

To: Keith Avis[Keith.Avis@ofgem.gov.uk]; Mary Smith[Mary.Smith@ofgem.gov.uk]
From: Matthew Harnack
Sent: 2012-11-13T18:30:35Z
Importance: Normal
Subject: RE: NIRHI: Admin Agreement
Received: 2012-11-13T18:30:37Z

Hi both,
 Ive had a chat to Bob about both points that have potential to drag on and he has suggested ways forward on both. Can we chat about it in the morning please?

From: Matthew Harnack
Sent: 13 November 2012 15:26
To: Keith Avis; Mary Smith
Subject: RE: NIRHI: Admin Agreement

Thanks Keith.

I have a few comments in red below. Can you please take account of these in any response that either of you make on this.

From: Keith Avis
Sent: 13 November 2012 11:41
To: Mary Smith; Matthew Harnack
Subject: NIRHI: Admin Agreement

Mary, Matthew

Attached is the response from DETI on the Admin Arrangements, baseline scope and letter. Joanne also gave me a call to talk these through. In short, most of this is a matter of clarification, which is good news. It seems to be the only stumbling block now is who owns the data. DETI are pushing for a definitive answer on this. As I understand it, underlying this is the broader question of the relationship between DETI and Ofgem (e.g customer/supplier as DETI would wish to have it). More generally, I explained to Joanne that the question of data ownership is not as straight forward as it would seem as a good deal depends on the source of the data and how the contents are covered (e.g contract law, IP law, data protection etc.). Joanne is going to discuss this further with Fiona. From our perspective we will need to explore this further with Marcus I think.

As regards next steps, Joanne agreed with my proposal that the best way forward was for me to pull together Ofgem comments on the points below. It may be necessary to have a further exchange with DETI, but hopefully we are moving ever closer to a position where we can sign everything off.

Mary – I assume that you will wish to make broad reference to this as part of the update to the RHI Implementation Board shortly.

Rgds

Keith

From: McCutcheon, Joanne [<mailto:Joanne.McCutcheon@detini.gov.uk>]
Sent: 13 November 2012 10:56
To: Keith Avis
Cc: Hutchinson, Peter; Hepper, Fiona
Subject: Admin Agreement

Keith

I met with Fiona yesterday to look at the revised letter, Admin Agreement and Scoping document. I think we are nearly there – just a few points.

Firstly ,we urgently need clarification on who is considered to own the data/documentation provided by the installer. Matthew was to come back to us on this point once he had sought the legal opinion. We believe this is an important issue which impacts on the Admin Agreement in a number of places.This will take several weeks to work through with lawyers and then to discuss with DETI. Is it really needed for the purpose of getting the agreement in place? I think we can agree all outstanding issues without having to bottom this out and I'd recommend we do this so that it doesn't impact on our operation of the scheme. In addition, we have the following questions/suggestions:-

Letter

Para 3 – ‘additional costs which we may need to agree with you’ – we would prefer this read ‘additional costs which we would agree with you in advance’

Para 4 - you say the KPI's are ‘internal performance measures’ just wondering how are they internal if they are published on the web? We should clarify that by ‘internal’ we mean that ultimately they are measures that we have decided are appropriate for the scheme. We do report externally on these so we should reword this to avoid confusion.

As regards the KPI – how regularly will you provide management us with info on these indicators? – don't need this in the letter just for info. I think we can provide this monthly. We produce a monthly report on the scheme as is, though it doesn't yet contain all of this.

Admin Agreement

3.2b still causes us some concern. Just not sure how this is going to work going forward. We may not even be aware of what regulations

you use never mind any changes to them. Is there some way you can provide us with a list of regulations that you use and highlight when GB changes take place – in much the same way as Marcus did on the gas safety issue? Think we need to discuss this further.

We can always commission NI specific legal advice using some of the contingency that we have not yet called on. DETI seemed OK with this when I spoke to them last time, but they also said that they would probably be happy with the text that I inserted, so I thought that would be better to avoid lengthy delays due to legal advice. I'd suggest we need to ask DETI for some money to get NI legal advice and also that we flag that this will delay the agreement by several weeks (which might impact on operations, though unlikely). I'd also suggest we mention this to Bob as he won't be happy if this is delayed any longer.

5.2 Can you just clarify what the last sentence means – created doubt rather than avoided it!

7.1 What do you mean by assets – presumably ip rights database etc but not data, paperwork, documentation etc?

Baseline Scope

Exec Summary para4 – doesn't make sense – you have used £5k of contingency

I presume this is talking about the extra £5k of legal spend. Best to reply to DETI that we have not asked for contingency funds for this, but instead we have reallocated £5k from another line item. Up to you whether you think the wording in the baseline scope needs changing.

1.2 – 7th bullet – can you clarify what this means – as it reads it would appear that if you get any other work our costs could change?

5.17(a) the 'Accounting Officer' is a specific role within the NICS. Can we change this to read 'first be discussed by the Project Managers? Branch Head? Or something else?

Somewhere in this document we need clarity on the £47K contingency. We understand that you need assurance that this is available to you. However, from discussions with Matthew and Paul I have been given to understand that as things stand at the moment this £47K would be available to cover the costs if we need to go it alone come Jan/Feb i.e 30-35K although this might change as the project moves forward.

To be clear – we need the full £47k to be available to us up front for the purposes of spending on the main IT build costs. This is because there is a chance we will need it, and we can't afford to stop work for several weeks to seek this funding should we need it, as that would mean that we would spend even more (because of idle IT developers who can't be redeployed that quickly) and also it would mean that the end of January go-live date would well and truly be missed (hence resulting in more operating costs too). At this stage it appears that we won't need to use it, so it could instead be used to cover the IT release costs should that be needed, but as said that could change as the project progresses so there is no guarantee there would be sufficient budget left to cover the IT release costs once we get to the end of January.

Think these are the main points – hopefully we can get this signed off soon

Regards

Joanne

Joanne McCutcheon

Renewable Heat

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9425 (ext: 29425)

Textphone: 028 9052 9304

Web: www.detini.gov.uk

The new website for the European Sustainable Competitiveness Programme for NI is now available - visit www.eucompni.gov.uk



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