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| Network Innovation Competition 2020 Supplementary Answer form | | |

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| Project Name | QUEST | | |
| Question number | #25 | Pro forma section | Section 10 |
| Question date | 25/08/20 | Answer date | 28/08/20 |
| Question summary | The risk register submitted with the proposal mitigates several of the risks by allowing for additional expenditure. In most cases this mitigation has had a modest impact on the overall risk. For the key risk (the progress and success of development of the overarching algorithm and software), a number of stage gates could significantly reduce the impact (and hence the risk), for example, by timeously terminating the parts of the project that is not innovative. Can you please set out your strategy for managing the large risks related to the progress and success of the algorithm development. Did you or would you consider alternate strategies? | | |

## Answer (please retain document formatting and do not exceed 2 pages unless otherwise agreed with Ofgem)

Our risk register contained several different risks. There are risks that we have identified during the course of our developing the submission and that we have mitigated through decisions factored into the bid, thus reducing either their likelihood or impact, or both.

Other items on the register have been constructed around their triggering a requirement for release of contingency funding. These risks are primarily mitigated by a need for additional time for completion of an associated activity, such as design, and in the event that the risk manifests, we may seek to apply for contingency release. We believe this approach is consistent with the Governance in place for contingency.

In situations where the realising of a risk is not binary (i.e. where in its manifesting there is not a subsequent ‘go’ / ‘no go’ outcome but instead there is need for alternative action), stage gates create uncertainty and their use in projects often necessitates non-parallel working, for example, where passing through a stage gate is a prerequisite to commencing a subsequent piece of work. This approach is not efficient when applied to this type of work and is likely to increase time and cost. We therefore do not believe that use of stage gates is appropriate for mitigation of the type of risks identified in QUEST.

Furthermore, our use of regular project review meetings to assess project progress and outcomes is considered to be a suitable project management technique to manage risks – an approach agreed with all Project Partners.