

## Chapter 18 – Staff turnover and its effect on RHI

18.1 A significant problem that became apparent to the Inquiry during the course of its work was the almost wholesale changeover of relevant staff in DETI from late 2013 and the first half of 2014 and the potential effect that had on the management of the RHI. For that reason the Inquiry, in this chapter, examines that specific issue.

### Big changes in a short period of time

18.2 As noted elsewhere in this Report the NI RHI scheme was novel, demand-led, volatile and economically and technically complex. It was also intended to last for in excess of 20 years. Given the specialist and technical nature of the subject matter, it was necessary within Energy Division on a number of occasions to engage consultants to undertake key pieces of work. This was within the bounds of normal practice in DETI at the time. However, where the RHI was concerned, this approach of assigning generalist civil servants to technically complex roles, supported periodically by specialist consultants, over time placed a premium on the acquired knowledge and skills of the civil servants in the Renewable Heat Branch.

18.3 The 2010 business case proposal document for the appointment of consultants to conduct the economic appraisal of an NI RHI scheme prepared by Mr Hutchinson and approved by Ms Hepper in November 2010 contained a section 5 dealing with ‘Skills Transfer’. Paragraph 5.4 provided that:

“Due to the highly technical nature of renewable heat, specifically the economics surrounding the various technologies, the skills transfer involved in the project will not mean that future consultancy will not be required. However, the transfer of skills, knowledge and understanding during this assignment will ensure that this work can be developed further in-house and that any future consultancy will be monitored and quality assured by knowledgeable and experienced staff.”<sup>938</sup>

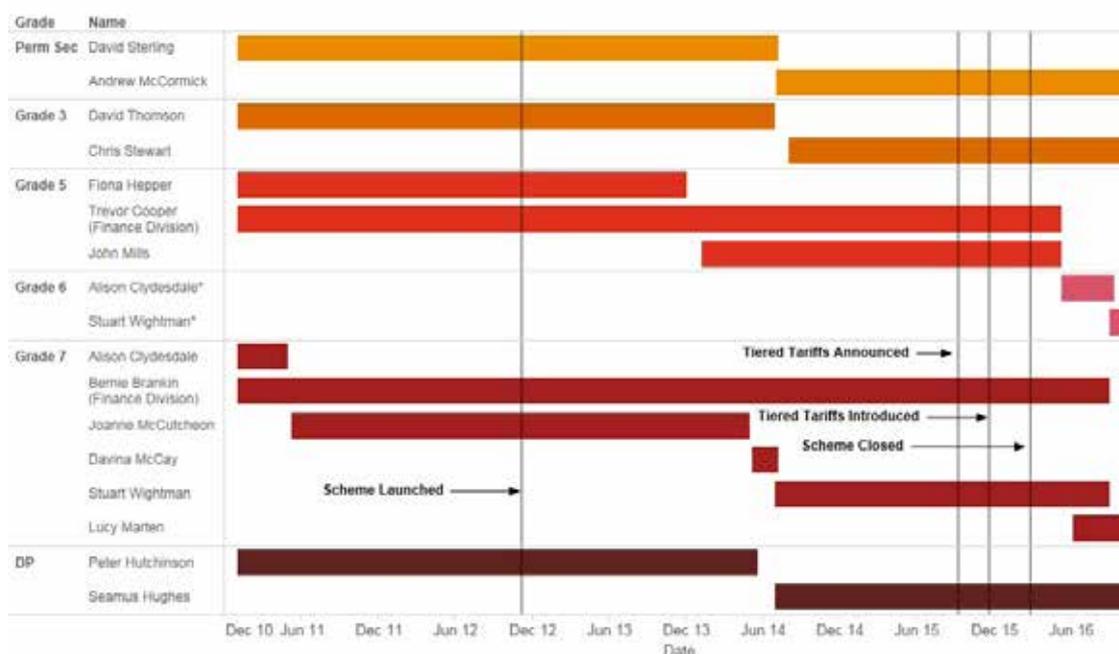
18.4 This insight appears to have been lost in 2013-14 when an unprecedented level of staff turnover was allowed to take place. Figure 3 below prepared by PwC illustrates how, other than for two relevant staff in DETI Finance Division, during the 7 to 8 months from December 2013 very significant and wide-ranging changes, from Permanent Secretary to deputy principal, took place with regard to the members of staff who had primary responsibility for the development and initial implementation of the RHI scheme.<sup>939</sup>

---

938 DFE-56409

939 DFE-05633; PWC-04392

Figure 3 – Staff Changes



- The grade 5 head of Energy Division, Ms Hepper, left on promotion on 2 December 2013 (her last day in Energy Division being at the end of November). She was replaced by Mr Mills on 6 January 2014.
- The grade 7, Ms McCutcheon, left on 1 May 2014 for a career break and was succeeded in terms of responsibility for RHI by Mr Wightman on 30 June 2014. Between the departure of Ms McCutcheon and the arrival of Mr Wightman, Ms McCay acted as grade 7 on a temporary basis from 14 May to 7 July 2014.
- The deputy principal, Mr Hutchinson, left on 16 May 2014. He wanted a change of experience having been in Energy Division since July 2009.<sup>940</sup> Seamus Hughes replaced Mr Hutchinson on 30 June 2014.
- The grade 3, Mr Thomson, retired in June 2014 to be succeeded by Mr Stewart as Deputy Secretary and head of policy in August 2014.
- Mr Sterling was transferred to DFP as Permanent Secretary to be succeeded at DETI by Dr McCormick in July 2014.<sup>941</sup>

18.5 Mr Hutchinson had been in post for almost five years and had experience of the crucial early development and implementation of the NI RHI scheme together with the initiation of the relationship with Ofgem. It appears that during the early part of 2014 Ms McCutcheon tried to persuade Mr Mills to retain Mr Hutchinson for a period of time as, in her words, she saw him as “the lynchpin” in terms of knowledge and experience. She even suggested that Mr Hutchinson might be promoted to ‘act up’ in her grade 7 post pending his move so as to provide some degree of continuity.<sup>942</sup> However, she appears to have been told by Mr Mills that it was not his practice to stand in the way of people wishing to move and, instead, the grade 7 post was taken on a temporary basis by Ms McCay.<sup>943</sup> Mr Mills’ evidence was to the effect that

940 WIT-00022 to WIT-00024

941 WIT-00022 to WIT-00024

942 WIT-26003

943 PWC-04552; TRA-09545

he was aware that Mr Hutchinson was very capable and did not want to lose him; but that, although Ms McCutcheon did discuss Peter Hutchinson’s ability with him, he was not told, and did not appreciate, that if Mr Hutchinson left “there will be a disaster and the non-domestic scheme will run off the tracks.”<sup>944</sup> He also emphasised that Ms McCutcheon did not refuse Mr Hutchinson’s request to move, as his line manager, or advise him in unequivocal terms that Peter should stay.<sup>945</sup> He felt that it would be unfair to stop Mr Hutchinson’s career development in circumstances where he wanted to move on.

18.6 The Inquiry heard evidence from a number of witnesses about the staff turnover.

- Mr Thomson was unsure as to whether he knew that Ms McCutcheon and Mr Hutchinson were leaving at the same time. He said that he thought that it was an incorrect decision to let them both go as it was too small a team and, had he known about it, he would not have agreed.<sup>946</sup>
- Mr Mills agreed that the changeover had resulted in “a significant knowledge gap” and he had not appreciated the importance of Mr Hutchinson’s experience and knowledge given the potential risks arising from the non-domestic RHI scheme.<sup>947</sup>
- Mr Hughes told the Inquiry that he had not experienced such an extensive change of staff at the same time in all his 36 years of employment in the Northern Ireland Civil Service. In his written evidence Mr Hughes said he believed that that level of staff change significantly contributed to the subsequent problems.<sup>948</sup>
- Mr Wightman agreed that a changeover ranging from deputy principal to Permanent Secretary was very unusual.<sup>949</sup>
- Mr Stewart told the Inquiry that the absence of a systematic approach to handover could be “disastrous if, as in the particular circumstances of RHI, you get a very high incidence of turnover at all grades from permanent secretary to deputy principal in a fairly short period of time”.<sup>950</sup> He also said that after he joined DETI he was aware that Energy Division “had lost a lot of corporate continuity in a very short time” but that he did not take any particular actions over it because it took him some months, or even longer, to “realise just how profoundly challenging that was”.<sup>951</sup> His summary of the situation was that anyone looking at the staff turnover situation now “would recognise that it was a bad thing” and that “it was clearly suboptimal to have that amount of staff turnover in that time”, although he thought some elements of it were beyond anyone’s control.<sup>952</sup>

18.7 The new officials coming in during 2014 to run this scheme which was volatile, demand-led and unpredictable had very little, if any, relevant experience. For example, Mr Wightman’s experience was limited to capital schemes which had an identifiable beginning and end; he had never been involved in running a “live” scheme.<sup>953</sup>

944 TRA-09548

945 WIT-26002

946 TRA-06026

947 TRA-09531

948 WIT-14019

949 TRA-06877

950 TRA-11507 to TRA-11508

951 TRA-11516

952 TRA-11520

953 TRA-06846

- 18.8 Mr Hughes was completely unfamiliar with energy policy and renewable heat and he had no previous experience of an incentive driven scheme.<sup>954</sup>
- 18.9 Mr Mills had no experience of energy issues and did not receive any formal training in ‘renewables’ or any other aspects of the wide spectrum of Energy Division projects. He was concerned about handling the pressures of the role, given his personal circumstances, but says that he was reassured by Mr Sterling that his job could be done in normal hours.<sup>955</sup> Mr Sterling gave evidence that he remembered the conversation in question and that he had told Mr Mills that he reckoned that he could “manage the division without having to work the hours that Fiona was working at that time” (it apparently being accepted that Ms Hepper worked much longer than standard working hours).<sup>956</sup> He explained this by virtue of his assessment of Ms Hepper and Mr Mills’ respective management styles; and that Mr Mills might have had a “lighter touch” when it came to the way in which he worked with his grade 7s (although also emphasising that he was not suggesting that any less responsibility would have been exercised or that there was a right and wrong way to approach such management).<sup>957</sup> Given the hours worked by Ms Hepper, the limitation of resources and the wide range of complex projects for which he was to take responsibility the Inquiry considers it likely that the reassurance offered by Mr Sterling was unduly optimistic. Although Mr Sterling might well not have appreciated it at the time and (the Inquiry accepts) would have encouraged Mr Mills to take the post in good faith, with hindsight Mr Mills’ assessment that Fiona Hepper’s approach was required seems to be correct.<sup>958</sup> This chimes with other evidence the Inquiry heard from a variety of witnesses as to quite how “heavily loaded” was the Director of Energy Division post.

### The lack of any formalised or consistent handover process

- 18.10 As the Inquiry notes in detail in chapter 4 of this Report, the RHI scheme had been established without the mechanisms and objective records which, under an effective degree of project management, would have been likely to improve the prospects of preserving continuity and corporate knowledge irrespective of staff changes.
- 18.11 A number of witnesses, including Mr Thomson, told the Inquiry that the nature and extent of the “handover” from one official to his or her successor was very much a matter of discretion and not the subject of any formal rule or code.<sup>959</sup>
- 18.12 The Inquiry notes that Mr Wightman had initially been prevented in November 2013 from leaving his previous post at the Department for Regional Development (DRD) until summer 2014 for business continuity purposes. His line manager at DRD in November 2013, Mr Mills, was about to leave to take up the role of Director of the Energy Division at DETI, and Mr Wightman had to remain in DRD to complete work on water policy and to facilitate a handover with the Director for water policy.<sup>960</sup> Thus, at least in DRD at that time, two post holders with significant linked responsibilities were not permitted to move roles at the same time. When Mr Wightman eventually took up his DETI post in the Energy Efficiency Branch on

954 WIT-14019

955 WIT-14519

956 TRA-06758

957 TRA-06759

958 TRA-07073

959 TRA-06027

960 WIT-17020

30 June 2014 no significant period of introduction and familiarisation was given to him for the RHI scheme.

- 18.13 Mr Stewart confirmed that while there might be many varying examples of handover notes, there would be just as many, if not more, people simply relying on learning on the job.<sup>961</sup> He told the Inquiry that he had received the same first-day briefing pack as had been provided to Dr McCormick, which listed 53 policy issues including 17 on energy, of which RHI was the last to be mentioned at number 17.<sup>962</sup> When he took over from Mr Thomson there was no documentary or formal handover but only a couple of meetings with Mr Thomson at which RHI was not mentioned.<sup>963</sup> Mr Stewart said that he understood that his experience reflected general practice across the Northern Ireland Civil Service. There was no systematic approach and the handover process operated upon an *ad hoc* basis. As already noted earlier in this chapter, Mr Stewart accepted that such a situation could be disastrous in terms of continuity of knowledge and experience in the context of such a large staff turnover.<sup>964</sup> Dr McCormick likewise accepted in his oral evidence that there was no recognised system within the NICS for handover and that, in the context of the RHI scheme, all of the staff moving at broadly the same time was unsatisfactory.<sup>965</sup>

## Electronic record keeping

- 18.14 Mr Stewart, amongst others, was also asked about the efficacy of the TRIM system for digitally storing information. He agreed that it could store large quantities of information but added that what might be called the ‘front end’ of TRIM was a difficult and challenging interface to use. Mr Stewart expressed the view that its search capabilities were well short of what might be considered best practice by modern standards, adding that:

“With TRIM you are relying first on the container title and thereafter on the record title and, if they’re not precise enough or comprehensive enough, you’re left either taking a chance and not reading a document or, more likely, looking at it and thinking, ‘well that might be relevant I’d better read it just in case’ which is very laborious and slows down the use of TRIM in that way.”

By contrast, Mr Stewart felt that a suite of project management documents provides a core repository of information when taking up a post.<sup>966</sup>

- 18.15 Dr McCormick told the Inquiry that he was “not a big TRIM user” and avoided the system if it were possible. He said the system was difficult to use if the user does not know that the materials sought existed.<sup>967</sup> Mr Mills, on the other hand, would have usually insisted upon relevant material going into TRIM because that allowed several people to work on a document. He compared that facility to a ‘handover note’ which was a ‘one off’.<sup>968</sup> He agreed that staff must know what they were looking for in TRIM and be familiar with the correct word for which

961 TRA-11507

962 TRA-11504

963 WIT-11572

964 TRA-11507 to TRA-11508

965 TRA-12039 to TRA-12041

966 TRA-11511 to TRA-11513

967 TRA-12142 to TRA-12143

968 TRA-09562

to search.<sup>969</sup> In the course of giving oral evidence, Mr Mills repeated that the TRIM system was “great if you knew what to look for”<sup>970</sup> and added that he “wouldn’t say that knowledge transfer was a strong suit” of the system.<sup>971</sup>

- 18.16 Mr Wightman agreed that it could be “quite difficult to find stuff on TRIM”.<sup>972</sup> However, he appeared to be reasonably familiar with the system. Mr Hughes told the Inquiry that he did not have the capacity to conduct a thorough search in TRIM.<sup>973</sup>
- 18.17 The Inquiry notes the difficulties of using the TRIM system of information storage referred to by some witnesses. For example, the version of the 2011 HMT Jon Parker email chain that Mr Wightman had from TRIM<sup>974</sup> was not the one that included some of the starker warnings from Ms Brankin and Ms Clydesdale about the risks,<sup>975</sup> although both versions were in the same TRIM folder entitled ‘RHI Funding’. On the other hand, in her short time in the temporary grade 7 role, Ms McCay had found such relevant documents.<sup>976</sup>
- 18.18 The precise advantages and disadvantages of any particular information management software, which probably also vary proportionately to the training which is provided in its use, are not for the Inquiry to address in detail. The Inquiry has noted with concern, however, the apparent lack of consistency and reliability in relation to officials’ ability and/or willingness to retrieve relevant and comprehensive information from the TRIM system that would have been helpful in the course of their work on the RHI scheme.

## The January 2014 handover to Mr Mills

- 18.19 Mr Mills, who succeeded Ms Hepper as head of Energy Division, told the Inquiry that some form of personal overlap would have been helpful, although he realised at the time that such an overlap would not occur in the circumstances since she was leaving in November 2013 and he would not arrive until January 2014. He said that he agreed with Mr Sterling, who said that in his experience there was often no formal handover between senior officials.<sup>977</sup>
- 18.20 Mr Mills said that he did receive a half-day briefing from Ms Hepper in her office in November 2013.<sup>978</sup> He told the Inquiry that the impression that he received was that the non-domestic RHI scheme was underperforming and needed to be given emphasis.<sup>979</sup> During the Inquiry his attention was drawn to the evidence given by Ms Hepper that the discussion included reference to the need for DFP reapproval, early review and cost control/depression.
- 18.21 Mr Mills stated that he did not recall any such specific issues being highlighted as a significant risk. He told the Inquiry that if the need for a review starting in January 2014 had been emphasised, he would have asked Ms Hepper to put arrangements in hand or sought to identify

---

969 TRA-11080 to TRA-11081

970 TRA-11080

971 TRA-11081

972 TRA-06876

973 TRA-05841 to TRA-05843

974 DFE-193406; DFE-193418 to DFE-193420

975 WIT-02716 to WIT-02720

976 TRA-05475

977 TRA-07079

978 WIT-14519

979 WIT-14522

a grade 7 himself to whom he would have given the appropriate instruction. He did not recollect any reference to the need for DFP reapproval in March 2015.<sup>980</sup>

- 18.22 Mr Mills agreed that he had subsequently been given a documentary induction pack in January 2014 consisting of some 80 pages<sup>981</sup> in which the only references to RHI were limited to pages 76 to 77.<sup>982</sup> Those pages of the pack were prepared by Ms McCutcheon and Mr Hutchinson. It contained no mention of the unusual nature of the funding, the need for early review in January 2014, the need for continuing careful monitoring, the review of the scheme and tariffs, the communication from Janette O’Hagan, the time-limit of the budget, the need to reapply for DFP approval in March 2015, or the need to consider budget control/degression. Mr Mills said that he did not recall any form of induction from Mr Thomson, his line manager, but that he did not question that at the time.<sup>983</sup>

### Mr Hutchinson’s May 2014 handover document

- 18.23 Despite the significant turnover of staff during a potentially very important time in the development of the NI RHI scheme the only handover document containing any real detail that the Inquiry has been able to identify was that written by Mr Hutchinson in May 2014. However, given the culture and practice at the time, the Inquiry understands why different individuals might have perceived its relevance in different ways.

- 18.24 The handover note<sup>984</sup> consisted of 14 pages and had sections dealing with:

- (i) Relevant staff;
- (ii) Immediate actions;
- (iii) The RHI;
- (iv) The RHPP;
- (v) Phase 2 of RHI;
- (vi) Communications; and
- (vii) The renewable heat sub-group of SEIDWG.

The section on “Immediate Actions (by end August 2014)” contained 7 bulleted actions, each with a number of sub-points. The section on RHI had sub-sections setting out an overview, useful reading/documents, key contacts, and current/emerging issues. A similar pattern was applied to the other topics covered by the handover note such as RHPP and Phase 2 of RHI.

- 18.25 Mr Mills did not recall having read Mr Hutchinson’s handover note, although it was produced at his request.<sup>985</sup> Mr Mills considered he was inhibited by time pressures and therefore would not have been going through such a document, dealing with a deputy principal’s job, in any detail. However, he said that the purpose of the handover note was to provide continuity for anyone directly involved with the scheme.<sup>986</sup> He could not confirm whether Mr Wightman and/

---

980 TRA-07084 to TRA-07087

981 WIT-14519

982 WIT-14700 to WIT-14701

983 TRA-07095 to TRA-07097

984 WIT-07596 to WIT-07609

985 TRA-09543

986 TRA-09554

or Mr Hughes had read the note<sup>987</sup> as, when he joined the Department, the non-domestic scheme was not considered to represent a high-risk project and there were many other issues with higher priority.<sup>988</sup>

18.26 As mentioned above, in the handover note Mr Hutchinson identified a number of “immediate actions” that he felt should be dealt with by the end of August 2014.<sup>989</sup> These included the approval and launch of the domestic RHI scheme, some further subjects to be agreed with Ofgem and a review of the non-domestic scheme including the following points: “Review biomass tariffs under 100kW” and “Consideration of tiered tariffs to prevent excessive payments.”

18.27 An important section of the document was that relating to the RHI. That section contained a sub-section entitled “Current/emerging issues”, one of which was “Tariffs”. The “Tariffs” bullet point read as follows:

“It is becoming apparent that the payments made to installations are higher than would have been expected under CEPA modelling...Ofgem (Edmund Ward) has advised on 13.05.14) that the experience in GB and NI has shown that many installations have had a higher demand (time of operation) than had been assumed in the tariff calculations; this is especially true of certain sectors. As the demand is higher than what has been assumed the tariffs can become over-generous. This issue would need to be considered as a matter of urgency...The email from Janette O’Hagan (DTI/14/0088268 (refers to TRIM reference)) us [sic] also relevant to this point, where applicants could over-use technology for financial gain...CEPA had advised in their 2011 analysis that this wouldn’t be the case...The solution would be to “tier” tariffs, where a certain tariff is provided for the first 15/20% of use and then another lower tariff is provided for the rest of the heat use. This is used in GB tariffs. Certainly this should be considered for biomass under 100kW as a matter of urgency...This has been discussed briefly with Edmund Ward and he advised that Ofgem would be able to implement without too many changes to existing systems.”<sup>990</sup>

18.28 This passage contained very significant references to high demand, over-generous tariffs, and overuse for financial gain. He stated that this needed to be considered “as a matter of urgency”, yet none of those coming after Mr Hutchinson appear to have picked up on this properly or taken any appropriate action.

18.29 Mr Hutchinson said something similar, although perhaps in shorter and less forthright terms, in a contribution for a Heads of Branch meeting scheduled for 15 May 2014 when he recorded that there was “a potential need for review of tariffs (particularly for biomass less than 99kW) given advice from Ofgem re: the use of those systems”. He suggested that “a system of tiered tariffs might be appropriate”.<sup>991</sup> That suggestion remained in the Heads of Branch records for the next three meetings, but by the meeting of 25 July 2014 (two months after Mr Hutchinson had left) it had disappeared.<sup>992</sup>

987 TRA-09544

988 TRA-09565

989 WIT-06068 to WIT-06069; WIT-07597 to WIT-07598

990 WIT-06069 to WIT-06070

991 DFE-410161

992 DFE-410169; DFE-410177; DFE-410198

- 18.30 At around the same time as the handover note was being prepared, a new entry was added to the Renewable Heat Branch section of the May 2014 Energy Division 2014-15 Composite Divisional Plan. This plan recorded the aims and objectives of the various business areas of Energy Division, identifying key performance targets as well as risks associated with the various objectives. It was contributed to by officials from the various branches between March and May 2014, before being finalised in and around 14 May 2014. All the various versions of this divisional plan were made available to the Inquiry. As a result, the Inquiry was able to see that on or about 13 May 2014, in what became version 27 of the then draft divisional plan, a new objective was added to “monitor uptake of the non-domestic RHI.”<sup>993</sup> That new objective had a “key action” of “monitor[ing] the uptake of the non-domestic RHI and carry[ing] out policy reviews as required.” The accompanying risk was described in the following terms: “tariffs under the scheme are overly generous and lead to higher than expected uptake and excessive payments, impacting on budgets.”<sup>994</sup> Like the entry in the Heads of Branch document, these additions to the Composite Divisional Plan<sup>995</sup> were expressed in less detailed terms than the relevant part of the handover note.
- 18.31 At a later section of his handover document dealing with Phase 2 of the RHI scheme under the sub-heading “Non-Domestic key issues/papers”, Mr Hutchinson included the need to consider “Cost Control or Degression.”<sup>996</sup>
- 18.32 The handover note included a considerable volume of detailed information and reference to a substantial range of important documentation relating to the development and implementation of the RHI scheme.
- 18.33 However, the handover note did not contain any reference to a number of matters discussed earlier in this Report, such as the following:
- (i) the unusual form of the RHI funding, about which he would have been aware as a consequence of the 2011 Parker, Clydesdale and Brankin email exchanges, and his own email correspondence with Akhil Patel of DECC in June 2011,<sup>997</sup>
  - (ii) the fact that the April 2012 DFP approval of the RHI business case had been granted subject to reapproval being sought from DFP by March 2015; and
  - (iii) that DECC had confirmed in February 2014 that a State Aid application had been considered necessary for the GB domestic RHI scheme.
- 18.34 To be fair, the documentation referenced in the note included the 2012 Casework Committee synopsis and the 2012 RHI business case, each of which explained that the initial scheme budget ran up to, but not including, the year 2015-16.<sup>998</sup> In this particular regard, the note also recorded that there had been no confirmation regarding the budget for 2015-16 as well as identifying the TRIM reference for a number of documents relating to the budget, such as the 15 April 2011 email from Jon Parker of HMT mentioned earlier in this Report.<sup>999</sup> In his oral evidence to the Inquiry, when asked about these omissions from his handover note,

993 Version 26 is at DFE-377636 to DFE-377676 and version 27 is at DFE-377595 to DFE-377635

994 DFE-377626

995 DFE-377585; DFE-377544; DFE-377503

996 WIT-07605

997 DFE-05426 to DFE-05428

998 DFE-398076; DFE-00190 to DE-00191

999 WIT-07601; DFE-61975; DFE-62062 to DFE-62064

Mr Hutchinson acknowledged them but also pointed out that there was some continuity in Energy Division in the form of Mr Mills, with whom he had already discussed issues such as the need for scheme reapproval,<sup>1000</sup> and that Ms McCutcheon had given him a steer as to what should be included in the note,<sup>1001</sup> that the focus of the note was on the following three months,<sup>1002</sup> and that his clear understanding and expectation, based upon a discussion with Mr Mills before he left, was that his successors would be free to speak to him about any issues.<sup>1003</sup> Mr Hutchinson also said that he prepared two accompanying hardcopy files of relevant background material, but neither Mr Wightman nor Mr Hughes were able to recall coming across such files.<sup>1004</sup>

- 18.35 At a DETI Energy Division planning meeting on 26 June 2014 Mr Wightman met Ms McCay (who had stood in on a temporary basis as the grade 7 in Renewable Heat Branch pending Mr Wightman’s arrival, and who had received a copy of Mr Hutchinson’s document from him during their handover),<sup>1005</sup> and there was some discussion about Mr Wightman’s duties.<sup>1006</sup>
- 18.36 Subsequent to that meeting, Ms McCay emailed a copy of Mr Hutchinson’s handover note to Mr Wightman. It appears that Mr Wightman forwarded the email, and its attachment, to his personal email address, but he never got around to reading it and subsequently forgot that he had done so.<sup>1007</sup> It seems that he also had a hard copy of the document in his place of work, but only read the first three pages containing the names of relevant staff and bullet-pointed actions to be completed by the end of August 2014.<sup>1008</sup> The Inquiry notes that one of those bullet points included the need to review biomass tariffs under 100kW and consideration of tiered tariffs to prevent excessive payments. He did incorporate some of these matters, including the point about the review, in various versions of the Energy Efficiency Branch Plan for 2014-15. It seems that he then placed his hard copy in a cupboard and it was not recovered by Mr Wightman until shortly before the PAC inquiry into RHI in the autumn of 2016.<sup>1009</sup> As he told the Inquiry, the upshot was that he had no recollection of seeing or discussing the full document until that time.<sup>1010</sup>
- 18.37 Mr Hughes was provided with a hard copy of Mr Hutchinson’s handover note by Ms McCay, who referred, in their handover meeting, to parts of the document.<sup>1011</sup> However, Mr Hughes maintained that it was not a detailed discussion and that Ms McCay told him that even the achievement of the first four bullet points of the ‘Immediate Actions by end August 2014’ page was unrealistic.<sup>1012</sup>
- 18.38 In oral evidence Mr Hughes emphasised that he felt that the assessment of what could be done, and the date by which it could be done, which was contained in the handover document

---

1000 TRA-05149  
 1001 TRA-05159  
 1002 TRA-05149; TRA-05157 to TRA-05158; TRA-05163 to TRA-05164  
 1003 TRA-05156; TRA-05163 to TRA-05164  
 1004 TRA-05168 to TRA-05169; TRA-06897; TRA-09179; WIT-06112 to WIT-06113  
 1005 WIT-13024  
 1006 TRA-06885 to TRA-06886  
 1007 WIT-17678 to WIT-17692  
 1008 WIT-17031  
 1009 TRA-06887 to TRA-06895  
 1010 TRA-06892 to TRA-06893  
 1011 DFE-05397 to DFE-05410  
 1012 TRA-05810 to TRA-05811

was “entirely unrealistic”.<sup>1013</sup> Being completely new to DETI Energy Division and this branch he was not in a position to question or raise any relevant issues. He kept the handover document and looked at some of the “useful reading” referred to therein but would not have used it otherwise.<sup>1014</sup> The CEPA reports did not mean a lot to him and he did not recognise the importance of reviewing the tariffs.<sup>1015</sup>

- 18.39 He said that he had no previous experience of AME funding and that he simply did not have time to retrieve and read all the documents relating to RHI that may have been contained in the TRIM digital storage system, however helpfully indexed that might have been.<sup>1016</sup> Mr Hughes told the Inquiry that he relied on Mr Wightman for directions and that all of his time until December 2014 was taken up by prioritising the launch of the domestic scheme.<sup>1017</sup>
- 18.40 It is important that the Inquiry should recognise that Mr Hutchinson appears to have been the only official who went to some considerable lengths to ensure that a detailed handover note was provided for the benefit of those coming into the Department to work on renewable heat after he had left. He also made himself available to meet his successors, an opportunity that was taken up by Mr Hughes, although that meeting appears to have been limited to consideration of the domestic scheme. The handover document does not seem to have been considered in detail by Mr Wightman and Mr Hughes, nor indeed at all by Mr Mills who did not recall seeing or reading it, although he thought he recalled Mr Hutchinson confirming to him that it had been completed.<sup>1018</sup>

### ‘Learning on the job’

- 18.41 Although the Inquiry heard that there were many examples in the Northern Ireland Civil Service of those taking up new posts ‘learning on the job’,<sup>1019</sup> the newcomers joining Energy Division in 2014 did not enjoy any realistic prospect of doing so with respect to the non-domestic RHI scheme. Such limited resources as were available were to be devoted to running the RHPP scheme and the launch of the domestic RHI scheme.
- 18.42 Mr Wightman told the Inquiry that: “there was little time for policy”, describing his two years at DETI as a “blur” during which the work was largely reactive.<sup>1020</sup> He said that the telephone never stopped ringing, and answering telephone enquiries took up most of Mr Hughes’ time.
- 18.43 Mr Hughes described most of his work as reactive and said that he was directed to prioritise the domestic scheme and two non-domestic issues, namely the handling of Carbon Trust loans and the development of a data sharing protocol in connection with administration by Ofgem.<sup>1021</sup>

---

1013 TRA-05834

1014 TRA-05812

1015 TRA-05854

1016 TRA-05831 to TRA-05834

1017 TRA-05822 to TRA-05825

1018 TRA-09543; TRA-09561 to TRA-09563

1019 See, for instance, Mr Stewart’s evidence at TRA-11507

1020 TRA-06839

1021 WIT-14018

## Findings

- 104.** The extent of staff turnover between the autumn of 2013 and the summer of 2014 should not have been allowed to happen. This robbed the Energy Division, and in particular Renewable Heat Branch (later the Energy Efficiency Branch) of such skills and knowledge on RHI as had been acquired to that point. The level of turnover should have been escalated to top management within DETI and failure to do so clearly suggested a lack of leadership.
- 105.** The complete absence of any formal system of handover between departing and new staff was not satisfactory. The Inquiry found it difficult to understand how this significant changeover of senior and junior staff was permitted to occur without the benefit of management structures and practices designed to ensure preservation of corporate knowledge, especially given the highly unpredictable impact of a ground-breaking incentive scheme in an immature market.
- 106.** Given the number of staff changes, including that Joanne McCutcheon was about to leave, the Inquiry considers it a failing that Mr Mills did not properly appreciate the significance of Mr Hutchinson's experience and, probably as a result of this, did not take sufficient steps either to encourage Mr Hutchinson to remain within the branch or, more importantly, to ensure greater continuity of knowledge when he left.
- 107.** None of the new staff received any significant training, nor was there any meaningful overlap with the staff who left. The result was a lack of continuity and loss of corporate memory.<sup>1022</sup>
- 108.** The Inquiry finds the process in 2014 of recruiting replacement staff to work on RHI was inadequate. Whatever process was used to assess the roles to be filled, the end result was that, at that stage of the scheme, the job roles should have been looked at anew, and more effort should have been made to recruit staff with more appropriate skills and experience to match those revised roles.