



# Briefing

## RHI Governance Framework

This paper proposes a revised internal project governance framework for the Renewable Heat Incentive (RHI) development phase.	From	Juliet Little/Matthew Harnack
	To	Environmental Programme Board
	cc	Ashley Malster, Gareth Atkins
	Date	19 October 2010

### 1. Purpose

- 1.1. The purpose of this document is to propose enhancements to Ofgem's internal governance structure for the development phase of the Renewable Heat Incentive (RHI) scheme.

### 2. Context

2.1. It is important to review our existing governance arrangements for the RHI as we have now moved into the development stage of the scheme and we expect the government to confirm go-ahead of the scheme in the Spending Review announcement on Wednesday, and also because of increased senior management scrutiny of the project now that it has moved into the development phase. The scale of the scheme and the level of risks involved both also give reason to review the robustness of our arrangements.

2.2. DECC have recently established their own RHI governance structure, including an RHI Programme Board and RHI Administration Project Board. Ofgem attend both of these Boards as lead delivery partner on the RHI scheme administration and it is intended that Ofgem's internal arrangements complement this.

2.3. The key aim of the internal governance enhancements are to ensure:

- adequate focus on the RHI;
- better coordination between policy and IT teams;
- improved accountability for, and documentation of, the progress of work areas and management of risks and issues;
- more effective use of management time;
- compatibility with DECC's RHI governance arrangements, including a clear escalation route.

2.4. This paper follows the RHI development phase PID submitted to RAPID/SMT/MC in September, and the detailed governance paper submitted to Bob Hull's surgery session in August 2010. It builds on these previous papers and provides more detail on the proposed enhancements to our governance arrangements.

### 3. RHI Implementation Board

3.1. It is proposed that the existing Environmental Programme Board is enhanced by splitting off the RHI portion of the Board into stand-alone meetings of 1 hour duration. This will enable the Board to focus sufficiently on the RHI, and to extend it beyond IT related issues.

- 3.2. This "RHI Implementation Board" will be the internal Board responsible for overseeing Ofgem E-Serve's delivery of the RHI scheme. It will cover *all* components of the set up and delivery of the scheme, including delivery of the IT as well as non-IT elements of the scheme, the role of and interactions with the contact centre and payment service provider functions, and discussion of key policy issues which arise that impact on Ofgem and our delivery of the scheme, including fraud prevention and scheme enforcement.
- 3.3. The purpose of the Board is to ensure:
- The project is adequately monitored and managed with regard to budget, time, quality and scope
  - Adequate detail is provided by both teams to enable effective decision-making
  - Key project decisions are agreed at senior level, including budget forecasts and delivery options
  - The Board has sight of and the opportunity to input into key documents (e.g. Operational Business Plan and Fraud Prevention Strategy)
  - Issues not resolved internally or with DECC at working level are addressed
  - Key policy issues, for both the project and Ofgem as a whole, are flagged and discussed
  - Issues are escalated internally to Management Committee and GEMA as appropriate; and where necessary escalated to DECC via the monthly meetings with Irrelevant information redacted by the RHI Inquiry, and if necessary on to the DECC-led RHI Programme Board
  - Key project risks are reviewed
- 3.4. It is proposed that the Board membership is adjusted so that the following individuals will comprise the RHI Implementation Board. The intention is to keep the board as small and focused as possible:
- Bob Hull
  - Curt Silver and/ or Richard Kayan and/or Doug Wishart or Adam Tackley
  - Matthew Harnack
  - Andrew Amato
  - Charles Hargreaves
  - Ashley Malster or Gareth Atkins
  - Juliet Little (secretariat function)
- 3.5. The Board meetings will be held on a fortnightly basis, for one-hour durations. Juliet will prepare and circulate agendas and papers in advance of the meetings and produce and circulate minutes/ key action and decision points.
- 3.6. It is proposed that existing IT dashboard reports are enhanced by adding: progress towards key longer term milestones; major issues; and a resourcing summary (actual and forecast vs budgeted). Dashboard reports should also be produced to cover policy development and overall project delivery, and cover the same items that the IT dashboard reports cover.

#### **4. Other Cross-Working & Reporting arrangements**

##### **4.1. RHI and IT teams**

4.2. In addition to the above, the following arrangements are proposed to support cross-working between the IT and RHI teams:

##### **4.3. *Cross-team Meetings:***

4.3..1. Continuation of fortnightly meetings between Matthew Harnack, Andrew Amato and Richard Kayan (if Board meetings held fortnightly)

4.3..2. Weekly project management meetings (commenced)

4.3..3. Twice weekly meetings to review IT requirements and progress, to ensure IT are on track with pre-development work (commenced). Attendees include Andrew Amato, Sophie Jubb, Dorothy Oti-Amankwah and Adam Tackley.

##### **4.4. *Project Management and information sharing:***

4.4..1. Juliet Little is the overall Project Manager for the RHI implementation project. She will therefore need to have sight of all documentation from both teams relevant to managing the project.

4.4..2. Project managers (Adam Tackley and Juliet) will share all project management information, including but not limited to:

- Updated plans
- Updated budget / spend actuals and forecasts (including breakdown)
- Risk and Issue Logs
- Actual resourcing for previous month
- Forward resource plan

4.4..3. Juliet will also be responsible for overall budget management going forward, with Andrew Amato supporting her where necessary with respect to reviewing IT specific budget, spend and forecasts.

##### **4.5. RHI and Ofgem "Orange" teams**

4.6. The RHI team will continue to meet bilaterally with the Sustainable Energy Policy team on a fortnightly basis to discuss policy issues (e.g. that relate to consumer protection or cost to consumers), and will meet with other Ofgem teams as needed.

4.7. Matthew Harnack will also continue to meet with Sarah Samuel on a monthly basis to update her on RHI implementation.

#### **5. Environmental Programme Board**

5.1. As a result of implementing a new RHI Implementation Board, it is proposed that the existing Environmental Programme Board meetings are slightly restructured, so that they:

- No longer include the RHI, and
- Are held on a monthly basis (for one hour duration)

- 5.2. Note that Richard Kayan suggests we keep fortnightly placeholders for Environmental Programme Board meetings in the diary in case they are needed, but with the intention that we would normally meet every 4 weeks.
- 5.3. In addition, we would like to put forward the following questions for discussion:
  - 5.3..1. Does the Board think there need to be any improvements to the existing dashboard report templates?
  - 5.3..2. Do we also need to review membership of the Environmental Programme Board, given that it has been around 12 months since it was last reviewed?