

MHHS IPA

Baseline Assurance Health Check

Executive Summary

August 2022

Confidential



Executive Summary

Summary of Overall Themes

The design of programme management and governance mechanisms across the scope areas reviewed provide a solid foundation for success. Whilst these are in place, ***the ways of working to enable trust and collaboration across the end-to-end programme have not yet been fully established and embedded and requires further work. This is key to success on a multi-party industry-wide programme and requires a continued step change in mindset and approach across all parties in order to drive delivery whilst balancing competing viewpoints.***

This should be led by the Programme, supported by effective engagement by Programme Participants. For example, using lessons learned to date, such as the challenges recognised and being rectified by the programme around the design process, to enable this improvement. In addition, and fundamental to establishing the required commitment, focus is required on:

- The achievement of a quality design;
- Gaining consensus and confidence around the re-plan; and
- Taking ownership for the rapid and constructive resolution of MHHSP impacting risks, issues and dependencies on the periphery or not directly in the current programme scope, for example MP162.

Agreeing the revised interim plan, incorporating recent delays to the M5 Design Baseline milestone and plan for the re-plan, is the crucial next step. Once baselined, commitment, collaboration and leadership will be required across all parties to secure it's delivery.

The Health Check assurance fieldwork was performed in May and June 2022 and findings reflect the programme status at that time.

Overall Key Recommendations

- Capture engagement lessons learned to date and use this as a basis to document a continual improvement plan to embed collaborative ways of working within the culture of the programme. This should incorporate increased use of softer engagement tools eg., face-to-face L2 and L3 governance groups on a quarterly basis.
- Update and baseline the interim plan and submit to PSG for approval.
- Complete the re-plan no later than 31 December 2022 to maintain momentum and build on the encouraging levels of programme participant engagement to date.
- Include a formal checkpoint in the interim plan two months prior to M3 to assess progress towards participant readiness to enter DBT. This assessment could be integrated into the planned readiness assessment, if feasible, or through feedback collated through PSG constituent representatives.
- MHHSP to proactively agree ownership of programme impacting risks, issues and dependencies that are on the periphery or outside the current programme scope leveraging Ofgem support, when appropriate. This includes ensuring a plan is in place for resolution and tracking its execution.

Key Health Check exam question...



Is the end-to-end programme set-up for success to enable programme participants to deliver the consumer outcomes

Good practice observed

- Programme management processes are designed effectively and underpinned by documented procedures
- The interim plan includes the expected activities and sets these out in a logical sequence
- Significant issues with the design have not been identified to date
- Robust processes established for managing conflicts of interest
- Quality assurance has been embedded within the programme delivery structures.

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<p>Programme Set-up and Engagement</p>	<p>Summary of Findings</p> <p>Key programme management processes and mechanisms are in place and are designed effectively for internal programme purposes. The next step is to engage industry more widely in these processes through the Digital PMO portal, which is expected to be rolled out later this month following previous delays. Improvement opportunities have been identified with respect to governance and engagement, which will need to evolve as the programme progresses. Good foundations are in place to focus on consumer outcomes and we have provided recommendations to further enhance these to ensure this focus is maintained throughout the lifecycle of the programme.</p>	<p>Key Recommendations:</p> <ul style="list-style-type: none"> • Formal checkpoint 2 months prior to M3 to formally assess status of programme participant mobilisation (High) • Map out inputs required and timeline for making level 1 milestone decisions (Medium) • Develop an approach to systematically gather and track programme related consumer issues (Medium) 	
<p>Programme Plan</p>	<p>Summary of Findings</p> <p>Our review focused on the interim plan to the end of 2022 including the plan for the re-plan. The interim plan includes activities at the level required for an interim plan and sets these out in a logical sequence. The approach to and plan for the re-plan is also heading in the right direction and initial participant engagement is encouraging. The key challenge to baselining the interim plan is finalising the timelines for design. However, it's our view that every effort should be made by all parties to ensure that the re-plan is completed and baselined, with any planning assumptions captured, by the end of the year to drive momentum.</p>	<p>Key Recommendations:</p> <ul style="list-style-type: none"> • Submit the amended interim plan for PSG approval and adopt as the reporting baseline (High) • Complete re-plan by Dec 2022 (High) • Consider, document and incorporate Consumer Impacts in the re-plan activity (Medium) • Brief participants on the interim plan including 'must do' activities for suppliers/agents (Medium) 	
<p>Design</p>	<p>Summary of Findings</p> <p>The delivery of the design has had issues, both in managing comments and interaction with participants, and timing of delivery of the tranches. These issues have been recognised by the programme, who have increased resources and added leadership, improved processes, and proposed a new plan that incorporates lessons learned so far. We have not identified any significant design issues, however, transition design has been descoped and should be planned as a Severity. A follow-up should be performed once key Tranche 4 artefacts are completed.</p>	<p>Key Recommendations:</p> <ul style="list-style-type: none"> • The timetable for transition design should be published as soon as possible (High) • Integrate the revised design timeline into the interim plan (Medium) • Formalise the process for decision making and escalation of specific design issues (Medium) 	
<p>Severity Definition:</p>	<p>High - High risk to programme time, cost and quality objectives</p>	<p>Medium - Medium risk to programme time, cost and quality objectives</p>	<p>Low - Low risk to programme time, cost and quality objectives</p>

Health Check Scope

The scope was aligned to the immediate IPA Work Packages (WPs) and included programme set-up and engagement (WP2), programme plan (WP3), design documentation (WP4) and conflicts of interest between Elexon and the MHHS programme (WP5).

The Health Check also aimed to understand and map the quality management and assurance activities embedded within the programme delivery structures to inform future assurance activity.

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Conflicts of Interest	Summary of Findings <p>Overall a strong foundation of control has been established to manage potential conflicts of interest between Elexon and the MHHS Programme. This includes a clear plan to manage separation, comprehensive training and tone from the top. Our recommendations are aimed at further enhancing and strengthening controls in this area as the programme completes design, develops the re-plan and enters the delivery phases where the separation plan will be put in to full operation, whilst ensuring it does not become a blocker for delivery.</p>	Key Recommendations: <ul style="list-style-type: none">• Review the Separation Plan at the start of each programme phase to ensure it remains fit for purpose (Low)• Elexon to define the Terms of Reference for the Elexon Board subcommittee established to manage the interactions and reporting with MHHSP and agree them with Ofgem and the Programme (Medium)
Assurance Mapping	Summary of Findings <p>Lines of assurance have been established identifying 1st and 2nd line responsibilities across the programme. The assurance approach for key programme areas has been documented and are more mature and embedded for activities that are underway (e.g. design, change) and require further detail for those that occur later (e.g. quality metrics, testing). As a key method of understanding and assuring participant readiness, we looked closely at the assurance carried out on the first Readiness Assessment and found some opportunities to improve their effectiveness for future iterations.</p>	Key Recommendations: <ul style="list-style-type: none">• Create a consolidated document summarising and signposting to the controls and assurance approaches in use. This should be a live document that can be updated as the programme progresses. (Low)• Ensure Readiness Assessments are clearly articulated, assessed consistently, and reported accurately. (Medium)

Overall MHHS Programme Management Response

The Programme has committed to provide a formal response to the recommendations made in the Executive Summary, with an action plan where appropriate, which will be shared with the September PSG.

We are encouraged to see there are no fundamental issues with the programme set-up, significant issues have not been identified with the design to date and that a number of the recommendations were/are already in progress by the Programme.

Next steps

Observations and have been validated for factual accuracy with the appropriate party and subsequent actions agree. These will be tracked to completion as part of the MHHS Programme Quality Management process and reported to the IPA.

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