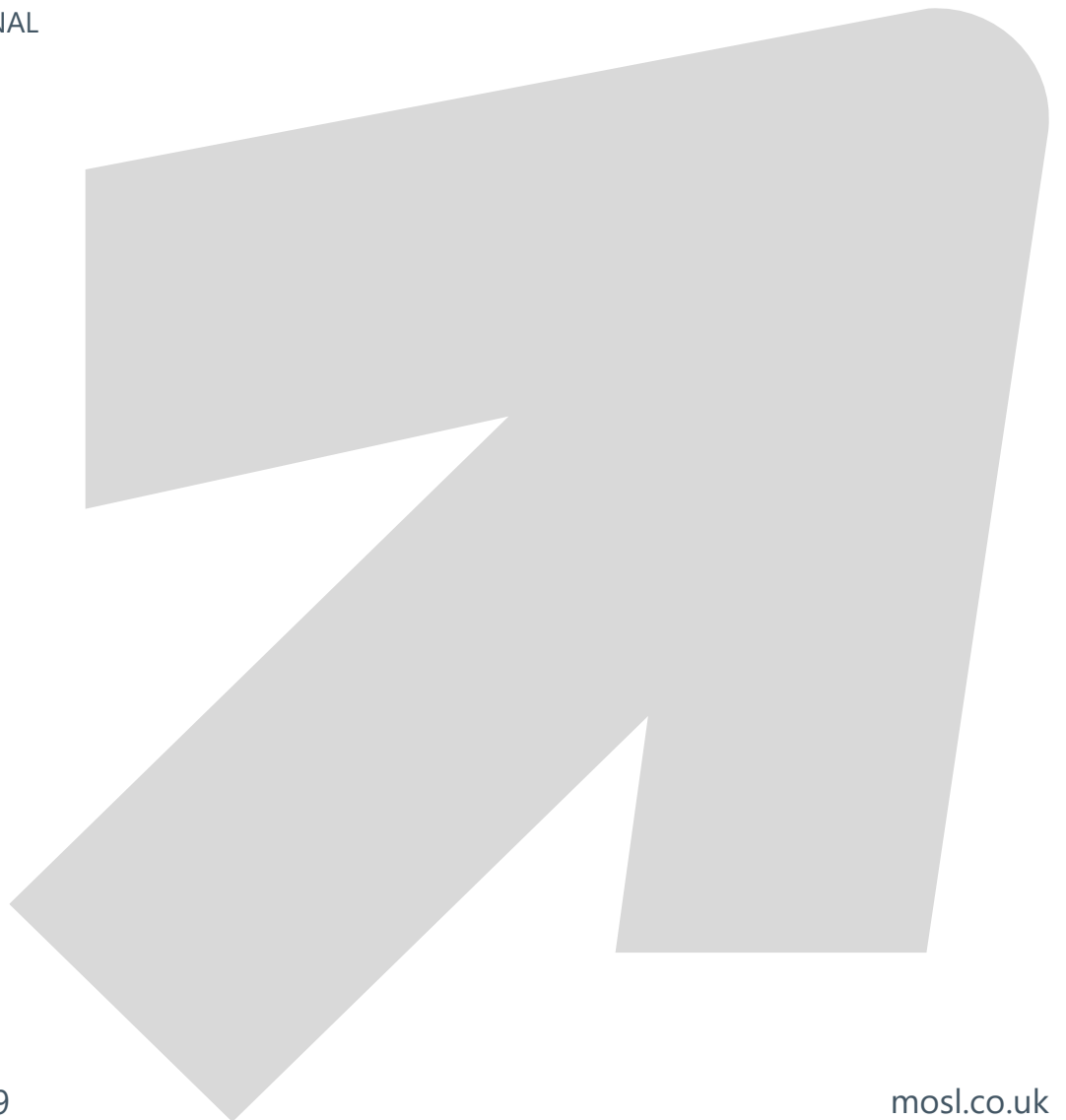


Performance Advisory Group (PAG) 53

Location: MS Teams

Date and time: 18 September 2024, 1000 - 1100

Status of minutes: FINAL



Meeting Minutes

Market attendees

| Name | (Initial) | Role/Organisation | Name | (Initial) | Role/Organisation |
|----------------|-----------|----------------------|---------------------|-----------|----------------------|
| Adam Boyns | AB | CCW (O) | Louise Rutherford | LR | United Utilities (W) |
| Clare Garland | CG | United Utilities (W) | Mark Howell | MH | Water Plus (R) |
| Daniel Proctor | DP | Waterplus (R) | Mike Rathbone | MR | Severn Trent (W) |
| David Morris | DM | Waterplus (R) | Paul Baker | PB | Business Stream (R) |
| Emily Jerome | EJ | Water2Business (R) | Paul Walmsley | PW | Yorkshire (W) |
| Gerard Lyden | GL | Thames (W) | Peter Strain | PS | Castle (R) |
| Jamie Davies | JD | Castle (R) | Robert Hetherington | RH | Ofwat (O) |
| Jon Fuller | JF | Wessex (W) | Sian Forward | SF | Northumbrian (W) |
| Jordanna Lo | JL | Business Stream (R) | Sam Dawson | SD | Portsmouth (W) |
| Karen Winfield | KW | Anglian (W) | Tim Brewer | TB | Wessex (W) |
| Letoia Mann | LM | Clear Business (R) | Wendy Monk | WM | Wave (R) |
| Lewis Campbell | LC | Castle (R) | | | |

MOSL Attendees

| Name | (Initial) | Role | Name | (Initial) | Role |
|-----------------|-----------|-----------|------------------|-----------|----------|
| Miles Robinson | MRO | Chair | Luke Coyle | LCo | Observer |
| Janet Judge | JJ | Presenter | Nichola Sampford | NS | Observer |
| Matt Labrum | ML | Presenter | Oli Robins | OR | Observer |
| Adam Richardson | AR | Observer | Sam Webb | SW | Observer |
| Amanda Plumb | AP | Observer | Katy Woodhouse | KW | Observer |
| Evan Joannette | EJo | Observer | Sauda Dickinson | SD | Notes |
| Amy English | AE | Observer | Simon Bennett | SB | Observer |

Huw Comerford

HC

Observer

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| <p>1.</p> | <p>Welcome & update</p> |
| | <p>MRO welcomed all members to the meeting and confirmed the agenda. MRO reminded attendees that agenda, minutes and slides are published on the MOSL website for review. MRO presented a reminder on the delivery phases for part C and the updated MPF plan.</p> <p>JD queried, referencing the MPF in-person meeting, what the plan is regarding revisiting the minded to include/support proposals on the metrics discussed and if they would be brought to PAG once alterations were made.</p> <p>MRO advised that a decision document will be published outlining the plans to move forward with the themes discussed.</p> |
| <p>2.</p> | <p>M12 – Proportion of Premises with verified supply address and premises data</p> |
| | <p>JJ presented To Cover, as on slide 7. JJ presented KPI recap, as on slide 8. JJ presented M12 exclusions, as on slide 9. JJ presented Calculations for M12a, as on slide 10. JJ presented Calculations for M12b, as on slide 11.</p> <p>JF queried whether the reason code OT (other) is fine to use provided there is assurance.</p> <p>JJ confirmed that 'OT (other)' could be used in some instances and then taken through the assurance process.</p> <p>ML advised that MOSL is looking at a broad assurance flagging code change, which will look at plugging the gaps around the exception reason codes.</p> <p>JJ presented Calculations for M12c, as on slide 12. JJ presented Calculations for M12d (BR-MeX), as on slide 13.</p> |

JJ presented **Options to be published**, raising the question **which option is more helpful, M12d or M12a-d to be published**, as on slide 14.

EJo suggested better to have M12 in one KPI bucket.

GL noted support for option M12d, with visibility of M12a-c. It is useful for trading parties to see other trading parties' performance for transparency and learning opportunities.

JD noted support for option M12d, with visibility of M12a-c and advised there should be open communication before wider changes are made and could potentially be ironed out in the cleansing process.

ML noted the importance of having visibility of M12a-c.

MRo noted comments in the meeting chat in support of option M12d, with visibility of M12a-c.

JF raised concern around April deadline for market improvement project around properties that are potentially flagged as incorrect and noted that assessment of data quality is based on assumption and advised that we need a year of letting the project run before looking at KPIs.

GL advised that it is important that KPI remains in BR-MeX, given its importance and that there's potential for a wider discussion with Ofwat around a shadow period within the BR-MeX framework.

GL requested clarity on discussions had around an additional data set relating to Council information, noting concerns that the number of unmatched premises may be higher than it needs to be, causing follow-up work if that data set is not incorporated.

ML noted that there are discussions of having a six-month shadow period ahead of the MPF launch and noted feedback that there needs to be flexibility with some metrics under BR-MeX and advised discussions are needed with Ofwat around timeliness of commencement of BR-Mex.

ML further advised MOSL is working with Defra on a joint submission into the VOA to receive England's Council tax data, but that it might be a challenge to get the VOA to provide that information.

JF advised an area of concern is the new guide that has been produced on address data quality, which is a good piece of work, but that is a manual exercise to start separating separators from the address lines that we've used in the past and a six-month timeline would be challenging.

MR noted there was a lot of support for JFs comments and MOSL would take the points away for discussion.

ML presented **Premises & Address Solution**, as on slide 15.

ML presented **Verification Reasons**, as on slide 16.

ML presented **Valid Exception Reason Codes**, as on slide 17.

JF advised some construction sites would go beyond twelve months for a building water standpipe or supply and queried if these codes go live April 2025, would we start the clock on the 12 months from the 1st of April or will some appear on day one, where that code has expired.

ML confirmed that exception reason codes would be enacted on day one.

JF queried that the data cleanse should be providing that data now as to which ones will breach come April 2025.

ML advised it could be provided at the end of this month with the launch of the shadow period of assurance.

ML agreed that it would increase volumes on some of this premises data but that is worth looking at if it has been in play for a significant amount of time.

JF queried whether the cut off time scales are at play in the current holistic reporting.

ML advised that it is a new proposal.

JF advised that it should be twelve months from April 2025 and not be brought in as a new proposal from the 1st of April.

ML queried that if something has been flagged as a construction site for several years, would we want to have a further twelve months before you look at it.

JF advised that there should be a further twelve months as it is introducing a distinct new time-based element

MR noted points MOSL would take away for discussion; the building water should be considered for longer than twelve months. Confirming when the application of these exception codes come into effect. If we include those as part of the data assurance programme, that parties would start to look at those timescales for the exceptions.

KW advised that there are different interpretations of the exception codes and gave an example that 'NR' code was used for 'not rated' as opposed to 'not yet rated' and makes sense that some of the exception codes should be reviewed, and different interpretations should be considered.

ML queried where the 'NR' code was applied for care homes, if assurance was offered.

KW advised that they need to go back and re-check all cases where 'NR' code was used.

AB queried, under the enduring exception reason codes, who would be identifying where a property is being demolished.

ML advised this would be identified by any external data company used to support the quarterly audits.

AB further queried whether the audit tool could be used on wholesalers in cases where there is a high level of exception reason codes with enduring on.

ML advised that would be something we would have to work through with the PAC and that the performance and audit team would need to advise on the triggers needed to determine whether it would be audited.

PS questioned why there were no reason codes for 'RC – parks allotments' and 'CF – care facilities' and if there would be opportunity to extend the reason codes.

ML advised that only the existing reason codes are being presented, and there is opportunity to possibly extend the reason codes in the future under the current assurance code change.

GL noted a key concern with wholesalers is having a high number of unmatched premises and the manual work needed to go through to assure, and advised there are common differences between the three data set address items and how addresses are put into CMOS, and queried whether there is a plan to have this issue systemized, in terms of some key words, if they are applied to a matched address to overlay that within the validation step.

ML advised that there are common abbreviations that form part of the matching criteria and that we are unable to integrate it into a solution that verifies one specific element that only sits with one particular wholesaler and advised that we need more broadness with the verifications and that work needs to be done with Data Assurance Working Group to find the methodologies to make those visible and trackable, but that there is an assurance flag for non-addressables.

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| | <p>GL advised that we need to find an efficient way of doing it in a transparent way, so that it does not end up being a manual task.</p> <p>EJ advised that the hierarchy of the database where there are variations in UPRN addresses compared to VOA compared to CMOS addresses, needs to be considered and further queried the processes and costs around having a data company do validations and having the wholesalers pay to validate internally and noted that there may be a better way of doing the data validations.</p> <p>ML advised that to have the ability to verify whether supply address information is accurate, we would have to pay for that service as it is not something we can do internally.</p> <p>MR advised all points would be taken away by MOSL for review and consideration.</p> <p>ML presented VOA Exceptions Reason Code Stats, as on slide 18. ML presented UPRN Exceptions Reason Code Stats, as on slide 19. ML presented Benefits Update, as on slides 20-21.</p> <p>SF queried how the analysis can be done on the F5s and directly linking it to the fact that there was an unmatched address or no VOA or UPRN.</p> <p>ML advised that 60% of the F5 complaints sit with supply points that are in the of concern and unmatched space and 30% sit in the verified space and there are similar volumes around planned settlement runs.</p> <p>SF further queried how we would verify the root of the complaint being linked to an unmatched address.</p> <p>ML advised that there is a lower rate when the data is verified as opposed to when it is not and that there are lower rates of market friction when you have verified data.</p> <p>JF agreed with the high-level principle of quarterly performance and questioned how that will be calculated; whether that would be a snapshot of what the performance is on the last business day of the quarter or the average across the three applicable months.</p> <p>ML advised it would be a snapshot on a quarterly a basis at the point when the data is submitted to the external data provider and that the assurance and the exceptions data would be refreshed monthly, but the actual assessment of the data by the external provider would be on a quarterly basis.</p> |
| <p>3.</p> | <p>Consultation 4 Update</p> |

MR referenced the MPF Consultation 4 feedback event, which took place on the 12th of September.

MR presented the **22 themes identified through consultation**, as on slide 23.

MR advised MOSL would publish the themes as part of the decision document.

MR presented **7 themes for discussion**, as on slide 24.

MR advised that the next step is to share something showing MOSL's view on the 22 themes and how that will be taken forward.

MR advised that the shadow period and additional consultation are not in the current MPF plan and will be taken to the Steering Group on a revised plan.

Ejo clarified that the shadow period referred to was MOSL's ability to include a shadow period for MPF and not Ofwat's shadow period on BR-MeX.

JD queried what the next steps with M01 would be and if it would be included in the decision documents.

Ejo advised that MOSL is happy to support trading parties who would like to further discuss M01 but that it would not be at PAG and there is currently no answer around timelines.

AR agreed that MOSL is happy to support trading parties who would like to further discuss M01 and advised if JD had a proposal, it could be sent through to MOSL for it to be opened up into an industry discussion.

JD noted disagreement that this should not be brought to the PAG and advised that there is no confirmed position that there would be obligation changes and that that is just one of many possibilities.

JD further advised M01 is not effective and that it is not going to drive better performance and needs to be discussed as a group to determine if it should be part of the PAG, is it a separate project which will take two to three years with serious obligation changes in the code or is it something we can get ready for not long after the MPF comes in. Disagreed with the request to send suggestions to MOSL for consideration as PAG is the perfect group for this discussion.

JD further noted that if M01 is not to be discussed as part of the PAG, discussions could be had outside of MOSL with trading parties who would like to be involved.

AR advised MOSL is happy to facilitate the conversation and welcome the conversation and advised that MOSL is happy to have the discussion with all trading parties around changes to the obligations, but that it is important to have something tangible to discuss as a starting point.

GL agreed with a previous suggestion for PAG members to take the conversation offline and advised that there is a presumption on what the outcome of the discussion is.

WM agreed with the need for more discussions at PAG around M01 as it seems to be part of the MPF and a theme that has been raised through consultations and is now not being treated in the same way.

MR advised that solutions are not immediately clear and there is timing element that needs to be considered as we are trying to deliver to a timescale and additions to that schedule could bring delays.

MR further advised that MOSL could potentially share a view of MOSL's position and provide a point of clarity.

AR noted feedback received where there are elements of the current code obligations that have been measured by the metrics, which place the responsibility for completing tasks on trading parties, which might be impacted by factors outside of the code provisions, such as meter reading. This could be potential changes to obligations and these conversations need to be had swiftly and in the right way.

EJo advised that changes have been made around the monitoring reporting in the incentivizing and noted that at the start of conversations, it was noted that there would not be a whole scale review of obligations, but that if they are needed, they need to be considered in other forums.

EJo further advised that the October User Forum could be a potential forum for more discussions.

JD reiterated that it is a conversation that should be had with PAG and we should consider the current options we have, how long it would take, and what needs to happen if it cannot be tied in with the MPF.

JLo advised that missing processes are being identified in the market and those processes have not been addressed where trading parties and being penalised for something that is out of their control and agreed that another conversation needs to be had to fill the process gaps.

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| | MR noted comments in the meeting chat in support of being a part of a further discussion on M01. |
| 4. | Upcoming PAG workshop(s) & AOB |
| | MR presented a view on upcoming workshops for September. MR closed the meeting. |