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Lessons Learnt Report

Northern Ireland Renewable Heat Incentive (phase one)

Lessons Learnt Report summarising the learning that was made throughout this project and tries to capture this information in such a way that it can be used to inform the planning for future projects.	Project Sponsor	Bob Hull
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	Date	6 February 2013
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1. Background

1.1.   The Department of Enterprise, Trade and Investment (DETI) have been committed to bringing into place a Renewable Heat Incentive scheme for Northern Ireland as a key mechanism to reduce our carbon emissions.

1.2.   In September 2011 DETI asked Ofgem to undertake a feasibility study into Ofgem administering the £25m Northern Ireland Renewable Heat Incentive (NI RHI) scheme alongside the GB RHI scheme. Following the completion of the Feasibility Study[1], GEMA[2] agreed to Ofgem administering the NI RHI, subject to appropriate funding and resolution of remaining uncertainties.

1.3.   DETI formally confirmed on 4 May that they wished to enter into an agreement with Ofgem for the administration of NI RHI.

1.4.   On 1 November the NI RHI scheme successfully went live using a manual system to track and record applications by renewable heat generators. This is an interim arrangement. At the time of agreeing the Feasibility Study the intention was to marry up with proposed GB RHI IT releases to drive down costs.

1.5.   Unfortunately, the decision from DETI to give Ofgem the go-ahead to administer the scheme was delayed, and the opportunity to tie in with a summer 2012 GB RHI release was lost. Delays to the timing of the next GB release led to a standalone NIRHI IT release being scheduled for January 2013. This release was successfully completed in January, the IT system is now live and the project is closed.

1.6.   As part of the project closedown, the team took part in a lessons learnt session to try and identify any useful experience or lessons coming out of this project that can be used to inform future work.

2. Lessons Learnt Process

2.1.   The Lessons Learnt session was a structured de-briefing and focused on four elements of the planning, project management (processes), resources and stakeholder engagement.

2.2.   Where project team members were unable to attend the session, comments were provided by email. This report summarises both the discussion held at the meeting

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[1] http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/New%20Projects/NIRHI/Feasibility%20Study/FINAL%20Feasibility%20Study.docx

[2] http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/New%20Projects/NIRHI/Superseded%20Documents/January%202012%20NI%20RHI%20Authority%20For%20Decision%20paper.docx

and the key points raised via email, and highlights the key findings. Where appropriate the views of PMG have been added.

3. Planning

3.1.   The views on planning are outlined below and summarised in the table at the end of this section.

3.2.   The team agreed that the project was more complex and involved more work than had initially been anticipated. The expectation that the project was not a large piece of work contributed to gaps in planning that had repercussions at a later date. Whilst the repercussions were not serious enough to prevent the project from achieving objectives, it is worth noting them to capture the lessons for future projects.

Transition from feasibility study to development phase

3.3.   The project was initiated with a feasibility study into the costs and processes required to set up and run the scheme.

3.4.   The team noted that the feasibility study contained far too much detail – specifically from an IT perspective. This had implications at a later date when minor details that had been specified in the study could only be changed by a formal Change Request which was both costly and time consuming. The team agreed that where possible, future feasibility studies should adopt an output based specification approach as opposed to producing a detailed technical specification.

3.5.   They also highlighted that information used to support the feasibility study was not always reliable. The team agreed incorrect information had been given to the NI RHI team which led to inaccurate cost assessments. Also, at times it was unclear what were DETI's requirements and what our own suppositions were.

3.6.   It was noted that the scope of the scheme should have been clearly outlined in the feasibility study and not left undefined until a later stage (eg UAT). This would have allowed an accurate view of the costs and resources needed for the whole project at an earlier point in the process. Early completion of a development phase PID (see 3.10) may have helped to tease out the full scope of the scheme.

3.7.   The team noted that the decision to replicate the process for GB was helpful, recognising the synergies between the two projects. This is something that should be maintained as the NI RHI scheme is developed.

Admin Arrangements

3.8.   The admin arrangements detailed the ongoing operational arrangements between DETI and Ofgem including the scope and accountabilities for delivery of the scheme.

3.9.   The team noted that the work to agree the admin arrangements should have been started much earlier. Ideally we should have pushed for them to be signed prior to development and delivery of the services. This would have helped to expose all of the different requirements and confirm the scope before work began. It would also have allowed a more informed decision on whether we wanted to take the work on or not (possibly due to factors such as approach to audits/KPI's etc).

Project Governance

3.10.   Although a Project Initiation Document (PID) had been written for the feasibility study phase, no PID was in place for the development phase until December 2012.

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Comment [i1]: Apologies I couldn't mak the session, but are you able to explain this a bit more? There would need to be an element of technical specification to explain how changes would be delivered and initial views on timings/ costs – wo this be included in an 'output based spe

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Comment [i2]: Can we also explain this more? Be useful to understand what th inaccuracies are so we can avoid them i the future.

Comment [i3]: Are we able to explain w prevented it from happening earlier?

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The creation of a PID at the outset of a project encourages the team to consider their approach to project planning, resourcing, managing risks and managing stakeholders. The creation of a PID at the start of the development stage may have prevented some of the issues that arose later in the project.

3.11. The original plans underestimated the resource that would be required from the operations team. More detailed planning around the deliverables may have helped to identify this requirement at an earlier stage – this is likely to have been considered in more detail during the development of a PID.

IT

3.12. The team agreed that the IT requirements had been thoroughly and carefully planned – with involvement from the Subject Matter Experts (SME's). Although the concept of adding NI to the RHI system was only a minor addition – it warranted detailed planning as all elements of the live system could have been affected by the NI release. The team noted that this worked well and should be repeated in future projects.

Planning	
Things that went well	**Things that did not go so well**
• Use GB RHI as a guide for developing project planning/system design for NI to take advantage of synergies. • Thorough development of IT requirements assists with system design/creation.	• More complex than anticipated, more planning could have helped. • IT element of feasibility study was too specific – output based specification approach to be considered in future. • Full scope of project not captured in feasibility study • Retention of staff from feasibility stage to development stage crucial to retain "learnt" knowledge specific to RHI • Use of PID in planning phase could avoid under developed project scope or resource requirements.

Comment [i4]: Was this more planning i relation to identifying earlier what was required/ planning activities to scope or planning as part of the early developme of a PID?

Comment [i5]: Are we able to expand th The feasibility study can only scope wha was known at the time – if there were scope changes later on, these should ha been picked up through CRs, alternative if there were specific areas lacking in detail in the FS it would be helpful to br them out.

4. Resources

4.1. The views on resources are outlined below and summarised in the table at the end of this section.

Transition from feasibility study to development phase

4.2. The team noted that none of the staff working on the feasibility study were recruited into the subsequent development team. This lack of continuity created a gap in knowledge for the incoming development team. This gap caused uncertainty on the assumptions behind some of the decisions that were made and a lack of understanding of why decisions had been made. This was not helped by delays in the recruitment of staff for the development team.

4.3. At the session the team noted that retaining some of the feasibility study team to work on the development phase would have reduced the knowledge gap.

Human Resources

4.4. The team noted that the resources allocated to the project (based on the feasibility study) were not sufficient to deal with the actual scope of the project. The team felt that this was particularly relevant when talking about the allocation of operations resource, where a higher allocation would have been helpful. In order to ensure that quality, time and cost targets are met, it is important that projects are resourced appropriately.

4.5. The team agreed that the SME's had useful knowledge and insight into the scheme and they should have been involved earlier during planning and the early stages of the project.

4.6. It was noted that placement of the team physically within or next to the GB RHI may have helped to take advantage of the incumbent knowledge and experience with the RHI register.

Financial Resources

4.7. Costs that had been agreed at the feasibility study stage turned out to be unrealistic during the actual implementation. This caused a need for lengthy and costly reviews of cost estimates which should have been unnecessary.

4.8. Ofgem ways of working were not completely explained to DETI, specifically relating to how contingency monies are to be 'earmarked' and made available if needed.

4.9. The team noted that the initial installation numbers were not agreed with DETI and will not be realised.

Resources	
Things that went well	**Things that did not go so well**
• SME's have extensive knowledge that is helpful to the project management.	• Gap in resourcing from feasibility to development phase caused a lack of continuity. • Resources not appropriate to the work • Feasibility study final budget not realistic/did not include all items. • SME's have extensive knowledge on subject matter and should be utilised early in planning the work. • Clear communication of ways of working relating to budgeting – especially contingency.

Comment [i6]: Were any suggestions made as to how handover could have be more effective given there wasn't a cros over of resources?

Comment [i7]: Are we able to explain th more? Be useful to understand so we c identify what steps we can take to preve this in the future.

Comment [f8]: Did the revision of these numbers cause any budgetary issues.

Comment [i9]: I think at this stage we c only say they are unlikely to be realised

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5. Stakeholder engagement

5.1. The views on the stakeholder engagement are outlined below and summarised in the table at the end of this section.

Internal Stakeholder Relationships

5.2. The team noted that the relationships between teams were particularly good, with the checkpoint meetings providing an opportunity for all internal stakeholders to air views. The team all agreed that everyone had worked extremely hard and showed great commitment to getting the scheme in place by the specified (challenging deadline).

5.3. It was also noted that due to the synergies between GB and RHI it had been useful to arrange a regular meeting between the teams to keep up to date on developments. This should be continued as work on the RHI continues.

5.4. However, the team also commented that there was work to be done to improve the ways of working between the development and legal teams.

> **Comment [i10]:** Are we able to explain t more?

5.5. The operations team noted that email communication was not helpful to them as they also have other work priorities and could not keep up with the volume of mail. They also commented that there were a number of meeting invites at short notice often lasting up to three hours – it was noted that given the limited operations resource allocated to this project this requirement was difficult to manage.

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External Stakeholders (DETI)

5.6. On the whole the team agreed that they had successfully built a good working relationship with DETI despite working in difficult circumstances. This relationship was developed on a working level by ensuring that regular weekly meetings happened.

5.7. Some team members noted that it could have been improved by actually meeting in person.

5.8. However, the team also noted that they felt at times that the DETI team was very small for the size of the project and that they were inexperienced. There were a few issues such as reporting or the admin arrangements that Ofgem should have been pushing harder for an earlier resolution as DETI's response to these challenges was too relaxed. By not forcing the issue at an early stage, more serious problems arose at a later stage.

5.9. The team agreed that problems arose from the challenging politically driven deadline that DETI were working towards. This caused repercussions for policy formulation and execution as there was no room for manoeuvre if there are problems. Although changes were made to policy requirements, no re-evaluation of timings of project deliverables/key milestones occurred. The team agreed that we should be firmer with DETI in future work and where the scope changes, be clear the impact this will have on the project costs and timing.

> **Comment [i11]:** Can we include some examples?

Relationships

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Things that went well	Things that did not go so well
• Regular contact with main stakeholder used to build good working relationship.	• Didn't push harder for resolution of issues, allowed them to drift. • Never met in person – maybe helpful to improve relationship further. • Difficult working in a political environment – should not affect PM principles.

6. Process/Project Management

6.1.   The views on the project management are outlined below and summarised in the table at the end of this section.

6.2.   Checkpoint meetings (as noted already) were successfully used to bring all team members together at least once a week. This was an opportunity to track progress, discuss issues and update all team members at least once a week.

6.3.   Project planning was helpful with clear owners for each of the identified deliverables. The team noted that they had delivered all that they could on time and that good project management and team working was an enabler for this.

6.4.   The team agree that the approach taken to getting agreement on the guidance was particularly_?. Guidance was printed off and given to people to check as a hard copy. This was helpful in encouraging people to meet to discuss this with the copies to hand and was appreciated by the whole team.

Project Initiation Document

6.5.   No PID or governance document for the development phase caused issues in a number of areas including resource allocation, agreement on quality criteria, lack of detail on the budget and risk management. Ofgem policy dictates that all projects should have a PID approved via RAPID and any future work should adhere to this.

Budget Management

6.6.   It was suggested that the team did not have a clear view on the budget and as such, regular reviews of progress against the budget were not possible. A line by line account of any expenditure for a project is essential and should be included in a project PID.

> **Comment [i12]:** Were there specific issu preventing this?

6.7.   Events developed causing changes to the project scope, but costs were not changed. A clear view of the budget would have exposed this at an earlier stage.

> **Comment [i13]:** Are we able to explain more? Of the changes I'm aware of, th were costed as part of the decision mak process as to whether they should be implemented – are there specific exam we can point too?

Decision Making

6.8.   It was noted that the process for approval via AD and Director worked successfully with decisions made when required. However, it was also noted that some decisions took a long time to make or were changed after being made. It may be helpful in future to plan out when key decisions will be made and keep a log of this information.

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Process/ Project Management	
Things that went well	**Things that did not go so well**
• Checkpoint meetings were a good chance to track progress and to encourage the "project team" mentality, rather then working in silos. • Identified project deliverables assigned owners to deliverables – helpful to encourage ownership of delivery.	• No PID/governance document • Clear view of the budget was not available. • Changes in scope did not cause a review of budget • Decisions changed after being made. • Decisions being made and not recorded appropriately.