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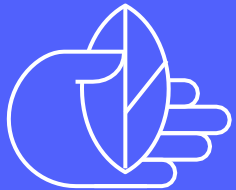
MHHS Webinar: Readiness Assessment Two (RA2) Overall Report

29 November 2022

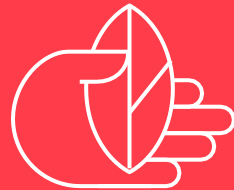Document Classification: Public

Introduction
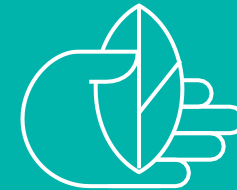
Chris Welby
5 minutes

Readiness Assessment Two (RA2) Report Overview

Pete Edwarde
20 minutes

Q&A

Facilitated by Alice Chudley
15-20 minutes

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Please ask questions throughout the webinar.

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Why are we holding this webinar?

- To walk you through the findings of Readiness Assessment Two (RA2), highlighting the report's key findings, and noting the statistics used to inform the conditional approval of Milestone 3: DBT Start.
- This is your opportunity to ask questions you may have about the results and on our approach to Readiness Assessments.

Why do we perform Readiness Assessments?

- Readiness Assessments help us to formally understand the **status of industry participants**, which **informs decision making** as we approach key Programme milestones.
- **Common risks and pain points** are highlighted, informing where mitigating action is required.
- By circulating the overall report, participants may **assess how their own progress compares** to that of their peer group.
- This is also therefore an opportunity to **seek support** if you feel your organisation could benefit from some extra focus from the Programme.

? Questions

- Questions will be taken at the end of the walk-through of the overall report.

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Section 1: Introduction

What is the purpose of this report?

The purpose of this report is to summarise the findings from RA2 for industry to review. Much of the content was also provided to the SRO to assist in making a decision on M3 at the November PSG. The report mainly assesses whether or not participants are ready to start DBT by comparing their progress to the criteria for DBT readiness set out in CR009.

What is the intended audience of this report?

This report will be made available to all participants on the MHHS Programme.

What methodology was used in RA2?

On 16th September a self-assessment survey was sent to the principal contact(s) in 177 MHHS participant organisations. After this survey closed on 7th October, the PPC reviewed the evidence that participants had submitted and conducted a series of deep-dive interviews to validate the self-assessments. These were completed on Friday 21st October, and the PPC has been responsible for data analysis and report-writing since then.

What were the key things measured in RA2 relating to M3?

Overall Readiness
RA2 asked participants when they will be ready to start DBT, and to give reasons for instances of non-readiness at M3

Programme Plans
RA2 tested whether participants have aligned their plans to one of the MHHS plans (POAP 1, POAP 2 or the Transition Timetable)

Business Case
A question was asked in RA2 to determine if the participants' business cases for MHHS has been signed off

Six Points of Contact
Six points of contact were requested in RA2 to determine if key roles have been filled at this stage

Understanding of TOM, Design and Plans
Participants were asked to confirm that their resources understood the TOM, Design and MHHS plans

Impact Assessment & Service Providers
Participants were asked to show that they have done an impact assessment of MHHS and confirm service provider requirements

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Executive Summary

The response rate for RA2 was very encouraging in terms of market share for key constituencies such as suppliers, DNOs and Agents. The self-assessment for DBT readiness at M3 was good as **100%** of DNOs and **68%** of suppliers will be ready for M3, with >**80%** due to be ready by the end of the year. The aspect of RA2 that could be improved was the evidence uploaded by participants to support their claims of DBT readiness at M3.

Response Rate

- The RA2 response rate was **53%**, an increase compared to RA1 at **46%**.
- This includes **98%** of the Supplier market by MPANs, **100%** of DNOs, **100%** of Central Parties and **81%** of Agents by market share.
- Non-responders may be escalated in Dec '22 (TBC).

DBT Readiness (self-assessment)

- **60%** of RA2 responders self-assessed as being ready to start DBT at M3 on 1st November 2022. This represents **32%** of all participants.
- **100%** of DNOs and **68%** of the supplier market believe they will be ready to start DBT by 1st Nov. This rises to **80%** by the end of 2022.

DBT Readiness (PPC assessment)

- The evidence submitted to support claims of M3 readiness was below expectations. Many participants submitted no evidence or did not meet the standards for evidence set out in RA2.
- Most participants met just **1** or **2** of the **5** criteria for DBT readiness outlined in CR009.

Key Themes of the Deep-Dive Interviews

Fears of regret spend prior to M5 & replan
Many organisations were awaiting a baselined design and replan before committing resources.

Competing Priorities
For some organisations market conditions, EBRS implementation and Faster Switching continue to be higher priorities than MHHS.

DBT Readiness often ahead of schedule
Differing interpretations of 'DBT' meant that many participants are ahead of schedule and have prepared to begin technical design on 1st November.

Positives in RA2

Self-assessment of DBT Readiness
The self-assessment of DBT readiness showed that the vast majority of the supplier, DNO and Agent markets expect to start DBT this year.

Strong Appetite for SIT
52% of responders to RA2 are keen to participate in SIT, and many others are awaiting more details before making a decision.

Comms & Engagement
The vast majority of participants gave positive responses about the MHHS comms and engagement, averaging a score of 4.6 / 6.

Key Risks

Some Software Providers are disengaged
The response rate from Software Providers was low (34%) and their deep-dives revealed a lack of readiness in some cases.

Some Small and I&C Suppliers are not ready to start DBT
The self-assessment of readiness for DBT among Small and I&C Suppliers was low (23% and 22% of all such organisations).

Evidence for M3 readiness is limited
As stated above, the evidence submitted by participants to support their claims of DBT readiness was below expectations.

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PSG Decision on Milestone 3

PSG Decision on M3 (2nd Nov 2022)

Conditional M3 Approval
The PSG conditionally approved Milestone 3 on the condition of further evidence being provided by the Programme Participants through Round 3 of consultation on the Programme replan. All Programme Participants should continue with their DBT activities if they have already started and commence DBT activities if they have not yet started.

Evidence Required for Unconditional Approval
Evidence to be submitted in the Replan Consultation Round 3 will be assessed against revised M3 criteria (to focus on participant delivery plans for Design and Build) and there will be targeted PPC engagement with participants that did not provide the required evidence against the M3 criteria to ensure that no one is left behind.

Timelines
Full M3 approval will take place following Round 3 of consultation on the Programme replan. Round 3 of consultation will commence once a decision is made on the migration/go live approach - targeting mid-December to start consultation and to complete at the end of January, with early mobilised participants (potential SIT participants) being asked to provide their responses by mid-January. Round 3 will be a full consultation.

Actions for the Programme (related to M3) due by December PSG

- **Plan for Improved Evidence and Engagement** - Develop a plan to target engagement with participants that did not submit the required evidence against M3 criteria as part of RA2. Share this plan at the next PSG (e.g. to determine why they have not engaged, when they will be ready for DBT and how the Programme can support)

- **Revise M3 Criteria** - Develop revised criteria for M3 (conditions to be met for full M3 approval) and how this will be assessed via the Round 3 replan consultation. Share this approach and the timeline/requirement for a full approval of the M3 milestone at PSG.

- **Create Interim Plan** - Share updated interim plan (to include replan extension and migration design) for PSG decision at December PSG.

- **Decide Timeline for Replan Consultation Round 3** - Share the expected date for Round 3 consultation documentation.

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Section 2: Response Rate

Response Rate (by no. of participants)

The RA2 response rate was strong among Large Suppliers, Medium Suppliers, DNOs & Central Parties. It was comparatively weak among Software Providers & Small Suppliers.

Constituency	Invited	Responded	Response Rate
Central Party	4	4	100%
DNO	6	6	100%
Large Supplier	5	5	100%
Medium Supplier	6	6	100%
In-House Supplier Agent	7	6	86%
iDNO	14	10	71%
I&C Supplier	41	24	59%
Small Supplier	30	11	37%
Independent Agent	23	8	35%
Software Provider	38	13	34%
Other MHHS Participant	3	1	33%
Total	177	94	53%

Response Rate by Constituency
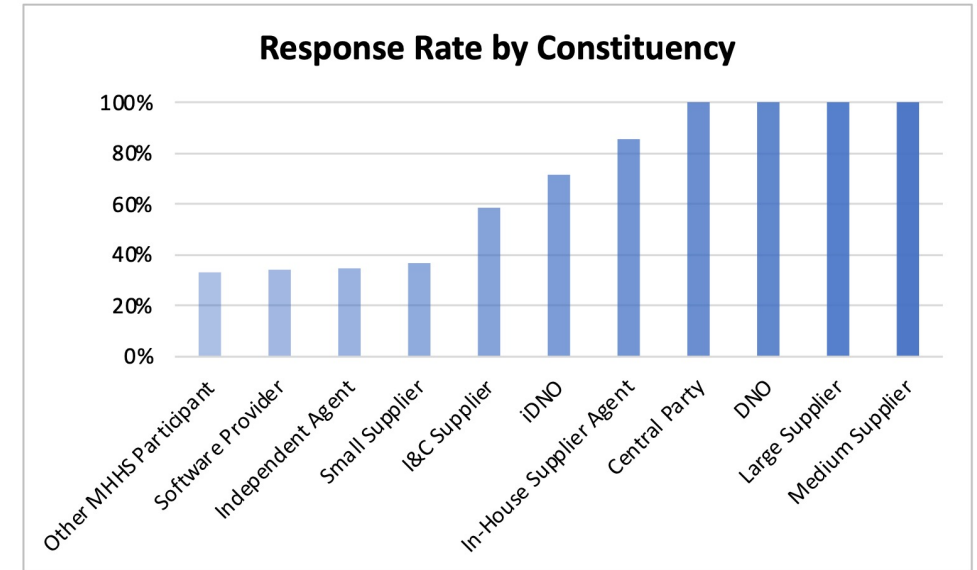
Key Points:

- The overall response rate (**53%**) is higher than in RA1 (**46%**). This grows significantly when measured by market share (see next slide).
- A very strong response rate was seen among critical constituencies such as Large Suppliers (**100%**), Medium Suppliers (**100%**), DNOs (**100%**) and Central Parties (**100%**).
- The majority of non-responders were Software Providers, Small Suppliers, I&C Suppliers or Independent Agents. Of the Independent Agents who did not respond, the vast majority act exclusively as Meter Operators (MOps).
- Of the **38** Software Providers, **13** have been deemed 'Priority Providers'. **7** of these responded to RA2, with an overall Software Provider response rate of **34%**.

Response Rate (by market share)

The RA2 response rate was very strong when measured by market share. This was consistent across Suppliers, DNOs and Agents.

DNOs & Suppliers

What was the response rate of DNOs and suppliers by market share?

DNOs	100%
Suppliers	98%

(0% – 100% scale)
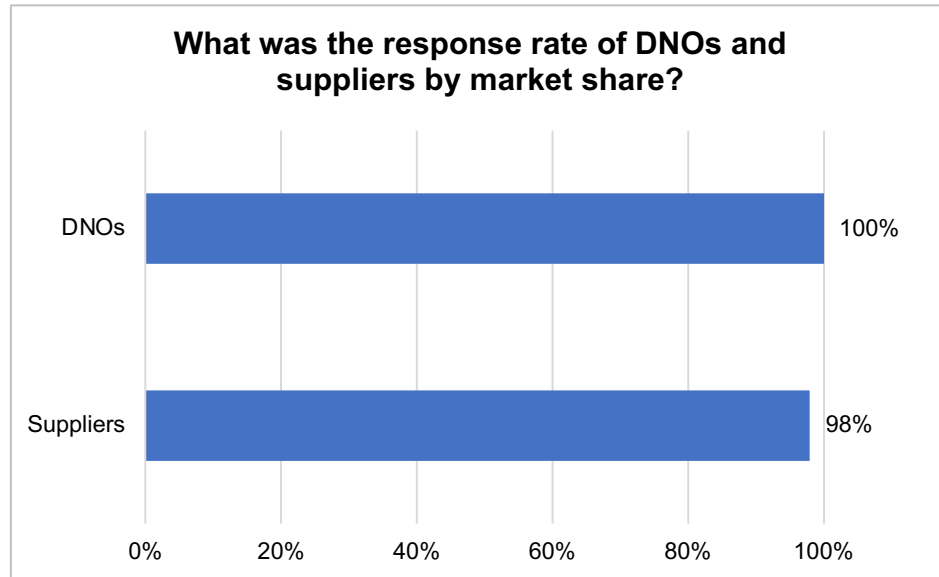
Key Points:
- While **37** Suppliers did not reply to RA2, they represent just **1.5%** of the market in terms of MPANs.
- All Large and Medium sized suppliers responded to RA2, and the majority of I&C Suppliers also responded (**59%**). This dropped to **37%** for Small Suppliers.
- All of the DNOs submitted a response to RA2.

Agents

Agent Type	Responded	Not Responded
HHDA	87%	13%
NHHDA	77%	18%
HHDC	84%	13%
NHHDC	79%	18%
NHHMOA	69%	28%
HHMOA	91%	9%

Key Points:
- A consistently high response rate was seen across Half Hourly and Non-Half Hourly Data Aggregators, Data Collectors and Meter Operators.
- The average response rate across all of the six groups above was **81%**.
- Bearing in mind that agent services will be competitive, this is a reasonable response considering it will be down to agents to decide whether they want to offer services in MHHS.

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Section 3: Milestone 3

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The Five Criteria for DBT Readiness (in CR009)

The following five conditions are set out in CR009 and form the basis of RA2. These conditions form the entry criteria for the DBT phase of the programme.

Five Conditions for DBT Readiness in CR009

Programme Plan
A high-level project plan is in place, which provides sufficient detail (including resource plans) for the next stage of the participant's delivery activities and outlines (possibly at a higher level) subsequent delivery stages to the end of the project. This project plan should be aligned to the programme's revised and proposed programme plan(s).

Business Case
An outline Business Case or other funding instrument is in place, approved by an appropriate investment committee or is at least in the process of being approved – which provides for the necessary funding of the next stage(s) of the participant's delivery plan according to the participants own delivery methodology.

Points of Contact
Relevant Points of Contact have been shared with the Programme. As per the request made by the programme's PPC function these would ideally be: Board-level MHHS Programme Sponsor; Programme Director/Delivery Lead; Design Lead; Test Lead; PMO Lead; Regulatory Lead – although each participant is expected at M3 to share the appropriate contacts that they have in place to support their delivery plan at that point.

TOM, Design & Plan Understanding
A sufficient understanding of the Target Operating Model, MHHS Design and proposed programme plan to adequately inform the points above.

Readiness to start activities required to reach detailed design
If not already started, readiness to start activities required to reach detailed design at the earliest point after M3 (per the high-level project plan). These may include a High-Level Impact Assessment of the MHHS Design and the identification of required IT Service Providers (where relevant)

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Overall Readiness: Self-Assessment

60% of RA2 responders and **32%** of all participants believed they would be ready to start DBT on 1st November, and these figures rise sharply when measured by market share amongst suppliers and DNOs.

By No. of Participants

% of Participants Who Self-Assessed as Ready for M3

By Market Share

% Market Share Ready for M3
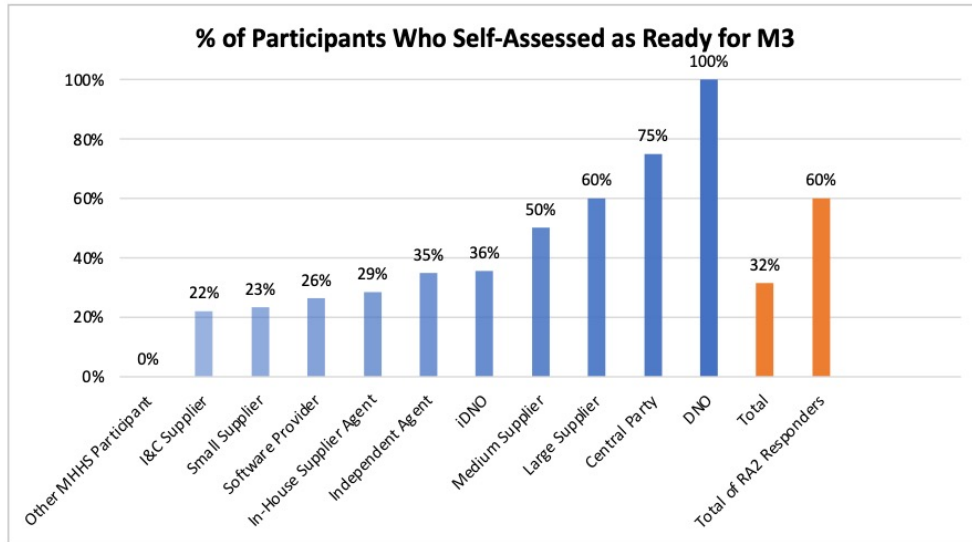
Key Points:

- **32%** of participants believed they would be ready to start DBT on 1st November. This rises to **60%** of responders to RA2.
- Readiness to start DBT is highest among key constituencies such as DNOs **(100%)**, Central Parties **(75%)**, Large Suppliers **(60%)** and Medium Suppliers **(50%)**.
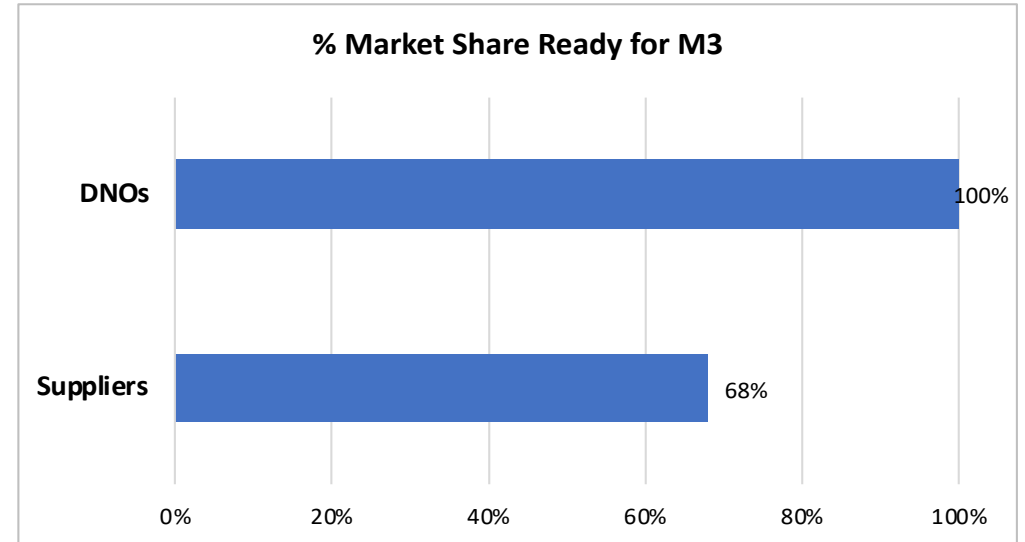
Key Points:

- When measured by market share the expectations for readiness to start DBT at M3 improve significantly.
- **100%** of DNOs expect to begin DBT on 1st November.
- **68%** of the supplier market (measured by MPANs) expect to be ready to start DBT on 1st November. This will rise to **>80%** by the end of the year (see next slide).

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Overall Readiness: Reasons for Non-Readiness

Of those participants who gave reasons for their non-readiness at M3, market conditions and the Energy Bill Relief Scheme were major factors alongside the desire for a baselined design & replan.

Reason for Non-readiness	Number of Instances
Market conditions	21
Other	21
Energy Bill Relief Scheme	19
Require more information from the MHHSP	17
Faster Switching post go-live activities	12
Issues with IT Service Providers	5

Key Points:

- The prevailing market conditions in the Energy Industry proved to be the main reason why participants felt they would not be ready for M3.

- This was closely followed by the Energy Bill Relief Scheme and the desire for more information from the MHHS Programme.

- Faster Switching post go-live activities were more frequently flagged by larger organisations.

- A review of the comments added to explain the selection of 'Other' or 'Require more information from the MHHSP' revealed that many participants were waiting for a baselined design and replan before they started work. This is due to fears of regret spend.
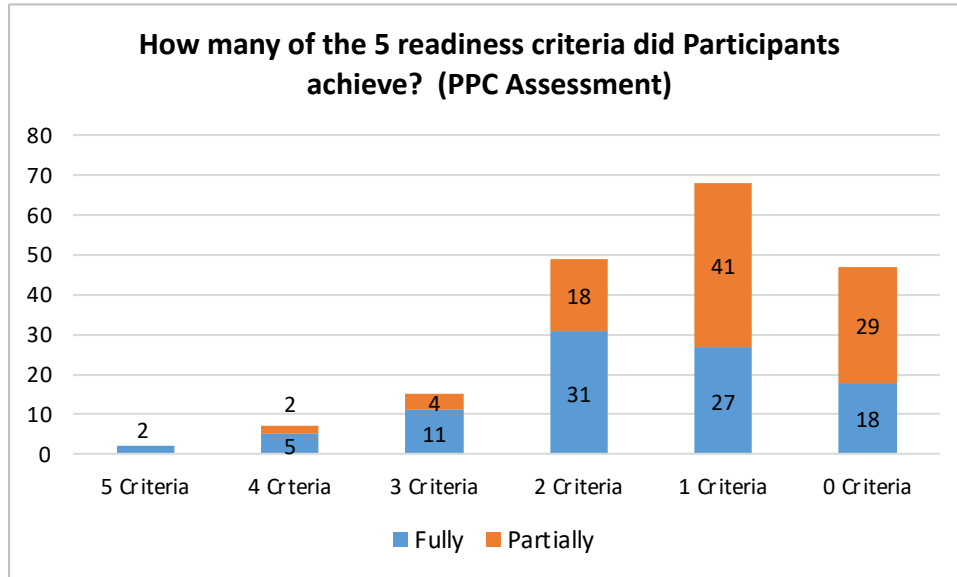
What were the most common reasons given for non-readiness for M3?
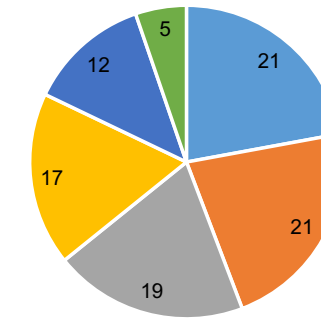
- Market conditions diverting available resources
- Other (please specify in the Comments Box)
- The government 's Energy Price Guarantee diverting available resources
- Require more information from the MHHS Programme Team (please specify in the Comments Box)
- Faster Switching post go-live activities diverting available resources
- Issues with IT Service Providers (please specify)

Overall Readiness: PPC Assessment

In most cases participants did not submit enough evidence to support their self-assessments of readiness to start DBT. Although the evidence showed that most participants had made some progress towards achieving the 5 readiness criteria, this was usually just 1 or 2 criteria.

How many of the 5 readiness criteria did Participants achieve? (PPC Assessment)

How many of the 5 readiness criteria did Suppliers achieve? (by market share, PPC assessment)

Key Points:

- Only two participants fully achieved all 5 readiness criteria.
- The majority of participants had achieved 1 or 2 criteria (either partially or fully) but very few had achieved 3 or more.
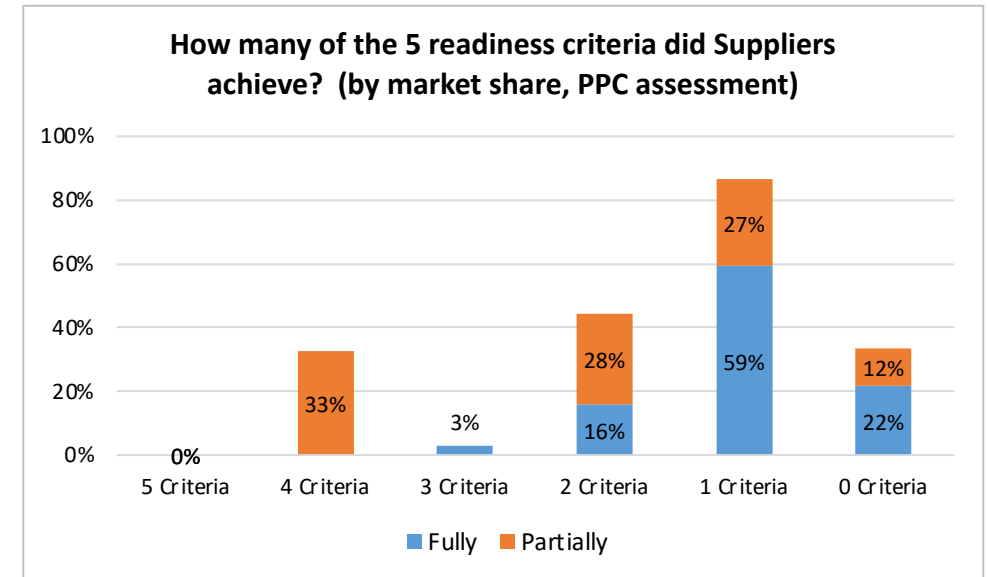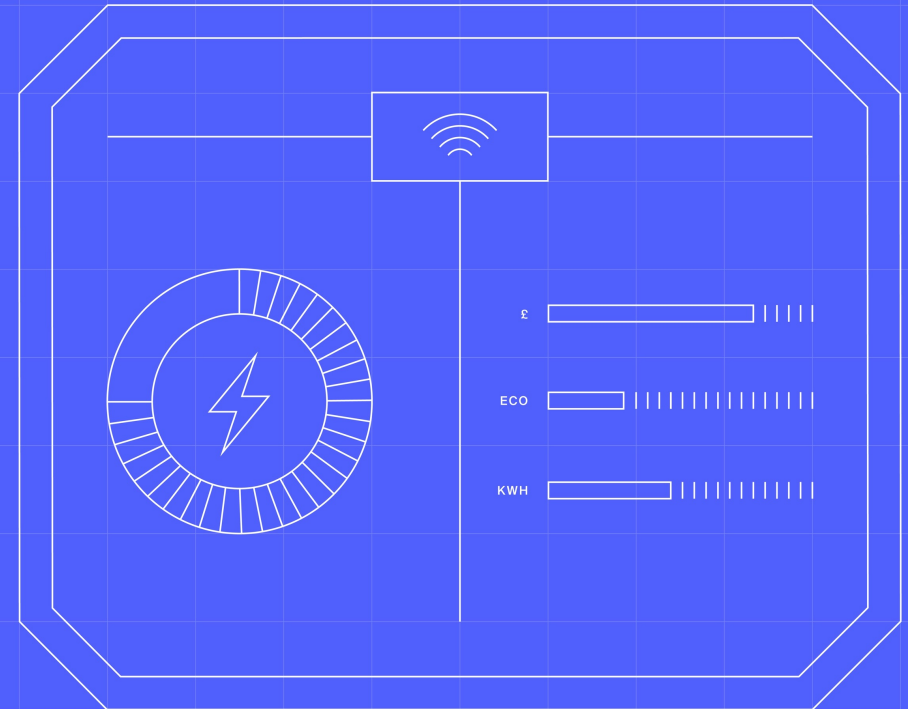
Key Points:

- When measured by market share for suppliers, the trend for just 1 or 2 criteria to have been achieved held true.
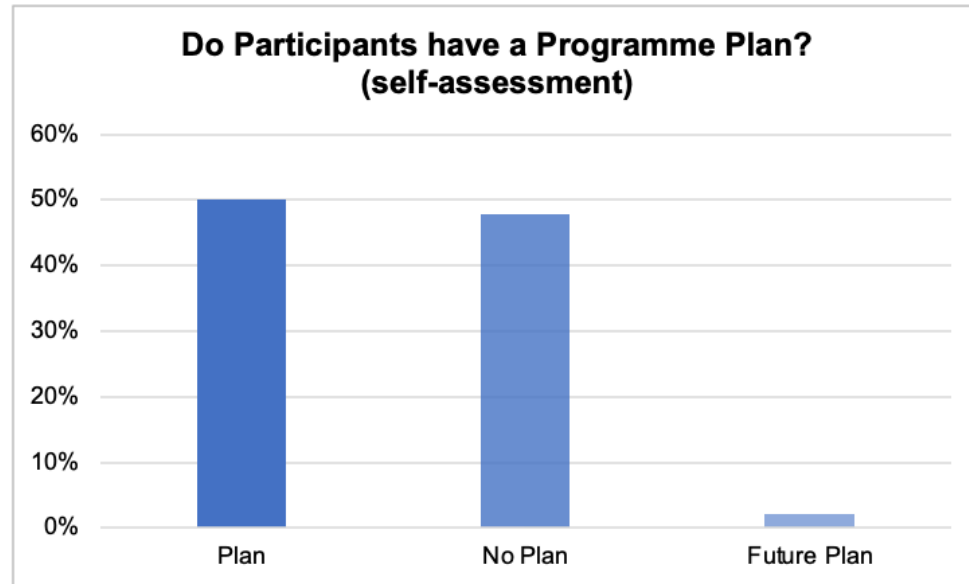
Criterion 1
Programme Plans

Criterion 1: Programme Plans (self-assessment)

Half of the responders to RA2 self-assessed that they will have a plan prior to M3. This accounted for a majority of the supplier and DNO markets.
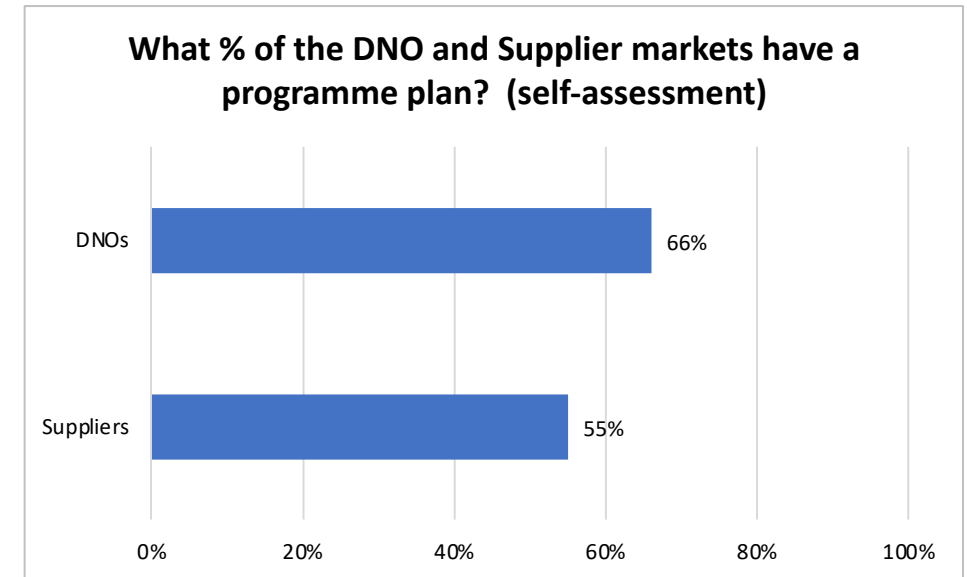
By No. of Participants

Do Participants have a Programme Plan? (self-assessment)

By Market Share

What % of the DNO and Supplier markets have a programme plan? (self-assessment)

Key Points:

- **50%** of participants who responded to RA2 claimed to have a Programme Plan in place by M3.
- Only **2%** of participants who will not have a plan at M3 know when they will have one. These will be created in December 2022 and January 2023.
- **48%** of responders said they do not have a plan or an expected date for one.
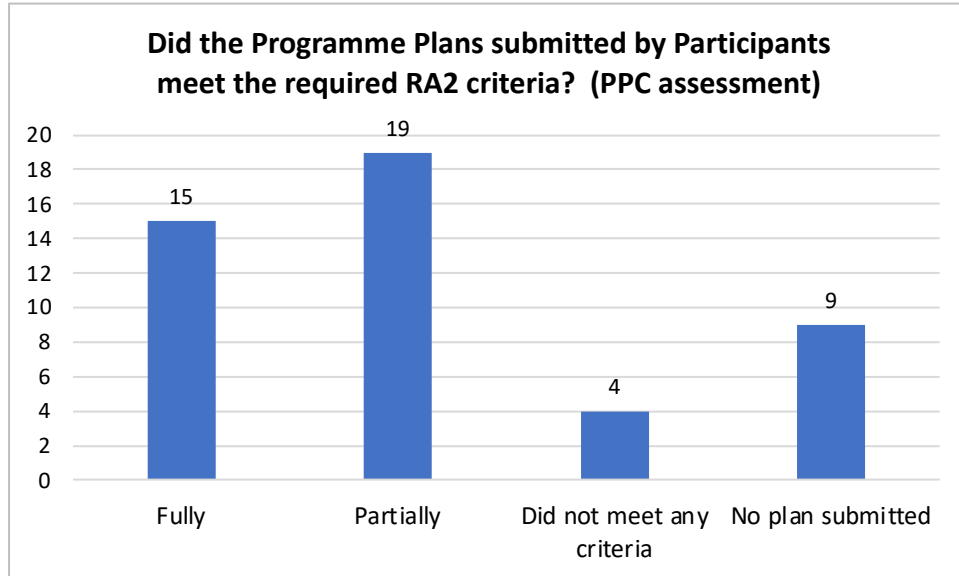
Key Points:

- When measured by market share, **66%** of all DNOs say they will have a plan by M3.
- This is also true of **55%** of the supplier market.

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Criterion 1: Programme Plans (PPC assessment)

The Programme Plans submitted by participants were of a lower standard than expected. However in terms of market share, a majority of suppliers and DNOs have plans in place which at least partially meet the criteria for a good plan set out in RA2.

Meeting RA2 Criteria for a Good Plan

Did the Programme Plans submitted by Participants meet the required RA2 criteria? (PPC assessment)

By Market Share

Have suppliers and DNOs met the RA2 criteria with their programme plans? (PPC assessment)

Key Points:

- Of the **47** participants that self-assessed as having a plan, only **15** fully met the criteria for a good programme plan set out in RA2. A further **19** partially met those criteria.
- **4** programme plans were deemed not to have met any criteria by the PPC.
- **9** participants claimed to have a Programme Plan but submitted no evidence to support this.
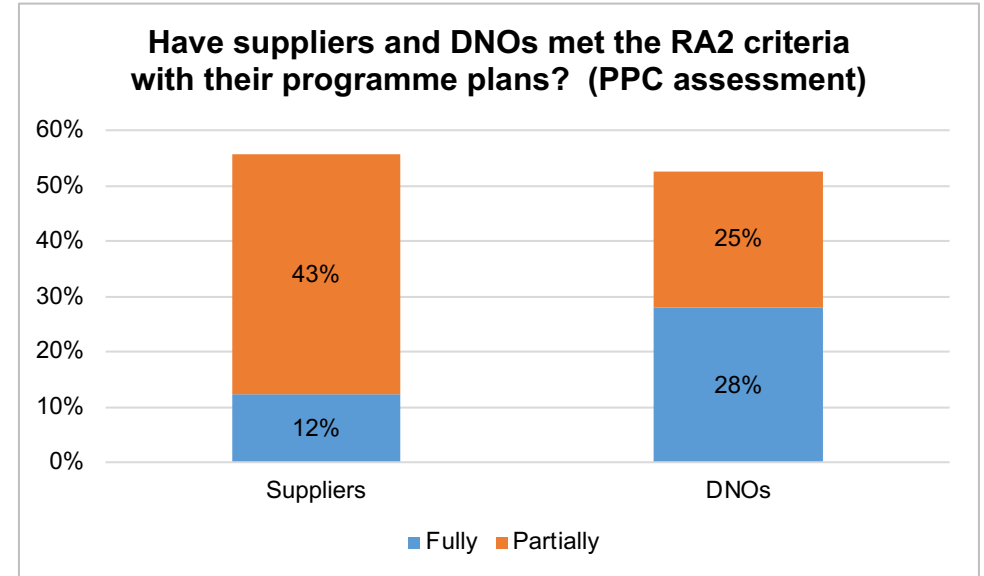
Key Points:

- In terms of market share, a majority of suppliers and DNOs had at least partially met the criteria for a good programme plan.
- **12%** of the supplier market and **28%** of the DNO market had fully met the criteria. A further **43%** of the supplier market had partially met the criteria, along with **25%** of the DNO market.

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Findings from Deep-Dive Interviews
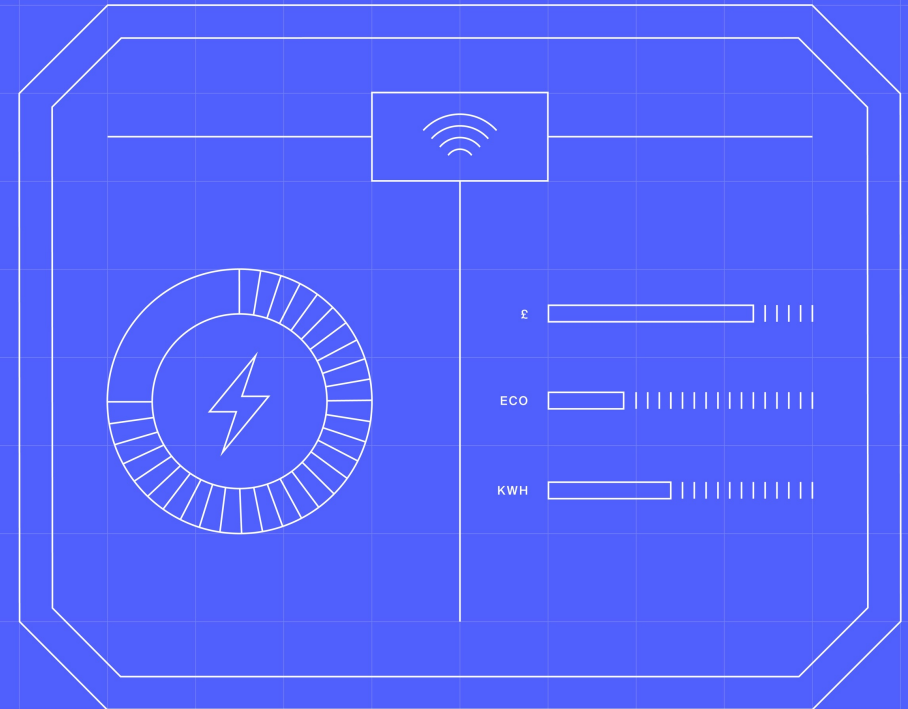
Common Themes of the Deep-Dive Interviews

Several participants are ahead of schedule for DBT in POAP 1

There was a common difference in understanding of what 'DBT' includes between the Programme and participants. In POAP 1, the MHHS Programme considers DBT to include 'Impact Assessment, Planning and Procurement' from 1st November and moves on to technical design from Q1 2023. Many participants interpreted this technical design as being due to start on 1st November, and have made plans accordingly. This places them ahead of schedule on POAP 1.

Scope of change for some Central Parties is yet to be defined and creates uncertainty around roles/responsibilities

The Programme are working with some Central Parties to define the scope of their responsibilities under MHHS, and are debating whether the MHHS design artefacts should cover the scope of certain services that they provide. Whilst it is not for the RA2 report to comment on this directly, it is worth noting that uncertainty around roles/responsibilities should be addressed in the near future.

Engagement with Software Providers needs to become a priority

The response rate from Software Providers was low (34%) and deep-dives revealed a lack of readiness. An I&C Supplier also flagged fears about their Software Provider's progress in their deep-dive interview, and five participants explained their non-readiness for M3 by referring to issues with their Software Providers. Given the reliance of many participants on their services, more engagement is needed in future.

Resource constraints due to market conditions, EBRS and Faster Switching continue to hinder progress on MHHS

A consistent theme across the deep-dive interviews was the reference to market conditions, EBRS and Faster Switching to explain non-readiness for M3. MHHS continues to slide down their list of priorities because its go-live date is further in the future.

Reluctance to commit resources until the design & replan are baselined is still prevalent

participants continued to call out the lack of a baselined design & replan to explain their reluctance to start DBT on MHHS.

Common Themes of the Deep-Dive Interviews

Awareness of Working Groups can be improved

Some participants flagged that they were not privy to discussions on topics such as qualification and migration. Some were unaware that working groups existed to discuss these topics.

Clarity on SIT, Migration & DIP procurement will be priorities in the coming months

Three topics emerged as being crucial to enable participants to complete DBT and work with clarity following M3. These were the SIT approach, reverse migration and DIP procurement. Whilst not posing a threat to M3, these issues will become more important in the coming months.

Small Suppliers' lack of engagement will require escalation

Three of the smaller organisations asked to participate in RA2 deep-dives did not respond to the request. These organisations will be escalated after RA2 reporting is completed.

Some organisations incorrectly self-assessed that they do not having funding in place

A number of organisations do not have a formal business case signed off because MHHS is a compulsory regulatory requirement or is central to what they do as a business. Therefore the raw statistics in relation DBT readiness criterion 2 (business case) will be slightly misleading because it does not properly capture these organisations who will deliver MHHS on time but without a formal business case / funding instrument in place.

Desire for bespoke communication, documents and plans by constituency

Especially among smaller organisations there was a desire for more bespoke communication and documentation from the MHHS Programme. For example small suppliers liked the idea of a small suppliers forum, Agents wanted to be told which meetings would be relevant to them, and others wanted plans/timelines to be made bespoke for each constituency.

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Document Classification: Public

Section 5: Testing

System Integration Testing (SIT)

52% of RA2 responders indicated that they plan to be a participant in SIT. These were relatively evenly spread across all Constituencies, with at least 2 participants planning to take part from each constituency (except 'Other').
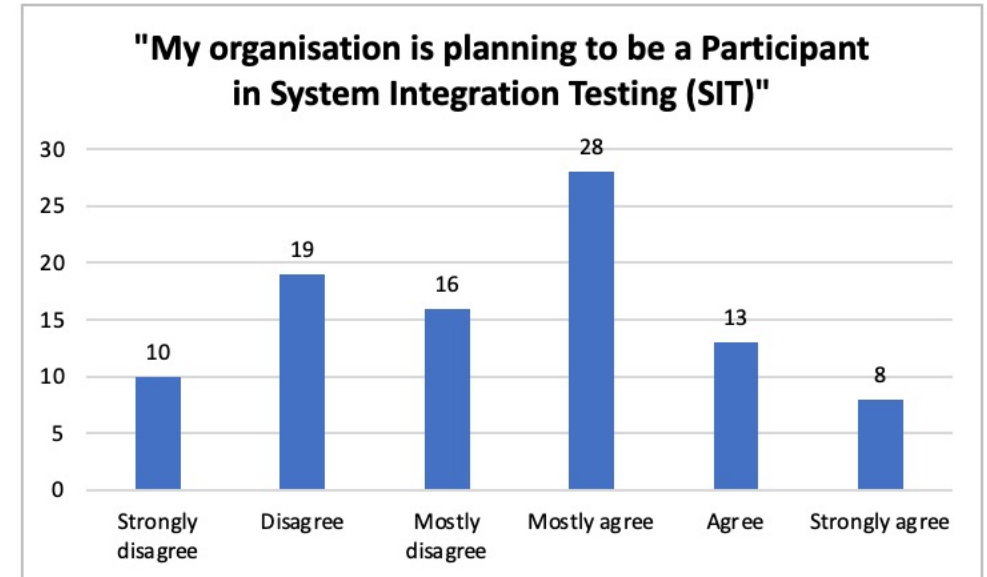
Appetite for SIT by Constituency

Appetite for SIT
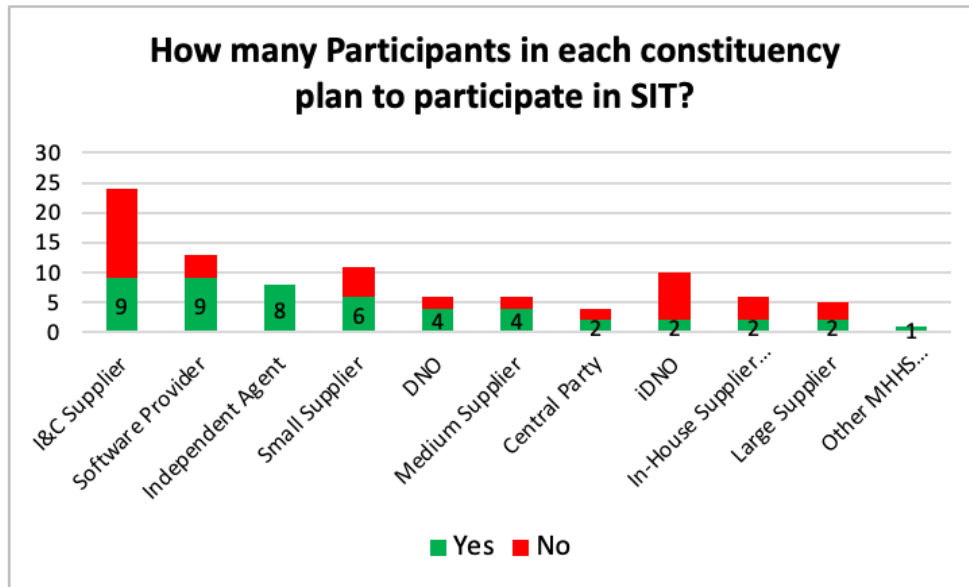
Key Points:

- **52%** of RA2 responders plan to participant in SIT. At least **2** participants are planning to take part in SIT from each constituency (except 'Other').
- Whilst numbers are highest among I&C Suppliers and Software Providers, it is notable that just **2** Large Suppliers plan to participate.

Key Points:

- It is clear that participants need more information before they make their decision about SIT since the popular answer was 'Mostly Agree'.
- See the next slide for details of information participants would like in relation to SIT.

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Any questions?

Please join at Slido.com

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MHHS Programme Communications & Support

PPC Bilaterals

- The PPC Team is available for **monthly bilateral sessions** with all Programme Participants

- The sessions are used to enable a two-way conversation between the participants and the Programme

- Contact PPC@mhhsprogramme.co.uk to schedule

Design Work-off Plan

- On **31 October**, the Design Advisory Group (DAG) **approved the Physical Design Baseline**

- This approval is subject to the Programme delivering the **Design Work-Off Plan**. Sub-working group sessions are held twice a week to discuss these Work-Off Plan items

- If you would like to join these discussions, please contact PMO@mhhsprogramme.co.uk to sign up

DIP Simulator Demo Webinar

- On **Thursday 01 December**, at **12:00 – 12:45**, we are holding a **Data Integration Platform (DIP) Simulator Demo** webinar

- In this webinar we will walk you through the latest DIP Simulator Demo, and answer questions you have about the Sims & Ems workstream

- Contact PPC@mhhsprogramme.co.uk to sign up

The Collaboration Base

- The Collaboration Base is the master source of Programme information, allowing you to access and engage with Design, Testing and Code Change documentation

- This includes the schedule and outputs of all Programme events, including Governance meetings, Webinars, Open Days & Playback sessions

- The dPMO tool provides Participants with a set of interactive and user-friendly dashboarding that display core Programme information

Newsletters

- The Clock is the Programme's weekly newsletter, and the Design newsletter is fortnightly

- They provide you with updates and key information to support delivery of the Programme

- They signposts events, plans, reporting, and documents to assist in planning, design, development, testing and delivery

Pre-PSG Webinar

- Please attend the pre-Progamme Steering Group (PSG) webinar on **Thursday 01 December** at **11:30 – 12:00**

- This webinar will inform you to effectively brief your Constituency Representative before PSG on **Wednesday 07 December**

- Contact PMO@mhhsprogramme.co.uk to join