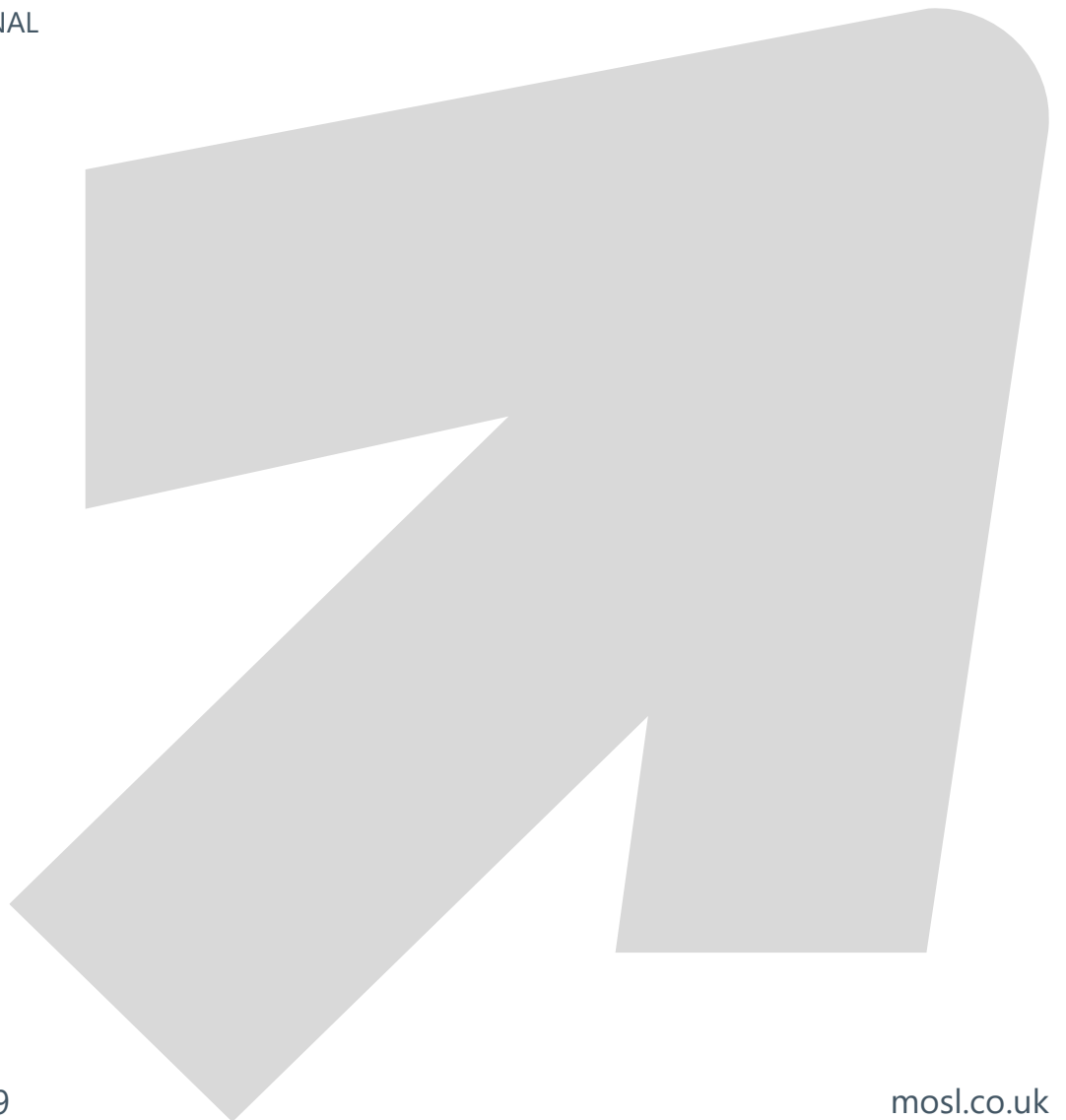


Performance Advisory Group (PAG) 48

Location: MS Teams

Date and time: 14 August 2024, 1000 - 1200

Status of minutes: FINAL



Meeting Minutes

Market attendees

Name	(Initial)	Role/Organisation	Name	(Initial)	Role/Organisation
Calum Pittman	CP	Waterscan (R)	Mike Rathbone	MR	Severn Trent (W)
Claire Stanness	CS	Wave (R)	Robert Hetherington	RH	Ofwat
Daniel Proctor	DP	Waterplus (R)	Sandra McCulloch	SM	United Utilities (W)
David Morris	DM	Waterplus (R)	Sam Dawson	SD	Portsmouth
David Moss	DMo	Castle (R)	Shakima Fagan	SF	Everflow (R)
Emily Jerome	EJe	Water2Business (R)	Shaun Kent	SK	Ofwat (O)
Harriet Eames	HE	Yorkshire (W)	Sian Forward	SFo	Northumbrian (W)
Jamie Davies	JD	Castle (R)	Sindiso Bango-Dube	SBD	Waterscan (R)
Jon Fuller	JF	Wessex (W)	Tim Brewer	TB	Wessex (W)
Jordanna Lo	JL	Business Stream (R)	Trevor Nelson	TN	Business Stream (R)
Letoia Mann	LM	Clear Business	Victoria Milton	VM	South West (W)
Paul Baker	PB	Business Stream (R)	Wendy Monk	WM	Wave (R)
Paul Walmsley	PW	Yorkshire (W)			

MOSL Attendees

Name	(Initial)	Role	Name	(Initial)	Role
Chris Dawson	CD	Chair	Huw Comerford	HC	Observer
Evan Joannette	EJ	Presenter	Lisa Connell	LC	Observer
Janet Judge	JJ	Presenter	Luke Coyle	LCo	Observer
Abby Jackson	AJ	Observer	Monica Falasca	MF	Observer
Adam Richardson	AR	Observer	Nichola Sampford	NS	Observer
Amy English	AE	Observer	Sauda Dickinson	SDi	Notes
Florentina Monea	FM	Observer	Steve Formoy	SFo	Observer

Evan Joanette	EJ	Observer	Sauda Dickinson	SD	Notes
---------------	----	----------	-----------------	----	-------

1.	Welcome & update
	<p>CD welcomed all members to the meeting and confirmed the agenda.</p> <p>CD reminded attendees that minutes and slides are all published on the MOSL website for review and questions and comments to be sent via mpfreform@mosl.co.uk.</p> <p>CD presented a reminder on the delivery phases for part C and the MPF plan, as on slide 4.</p>
2.	Bilaterals Metrics
	<ul style="list-style-type: none"> • M15 Average lateness of failed SLAs for bilateral Requests. • M18 Proportion of SLAs for bilateral requests completed on time. <p>EJ presented the agenda for the metrics, as on slide 7.</p> <p>EJ presented a reminder of the high-level metric journey, as on slides 8 and 9.</p> <p>EJ presented a reminder of the Bilaterals terms and definitions, as on slides 10-12.</p> <p>EJ presented a view of previous PAG feedback of other metrics to consider, as on slide 14.</p> <p>DMo advised that the additional metrics noted need to be incorporated as part of the priority KPIs as admissions, escalations and complaints not being captured will not capture the customer impact and journey.</p> <p>EJ advised that all suggestions were taken into consideration but that decisions are made around what could be built and what cannot.</p> <p>DMo noted that whether the priority KPIs are going to be sufficient and successful for the PAG outcomes.</p> <p>EJ advised that that question will be asked and answered in the recommendation report using all the feedback received.</p> <p>CS questioned whether bilaterals and deferrals against vacant premises are included in the design.</p>

EJ presented a view of **previous PAG feedback** – inconsistencies and opportunities, as on slide 15.

EJ presented a view of **previous PAG feedback to consider in M15 and M18 design**, as on slide 16.

JJ presented the **proposed M18 design**, as on slide 18.

JJ presented the **proposed M18 design** - improvements on current OPS, as on slide 19.

JJ presented the **explanation of the proposed M18 design** - improvements on current OPS, as on slide 20.

JJ confirmed CS's question about vacancies and noted that there are inconsistent practices on internal and external vacancies and advised that it is not being adjusted in this metric but that the discussion is being picked up outside of the MPF programme to find solutions to the behavioural inconsistency.

JJ presented the **proposed M15 design**, as on slide 21.

TN questioned whether an overdue request would impact the average lateness every month that it is late and not just counted on the month that it falls overdue.

JJ confirmed that it would continue to total up both on a total basis and an average basis until it is completed.

TN questioned if a request is rejected a day before being overdue, is it taken out of the average or whether it still contributes to the average.

JJ advised that if it is rejected before the end of the month, it will not be included.

TN highlighted that there is a risk to tamper projections using rejections and that wholesalers could delay rejections to project a better average.

JF noted that there is a risk of trading parties being able to reject a request and resubmit, having their SLA start from zero even though they were previously overdue.

DMo advised that auditing should capture these risks and MOSL should investigate rejections.

AR advised that MOSL could look at auditing these areas to try and provide reassurance.

AR further advised that an overdue request should be included in the average lateness regardless of being rejected.

TN questioned whether M15 only looks at the late requests and not all requests.

JJ confirmed that it only looks at failures and not failures *and* successes.

EJ noted a question from SD in the chat - all bilaterals will be subject to M18, not just current OPS reportable processes?

EJ clarified that we are only talking about OPS SLAs.

JJ highlighted the improvement for the **proposed M15 design**, as on slides 22-23.

JJ presented the **explanation of the proposed M15 design** - improves on the OPS, as on slide 24.

JJ presented **Scenario: SLA completed on time**, as on slide 25.

JJ presented **Scenario: SLA completed late**, as on slide 26.

JJ presented **Scenario: SLA not completed**, as on slide 27.

DMo noted that OAG discussions were had that retailers require the ability to raise information requests and deferrals and that given the potential for poor behaviour with M15 and M18, parties also need the ability to reject information requests and deferrals.

JJ advised that deferrals will be monitored and tracked.

DM advised that there is no measuring tool to measure correctness of deferrals and that there should be metrics in place on how deferrals are being used and ensuring they are not used improperly.

TN advised that deferrals should, at a minimum, be picked up in audits, particularly if M18 and M15 are going to be included within BR-MeX.

TN questioned whether M15 will have just one value reported for each wholesaler and M18 would reflect the total outstanding requests.

JJ confirmed that was correct and advised that will be a report on both the average and the cumulative basis.

JF noted a preference for combining M15 & M18 and noted that it should reflect volume on the average lateness.

EJ noted a question from EJe in the chat - How will satisfaction be measured?

EJ advised referring to being unable to resubmit, M15 and M18 are not about tracking quality of resubmission outcomes, and that quality will be tracked by BR-MeX and customer surveys.

CS questioned whether deferrals could be used by retailers, too rather than just by wholesalers.

CD advised that it had been discussed at OAG and is being looked at.

SF advised that follow up audits are coming up and that the new KPIs should identify outliers or areas or future focus fraud and identify poor behaviour.

JL questioned the risks mentioned around deferrals are being identified as a gap in the hub's process and if we have identified a gap, is there an opportunity for enhancements.

CD advised that considerations have been taken to make sure that the metric that's put in place doesn't create bad behaviour and that there isn't any major concern currently regarding deferrals, but that an audit is still to take place to confirm.

CD further reiterated that MOSL will ensure there are continuous audits and that there are KPIs to track and monitor behaviours around deferrals going forward and that MPF will remain flexible making sure that things can change if needed.

DMo advised that assurance is needed within the system, as there is an inability to give trading parties the capacity to report poor deferral practices in system.

AR questioned whether late requests being deferred would have any impact on M15 & M18.

EJ advised that a solution to deferrals would only be to have the ability for deferrals to happen between trading parties.

AR noted that deferrals would not have an impact on M15 & M18.

DMo advised that retailers need the ability to challenge improper deferrals, and the deferred period should be converted to late days.

JF noted that in the hub, deferrals can be back-dated and advised that there should be an update in the hub to stop anyone back-dating deferrals more than 3-5 days.

JJ advised that under M15, late days will be charged unless you have done a retrospective deferral before the end of the month, but if a retrospective deferral is back-dated more than one month, charges already occurred will not be paid back.

JL advised that a process is needed to capture when rejections are identified and the explanations for rejections.

EJ highlighted that additional indicators will be looked at and discussed as part of the delivery plan.

EJ presented the **desired outcomes for M15 and M18**, as on slide 28.

TN questioned how there would be one value reported when both total and average lateness are being reported on.

JJ referring to slide 23, advising that there were three aspects being looked at; average lateness will be reported on but supporting that would be a view of the total lateness, and the in-month number of days that the SLAs have failed for because that's the item that would be charged for.

TN noted that M15 & M18 must be read in conjunction to get good meaning from them.

EJ presented **assessing solutions** and assessment criteria, as on slides 29-31.

EJ presented a view of **assessment against behaviours** on the current OPS vs proposed M18 & M15, as on slides 32-33.

TN advised that we need to be mindful of the unintended consequences of M15 & M18 and make sure that it is balanced out and look out for any bad behaviours.

PB advised that the metrics are only measuring time and financial incentives are being put against time and that time would then take precedent over quality and noted that it needs to be noted why we can't produce those reports on quality and discuss, over time, how we could report quality accurately with a financial incentive.

EJ advised that MOSL does need to include that in the recommendation report.

AR advised that assessments of quality are easier to get that through using audits and surveys and questioned what a quality metric could look like.

PB advised that bilateral hub processes are not mature enough and it might be a long time before we get to quality measures and that additional metrics need to be brought together into a quality score of sorts.

	<p>AR advised it was something to take to the new PAC, to work out how additional metrics could be used alongside the high-level metrics.</p> <p>EJ presented a view of the assessment against principles on current OPS vs proposed M18 & M15, as on slides 34-35.</p> <p>JJ presented alternative proposed designs - combine M15 and M18, as on slide 37.</p> <p>JJ presented alternative proposed designs - Normalise SLAs, as on slide 38.</p> <p>JJ presented the pros and cons of the alternative proposals, as on slide 39.</p> <p>DMo suggested that there would be more benefit in creating a normalisation towards the amount of supply points that a wholesaler is obligated to manage rather than looking at how many times they are late.</p> <p>AR questioned how meaningful that normalisation would be to customers.</p> <p>DMo advised that it would have to be displayed in a simplified manner and suggested that it could report that for every 1000 service supply points, a service is made late.</p> <p>CD reminded all member that feedback could be sent to mpreform@mosl.co.uk.</p> <p>MR noted a support for keeping M15 & M18 separate as it is easier to do things with individual metrics and it could be combined later, if need be.</p> <p>TN MR noted a support for keeping M15 & M18 separate.</p> <p>TN advised that both M18 and M15 need to be considered holistically when looking at outperformance.</p>
<p>4.</p>	<p>Upcoming PAG workshop(s) & AOB</p>
	<p>CD provided an overview of the upcoming PAG meetings for August.</p> <p>JJ referred to the metric journey and noted that previous metrics will not be brought back to PAG as requested but that there is an opportunity to raise any further concerns and views outside of PAG.</p> <p>SK noted that there may be some opinions on these topics come through the responses to the draught determinations and reminded members that the deadline for that is 28th of August.</p> <p>JD noted disappointment that metrics will not be brought back.</p>

JD advised that there needs to be consideration about where the market needs to go, and certain future developments, incorporating skip data into CMOS and previously discussed new transactions in the data cleanse for verifying address data and that there hasn't been much traction around those concerns.

JD further advised that M09 won't drive any different behaviours and raised concerns that M01 poses a threat and reduces the ability to have conversations outside of basic SLAs and that the inconsistency in the ability for retailers to be held properly accountable for what is not within their control, has been mentioned in previous PAG meetings.

JD further noted that M01 had not been discussed as thoroughly as the bilateral metrics and that the platform in which retailers and wholesalers are going to be measured against is not going to be fair, particularly when considering that those measures are going in with potential penalties.

JD advised that M09 would need a code change if we want to bring in penalties or a threshold for the number of estimates going in.

JD raised a recommendation that M01 needs to come back to PAG for further discussion to avoid prioritising getting this done on time and without spending too much more money rather than getting it right.

JD further advised that there needs to be conversations about the PAC's role around these issues and advised that issues raised around progressive improvements to CMOS and things like what data can be collected and then used for accountability, need to be addressed first.

JD noted that it feels like the market and the technology of the market are not being progressed and that more fines are just being added.

CD advised JD's input and concerns would be noted.

NS noted that a link was shared in the chat to the nominations page on the website for anyone considering applying for a PAC role.

As no further AOB's were raised, CD closed off the meeting.