



Briefing

NI RHI – IT position

This briefing has been prepared in order to agree the timings and approach for the NI RHI system release

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| cc | |
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1. Background

1.1. In order to finalise arrangements with DETI, New Schemes have been requesting costs and timescales from IT for the delivery of the NI RHI Project.

1.2. The following assumptions were made when the Feasibility Study took place:-

1.2.1. That the system would be launched on 1 April 2012.

1.2.2. That the system would be implemented as part of a GB RHI release.

1.3. Due to delays in finalising the agreement with DETI, the position has changed. The overall programme of work which we are currently required to deliver is large, and this presents additional challenges which did not exist when discussions first took place. Additionally, if the timescales agreed with DETI are met, it is no longer possible to deliver the NI RHI project in conjunction with a GB release, which has an effect on the costs of implementing the system.

2. Current position and proposed options

2.1. After obtaining input from several people including Paul Heigl, Sophie Jubb, Rita Chohan and the key IT Team members, a planning exercise has taken place in which it became apparent that delivering the NI RHI system within the current time expectations would be very challenging and could involve substantial risk. Having considered all the information available, and based on the scope as it is now understood, the following options should now be considered.

2.2. Option 1:-

All functionality in scope would be delivered to live on 3 January 2013.

This is the lowest risk option, and involves a waterfall approach.

The benefits are:-

- It builds in an adequate period for thorough testing (QA and UAT), with all functionality being available to test simultaneously from the outset.
- It avoids the need for multiple UAT cycles as it allows all functionality to go through two full QA cycles (with time for correction of defects) before UAT (although a second UAT cycle is factored in to the plan prior to go-live).

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Recent feedback from Lessons Learned on other projects has indicated that the correct time period and approach is an important part of any project implementation, in order to avoid compromises in quality.

However, feedback from New Schemes so far has strongly indicated that this option will not be acceptable due to the time it will take to deliver.

2.3 Option 2:-

All functionality in scope would be delivered by end of November 2012. Given the likely volumes of NI applications, a manual option up to this date looks to be feasible.

IT believe that this can only be achieved if compromises are made within the testing phases (QA and UAT).

This delivery date is possible if an iterative approach is adopted. This approach has been used many times of late, in both FIT and RHI, but is stressful and risky. Assuming three iterations are delivered, functionality included in the second and third iterations is not able to be tested adequately, and little time is available to address any issues that do appear. There is also a danger that functionality introduced in a later iteration can have a knock-on effect on other functionality.

Recent Lessons Learned from FIT and other projects, and feedback from key members of the RHI team including Sophie Jubb, have indicated that this approach is not recommended, and ultimately leads to increased costs due to issues having to be resolved reactively immediately prior to or after go-live. Although it is not possible to quantify the precise financial effect, evidence suggests that post-production costs are likely to be significant if this approach is taken, and there are additional risks if issues with the system are not spotted early (for example potential reputational issues or increased operational costs).

2.4 Option 3:-

The NI system would be implemented in two stages (precise scope to be agreed, but with User Management and Accreditation in Phase 1, and Periodic Information and Payment Management in Phase 2). It is understood that the Periodic and Payment functionality is not required until up to three months after go-live.

This option would allow functionality which will be needed from the outset to be implemented by the end of November (Phase 1), with Periodic Information and Payment Management to be implemented later (Phase 2). Due to the proposed timings of the Phase 2 GB release, the aim would be to implement NI Phase 2 at the end of January.

As with Option 2, given the likely volumes of NI applications, a manual option up to the end of November looks feasible.

The assumption is that a GB system release would take place at the same time as the NI Phase 2 release. Unfortunately until the GB RHI Phase 2 Scoping Study is completed, it is not possible to say whether this will definitely be the case.

The main factor to be considered with Option 3 is the increase in costs, and the IT cost implications are outlined below. When giving consideration to this option, the costs of the project teams within New Schemes also need to be factored in.

2.5 Estimated effect on costs for option 3:-

The total costs of the extra release are estimated at £40,105 (up to £80,210 with contingency at 100 percent). However, as this includes regression testing and

infrastructure costs, it would be legitimate to split these costs with the GB project, thus reducing the extra cost for DETI to £28,869 (up to £57,738 with contingency at 100 percent).

Following feedback from Matthew Harnack, two alternatives are shown. The first splits the additional release costs on a 50:50 basis (i.e. GB and NI schemes share the combined costs of the release, regression testing etc. equally. An alternative scenario is also shown, whereby only the marginal costs of a January release would be passed on to DETI. The release and penetration test costs would be funded by the GB Phase 2 project.

| Details | Estimate before contingency | Estimate with contingency (release costs 33%, other costs 100%) |
|---|------------------------------------|--|
| Current Estimate (assumes a single, standalone release for NI) | £178,565 | £347,591 |
| Estimated cost of November release if Option 3 is chosen | £164,663 | £319,787 |
| Cost of January release for DETI (assumes release costs are divided 50:50) | £28,869 | £57,738 |
| Cost of January release for DETI (assumes only marginal costs passed to DETI) | £22,509 | £45,018 |
| Overall estimated cost for DETI (50:50 basis) | £193,532 | £377,525 |
| Overall estimated cost for DETI (Marginal cost basis) | £187,172 | £364,805 |

Please note that these estimates do not include ongoing operational costs.

3. Recommendation

3.1. The recommendation is that Option 3 is agreed and taken forward. This assumes that the increase in costs is acceptable and can be accommodated (including additional costs within New Schemes, which are not included in this document).

3.2. The recommendation is being made in order to ensure that risk is minimised and that the system is of the required quality.

3.3. Assuming that a GB release takes place at the end of January, the resulting increase in costs can be significantly reduced.