

As we have discussed, this leaves us with very little available contingency available given that a reduced budget was agreed. As I have stated many times in the Checkpoint meetings, there is a strong risk that the available contingency will not be sufficient to cover the expenditure required. Note also that we have yet to hold our detailed estimation workshop, which was due to have taken place at the end of the requirements phase. When this has been completed, it will enable us to provide you with a more accurate forecast of remaining expenditure.

Regards,  
Andy

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**From:** Andy Luckhurst  
**Sent:** 31 October 2012 18:23  
**To:** Keith Avis; Rita Chohan  
**Cc:** Adrian Falconer; Richard Kayan; Phil Austin  
**Subject:** RE: NI RHI budget, PID etc.  
**Importance:** High

Keith,  
Please ignore item 4 in the contingency call table below, as there should be provision for this. My apologies for any confusion.  
Regards,  
Andy

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**From:** Andy Luckhurst  
**Sent:** 31 October 2012 17:54  
**To:** Keith Avis; Rita Chohan  
**Cc:** Adrian Falconer; Richard Kayan; Phil Austin  
**Subject:** NI RHI budget, PID etc.

Keith,  
I have put a budgetary CR on your desk for interim funding, as we discussed. I would be grateful if you could get this signed off by Matthew, Luis or Mary. This will ensure that IT are not working at risk for November. A copy is attached to this email.  
In the absence of a PID, I have produced an IT PID. This ensures that I have complied with our processes and also will enable me to ensure that I have a mandate to continue. **Keith/Rita** - would you please conduct a review of this by close of business next Wednesday 7<sup>th</sup>. I am particularly looking for feedback on the reporting structures and the budgetary sections, as these need to tally with the contents of the overall PID once this is produced (is there a timescale for this?). The IT PID can be found at the following location and I will accept any feedback by email so that I can incorporate it into a Review Record Sheet.

[http://sharepoint/Ops/IT/IT\\_Lib/Apps/MS\\_Server/NI%20RHI/Project%20Management/Initiation\\_Documentation/NI%20RHI%20PID.doc](http://sharepoint/Ops/IT/IT_Lib/Apps/MS_Server/NI%20RHI/Project%20Management/Initiation_Documentation/NI%20RHI%20PID.doc)

Once I have received your feedback I will issue a version of the PID for review and sign-off within IT and by Matthew.  
Given the news from Bryony about the Phase 2 situation, I am now assuming that the most likely scenario is that we will go live at the end of January with NI only. This means that Option 2 from the overall budgetary CR I raised in September, now applies (£178,565 plus contingency of 33%, total £237,491). This exceeds the £190,000 available. Of course, we may not need all this contingency, but there are a number of items (two of which you are already aware of) which may require calls on contingency, and I am detailing these below.  
The following contingency calls now need to be allowed for:-

| Item  | Amount and status                       |
|---|---|
| 1. Provision for IT unproductive time in May  | £2,253 – already advised                |
| 2. Provision for splitting NI RHI/Phase 2 code and re-merging if required   | £1,000 - agreed on 18 October 2012      |
| 3. <b>*NEW*</b> - time needed in November for handover from current Business Analysts to other team members (I am happy to provide further clarification if required) | £2,120 – please confirm your agreement  |
| 4. <b>*NEW*</b> post go-live warranty period  | £30,000 – please confirm your agreement |

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| was not included in original estimates |  |
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It is important that I point out that items 2 and 4 above are **possible** calls on contingency. At this stage we cannot predict how many outstanding defects will exist at the time the system goes live, but we do need to make provision for the additional time that resources will need to be allocated to the project.

Please note that having reached the end of the requirements phase, we are due to conduct a re-estimation exercise, and our projections for the remainder of the project could go down or up. I am expecting revised projections to be available in the next fortnight.

I will be out of the office until Monday, but would be grateful if we could discuss these matters then.

Thanks.

Andy

**Andy Luckhurst**

Senior IT Development Project Manager  
Information Management and Technology

9 Millbank

London

SW1P 3GE

Tel: 0207 901 1841

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