PERFORMANCE ASSURANCE BOARD (PAB) HEADLINE REPORT

Date: 26/11/2024

Virtual Meeting (Teams)

This Headline Report provides summary of the matters discussed and a record of the decisions made by PAB Members at the PAB meeting on 26 November 2024.

1. REVIEW OF OPEN ACTIONS AND APPROVAL OF DRAFT MINUTES

The PAB unanimously **APPROVED** the actions and draft minutes from the PAB meeting held on 29 October 2024. PAB Members reviewed the open and overdue actions.

2. SUPPLIER IN BREACH OF CONTROLLED MARKET ENTRY CONDITIONS

The Performance Assurance Qualification Manager updated PAB Members on the matter where a Supplier has breached their Controlled Market Entry (CME) limit. Due to high risk scores on performance monitoring risk drivers, it would not be appropriate at this time to increase their CME limit or allow them to exit CME. Rather than increasing their CME limit, we propose to apply an Action Plan PAT on the Party to drive improvements in performance by March 2025; this Action Plan will require comprehensive detail on the steps being taken by the Party to resolve current performance failings, monthly reporting by the Party on key performance metrics and senior management attending PAB to provide a clear commitment and explain what is being done to improve Party performance. In addition, the Party will be subject to a hard limit of 40,000 RMPs which, should it be breached, will result in robust escalation action including suspending their access to CSS which would prevent them from acquiring new customers.

PAB Members:

- **APPROVED** the Action Plan PAT to be issued with expectation for the Party respond confirming actions they are taking within 2 weeks.
- **APPROVED** to invite a Director / Senior Management representative to present the action plan to improve their performance at the December PAB meeting.

3. CRS PERFORMANCE CHARGE Q2 FY24-25

The Code Manager calculated the Performance Charges applied to the CRS Provider for the quarter ending on 30 September 2024 in line with the REC Performance Charge regime introduced from 1 April 2023 and the Performance Charges scale approved by the PAB in March 2024. The Code Manager confirmed that no exemption request was submitted by the CRS Provider.

PAB Members:

- **APPROVED** the Performance Charges as calculated by the Code Manager.

4. R0210 THE EVOLUTION OF CRS PERFORMANCE CHARGE

The Lead Change Analyst presented the proposal for REC Change Proposal R0210 for the Evolution of the CRS Performance Charge which relate to the Performance incentive regime introduced by R0025 from 01 April 2023. They explained that the proposal is to introduce weighting to the metrics which form part of the CRS Performance Charge to focus the incentive on more critical areas. The change was raised in September 2024, and the solution was developed closely across the Code Manager team, the legal team and the DCC team as the CRS Provider. The aim is to implement this change to apply for the performance charge year starting on 01 April 2025.

PAB Members:

- **APPROVED** the proposed change solution.
- **APPROVED** the proposed implementation approach; and
- **APPROVED** the proposed implementation date of 28 February 2025.

5. ASSURANCE DECISIONS SUPPORTING R0155

The Code Manager gave an overview of the process thus far to develop the assurance requirements as part of the change solution which was aligned to the approach approved by PAB in July. The Supplier representatives supported the adjustments made in response to the feedback from Parties, commenting that they were aligned to the risk and proportionate considering the reporting burden on Parties whilst having the ability to dive deeper where the reporting indicates any potential issues. The Code Manager highlighted the next steps will be to respond to the consultation feedback and proceed with Committee and Authority decision as planned.

PAB Members:

- **DISCUSSED** the proposed approach and then determined the assurance approach to be included in response to the R0155 change consultation.

6. PARTY ASSURANCE

PAB Members were provided with a monthly update on Party Assurance activity, including application of the proposed Performance Assurance Techniques (PATs) to be issued to the relevant Parties this month. PAB Members were also provided an updated approach for the New MTD Data Cleanse Reporting, including the interaction with the bulk population update by the MHHS Programme and the focus on exceptions arising after the bulk population cut-off date.

PAB Members:

- **APPROVED** the proposed Performance Assurance Techniques to be issued to relevant Parties as outlined in Section 2.

- **APPROVED** the process outlined in Section 4 to exit unqualified MOA MPIDs in MDD.
- **APPROVED** the inclusion of MOA MPIDs intending to exit the market in the process outlined in Section 4.
- **APPROVED** the Enquiry PAT to Suppliers with higher proportion of successful switches (gains) with CoO to understand the drivers as outlined in Section 5.
- **APPROVED** the proposed approach for the New MTD Data Cleanse Reporting including the preferred target approach and the associated target level.

UPDATE FROM THE DIP MANAGER ON DIP ONBOARDING

The DIP Manager outlined its responsibility for the DIP and all its functions, and explained that it is working with the MHHS Programme and the Code Bodies to provide the assurance they require from the DIP Manager on Parties' ability to use the DIP to meet Code obligations. The DIP Manager explained that to become a DIP user, a Party had to complete DIP onboarding which is separate from the MHHS Qualification managed by the Code Bodies but has synergies with it. The DIP Manager also set out its responsibilities to provide reporting to support monitoring and governance activities.

PAB Members:

- **NOTED** the content of the update.

7. SERVICE PROVIDER ASSURANCE

While some long-running issues continue to impact overall service provider performance, there has been a decline in recent performance by the Enquiry Services. Specifically that:

Both EES and GES experienced a decline in performance in October. However, mitigating measures are now in place that are expected to prevent these issues from recurring.

The ERDS and GRDS continue to meet performance SLA targets.

The CRS Provider's performance remains consistent with the previous month.

PAB Members:

- **NOTED** contents of the update.

8. OPERATING PLAN

The Code Manager confirmed all activities for November have been completed and updates provided in various papers noted within the operating plan paper. The PAB approved that due to shorter timescales in December, the Party Assurance update will be deferred to January unless the Code Manager determines there are any urgent matters to flag at PAB. The Code Manager also briefly gave an overview of the plan for the December meeting which will be in person.

PAB Members:

NOTED contents of the update.

9. NEXT MEETING DATE

The next meeting of the PAB will be held in person on 17 December 2024.

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