

6 April 2020

MOSL and MPC Statement on COVID-19 and impact on performance

Dear Contract Managers,

We recognise that COVID-19 brings unprecedented challenges to trading parties in their provision of services to business customers, within the non-household water market, and to each other across the supply chain.

The priority for the market during this time must be ensuring that business customers continue to receive the water and wastewater services they need, while providing information and support to manage their billing and payment needs.

We understand that performance against the Market Performance Standards (MPS) and Operational Performance Standards (OPS) has already been severely impacted under the current circumstances and that this impact is likely to last for several months even in the best-case scenarios. Charges relating to these standards have been paused for a period of at least three months from March 2020, as outlined in the urgent change proposal [CPM023 & CPW090: 'Suspension of Performance Standard Charges'](#), which was implemented on 30 March 2020.

MOSL will look to undertake a light-touch monitoring of these standards to inform a central view of market trends. This data will be used to inform the timing of, and approach to, 'restarting' normal market activities rather than for the purposes of peer performance publications.

In light of these challenges, and the recent urgent changes approved by Ofwat relating to occupancy status and settlement deferral ([CPW091: 'Temporary Changes to Vacancy'](#) and [CPW093: 'Payment deferral interim measures'](#)), there will be a heightened role for COVID-related monitoring, reporting and engagement to inform any further support, changes or intervention required.

MOSL and the Market Performance Committee (MPC) are fully aware of the impact on trading parties' ability to meet expectations and targets for current Initial Performance Rectification Plans (IPRPs) and Pairing Improvement Plans (PIPs).

The MPC will work closely with MOSL and other key stakeholders during this challenging period to support the recovery planning necessary to transition back into 'normal' market operations.

Accordingly:

- ◆ MOSL will use new and existing reporting tools to support parties and in doing so, we will provide clear and regular COVID-19 performance updates to Ofwat, Panel, MPC and the wider market
- ◆ Throughout the COVID-19 pandemic, it will be vital to track the operational impact on trading parties, therefore, and without adding undue burden on parties, we will seek updates on any material changes to their operational capabilities. This will serve to provide vital context and insight for the enhanced performance and data reporting
- ◆ Where areas of concern are flagged regarding issues such as erroneous changes to key market data which require further engagement, we will use the appropriate channels including Portfolio Managers and the MOSL Market Performance team, with a view to escalating concerns to the MPC or Ofwat as necessary
- ◆ Any intervention deemed appropriate would need to carefully consider the impact on essential operational services delivered by parties
- ◆ We will not be looking to trigger new IPRPs or escalate existing IPRPs/PRPs where any possible rectification actions are legitimately inhibited by COVID-19
- ◆ Where parties are currently subject to IPRPs, PRPs and PIPs we will seek insight on the impact of COVID-19 and will rescope any reporting requirements during this exceptional period, confirming where improvements are still able to be delivered.

Kind regards,

Elsa Wye

Chair of the Market Performance Committee

Steve Arthur

Director of Market Performance, MOSL