

**MARKET OPERATOR SERVICES LIMITED**

Minutes of a meeting of the board of directors held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG on 10 May 2016 at 10.35 a.m

Present: Andrew Pinder (AP) (in the chair – items 3 onwards) Chairman  
Peter Simpson (PS) (in the chair – items 1 & 2) Undertaker Director  
Ben Jeffs (BJ) Chief Executive Director  
Margaret Beels (MB) Independent Director  
Peter Bucks (PB) Independent Director  
John Reynolds (JR) New Entrant Director

In attendance: Steve Lyon (SL) Finance Director  
Melanie Hughes Addleshaw Goddard LLP  
Samir Rahim (SR) MOSL IT Director

**1 Preliminary**

- 1.1 AP had advised that he would be late for the meeting and as such the directors in attendance were in agreement for PS to act as Chairman until AP arrived.
- 1.2 A quorum being present, the chairman declared the meeting open.
- 1.3 The chairman reminded those present that the meeting had been duly convened to consider and, if thought fit, approve certain proposals in relation to the minutes of the last minutes, progress update, 2016/17 over resourcing, revised UAT strategy, 12 month look ahead and a membership approval (**Transaction**).

**2 Minutes of the last meeting and matters arising**

- 2.1 The minutes of the last meeting were approved and signed subject to minor amendments being made.

**3 Progress Report**

The Board noted and discussed the following in relation to the progress report:

- 4 The Board welcomed the appointment of Mark Coulthred as COO with the remit to own the integrated programme plan and governance, oversee scheduling of the market participants through the next phase of the programme and drive the build out of the target operating model.
- 4.1 Data Protection: The Board noted a working group had been created the programme led by Defra, including MOSL and Market Participant volunteers in order to understand and work to resolve member's issues around data protection. The current solution of masking data uploaded into 'sandpit' environment was being used by a large number of participants but not all. (**Action SL to provide an update paper to the next Board on Progress**)

## **Andrew Pinder joined the meeting at 11.03**

- 4.2 The Board noted that the SIT exit criteria on 2 of the 3 components of the CMOS system (B2B Interface and the Portal) have been met and the code successfully deployed into the UAT environment. It will be deployed into the 'sandpit' environment on Wednesday 11 May.
- 4.3 The Board noted that CGI are currently assessing the impact of SIT exit delay on Phase 2 delivery and would bring forward their recovery plan.
- 4.4 The Board noted that a technical issue around time travel is delaying completion of settlement testing; that a workshop is planned for 11 May to resolve; and, in the meantime, preparations for user acceptance testing of the settlement engine have begun.
- 4.5 The Board noted that concerns had been raised around the readiness of certain Middleware providers.
- 4.6 Ben Jeffs updated the Board on his visit to Scotland where he met representatives of the Scottish Government, CMA, Business Stream and had a round table discussion with LPs at WICS.
- 4.7 The Board noted the good progress that was being made on Market Entry Assurance and that the weekly 'surgery' calls with participants have been well received.
- 4.8 The Board noted that BJ had been invited to talk at Utility Week Live and there was also a CEO meeting coming up. It was fed back that the agenda needed to engage CEO in a debate.

## **5 2016/17 Budget Reforecast, UAT recovery cost and Over-resource**

### **UAT Recovery**

- 5.1 The Board discussed the UAT recovery strategy against the board paper provided. Key points made and discussed were:

Management has gained a reasonable level of confidence in the core CMOS and Settlement Engine arising out of the recovery work undertaken with CGI;

Based on lessons learnt and experience with CMOS it was determined that UAT testing needed to go further than originally planned.

The revised approach increases the level of participant engagement through volunteers testing and participant oversight through two panels (Technical and Senior stakeholder).

- 5.2 The Board challenged and approved the UAT strategy requiring additional costs of £232K against the original budget.

**SR left the meeting at 11.53**

**Over-resourcing**

- 5.3 As requested at the April Board, Management presented an ‘over-resourcing’ plan based on MOSL having sufficient resources in place to be ready for service on 1 October and respond to the likely high demand from participants going through Market Entry Assurance and data upload processes over the summer. The plan set out an additional funding requirement of £493k to cover recruitment costs, data analytics support, market analysts and a contract service delivery manager to oversee delivery.
- 5.4 The Board agreed the drawdown of contingency, leaving £585K which is currently allocated/earmarked against risks likely but yet to materialise. Management were encouraged to explore options to further mitigate these risks, identify additional efficiencies and challenge scope and not to assume that additional funding will be coming from members for work within MOSL’s agreed scope.

**6 MOSL Board – 12 month look ahead**

- 6.1 The Board reviewed and discussed the board paper on the 12 month look ahead and generally agreed that it was a good indication of what was coming up for the rest of the year.
- 6.2 The Board noted that the dates had now been set for the board meetings and that it would be now useful for JR and PS to put in place their alternates just in case they were unable to attend a board meeting due to unforeseen circumstances. It was noted that the alternates would be chosen and approved by the board at the next board meeting.

**7 Membership application**

- 7.1 An application had been received from Cholderton and District Water Company.
- 7.2 After final consideration, the Board agreed to accept the application and enter Cholderton as a member.

**8 Any other business**

There was no further business

**9 Close of meeting**

There being no further business, the chairman declared the meeting closed at 13.11

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Chairman

