

## Minutes of the Performance Advisory Group 11

9 November 2022 – 10:00 to 12:00

### MEMBERS PRESENT

Chris Dawson	CD	MOSL (Chair)	Adam Boyns	AB	CCW
Michael Rathbone	MR	Severn Trent	Kate Russell	KR	Yorkshire Water
Jamie Davies	JD	Castle Water	Richard Varley	RV	Southwest Water
Wendy Monk	WM	Wave	David Morris	DM	Waterplus
Trevor Nelson	TN	Business Stream	Sarah Scott	SS	Veolia
Emily Jerrome	EJ	Water2Business	Neil Pendle	NP	Waterscan

### OTHER ATTENDEES

Janet Judge	JJ	MOSL	Evan Joanette	EJo	MOSL
Georgina Mills	GN	Ofwat	Lisa-Ann Lott	LAL	MOSL (Notes)

### APOLOGIES

Andrew Smith	AS	Castle Water	Claire Yeates	CY	Waterscan
Jon Fuller	JF	Wessex Water	Axelle Saada	AS	MOSL
James Higgins	JH	MOSL	Steve Formoy	SF	MOSL
Elena Vaccarino	EV	PwC	Ben Gough	BG	PwC
John Gilbert	JG	MOSL	Adam Richardson	AR	MOSL

**ACTIONS FROM MEETING(S)**

NO	Action required	Action by	Action Date
11/01	Review UWE.6 once consultation feedback received. ('Refund')	MOSL	7/12/22
11/02	Feedback on customer engagement on consultation	EJo	7/12/22
11/03	Review CV.18, review 'appropriate' for this Activity. Should the Activity be split?	AS & JJ	7/12/22

**Commented [CD1]:** @Axelle Saada , @Janet Judge , @Lisa-Ann Loti Adding actions, can you check that you're happy with these as assigned some to you and expecting them?

**Commented [AS2R1]:** Yes all good, I just changed one word in action 10/04 but otherwise fine, I've already completed all 3 too

**Commented [CD3R1]:** awesome, thank you

<b>1</b>	<b>Welcome</b>
1.1	The Chair welcomed attendees to the meeting including Jamie Davies from Castle Water as an alternate, noted apologies and confirmed the agenda.
<b>2</b>	<b>Actions from previous meeting</b>
2.1	The Chair confirmed action 10/2 to remain open alongside action 10/05.
2.2	The Chair further confirmed all previous actions had been completed.
2.3	Chair requested members respond to actions 09/01 and 09/02 as work continuing on both items.
<b>3</b>	<b>Review progress to date</b>
	<p>The Chair noted the current review of metrics and tools was creating a 'long list' of options.</p> <p>Chair highlighted Steering group rescheduled to 25 November to enable consultation feedback to be included on agenda therefore no further update from Steering Group.</p> <p>TN enquired if PAG members will see all consultation responses and will this form part of the workshop.</p> <p>Chair confirmed views from the consultation will be summarized by PWC to inform PAG discussion on workshop.</p> <p>EJo confirmed summary will be provided to the PAG for discussion.</p>

	<p>TN enquired if feedback had been given at the webinars and how this was being recorded.</p> <p>EJo confirmed all webinars recorded, transcription and notes taken to include in the summary of the consultation responses being produced by PWC.</p> <p>GM recommended consultations responses are published in full and noted Ofwat take the approach of asking for redacted and unredacted responses for this purpose.</p> <p>EJo noted likely to share responses however PWC working to summaries to prevent parties having to read and digest full responses.</p> <p>GM enquired if non-trading parties' attendees were present at the webinars and noted the difficulties of reaching out to consumer organisations and others.</p> <p>EJo confirmed one non-trading party attendee at the first webinar and MOSL had requested help in connecting with other organisations noting difficult to reach out to all with a small comms team.</p> <p>AB noted conversations held with MEUC and they may provide a high-level response on behalf of their members and CCW have highlighted the webinars to their business customer forum attendees.</p> <p>EJo noted potential to consider a CCW hosted session for customers for any future consultation to promote engagement.</p> <p>TN enquired if customers are aware at this stage and feel included.</p> <p>AB confirmed generally positive feedback on the high-level view of the reforms and customers noting entire customer journey included in review. AB also highlighted focus on wholesale, large scale reform gaining general support.</p>
<b>4</b>	<b>DISCUSSION: Endorses selected candidate metrics</b>
4.1	<p>EJo took the members through the feedback on group 4 of the candidate metrics noting those comments in green were where MOSL agreed with the feedback received.</p> <ul style="list-style-type: none"> <li>• Following discussion, it was generally agreed the refund aspect which had been associated with UWE.6 could be more appropriately tagged to a different activity. Where talking about water efficiency and where forward estimating could be done better to prevent overpayment.</li> <li>• JJ noted the above could be affected by the feedback from the consultation and renaming/rejigging activities may result from that feedback.</li> <li>• <b>CD noted the need to review UWE.6 once consultation feedback was received.</b></li> </ul>

	<ul style="list-style-type: none"> <li>• TN highlighted the need to understand shared supply points in relation to CV.2 UWE2 as need to ensure accountability as one party could affect the performance of the other e.g., waste retailer may have the data however they are reliant on water retailer to enter the information. Members noted the Bilateral hub may provide the functionality to report on these cases.</li> <li>• GM noted ‘no perfect metric’ however consideration could be given to a composite metric where individual metrics are not perfect. This would provide an overall holistic reflection of data quality as opposed to one specific aspect. This could be given weighted scoring to provide an overall score which rewards for over performance and penalties for under the score e.g., C-MeX and D-MeX scores.</li> <li>• WM confirmed premises location data separate to address data e.g., XY data on UWE6</li> <li>• AB commented when utilising CCW complaint data need to ensure use of the appropriate level of detail however this will require some manual processing to provide.</li> <li>• AB noted need to include retailer data on complaints as well.</li> <li>• GM noted the need to review top down once draft framework created to ensure customer focus remains rather than simply trading party performance being the focus.</li> <li>• TN raised the suggestion of a metric around Trade Effluent. CD noted following Bilateral Hub review of G2 merged process it is an area which requires further review to identify possible metrics following the launch of the next phase of the Bilateral Hub.</li> </ul> <p>Members agreed to ENDORSE the possible candidate metrics for exploration noting this is not closing down the opportunity to add or remove metrics should this be appropriate in future.</p>
5	<p><b>DISCUSSION: Endorses selected candidate tools</b></p>
5.1	<p>JJ reminded members 11 intervention types being considered which had been endorsed. Currently exploring all possible intervention tools which could be included within an MPF. Long list at present of which some may be discarded due to suitability, costs, appropriateness and relevance at the next stage.</p> <p>JJ thanked members for their feedback and noted, once again, grouped into themes for review.</p> <p>JJ ran through the feedback.</p> <ul style="list-style-type: none"> <li>• CV.3 tool of publishing performance agreed seen improvement in performance due to holistic reporting and therefore will amend from low to medium suitability and may raise higher.</li> <li>• CV.3 noted using credit tools may be too complex and therefore not the most suitable route amending therefore from high to medium however further consideration will be given to design of tools.</li> <li>• CV.18 as tariffs are outside of MOSL’s mandate they could be utilised as a metric against the whole market as opposed to individual trading party metric. Given current metric is</li> </ul>

	<p>considered medium but use of 'appropriate' needs to be explored activity to be reviewed following consultation feedback in next steps.</p> <ul style="list-style-type: none"> <li>• Following discussion members generally agreed to amend from low to medium however may require additional activity to split the risks associated more appropriately.</li> <li>• JJ noted where tool descriptions will be updated such as CV.18 market participants to wholesalers.</li> <li>• JJ noted will consider the design of how specific tools could work as part of deeper dive work in future.</li> <li>• CV.3 JJ noted feedback on suitability grade and highlighted the original definitions of each suitability grade.</li> <li>• GM noted difficult to apply 'high' suitability at this stage to any tool or metric. However, should CV.3 be high given others are at this point.</li> <li>• WM noted the difference between Retailer and Wholesaler data and performance incentives are also different therefore difficult to grade for suitability.</li> <li>• TN noted one of the most important aspects of the market and therefore under-performance payments may be crucial to ensure performance. Where tools and metrics not agreed as yet and therefore worthwhile amending to high to maintain focus whilst working on metrics.</li> <li>• Wholesaler members generally agreed to move to high.</li> <li>• TN noted the need to further review once the cohort of activities has been confirmed to ensure the metrics are appropriate and the tools are the appropriate ones to utilise.</li> </ul> <p>Members agreed to ENDORSE the possible candidate tools for exploration noting this is not closing down the opportunity to add other tools should any be identified in future and may be adjusted once certainty achieved on the metrics.</p>
<b>7</b>	<b>Any other business</b>
7.1	Chair confirmed upcoming meetings and highlighted there will be no pre-read materials for PAG12. TN requested PAG slides are uploaded to website for reference
7.2	The Chair thanked everyone for their attendance and closed the meeting.