

MARKET ARRANGEMENTS CODE CHANGE PROPOSAL

Change Proposal Reference <i>(To be completed by the Panel Secretary)</i>	CPM034	Version No	1.0
Type of Change Proposal:	Code Change Proposal		
Submission Date	14 September 2020		
Title: of Market Arrangements Code Change Proposal	Retailer Panel Member Changes		
Summary: of Market Arrangements Code Change Proposal <i>(40 to 50 Words Maximum)</i>	This proposal will allow any Retailer to occupy an unfilled Associated or Unassociated Retailer Panel Member seat and adjust the Panel quorum accordingly. This will ensure full Retailer engagement with the Panel and reduce the risk of inquorate Panel meetings.		
General Details of the Proposer			
Name of Proposer	Trevor Nelson		
Capacity (on behalf of a Trading Party, as a Panel Member, as the Customer Representative or the Market Operator).	Business Stream		
Contact Email	Trevor.nelson@business-stream.co.uk		
Telephone Number	+44 7803 202191		
The Proposer recommends that this Change Proposal should: <i>(delete as appropriate)</i>	Proceed to Assessment		
	Proceed to Consultation		
	Proceed to Recommendation		
Is the change Urgent (Yes/No)?	No		

If yes, please indicate which urgency principle(s) apply along with a rationale. Any supporting evidence should be included as an attachment to the Change Proposal form.		
Principle	Applies (Y/N)	Rationale
A significant impact on a party or parties, consumers or other stakeholder(s)	Y/N	
A significant impact on the safety and security of the Central Market Operating System	Y/N	
A material and immediate risk of causing a significant impact on the development and/or operation of the business retail market	Y/N	
The code modification is required to comply with implement any Law	Y/N	
If the change is Urgent please provide the proposed implementation date and the justification for this		
Proposed Implementation Date		
Justification		
Related Documents		
Reference of any associated Code Panel Market Arrangements Code Change Proposal	CPM021 proposes that all Trading Parties be able to appoint voting Panel Members. That change is currently pending the Panel's Governance Review.	
Documents Accompanying Form		
Market Arrangements Code Change Proposal Details		
Description of the issue or defect which this Market Arrangements Code Change Proposal seeks to address, as required under the Market Arrangements Code Section 7.1.2(b).		
<p>Associated Retailers have only filled two of their three Panel Member seats since April 2019 whilst Unassociated Retailers had to compete for their three seats. Consequently, the Panel currently has only five of the six Retailer seats occupied whilst there are Unassociated Retailers willing but unable to contribute to Panel activity.</p> <p>Panel Members act in the interest of the industry rather than their employer or employer's segment. However, they do bring experience and knowledge to Panel discussions, so a Retailer vacancy implies less knowledge or experience of the Retailer segment than envisaged when the Panel was established.</p>		

There is an ongoing risk of an Associated Retailer Panel Member resigning or the next Panel election resulting in less than two Associated Retailer Panel Members, and the Panel becoming inquorate.

Description of the Market Arrangements Code Change Proposal, its nature and purpose and how it is consistent with the Market Arrangements Code Principles and required under the Market Arrangements Code Section 7.1.2(c)

This change would not remove the distinction between Associated and Unassociated Retailers in the MAC but would partially remove the distinction in Panel representation. To avoid duplicating the Panel’s ongoing Governance Review this change would be light touch, developing an interim solution until any recommendations coming out of the Governance Review can be implemented.

Aim	Potential Solution
<p>The five incumbent Retailer Panel Members’ terms of office to 31 March 2021 should be unaffected.</p>	<ul style="list-style-type: none"> • Incumbent Retailer Panel Members do not need to seek re-election for the existing term of office. • Three seats would continue to be reserved for Associated Retailers. • Three seats would continue to be reserved for Unassociated Retailers.
<p>Six sitting Retailer Panel Members at the earliest opportunity.</p>	<ul style="list-style-type: none"> • A Panel Nomination Meeting would be held as part of the implementation of this change to fill any vacant Retailer Panel Member seats. • If there are insufficient Associated Retailer nominations, then Unassociated Retailer nominees would be appointed into vacant Associated Retailer Panel Member positions. • If there are insufficient Unassociated Retailer nominations, then Associated Retailer nominees would be appointed into vacant Unassociated Retailer Panel Member positions. • There would be no change to the terms of office, i.e. an Unassociated Retailer nominee appointed into an Associated Retailer Panel Member seat would not be required to relinquish their seat if an Associated Retailer nominee later became available.

Panel remains quorate if a single Member resigns or doesn't attend.	<ul style="list-style-type: none"> Quorum continues to include four Retailers but without the differentiation between Associated and Unassociated.
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Principles

Description of the principles affected by the Change Proposal on the items below (if applicable) as detailed under Schedule 1 Market Arrangements Code Principles and Definitions

Principles	Affected (Y/N)	Description
Efficiency	Y	Reduces the risk of an inquorate meeting if an Associated Retailer Panel Member is unable to attend or there are insufficient Associated Retailer nominations at an election.
Proportionality	Y	This is a light touch change in recognition of the Panel's ongoing governance review which may recommend changes to Panel composition.
Transparency	N	
Barriers to entry	Y	Removes a barrier to full Retailer representation at the Panel.
Non-discrimination	Y	The provisions for vacant Associated Retailer Panel Member positions would be mirrored for vacant Unassociated Retailer Panel Member positions.
Customer participation	N	
Seamless markets	N	
No limit on upstream competition	N	

Description of any consultation carried out in advance of the Market Arrangements Code Change Proposal being made (if any), as required under the Market Arrangements Code Sections 7.1.2(f).

This change was discussed by the Panel's Governance Review Steering Group on 9 September 2020. The group were not asked to opine on the solution but did support this change being raised.

Further Information

Key	
	To be completed by the Market Operator
	To be completed by the Proposer