

Risk Management Strategy



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Table of Contents

1	Background	4
1.1	Overview.....	4
1.2	General Objectives and Authorised Business	4
1.3	General Controls.....	4
1.4	Risk Management Arrangements.....	5
1.5	Defined Terms	5
2	Scope 5	
2.1	Organisation	5
2.2	Services.....	6
3	Risk Appetite	6
3.1	Context	6
3.2	Scope	6
3.3	Governance	7
3.4	Risk Appetite	7
4	Risk Management Framework.....	8
4.1	Definitions.....	9
4.2	Risk Management Process	10
4.2.1	Evaluation.....	13
4.2.2	Risk Register	15
4.2.3	Roles and Responsibilities.....	15
5	Risk Management Strategy Development	19
6	Annex A – Business Continuity and Disaster Recovery.....	20
7	Annex B – Definition of Terms	25

1 Background

1.1 Overview

On 23 September 2013, Smart DCC Ltd (“DCC”) was granted the Smart Meter Communication Licence by the Secretary of State for Energy and Climate Change.¹ The Licence sets out the conditions under which Smart DCC will implement and manage a data and communications service that enables smart meters within domestic and non-domestic premises to communicate with the business systems of authorised DCC Service Users.

1.2 General Objectives and Authorised Business

Smart DCC is tasked within Condition 5 of the Licence (General Objectives of the Licensee) to discharge its duties to achieve the following General Objectives²:

- **Interim General Objective** – achievement of a full, timely, efficient, economical, and secure Completion of Implementation
- **General Objective 1** – development, operation and maintenance of an efficient, economical, coordinated, and secure system for the provision of Mandatory Business Services
- **General Objective 2** – deliver Mandatory Business in a manner that is most likely to facilitate:
 - a. effective competition in the Supply of Energy
 - b. innovation in the design and operation of Energy Networks
 - c. reduction (by virtue of benefits arising from the provision of Value Added Services) of the charges payable for Mandatory Business Services.

To enable achievement of the General Objectives, Condition 6 of the Licence (Authorised Business of the Licensee) sets out the Authorised Business activities that Smart DCC is permitted to deliver:

- **Mandatory Business** – comprising the provision of Core Communications Services, Elective Communications Services and Enabling Services (including Enrolment, Communications Hub and Other Enabling Services) for and on behalf of SEC parties
- **Permitted Business** – comprising the provision of Value Added Services and Minimal Services.

1.3 General Controls

DCC’s special position requires that it implement an efficient and effective control regime that will ensure that the environment in which Authorised Business activities are conducted is and will remain fit for purpose. In accordance with Condition 7 of the Licence, DCC will provide assurance through the discharge of the following obligations:

¹ <https://epr.ofgem.gov.uk/Content/Documents/Smart%20DCC%20Limited%20-%20Smart%20Meter%20Communication%20Consolidated%20Licence%20Conditions%20-%20Current%20Version.pdf>

² General Objectives and Authorised Business definitions have been paraphrased from the Licence

- **Corporate Governance** – compliance with the UK Corporate Governance Code
- **Internal Control** – implementation of arrangements to provide for internal control of Authorised Business
- **Risk Management** – framework for the identification, evaluation and management of risk pertaining to the delivery of Authorised Business activities.

1.4 Risk Management Arrangements

To provide assurance of DCC’s approach to the management of Authorised Business Risk (in accordance with Condition 7 Part C of the Licence), this Risk Management Strategy sets out DCC’s:

- risk appetite;
- approach to risk management;
- how the Risk Management Strategy will develop over time; and
- provide an overview of business continuity and disaster recovery arrangements.

The Risk Management Strategy will be updated during the course of the Licence term in line with Condition 7 Part D of the Licence, following Ofgem authorisation.

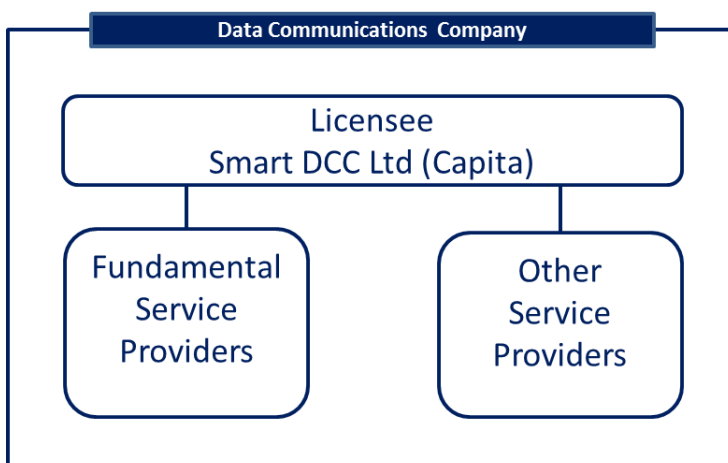
1.5 Defined Terms

A table of terms used within this document is included in Annex B.

2 Scope

2.1 Organisation

The implementation and provision of Authorised Business activities will be led and delivered by the Licensee (DCC) through services procured from the Data Service Provider (DSP) and Communication Service Providers (CSPs). Reflecting this integrated delivery environment, Authorised Business Risk will be managed using a common framework that will be adopted across the Licensee and Service Providers.



2.2 Services

Across the term of the Licence, the role, Authorised Business activities and Authorised Business Risk appetite and profile of the DCC will alter as its emphasis shifts from programme implementation to service delivery.

- **Programme implementation** – during the first years from Licence award, DCC will predominately operate as programme organisation, focusing on the co-ordination and delivery of design, build, Pre-Integration Testing, Systems Integration Testing and User Integration Testing of the systems, processes and procedures required to deliver Mandatory Business services
- **Service delivery** – leading up to, and following service go-live, the role and focus of the DCC will shift to the management and provision of Mandatory Business services. Whilst the programmatic function of the DCC will remain to manage change and the introduction of new services, the risk appetite and profile of the DCC will substantively change.

3 Risk Appetite

3.1 Context

An appetite for controlled risk-taking is fundamental to success in both programme implementation and service delivery phases. This includes both the level of acceptable exposure to threats DCC is willing to tolerate, and the consideration of how much DCC is prepared to expose itself to risk to obtain the benefits of an opportunity.

DCC's position as an agent of the energy industry in the delivery of smart metering requires that its risk appetite correlates with that held by SEC parties, Ofgem and DECC. Its attitude to risk will also reflect the criticality of Mandatory Business Services to the operation of the energy industry and DCC's special position within the energy market, accorded to it by the Licence.

3.2 Scope

DCC will set boundaries for Authorised Business Risk as they relate to defined areas of Authorised Business activity. The scope of Authorised Business activity during the programme implementation period is illustrated in Figure 1.

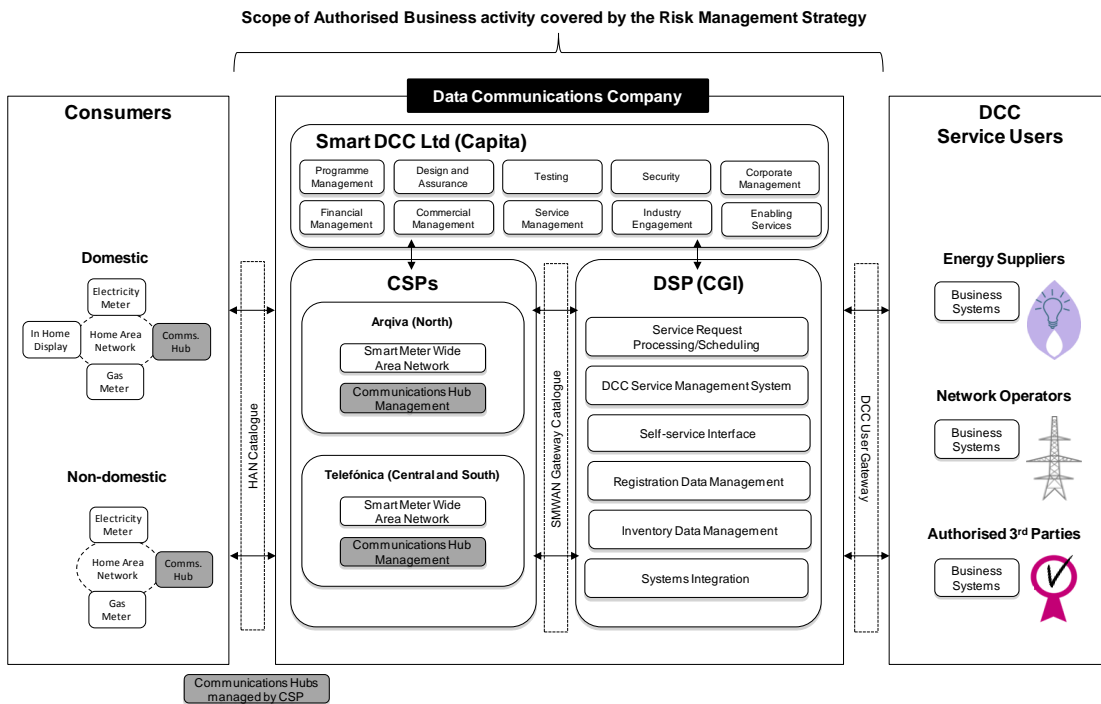


Figure 1 – Scope of Authorised Business activity

DCC recognises that delivery of the benefits of smart metering will require effective participation in the management of risk across a wider ecosystem than the scope delineated by the provision of Authorised Business activity. To achieve this, DCC will play an open and constructive role in the management of risk within the Smart Metering Implementation Programme (SMIP) transitional governance structures (as detailed in the Roles and Responsibilities section).

3.3 Governance

DCC's risk appetite will be agreed, reviewed and periodically updated by the Partnership Management Board taking inputs from the Service Implementation, Design and Assurance and Commercial and Finance Boards DCC's statement of risk appetite will require approval from the Smart DCC Board.

3.4 Risk Appetite

During the period of programme implementation, DCC will overall adopt a low appetite for risk in relation to the delivery of Authorised Business activities. This reflects the importance of getting implementation right in the complex multi-party environment required to deliver smart metering. The following statements set out DCC's risk appetite as they pertain to specific categories of risk. These categories are aligned to the Smart Metering Implementation Programme transitional governance risk model.

Category	Risk Appetite	Rationale
Programme	Medium	DCC will have a medium tolerance of risks that could threaten delivery of programme milestones and the implementation of Mandatory Business services to agreed scope and quality criteria. This reflects the reality of implementing a full-system change in a complex multi-party delivery environment.
Economic	Low	DCC will have a low tolerance of risks that could substantively lead to an increase in the cost of implementing and delivering Mandatory Business services. Where opportunities to reduce costs are identified, DCC's appetite will be offset against the risk to overall programme delivery.
Regulatory	Low	DCC will not tolerate risks that present a threat to its compliance with the Smart Meter Communications Licence and Smart Energy Code.
Reputational	Low	DCC will have a low tolerance of risks that could cause reputational damage to SEC parties, the wider energy industry and the DCC.
Operational	Low	DCC will have a low tolerance of risks that threaten its capability and capacity to implement and deliver Mandatory Business services.

Table 1 – Risk Appetite

4 Risk Management Framework

Risk management disciplines will be embedded throughout the DCC (Licensee, DSP and CSPs) ensuring that the management of risk forms an integral component of programme implementation and service delivery decision-making.

DCC will achieve this through the introduction of a shared risk management framework and common language for identifying, assessing, categorising, and managing risk.

To ensure that risk is evaluated and communicated coherently, the risk management framework will align with the approaches to risk management adopted within the Smart Metering Implementation Programme (SMIP) transitional governance structures.

Management

The risk management framework will form an integral component of Smart DCC’s internal control environment. The DCC Managing Director has overall responsibility for risk management. The risk management processes are overseen by the DCC Head of Risk and Internal Control³, who is responsible for:

- implementing the risk management framework and supporting processes, governance and reporting
- reviewing and auditing processes in line with DCC’s continuous improvement approach⁴
- providing technical guidance, review and challenge to Risk Owners, ensuring that all risk reporting and escalation procedures are operating effectively.

Operation

During the programme implementation period, risk management processes will be driven by the DCC Programme Management Office and programme functions within the Service Providers. Risk registers will be held in Excel format and maintained on the DCC Sharepoint site.

Oversight

The Smart DCC Board will be responsible for providing management oversight of the performance of the risk management framework. It will also monitor and challenge the overall risk profile and tolerances managed by the DCC Licencee⁵

4.1 Definitions

Standards

The DCC risk management framework has been developed in line with the principles and guidelines of the ISO:31000 Risk Management Standard⁶, Management of Risk (MoR) practices⁷ and The Orange Book: Management of Risk – Principles and Concepts⁸

Terminology

Term	Definition
Risk	The effect of uncertain events, factors or outcomes that might affect the achievement of DCC’s objectives
Risk identification	Detection and categorisation of an event, factor or outcome that might affect the achievement of DCC’s objectives
Risk assessment	Evaluation of an identified risk, including examining the inherent level of risk, assessing the options available to mitigate the risk, and assessing the residual level of risk following the mitigating action
Inherent risk	Potential impact, likelihood and proximity of a risk before taking into account any mitigating actions. It is the level of risk that informs

³ In line with Internal Monitoring and Assurance approach in Internal Control Document, Section 5.3, p.12

⁴ See Internal Control Document, Section 5.4, p12

⁵ See Smart DCC Board Terms of Reference in Internal Control Document, Section 3.2, p.7

⁶ <http://www.iso.org/iso/home/standards/iso31000.htm>

⁷ <http://www.mor-officialsite.com/>

⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf

Term	Definition
	decisions as to the level of controls required.
Residual risk	Potential impact, likelihood and proximity of a risk that remains after taking into account the effect of identified mitigating actions
Risk mitigation	Range of approaches that aim to alter, or to explicitly accept, the inherent risk
Risk Owner	A risk owner is responsible for ensuring that a risk is managed and monitored over time. A risk owner, in line with their accountability for managing the risk, should have sufficient authority to ensure that the risk is effectively managed; the risk owner may not be the person who actually takes the action to address the risk ⁹

Table 2 - Definitions

4.2 Risk Management Process

The DCC will implement a standard risk management process that will provide a consistent approach for identifying, assessing, categorising, and managing risk. The process steps and detailed activities are outlined in Figure 2 below:

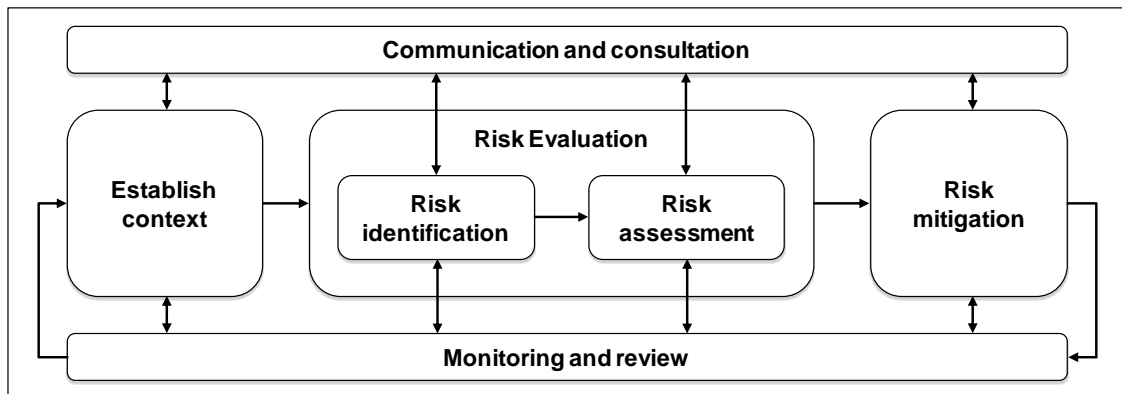


Figure 2 – Risk management process

Activity	Description
Establish context	<p>Understand the business objectives and activities, define the stakeholders, establish levels of acceptable risk, and define risk evaluation criteria</p> <p>The DCC Programme Director is accountable for establishing the context. The associated processes are facilitated by the DCC PMO.</p>

⁹ In line with the Orange Book – Management of Risk – Principles and Concepts, p.16
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf

Activity	Description
<p>Risk identification</p>	<p>Identify and categorise events, factors or outcomes that might affect the achievement of DCC's objectives. This will include identification of the root cause of the risk, whether internal or external, and the assignment of the risk owner.</p> <p>Risk identification techniques will include:</p> <ul style="list-style-type: none"> • Dedicated risk workshops focused on cross-cutting delivery e.g. security • Risk assessment of plans • Scenario planning. <p>The DCC PMO will facilitate processes to identify risks. The DCC Programme Director is accountable for risk identification.</p> <p>Within the risk register maintained by the DCC PMO, DCC will use the following top-level risk categories when identifying risks:</p> <ul style="list-style-type: none"> • Programme – event presents risk to the delivery of the DCC programme • Economic – event presents risk to costs and/or business case • Regulatory – event presents risk to DCC's position and regulatory obligations • Reputational – event presents a risk to reputation of DCC and/or other 3rd parties • Operational – event presents a risk to DCC service delivery capability and capacity.
<p>Risk assessment</p>	<ul style="list-style-type: none"> • Assess the inherent level of risk, including the probability, impact and proximity of the risk materialising • Evaluate the options for mitigation and select the most appropriate option. This will include an assessment of any controls or ongoing actions in place that reduce the residual risk • Assess the residual probability, impact and proximity of the risk materialising <p>The risk owner is accountable for the completion of the risk assessment. The DCC PMO assures and challenges the risk assessment documented in the risk register.</p>

Activity	Description
<p>Risk mitigation</p>	<p>The risk owner will produce an action plan to mitigate the risk. The nature of the action plan will vary depending on the risk category and the parties who may be affected. The DCC PMO assures and challenges the risk mitigation action plan documented in the risk register.</p> <p>The execution of the action plan will be monitored and escalated as required through the governance arrangements described in 4.2.3 Roles and Responsibilities.</p> <p>Available actions include:</p> <ul style="list-style-type: none"> • Tolerate – tolerate the risk. Continued monitoring and iterative assessment with the creation of contingency plans where required • Treat – planned action to ensure the risk is managed to an acceptable level. Actions include preventative, corrective, directive and detective controls • Transfer – transfer some or all of the risk to a third party, e.g. insurance or sub-contract delivery • Terminate – treat the risk by ceasing the activity with which the risk is associated. <p>DCC will develop and maintain contingency plans for the mitigation of high impact/probability risks. This will include a process for the formulation of risk funds to mitigate risks.</p> <p>Where the source of the risk is external to the scope of DCC, release of the funds will require approval from SMIP transitional governance/SEC Panel.</p> <p>Where the source of the risk is internal to DCC, this will require approval through DCC governance structures and require ex-post Ofgem authorisation.</p>
<p>Communication and consultation</p>	<p>Communication and consultation with stakeholders and relevant governance forums throughout the risk management process, including reporting via the risk register and escalation through the governance arrangements described in 4.2.3 Roles and Responsibilities as appropriate.</p>
<p>Monitoring and review</p>	<p>Monitoring and reviewing the identification and assessment of risks and the impact of the mitigating actions. This will take place through governance and reporting arrangements described in 4.2.3 Roles and Responsibilities below, including escalation as appropriate.</p> <p>The Smart DCC Head of Risk and Internal Control will be responsible for undertaking regular reviews of monitoring and review processes.</p>

Activity	Description
Establish context	<p>Understand the business objectives and activities, define the stakeholders, establish levels of acceptable risk, and define risk evaluation criteria</p> <p>The DCC Programme Director is accountable for establishing the context. The associated processes are facilitated by the DCC PMO.</p>

Table 3 – Risk Management Process

4.2.1 Evaluation

For each risk identified, the inherent and residual levels of risk will be assessed using proximity, probability and impact criteria.

Proximity

The proximity of a risk will be set as the estimated time point at which the risk will materialise. The approach to proximity may be updated during the programme and operational phases.

Probability

The probability of a risk materialising will be assessed using the following criteria, split between predictability and likelihood:

Rating	Likelihood of financial loss	Likelihood of event
1 – Rare	1%<5%	Hasn't happened yet, but could conceivably happen
2 – Unlikely	5%<20%	Has occurred here or elsewhere, albeit infrequently or as an isolated event
3 – Possible	20%<50%	Has happened on one or more occasions and could happen again
4 – Likely	50%<70%	Happens regularly
5 – Almost Certain	>50% <90%	Frequent event / ever present (over 90% is considered an issue)

Table 4 – Probability criteria

Impact

The impact of a risk materialising will be assessed using the following criteria:

Rating	Definition
1 - Negligible	Requirements are fully met, but there may be some low level impacts

Rating	Definition
2 - Minor	Limited shortfalls in desirable functionality that affects a key project or workstream
3 - Moderate	Minor shortfalls in one or more key requirements that affects more than one key workstream or project
4 - Major	Major shortfall in one or more key parameters that is resolvable
5 - Catastrophic	Major shortfall in any critical requirement that is not resolvable

Table 5 – Impact criteria

The absolute level of the impact will be different, depending on its nature. The types of impact expected are linked to the DCC risk appetite:

- Programme – Including strategic, project, security, client and customer
- Economic – Including financial¹⁰, asset
- Regulatory
- Reputational
- Operational – Including safety, environment, people

Inherent Risk Assessment

A combination of the impact and probability of the risk will determine the current status of the risk, prior to considering the impact of any controls or mitigations that currently exist. This delivers an inherent risk assessment in the following risk matrix.

Risk Matrix

The DCC Risk Matrix provides a qualitative rating of a risk materialising to enable a comparison of inherent risks faced by the DCC. The colour coding indicates levels compared to tolerance, which will be used as a guide for risk escalation:

	Rare	Unlikely	Possible	Likely	Almost Certain
Catastrophic	Yellow	Yellow	Red	Red	Red
Major	Green	Yellow	Yellow	Red	Red
Moderate	Green	Yellow	Yellow	Yellow	Red
Minor	Green	Green	Yellow	Yellow	Yellow
Insignificant	Green	Green	Green	Green	Yellow

Table 6 – Risk Matrix

¹⁰ For Baseline Margin Applications, DCC is required to consider the risk to the Licensee. This will be included in economic and requires using a different scale for the Licensee to that used for the wider economic risks

4.2.2 Risk Register

The outputs of the risk management process will be maintained and updated within the DCC Risk Register. This is aligned to the Smart Metering Implementation Programme transitional governance risk model. The structure of the DCC Risk Register is detailed below:

Rating	Definition
Risk ID	Unique reference number
Area	Programme area/phase e.g. design, security, testing
Risk	Description of how the risk arises and the nature of the risk
Impact	Description of impact e.g. cost, resource, timescales. Include any rationale for the impact required to help reviewers understand the risk
Date Raised	Date when the risk was raised
Proximity	Estimated time point at which the risk will materialise. This will be more important during the service delivery phase.
Impact	Quantification of impact (using 1 to 5 rating)
Probability	Quantification of probability (where 1 = Rare and 5 = Almost Certain)
Inherent Risk Rating	Auto-calculation (as per Risk Matrix)
Risk Owner	Business owner of the risk. This is the person ultimately accountable for ensuring that the risk is mitigated
Mitigation Approach	Tolerate, Treat, Transfer, Terminate
Mitigation	Description of mitigation approach or controls in place where applicable
Residual Risk Rating	Auto-calculation (as per Risk Matrix). Considers the impact of mitigation on the residual risk
Actions	Update on actions required for mitigation
Action Owner(s) with dates	Business owner(s) of mitigation plan

Table 7 – Structure of the DCC Risk register

The DCC Risk Register will be updated weekly by the DCC Programme Management Office with submissions from the Licensee, the DSP and CSPs. An extract of the DCC Risk Register will be integrated into SMIP transitional governance reporting. The hierarchy of risk registers is detailed in the the Roles and Responsibilities section.

4.2.3 Roles and Responsibilities

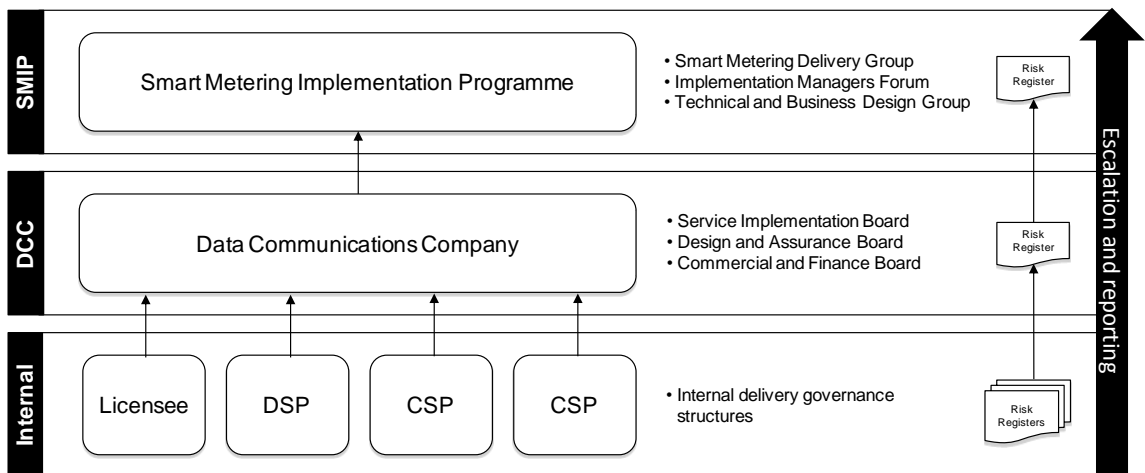
Governance

Risk will be governed at three levels:

- **Internal** – governance structures within the Licensee, DSP and CSPs
- **DCC** – governance in place for management of the DCC implementation programme¹¹
- **SMIP** – transitional governance arrangements.

Risks will be escalated and reported between levels on the basis of agreed tolerances. Where risks are escalated and reported up to SMIP, the DCC (and where relevant Licensee and Service Providers) will continue to be responsible for monitoring, reviewing and mitigating the risks.

This approach will be enabled by the standardised approach to the risk registers outlined above.



¹¹ DCC governance arrangements are detailed in the External Service Provider Governance Framework

Level	Bodies	Risk Management Responsibility	Responsible Owner(s)	Frequency of reporting
Internal	Internal delivery governance structures utilised by Licensee, DSP and CSPs	<p>Identify, assess and mitigate internal risks that have no impact on the other organisations within the DCC</p> <p>Identify, assess and escalate risks which may impact the other organisations within the DCC or the DCC business objectives</p> <p>Weekly submissions of escalated risks, to update the centrally held DCC Risk Register</p>	Programme Managers from the Licensee, CSPs and DSP	Weekly
DCC	Service Implementation Board	<p>Monitor and manage risks to DCC implementation programme across design, build, testing and rollout phases</p> <p>Escalate risks which will impact delivery of SMIP</p>	DCC Programme Director	Fortnightly
	Design and Assurance Board	<p>Monitor and manage risks associated with the technical design and ongoing assurance of DCC services.</p> <p>Escalate risks which will impact delivery of SMIP</p>	DCC Design and Assurance Director	Monthly
	Commercial and Finance Board	Monitor and manage risks to DCC implementation programme associated with the commercial and financial viability of Service Provider delivery	DCC Commercial Director	Monthly
SMIP	Smart Metering Delivery Group	Monitor and manage strategically significant risks to the successful delivery of the Smart Metering Implementation Programme	N/A	Monthly

Level	Bodies	Risk Management Responsibility	Responsible Owner(s)	Frequency of reporting
	Implementation Managers Forum	<p>Monitor and manage industry-wide risks to the implementation of the Smart Metering Implementation Programme</p> <p>Escalate risks of strategic significance to the Smart Metering Delivery Group</p>	N/A	Monthly
	Technical and Business Design Group	<p>Monitor and manage industry-wide risks relating to the technical design of the Smart Metering Implementation Programme</p> <p>Escalate risks of strategic significance to the Smart Metering Delivery Group</p>	N/A	Monthly

5 Risk Management Strategy Development

During the course of the Licence, the DCC's Authorised Business activities will shift focus from programme implementation to operational service delivery. Reflecting this transition, DCC will develop and publish a revised Risk Management Strategy which will set out how risks associated with operational service delivery will be managed.

Areas of the Risk Management Strategy requiring revision will include, but not be limited to:

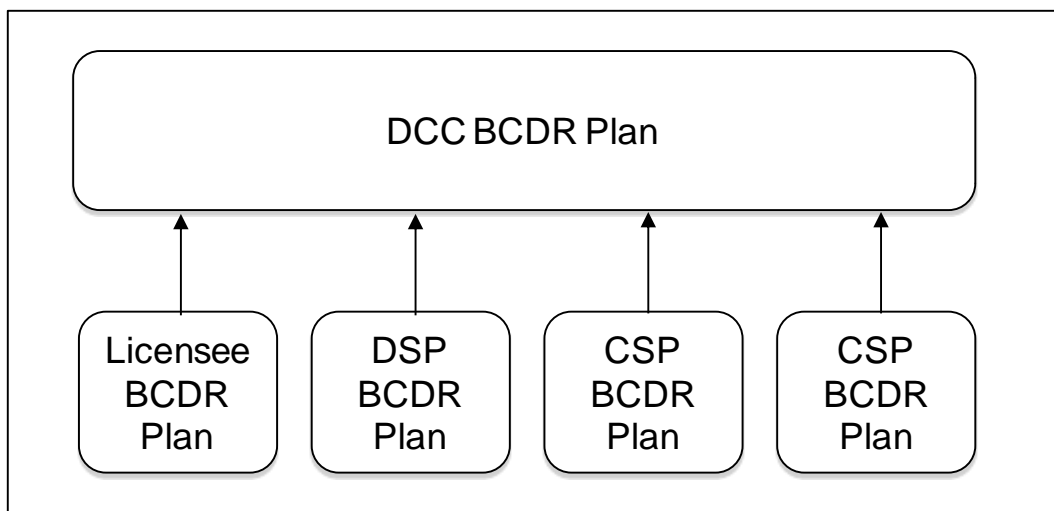
- organisation and service scope of the DCC
- statement of DCC risk appetite
- governance arrangements for the management of risk
- business continuity and disaster recovery plans.

6 Annex A – Business Continuity and Disaster Recovery

A1 Background

Risks relating to the continuation of Authorised Business activities or their recovery following a natural or human-induced disaster will be managed through the processes detailed in the Risk Management Strategy.

To ensure that risks associated with business continuity and disaster recovery (BCDR) are continuously identified, assessed and mitigated, DCC will develop, maintain and test coordinated Business Continuity and Disaster Recovery (BCDR) Plans that cover the Licensee, DSP and CSPs, and other core service providers as outlined in Figure 1.



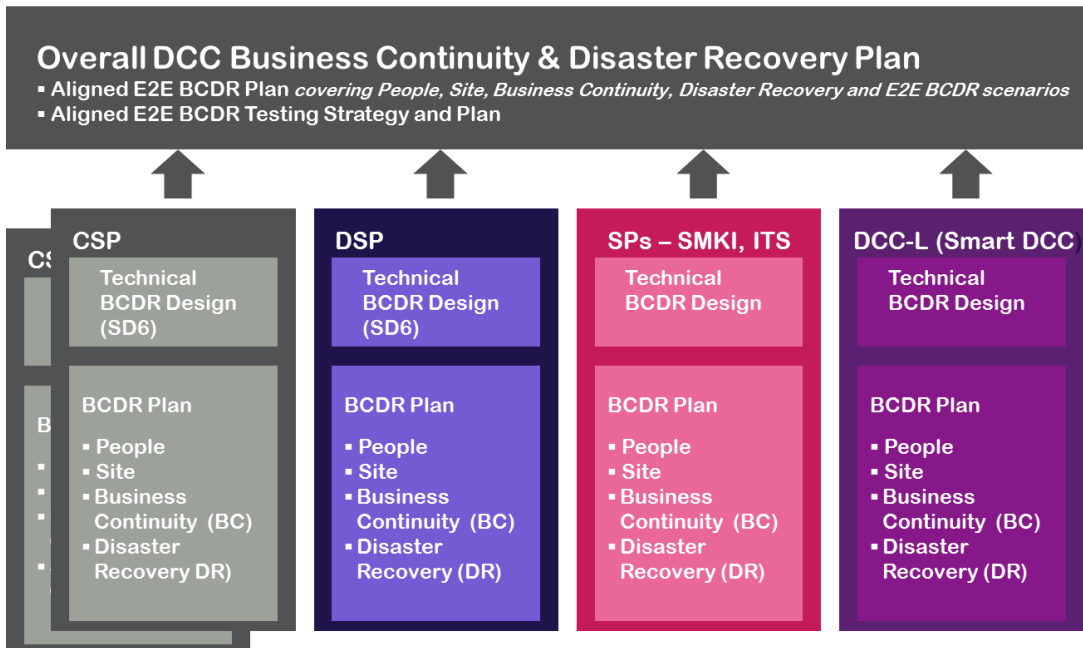


Figure 1 – Scope of BCDR Plans

As additional providers of service capability are procured by the Licensee, the contracted service provider will be required to produce a BCDR plan which will be integrated into the overall DCC End-to-End BCDR Plan.

A2 Governance

Development of co-ordinated BCDR Plans will be aligned to DCC design processes and managed through the DCC Capacity, Availability and Continuity Forum. BCDR Plans will form part of the DCC service design baseline.

A3 Scope

The scope of individual BCDR plans is detailed in Table 1.

Entity	Scope
DCC End-to-End Plan	<ul style="list-style-type: none"> • DCC data and communications systems • DCC service management operation) • All DCC delivery functions and capabilities
Licensee (Smart DCC)	<ul style="list-style-type: none"> • Licensee delivery functions and capabilities • Facilities / buildings • ICT infrastructure • Staffing arrangements

DSP (CGI)	<ul style="list-style-type: none"> • DSP delivery functions and capabilities • Data systems • DCC service management system • Facilities / buildings • ICT infrastructure • Staffing arrangements
CSPs (Arqiva and Telefónica)	<ul style="list-style-type: none"> • CSP delivery functions and capabilities • Communications systems • Communications Hub supply chains • Facilities / buildings • ICT infrastructure • Staffing arrangements
SMKI (BT)	<ul style="list-style-type: none"> • SMKI delivery functions and capabilities • Facilities/buildings • ICT infrastructure • Staffing arrangements
Service Desk (Capita ITS)	<ul style="list-style-type: none"> • First line service desk delivery and capabilities • Facilities/buildings • ICT infrastructure • Staffing arrangements
Billing (Capita Group Services)	<ul style="list-style-type: none"> • Billing delivery functions and capabilities • Facilities/buildings • ICT infrastructure • Staffing arrangements
BI/MI (Capita ITES)	<ul style="list-style-type: none"> • BI/MI delivery functions and capabilities • Facilities/buildings • ICT infrastructure • Staffing arrangements
Parse & Correlate (Critical Software)	<ul style="list-style-type: none"> • Parse & Correlate delivery functions and capabilities • Facilities/buildings • ICT infrastructure • Staffing arrangements

Table 1 – Scope of BCDR Plans

A4 Standards

BCDR Plans will be developed in accordance with the following standards:

- BS ISO 27031
- ISO 22301
- Business Continuity Institute (BCI) Good Practice Guidelines.

A5 Development Timescales

The component Licensee, DSP and CSP and other core service provider BCDR Plans will be developed and updated during programme implementation to ensure that BCDR arrangements are aligned with the design, build, testing and enduring provision of DCC services.

BCDR Plans will be reviewed and updated on a minimum of a bi-annual basis using inputs from continuous improvement review and annual testing exercises.

A6 BCDR Testing

The Licensee will conduct testing of the DCC End-to-End BCDR Plans annually. The BCDR testing exercises will cover the full scope of plans detailed in Figure 1. Lessons learned from the testing exercises will be used to update the DCC and component BCDR Plans. Reports of testing results and updates to the DCC BCDR Plan arising from testing will be issued to Ofgem for approval.

A7 DCC End-to End BCDR Plans

Responsibility for the development, management, monitoring and improvement of the BCDR arrangements and plans sits with the Smart DCC Operations Director. The composition of the BCDR Plans will be as follows:

Background

- Alignment of business continuity and disaster recovery arrangements
- Interoperability between the DCC End-to-End Plan, Licensee, CSPs and DSP and other core service provider BCDR plans

Management

- Governance and approval processes
- Monitoring, maintenance, testing and review processes
- BCDR standards (e.g. BS ISO 27031, ISO 22301, BCI Good Practice Guidelines)

Scope

- BCDR dimensions (e.g. ICT infrastructure, systems, building facilities, staffing)
- DCC services covered by the BCDR Plan

Risk Analysis

- Scenario assessments
- Risks to DCC services
- Risks to interactions between DCC services
- Business impact analysis (BIA)

Plans

- BCDR processes and procedures for DCC services
- Roles and responsibilities
- Resource requirements / succession planning

- Recovery time and recovery point objectives
- Communications strategy
- Impact assessment of invocation of BCDR arrangements on DCC services

Testing

- BCDR testing exercise requirements
- BCDR testing plans

BCDR Plan Development

- Evolution of BCDR Plans from programme implementation into ongoing service delivery.
- Continual improvement of BCDR Plans

7 Annex B – Definition of Terms

Term	Definition
Commercial and Finance Board	The Commercial and Finance Board sits within DCC's governance framework. It manages commercial, financial and contractual requirements for DCC delivery.
Design and Assurance Board	The Design and Assurance Board sits within DCC's governance framework. It manages delivery of and approves DCC's design products.
Implementation Management Forum	A working level forum through which DECC will work together with key industry and other delivery partners to review progress of the portfolio of individual contributor projects and programmes towards the delivery of planned milestones and benefits. Where possible it will commission action to mitigate delivery risks and resolve issues.
Partnership Management Board	The Partnership Management Board sits within DCC's governance framework. It provides oversight and guidance to programme implementation and sets the programme's risk appetite.
Service Implementation Board	The Service Implementation Board sits within DCC's governance framework. It manages delivery across the DCC programme implementation by the Licensee, DSP and CSPs.
DCC	Refers to 'The Licensee' (holder of the Smart Meter Communication Licence).
Smart Metering Delivery Group	A Senior operational level forum through which DECC will work together with key industry and other delivery partners to monitor and drive the delivery of the overall portfolio of GB smart metering programmes, and agree actions required to mitigate key risks and resolve issues that could impact the delivery of the joint implementation plan and planned benefits.
Technical Business Design Group	A working level forum through which DECC will work together with key industry and other delivery partners to pro-actively manage changes to the baseline technical and business design products prior to their inclusion in the SEC, thereby ensuring that the integrity of the end-to-end solution is maintained during transition.