



# DCC Business Handover Plan

Licence Renewal  
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# PART A: OVERARCHING PROVISIONS

## 1. Introduction and overview

### 1.1. Background

Smart DCC Ltd (DCC) provides the shared smart metering communications infrastructure that allows energy suppliers, network operators and other authorised users to communicate with smart meters.

DCC is a wholly owned subsidiary of Capita Business Services Limited and was granted the Smart Meter Communication Licence (the Licence) by the Department of Energy and Climate Change (DECC) on 23 September 2013.

The Licence sets out the conditions under which DCC shall 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 Users.

Since it was granted, the Licence has been extended to include further mandated requirements for DCC to design, build, test and implement additional systems and processes to support the energy sector including:

- the Central Switching Service to support faster switching for energy consumers between energy suppliers (set out in Condition 15 of the Licence)
- the Enduring Change of Supplier (ECoS) capability, which provides an enduring model to enable Change of Supplier processes to be undertaken securely (set out in Condition 13A of the Licence)
- the Network Evolution Arrangements, including arrangements for utilising the newer forms of Communications Hubs and continuity in the provision of data services (set out in Condition 13B of the Licence)

The Licence also includes requirements relating to Permitted Business Services, which DCC may provide under its Licence. Together with the Mandatory Business Services, these form the DCC's Authorised Business under the Licence.

Unless revoked under Part 2 of the Licence, the Licence will remain in force until 22 September 2025 or up until a maximum of 22 September 2031 should the Licence be extended.

### 1.2. Purpose and objectives of the Business Handover Plan

The Licence imposes duties on DCC to ensure that Authorised Business is transferred without disruption and in an orderly manner to a Successor Licensee in the event of the revocation or expiry of the Licence. This Business Handover Plan (BHP) is designed to meet this obligation by setting out (among other things) the roles, responsibilities, planning assumptions and dependencies in accordance with the general duty under Part A of Condition 43 of the Licence.

The primary objectives of this Business Handover Plan are:

- To set out the DCC's methodology for achieving an orderly and successful handover of the Authorised Business (including transfer of commercial and operational assets) to a Successor Licensee on the expiry or revocation of the Licence
- To provide a viable and usable high-level handover plan that will be the basis of detailed transition and exit planning when a Handover Period is initiated
- To provide confidence to the regulator and DCC stakeholders that the DCC's method to transition and exit from the Licence will have no adverse impact on the quality and efficiency with which Services are delivered during the handover.

For clarity, this BHP:

- Relates to handover to a Successor Licensee, and not the discontinuation of the Authorised Business, nor the continuation of Authorised Business outside of a Licensed framework.
- Focuses on handover of the DCC's Licence, and not External Service Provider exit planning (except where this directly relates to DCC handover).
- Is not a Successor Licensee mobilisation plan, therefore, the support required from DCC may vary according to the proposals of any appointed Successor Licensee.

### 1.3. Status and approval of BHP and BHP Subsidiary Documents

In accordance with the terms of the Licence, the BHP is approved by the Authority. This version of the BHP was approved on [DATE].

The BHP will be supported by a number of BHP Subsidiary Documents. These BHP Subsidiary Documents will set out additional detail of, for example, specific workstreams and workplans. These will need to be updated and adapted as more information becomes available about the nature, circumstances and timeframe of the handover to any Successor Licensee. Therefore, these Subsidiary Documents will be subject to approval by the Joint Handover Steering Group to avoid the re-approval of the overall BHP document each time an update is made. The DCC shall ensure that the views of stakeholders are taken into account in developing BHP Subsidiary Documents through appropriate engagement.

Any development of or change to a BHP Subsidiary Document must be consistent with the overall objectives and principles set out in this BHP. The contents of this BHP shall take precedence over any BHP Subsidiary Document in the event of any inconsistency or conflict.

### 1.4. Modification of the Business Handover Plan

During a Handover Period, this Business Handover Plan may be varied if required through mutual agreement of the Licensee and Successor Licensee by proposing changes to the Authority, for approval.

The DCC shall assess the impact of any proposed change and present the findings to the Joint Handover Steering Group. The JHSG shall then decide whether to recommend any proposed change to the Authority. Upon direction of the Authority, the DCC shall implement any approved change and make any necessary adjustments to the Business Handover Programme activities and approaches to ensure full compliance with the updated Business Handover Plan.

## 2. Key commitments

### 2.1. Maintaining the Existing Services throughout the Handover Period

DCC shall ensure that the Authorised Business continues as usual and that the DCC's services to DCC Users remain uninterrupted and maintained to a high standard during the Handover Period. DCC shall ensure that the Code Performance Measures, Service Provider Performance Measures and the Operational Performance Regime are maintained throughout the Handover Period.

The DCC, under direction of the DCC Board, shall continue to take decisions and progress all activities during the Handover Period that are critical to the continuity of the Authorised Business and compliance with Licence obligations. This includes, for example, procurement or renewal of External Service Provider contracts that deliver aspects of the Authorised Business.

### 2.2. Commitments in relation to implementation of the Business Handover Plan

The DCC shall discharge all its activities and approaches set out in this Business Handover Plan in a manner that is fully compliant with its duty under the Licence to arrange to cease carrying on the Authorised Business at the Transfer Date in a manner that:

- a) is consistent with the DCC's proper performance of its obligations under the Licence;
- b) will not prejudice or frustrate the ability of a Successor Licensee to commence carrying on the Authorised Business in accordance with its obligations under its licence;
- c) is most likely to ensure an effective business handover with, in particular, no adverse impact on the quality and efficiency with which Services are delivered; and
- d) will to the extent that any revocation or direction is in respect of part only of the Authorised Business, allow the Licensee to continue to provide the remainder of the Authorised Business under the Licence

Additionally, the DCC shall conduct the Business Handover programme in a manner that:

- Facilitates as far as practicable and legally achievable the protection of DCC staff to ensure that there is continuity of critical capability throughout and after the handover
- Is collaborative and facilitates communication and cooperation with, and between, all parties throughout the Handover Period to ensure effective and coordinated implementation of the Business Handover programme;
- Ensures that no activities undertaken, or information provided, prior to or during implementation of the Business Handover programme, has an adverse impact on ensuring a fair process for Successor Licensee appointment and that ethical walls are established as appropriate;
- Ensures that all necessary information is made available in a full and timely manner to facilitate the process for Successor Licensee appointment;
- Ensures that the required handover activities are planned, managed, coordinated and delivered in an effective manner to ensure the successful and timely delivery of the Business Handover; and
- Maintains transparent and open communication with all DCC stakeholders on Business Handover progress.



### 3. Scope of handover

#### 3.1. Overall handover model

The DCC licence specifies certain activities that are required of DCC as the current Licensee to support the handover of the current Authorised Business to a Successor Licensee. The Licence anticipates that this will require the transfer of relevant assets, information and knowledge to the appointed Successor Licensee.

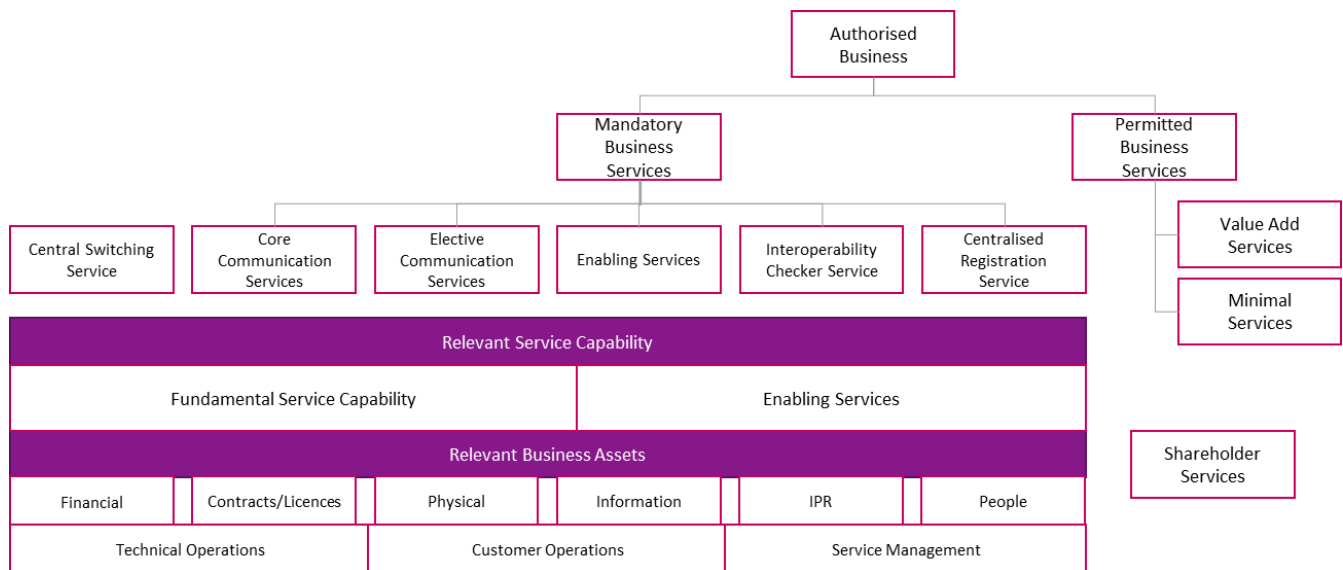
This Business Handover Plan therefore provides an overarching framework for managing the handover to a Successor Licensee organisation in that manner. Specific details of the Successor Licensee's proposed operating model are expected to be established as part of the Successor Licensee application process that will be undertaken by the Authority. Once that process is concluded, the DCC (under direction of the Joint Handover Steering Group) shall develop the appropriate detailed Handover Delivery plans to reflect this.

#### 3.2. Authorised business and related assets

##### 3.2.1. Authorised Business

This Business Handover Plan is designed to ensure that the ability to conduct the Authorised Business (as described below) will be transferred without disruption and in an orderly manner to a Successor Licensee in the event of the revocation or expiry of the Licence.

The scope of the Authorised Business is defined in the Licence and illustrated below:



The principal elements to be transferred to the Successor Licensee are Relevant Service Capability and Relevant Business Assets, described further below.

##### 3.2.2. Relevant Service Capability

Relevant Service Capability means capability procured (or provided from within the Licensee's own resources) in accordance with Condition 16 of the Licence (Procurement of Relevant Service Capability) for the purposes of securing the provision of Mandatory Business Services under or pursuant to the Smart Energy Code or the Retail Energy Code (as applicable).

##### 3.2.3. Relevant Business Assets

The assets identified in this BHP and relevant BHP Subsidiary Documents for handover are Relevant Business Assets. Therefore, there is a close relationship between the Register of Relevant Business Assets (RRBA), which is a list of the assets and their location, and the BHP. To ensure the RRBA remains up-to-date, DCC reviews the RRBA on a quarterly basis and submits this annually to the Authority.

The categories of Assets covered by the Register are:

- **Financial:** includes funds in bank accounts, promises to pay under certain conditions, e.g. credit cover or parent company guarantees provided by Users.
- **Contract/Licences:** includes External Service Provider contracts, all other contracts for goods and services, licences for software (including website design) and leases for photocopiers and printers.
- **Physical:** includes licences or leases to occupy office buildings, computer equipment, vehicles, stationery, etc.
- **Information:** includes data collated or generated as part of DCC's business activities, e.g. minutes of meetings, pre-design documentation (consultations and responses), and certain deliverables under its Licence Conditions.
- **Intellectual Property Rights (IPR):** includes programme design documentation, and identification of IPR origin (created by Licensee, or assigned to it through new external contracting arrangements, and transition arrangements).

## 4. Overarching Assumptions

The Business Handover Plan has been developed on the basis of the following overarching assumptions.

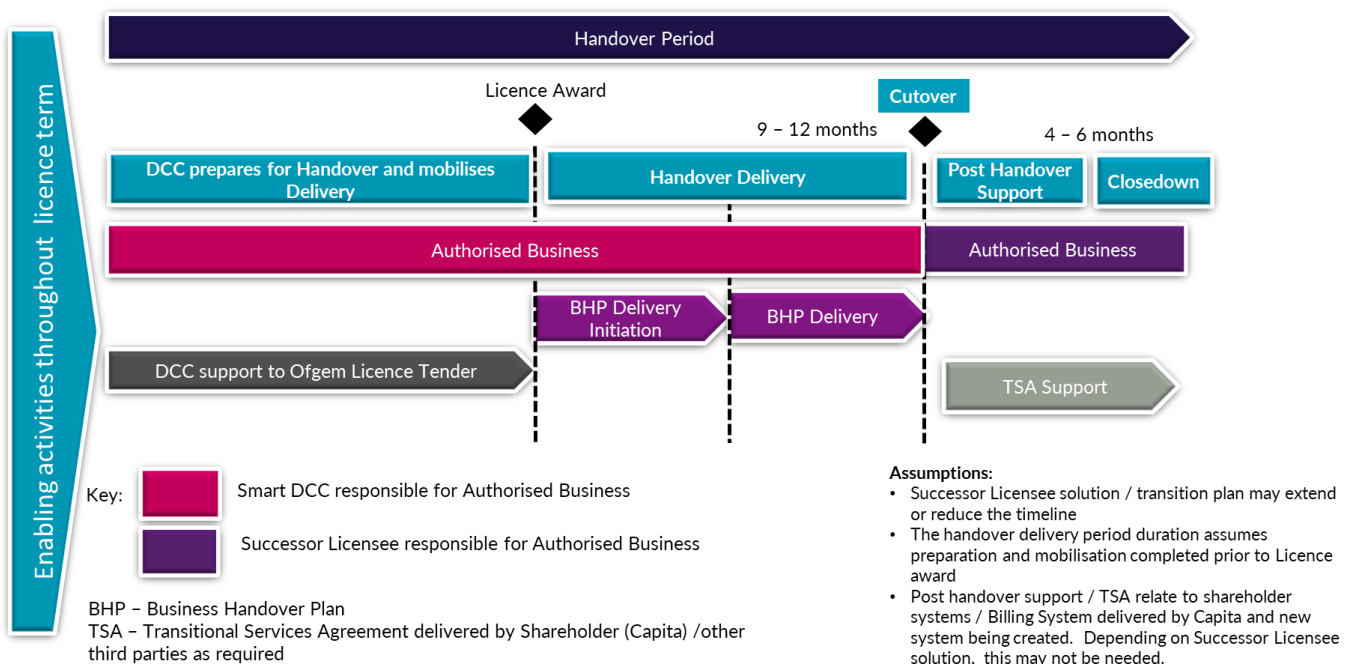
Ref	Assumption
A1	The provision of all DCC services should continue uninterrupted under the new licensee to minimise disruption to business as usual operations.
A2	The BHP relates to handover to a Successor Licensee, and not the discontinuation of the Authorised Business, nor the continuation of Authorised Business outside of a Licensed framework.
A3	The BHP focuses on handover of the DCC's Licence, and not External Service Provider exit planning (except where this directly relates to DCC handover).
A4	The BHP is not a Successor Licensee mobilisation plan, therefore, the support required from DCC may vary according to the proposals of the Successor Licensee.
A5	Information that is obtained during the Successor Licensee Appointment phase that informs the BHP, is provided to the BHP team in a full and timely manner to enable development or refinement of the detailed Handover delivery plans and programme activities.
A6	<p>Handover costs will be incurred by the DCC and the Successor Licensee. It is assumed that the Authority:</p> <ul style="list-style-type: none"> <li>• Shall determine how these handover costs are to be shared between the DCC and the Successor Licensee</li> <li>• Establish a mechanism to determine and agree the reasonable level of handover costs that the DCC may incur to deliver the handover activities</li> <li>• Establish a mechanism to amend the allowed DCC costs if necessary and reasonable during the or after the conclusion of the Handover Period</li> </ul> <p>Such Authority approval of the reasonable DCC handover costs will be required prior to the commencement of Handover Mobilisation as described in this Business Handover Plan.</p> <p>Any costs incurred by the Successor Licensee will be subject to the Successor Licensee's price control or such other arrangement established by the Authority as part of the Licence award process.</p> <p>Any charges for additional support, as requested by the Successor Licensee, over and above the handover services described in this Business Handover Plan, will be agreed with the Successor Licensee and the Authority during the Handover Period; and so long as these costs are incurred prior to DCC's expiry date they will be included in DCC's final Price Control submission. However, any costs incurred for Successor Licensee support after the expiry date will not form part of any Price Control submission from DCC and will be charged to the Successor Licensee on a commercial basis.</p>

## 5. Phasing and structure of the Business Handover Plan

### 5.1. Phasing of the Business Handover

The BHP has been developed recognising that there are different activities required at different times throughout the licence term, Successor Licensee appointment process and during the handover period itself.

The DCC shall take all reasonable and practicable steps in advance of licence award to ensure that it is fully prepared to facilitate a smooth transition and to reduce any operational or commercial risks to the handover process (while maintaining effective BAU operations). This shall include taking the possibility of a handover into account in commercial and operational decision-making to ensure as far as practicable that the DCC business and service provider environments are as stable and low risk as possible during the handover period. The DCC shall also take all necessary steps to ensure that it has the plans and resources in place to begin handover as soon as possible after licence award is made and that, wherever possible, appropriate preparatory activities have been completed in advance.



Once the BHP is approved, and the Authority advises the DCC that the handover period commences, the BHP Subsidiary Documents will be updated as detailed in section 1.3. Once the Licence is awarded, the Handover Mobilisation phase will commence, during which the JHSG shall be established and the Handover Delivery Teams will mobilise to prepare to deliver the various Handover Work Packages described in this BHP. The objective of this initial mobilisation period, is to ensure that, all the relevant initiation and preparation activities are completed to support the Handover Delivery phase. At Handover Mobilisation, the handover delivery governance will commence and the following documents will as examples will be prepared; the detailed Handover Delivery Plan, communications plan and materials; finalisation of any Transitional Service Agreement; ensuring Successor Licensee dependencies are incorporated into the delivery plan; and ensuring all information assets are readily available.

### 5.2. Structure of the Business Handover Plan

The BHP has a number of parts to reflect the various requirements and phases of handover preparation and delivery, as follows:

**Part A: Overarching Provisions** – sets out the objectives of the plan, a number of key commitments in respect of the conduct of handover activity and overarching plan assumptions.

**Part B: Activities Throughout the Licence Term** – Describes a number of enabling activities required in order to deliver a robust and efficient business handover, by ensuring that the DCC and other involved parties (including e.g. External Service Providers) are fully prepared in advance of the handover activity – including ensuring that all information and assets are documented and key handover resources are identified.

**Part C: Support to Successor Licensee Appointment Process** – In advance of the handover the DCC will have an important role in providing input to the Ofgem process for competitive award of the new DCC Licence. This will include providing information for Licence applicants via a “Data Room” and supporting due diligence activity by the preferred applicant.

**Part D: Handover Mobilisation** – Handover Management Start-Up and Mobilisation will ensure the project is initiated on a solid foundation and that adequate resources are assigned to the project by the DCC, Service Providers and (once appointed) Successor Licensee to ensure a successful transfer of the Authorised Business. This will include production of detailed project plans and implementation of full handover governance and delivery controls including monitoring and reporting.

**Part E: Handover Delivery** – Details the overall business handover delivery approach, defines the key work packages, delivery workstreams and roles and responsibilities (including the handover governance model). This part also details the approach to key activities including delivery of handover support services to the Successor Licensee and the treatment of in-flight change programmes and contract renewals during the Handover Period.

**Part F: Readiness** – Sets out how progress towards the business transfer to the Successor Licensee will be monitored and assured, to provide confidence that the handover has been completed effectively (including transfer of knowledge and assets) and that the Successor Licensee can take over operation of the Authorised Business without disruption to existing service provision to DCC Users.

**Part G: Post Handover Support** – Provides for the Successor Licensee to request ongoing support from the current Licensee after the transfer of the Authorised Business has taken place, should this be required.

**Part H: Closedown** – Describes the activities to ensure that the Handover programme is closed down after Handover is complete and that the current Licensee takes appropriate steps to dispose of any relevant assets or to retain such records as necessary to comply with any residual legal or regulatory obligations.

**Part I: Revocation** - Sets out how the handover activities would be enacted in a Revocation Event scenario. The general principle is that the DCC shall, as far as practicable, endeavour to follow the business handover approach set out in Parts B-H of this Business Handover Plan. However, depending on the circumstances at the time of notice of revocation, the approach may need to be varied as appropriate to reflect the specific situation and timetable for handover.

### 5.3. Handover Delivery Plan

Once the full nature and circumstances of the Handover are known (such as the length of any extension to the current Licence period and Successor Licensee proposed service model) the DCC shall agree a detailed Handover Delivery Plan as a BHP Subsidiary Document. This plan shall detail the specific activities, timetable and milestones for implementation of the Business Handover Work Packages. The detailed delivery plan shall be developed in consultation with the Successor Licensee, DCC Board and the JHSG as an agreed joint delivery plan.

## PART B: ACTIVITIES THROUGHOUT THE LICENCE TERM

### 6. Enabling activities throughout the term

#### 6.1. Overview

Throughout the Term of the Licence, DCC shall ensure that the following enabling activities are carried out:

- Maintaining the Register of Relevant Business Assets as an up-to-date record of all assets that may form part of the Business Handover
- Maintaining a document management system to enable full and timely availability of all information necessary to support the Successor Licensee appointment process and to provide the Business Handover Information defined in this BHP
- Ensuring that all contracts relating to Relevant Service Capability provide for novation as required and in accordance with the Licence
- Management of all relevant Intellectual Property in accordance with Condition 44 of the Licence

#### 6.2. Third Party Contracts

Throughout the Licence Term DCC will ensure that External Service Provider Contracts have the relevant obligations to secure their novation to a Successor Licensee if required and as defined in the Licence Part D , 43.14 and 43.15.

#### 6.3. Document Management

DCC recognises information as an asset, and manages it accordingly, with dedicated resources for this purpose. DCC has an Information Security policy which governs how information must be handled as part of its normal business processes, and in line with industry good practice. This includes document classification as Externally Classified, DCC Confidential, DCC Controlled or DCC Public.

SharePoint is the system used to manage information as detailed with the Information Management policy. DCC facilitates internal document management control as well as external access and use by Service Providers, Service Desk and Users.

DCC uses the Clarity Project and Portfolio Management (PPM) tool to manage our Risks & Issues, Plans, Resource Requirements, Change Management and Governance Gates etc. DCC also uses a Change Management System (CMS) for Change Management. Formal documentation covering project-artefact development and signoff including PID's, Business Cases, Board reports and stakeholder documentation is managed and stored in SharePoint.

The DCC shall ensure that its overall approach to document management will enable full and timely availability of all information necessary to support the Successor Licensee appointment process and to provide the Business Handover Information defined in this BHP.

#### 6.4. Risk and Issue Management

Effective risk and issue management is an ongoing process throughout all phases of the BHP. During the development of the BHP, a comprehensive risk assessment has been completed and risks identified and categorised according to the DCC risks categorisation method as detailed in the BHP Risk Register. Mitigation strategies have been developed and timings for implementing them agreed, so that actions to mitigate risks can commence at the appropriate time.

The BHP Risk Register is a BHP Subsidiary Document which shall be maintained and updated on an ongoing basis through all phases of the BHP. We have provided a brief summarised view of high risk

areas and mitigations below. Risks relating to the business handover will be managed within the business as usual DCC risk governance framework. Once established, Handover risks and mitigation progress shall be shared regularly with the JHSG as part of its oversight of the Handover programme.

Risk Area	High Level Mitigations
Capacity of DCC to support the BHP	<ul style="list-style-type: none"> <li>• Develop a resource plan for additional resources needed to support the BHP</li> <li>• Ensure that relevant SME's have "ringfenced" time to support the BHP</li> <li>• Buy in additional resource and ring fence with Chinese walls to support procurement process</li> </ul>
Shareholder Services separation	<ul style="list-style-type: none"> <li>• Map systems and services currently provided by Capita as shareholder</li> <li>• Develop understanding of extension options and exit provisions</li> <li>• Prepare exit strategies</li> <li>• Initiate separation of systems and processes early where appropriate</li> <li>• Explore option of transitional contract arrangements with Capita for services that are more complex to disentangle</li> </ul>
Impact on service continuity / programme delivery	<ul style="list-style-type: none"> <li>• Gain an understanding of portfolio plan over the BHP period</li> <li>• Understand any critical service periods during the BHP period</li> <li>• Work with the relevant teams to understand impact of business handover delivery on plans/service</li> <li>• Put in place contingencies to avoid issues</li> <li>• Put in place ringfenced resources to deliver portfolio / BHP plan</li> </ul>

## 6.5. In Progress Change Activities

Change activities that are in progress at the Transfer Date and which impact the delivery of the core Authorised Business (such as major in-flight change programmes, or External Service Provider contract renewals) will be managed and progressed by DCC up until the Transfer Date and handed over in a controlled manner. If there is a requirement for any such change activities in progress to be completed following the Transfer Date by the Successor Licensee, DCC shall provide progress updates and any information necessary for the completion of the change activity to the Successor Licensee in advance of the Transfer Date so as to minimise any risk of disruption to these activities and delivery dates.

## 6.6. Regulatory Compliance

The DCC Board and DCC management team will ensure that regulatory compliance continues as normal throughout the Handover Period.

The Business Handover will be resourced separately which will enable the continuation of business as usual (BAU) in compliance with all Licence duties and applicable service levels. Any additional resources required to undertake the increase in activity will be recruited through the usual internal change process with business cases which are supported by economic and efficient criteria. A balance will need be struck between involving key DCC staff in the Business Handover Programme (for example to enable knowledge to be shared and handed over) whilst retaining sufficient knowledge and capacity to maintain ongoing business services without disruption.

## PART C: SUPPORT TO SUCCESSOR LICENSEE APPOINTMENT PROCESS

### 7. Support to Licence Appointment Process

#### 7.1. Overview

Prior to Licence expiry, DCC shall support the Authority in their competitive Licence application process for a Successor Licensee. Once a Successor Licence award has been made, DCC shall continue to conduct the Authorised Business in parallel with providing Handover Assistance to the Successor Licensee, until the Transfer Date.

#### 7.2. Assumptions

The following assumptions are made in relation to DCC's support to the Successor Licensee appointment process:

Ref	Assumption
SSLA1	The Authority will share its plans for the Successor Licence application process and agree any due diligence requirements to support data validation or requests for access in advance and with reasonable notice to allow the DCC to fully prepare. It is also assumed that all requests for access or information (including in relation to External Service Providers) will be channelled through the Business Handover Office (or delegated nominee) as its central point of contact.
SSLA2	It is assumed that the Authority will run a competitive tendering process in line with The Electricity And Gas (Competitive Tenders For Smart Meter Communication Licences) Regulations 2012.
SSLA3	All documentation and access to the relevant document management systems during this phase will be managed and protected in accordance with the current DCC Information Security policy (which is in line with the Licence Conditions relating to Confidential Information), and guidance provided by the Information Security Team.  All Licence applicants will need to sign a Non-Disclosure Agreement (NDA) prior to accessing any documentation. External Service Providers will also need to consent that they are content for such documentation to be shared.

#### 7.3. Approach

**Prior to the start of a competitive Licence application process, DCC shall:**

- Have already gained approval for the BHP from the Authority and following this, staff in key roles will be briefed as to their responsibilities and requirements to support the application process and to comply with any ethical wall arrangements as appropriate
- Meet with the Authority to establish common understanding of the Licence application process and the specific requirements on the DCC to support the process
- Prepare for activities to support the Licence application process, including identifying the resources and information assets that will be necessary for this purpose

**During the competitive tendering exercise DCC shall:**

- Provide content and access for all applicants as reasonably requested by the Authority to a Virtual Data Room which will be installed in a restricted area. Access will be controlled by the Authority as part of the procurement process and subject to signature of a Non-Disclosure Agreement.



- . DCC may disclose External Service Provider Confidential Information to a Successor Licensee applicant in accordance with the applicable clauses of the External Service Provider contracts and / or subject to the External Service Provider agreement. Disclosure of confidential and commercially sensitive information as requested and subject to agreement for all relevant parties will only apply to the successful bidder, limited disclosure may apply to all initial bidders.
- Communicate the Information Security Plan to the Authority and Licence applicants
- Ensure that all information made available to the Virtual Data Room and all applicants has the correct classifications applied and that there is an information handling model in place which considers what information or documentation is released at which stage of the procurement process and that there is full compliance with relevant policies and regulations (including GDPR).
- Answer questions and arrange appropriate site visits from the Authority and applicants/preferred applicant
- Engage with External Service Providers in accordance with the communications strategy to ensure that key messages are communicated as to how the handover will impact on the External Service Providers, and to arrange access to Handover Assistance from External Service Providers as appropriate. The Handover Assistance will be limited to primarily providing any additional data not already held by DCC for the Virtual Data Room.

**Once a preferred Licence applicant is selected, DCC shall:**

- Meet with the preferred Licence applicant to align the BHP delivery approach to the Successor Licensee solution/mobilisation plan
- Develop a joint Handover Delivery Plan within four weeks of the preferred applicant having been appointed as Successor Licensee
- Agree a communications strategy with the JHSG in relation to communications with key stakeholders during any Handover Period, including the staged release of documents in line with the Licence application process
- Provide knowledge and information transfer support by co-ordinating DCC staff to provide information required by the preferred applicant and host the preferred applicant's team to demonstrate the Authorised Business
- Facilitate access to External Service Providers to enable the preferred applicant to prepare its detailed mobilisation plan from Successor Licence award
- On provision of the preferred applicant's proposed solution, request a Preliminary Impact Assessment from the External Service Providers so that they can identify any significant changes to their contracts and services as a result of any solution changes that the Successor Licensee proposes in their preferred bid.

## 7.4. Guidance for Successor Licensee

DCC shall prepare guidance for the appointed Successor Licensee (the Successor Licensee Handover Guidance) and share this with the Successor Licensee upon appointment by the Authority. This guidance shall address the following matters as a minimum:

- Details of the Business Handover Programme, including overall approach, handover plan, work packages, workstreams and programme governance arrangements
- Expected role of Successor Licensee in programme governance and process for nominating relevant representatives
- Key named points of contact between DCC and the Successor Licensee teams
- Handover assistance services to be offered by DCC to the Successor Licensee
- Any proposed legal agreements required between the DCC and Successor Licensee in relation the Business Handover such as agreement relating to IPR transfer
- Arrangements to establish any Transitional Service Agreement(s) between the DCC Shareholder and Successor Licensee if requested by the Successor Licensee.

## 7.5. Third Party Contracts

During the Successor Licensee Appointment process information that is allowable for disclosure relating to the External Service Provider Contracts will be included in the virtual data room.

## PART D: HANDOVER MOBILISATION

### 7.6. Overview

Handover Mobilisation will ensure the Handover Programme is initiated on a solid foundation and that adequate resources are assigned to the programme by the DCC, External Service Providers, the Shareholder (Capita) for separation activities and (once appointed) the Successor Licensee to ensure a successful transfer of the Authorised Business whilst at the same time ensuring existing service delivery continues without disruption. This process will include production of the detailed Handover Delivery Plan, detailed workstream plans and implementation of full handover governance and delivery controls including monitoring and reporting.

### 7.7. Mobilisation Approach

The mobilisation period will commence at Licence Award, or later as agreed between the Authority, the DCC and Successor Licensee with the intention of ensuring that all handover assistance from the DCC that the Successor Licensee requires will be ready to commence as soon as reasonably and practically achievable after Licence Award.

Mobilisation activities will include:

- **Mobilisation of BHP Governance:** The BHP Governance will be mobilised with the creation of the Joint Handover Steering Group (section 9.2) and monthly meetings in the first instance to track progress. The full governance structure will be put in place at the start of the BHP Delivery Phase.
- **Mobilisation of Workstreams to support the BHP:** The workstream leads will be appointed, onboarded onto the project and receive a full induction covering information such as project structure, governance and reporting; background to the DCC; DCC Licence Renewal; overview of the BHP. Terms of Reference will be created for each workstream, ensuring that the team is fully mobilised and ready to start once the Successor Licensee is appointed. Any “back to back” arrangements to support the BHP delivery e.g. consistency of reporting, ways of working etc that need to be put in place with External Service Providers or other stakeholders will be initiated.
- **Development of a detailed integrated Handover Delivery Plan.** A detailed programme plan will be developed, highlighting the critical path and all dependencies required from DCC / External Service Providers / Stakeholders etc. This plan will need to be finalised jointly with the Successor Licensee and any outstanding information added into the plan to enable any specific solution elements relating to the Successor Licensee to be incorporated into the final Handover Delivery Plan.
- **Stakeholder Communications:** The development of the Communications Strategy and Plan as outlined in Section 7.8 will commence.

### 7.8. Communication Strategy and Plan

The Communications Strategy and Plan is an essential component of the BHP with multiple stakeholder groups and audiences. It is recommended that the BHP communications plan is integrated with the Successor Licensee communications plans to ensure consistency of message content and timing.

The principles that should inform the creation of the Communications Plan are:

- Being informative
- Providing the right information to the right stakeholders at the right time
- Being transparent and engaging
- Being open to feedback

- Ensuring credible and easily understandable briefings
- Ensuring easily accessible information
- Tailoring the communications channel, frequency and messaging to each individual stakeholder group

The Communications Strategy and Plan will start to be developed during the Handover Mobilisation phase with the objective of having all key messages drafted as soon as feasible after Licence Award date and integration with the Successor Licensee communications plan.

The key stakeholder groups identified below will become the main groups in relation to the Business Handover Communications Strategy and Plan. This may need to be added to over time and the initial listing of groups and individuals will be reviewed at the start of the Handover Mobilisation Phase.

- Ofgem
- Department of Energy, Security and Net Zero (DESNZ)
- DCC Users
- Retail Energy Code Company (RECCo)
- Smart Energy Code (SEC)
- DCC Employees
- DCC Contingent Labour Workforce
- DCC External Service Providers
- Capita

## PART E: HANDOVER DELIVERY

### 8. Handover Delivery Assumptions and Dependencies

The following assumptions are made in relation to the Handover Delivery activities set out in the Handover Plan:

Ref	Assumption
HDA1	Once a Successor Licence award has been made, DCC shall continue to conduct the Authorised Business in parallel with providing Handover Assistance to the Successor Licensee until the Transfer Date.
HDA2	The support required from DCC may vary according to the proposals of the Successor Licensee (but shall be no greater than the requirements set out in the licence).
HDA3	The Successor Licensee will be subject to appropriate testing and assurance prior to the Transfer Date similar to the current DCC process for introduction of live services. Should the Successor Licensee fail to meet such assurances (e.g. in relation to protection of critical national infrastructure) the Transfer Date may be deferred and DCC may be directed by the Authority to continue to provide operational services until such time as the Authority is satisfied.

The following Authority and Successor Licensee dependencies are critical to the successful delivery of the Handover activities:

Dependency	Party	Required By
Confirmation of Successor Licensee	Authority	Prior to commencement of the Handover Mobilisation Phase
Availability of Successor Licensee team members to contribute to and agree detailed transition and exit project plans	Successor Licensee	During the Handover Mobilisation Phase
Availability of Successor Licensee team members to transfer knowledge to	Successor Licensee	Prior to commencement of the planned Knowledge Transfer activity
A mechanism between the DCC and the Successor Licensee to share information	Successor Licensee	Prior to commencement of the Business Handover Information sharing
Capita to make available the information and resources to support the delivery of any separation of corporate services as required	Shareholder	During the Handover Mobilisation Phase
External Service Providers to make available the information and resources to support knowledge transfer and novation activities if required	External Service Providers	During the Handover Mobilisation Phase and the planned Knowledge Transfer and novation activities if required

## 9. Handover Approach Overview

### 9.1. Handover Programme Management

The Handover Programme shall, where practical, be conducted in line with PRINCE2 (or an equivalent industry best practice project management methodology). Programme Management will include planning, monitoring, reporting and risk and issue management.

### 9.2. Handover Delivery Governance

Upon initiation of the Handover Period, appropriate Handover governance arrangements shall be put in place to meet the following objectives:

- Maintaining DCC Board overall responsibility for ongoing management and delivery of the Authorised Business during the term of the Licence
- Clear overall sponsorship of Business Handover activities
- Appropriate stakeholder representation through the governance bodies
- Appropriate technical and functional expertise to support decision-making and execution of the Business Handover Plan
- Cross-organisation coordination between DCC, the Successor Licensee, the Shareholder and other organisations critical to the delivery of the Handover (including External Service Providers)
- Transparency, monitoring and reporting of all Handover delivery activities
- Appropriate levels of assurance of Handover activities

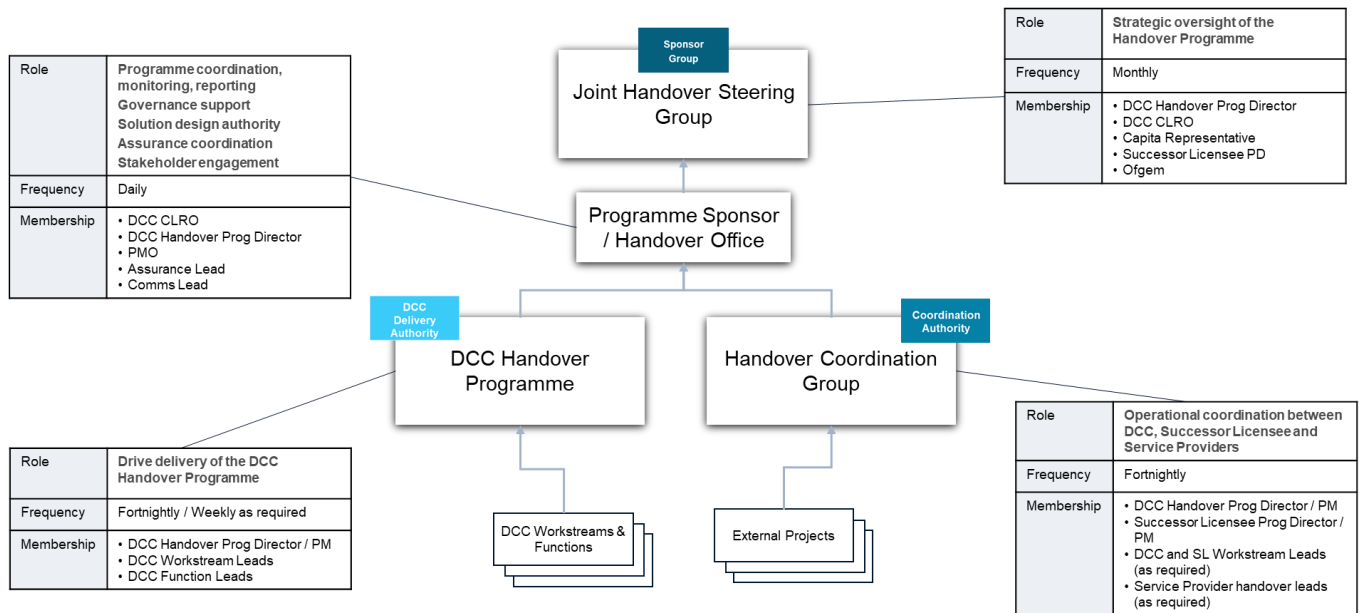
## Role of the DCC Board

The DCC Board shall remain responsible for oversight of ongoing DCC delivery of the Authorised Business, as well as overall supervision of the DCC's delivery of the Business Handover activities.

The Board shall have a right of approval over any handover delivery plans to ensure that the handover activities and related demands on DCC resources does not adversely impact ongoing service delivery and compliance of the DCC with its Licence obligations.

## Handover Programme Governance

The Handover Programme governance arrangements shall include the structure illustrated below:



Handover Governance Body	Role
<b>Joint Handover Steering Group (JHSG)</b>	<b>Steering Group provides strategic oversight of the Handover Programme</b> <ul style="list-style-type: none"> <li>• Provides for joint constituency representation across key stakeholders</li> <li>• Owns BHP and recommends any changes to Ofgem</li> <li>• Receives regular progress reports from the Delivery and Coordination Authorities</li> <li>• Point of escalation for priority risks, issues or disputes</li> <li>• Drives and sponsors effective decision making</li> <li>• Acts as the conscience of the programme</li> </ul>
<b>Programme Sponsor / Handover Office</b>	<b>Central coordination of the handover and the conduit between the sponsors and individual handover project teams.</b> <ul style="list-style-type: none"> <li>• Manages the overall transition planning and provides delivery assurance and actively manages service quality &amp; continuity risk during transition.</li> <li>• Facilitates transition scoping between DCC teams, BAU teams and suppliers, manages suppliers exit obligations, develops</li> </ul>

	<p>robust transition acceptance criteria and conducts operational readiness, including relevant approvals at each stage.</p> <ul style="list-style-type: none"> <li>• Works alongside corporate teams (incl. HR and Procurement) to manage people transition (TUPE), commercial / legal &amp; operational risk.</li> </ul>
<b>DCC Handover Programme</b>	<p><b>Drives the delivery of the DCC Handover Programme</b></p> <ul style="list-style-type: none"> <li>• Plans the Programme and monitors its overall progress, resolving issues and initiating corrective action whilst providing effective communication</li> <li>• Responsible for the Quality Assurance and overall integrity of the Programme</li> <li>• Manages dependencies, interfaces and risks to the Programme's successful outcome</li> <li>• Manages the Programme's budget on behalf of the Programme Director</li> <li>• Facilitates the appointment of individuals to the project management teams and ensures that there is sufficient skilled resource</li> <li>• Ensures that the delivery is to quality, time and within budget, in accordance with the programme plan and reports delivery progress</li> <li>• Manages third party contributions to the programme as appropriate</li> <li>• Coordinates supplier workpackage instructions, monitoring and completion</li> <li>• Ensures that the benefits of the programme activities are identified and measured</li> </ul>
<b>Handover Coordination Group</b>	<p><b>Ensures operational coordination between DCC, Successor Licensee and Service Providers</b></p> <ul style="list-style-type: none"> <li>• Working level-coordination between DCC Handover and Successor Licensee mobilisation programme workstreams</li> <li>• Acts as Design Authority to ensure handover activity aligned to future DCC solution design</li> <li>• Ensures speed and acceptance of delivery to meet the handover programme needs</li> <li>• Communicates and assures joint handover activities</li> <li>• Coordinates key handover activities reliant on Service Providers</li> </ul>

### 9.3. Knowledge Transfer and Shadowing

The DCC shall establish a process to ensure adequate transfer of knowledge from the DCC, External Service Providers and the Shareholder (in respect of corporate services) to the Successor Licensee as necessary.

This shall involve briefing sessions, where possible including hands-on guidance, in respect of specific activities being performed. This will be followed by shadowing and reverse shadowing where that is appropriate.

Prior to the point of cutover, the DCC shall have set up administration accounts for a reasonable number of staff from the Successor Licensee. These will be tested before cutover by the Successor Licensee as part of shadowing.

Where necessary, knowledge transfer and shadowing will be conducted using a range of methods including:

1. Business Handover Information review: Successor Licensee review of DCC provided Business Handover Information
2. Overview presentations: A series of workshops to provide knowledge transfer to the Successor Licensee on the various operational processes and procedures which DCC has in place to deliver the Authorised Business
3. Detailed Knowledge Transfer sessions: Focused, group presentations from SME's to the Successor Licensee SME's.
4. Shadowing (hands-on guidance): Overview sessions: Side by side (onsite) or virtual summary of activities performed by specific job roles on a daily, weekly and monthly basis.
5. Detailed sessions: Side by side operation (onsite) or virtual walkthrough of day-to-day BAU functions including all key functional areas of the DCC service model. The sessions are expected to take place at the following locations:
  - DCC offices throughout the UK;
  - Other locations to be confirmed at start of the Handover Mobilisation phase.
6. Reverse Shadowing: The detailed format of Reverse Shadowing will be agreed during the Handover Mobilisation and may include side by side operation or virtual.

All Knowledge Transfer and Shadowing will be supported by an FAQ's/RFI process as appropriate for information requests over and above that provided as part of the planned activities described above.

## 9.4. External Service Provider Handover Assistance

DCC shall procure handover assistance from External Service Providers as a discrete project using change control as appropriate, up to the Transfer Date. It is assumed that the Successor Licensee shall subsequently procure its own services as required.

## 9.5. Corporate Services Dependencies

Capita delivers services relating to HR employment, Accounts Payable, Treasury Services, Property, IT infrastructure and the Billing System. A full list of services will be detailed in a Subsidiary Document and updated as appropriate throughout the handover period. Any of these services that Capita is still delivering at time of appointment of the Successor Licensee will need to be considered as part of the detailed handover delivery plan. If the Successor Licensee requires the services to be in place, post cutover, a Transitional Services Agreement will be agreed with Capita.

## 9.6. Inflight Projects and Change

Project and Change activities that are in progress at the Transfer Date (such as changes in train, or 'in-flight' testing) will be managed and progressed by DCC up until the Transfer Date and handed over in a managed way. If there is a requirement for activities in progress which are to be completed following the Transfer Date by the Successor Licensee, DCC shall provide the progress status of such activities and the information surrounding them to the Successor Licensee during the Handover and at the Transfer Date.

All information associated with inflight projects will be transferred to the Successor Licensee in line with other Business Handover Information as described above.



## 9.7. Decision-Making at the end of the Licence Period

Ofgem will provide clarity on the end of the first licence period i.e. the duration of any extension to the existing licence, in 2024. DCC management will take into account the remaining duration of the first licence in its decision-making from this point forwards. DCC shall take into account whether any decisions may materially affect the period after the Transfer Date, and where this impacts the BHP the DCC will refer to the Authority for approval. The Authority and DCC may agree to defer some scheduled activities if these do not adversely affect DCC's overall compliance with the Licence and service provision or overall cost and value to DCC customers. If there is a requirement for the DCC to consult with the Authority, once the Successor Licensee has been appointed the Successor Licensee will be kept informed of all such consultations through the JHSG.

## 9.8. Asset Transfer

All Relevant Business Assets will be identified in the RRBA and treated in line with the approaches described below. This will involve confirmation of the status of each asset identified in the RRBA and then planning for the physical and legal transfer of each asset as appropriate. Assets and the transfer mechanisms for each will be prepared. Transfer will occur at the Transfer Date.

### 9.8.1. Business Handover Information

Business Handover Information will be collated and provided via the mechanism agreed between the DCC and the Successor Licensee as part of Handover Mobilisation Phase. The detailed working of the mechanism will be agreed before any information is transferred to the Successor Licensee.

To facilitate Business Handover planning and activity, the DCC shall compile and make available to the Successor Licensee all key information reasonably required (subject to appropriate confidentiality agreements and information security arrangements being in place). The Business Handover Information should include the following:

- The current version of the RRBA
- Current Service Details including:
  - Descriptions of Technical Operations, Customer Operations and Service Management activities undertaken by DCC
  - Description of Service Strategy, Service Design, Service Transition, Service Operation.
  - Security management processes and standards
  - Any dependencies on, or interfaces with Capita corporate infrastructure or functions
  - Details of all relevant External Service Provider contracts, all other contracts for goods and services, and licences for software
  - Renewal dates for all contracts and licences
  - Relevant personnel records, skill sets and organisation structure
  - Details of ongoing projects and programmes including programme plans and delivery arrangements

During the Handover, documentation will be provided which covers the duration of the Licence, including, but not limited to:

- Formal correspondence to/from Ofgem and DESNZ
- Meeting minutes
- Development Portfolio and Account Plans
- Business cases
- Impact assessments
- Programme and Operational RAID logs
- Legacy project management data, including governance board minutes, reporting, RAID logs etc.
- Design documents specific to DCC
- Security policies and artefacts

- Terms of Reference for meetings and roles
- Directions received from the Secretary of State and the Authority
- Any consultations that have been run by DCC and supporting documents
- Any other 'Collateral material' created by or contributed to by the DCC as part of the establishment of smart metering services, or potential future services. Permission must be sought when sharing information marked as CONFIDENTIAL that has been provided by Service Providers.

### 9.8.2. Third Party Contract Novation and Transfer

During the Handover Delivery Period the DCC, in conjunction with the Successor Licensee and External Service Providers, shall, if required, progress the novation of all applicable External Service Provider contracts in line with Schedule 2 of the Licence.

Novation will also include novation or assignment of any SEC Materials which have been developed specifically for the purposes of supporting the DCC Service as appropriate in accordance with Licence Condition 44 where these are not already incorporated in the novation of the Service Provider Agreements.

Contract novation and transfer will also incorporate any requirement as laid out in SEC Section M9 'Transfer of DCC Licence' covering Framework Agreements, Accession Agreements and Bilateral Agreements and the transfer the shareholding in SECCo to the Successor Licensee (see SEC Schedule 4 'SECCo').

### 9.8.3. Financial handover

During the Handover Delivery phase the DCC shall:

- Ensure all cash receipts relating to Service Charges are applied, and that any invoicing disputes (SEC Section J and REC Main Body Clause 22) are progressed in accordance with the DCC Dispute Process
- Provide any required historical financial information, especially if the Authority review of Price Control information is in progress at the Handover date
- Make appropriate arrangements for all forms of credit cover to be transferred to or otherwise legally held by the Successor Licensee as of the Transfer Date.
- Transfer financial models that determine pricing/charging statements
- Transfer key financial data at a closing Balance Sheet date
- Execute deeds of novation in respect of all Financing Agreements

Any funding supplied by a Financial Security Instrument or other arrangement in line with Condition 26 Part B and the calculation of Allowable Revenue will be part of the settlement arrangements with the Successor Licensee, subject to the costs incurred that relate to these drawdowns being determined as economic and efficient through the Price Control process.

Relevant DCC financial documentation, billing data, charging policy processes, pricing models and ledgers are to be handed over to the Successor Licensee. The accounting ledger system will not be transferred, but ledger information e.g. debtors and creditors will be made available as at the Transfer Date in order to enable the Successor DCC to establish new ledgers.

The release of sensitive financial information is to be managed as a controlled process. The release of credit cover information will need to adhere to the Information Security Handling Model.

Where any invoice disputes are not resolved by the Transfer Date, then final resolution becomes the responsibility of the Successor Licensee. These disputes are limited to incorrect charging, therefore there is no impact to margin/return to Capita or the Successor Licensee.

#### 9.8.4. Intellectual Property Assets

This process will ensure that any IPR which is required to perform the Mandatory Business or Authorised Activity shall be novated to a Successor Licensee to the extent required by the Licence.

Where DCC has created or relies on any IPR to carry out its Permitted Business, arrangements will be put in place to transfer or grant a royalty-free, payment-free, and non-exclusive licence to the Successor Licensee on terms ensuring that such licence may be novated in perpetuity.

Legal and commercial teams within DCC will support this workstream, together with liaising and co-ordinating External Service Providers.

#### 9.8.5. Physical Assets

This process will ensure that any physical assets as detailed in the RRBA required by the Successor Licensee will be available to transfer. DCC will confirm the net book value of any required assets to the Successor Licensee as applicable and arrangements will be put in place to transfer the assets at the relevant time. Assets which have data stored on them, will be reviewed and appropriate measures will be taken to cleanse / transfer the data as applicable in a secure manner.

Physical asset transfer will occur at cut over.

### 9.9. Handover Dispute Management

Disputes relating to the delivery of the Handover Plan will in the first instance be referred to the BHP Programme Manager and relevant counterpart from the Successor Licensee. If the escalation points are unable to resolve the issue, it will be escalated to the JHSG for resolution. If no meeting is scheduled within the timeframe needed to respond to the issue, a nominated JHSG representative shall seek to resolve the issue on behalf of the JHSG and gain relevant approvals from the JHSG if required.

Disputes arising in the handover process relating to ongoing service will be referred in the first instance to the JHSG and logged and escalated as per the following dispute sections:

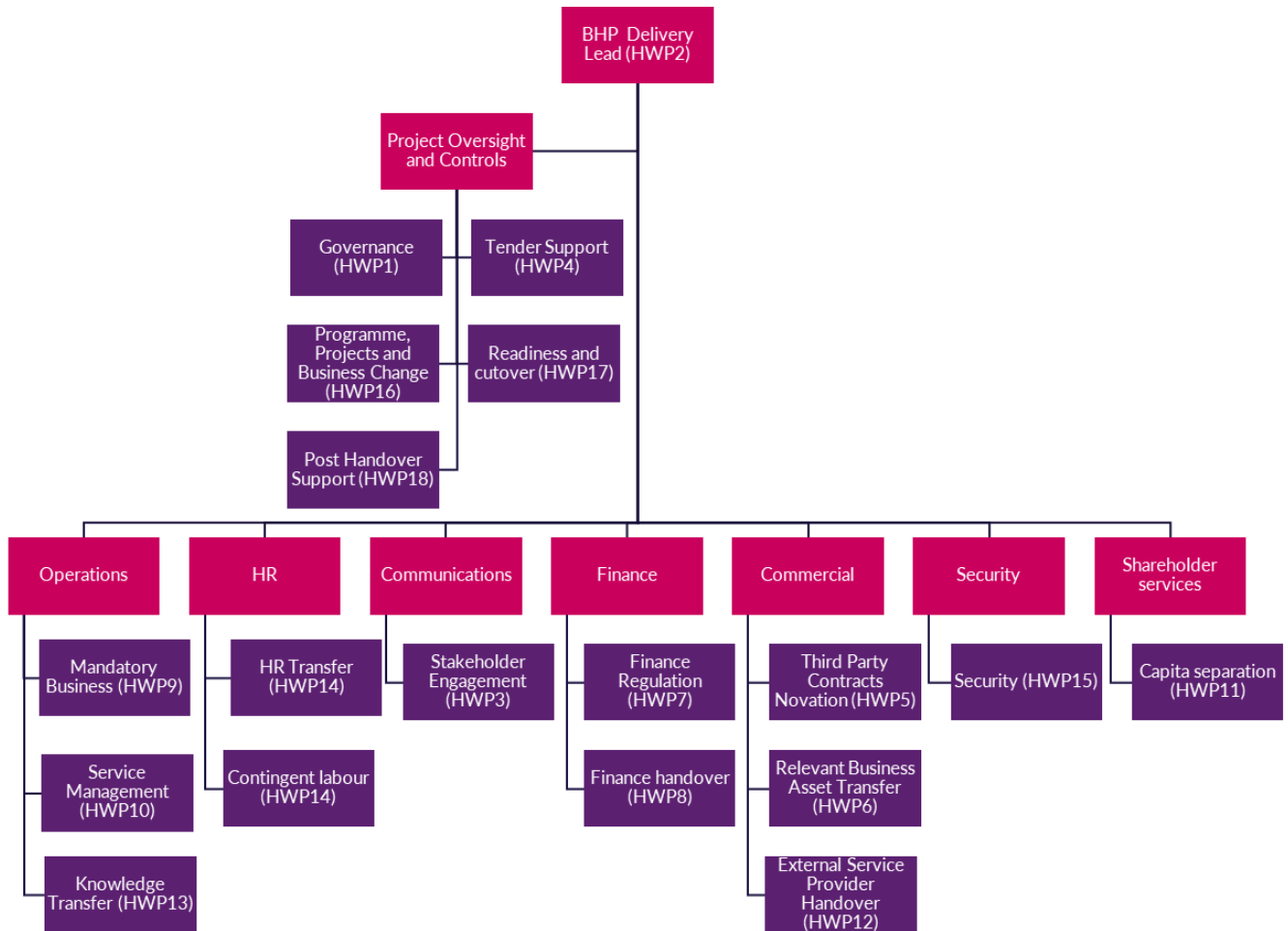
- SEC Section J2 – Payment Default and Disputes
- SEC Section M7 – Dispute Resolution
- REC Main Body Clause 22 – Disputes
- REC Main Body Clause 26 – General

Any disputes that are not resolved by the Transfer Date will be managed by the Successor Licensee. However, the current Licensee will have the opportunity to participate in the management, conduct and settlement of any dispute arising where this dispute might reasonably be expected to affect the determination of the amount of any such under-recovery or over-recovery (Licence Condition 43.16).

## 10. Handover Programme

### 10.1. Programme Structure

At the start of the BHP Handover Mobilisation phase, the below Handover Workstreams will be put in place to prepare for and deliver the handover Work Packages:



### 10.2. Handover Work Packages

The DCC Handover Programme will comprise a number of Work Packages. This section provides a brief description of each work package. Full details of each Work Package shall be defined as part of the Handover Management Start-Up and Mobilisation and set out in BHP Subsidiary Document – Detailed Handover Delivery Workstream and Work Package Descriptions:

- Deliverables
- Resource requirements
- Handover assistance services
- BHP Subsidiary Documentation and data sets

Ref	Work Package	Work Package Commencement	Overview
HWP1	Handover Governance	Handover Mobilisation Phase	<p>This work package comprises all activities necessary to establish appropriate Handover governance structures and management of governance and reporting processes throughout the Handover Period. This includes:</p> <ul style="list-style-type: none"> <li>Establishing the membership of the governance bodies described in Section 9.2] above</li> <li>Confirming the Terms of Reference, meeting frequency and meeting schedules for each governance body</li> <li>DCC to establish and provide meeting facilities (physical and/or virtual as required) and secretariat services to each governance body</li> <li>DCC to establish and maintain processes for production and distribution of papers and management information to enable all governance bodies to discharge their decision-making and oversight roles and responsibilities.</li> </ul>
HWP2	Handover Programme Management	Handover Mobilisation Phase	<p>This work package comprises establishing and operating the central handover programme management function necessary to ensure that all handover activities are planned, managed, coordinated and delivered in an effective manner to ensure the successful and timely delivery of the Business Handover Plan. This includes:</p> <ul style="list-style-type: none"> <li>Appointment of a Programme Director and PMO function to manage the Business Handover Programme</li> <li>Mobilisation and resourcing of all Handover Programme workstreams</li> <li>Development and maintenance of the overall programme and workstream delivery plans and dependencies.</li> <li>Maintenance of a Handover Programme Risk Register and implementation of risk and issue management processes and reporting.</li> <li>Definition and deployment of all programme and project management documentation standards and management controls</li> <li>Handover Programme progress monitoring and reporting, including definition of performance measures and collation and provision of management information to governance bodies.</li> <li>Demand capacity &amp; prioritisation: to capture all requests for workstream resources and establish a process to review and prioritise them against the outcomes to be delivered under the Business Handover Plan. Maintain a view of the DCC and other handover programme participants' capacity to deliver handover workstreams and lead resource planning.</li> <li>Solution &amp; delivery assurance: in addition to establishing reporting and governance, establish the approach to ongoing handover assurance activities of both progress and outcomes, including periodic healthchecks and independent programme audits.</li> </ul>
HWP3	Stakeholder Engagement	Handover Mobilisation Phase	<p>This work package comprises all activities to ensure effective and regular stakeholder engagement, information provision and updates throughout the Business Handover programme. This includes:</p>

			<ul style="list-style-type: none"> <li>Define and implement the stakeholder management approach for the programme</li> <li>Develop and manage the BHP Communications Plan including development of all messaging and communications</li> <li>Integrate with the Successor Licensee communications plans to ensure consistency of stakeholder communications</li> <li>Regular engagement with, and provision of, handover progress updates to stakeholder groups including DCC staff, DCC Users, SEC/REC Panels</li> </ul>
HWP4	Licence Tender Process Support	Successor Licensee Appointment Phase	<p>This work package comprises all activities to ensure that bidders understand the business handover plan and have all supporting documentation relating to the plan. This includes:</p> <ul style="list-style-type: none"> <li>Provision of the BHP and providing answers to any clarification questions on the BHP</li> <li>Provision of data to the virtual data room maintaining compliance with DCC Information Security Policy and document classification.</li> <li>Providing supporting documentation, information relating to the plan and updates to the relevant information as applicable maintaining compliance with DCC Information Security Policy and document classification.</li> <li>Briefing and overview guidance for bidders providing an overview of the BHP content and structure.</li> <li>Facilitation of bidder site visits</li> <li>Iterative update of handover documentation and supporting documents to reflect market engagement, award timelines and successor licensee solution</li> </ul>
HWP5	Third Party Contract Novation / Assignment	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure Contract novation/Assignment of all External Service Provider contracts if necessary and as required by the Licence. This includes:</p> <ul style="list-style-type: none"> <li>Draft communications to all External Service Provider contacts to inform them regarding the appointment of a Successor Licensee</li> <li>In conjunction with the Successor Licensee and External Service Providers, execute the deeds of novation in the form set out in Schedule 2 of the Licence</li> <li>Novate or assign any SEC Materials which have been developed specifically for the purposes of supporting the DCC Service as appropriate in accordance with Licence Condition 44 where these are not already incorporated in the novation of the Service Provider Agreements</li> <li>Execute novation agreements in accordance with SEC Section M9 'Transfer of DCC Licence' as required</li> </ul>
HWP6	Relevant Business Assets Handover, Transfer, Assignment and Novation	Handover Mobilisation Phase	<p>This work packages comprises all activities required to ensure the transfer, assignment and novation of required Relevant Business Assets apart from the External Service Provider contracts which will be covered under HWP5. This will include:</p> <ul style="list-style-type: none"> <li>Identification of all assets that need to be transferred /novated as they are Fundamental Service Capability</li> </ul>

			<ul style="list-style-type: none"> <li>• Identification of net book value relating to the assets to be transferred</li> <li>• Supporting the transfer of the applicable finance, IPR, physical assets</li> <li>• Putting in place relevant handover processes for information assets</li> </ul>
HWP7	Finance	Handover Mobilisation Phase	<p>This work package comprises all activities to hand over the financial reconciliation relating to revenue charging to the Successor Licensee. This will include:</p> <ul style="list-style-type: none"> <li>• Secure transfer of all necessary documentation to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification.</li> <li>• Planning and delivery of knowledge transfer relating to revenue charging obligations, methodology and process.</li> <li>• Finalisation and agreement of financial reconciliation with relevant communications sent to appropriate parties.</li> </ul>
HWP8	Finance Regulation	Handover Mobilisation Phase	<p>This work package comprises all activities to hand over the financial obligations and processes to the Successor Licensee relating to price control and regulatory reporting. This will include:</p> <ul style="list-style-type: none"> <li>• Secure transfer of all necessary documentation to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification.</li> <li>• Planning and delivery of knowledge transfer relating to the financial obligations relating to price control and regulatory reporting.</li> </ul>
HWP9	Mandatory Business Services Handover (Overall Solution)	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure an orderly handover to the Successor Licensee of the overall DCC end-to-end smart metering solution. This includes:</p> <ul style="list-style-type: none"> <li>• Ensure all core and back-up systems are identified, including the services that are provided and the details of the system owners.</li> <li>• Ensure a clear understanding of the systems and a successful handover through to the Transfer Date.</li> <li>• Knowledge and information transfer from the DCC Design and Assurance (CTO) team that assures the development and technical operation of DCC's Mandated Business Services including the Smart Metering Service and the Central Switching Service.</li> <li>• Support the preferred applicant/Successor Licensee to conduct a requirements gathering exercise in order to determine the systems and data information that the Successor Licensee requires to support its proposed solution.</li> <li>• Knowledge transfer of all CTO architecture, guidance and service design artefacts, through providing presentations, and question and answer sessions to the Successor Licensee</li> <li>• Grant and revoke permissions regarding logical and physical access to IT systems</li> <li>• Configuration Management and Knowledge Management Databases to be transferred</li> <li>• Secure transfer of Enterprise Architecture tools as required</li> </ul>

HWP10	DCC Service Management Handover	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure an orderly handover to the Successor Licensee of the DCC's day-to-day service management support to Users. This includes:</p> <ul style="list-style-type: none"> <li>• Service management handover (Technical operations / Customer Operations / Service Management)</li> <li>• Handover of day-to-day service management support to Users, co-ordinating all Information Technology Infrastructure Library (ITIL) processes, as referred to in the SEC, such as Incident, Change, Problem, Demand etc. management, across the DCC Ecosystem.</li> <li>• Handover and knowledge transfer in respect of all services undertaken by the DCC Operations function, including in relation to: <ul style="list-style-type: none"> <li>○ Core Communication Services</li> <li>○ SMKI</li> <li>○ Chargeable communication Services</li> <li>○ Chargeable Data Services</li> <li>○ Service Desk</li> <li>○ Service Management</li> <li>○ Enrolment Services</li> <li>○ Testing Services</li> <li>○ Business Services</li> </ul> </li> <li>• Share of all relevant documentation on scope, support model, processes, procedures and Operations manuals</li> </ul>
HWP11	Shareholder Services	Handover Mobilisation Phase	<p>This work packages comprises the handover, separation and close down of any shareholder delivered services. This includes:</p> <ul style="list-style-type: none"> <li>• Management and co-ordination of shareholder Exit Plans</li> <li>• Putting in place any TSAs that are required to continue to deliver the services post handover</li> <li>• The collation and provision of all Business Handover Information relating to shareholder services</li> <li>• Secure transfer of all necessary documentation to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification.</li> <li>• Secure transfer of any data for data migration purposes to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification</li> <li>• Planning and delivery of knowledge transfer and operational briefing sessions, where possible including hands-on guidance in respect of specific activities performed by the shareholder with Successor Licensee team members as agreed as part of Handover Management Start-Up and Mobilisation.</li> </ul>
HWP12	External Service Providers Handover Coordination	Handover Mobilisation Phase	<p>Coordination of handover support and activities to be provided by ESPs (including handover assistance and knowledge transfer by ESPs). This includes:</p> <ul style="list-style-type: none"> <li>• The collation and provision of all Business Handover Information from the exiting ESPs</li> </ul>



			<ul style="list-style-type: none"> <li>Secure transfer of all necessary documentation to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification.</li> <li>Planning and delivery of knowledge transfer and operational briefing sessions, where possible including hands-on guidance in respect of specific activities performed by the ESPs with Successor Licensee team members as agreed as part of Handover Management Start-Up and Mobilisation.</li> </ul>
HWP13	Documentation & Knowledge Transfer	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure adequate transfer of critical documentation and knowledge from the DCC to the Successor Licensee. This includes:</p> <ul style="list-style-type: none"> <li>The collation and provision of all Business Handover Information</li> <li>Secure transfer of all necessary documentation to the Successor Licensee, maintaining compliance with DCC Information Security Policy and document classification.</li> <li>Planning and delivery of knowledge transfer and operational briefing sessions, where possible including hands-on guidance in respect of specific activities performed by the DCC with Successor Licensee team members as agreed as part of Handover Management Start-Up and Mobilisation.</li> </ul>
HWP14	People & HR	Handover Mobilisation Phase	<p>This work package comprises all people and HR activities relating to the Business Handover. This includes:</p> <ul style="list-style-type: none"> <li>Creation of relevant communications plan and materials relating to any HR Transfer process and contingent labour transfer in conjunction with the Successor Licensee.</li> <li>Provision of any required support to Successor Licensee in defining employment terms and undertaking staff engagement</li> <li>Supporting any HR Transfer/contingent labour communications plan in conjunction with the Successor Licensee.</li> <li>Liaising with the Successor Licensee to co-ordinate HR briefings</li> <li>Provision of employee information to Successor Licensee e.g.HR policies, organisation chats etc maintaining compliance with DCC Information Security Policy and document classification.</li> <li>Provision of employee data to Successor Licensee maintaining compliance with DCC Information Security Policy, GDPR and document classification.</li> <li>Supporting the novation of contingent labour contracts as required</li> </ul>
HWP15	Security	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure that security policies and processes are maintained throughout the business as it is handed over and that the DCC's overall end-to-end security solution is handed over to the Successor Licensee. This includes:</p> <ul style="list-style-type: none"> <li>Ensuring that Security processes and policies are communicated and maintained in each Handover Programme workstream.</li> </ul>

			<ul style="list-style-type: none"> <li>• Maintenance of secure information and data access and transfer throughout the handover. Security and cryptographic materials custody handover will be subject to strict transfer management and release, including a full audit trail.</li> <li>• Handover of DCC security operations, including security policies and approaches, including provision of information and support to hand over the operational security obligations and security protocols, via the Chief Information Security Officer (CISO), to the Successor Licensee.</li> <li>• Handover of security obligations, including progressive removal of access rights and security privileges in a timely manner as handover progresses, whilst maintaining compliance with the Data Protection Act (DPA) and associated data privacy and access obligations</li> <li>• A series of workshops to provide knowledge transfer to the Successor Licensee on the various security processes and procedures which DCC has in place to manage risks to the security of the Authorised Business</li> <li>• Provide information on physical and logical security processes and tools to the Successor Licensee</li> <li>• Providing information to ensure that the appropriate levels of security governance are in place across DCC's development and operational activities in accordance with Licence/SEC requirements and good industry practice.</li> <li>• The Security Team will also establish an information security plan that will detail the information security actions required during the Successor Licence application process and handover to the Successor Licensee.</li> <li>• Provide the Authority with a copy of the Register of Security Incidents on the expiry or any revocation of the Licence</li> </ul>
HWP16	Programmes, Projects and Business Change	Handover Mobilisation Phase	<p>This work package comprises all activities required to ensure the orderly handover of all major in-flight industry programmes managed or supported by DCC, as well as any significant internal business change programmes or projects. This includes:</p> <ul style="list-style-type: none"> <li>• Collation and provision of programme and project plans and status information to the Successor Licensee. All information associated with inflight projects will be transferred to the Successor Licensee in line with other Business Handover Information.</li> </ul>
HWP17	Readiness & Cutover	Handover Delivery Phase	<p>This work package comprises all activities required to ensure that there is effective monitoring and assessment of the readiness of all key participants in the Business Handover Programme to complete the handover to the Successor Licensee. This includes:</p> <ul style="list-style-type: none"> <li>• Readiness testing/assurance of DCC preparedness to support handover activities at each stage of the Business Handover Programme, including availability of all necessary Business Handover Information and resources to provide Handover Assistance.</li> <li>• Definition of handover progress and readiness indicators and establishment of a readiness monitoring and reporting framework.</li> <li>• Readiness monitoring and reporting in relation to all handover work packages and workstreams.</li> </ul>

			<ul style="list-style-type: none"> <li>• Provision of readiness management information to enable the JHSG and Authority to make any required go/no-go (GONG) decision in relation to the Business Handover.</li> <li>• Development of a cutover plan for completion of the Business Handover and coordination of cutover activities.</li> </ul>
HWP18	Post-handover Support	Handover Delivery Phase	<p>This work package comprises all activities required to ensure that any requirement for post-handover support to be provided by the current Shareholder or Licensee to the Successor Licensee is identified and appropriate support services are put in place. This includes:</p> <ul style="list-style-type: none"> <li>• Establish a process for the Successor Licensee to request ad hoc support from the outgoing Shareholder or Licensee in addition to that which was previously agreed for the Handover Period.</li> <li>• If this support is requested after the expiry of the current Licence, the assumption is that this will be provided on a commercial basis which would be covered under the arrangements for the Successor Licence.</li> <li>• Put in place any Transitional Service Agreement for post-handover support as required.</li> </ul>

## 11. Handover controls and procedures

### 11.1. Information and data protection

Information will be managed as detailed in DCC's Information Security policy. This policy governs the maintenance of how information must be handled as part of its normal business processes, and in line with industry good practice. This includes how documents are classified.

To maintain data confidentiality and integrity, at the start of the Successor Licensee Appointment process an information handling process will be put in place which considers what information or documentation is released at which stage of the procurement process, together with how to ensure the accuracy of information that is released and how the information will be updated.

### 11.2. Security

The DCC Security Team ensures that the appropriate levels of security governance are in place across DCC's development and operational activities in accordance with Licence/SEC requirements and good industry practice. The Security Team will establish a Business Handover Information Security Plan that will detail the information security actions required during the Successor Licence application process and handover to the Successor Licensee. This plan shall have the following objectives:

- Ensure that security policies and processes are maintained throughout the business as it is handed over
- Ensure that Security processes and policies are communicated and maintained in each workstream
- Provide information on physical and logical security processes and tools to the Successor Licensee

All documentation and access to the relevant document management systems during the Handover will be managed and protected in accordance with the current DCC Information Security policy (which is in line with the Licence Conditions relating to Confidential Information), and guidance provided by the Information Security Team.

All Licence applicants will need to sign a Non-Disclosure Agreement (NDA) prior to accessing any documentation. External Service Providers must consent that they are content for such documentation to be shared.

Security compliance will be maintained throughout the handover process and subsequent period to a point in time where the exiting Licensee is no longer regarded as vulnerable. This will be evidenced using the following assurance processes:

- Competent Independent Organisation (CIO) Security Audit Reports
- T-Scheme for all Smart Metering Key Infrastructure (SMKI)

ISO27001 compliance will be maintained until Licence expiry. Security and cryptographic materials custody handover will be subject to strict transfer management and release, including a full audit trail.

Service Users will not see any change to login credentials for systems that they access as part of the Handover (subject to there being no related security concerns arising from a Handover).

The Security Workstream will ensure handover of all security obligations, including progressive removal of access rights and security privileges in a timely manner as handover progresses, whilst maintaining compliance with the Data Protection Act (DPA) and associated data privacy and access obligations.

DCC shall also provide a series of workshops to provide knowledge transfer to the Successor Licensee on the various security processes and procedures which DCC has in place to manage risks to the security of the Authorised Business and shall meet with the Successor Licensee to discuss and hand over the security workstream and other security deliverables, such as ISO27001 materials and processes.

Following Transfer, DCC shall provide security support if directed by the Authority or requested by the Successor Licensee, in accordance with Price Control principles or agreed commercial arrangements for post-Handover support.

### 11.3. Quality assurance

The delivery of the BHP will be subject to quality assurance processes to ensure the quality of deliverables and ensure the level of service is maintained at cut over. The assurance will be performed by the BHP Control Centre who will be responsible for providing delivery assurance of artefacts and also conduct operational readiness assurance.

The JHSG may decide that external assurance of the programme is required. The context, scope, funding and objective of a review would be defined in a Terms of Reference together with any risks or sensitivities associated with the review that need to be managed. Once a review is completed, the actions and recommendations should be presented at the JHSG and progress against actions monitored and reported to the JHSG as appropriate.

### 11.4. Handover Delivery Risk Management

Risk management will be performed using the DCC risk management process and categorised according to the agreed standard.

At the start of the Successor Licensee appointment process a risk workshop will be held to identify any additional risks that need to be incorporated into the BHP risk log.

All risks will have owners assigned and associated mitigating actions. Actions will be reflected in the programme plan and progress tracked.

Any assumptions will be shared with the stakeholders that they affect and tested to try to prove/disprove them.

The risk log will be reviewed with project stakeholders at the JHSG on a monthly basis and updated accordingly.

Risk escalation and decisions relating to mitigating actions will be highlighted as an agenda item for discussion at the JHSG.

## 11.5. Monitoring and reporting

The DCC shall establish a framework for monitoring and evaluating the progress of delivery of the Business Handover Plan. This will allow the JHSG to regularly review and update the delivery plan as needed, making adjustments based on appropriate measures and any changing circumstances.

The objectives of monitoring the Handover are to:-

- Track the progress of the Handover Delivery Plan and where appropriate amend the plan to achieve the agreed timelines
- Resolve and/or escalate any issues inhibiting the delivery of the plan
- Identify & track risks and mitigating actions
- Operate a robust change management process for Handover Work Packages and activities.
- Manage the overall Handover budget
- Agree and track the achievement of Handover success and Cutover criteria

The DCC shall provide the JHSG weekly progress reports against the Handover Delivery Plan that describe the following information:

- Current status of the Handover activities;
- Any actual and anticipated delays to the Handover activities and the impact of such failures on the Handover Delivery Plan;
- Root cause of any delay;
- Mitigating actions and/or recovery plans being undertaken by the DCC and/or Successor Licensee to remedy the Handover delays.
- Performance against relevant KPIs
- Progress towards success criteria and Cutover criteria

## PART F: READINESS

### 12. Handover readiness

#### 12.1. Readiness assessment

The DCC shall establish a framework and deliver appropriate activities throughout the Handover Programme to ensure that there is effective monitoring and assessment of the readiness of all key participants in the Business Handover Programme to complete the handover to the Successor Licensee.

This readiness monitoring and reporting shall be provided to the JHSG and the Authority to inform any regulatory decision or direction to complete the Business Handover to the Successor Licensee and the determination of the Transfer Date.

The framework and activities shall include:

- Readiness monitoring and assurance of DCC and Successor Licensee preparedness to support handover activities at each stage of the Business Handover Programme, including availability of all necessary Business Handover Information and resources to provide Handover Assistance.
- Definition of handover progress and readiness indicators and establishment of a readiness monitoring and reporting framework.
- Readiness monitoring and reporting in relation to all handover work packages and workstreams, including activities required to be delivered by the DCC, External Service Providers and the Successor Licensee.
- Development of a cutover plan for completion of the Business Handover and coordination of cutover activities at the Transfer Date.
- Sharing of readiness information with stakeholders as part of the Communications Strategy and Plan to ensure a high level of stakeholder confidence in relation to Handover readiness.

#### 12.2. Readiness Assessment Framework

In order to assess readiness of all involved parties to execute the handover of the Authorised Business to the Successor Licensee, a set of Handover Readiness Criteria and a Readiness Assessment Framework shall be developed. The criteria and framework shall address (as a minimum) the following aspects:

- Solution meets regulatory and industry requirements
  - All relevant regulatory obligations in relation to Business Handover discharged
  - High levels of DCC, Successor Licensee, External Service Provider and DCC User confidence in the Handover
- Commercial readiness
  - External Service Provider contracts in place
  - Agreement of any Transitional Service Agreement (as required)
  - IPR transfer and/or licences in place
  - Continuous External Service Provider contract management capability in place
- Operational readiness and service stability
  - Critical services to deliver the Authorise Business are stable
  - Enabling services ready

- Financial readiness
  - Financial resources and processes in place to ensure payments to suppliers and staff
  - Organisation has ability to administer user charges
- Sustainable capability
  - Documentation in place
  - Knowledge transfer completed
  - Key roles and staff in place and suitably trained
  - Operational/organisational model established to support Authorised Business
- Positive consumer experience
  - No significant risk of service disruption to consumers
  - No significant risk of negative impact on energy industry reputation resulting from Handover activities

### 12.3. Periodic Readiness Assessments

The Readiness Assessment Framework will be used to assess individual organisations' readiness and to aggregate this up to an overall view of Handover readiness. The organisations assessed shall be primarily the DCC, the Successor Licensee and External Service Providers.

The Readiness Assessment Framework will provide a mechanism to capture both qualitative and quantitative evidence and provide the Joint Handover Steering Group (JHSG) and the Authority the information and confidence to make a clear recommendation of readiness to proceed with the Handover.

The assessment framework will include at least three separate assessment points (which will be included in the detailed Handover Delivery Plan as HRA1, HRA2 and HRA3) in order to provide visibility of the trajectory to Handover and allow mitigating actions to be taken, where either DCC External Service Providers or the Successor Licensee are not making sufficient progress towards attainment of the Handover Readiness Criteria.

### 12.4. Readiness Assessment Process

At each assessment point the handover delivery organisations will be asked to self-assess their attainment of criteria relevant to that assessment point and provide a forecast assessment for future points. For example at HRA1, organisations will be asked to self-assess against the HRA1 criteria and forecast their likely status at HRA2 and HRA3.

To ensure that DCC, ESPs and the Successor Licensee self-assess their progress and readiness in a consistent manner, the Handover Programme team will conduct or procure a targeted programme of assurance activity around the Handover Readiness Criteria information provided. This may include independent assurance as appropriate.

In the month prior to the proposed Transfer Date, the Handover Programme shall increase the intensity of readiness monitoring, including to:

- Implement daily stand ups between key delivery organisations in the lead up to the proposed Transfer Date
- Closely Monitor and report execution of Handover Workstream plans and completion of Handover Work Packages

- Monitor stakeholder engagement

This shall conclude with a report to the JHSG and the Authority to confirm Successor Licensee acceptance readiness. This shall include confirmation of:

- Acceptance of transfer of resources
- Acceptance of transfer of assets
- Acceptance of External Service Provider party contracts
- Confirmation that all knowledge transfer activities complete
- Confirmation that there are no outstanding Handover Disputes



## PART G: POST HANDOVER SUPPORT

The Successor Licensee may wish to request ad hoc support from the outgoing Licensee in addition to that which was previously agreed for the Handover Period. If this support is requested post DCC's Licence expiry, the assumption is that this will be provided on a commercial basis which would be covered under the arrangements for the Successor Licence.

## PART H: CLOSEDOWN

### 12.5. Handover Programme Closedown

Upon completion of the Business Handover, the DCC and DCC Shareholder shall take all steps necessary to close down the Business Handover Programme.

### 12.6. Asset and Data Decommissioning and disposal

Any Relevant Business Assets and Data that need to be decommissioned and disposed of will be identified and confirmed to the JHSG. Following Asset confirmation, plans will be defined for the decommissioning and disposal of each of the Assets and the data to enable the assets and data to be decommissioned and disposed of as quickly as possible after completion of Handover.

### 12.7. Closedown Reporting

Upon completion of the Handover activities, DCC shall work with the Successor Licensee and JHSG to develop and agree the following Handover programme closure documents:

**Handover Closure Report:** As part of the Handover Programme closure process, the results of the delivery against the Business Handover Plan should be summarised in a Handover Closure Report which formally records the end of the Handover Programme and its status at the Transfer Date. This shall be a fact-driven review of how the programme performed against the Business Handover Plan. It shall highlight any lessons that can be usefully applied to future Handover programmes and provide an overview of any ongoing risks to the Successor Licensee.

**Handover Acceptance Record:** This document shall record formal handover and acceptance of all assets and knowledge transfer necessary to enable the Successor Licensee to commence carrying on the Authorised Business in accordance with its obligations under its Licence. Acceptance records shall be gathered throughout Handover Programme delivery to ensure that the Successor Licensee has accepted the relevant assets and Handover Assistance from the DCC, that any related outstanding actions and items have been closed or handed-over and that there are no outstanding Handover disputes.

## PART I: REVOCATION

### 13. Business Handover arrangements in the event of Licence Revocation

#### 13.1. Revocation Scenarios

This section sets out how the handover activities would be enacted in a Revocation Event scenario, recognising the legal and practical differences between the potential scenarios. The four potential types of Revocation are as follows:

- Emergency Revocation Event (At least 24 hours' notice)
- Grant Revocation Event (At least 7 days' notice)
- Other Revocation Events (At least 30 days' notice)
- Revocation Event solely in respect of Part B of Condition 15 under which the Authority directs the Licensee to cease carrying on all or part of the Centralised Registration Service while still remaining the holder of the Licence

#### 13.2. Assumptions

This section is based on the following assumptions. If a Revocation Event scenario arises then these assumptions must be reviewed. If these assumptions are not correct, then the impact will need to be considered by the JHSG and may impact the actions taken in the individual Handover Workstreams.

Ref	Assumption
RA1	DCC will have some advance notice of a Handover Period occurring as a Revocation Event (whether 24-hour, 7 day or 30 day) will involve identifiable build up. E.g. insolvency would be anticipated by cash flow projection. This would enable some preliminary actions to be taken.
RA2	If the timescale for appointment of a Successor Licensee exceeds the notice period the Authority will put in place Management Orders to enable the Authorised Business to continue, or until DCC has remedied the situation leading to the Revocation Event and the Handover Period is completed. DCC shall comply with its Licence Conditions in relation to such Management Orders.
RA3	All External Service Provider contracts will be novated (if required and in accordance with the Licence) with the service 'as-is' rather than seeking alternative solutions from the Successor Licensee, except where an alternative solution is required to remedy the cause of the Revocation Event.
RA4	During the period between the initiation of a Handover Period and the Transfer Date, the Licensee shall continue to provide justification for all costs in line with its continuing obligations under Price Control, and to mitigate any costs which may be incurred because of revocation of the Licence.
RA5	DCC is informed of who the Successor Licensee is at the time of Revocation.

#### 13.3. Approach

The general principle is that the DCC shall, as far as practicable, endeavour to follow the business handover approach set out in Parts B-H of this Business Handover Plan. However, depending on the

circumstances at the time of notice of revocation, the approach may need to be varied as appropriate to reflect the specific situation and timetable for handover.

The DCC shall also comply with any requirements of any Special Administration Regime under relevant legislation that impact the Business Handover Plan or its execution and vary the Handover plans and approaches accordingly.

### **13.4. Partial Revocation**

In the circumstances of a partial Revocation Event, under which the Authority directs the Licensee to cease carrying on part of the Authorised Business, the overall approach would in the main follow the Handover approach outlined in Parts B-H of this Business Handover Plan, with DCC invoking the elements that are relevant for a partial Handover. This may include some discreet elements of Handover such as a particular function, but other common elements of the Business Handover Plan may also need to be invoked, such as creation of a sub-set Handover Programme team relevant to the partial Handover required, staff transfer, asset and IPR transfer, document transfer and knowledge transfer.

A key additional step in the process for partial Handover would be for DCC to understand the partial exit requirements and to provide an impact to the effect of such partial exit on the remaining elements of the Authorised Business.