalty charges, outperformance payments and compensation payments/charges)**

- Agree – 18 (64%)
- Disagree – 10 (36%)

## Section 2: Principles & Performance Standards

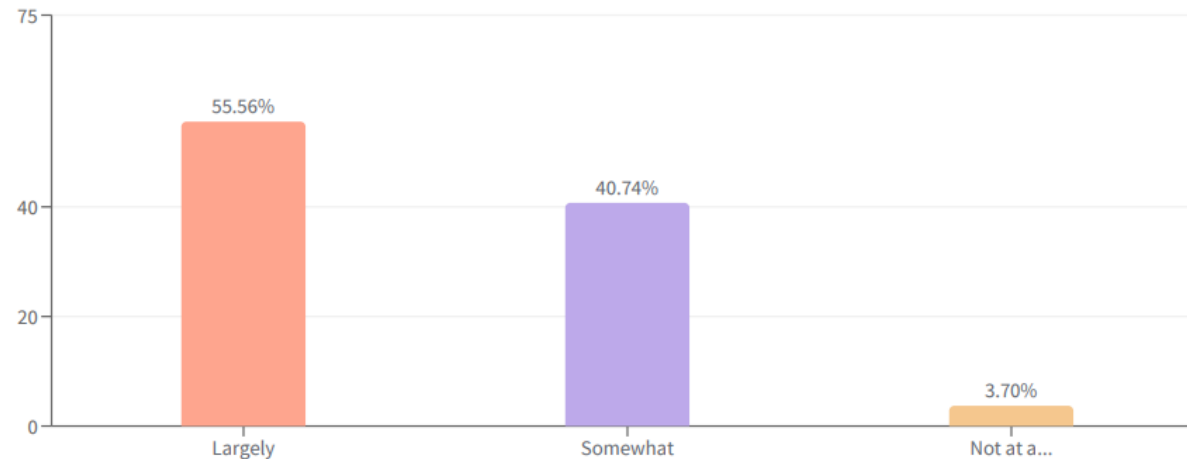
### Q2.7 The majority of respondents (60%) disagree with removing the cap on penalty charges and compensation payments

- Agree – 12 (43%)
- Disagree – 16 (57%)

More analysis required to look at the split between Retailers, Wholesalers and consider comments, etc

### Q2.9 Nearly all (96%) support the principles for financial tools and performance standards

- Largely support – 16 (57%)
- Somewhat support – 11 (39%)
- Do not support at all – 1 (4%)





## Qualitative sections

**Section 3: Penalty charges**

**Section 4: Outperformance payments**

**Section 5: Compensation payments**

**Section 6: Financial principles (other)**

**Section 7: Metric-to-tool mapping**

Sections 3 to 7 invite qualitative comments and will be included in the detailed feedback

## Section 8: About the MPF and Consultation 4

**Q8.1 All respondents believe that the proposed changes will be significant to their organisation and/or the market compared to the current MPF, of which nearly three quarters believe the changes will be 'very' or 'extremely' significant**

- Extremely significant – 9 (33%)
- Very significant – 10 (37%)
- Somewhat significant – 8 (30%)

**Q8.3 All respondents believe that the proposed changes will be impactful, but are fairly evenly split on the extent: 56% believe the changes will be 'very' or 'extremely' impactful compared to 44% saying 'somewhat' impactful**

- Extremely impactful – 5 (19%)
- Very impactful – 10 (37%)
- Somewhat impactful – 12 (44%)

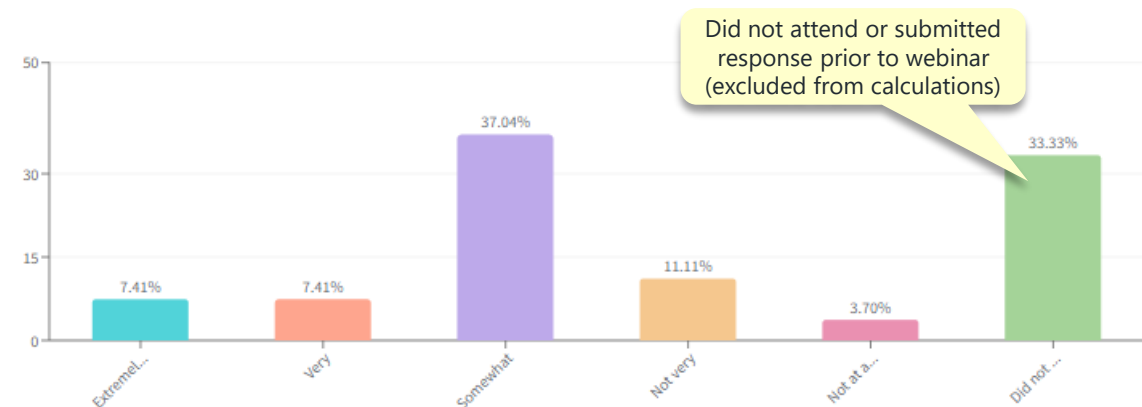
## Section 8: About the MPF and Consultation 4

**Q8.5 Respondents are divided on the clarity of Consultation 4, with 46% finding the process 'very' or 'extremely' clear, compared to 54% that found it 'slightly' or 'very' unclear. Two respondents (7%) found the process 'very unclear'**

- Extremely clear – 1 (4%)
- Very clear – 12 (43%)
- Slightly unclear – 13 (46%)
- Very unclear – 2 (7%)

**Q8.6 Around 70% of respondents attended the Consultation 4 webinar before submitting their responses. Of these, three quarters (77%)\* found the session useful**

- Extremely useful – 2 (11% of attendees)
- Very useful – 2 (11%)
- Somewhat useful – 10 (55%)
- Not very useful – 3 (17%)
- Not useful at all – 1 (6%)



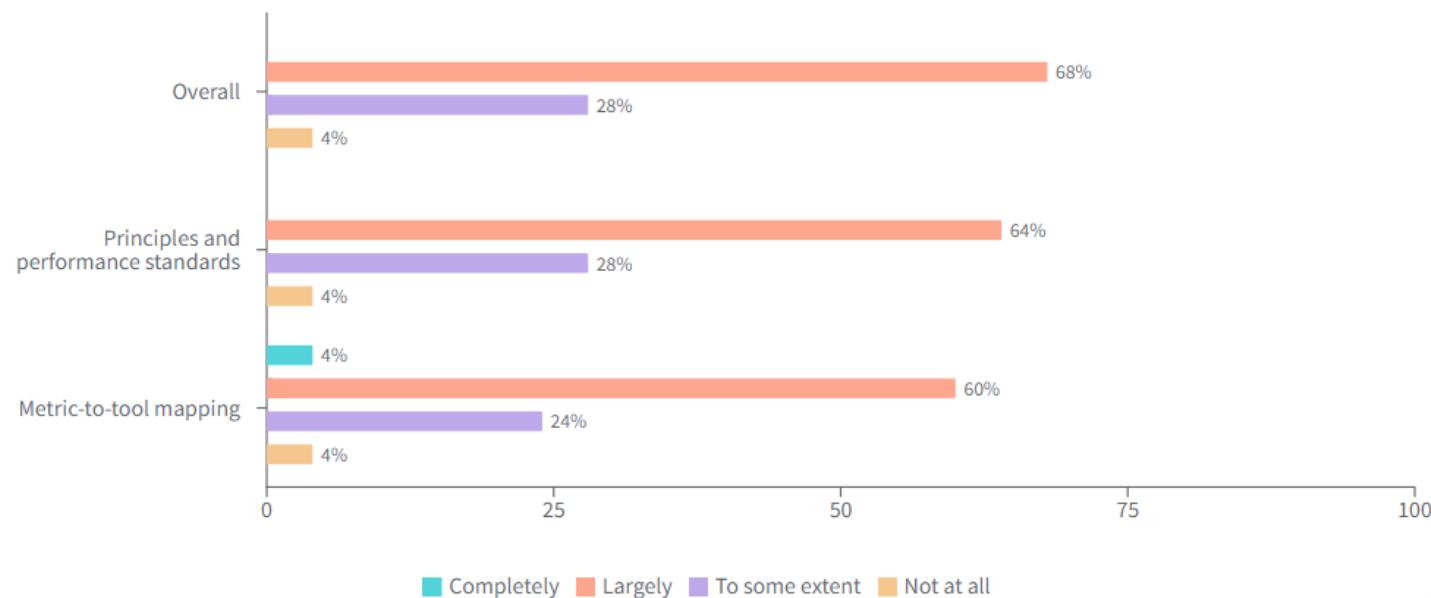
*\*Percentages based on those that attended*

## Section 8: About the MPF and Consultation 4

**Q8.8 Nearly all respondents (96%) believe the proposed financial tools and incentives deliver the MPF programme's overall success criteria to some extent (68% 'largely', 28% 'to some extent')**

**One respondent believes that the proposed metric-to-tool mapping delivers the success criteria completely.**

**One trading party does not believe that the proposals meet the success criteria at all.**



	COMPLETELY	LARGELY	TO SOME EXTENT	NOT AT ALL
Overall	0 (0.00%)	17 (68.00%)	7 (28.00%)	1 (4.00%)
Principles and performance standards	0 (0.00%)	16 (64.00%)	7 (28.00%)	1 (4.00%)
Metric-to-tool mapping	1 (4.00%)	15 (60.00%)	6 (24.00%)	1 (4.00%)
<b>Total</b>	<b>1 (1.33%)</b>	<b>48 (64.00%)</b>	<b>20 (26.67%)</b>	<b>3 (4.00%)</b>

**MOSL**

**[mpfreform@mosl.co.uk](mailto:mpfreform@mosl.co.uk)**

Your water bill

