

To: Richard Kayan[Richard.Kayan@ofgem.gov.uk]; Milton James[Milton.James@ofgem.gov.uk]
Cc: Charles Hargreaves[Charles.Hargreaves@ofgem.gov.uk]; Luis Castro[Luis.Castro@ofgem.gov.uk]; Jamie Phillips[Jamie.Phillips@ofgem.gov.uk]
From: Matthew Harnack
Sent: 2012-09-21T16:52:40Z
Importance: Normal
Subject: RE: Corporate plan - IT scheme costs
Received: 2012-09-21T16:52:41Z

Richard, Milton,

I think what Jacqueline is suggesting should be done as a minimum. Otherwise we will have no budget with which to fix inefficient processes or to automate things that really should be because of volume increases.

Milton, regarding the figures, they look familiar and OK to me with the following exceptions:

- Our marker for FITs was £1M/y – I assume it's been recalibrated to £900k/y because that's roughly what we've spent this year and last?
- RHI development – Immediately after our meeting on Tuesday morning Ashley sent a detailed email advising that the RHI development costs should be £2.84M for 2013/14 (excluding further changes at £500k and excluding the £100k of ongoing amendments that Jacqueline has recommended – so this should be £3.44M in total)
- RHINI development – at this stage I would assume no development costs, as we are assuming they will change their scheme in line with changes to the GB RHI, so there are no additional costs over and above the changes that we would be making anyway for GB. I am open to advice on whether this is a reasonable assumption.
- RHINI operations – I am alarmed that these costs are anywhere near this high (actually I'm surprised they're in there at all). NIRHI is not a separate system, or scheme. There is only one RHI Register, and the only difference between NI installations in the register and GB ones is the tariff rate. Please advise as to why any support, hardware & software, or infrastructure resourcing budget is needed. And if any is needed please justify why it is so large.
- FITs and RHI support costs – you may need to reconsider these so that they increase in line with volumes

Matthew Harnack

Associate Director, Commercial
New Scheme Development
9 Millbank
London
SW1P 3GE
Tel: 020 7901 7218
www.ofgem.gov.uk

From: Richard Kayan
Sent: 21 September 2012 16:21
To: Milton James
Cc: Matthew Harnack; Charles Hargreaves; Luis Castro; Jamie Phillips
Subject: RE: Corporate plan - IT scheme costs

Milton,
The following two points may need to be considered:

1. Jacqueline has requested £100k per year for ongoing amendments for RHI, which I believe is not included in the £3.1M put forward by Ashley. I'm not sure whether this should be added to the £3.1M, but I believe this is a decision between you and Matthew.
2. I believe there is no development planned for RHI NI next year, and so the development costs should be zero.
3. I believe the RHI NI support costs for next year are £40k. However, as support is Jamie's area of responsibility, I'll leave Jamie to confirm...

Please let me know if you require any further clarification or information.

Regards,
Richard

From: Milton James
Sent: 21 September 2012 16:01
To: Matthew Harnack; Charles Hargreaves; Luis Castro; Jamie Phillips; Richard Kayan
Subject: Corporate plan – IT scheme costs

All,
Below are the IT costs for the schemes that I'll be including in the corporate plan for 2013-14.

The figures have changed in certain areas but you should recognise the numbers, if you believe anything is missing or incorrect please let me know.

Regards
Milton

RO	Banding Changes/Overspill	£100,000
	Sustainability Requirements	£300,000
	Re-Architecture	£200,000
	Further Changes	£200,000
	Total	£800,000
RO	Support	£270,000
	H/W & S/W	£93,000
	Infrastructure Resourcing	£40,000
FIT	Development	£900,000
	Support	£250,000
	H/W & S/W	£80,000
	Infrastructure Resourcing	£25,000
ECO	Development	£920,000
	Support	£260,000
	H/W & S/W	£79,000
	Infrastructure Resourcing	£40,000
CERT	Support	£25,000
	H/W & S/W	£13,000
	Infrastructure Resourcing	£10,000
CESP	Support	£90,000
	H/W & S/W	£13,000
	Infrastructure Resourcing	£10,000
RHI	Development	£3,100,000
	Support	£270,000

	H/W & S/W	£120,000
	Infrastructure Resourcing	£40,000
RHI NI	Development	£300,000
	Support	£270,000
	H/W & S/W	£22,000
	Infrastructure Resourcing	£10,000

£8,050,000**Milton James**

Director, Information Management and Technology
Information Management and Technology
9 Millbank
London
SW1P 3GE
Tel: 0207 901 3899
www.ofgem.gov.uk