

# Market Performance Framework (MPF) Reform

*Part C – key performance indicators*

21 August 2024

A photograph of a person's hands typing on a laptop keyboard. The laptop screen displays a presentation slide with a light green background. The slide features the text 'MARKET VALUE ADDED' in large, bold, black letters, with each word on a separate line. Below this text are several hashtags: '#search #business #concept #keywords #design #innovate'. The laptop is on a wooden desk, and a pen is visible to the right.

MARKET  
VALUE  
ADDED

#search #business #concept  
#keywords #design #innovate

# Agenda

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	Item	Presenter	Time
1	Welcome & update	Miles Robinson (Chair)	10 mins
2	M12 – Proportion of premises address data accuracy	Janet Judge	60 mins
3	Consultation 4 update	Miles Robinson	10 mins
4	Upcoming PAG workshop(s) & AOB	Miles Robinson	10 mins
			<b>Total: 1.5 hours</b>

# Housekeeping



Welcome all - Please introduce yourself in the chat



Workshop format – Input and feedback needed



We will allow time for questions  
Chat and Questions [mpreform@mosl.co.uk](mailto:mpreform@mosl.co.uk)



MOSL Website for [Agenda, Minutes & Slides](#) -  
Minutes format to change due to cadence.

# Part C: delivering in phases

## Phase one: priority KPIs & BR-Mex

- **M01** - Cyclic meter reads performed within SLA (biannual/ monthly)
- **M04/05** - Proportion of transfer meter reads performed/ submitted within SLA
- **M06** - Lateness of overdue transfer meter reads
- **M09** - Proportion of transferred SPIDs with estimated reading
- **M12** - Proportion of premises address data accuracy
- **M15** - Average lateness of failed SLAs for bilateral Requests
- **M18** - Proportion of SLAs for bilateral requests completed on time
- **M19** - Cyclic non-market meter reads performed within SLA (biannual or monthly)

**To go live: April 2025**

## Phase two: lower-priority KPIs

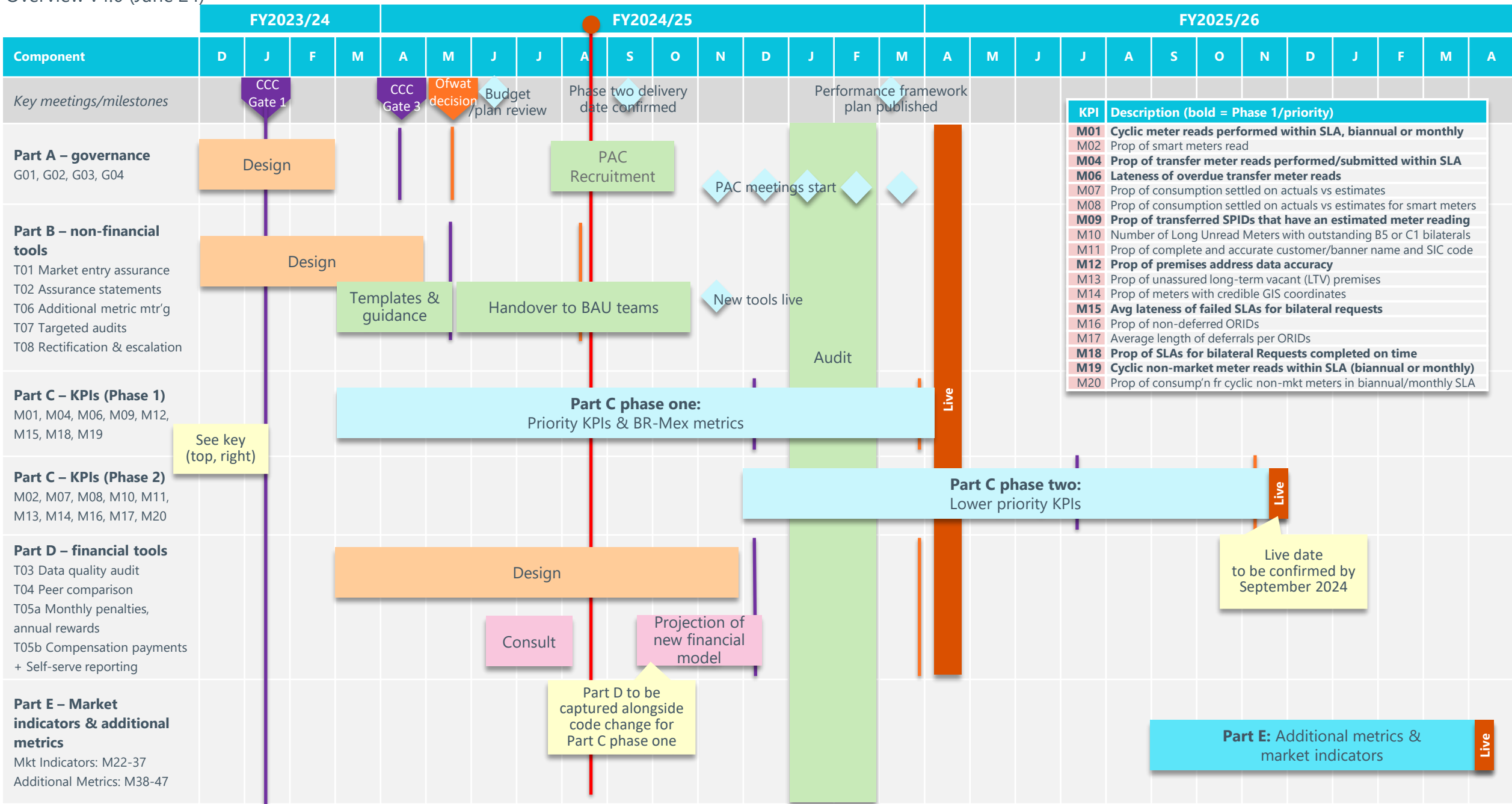
- **M02** - Proportion of smart meters read
- **M07** - Proportion of consumption from cyclic meter reads performed within the biannual or monthly Service Level Agreement
- **M08** - Proportion of consumption settled on actuals vs estimates for smart meters
- **M10** - No of Long Unread Meters with outstanding B5 or C1 bilateral
- **M11** - Proportion of complete and accurate customer name/banner name and Standard Industry Classification (SIC) code
- **M13** - Proportion of unassured long-term vacant (LTV) premises
- **M14\*** - Proportion of meters with credible GIS coordinates
- **M16** - Proportion of deferred ORIDs
- **M17** - Average length of deferrals per ORID
- **M20** - Proportion of consumption from cyclic non-market meter reads performed within the biannual or monthly SLA

**To go live: post April 2025**  
November 2025 (TBC)

\*M14 is a potential candidate for BR-Mex. If included, it will be moved to Phase one

# MPF Plan-on-a-page

Overview v4.0 (June 24)



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# Market Performance Framework (MPF) Reform

*PAG workshop on Proportion of premises address data accuracy Key Performance Indicator (M12)*

21 August 2024

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#search #business #concept  
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# Agenda

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- High level journey
- Premises address data accuracy KPI Overview
- Influence & benefits
- Previous feedback (consultation)
- M12 Metric design



**Seeking PAG feedback on how we present M12**



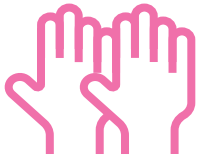


# High Level Journey

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Data Assurance programme worked with steering group and carrying out pilots with the working group



The data input and analysis have been determined. MPF programme seeking feedback from PAG on how we present M12

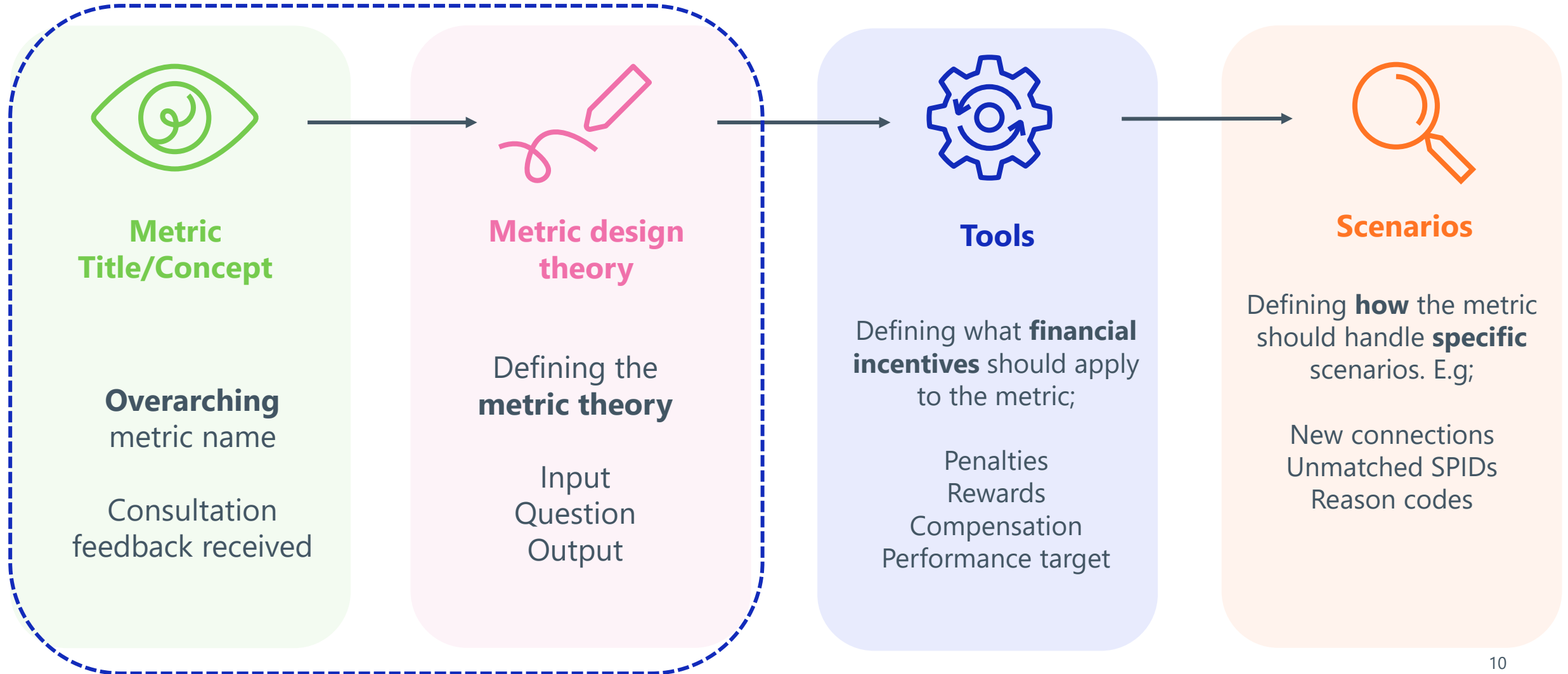


M12 is a strong candidate for BR-MeX



M12 will go through Code Advisory Group (CAG), Code Change Committee (CCC) and Ofwat approval process

# Metric Design Journey



# MPF Principles

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**Simplicity**



**Transparent & proportionate**



Facilitate improved **customer** outcomes



Improve trading party **accountability**



Enduring & **Agile**



Supports **competition**



Consistent & **compatible** with regulatory regime



**Value** for money

# KPI Overview

## What are we focussing on today?

### KPI in focus today

**M12** – *Proportion of premises address data accuracy\**

**\*Name to be reviewed with design**

### Three components

- *Supply address*
- *Unique property reference number (UPRN)*
- *Valuation Office Agency (VOA) Billing Authority reference*

## Code obligations

### CSD 0104 Maintain SPID Data

5.1.1 Where the address of the Eligible Premises provided at the time of SPID creation needs to be changed (will normally only be to correct or improve it), the Wholesaler shall notify the MO.

5.1.2 Where the VOA BA Ref or UPRN provided at the time of SPID creation needs to be changed (will normally be to correct them), or these references change during the SPID lifecycle due to other changes in circumstance..., the Wholesaler shall notify the change to the MO.

5.1.3 if there is a different Water Wholesaler and Sewerage Wholesaler at an Eligible Premises, there may be some discrepancy between address related data. Therefore the address, UPRN and VOA BA Reference from both Wholesalers are retained in the Central Systems..., if the Water Wholesaler and Sewerage Wholesaler is the same, then the address related data need only be provided for one of the Supply Points.

### Market Terms 3.2.8

In relation to those Data Items for which the Contracting Wholesaler is responsible, the Contracting Wholesaler shall maintain such Data Items and keep them up to date at all times in accordance with the Market Terms.

# KPI Overview

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What are we focussing on today?

## KPI in focus today



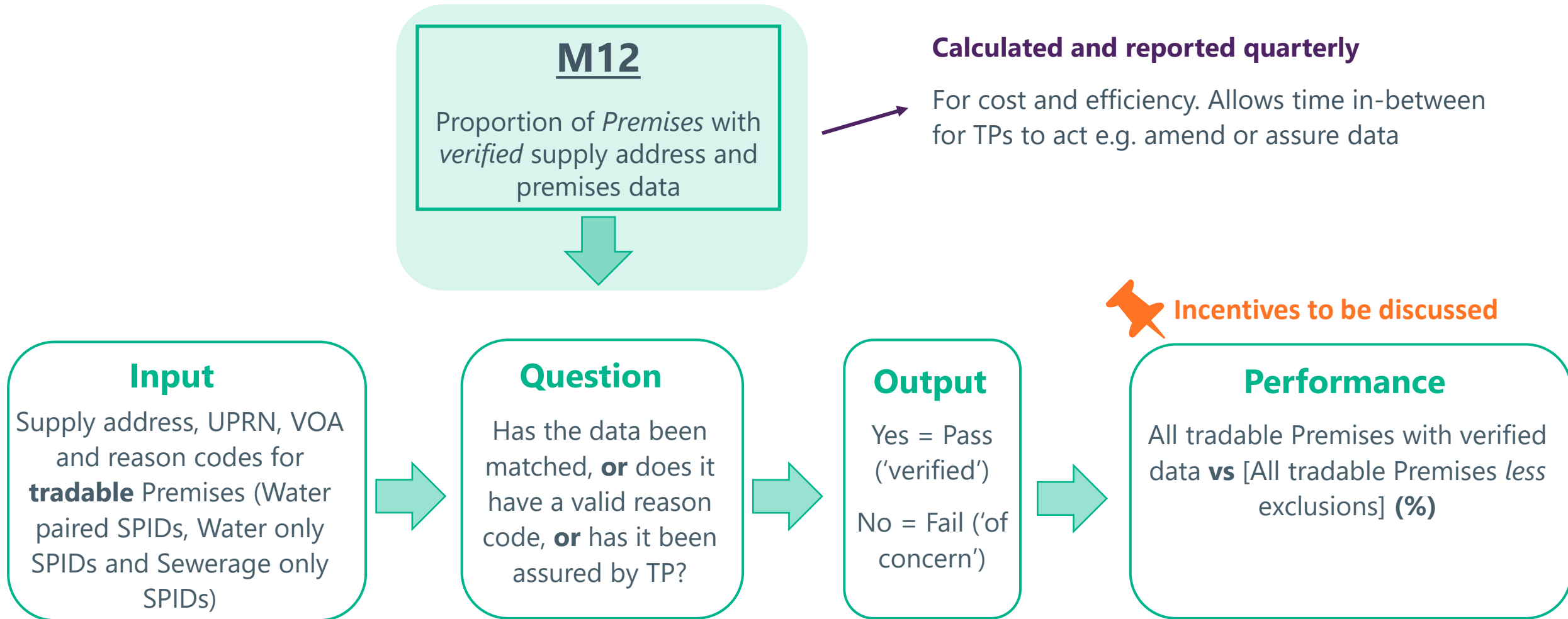
**M12** – *Proportion of premises address data accuracy\**

\*Name to be reviewed with design

## Key Q being answered by the KPI

What proportion of premises have verified supply addresses, Unique Property Reference Numbers (UPRN) and Valuation Office Agency (VOA) Billing Authority References

# KPI overview



# KPI Overview

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What are we focussing on today?

## KPI in focus today



**M12** – Proportion of premises address data accuracy\*

\*Name to be reviewed with design

## Links to other KPIs

**M11** – Proportion of complete and accurate customer name/banner name and Standard Industrial Classification (SIC) code

**M13** – Proportion of unassured long-term vacant premises

**M14** – Proportion of meters with credible GIS coordinates

## Associated Tools

Data Audit

Peer comparison reports

Financial tools (or BR-MeX)

Other tools (e.g., rectification and escalation)

Additional Metrics and Market Indicators

# M12 Influence & Benefits



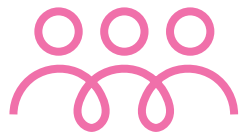
## What **behaviour** are we trying to influence?

Premises and address data to be **submitted** and **maintained** in a **timely manner** by the Wholesaler



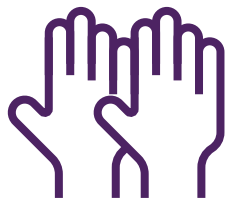
## What is the **Customer Benefit**?

Improved customer experience – more meter reads, more accurate and timely bills, fewer complaints



## What is the **Trading Party Benefit**?

**Reduced cost to serve** through reduced administrative, resourcing or market costs e.g. meter reading costs and account administration



## What is the wider **Market Benefit**?

**Richer market insight, better customer experience** and **improved environmental outcomes** e.g. water demand forecasting. Stimulates **market switching** and the ability for retailers to try to attract customers.



# Benefits

## Customer



More meter reads, more accurate and timely bills, less complaints

## Wholesaler & Retailer



Reduced cost to serve for removing vacant premises & data errors, improved performance

### Key benefits of verified address data:

- More meter reads per annum and reduced long unread meters
- Reduced vacancy rates across all vacancy categories
- Reduced bilaterals and if a bilateral is raised, reduced deferrals
- Improved trading party performance against MPS measures

Category	Market %		Verified%		Of Concern*%		Unmatched%
AVE Reads Per Year	2.58	↑	2.63	↓	2.58	↓	2.20
LLUM Rate	1.25%	↓	1.18%	↑	1.34%	↑	1.45%
LUM Rate	10.54%	↓	9.47%	↑	11.64%	↑	14.09%
Vacancy Rate	14.61%	↓	12.42%	↑	17.58%	↑	21.86%
LTV Rate	3.48%	↓	2.40%	↑	4.88%	↑	7.08%
% of Bilaterals Raised	10.60%	↓	8.91%	↑	12.70%	↑	15.47%
% Deferral Rate	13.79%	↓	11.51%	↑	16.18%	↑	25.39%
RTL MPS Performance	88.95%	↑	89.50%	↓	88.36%	↑	90.36%
WHL MPS Performance	92.76%	↑	93.37%	↓	92.07%	↓	87.58%

# Previous consultation feedback on M12



Makes sense to include alongside Data Cleanse work.



But how will 'accuracy' of supply address, UPRN and VOA data be determined?



We welcome accuracy of premises data measure as this can cause significant issues and will help with identification of customers for vacant premises and with gap sites.



But how will new connections and gap sites premises address data be checked for correctness at time of entry into CMOS?



Shouldn't be implemented until Data Cleanse is complete and must allow wholesalers a realistic timescale to work through outputs and allow for these outputs to be challenged.



The existing measurement of the number of UPRNs has led to low quality/accuracy leading to additional resource pressures. There will need to be validation to ensure accuracy.

**Metric Design – M12**

# Constructing the M12 Metric – example



SPIDs	M12a: Verified Supply Address	M12b: Verified UPRN	M12c: Verified VOA BA Ref	M12d: All Verified (BR-MeX)
SPID 1	✓	✓	✓	✓
SPID 2	✗	✓	✓	✗
SPID 3	✓	✓	✓	✓
SPID 4	✓	✓	✗	✗
SPID 5	✓	✓	✓	✓
SPID 6	✗	✗	✗	✗
SPID 7	✓	✓	✓	✓
SPID 8	✗	✗	✗	✗
SPID 9	✓	✗	✗	✗
SPID 10	✓	✓	✓	✓
Total (performance %)	7 verified (70%)	7 verified (70%)	6 verified (60%)	5 verified (50%)
Calculation <i>*Premises = Water Paired SPIDs, Water Only SPIDs, Sewerage Only SPIDs</i>	% of all <b>Premises*</b> with verified supply address data ( <b>matched externally</b> or <b>assured</b> by wholesaler)	% of all <b>Premises*</b> with verified UPRN ( <b>matched externally</b> , has <b>valid exception reason code</b> or <b>assured</b> by wholesaler)	% of all <b>Premises*</b> with verified VOA ( <b>matched externally</b> , has <b>valid exception reason code</b> or <b>assured</b> by wholesaler)	% of all <b>Premises*</b> with all three items verified
Exclusions	<b>Non-Tradable SPIDs &amp; Unmatched</b> (non-addressable) premises			

# M12 – exclusions

## New connections

Include only tradeable SPIDs

## Unmatched

Number of Premises where there's no identifiable match to any external data sources (non-addressables)

### 'Invalid' UPRN reason codes (D2040)

OT Other

#### Note: 'Valid' UPRN reason codes\*

**ME** No number – missing entry from NLPG

**SR** No number – fish farms, fishing, and sporting rights

**MT** Multiple UPRNs at the same eligible premises

**IP** No number – infrastructure project

**PL** No number – yet to be issued by planning

**BW** No number – construction site

**SP** No number provided –use number from Other SPID

### 'Invalid' VOA reason codes (D2038)

OT Other

#### Note: 'Valid' VOA BA ref. reason codes\*

**NR** No number – property not yet rated

**ME** No number – missing entry from VOA

**AG** No number – agricultural land and buildings

**SR** No number – fish farms, fishing, and sporting rights

**MT** Multiple VOA BA References at the same eligible premises

**IP** No number – infrastructure project

**SP** No number provided –use number from Other SPID

\* Reason codes are used in the absence or duplication of a UPRN or VOA BA reference

# Calculation – M12a

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- **Percentage** of tradable Premises with verified supply address details vs all SPIDs **less exclusions**, per quarter

Verified = Tradable Premises where supply address details match external data sources OR where supply address details have been assured by TP

$$\text{M12a calculation} = \frac{\text{No. of tradable Premises with verified supply address}}{\text{Total no. tradable Premises less unmatched Premises}}$$

External data sources being used for matching: Address Based Premium (ABP), Postal Address File (PAF, Royal Mail), Valuation Office Agency (VOA) business rates database, UPRN address & VOA address

# Calculation – M12b

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- **Percentage** of tradable Premises with verified UPRNs vs all SPIDs **less exclusions**, per quarter

Verified = Tradable Premises where UPRN matches external data sources  
OR has a valid Exception Reason Code  
OR UPRN has been assured by TP

$$\text{M12b calculation} = \frac{\text{No. of tradable Premises with verified UPRNs}}{\text{Total no. tradable Premises less unmatched Premises}}$$

External data sources being used for matching: ABP, PAF, VOA & UPRN

# Calculation – M12c

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- **Percentage** of tradable Premises with verified VOA vs all SPIDs **less exclusions**, per quarter

Verified = Tradable Premises where VOA matches external data sources  
OR has a valid Exception Reason Code  
OR VOA has been assured by TP

$$\text{M12c calculation} = \frac{\text{No. of tradable Premises with verified VOAs}}{\text{Total no. tradable Premises less unmatched Premises}}$$

External data sources being used for matching: ABP, PAF & VOA



# Calculation – M12d

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- **Percentage** of tradable Premises with verified supply address, UPRN and VOA vs all SPIDs **less exclusions**, per quarter

Verified = Tradable Premises where supply address, UPRN and VOA matches external data sources  
OR has a valid Exception Reason Code  
OR has been assured by TP

$$\text{M12d calculation} = \frac{\text{No. of tradable Premises with [verified supply address and verified UPRN and verified VOA]}}{\text{Total no. tradable Premises less **unmatched Premises**}}$$

# Options: Metric M12d or M12a-d

← Option 2: M12a-d →

Option 1: M12d only\*

Verified Supply Address M12a		Verified UPRN M12b		Verified VOA M12c	
Wholesaler	Verified %	Wholesaler	Verified %	Wholesaler	Verified %
Wholesaler 2	74.62%	Wholesaler 1	74.91%	Wholesaler 1	67.10%
Wholesaler 8	72.61%	Wholesaler 7	74.77%	Wholesaler 8	63.81%
Wholesaler 9	70.05%	Wholesaler 2	71.35%	Wholesaler 2	63.00%
Wholesaler 3	69.29%	Wholesaler 3	69.82%	Wholesaler 5	62.96%
Wholesaler 4	66.33%	Wholesaler 15	68.39%	Wholesaler 6	61.62%
Wholesaler 11	64.26%	Wholesaler 4	67.98%	Wholesaler 10	60.81%
Wholesaler 5	64.05%	Wholesaler 9	66.94%	Wholesaler 3	60.26%
Wholesaler 6	63.91%	Wholesaler 12	66.62%	Wholesaler 7	60.04%
Wholesaler 1	63.66%	Wholesaler 6	66.14%	Wholesaler 4	59.87%
Wholesaler 14	61.56%	Wholesaler 10	63.80%	Wholesaler 12	57.77%
Wholesaler 7	61.30%	Wholesaler 5	62.75%	Wholesaler 11	45.15%
Wholesaler 12	59.56%	Wholesaler 14	62.16%	Wholesaler 9	43.41%
Wholesaler 15	58.77%	Wholesaler 8	61.25%	Wholesaler 13	38.96%
Wholesaler 13	51.83%	Wholesaler 11	60.37%	Wholesaler 14	24.28%
Wholesaler 10	51.81%	Wholesaler 13	45.77%	Wholesaler 15	7.77%
Mean average	65.73%	Mean average	65.26%	Mean average	57.16%

Verified All M12d	
wholesaler	Verified All %
Wholesaler 1	48.46%
Wholesaler 2	48.12%
Wholesaler 3	46.00%
Wholesaler 4	43.55%
Wholesaler 5	43.43%
Wholesaler 6	41.99%
Wholesaler 7	41.39%
Wholesaler 8	38.62%
Wholesaler 9	35.82%
Wholesaler 10	32.72%
Wholesaler 11	30.34%
Wholesaler 12	26.31%
Wholesaler 13	20.35%
Wholesaler 14	8.12%
Wholesaler 15	3.65%
Mean average	38.84%

Q: Which option is more helpful, M12d\* to be the only metric published or M12a-d to be published?

Market Median (for BR-MeX)



\* For this option, M12a-c could be Additional Metrics visible to PAC and TPs

# Agenda

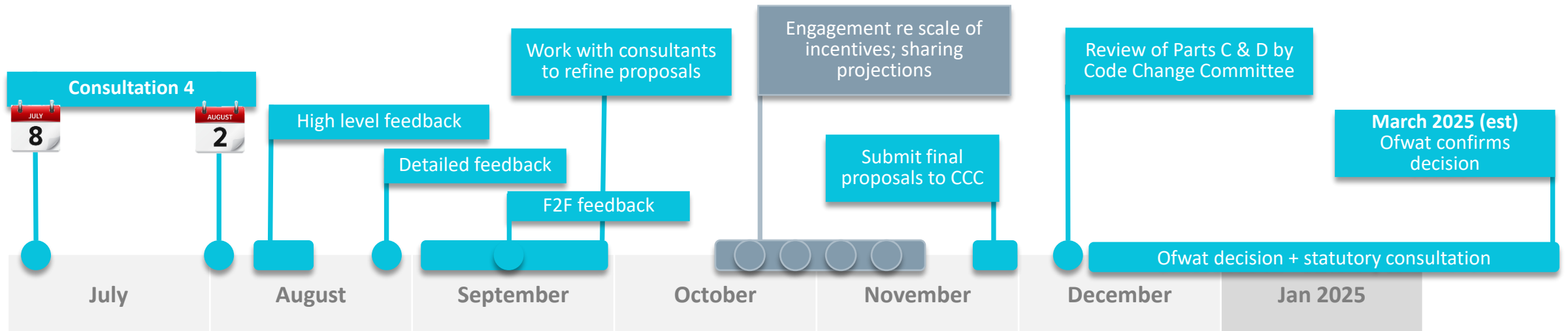
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## Quantitative headlines

- **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 strongly believe that the proposed changes to the MPF's proposed financial tools and incentives meet the programme's success criteria** either 'largely' or 'to some extent' – none 'completely'

# Post Consultation 4



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# Upcoming PAG workshop(s)

Date	For discussion	Detail
4 September	MPF Metrics*	M15 & M18

AOB

*\*Subject to change*