

Monitoring criteria and scoring

These guidance notes are intended to ensure a consistent approach to project review and rating. The Innovation Leads play a key role in reviewing the output from the Monitoring Officers to ensure that these guidelines are being adopted consistently.

The 6 key monitoring criteria are:

- 1) Scope
- 2) Time
- 3) Cost
- 4) Exploitation planning, business capability and availability of finance
- 5) Project management
- 6) Risk management

The following pages provide guidance on scoring across the 6 criteria, highlighting how alignment to the SIF eligibility criteria can be rated.

	SCOPE - Rating	Technological basis	Progress	Alignment with the SIF Eligibility Criteria
1	Unacceptable - it is certain that the project will fail to deliver on one or more key objectives	The technological basis for the project has been shown to be unworkable (either technically or commercially) and a completely different approach is required.	The planned level of demonstration will not be reached by the end of the phase – e.g. a partner has withdrawn, preventing access to research capabilities / end user insight; earlier delays have compromised the work plan to such an extent that the expected outcomes will not be reached. It appears to be highly unlikely that the project would be successful in getting the innovation to BAU if the planned approach continued. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project does not meet one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> •Projects must address the Innovation Challenge set by Ofgem •Projects must involve network innovation •Projects must be innovative, novel and/or risky •Projects must include participation from a range of stakeholders, as specified by the innovation Challenge documentation.
2	Very poor - it appears highly likely that the project will fail to deliver on one or more key objectives	There are significant unforeseen challenges with the planned technological basis. It is highly likely that the planned technological approach will not meet all requirements and that additional or alternative approaches will have to be explored in some areas.	Only a subset of the required functionality will be demonstrated by the end of the phase. The consortium may lack the evidence to build a good business case for subsequent exploitation / commercialisation and reaching BAU. Project flagged to Innovate UK & Ofgem as being of concern.	The project is at risk of not meeting one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> •Projects must address the Innovation Challenge set by Ofgem •Projects must involve network innovation •Projects must be innovative, novel and/or risky •Projects must include participation from a range of stakeholders, as specified by the innovation Challenge documentation.
3	Scope for improvement - there is a possibility that the project will fail to deliver on all planned objectives	The planned technological approach is likely to meet most of the planned requirements but some (non-core) functions will require an alternative approach or further work.	Project outcomes / demonstration may not be adequately developed by the end of the the phase and whilst a business case for further work could be made, it will not be as strong as it could be and may struggle to achieve BAU.	The project just meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> •Projects must address the Innovation Challenge set by Ofgem •Projects must involve network innovation •Projects must be innovative, novel and/or risky •Projects must include participation from a range of stakeholders, as specified by the innovation Challenge documentation.
4	Good - the project remains on course to deliver all planned objectives	The project's technological approach remains fully aligned to the competition objectives and the areas outlined in the original proposal.	The expected project outcomes will be demonstrated by the end of the phase and will provide adequate data to support a compelling business case for the next stage of commercialisation and achieving BAU is likely.	The project satisfactorily meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> •Projects must address the Innovation Challenge set by Ofgem •Projects must involve network innovation •Projects must be innovative, novel and/or risky •Projects must include participation from a range of stakeholders, as specified by the innovation Challenge documentation.
5	Exceeding expectations - the consortium has identified opportunities, beyond those specified in its proposal, and plans to explore these within this project	The technological approach has delivered performance in excess of expectations, hence opening up market opportunities (e.g. less material can be used than planned, so costs reduced).	Progress has been such that greater project outcomes have been demonstrated by the end of the phase than planned. Clear demonstration of the innovation becoming BAU has been provided.	The project currently excels in meeting the following SIF Eligibility Criteria: <ul style="list-style-type: none"> •Projects must address the Innovation Challenge set by Ofgem •Projects must involve network innovation •Projects must be innovative, novel and/or risky •Projects must include participation from a range of stakeholders, as specified by the innovation Challenge documentation.

	TIME - Rating	Comments	Alignment with the SIF Eligibility Criteria
1	Unacceptable - milestones and deliverables for the current and future periods have slipped critically	Those milestones and deliverables planned for the current and future reporting periods are slipping critically. A re-planning of the project is essential. The project is unlikely to achieve what it needs to within the current phase and/ or the Project Deliverables or Project end date will be delayed by more than one year (a material change) and a Project Direction change request needs to be submitted to Ofgem. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project does not meet the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
2	Very poor - milestones and deliverables for the current and future periods have slipped significantly	Those milestones and deliverables planned for the current reporting period are to be late but it is likely that they will be delivered within the current phase. The impact on future milestones is recoverable within the current phase, and a re-planning is recommended. Project flagged to Innovate UK & Ofgem as being of concern.	The project is at risk of not meeting the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
3	Scope for improvement - milestones and deliverables for the current period have been met but future ones may be “at risk”	Those milestones and deliverables planned for the current reporting period have been met on time. Those planned for some future quarters, however, may be under threat. It is recommended that improvements are made to the project plan to reflect this.	The project just meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
4	Good - the project is meeting its planned timetable	All current deliverables and milestones are being met on time and future ones appear to be “on track”.	The project satisfactorily meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
5	Exceeding expectations - the project is running ahead of schedule	All milestones and deliverables have been and are planned to be delivered ahead of schedule.	The project currently excels in meeting the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner

	COST - Rating	Expenditure compared to budget	Expenditure compared to progress	Accuracy and quality of overall project forecasts compared to spend	Alignment with the SIF Eligibility Criteria
1	Unacceptable - under/ overspend +/- 20% budget or more. Expenditure is routinely not commensurate with progress. Forecasts not updated, and routinely inaccurate	The project's expenditure to date varies from the budget to date by greater than +/- 20%. The final project spend will be materially different from the original budget delivering significantly less value. Project partners are unwilling to cover any overspend.	There is no confidence that project costs are being properly managed and reported. Lack of correlation between progress achieved and expenditure suggests systemic errors in cost management. It is unlikely the project will meet its deliverables with the remaining approved funding.	The last quarter project forecast was inaccurate by more than +/- 20% The forecast for all participants is routinely inaccurate. The forecast has not been updated for past spend and future work. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project does not meet the following SIF Eligibility Criteria: •Projects must provide value for money and be costed competitively
2	Very poor - under/ overspend within +/- 15-19% budget Expenditure is not commensurate with progress Forecasts not updated properly, and significantly inaccurate	The project's expenditure to date varies from the budget within +/- 15-19%. Final project spend will be significantly different from original budget delivering less value. Project partners do not have a clear proposal on how to meet any overspend.	Project progress not commensurate with expenditure. Potential for major cost management weaknesses in plan. Very little confidence that project costs being managed and reported consistently. Thorough review of costs vs plan is needed in order for deliverables to met by the remaining approved funding.	The last quarter project forecast was inaccurate by between +/- 15-19% The forecast has been updated but not by all participants and there are significant inaccuracies. There is little confidence in the new forecast. Project flagged to Innovate UK & Ofgem as being of concern.	The project is at risk of not meeting the following SIF Eligibility Criteria: •Projects must provide value for money and be costed competitively
3	Scope for improvement - under/ overspend within +/- 10 - 14% budget Expenditure not commensurate with progress in some instances.	The project's expenditure to date varies from the budget by between +/-10 -14%. The final project spend may be different from the original budget with some impact on delivering value. Project partners are planning to meet any overspend through additional contributions.	The project plan linkages to the budget and forecast could be better. Progress in some work packages does not appear to be commensurate with actual spend. There is confidence that project costs are being managed and reported but there are some areas to be monitored for improvement.	The last quarter project forecast was inaccurate by +/-10-14%. The forecast has been updated but could be improved in some areas and by some participants. Project flagged to Innovate UK & Ofgem as one to watch.	The project just meets the following SIF Eligibility Criteria: •Projects must provide value for money and be costed competitively
4	Good - under/ overspend within +/- 5-9% Accurate forecasts are in place	The project's expenditure is in line with the budget within +/- 5-9%. Project partners are planning to meet any	Progress as a whole is commensurate with	The last quarter project forecast was accurate to +/-5-9%. The forecast is updated regularly by all participants for past experience and	The project satisfactorily meets the following SIF Eligibility Criteria:

	Expenditure is in line with planned activity and budget	overspend through additional contributions.	expenditure. Project costs and activity are being managed well with no issues reported.	future work. All key areas of expenditure have been supported with good evidence of planned spend levels.	•Projects must provide value for money and be costed competitively
5	Exceeding expectations - under/overspend within < +/- 4% Accurate forecasts in place across project. Expenditure is lower than expected for work done	Expenditure is less than +/- 4% from budget and is lower than expected for the work delivered. The project may complete substantially under budget. Project partners are planning to meet any overspend through additional contributions.	Expenditure is in line with work packages but more has been achieved than planned for the quality and quantity of work done. The project may need to re-plan to increase project outputs subject to scope approval.	The last quarter project forecast was accurate to < +/- 4% of actual expenditure incurred Forecasting accuracy is consistent across all partners and quarters and shows frequent and high level of review.	The project currently excels in meeting the following SIF Eligibility Criteria: •Projects must provide value for money and be costed competitively

	EXPLOITATION - Rating	Business case	Exploitation & dissemination planning	IP	Alignment with the SIF Eligibility Criteria
1	Unacceptable	The business case for the project outcomes is no longer valid. The Project has come against fundamental barriers that are highly unlikely to be overcome to reach BAU. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project partners have not sufficiently considered how to exploit the outputs of the project/ move it to the next phase. There are no/ minimal plans to disseminate learnings from the project. The project output is likely to undermine the development of competitive markets.	The consortium no longer have “freedom to operate”, e.g. through a competitor filing a patent application.	The project does not meet one or more of the following SIF Eligibility Criteria: •Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) •Projects must not undermine the development of competitive markets
2	Very poor	The consortium is unable to articulate a continuing clear business case for the project outcomes. There is no appetite from the Networks to take the outputs forward to BAU. Project flagged to Innovate UK & Ofgem as being of concern.	The plans to exploit the project outputs have major gaps or deficiencies. Key project partners may lack the key skills or investment to be able to commercialise the outputs of the project/ move it to the next phase. There are minimal dissemination plans in place. It is unclear whether the project output will undermine the development of competitive markets.	There is no apparent strategy for handling the project’s foreground IP. “Freedom to operate” has not been demonstrated.	The project is at risk of not meeting one or more of the following SIF Eligibility Criteria: •Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) •Projects must not undermine the development of competitive markets
3	Scope for improvement	The business case is “high level” – e.g. referring to global market trends, rather than the specific opportunities presented by the proposed approach.	The plan to exploit the project outputs/ move it to the next phase does reflect the current basis/ progress of the project, but some gaps remain – e.g. in the understanding of proposed supply chain or investment requirements. A dissemination plan is in place but it is unclear on what key learnings will be shared with other networks.	Whilst plans for foreground IP have been made (addressing the needs of all partners), competitor activity is not routinely monitored and hence there remains a risk that “freedom to operate” may be compromised.	The project just meets the following SIF Eligibility Criteria: •Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) •Projects must not undermine the development of competitive markets
4	Good	The business case is well articulated with clear, timely and defined options available to the partners following	The plan to exploit the project outputs/ move it to the next phase is current and demonstrates a thorough understanding of the market and the related activities to	Foreground IP strategy is clear, and adequate steps have been taken to secure “freedom to	The project satisfactorily meets the following SIF Eligibility Criteria:

		<p>completion of the project. There is clear intent from one network to take forward the project outputs as BAU, supported by evidence. The business case provides high level options for the commercial model that might be adopted.</p>	<p>bring the project results to market. A convincing dissemination plan is in place and will lead to other networks learning from the project. A thorough understanding of any funding requirements is evidenced.</p>	<p>operate". Competitor activity is routinely monitored and information is acted on.</p>	<ul style="list-style-type: none"> •Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) •Projects must not undermine the development of competitive markets
5	Exceeding expectations	<p>The business case is fully developed. There is clear intent from more than one network to take forward the project outputs as BAU, supported by evidence, with a well-defined commercial model.</p>	<p>There is a clear route to commercialisation supported by good evidence. The dissemination plan has led to other networks changing their approach/ course of action. A funding strategy is in place to meet the funding requirements for commercialisation.</p>	<p>IP secured and route to market clear. Competitor activity known and risks managed.</p>	<p>The project currently excels in meeting the following SIF Eligibility Criteria:</p> <ul style="list-style-type: none"> •Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) •Projects must not undermine the development of competitive markets

	PROJECT MANAGEMENT - Rating	Project management	Project planning	Alignment with the SIF Eligibility Criteria
1	Unacceptable	The Project Manager is not managing the project and frequency of review is unacceptable. Costs are not being controlled. Forecasting accuracy is unacceptable. Forecasts are not reviewed and updated to reflect past performance and future plans. Communication is not evident. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project plan is not updated regularly, does not reflect activity in the last quarter and its impact on future work packages or timing. The project plan differs significantly from the milestones, with little or no further breakdown into work packages or dependencies on other work in the project. The project plan does not describe how the outcomes will be delivered in the time and with the resources available.	The project does not meet one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
2	Very poor	The Project Manager is not demonstrating good project management and the quality of what is done is very poor. Costs are not being controlled adequately Forecasting accuracy is very poor. Forecasts are not reviewed and updated properly to reflect past performance and future plans. Communication is very poor. Project flagged to Innovate UK & Ofgem as being of concern.	The project plan has been updated but is of very poor quality and future activity is not adequately described. The project plan differs in key areas from the list of milestones, with little or very poor breakdown into work packages, outputs and dependencies/impacts on other work in the project and poorly describes how the outcomes will be delivered in the time and with the resources available. Across all areas there is little evidence provided to support the plan.	The project is at risk of not meeting one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
3	Scope for improvement	The Project Manager is mostly demonstrating good project management but the quality of what is done is poor in places. Costs are being controlled with some exceptions. Forecasts are reviewed and updated to reflect past performance and future plans but the accuracy could be improved. Communication is generally adequate but poor in places.	Some project plan improvements could be made; the project plan has been updated and is of reasonable quality and accuracy. The project plan differs in minor areas from the list of milestones, with generally adequate breakdown into work packages, outputs and dependencies/impacts on other work in the project. The project plan mainly describes how the outcomes will be delivered in the time and with the resources available, but some improvement is required. Some areas could have better quality evidence provided to support the plan.	The project just meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner

4	Good	The Project Manager is demonstrating good project management. Costs appear to be controlled. Forecasts are reviewed and updated to reflect past performance and future plans to a good level of accuracy. Communication is generally good.	The project plan has been updated and is of good quality and accuracy. The project plan matches the list of milestones, with good breakdown into work packages, outputs and dependencies/impacts on other work in the project. Minor improvements only. The project plan clearly describes how the outcomes will be delivered in the time and with the resources available.	The project satisfactorily meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
5	Exceeding expectations	Project management is excellent. The project is running ahead of schedule but is well controlled. Costs are very well controlled. Forecasts are reviewed and updated to reflect past performance and future plans to a high level of accuracy. Communication across the project is excellent.	The project plan has been updated and is of excellent quality and accuracy. The project plan matches the list of milestones, with excellent breakdown into work packages, outputs and dependencies/impacts on other work. The project plan clearly describes how the outcomes will be delivered in the time and with the resources available. High quality evidence provided to support the plan.	The project currently excels in meeting the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner

	RISK MANAGEMENT - Rating	Key issues	Alignment with the SIF Eligibility Criteria
1	Unacceptable	No risk register exists. There is no evidence that the consortium and project manager understand or can describe the technical, regulatory, policy or managerial risks that are faced. Project flagged to Innovate UK & Ofgem as requiring immediate remedial action.	The project does not meet one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
2	Very poor	A risk register exists, but it appears to be at a generic or high level and done with a “tick a box”, approach rather than being used as an active management tool. The risks in the register are not project specific, but “generic” – e.g. “partner withdrawal”. The project manager does not really understand the unique challenges that the project faces and has not considered the regulatory/ policy risks. There is no evidence that the risk register is being used to prioritise actions, nor that all partners buy-in to the register and its implications. Project flagged to Innovate UK & Ofgem as being of concern.	The project is at risk of not meeting one or more of the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
3	Scope for improvement	A risk register exists and is updated in preparation for each review meeting but not in sufficient depth. There is lack of sufficient progress in managing risks over the life of the project Some areas of risk managed better than others but not always in order of priority. Regulatory/ policy risks have been considered.	The project just meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
4	Good	All partners contribute to maintaining and acting on a risk register which covers technical, procedural and managerial / administrative risks. The risk register is reviewed at each project meeting and updates are provided by risk owners on progress with mitigating their respective risks (incl. regulatory/ policy). At any one time it clearly represents a realistic assessment of the main challenges facing the project at that time.	The project satisfactorily meets the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner
5	Exceeding expectations	All partners contribute regularly to maintaining and acting on a risk register which covers technical, procedural and managerial / administrative risks. The risk register is reviewed at each project meeting and updates are provided by risk owners on progress with mitigating their respective risks (incl. regulatory/ policy). At any one time it clearly represents a comprehensive and realistic assessment of the challenges facing the project throughout its duration.	The project currently excels in meeting the following SIF Eligibility Criteria: <ul style="list-style-type: none"> Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner