

Minutes of the Performance Advisory Group 15

9 February 2023 – 09:00 to 13:00

MEMBERS PRESENT

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

OTHER ATTENDEES

Janet Judge	JJ	MOSL	Adam Richardson	AR	MOSL
James Higgins	JH	MOSL	Steve Formoy	SF	MOSL
Axelle Saada	AS	MOSL	Sam Webb	SW	MOSL
John Gilbert	JG	MOSL	Evan Joanette	EJo	MOSL
Lisa-Ann Lott	LAL	MOSL (Notes)			

APOLOGIES

Andrew Smith	AS	Castle Water	Claire Yeates	CY	Waterscan
Kate Russell	KR	Yorkshire Water	Richard Varley	RV	Southwest Water
Elena Vaccarino	EV	PwC	Ben Gough	BG	PwC
Jon Fuller	JF	Wessex Water	Shaun Kent	SK	Ofwat

ACTIONS FROM MEETING(S)

NO	Action required	Action by	Action Date
15/01	AS/JJ to update Template as discussed in PAG. (add Customer to stakeholders, the target audience are and who the tool is applicable too) will all be added to the templates.	AS/JJ	
15/02	PAG to request suggestions on priority of Tools for them to review	All	13/02/2023
15/03	Slide deck to be sent out for PAG to review missed slides and requested suggestions on particularly the yellow highlighted comments	MOSL	13/02/2023

1	Welcome
	The Chair welcomed attendees to the meeting, noted apologies and confirmed the agenda. TN requested feedback from Strategic Panel paper instead of Steering Group feedback
2	Actions from previous meeting
	14/01 to be closed as working through during agenda.
3	Review progress to date & Steering Group feedback
	<p>Chair confirmed working on interventions and metrics continues.</p> <p>Middle and top tier activities continue to be worked on also.</p> <p>Chair reminded members of the upcoming programme plan including consultation 2. Chair confirmed still working on tools and will be covered in upcoming PAG meetings (44 tools for review).</p> <p>Chair confirmed no decisions will be taken prior to consultation 2 and will be covered within Phase 2 of the Programme.</p> <p>AR provided feedback on Strategic Panel paper. Panel invited to review work undertaken thus far as a target model to take into consultation 2 and Phase 2 of the Programme.</p> <p>AR confirmed target model includes success criteria agreed by PAG and scope including 'pot 1' activities, Middle tier and low priority activities also covered 'Pot 4' activities.</p>

AR noted paper also detailed tiers of tools, pre-market, regular and discretionary. Paper also included details of the governance of the MPF.

AR confirmed Strategic Panel supportive of direction of travel and the approach of the target model.

AR noted business case approach also outlined to Panel alongside the Strategic Outline Case.

AR also detailed potential 'quick wins' were shown to the Panel with further tranches of work with tranche 1 to extend to end of 23/24 FY and tranche 2 up to end of 24/25 FY.

AR noted paper was a culmination of all items discussed with PAG over preceding months and copies of the paper are available on the MOSL website Strategic Panel page.

AR noted Strategic Panel supportive of the business case approach and offered thanks to both the Programme Team and PAG for all the work undertaken thus far.

JG reiterated Strategic Panel keen to see customer impact within the business cases.

JG also noted Strategic Panel supportive of the 'quick wins' and not necessarily replacing immediately with another measure.

JG confirmed the business case approach developing in three stages, Strategic Business Case, Outline Business case and Full Business Case; each stage incorporating 5 elements. Same approach as utilised for Bilaterals Programme.

NP noted the Panel's desire to focus on customer outcomes and enquired if they had recommendations for how to link to MPF measures.

AR replied high-level message to focus on most impactful measures for customers. Panel reassured by the approach taken beginning with the consideration of risks and issues through three different lenses, Wholesalers, Retailers and Customers. The customer lens being at the heart of working out the market activities on which to focus.

TN enquired if Panel's focus had altered away from the initial metering and settlement focus as detailed on the POAP for Strategic Priorities.

AR noted not a change of focus but better understanding of consumption will lead to better customer outcomes.

TN noted the need to expand the focus to include the customer benefit from metering and settlement.

JG agreed it is a natural progression to a wider view encompassing the customer benefit at each stage.

4	<p>Walk through of tools descriptions</p>
	<p>JJ ran through an overview of items included within the tool description templates confirming similar style used as for interventions.</p> <p>JJ confirmed will be seeking endorsement of the tools templates and requested members raise 'anything missing' from the templates that need to be included.</p> <p>JJ also requested members raise if any tools are missing.</p> <p>JJ confirmed more overviews will be sent to PAG this week and requested PAG members state if particular tools should be prioritised for review.</p> <p>AS ran through the template for the intervention type - Public Peer Comparison (vs target/standard) noting the description relates to the post-it notes shown at PAG14. AS described the details in prerequisites and the commentary on flexibility.</p> <p>AS confirmed cost section is new and contains a general statement on cost followed by the different costs which will require review at the next stage.</p> <p>Cost section followed by governance and then nuances. In some cases, nuances not applicable and this is noted.</p> <p>Benefits and drawbacks simplified to specific tool against other tools which could be utilised.</p> <p>EJo enquired as to why all templates being created. AS confirmed will be added as appendices to the consultation document and will be utilised as reference documents.</p> <p>TN enquired as to the ask from PAG members in respect of the template. AS confirmed seeking to establish if template is appropriate and requires any additions.</p> <p>TN noted currently binary approach (Retailers & Wholesalers) and does not take into account NAVs, self-supply etc. AS confirmed can be added where appropriate to specific tool templates.</p> <p>TN noted currently MPC has sight of similar reporting and creates debate on performance measures e.g., whether absolute or ranked performance is reported and whether this should be included within nuances as to how items are going to be presented.</p> <p>AS noted this particular tool is for ranked performance not individual performance however other tools are absolute performance against the standard and not ranked against other retailers/wholesalers.</p>

JJ noted a number of tools sit under this category (4 tools) and public peer comparison also includes reporting as a comparator and industry standards which are not published publicly.

EJo highlighted the need for clarity within the consultation to indicate ‘do you like and if you like it should it be an absolute versus a relative metric.

NP noted no showstoppers or missing tools however noted need to focus on customer outcomes may be able to be drawn out in ‘nuances’ section.

NP noted ‘value to stakeholders’ section may also be utilised to draw out benefits to customers noting where simplicity is mentioned difficult to balance against need for detail which automatically complicates. NP noted where peer comparison published this enables customers to source details from a trusted source.

AS noted as at present no confirmed tools/interventions. There will be a need to review once confirmed as to how and how often reports should be published.

TN recommended adding target audience to publications may have an impact on design of the particular tool.

AS suggested adding to nuances the target audience.

JJ ran through the template for the intervention tool – Limitation of Central System Access noting it was only considered applicable for Retailers.

JJ noted this tool would restrict access to CMOS and the Bilaterals Hub to view only and updates only for their own SPIDs until non-compliance resolved.

The template contained the same sections; description, prerequisites, flexibility, cost, governance, nuances, value to stakeholders.

TN noted for this tool is there a similar one for gap site and ISA allocation, highlighting that if a Retailer is prevented from taking on more customers but is then allocated them from gap sites or ISA this would not reflect well on MOSL.

Chair enquired if nuances section could be updated to cover the above.

JJ confirmed potentially can be added to the nuance section for this tool however would require further review on how to design/apply and work the tool.

EJ noted customers have choice of Retailers and where Retailer are working with third parties may be recommended and therefore this tool may not be workable.

	<p>Chair noted same discussions within MOSL and confirmed at present nothing has been removed as an option.</p> <p>JJ noted a similar tool currently operates within the energy market and could be used as a model.</p> <p>EJ noted some Retailers within energy have gone out of business and this could cause similar difficulties in water.</p> <p>AB noted may be a drawback to customers in not being able to switch where desired despite being unlikely to switch to an underperforming Retailers.</p> <p>TN noted may be worth only preventing transfer of a customer as the punitive approach.</p> <p>JJ noted a separate tool exists to restrict portfolio which focuses on customer switching.</p> <p>Chair noted PAG members feedback is valued and helpful.</p> <p>Chair confirmed templates will be sent to PAG before COB Friday 10 February with further templates to follow over the next few weeks. These will be prioritised as per PAG members requests.</p> <p>Chair noted value to stakeholders to include customers, who the target audience are and who the tool is applicable too will all be added to the templates.</p> <p>PAG members endorsed on the basis of the additions above.</p>
5	Feedback on Middle tier Activity templates
	<p>Chair displayed the list of ‘middle tier’ activities and enquired if members had feedback on the templates which had been circulated.</p> <p>Members offered no feedback during the meeting.</p>
6	PAG Feedback Metric review
	<p>AS confirmed feedback on top tier activity templates included over 120 comments on the metrics from members.</p> <p>AS confirmed MOSL had now reviewed all feedback and it had added value, however, where feedback was solely ‘don’t like it’ it would be helpful to know why and any suggestion as to improvements would be welcomed.</p> <p>AS ran through the feedback received on CV.2/UWE2 noting MOSL monitor volume of reads for vacant premises and will add as a new metric to be looked at alongside number of vacants with consumption.</p>

AS noted due to volume of feedback will focus on specifics and welcomed any further comment post meeting if PAG members wanted to draw out comments further.

AS noted settlement accuracy is proposed to be retained as a secondary metric to trigger for rectification where performance is deteriorating.

AS highlighted SEMD flag to be downgraded in suitability to 2 and used as a trigger for rectification and audit.

AS confirmed number of meters that have Bilateral tasks raised against them to be removed from CV.2 but kept on CV.6

AS noted time to get completed Retailer-owned data after gap site/new connection to be removed from CV.2 however added to CV.13 and CV.15 as market indicators

AB and JG left the meeting.

AS highlighted 'Volume of CMOS updates following completion of a bilateral process' amended for suitability and cost to RAG rating 1 however retaining in list.

AS also noted 'Number of backdated bills' being moved to UWE.4 to use as an audit and rectification trigger.

AS highlighted for USRs the party who pays for the USR and who benefits will be added.

TN suggested the inclusion, if one does not exist, of a resubmissions metric as it may indicate where estimates are being entered into CMOS instead of actual reads.

AS agreed analysis can be undertaken to establish if such a metric can be created noting this may not be possible due to complexity.

SF noted this may be more feasible to look at unusual trends to identify where this is taking place and may be an ad-hoc metric relating to audit.

JJ ran through CV.3/UWE.3

JJ noted a general comment received leading to adding "self-reported retailer complaints on billing or administration that retailers have attributed to Wholesalers"

JJ noted proportion of UPRN that were changed to new address can be added as a sub-metric but as linked to a financial incentive need to ensure does not discourage wholesalers from making corrections.

	<p>JJ highlighted against volume of CMOS updates following completion of a C1; timeliness, completeness and accuracy have been added as additional factors.</p> <p>AS detailed comments on CV.6 noting same USR amendment made and against skip code data amended RAG to '2' as where no data would be a manual task to get data from retailers.</p> <p>AS also ran through CV.9 noting against customer enquiries several elements of the bilaterals data will be taken into account and the proposal to downgrade the suitability of F4 from 4 to 2.</p> <p>AS noted details added including timescales for responding and data on deferred bilateral requests on meter and supply arrangement verifications (C1 process)</p> <p>AS confirmed in respect of disputes data elements proposed by PAG member have been added to the definition.</p> <p>AS noted the feedback on wholesale policies regarding allowances to customers for time spent with issue highlighting if compensatory payments are made all trading parties should be operating the same policy e.g., all compensating for entire time customer has experienced issue with no limits. This avoids a 'postcode lottery' for customers.</p> <p>TN noted not simply inconsistency between wholesale areas also inconsistency with published policy and actions taken noting this would be difficult to monitor.</p> <p>AS noted will be retained although most likely as a peer comparison and for audit purposes.</p> <p>Chair confirmed slide deck will be sent out and requested suggestions on particularly the yellow highlighted comments</p>
<p>7</p>	<p>AOB</p> <p>Chair confirmed upcoming meetings: -</p> <p>PAG16 – 22 February including tools descriptions feedback continued and consultation 2 outline.</p> <p>TN enquired where BR-MeX mentioned how can it be resolved to avoid 'double whammies' on measures as it is developing alongside MPF and noted it is mentioned within the metric feedback.</p> <p>SF replied BR-MeX will be a useful tool and noted Ofwat are driving BR-MeX and taking into account the MPF. SF noted BR-MeX may offer a metric and could be used as a tool noting need to ensure no double counting and will not be in place until April 2025.</p>