

From: Sterling, David
Sent: Thursday, 28 January 2016 08:45
To: McCormick, Andrew (DETI)
Cc: Brennan, Mike; McKibbin, Malcolm; Hill, Janice; Stewart, Chris (DETI); Rooney, Eugene; HOCS
Subject: RE: 27-01-16 HCS-018-16 HOCS Memo to Andrew McCormick re RHI

Andrew

It was helpful to see John Mills' timeline of actions that you concedes necessary to close this scheme. I understand we need to be very careful about how we go about this to avoid challenge. I recall well the problems DECC got themselves into when they sought to reduce the incentives for the PV scheme several years ago. Our circumstances though are different in that DECC was seeking to reduce a benefit being paid to existing claimants whereas we are seeking to deny an opportunity to people who might want to avail of the scheme.

Our imperative is clear, we need to stop the haemorrhaging as quickly as possible. The CST's SR Settlement letter makes it clear that the scheme is no longer affordable given our recent Budget. And I doubt many would consider the RHI a higher priority call on our scarce DEL than the many other pressures facing the Executive.

We have advised ministers that nothing would be gained by seeking to re-open this debate with Treasury, particularly in the post "Fresh Start" context that we find ourselves in with NIO/Treasury. Our stock is low.

In this context there are two things in your time line that I need to understand better. I have not seen your legal advice but can you advise what, in your assessment, is the worst that could happen if we were to set aside a consultation? Surely the CST letter gives us good grounds to suspend the scheme immediately? Could the courts do more than ask us to run a consultation if there was a challenge? Would they be likely to make us reopen a scheme which DETI cannot afford?

Secondly, I'm not sure why this needs to go to the Executive. If it is to advise ministers about the issue surely that could be done (today) by a ministerial colleagues letter? If however some collective decision is required (and I'm not sure what that would be) surely that could/should be done by Urgent Procedure which also could be done immediately?

I ask these questions to be helpful and would be happy to discuss.

David

From: McCormick, Andrew (DETI)

Sent: 27 January 2016 18:34

To: HOCS

Cc: Bullick, Richard; Johnston, Timothy; Wallwin, Judith; Sterling, David; Brennan, Mike; McKibbin, Malcolm; Hill, Janice; Stewart, Chris (DETI); Rooney, Eugene; Cairns, Timothy

Subject: Re: 27-01-16 HCS-018-16 HOCS Memo to Andrew McCormick re RHI

Sorry touched send prematurely.

Malcolm,

I share all the concerns that are expressed in your note.

Dealing with the immediate issue first, the facts are that the DETI Minister approved our proposals for urgent action to close the RHI scheme last Friday afternoon but before we could act on that, the approval was recalled by the Party Officers. There were several discussions yesterday and that position could not be changed, and the information I have is as in my email of yesterday to John Mills.

DETI cannot act to bear down on this cost pressure without Ministerial authority. The steps needed are a formal public notification or consultation on the basis for closure, to be followed by the progression of legislation to put that into effect. Given the policy and financial issues involved, we have been of the view that the formal steps to closure require Executive approval.

I will respond to the rest of your minute shortly but wanted to come back to you quickly on the main immediate point.

Many thanks,

Andrew

Sent from my BlackBerry 10 smartphone

From: Andrew.McCormick@detini.gov.uk

Sent: Wednesday, 27 January 2016 18:16

To: HOCS

Cc: Bullick, Richard; Johnston, Timothy; Wallwin, Judith; Sterling, David; Brennan, Mike; McKibbin, Malcolm; Hill, Janice; Stewart, Chris (DETI); Rooney, Eugene; Cairns, Timothy

Subject: Re: 27-01-16 HCS-018-16 HOCS Memo to Andrew McCormick re RHI

Sent from my BlackBerry 10 smartphone.

From: HOCS

Sent: Wednesday, 27 January 2016 18:04

To: McCormick, Andrew (DETI)

Cc: Bullick, Richard; Johnston, Timothy; Wallwin, Judith; Sterling, David; Brennan, Mike; McKibbin, Malcolm

Subject: 27-01-16 HCS-018-16 HOCS Memo to Andrew McCormick re RHI

Andrew

Please see attached from Malcolm McKibbin.

Kind Regards

Stephen

Stephen McConnell

Executive Assistant to Dr Malcolm McKibbin, Head of the Civil Service.

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