

To: Matthew Harnack[Matthew.Harnack@ofgem.gov.uk]
Cc: Peter Rice[Peter.Rice@ofgem.gov.uk]; Andrew Amato[Andrew.Amato@ofgem.gov.uk]; Claudine Edwards[Claudine.Edwards@ofgem.gov.uk]
From: Jonah Anthony
Sent: 2011-08-03T13:35:46Z
Importance: Normal
Subject: NI RHI Proposal - how can we get to £60k
Received: 2011-08-03T13:35:47Z

Matthew,

I'm not sure how the £60k figure was reached in the first instance but here is how you could possibly achieve it. Please note that this is not what I would recommend to ensure successful completion of the feasibility study or to kick start the development phase. I think we risk delivering a poor product and getting into trouble post feasibility study unless we are willing to put more resources into this at an earlier stage (something echoed in our lessons learned sessions on feasibility studies). This assumes a band C can write the feasibility study in one month (September) as they will need about a month to get it approved by legal, IT, the Band D, you and Bob (October).

Staff	%	Amount (£)
MD Office	0.5% (1 day a month)	
Matthew & Jane	10% (1 day a fortnight)	
Andrew	10% (1 day a fortnight)	
Band D	20% (1 day a week)	
Band C	100% (5 days a week)	
Sub total for project team (including £1k "other" costs)		£17,000
IT feasibility	1.5 BA time, 100% for 6 weeks	£20,000
Overheads		£9,000
Total		£46,000

You would then have **£14,000** to cover legal costs (1 Band D FTE for one month is about £6k plus overheads), consultancy (legal, technical and risks assessment if required) and recruitment. You would also need to decide what to do with the resources while we are awaiting DETI to sign off the recommendation for the feasibility study (i.e. what does the Band C do in November). This assumes we will not be doing any work on the regulations. We also haven't built in additional resources to go out to NI. Are we assuming they will be willing to come over here all the time? Again I'm not sure if this can be done, especially since legal were planing £25k for legal consultancy, on top of 2 FTE working on this.

We will almost certainly not be in a position to launch the scheme on 1 April 2012, and probably not on 1 May 2012. This is based on the fact that if we only get sign off for the development of the feasibility study at the end of November, will need at least a month to write the requirements and 3-4 months to deliver the solution. We may even need more time to allow us to recruit the required resources – who may not be in a position to start until January.

Grateful for a steer on where else we could make a saving. I also think you and Ruth will need to sit down and come to an agreement on what the legal resourcing will be. Not sure I'm going to get them to agree something which helps us get under the £60k mark and does not include time for them to review the regulations or the use of external Counsel.

I'll begin amending the proposal based on this – stripping out the Stage One and Two elements and keeping it focused on the feasibility study. I'll also try and incorporate as much of Ruth's comments as possible. In hindsight we should have got them to clear the proposal before it went to Bob.

Thanks

Jonah Anthony

Policy Development Manager

New Scheme Development

9 Millbank

Approved from OFGEM on 28.04.2017

Annotated by RHI Inquiry