

Minutes of the Market Performance Committee Meeting 47

25 February 2021 | 9:30 – 15:15

Held via Videoconference (Microsoft Teams)

Status of the Minutes: FINAL

MEMBERS PRESENT

Pamela Taylor	PT	Chair	Wendy Monk	WM	Retailer Committee Member
Claire Yeates	CY	Retailer Committee Member	Jesse Wright	JW	Wholesaler Committee Member
Trevor Nelson	TN	Retailer Committee Member	Michael Rathbone	MR	Wholesaler Committee Member
Don Maher	DM	Wholesaler Committee Member	Andrew Smith	AS	Retailer Committee Member

OTHER ATTENDEES

Samantha Webb	SW	MOSL Presenter	Luke Austin	LA	MOSL Presenter
Markus Lloyd	ML	MOSL Presenter	Evan Joannette	EJ	MOSL Presenter
Alexandra Piper	AP	MOSL Presenter	John Vinson	JV	Independent Supporting Observer
Darren Hayes	DH	Owat Presenter	Adam Richardson	AR	MOSL Observer
Adam Boyns	AB	CCW Presenter	Sarah McMath	SM	MOSL Observer
Milo Halford	MH	MOSL Observer	Andrew Johnson	AJ	Secretariat
Simon Bennett	SB	MOSL Observer	Aneesa Rahman	ATR	Secretariat
Steve Formoy	SF	MOSL Observer	Fabrizio Zamburlin	FZ	MOSL Observer

APOLOGIES

Gerard Lyden	GL	Wholesaler Committee Member	Ethan Fleming	EF	Secretariat
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1. Welcome and Introductions

- 1.1 The Chair introduced the meeting. GL had sent apologies for the meeting and several members had indicated they may need to leave the meeting early. The Chair asked MOSL to monitor the quorum.
- 1.2 The Chair stated that JV had stepped down and this would be his last meeting. She thanked JV for his time. JV said he had enjoyed his time on the Market Performance Committee (MPC) and asked if members could send him any feedback they had.

Conflicts of Interest

- 1.3 The Chair explained that conflicts of interest for MPC members would need to be tracked.

- 1.4 Members observed that this would be more challenging for the MPC as they considered market performance but were made up of trading party representatives. Members had a lot of interaction with other trading parties as part of their day job. It would be difficult to define where an interest may end, and measures may be required to determine this against. At previous meetings, members had raised their hands to indicate there could be a potential conflict of interest and asked the other members for views on that. All members had also signed up to say that they would be impartial.
- 1.5 JV added the MPC chair was independent and could have the ability to spot conflicts and pause meetings to address these.
- 1.6 AJ stated that MOSL had processes in place to deal with conflicts of interest for the Board. A register of interest could be kept so the committee could identify potential conflicts. There was consensus that the MPC would require a guidance document and an action placed on MOSL to consider this.

Action 47_01

Minutes Sign Off

- 1.7 The Chair asked members if they had any comments on the minutes. No comments were raised, and the minutes were taken to be approved.

Actions

- 1.8 MOSL presented the actions to be closed namely: A 42_02, 46_01, 46_08, 46_09, 46_11 and A46_15.
- 1.9 Most of these actions were being closed because they related to the February MPC meeting. A42_02 was a historic action. It related to determining whether customers had made a switch by a choice or necessity. MOSL did not feel it would be able to obtain anything further in relation to this action. The MPC approved closing this action.
- 1.10 CY indicated that A46_08 which related to the Market Performance Framework (MPF) sub-group providing an update on timelines should remain open as a timeline would not be presented at this meeting.
- 1.11 The MPC was content to close all actions except for A46_08.

2. Governance Review Update and Meeting Protocols

- 2.1 The Chair introduced paper MPC47_02. The first part of the item was for information and would provide an update on what would be happening with the governance review, and the second part would relate to MPC meeting protocols which was for decision.

Governance Review Update

- 2.2 AR explained that the Panel had a discussion on Tuesday about next steps for the governance review. The Panel agreed that the Satori report would be published and made available on the panel page of the MOSL website.
- 2.3 The Paper outlined two streams of work coming from the Satori review. The first was looking at a range of working practices and quick win improvements, which had been captured in a service roadmap to run over the course of the next 12 months. The second element was a strategic roadmap to consider the purpose of the panel going forward, which may raise questions over the Panel's current responsibilities and how it worked with established committees.
- 2.4 The Panel's purpose would be developed within the next two months, which could potentially drive changes to the composition of the Panel. The changes would need to be approved by Ofwat ahead

of Panel elections in September. The discussions at the Panel included how to engage all affected parties. MOSL had discussions with Trisha and other Panel members about how to take things forward in the short term. The details around the two roadmaps outlined would be firmed up and should be in a position for the Panel to sign up to by the end of March.

- 2.5 Code changes may be required, with a sub-group required to scrutinise these. The details of the sub-group would be confirmed, nominations would take place over the next few weeks and the sub-group should be in place by the end of March.
- 2.6 The Chair asked AR to explain any potential impacts on the MPC. AR answered that in the short-term consideration would need to be given to what was being done at the MPC in terms of how the MPC dealt with performance issues and matters coming forward. Feedback to be received from Ofwat, CCW and trading parties on what they would like to see from the Panel would inevitably include what the role of the Panel (and therefore the MPC) should look like with respect to market performance going forward. It was thought that the view on Panel purpose would come in over the next five or six months, and discussions on the MPC would likely take place around Autumn between the Panel and MPC.
- 2.7 The MPC noted that the Panel discussed Committee membership, particularly for the MPC and Disputes Committee whose terms were ending. The Panel concluded not to vary the terms, which would mean terms for MPC members would conclude at the end of March. Nominations would be sought for MPC members over the coming weeks. The rationale for this was that any extension may end up being quite long if the current membership was sought to remain until after a new Panel had been elected from October 2021. A member indicated that it would be worth considering continuity in respect of MPC sub-groups, for example for things such as the MPF.
- 2.8 A member asked how wide ranging the changes may be and indicated that purpose may need to be discussed when a new panel was formed. AR agreed and said that new Panel Members were taken through the history as part of the onboarding process. The scale of change could depend on the wide range of views about the Panel's purpose, which could raise fundamental questions.
- 2.9 Members indicated that the MPC should consider what it did and how it should do things. The MPC felt it should review changes it had previously instigated to see whether those had worked. Very little on the agenda seemed to be about base level market performance. Some fundamental principles should also be addressed and that would come from assessing the outcome and the journey needed to get to the outcome. Some MPC members also expressed confusion about where MOSL's responsibility on performance ends and where the MPC takes that over and that was something that should be tackled as part of the review.

Meeting Protocols

- 2.10 The Chair highlighted that the suggested protocols were listed in the paper and asked members for questions or comments.
- 2.11 Members said availability of up to date data on the latest information would be preferred to getting papers earlier. AR asked whether dates of meetings should be considered to account for when the data became available, meaning the latest data could be provided and still allow time for review.
- 2.12 Members stated it was not widely understood that people could observe or that if there were particular agenda items an external party could be brought in to provide expertise. Clarification was required on whether any individual could attend as an observer or whether it should be representatives from trading parties for example. AR answered that the code allowed anyone to attend the panel, and there was a question about whether committees should be operated in the same way but felt it should be consistent across the board as far as possible. For the MPC there may be items that would need to be held in closed sessions.

- 2.13 The status of CCW and Ofwat was queried as they were not members but attended the meetings. The Chair indicated that they would fall under the affiliate category, but discussions were being held at Panel to discuss whether the terms of reference should be amended to include CCW as a voting member. There was a customer representative voting member at the Panel so it would seem for consistency that this should be considered.
- 2.14 Members stated that use of the hands-up function seemed to be sporadic and felt that that functionality should be used as part of the norms. A new protocol was suggested around the obligation to provide an alternate, as it was important to ensure the MPC met quorate. AR stated that the provisions for alternates were provided in the terms of reference but if members wanted this to be included in the protocols that could be done.
- 2.15 A member asked whether the MPC would introduce electronic voting if it proved successful at the Panel. The paper also did not consider protocols for face-to-face meetings. The Chair indicated that the protocols would be evolved over time. AR added it would be up to the MPC to decide whether to adopt electronic voting. Electronic voting could also continue to be used for face-to-face meetings as long as the facilities required to do so were in place. The rationale for electronic voting would be to ensure members could cast votes simultaneously.
- 2.16 The Chair summarised the comments and indicated that there did not seem to be disagreement for the current protocols suggested, but new protocols were suggested.
- 2.17 The MPC:
- **NOTED** the Panel had agreed to publish the Satori Board Review Findings Report;
 - **NOTED** the strategic roadmap being considered by the Panel;
 - **NOTED** the service roadmap being considered by the Panel; and
 - **AGREED** (unanimous) to adopt the proposed meeting protocols.

3. Annual Market Performance Report/Market Performance Operating Plan

- 3.1 The Chair introduced Paper 47_03, which was for comment. ML asked the MPC to comment on MOSL's proposal to combine the backward looking Annual Market Performance Report (AMPR) with the forward looking Market Performance Operating Plan (MPOP) and on the need for a sub-group to be used as a sounding board.
- 3.2 Members agreed that a sub-group would be useful, and TN and CY volunteered to join. There was a query about whether there would be continuity for the sub-group given that the MPC's term was coming to an end in March and the paper suggested the sub-group to meet in April. There seemed to be consensus that combining the AMPR and MPOP was right.
- 3.3 Questions were raised on whether the report from the Panel's Market Audit Sub-Group on the audit reporting relating to market performance would be cross-fertilised with the AMPR. A member also asked where data cleansing would sit within MOSL's business plan.
- 3.4 ML answered that the plan was to include the piece relating to market performance from Panel Market Audit Sub-Group's report. In terms of continuity for sub-group members, it was envisaged that the bulk of this work would be done in March. The Chair asked MOSL to consider the upcoming elections and options for how continuity should be managed for this and for other pieces of work.
- Action 47_02**
- 3.5 Members questioned the suggested timeframe as the paper mentioned a presentation to be provided at MPC48 and then an initial draft to be completed three days later. The earlier a sub-group could be created the better as the sub-group had previously identified reasonably big omissions or

tones of the document that required change. A member added that they would have expected to see consideration of Retailer Measure of Experience (RMEX) included in the paper.

- 3.6 ML noted the sharp timeframe and indicated that the sub-group would be up and running by the end of the following week. The RMEX was recognised in the backward-looking piece but would need to be included in the forward-looking piece as part of the MPF. There was a request to provide a draft at MPC48 to allow for members to discuss exceptions or any changes required at MPC48. ML confirmed he would provide a draft on this basis.

Action 47_03

- 3.7 The MPC noted the dates in the paper made erroneous reference to a 2020 date and that 4 April 2021 was a Sunday and fell over the Easter weekend. AB asked whether CCW would have the opportunity to contribute this year, and if so whether this was considered within the proposed timescales. ML confirmed the dates would be clarified and the intention was to provide CCW with the opportunity to contribute and ML would work with AB to bring that into effect next week.

Action 47_04

Action 47_05

- 3.8 A member asked about quality control internally within MOSL. ML answered that MOSL quality control would include the senior leadership team, particularly the Head of Communications, Finance Director and Market Development Director depending on the subject matter.
- 3.9 An MPC member asked whether trading parties in general would be consulted on the AMPR/MPOP. ML explained the current intention was that consultation would be limited to MPC members with an opportunity for wider discussion in the User Forum. The aspiration was for MPOP to only cover the tactical pieces that were not covered by the business plan or by the MPF roadmap, where consultations with trading parties had already taken place.
- 3.10 Members asked whether merging the AMPR and MPOP would mean the focus would be more on the rear view. It was indicated that there was more importance placed on MPOP and the forward view as trading parties would need to commit resources for that. It was added that focus should not be lost on what was seen in the AMPR and the scope of it to act as a representation on incentives.
- 3.11 The Chair summarised that there seemed to be support from the MPC on the approach being proposed. There was also support for a sub-group. Requests were made to change the timeline, provide a draft to the MPC, to collaborate with CCW and ensure all dates were correct. A key point would be to ensure it focused equally or more on the forward-looking aspects.

4. Market Improvement

Data Quality Additional Performance Indicator (API)

- 4.1 The Chair introduced Paper 47_04. There were two decisions being asked of the MPC, the first was whether it supported the creation of APIs for data quality with the targets that had been set, and the second was whether the MPC agreed that there should be a review of additional incentives as part of the MPF.
- 4.2 LA explained that the idea and approach to incentives on data quality was that APIs were quick and easy to implement, and could be used to test case whether things could be measured and having more incentives in certain areas. The key part would be getting the APIs out, socialising that they were a priority and that they worked as a measure. The second question would be about getting the APIs into the MPF roadmap and whether there would be other incentives required for data cleanse.
- 4.3 The data items focused on were picked because the RFI highlighted that they showed the most value and were the least controversial to measure. Unique Property Reference Number (UPRN) was either there or not. Geographic Information System (GIS) cannot accurately be measured but MOSL had

some methods to identify where GIS looked wrong. The other data items were not being forgotten. MOSL did not think APIs would be correct for those and other activities would be proposed to improve data quality with those items. An example was provided about meter manufacturers where the code currently asked for make and/or model but required further clarity as to the purpose of this information.

- 4.4 LA asked the MPC to approve the data quality APIs and that these would then be picked up as part of the MPF roadmap. Additional comments about the approach and other incentives were also welcomed.
- 4.5 Some MPC members queried a comment made that suggested incompleteness of UPRN and Valuation Office Agency (VOA) were a primary cause of data quality issues for retailers, as they had not seen evidence to suggest this. APIs would be a reasonable measure but members would be hesitant to move to charging without confidence that increasing UPRN and VOA would provide a significant benefit to retailers. It would seem harsh to charge for GIS as GIS could look wrong but in fact may not be.
- 4.6 JV indicated that the paper would be better if it was positioned from a customer impact perspective to indicate the reasoning for doing the work. Better data would lead to lower cost of service or better customer outcome. JV asked whether UPRN and VOA were mutually exclusive or could there just be one which was fully populated for a party. It would be easier for some parties to get UPRN up to 95% or above but other parties may find it easier to get VOA data.
- 4.7 LA indicated that there was support in the data cleanse RFI. The MPC noted that the paper called out costs to the market that could be allocated to UPRN and VOA. UPRN and VOA had different purposes, UPRN had more of a focus on premises whilst VOA had more of a customer and unit focus. Feedback from retailers suggested that having both sets of data made a big difference and each had their own value to add to market processes. MOSL would like to better understand whether both would be required at all times, which is why the targets suggested in the paper were only initial targets. This would be reviewed after more work was done with trading parties.
- 4.8 LA agreed the current measures for GIS would be about inaccuracy and highlighting that the GIS was not right. The longer-term plan would be to review and explore options to capture end user feedback on the accuracy of data items. GIS may not be appropriate for a chargeable standard but it was considered there could potentially be other incentives such as compensation. Responses from the RFI demonstrated that the beneficiary of data quality would be customer experience and that was important for trading parties.
- 4.9 Members raised concerns about the evidence, for example from the RFI, lacking from the paper and the suggested targets. There was concern about the 10% of premises which were considered non-addressable and that it may not be economically viable to identify a further 10% on UPRN and VOA. It was noted that the MPF roadmap group were considering all levers and incentives. Having APIs as part of the roadmap was good but they would need evidence to be able to assess the appropriate levels and what the most appropriate incentive to utilise would be. The paper mentioned potentially using Initial Performance Rectification Plans (IPRPs) from June 2021. Some MPC members felt that, given the vagueness about this, it would need to be reviewed before IPRPs were used on this metric.
- 4.10 LA said the 10% non-economical figure was a buffer. MOSL conducted a mini matching exercise with Experian, who were able to match 80%. 10% of this was found to be non-addressable and the other 10% could not be matched for other various reasons. 80% would be the initial target but this was not set in stone and could later go up once there had been more learning, more data and more information from trading parties about what was value added. The expectation was not for this to happen in the next three to six months but that a lot of time and money would be used in resolving these issues. A member stated that they struggled with having a buffer just because things

were difficult to do. If that approach was adopted, it could mean long unreads may not ever be dealt with for example.

- 4.11 Another member indicated that they would not endorse APIs for UPRN and VOA because there was a huge investment to get the dataset and implement it into the organisation, followed by the matching process which may need to be conducted by a third party. An initiative was required but it should not go straight to an API. Work would need to be done with participants to consider how they would get the data into the market. Signalling would be needed to indicate that this data was important and would become mandatory items, and that trading parties would be measured on that. An improvement project would be required to address that. The timescales would likely be for next year to get wholesalers to the place where they could do the exercise. This would also be expensive, and the budgets would already have been set. The targets suggested were not practical or realistic.
- 4.12 The member added that there was no correlation between a property that had VOA and UPRN and its occupancy status. There were also observations that having all the SPIDs with VOA and UPRN was more about data completeness rather than quality and it was difficult to get data quality. There could be an argument in using APIs for GIS.
- 4.13 LA explained that the data items were currently mandatory items under the Code and a reason should be provided as to why they were not given. The most common reason code given where UPRN or VOA was not provided was 'Other' despite the reason codes being very detailed. The CSDs also indicated that wholesalers should be updating the data when better data becomes available. MOSL were trying to make it clear that these data items were a priority and were trying to create an initiative around this. MOSL felt that the API approach was correct as it was not a chargeable standard and helped to prioritise.
- 4.14 The member commented that the data items were mandatory, and a reason code had to be provided but one of the reason codes was if the party did not have the dataset to complete the field. The member was not convinced that all trading parties had invested in those datasets and this could be putting more costs into the market.
- 4.15 A member stated a major market friction related to quality of data and absence of data in the market. One of the biggest problems from a retailer's aspect was having assurance that the supply point was where it was stated to be and could be matched to the customer. UPRN and VOA were important parts of that. The costs were already in the market, but it was just about who would bear the costs. If the wholesaler did not bear the costs then the retailers would have to. They reflected on the Scottish market where a project was undertaken where the equivalent of the VOA, the Scottish Assessors Association (SAA), were completely matched to the market. The benefits included certainty that the correct property when the supply point was identified, and the customer was correctly identified for the property. This allowed Scottish Water to move to live rateable values as it was completed linked to the changes in the SAA. The member reiterated that data quality needed to improve and VOA and UPRN would be a good starting point, as UPRN would provide the horizontal location and would get to the right street and the VOA would demonstrate what the building looked like. The research conducted a few years ago mentioned that no one single data item would trump the other.
- 4.16 The MPC member reflected that APIs set the benchmark and allowed for tracking, monitoring and the performance comparison. It did not mean that parties would be charged. Data quality does need to feature within the performance regime.
- 4.17 There was discussion about the obligations for UPRN and VOA needing to be clearer within the market as it was not widely understood to be a mandatory obligation. The interpretation suggested may not be within the spirit of the code as parties were only meant to input accurate data where available. The codes indicated that it was mandatory for new supply points to add UPRN and

VOA and to add the data or include a valid reason code. 'Other' was a valid reason code so a member challenged whether it was actually mandatory and whether the codes would need to be clarified.

4.18 Members added that the customer journey had not been considered and needed to be clearer in these types of papers to allow the MPC to make decisions on whether an API would be appropriate and whether charging should be introduced later. From a retailer's perspective the VOA and UPRN were important due to the impact on the customer. The ability to identify premises would be impacted by the quality of data, and this would improve the quality of the customer's journey. In terms of the occupancy question, the first place to start with occupancy would be to correctly identify the premises. A member indicated that they had invested in the dataset and most of the other wholesalers they had spoken to were in the process of matching the data themselves. The API would shine a light on this and allow for tracking, so this may not need the chargeable standard. IPRPs could potentially be used in future if there was no improvement from APIs.

4.19 There was some support for having an API with a delayed start to IPRPs as it seemed like a reasonable way to signal the change to parties and that these data items would be required. Members wanted to see what the API output looked like after a few months and then to decide whether IPRPs should be brought in after that rather than just triggering them. LA stated MOSL were not saying they would start using IPRPs straightaway. IPRPs would potentially be started from June where appropriate, but this would continue to be determined in collaboration with MOSL and the MPC. APIs were also useful for indicating where trading parties had improved.

4.20 The Chair summarised that there was broad support for what was being proposed, although there was at least one opposition to it. There was a request from the MPC for papers to be written from a customer perspective and customer impact view rather than purely mechanics. The Chair opened up the item to a vote.

4.21 The MPC:

- **AGREED** (by majority) the creation of APIs for data quality with the targets that had been set (5 in favour, 2 against); and
- **AGREED** (by majority) that there should be a review of additional incentives as part of the MPF. (5 in favour, 2 against)

5. Performance Rectification

5.1. The Chair introduced Paper 47_05 and explained it was a decision paper concerning the reintroduction of Initial Performance Rectification Plans (IPRPs).

5.2. ML stated IPRPs were mandated under CSD 0002. The MPC noted that, while in lockdown, MOSL were tracking the parties that were on IPRPs coming into lockdown and their performance.

5.3. The MPC noted that the question now was how to progress with the rectification mechanisms as the market emerged from lockdown provisions.

5.4. ML added that the IPRP sub-group had not been held for some time now, so the approaches suggested did not have the full benefit of discussion within that forum or the MPC. The MPC may want further information, for example MOSL had previously modelled what potential thresholds may look like and a number of parties that would immediately fall under the threshold.

Question 1

5.5. The Chair opened up the floor to the first question on what should be done with parties that were currently on IPRPs. The options were summarised as: 1) ending the plans and starting a new IPRP process; 2) rewriting the plans; or 3) parties would be placed on a watchlist.

5.6. Members considered that the confidential paper made recommendations on whether each party should be on a watchlist or de-escalated as opposed to a blanket decision.

- 5.7. Members felt that on principle the right course of action should be decided by considering where trading parties were with performance today. They were mindful that not everything had stayed the same for other trading parties so whether the suggested approach would be picking on those parties that went into Covid on an IPRP where their current performance was commensurate to everyone else. It was felt that an assessment should be done individually on each trading party to see whether they should be on a watchlist or on an IPRP. The approach could be to start again but use historic knowledge that the party had an issue going into Covid and use that to determine whether the party should be expedited on to a watchlist or IPRP. The determination could be based on whether the trading party had addressed the underlying issue that put them on to an IPRP before Covid. Members would not want the trading party to have to start again and be placed on a watchlist for three months before being placed on an IPRP if they continued to have performance issues.
- 5.8. The suggestion was for the previous history was an aggravating factor and a reason to accelerate the process. ML said that MOSL could do that. There were some trading parties on the list where they had very good performance and could be considered as performing above the market and consequently those parties may not need to be on a watchlist.
- 5.9. Members felt that previous discussions about a template and easy evaluation criteria to check that an IPRP delivered what was expected would need to be developed further and to consider what the expectations from trading parties would be before moving to a different approach for monitoring IPRPs.
- 5.10. A member added that if the trading parties were de-escalated now and IPRPs were started in April, the new IPRPs would not be in place until August at the earliest. This would be quite a long period particularly if the trading party had been underperforming for the past 12 months. Another member agreed and said if the MPC were not careful it would finish up with having the perversity of having a new API that would generate IPRPs earlier than that compared to established ones in the market which the MPC were not generating IPRPs for. That would be a strange decision and the member considered the MPC should take into account previous performance through Covid and either of those should lead to an IPRP if the situation had not improved.
- 5.11. Members added that the messaging would be important that there was an assessment of what the history looked like but also that just because Covid had an impact would not mean that performance was not considered. It was important to continue to push the parties on the plans. The assessment in the confidential paper was helpful and showed discretion, but the messaging would send the right message on IPRPs.
- 5.12. A member queried the idea that the MPC would not utilise IPRPs for general MPF performance measures. The member supported the use of IPRPs and felt that they worked and should be kept for all performance metrics and not just for APIs.
- 5.13. The Chair summarised that members did not agree with the proposed approach to end the IPRPs as a blanket provision and decide what should be done with IPRPs as a wider question. It was felt that the members would like to see a tailored assessment of the various parties who were not performing, that they were previously on IPRPs to be an aggravating factor and for that to result in either them being de-escalated, placed on a watchlist or having an IPRP to commence. The Chair asked ML whether a vote would still be helpful. ML confirmed that he did not require a vote and was comfortable with the direction provided.

Question 2

- 5.14. The Chair explained that from the comments made by members it seemed there was quite a lot of work to do on the future approach to IPRPs. The Chair asked ML whether he would want a decision on this question or whether comments and views were enough. ML indicated that some direction would be useful, because if those existing IPRPs were being assessed with a view to what

would happen going forward the same would be required for all parties. By inflection there would be a continuation of the normal IPRPs going through in April, some parties would be placed on the watchlist, some on IPRPs and some would be ended. The Chair opened up the floor to comments.

- 5.15. AR indicated that there seemed to be a strong steer that MOSL should not be looking to change the approach taken historically and that that 'fluid approach' (as referenced in the paper) should be used going forward. Other approaches should be considered in the future, and particularly the binary mechanism, and a shift may occur over time.
- 5.16. Ofwat queried the options outlined in the paper, how those three options had come about as possible approaches and whether the form suggested was a holding position in light of the work being done on the MPF. From Ofwat's context there could be a multitude of options on how to use IPRP process that do not need to be anchored to one particular standard in the market and asked whether there would be a further exploration on the options available. The more fluid route could be where an IPRP was not based on one single standard for a company, there were a couple of triggers that could be interrelated. This could require monitoring a particular market standard in combination with an API on another aspect of performance. Extra options could stem from this fluid approach.
- 5.17. Members queried whether it would be useful for the sub-group to meet again and think about the questions the affiliate had posed. There were a few pieces that would need to be fixed to enable IPRPs to get more credibility and add a bit more bite to the IPRP process. JV said he was on the sub-group alongside TN and it had not met for a long time. As JV had stepped down someone else would need to assist TN with the sub-group but would be happy to assist if required.
- 5.18. ML agreed with the views and felt that improvements could always be made in the area and an IPRP sub-group could discuss the options.
- 5.19. Members added that consideration should be given to MOSL's time and that should factor into how IPRPs should work. If there was a trading party that was performing below everyone else, the plan should be owned by the trading party. The changes put in place should ensure MOSL only do the work that they need to.
- 5.20. A member asked whether the organisational changes within MOSL would impact how MOSL were able to gather softer information from trading parties. SM answered that one part of the changes was the removal of the portfolio manager roles. The intention was to increase engagement with trading parties using all resources within MOSL to reach out to trading parties where appropriate. MOSL were looking to increase personal contact rather than decrease it.
- 5.21. The Chair summarised the views raised by the MPC. The MPC were suggesting an assessment to be done now that continued with the current approach so as not to lose time and to ensure the parties that were under performing were dealt with. On a longer-term basis the sub-group could be used to consider the options of the binary and fluid approached. This should also consider what the consequences would be, how it would affect MOSL's time and what it would mean for the MPF. The lessons that were learnt from the past should be used and think about how things could be used including the link from IPRPs to PRPs.
- 5.22. The Chair asked ML whether a vote was still required. ML said he did not need a vote and thanked for the guidance and direction. The only question that remained was what may be required in terms of the sub-group. JW volunteered to assist with the sub-group. The Chair asked ML to inform the MPC of what he needed by way of the sub-group. The Chair asked ML to provide an update on timelines at the next MPC.

Action 47_06
Action 47_07

6. Market Performance and COVID Update

- 6.1. The Chair introduced the agenda item stating that it related to the MPC 47_06 paper and was for information only. AP and ML would be presenting on the paper. The Chair asked that because papers were being taken as read, whether AP and ML wanted to draw anything out of the paper for members to focus on.

MPS and OPS

- 6.2. AP explained that she would be focusing on the first half of Paper 47_06 on the information relating to MPS and OPS graphs up until the additional reporting section on page 8.
- 6.3. AP said she wanted to draw out that the variation this month was coming from meter reading and meter read submissions, which were the larger standards for MPS (MPS 18 and MPS 15). For OPS there was a lot less variation and it was similar to the previous month. AP explained she would be happy to come back for the next update at MPC to highlight the key variations only and leave everything else in the paper if the MPC was happy with this. AP added that she had noted an earlier comment raised about providing the most up to date data. Towards the start of the pandemic MOSL were including the latest month's data in the market level graphs, which were the first three graphs in the paper for market task volumes and market performance levels for MPS and OPS. AP asked the MPC whether they were referring to this dataset and would like that latest data included in those graphs again.
- 6.4. A member said they would want to see the latest data. Another member explained that they felt it would only be necessary to provide the latest data if it told the MPC something new or different from the previous data. The member added they would be happy for AP to take the view on whether the latest data needed to be seen by the MPC.

Additional Reporting

- 6.5. ML explained that the second part of Paper 47_06 (from page 8 onwards) sought to expand on what market performance was considered within the MPC and look at performance more holistically. At the previous MPC meeting there was a request for information on internal and external meters, which has now been represented on the long unread meters. ML hoped this was of use as it explained why certain behaviours were happening. A general hypothesis had emerged that if estimates are used it is not bad if the estimates are good estimates. A good estimate would be where the R1, which is mostly based on estimates, equals the R3, which is mostly based on actual reads. The concept was also being developed with relation to Yearly Volume Estimates (YVEs). ML welcomed feedback on this hypothesis and whether this information was of use to the MPC and if so MOSL would be happy to develop this more.
- 6.6. ML added that where the value of settlement could be seen to drop in R1, it was recognised that tariffs could have an impact on this as opposed to just YVEs which was what MOSL initially thought caused the drop.
- 6.7. The Chair said that presumably the gap between the R1 and R3 on the data analysed so far was based on one retailer and although this suggested a high level of accuracy queried whether there were other trading parties that had not been looked at yet and so whether what was driving the gap was not known. ML confirmed that it was only one trading party that had a gap between 10 to 15% and MOSL were working with that trading party to see what happened and why.
- 6.8. ML explained that because this work had not previously been done in depth MOSL wanted a view on whether it would be of use to the market or whether it should be taken in another direction. The Chair asked what this work would help the MPC with. ML answered that it would form a macro measure. For example, one concern was that YVEs were impacting settlement and what the effect

of that on payment back to wholesalers was and what the effect on customers would be. Up to a certain point the estimates could have been so low to be off kilter from what was happening, however when looking at the R3 read in one example it was fairly close to R1. There would be a suggestion in that example that the customer would not be disadvantaged or heading to bill shock, and the way of estimating had been accurate. In time this could be developed and used as a method for checking with CCW, for example, to see whether additional complaints were coming in or whether the hypothesis could be used as a radar to identify where customers would be impacted.

- 6.9. AB indicated he was supportive of going into this work further. The work had a direct customer impact and it would be good to get a sense on how retailers were managing, especially with lockdown, to reflect actual consumption and whether this was through an increased use of YVEs or whether actual reads were still coming through. Settlement runs further down the line could start to paint a picture, and parties could be called out on this early to avoid bill shocks or inaccurate billing.
- 6.10. A member added that it was useful to see this information and asked whether it would also be useful to publish the information outside of the MPC. The information would be helpful for trading parties to see, albeit perhaps in a higher-level paper for the market with some of the more confidential details anonymised. The member explained that the conclusions of the R1 and R3 being closely aligned was something they had also noticed. The Chair asked the member why this information would be helpful for wider trading parties. The member answered that it would be useful for trading parties to cross-reference their internal analysis and insight with MOSL's analysis. This could provide validation to trading parties that are tracking the same information but also may give rise to some others who had found something different.
- 6.11. There was consensus that the information was helpful and important as a confidence builder. It was useful to see, particularly for wholesalers, that the gap between R1 and R3 was not that big. Confidence building fed into the brand of the MPC and building more awareness of what the MPC was doing and what it was looking that.
- 6.12. The Chair asked whether any members disagreed that the information would be helpful. There was no disagreement and it was taken that the MPC felt the information was helpful and to carry on the work to understand the extent of the gap between R1 and R3. The MPC's suggestion was that it could be helpful to publish the information more widely, but it would be up to MOSL on whether they would like to do so.
- 6.13. AR stated that the information was already publicly available as one of the open papers of the MPC, but the feedback suggested a desire to package the information up in a different way to raise its profile and asked whether that was correct. The member agreed that the information was available but that trading parties often would not look for it and making it more visible would be a good idea.
- 6.14. The Chair summarised and asked if MOSL could take this away to consider it, and whether the information could be published in a different way to make it more visible to trading parties. The Chair indicated that if MOSL were looking to publish the information more widely to let the MPC know of this in a future update. ML thanked for the feedback and informed MOSL would develop this.

Action 47_08

7. Update on MPOP Reporting

- 7.1. The Chair introduced the item, indicating that it referred to Paper 47_07 and was for information. The paper was presented to the MPC last month and some changes had been made to reflect the previous discussions.

- 7.2. LA clarified that Paper 47_07 had been updated since the last meeting and was presented in a different way based on the feedback. The paper tried to improve the clarity and the visibility of the deliverables and what had been delivered versus what was committed to and evidencing that against a number of documents and change proposals that had been implemented. LA added that it was embedded in the original design of MPOP that the reporting was not explicitly capturing the phasing. The phasing was discussed with the sub-groups and the MPC in that there would be a natural analysis and consultation or a proposal-based Phase 1, followed by an implementation and assessment phase. Phase 1 would be what MOSL would expect to be delivering within the first 12 months of activity, the implementation of that would start within that 12 months but it would be likely that the completion of that would spill out from the 12 months and the assessment would be much later on.
- 7.3. LA indicated that explicit conversations had taken place on this previously but appreciated it was not being reported as clearly to capture the phasing. LA had shared a draft of the paper with TN and he thought TN was supportive of that.
- 7.4. LA felt that this would also assist with the AMPR element when auditing what had been delivered and what was left over. It could be helpful to say that even where something was not delivered that it would be highlighted by the AMPR to say it was not done and get picked up or reprioritised to ensure there was relevant follow on activity.
- 7.5. The paper also highlighted a challenge that had not been foreseen with long-term vacancy when MOSL first did the MPOP. Trying to plan the change process as part of MPOP was difficult as a lot of different things could happen that were outside of MOSL's control and consideration would be given to how to capture this type of thing as part of the next MPOP. For example, if the change proposal was the deliverable and it went through the change process, it would then be a case of monitoring, updating and evaluating whether further action was required if the change proposal was rejected by the market. LA welcomed the MPC's thoughts on this when considering the AMPR and MPOP planning for next year.
- 7.6. Workstream B was transferred to Strategic Metering Review. The MPC may appreciate an update on this in the near future to see what the plans were for the items that had been transferred. Workstream C was completed, the activity was reviewed in October and the MPC agreed that was appropriate and there was nothing additional required. LA had difficulty in uploading the documents referenced in the report to SharePoint but this would get uploaded by the end of the week.

Action 47_09

- 7.7. The members agreed that the paper was a great improvement from the previous paper, and it was good to see the feedback had been taken on board. The visibility of the different phases and the tables made the paper a lot clearer.
- 7.8. A concern was raised about Workstream B being transferred to the Strategic Metering Review, and whether B2.2.1 (Transfer Reads Dispute Options Analysis) would be picked up. The member confirmed that they would keep a note of it as they sat on the Strategic Metering Review Huddle but asked MOSL to check whether that had been passed over. LA confirmed he would speak to his metering colleagues about this but considered it may have lower priority compared to options for difficult to read meters for example. The member agreed.

Action 47_10

- 7.9. Another member added that MPOP always faced a challenge of ambition. It was felt that MPOP should not be curtailed to a year, although the expectation was that there would be an MPOP per year. It could be worth considering how to do multi-year initiatives for the new report, in the same way that the business plan for MOSL was over a number of years. That could take in the phases of analysis leading up to a code change being completed within the first year, then being passed on to the change team, and then the third piece could be to consider how the change had an impact on performance.

7.10. A member asked about the lessons learnt piece and whether as part of MPOP there was an internal lessons learnt from MOSL or whether there was joint MOSL and MPC activity to see what was learnt from this year and what might be changed for the next year as part of the AMPR rolling into MPOP. LA answered that every year MOSL had had MPOP there had been a lessons learnt piece. MPOP has been improving every year but LA would welcome the MPC's views on how to continue to improve. In previous years MOSL reviewed what went well and what could be improved, this was then brought to the MPC as an agenda item to seek additional views. MOSL felt it was good practice to continue asking for the MPC's views. The member agreed about undertaking the activity of what had been learnt, but equally it should consider the consultation feedback at the start of the year and where it got to at the end of the year.

7.11. The Chair summarised and said the MPC would welcome a future lessons learnt piece with a request for that to include consultation feedback from the start of the year and internal experiences from MOSL.

Action 47_11

8. MPF Sub-Group

- 8.1. The Chair introduced the item and said she had heard good things about the MPF sub-group. The Chair asked CY to explain what the sub-group were doing and when the MPC may see some timelines.
- 8.2. CY reiterated that the sub-group had new momentum and were making good progress. A holistic approach was being taken looking at the phases that had been drawn up in December 2020. Phase 1 was a review of whether the current standards were still appropriate. The sub-group had devised a new outcome derived framework, considering the purpose of the MPF, what 'good' looked like, market and customer impacts and prioritising what could be achieved and when. This included what impacted the customer journey, what was driving the worst outcomes for the customer and who was accountable. Customer journeys were being considered, including those that were reported to the MPC regularly such as market entry, metering, asset maintenance and switching. The next steps would be considering what levers and incentives could be used to drive and improve behaviour. Once the methodology had been built, the sub-group would see whether it met the criteria required to deliver the outcomes for the market and customer.
- 8.3. The sub-group started with metering and consumption first. Once they had got the methodology right, they could apply it to the other customer journeys. CY indicated the sub-group would consider indicative timelines at their next meeting and could potentially present on the metering journey following that.
- 8.4. The Chair asked DH whether what CY had outlined would be useful for some of the things that Ofwat were raising. DH informed that he attended the sub-group meetings, and it was very positive to look at the outcomes and how they could build backwards with the behaviours and inputs to get to the outcome. Ofwat would stay involved with the MPF sub-group going forwards.
- 8.5. DH asked whether existing work that had been done by MOSL could fit into this concept of the framework, for example the metering decision tree created by MOSL which showed the journey and where wholesalers and retailers could play a role. CY answered as part of the initial strategic metering review they mapped the journeys for each stage and defined the pinch points and accountability and the sub-group were keen to ensure they did not duplicate any efforts.
- 8.6. A member asked whether Ofwat's report on BMEX should form part of the discussions at the MPF sub-group. CY explained this was a key reason Ofwat were involved. The MPF should be flexible in order to adjust to the developing market and new metrics that would come into play.

- 8.7. The Chair welcomed the update and asked whether CY needed anything else from the MPC. CY informed providing brief updates to the MPC was reassuring and further engagement may be required when needed.
- 8.8. The Chair explained it would be important to consider how nominations would affect the MPF sub-group, particularly if they had momentum. It was agreed that continuity for the MPF sub-group would be helpful. The Chair asked MOSL to consider a solution to this when considering nominations (**Action 47_02**).

9. Updates

Ofwat Update

- 9.1. DH explained the Business Retail Market Measure of Experience (BMEX) work was due to be finished at the end of March and the report was due at the end of April. Ofwat were hoping that the MPF sub-group would take account of the findings as a part of their ongoing work. Another upcoming piece of work was the bad debt consultation, which looked into the impacts of Covid-19 on the market and customers. The consultation was due to go out next week or the following week.
- 9.2. There had been a few code developments in the past month. A provision to vary the terms of panel members was approved with modifications at the end of January. The clarification of the responsibilities of trading parties during planned events was approved on 11 February 2021. A consultation was out on the Castle Water change proposal to the Customer Protection Code of Practice (CPCoP), which would close on 1 March 2021.
- 9.3. Ofwat rejected CPW069 – Right of a Retailer to appoint an Accredited Entity to repair or replace a faulty meter when a Wholesaler misses the associated SLA, on 2 February 2021. Ofwat were supportive of the intention behind the change but felt that a strengthened MPF would be more a more appropriate way to incentivise the behaviours. Ofwat noted that the issue was not a market wide issue, and encouraged all wholesalers to appoint accredited entities in their decision.
- 9.4. A member asked for an update on the bulk submissions change, which had a bearing on MPC and how performance outcomes were monitored. An action was placed on DH to provide the answer to the change team at MOSL.
Action 47_12
- 9.5. Members queried whether a framework on bulk submissions would be required if Ofwat approved the change as it would not be part of the MPF. There was discussion that MOSL monitored the agreed SLAs, but if SLAs were ignored there could be an impact on how they were viewed from the MPF. The MPC should be proactive in considering this and if a decision was made by Ofwat bulk submissions should go on the next MPC agenda. From an MPC perspective it seemed there was discussion on whether an API was required which could drive performance rectification plans, this would then feed into the performance resolution regime. Members felt unsure as to what an API may look like, but it could an area for the MPC to consider.
- 9.6. MOSL would consider likely implementation timescales and what it would mean for the MPC agenda and when the monitoring and APIs would need to be considered. MOSL would need time to consider how monitoring would be implemented, whether APIs were the correct measure and for MOSL to provide an update to the MPC with any definitive information. Consideration would also need to be given to where this work fit in the overall priority list of work.
Action 47_13

CCW Update

- 9.7. AB provided an update on the overall number of complaints for January. There had been a marginal increase in the overall numbers for January since November and December, which increased from 225 to 232 complaints. Despite that the total for January marked a 16% decrease in complaints from this point last year and a 30% decrease from the same point in 2019. This showed some positive decreases from previous years. The incoming contact levels were normal for this time of year, which suggested that the downward decline represented the continued improvement in complaint handling rather than something being caused by the impact of Covid-19, for example, which were seen in the first quarter of the financial year.
- 9.8. A lot of what CCW were seeing, particularly with the meter consumption and administration complaints, were largely decreasing which was positive. The complaint numbers for debt recovery had been fluctuating for the past few months. The numbers for January in particular saw some complaints for customers being chased for disputed bills, with the dispute arising because charges were incorrectly applied in the first lockdown and accounts were placed on hold due to this. CCW had not seen these complaints at the end of last year. This could suggest that there may be a move to debt recovery action happening a bit quicker with some retailers. Overall, there had been a positive picture for quarter three.
- 9.9. The Chair indicated that although the custom was for CCW to present the figures each month, the frequency of the updates should be considered and also what AB may want from the MPC. AB confirmed it may be more useful to have a more comprehensive quarterly update in line with CCW's internal quarterly reports. An action was placed on AB to discuss the CCW slot going forward, The Secretariat had contacted AB to discuss the slot going forward.

Action 47_14

- 9.10. A member commented that insight on whether individual trading parties were a cause for concern for CCW could be useful and if so whether this should be considered in performance and rectification plans.
- 9.11. DM explained that he took an action from the December MPC alongside AB to consider how to get more use out of the data on complaints. The action was with DM to provide a draft to AB with ideas on how CCW data could be used on a granular level and then bring back to the MPC for a broader conversation. A comment was made in the chat that it could also be helpful for AB to liaise with Sean Kent at Ofwat.

Action 47_15

10. Bilaterals Update

- 10.1. EJ introduced the item and explained it was for information only. The Bilaterals Programme team and advisory groups had been reviewing bilateral processes, starting with the C1 process (verification of meter details and supply arrangements). Some SLAs within the C1 process would need to be adjusted and these would affect two OPS measures.
- 10.2. The Bilateral Process review was aiming to keep the impact on SLAs and OPS to a minimum and where change was needed would aim to remove redundancy, make retailer and wholesaler-initiated processes more consistent and make standards more outcome-focussed. Members of advisory groups did not expect any material impact on levels of charges. The Bilaterals Programme team aims to keep the MPF sub-group updated.
- 10.3. All bilaterals-related process changes were being developed by the Operational Advisory Group (OAG), code amendments developed by the Code Advisory Group (CAG) and the Panel would be responsible for recommending changes.

- 10.4. The Chair asked EJ what the Bilaterals Programme would be picking up with the MPF sub-group. EJ confirmed he would be looking to ensure that any proposed changes to performance measures would be aligned with principles that the MPF sub-group supported. EJ also understood that the MPF subgroup was looking for flexibility in the Bilaterals system to make future changes to any measures.
- 10.5. A member said an outcome based MPF was being proposed, which seemed to be in line with the thinking with the bilaterals. The concept of MPS and OPS may not exist in the future, it could be very end to end and outcome based. The member welcomed the collaboration with the MPF sub-group. A member added that the sub-group were looking to share criterion with other groups about considering outcomes and impacts particularly for the market and the customer.
- 10.6. EJ agreed that OAG members have already proposed measures that would effectively combine an OPS and MPS-type measure and in due course this would render some MPS measures less relevant.
- 10.7. A member expressed their excitement at which the Bilaterals portal, linking with the MPF work, would allow tracking for end to end activities. At the moment OPS tasks were closed down when the activities were completed rather than the market being updated. The member hoped with the portal this could show an end to end process where a meter was not just exchanged but the data was correct in the market.

11. AOB

Strategy Session

- 11.1. The Chair said the strategy session had been discussed at the previous meeting where it was mentioned that a date would be provided, but nothing had happened. Given how close the MPC were to the committee nominations and membership changing, it was sensible to have the strategy session after the nominations process had been completed with the new MPC members.

Panel Updates

- 11.2. A member had previously asked for Panel updates to be provided at the MPC, which had not been provided yet. The Chair asked the member to inform her of what the update should look like. The member had left the MPC meeting early, and the Chair took an action to send the member a note.

Action 47_16

12. Closed Session – MPC47 Reflections