

Minutes of the Performance Advisory Group 04

03 August 2022 – 10:00 to 12:00

MEMBERS PRESENT

Evan Joanette	EJo	MOSL (Acting Chair)	Claire Yeates	CY	Waterscan
David Morris	DM	Waterplus	Emily Jerrome	EJ	Water2Business
Kate Russell	KR	Yorkshire Water	Richard Varley	RV	Southwest Water
Sarah Scott	SS	Veolia	Trevor Nelson	TN	Business Stream
Wendy Monk	WM	Wave			

OTHER ATTENDEES

Axelle Saada	AS	MOSL	Ben Gough	BG	PwC
Elena Vaccarino	VG	PwC	Helen Fryer	HF	MOSL (Minutes)
Janet Judge	JJ	MOSL (Presenter)	John Gilbert	JG	MOSL
Steve Formoy	SF	MOSL			

APOLOGIES

Chris Dawson	CD	MOSL (Chair)	Adam Boyns	AB	CCW
Adam Richardson	AR	MOSL	Andrew Smith	AS	Castle Water
Michael Rathbone	MR	Severn Trent			

ACTIONS FROM MEETING(S)

NO	Action required	Action by	Action Date
04/01	Potentially no market activity for the following scenario: The issue whereby the sewage retailer thinks it has resolved the problem but cannot action as only the retailer has the CEMOS rights	JJ	05/08/22
04/02	PwC's final report to cover how natural incentives effects and interventions on different customer segments has been considered	BG	05/08/22
04/03	Poll to be sent to members with regards to suggested dates and meeting style options for forthcoming workshop	HF	12/08/22
01/04	Ensure customers have an opportunity to engage in consultations as the MPF programme progresses (consultations currently anticipated to begin in late September) - NOTED/ONGOING	AR	14/09/22

1	Welcome and Actions from previous meeting
1.1	The Chair welcomed attendees to the meeting and introductions took place
1.2	<p>03/01 - 'Improved wholesaler performance on NHH facing services.' to be changed to 'Improved wholesaler performance on NHH non-household services' - CLOSED</p> <p>03/02 - Provide TN with further details on MOSL response to: Risk on customers and/or properties are incorrectly included in the NHH market is missing from Risk/Issues register and matrix - CLOSED</p> <p>03/03 - CV.8 - update to incorporate CSE013 - CLOSED</p> <p>03/04 - Risk on customers cannot engage with water efficiency measure as their consumption is not measured or they do not have access to real-time consumption data is missing from Risk/Issues register and matrix –Amend to state 'Issue' (not risk) as stated on Risk and Issue Tracker - CLOSED</p> <p>Ensure customers have an opportunity to engage in consultations as the MPF programme progresses (consultations currently anticipated to begin in late September) - NOTED/ONGOING</p>

2	Recap of MPF Reform Programme
2.1	<p>JG re-capped on the MPF methodology. Having thanked members for feedback on the level of engagement they would like, JG reiterated the Success Criteria which has been previously endorsed.</p> <p>A member stated that some of the messages seem opposed to others. MOSL must not exclude TP experts with the real skills so that only MOSL's and PwC's views would reflect activities. The PAG was being asked only to consider 'showstoppers' and if only this is required, MOSL could find itself working in silo. As a PAG member, inclusion, and opportunity to add more thinking into the process at an earlier stage would be welcomed</p> <p>JG said that questions and challenge is wanted, and wider skills are valued, recognised and what MOSL wants. PAG members involvement and will be discussed and shared within today's agenda. The thought process is to take PAG members on a journey to establish their thoughts and advice on the shape of the MPF going forward, we will get to the point where we can then open it up for far broader consultation from all trading parties. The PAG has been set up at a strategic level to progress and move the MPF forward</p> <p>The Chair suggested that this be followed up later on the agenda as a discussion around holding a workshop. The Chair noted that if other PAG members also wanted the group to get into more detail, it must consider that this could lengthen the programme timetable. Regarding MOSL working in silo, the Chair noted that it has already undertaken work with the whole market, in commission an MPF CFI, for example</p>
2.2	<p>Following members feedback, SF presented a simplified version of the 5 current key building blocks of the process journey which covered:</p> <ul style="list-style-type: none"> • Risks and Issues • Activities • Natural and regulatory incentives • Interventions • Metrics
2.3	JG provided members with an update of progress to date and the current 'ask' from members
3	ENDORSE: Activities that support market outcomes
3.1	<p>JJ presented the feedback received from PAG members and outlined the changes that had been implemented from the information provided:</p> <ul style="list-style-type: none"> • Omissions – Proposed new activities • Proposed change to activities • Clarification of activities

3.2	<p>SF advised of the two other comments (themes) where feedback has been noted but after careful consideration, no changes have been made</p> <p>The following point was raised and NOTED:</p> <ul style="list-style-type: none"> • WM – Requested confirmation that supply of last resort & retailer margins are the only two that have been removed. SF replied yes, as it was felt that these two did not map however, we will check again at the next stage • WM – Different water to sewage; the issue being between the water retailer and the sewage retailer, one thinks a property is occupied, the other thinks it is vacant – how do you resolve? Also, the issue whereby the sewage retailer thinks it has resolved the problem but cannot action it as only the retailer has the CEMOS rights. There does not seem to be a market process. JJ replied that the first point raised would be covered in market participants working collaboratively activity. The second element of the point will need to be checked and added to the activity list if not covered (Action Point: 04/01)
3.3	<p>The Chair summarised the current position with regards to the activities.</p> <p>The following point was raised and NOTED:</p> <ul style="list-style-type: none"> • TN asked what the Governance is around both the Risk Register, and the Activities register, as these will need to be kept as a live, active, and dynamic framework as things evolve as well as on an enduring basis. The Chair advised that the governance of the activities list and risk and issues tracker will be addressed as part of the Governance workstream
3.4	<p>The Performance Advisory Group ENDORSED the Activities that support market outcomes recognising that further changes can be made to activities in later stages, such as splitting activities into two or further refining the description</p>
4	<p>INFORMATION: Approach to assessing Natural & Regulatory Incentives</p>
4.1	<p>BG began PwC’s report and introduced EV who presented how the exercise was completed. BG and EV gave a summary of their approach which was noted by the PAG.</p> <p>A PAG member NOTED that natural incentives effects and interventions will apply differently to customer segments, recognising that it wasn’t a free and competitive market for all customers considering the nuances of the retail exit code that provides more price protection for smaller consuming customers. The Chair requested PwC to detail in their final report how this has been considered (Action No: 04/02)</p>
5	<p>PAG Workshop discussion</p>
5.1	<p>SF discussed the forthcoming mapping task that would need to be undertaken by members and proposed that a workshop was held to enable members to be more involved and provide more initial detailed input</p>

	<p>JG outlined the different ways in which a workshop could be held, and that MOSL were keen to take a flexible approach.</p> <p>The following points were raised and NOTED:</p> <ul style="list-style-type: none"> • TN said he was happy to participate whether it was a workshop for all PAG or like-minded individuals who can lend their support • CY confirmed that she would be happy to attend with a preference for a face-to-face meeting to be effective • RV said he would be happy to be involved and it would help bring PAG members onboard and on the same journey as MOSL and would be a useful exercise • CY suggested polling members with proposed dates as well as meeting style options (Action Point: 04/03)
6	Any other business
6.1	<p>The Chair asked members for a ‘temperature check’ of whether they had any feedback on the meeting structure and if they felt it was an open forum to comfortably feedback.</p> <p>No concerns were raised by PAG members.</p>
6.2	<p>The Chair presented the agenda’s for PAG 05 and PAG 06.</p> <p>SF provided a more detailed explanation on the agenda items for PAG 05 and outlined the pre-read reports that members would receive prior to the meeting</p>
6.3	<p>The Chair thanked everyone for their attendance and closed the meeting at 11.59</p>