

From: [Wightman, Stuart](#)
To: [Thompson, Sandra](#)
Cc: [Partridge, Jeff](#); [Mills, John \(DETI\)](#); [Hughes, Seamus](#); [Cooper, Trevor](#)
Subject: FW: AME Forecast - Chancellors Summer Budget 2015
Date: 22 May 2015 18:16:07
Attachments: [AME Commissioning Letter Summer Budget 2015.docx](#)
[RHI AME Forecast - Tariff Tier in Oct 2015.xlsx](#)
[RHI AME Forecast - Close Non-Domestic Scheme Oct 2015.xlsx](#)
[Energy - AME Allocations - 2015-21.XLSX](#)

Sandra

As discussed, I have updated the attached AME Profile with our latest RHI forecast which incorporates the introduction of a tiered tariff (for new applications) from October 2015. This means that new installations from October will only receive the higher 6.3p tariff for their first 1314 hours before dropping down to a 1.5p tariff for remaining hours. I've included an explanation under the table.

The basis for this forecast (including assumptions, etc) is set out in the second spreadsheet. I have also attached a further spreadsheet providing an RHI AME forecast if the Non-domestic Scheme is closed on 30 September 2015. This doesn't really affect the position too much this year or next. In fact, it actually increases the 15/16 expenditure slightly as we've allowed for an increase in application numbers as people try to beat the deadline for closure. Closing the scheme does however generate significant savings from 17/18 onwards.

If you're content, please forward onto Jeff on Tuesday.

Thanks, Stuart.

Stuart Wightman

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From: Donaldson, Linda (DETI)
Sent: 19 May 2015 16:07
To: Thompson, Sandra
Cc: Dolaghan, Paul; Neth_Energy; Partridge, Jeff; Crockford, Francis
Subject: AME Forecast - Chancellors Summer Budget 2015

Dear All,

Please see attached request from DFP in relation to OBR's flash AME Forecast.

Could you please review and amend the attached AME budgets at Annex 1, providing explanations for any changes. Nil returns are also required.

Grateful if you could send your returns to financebranch@detini.gov.uk by close of play on Thursday 21 May.

Regards

Linda

**FROM: AGNES LENNON
CENTRAL EXPENDITURE DIVISION**

TO: GRADE 7s IN FINANCE BRANCHES

DATE: 19 May 2015

Issue: To commission AME forecast for Chancellor's Summer Budget 2015.

Timescale: To DFP by Noon 26 May 2015.

1. CED is required to provide details of AME forecasts on behalf of the Northern Ireland Executive to the Office for Budget Responsibility (OBR). Usually these are twice yearly. However the Chancellor has announced a Summer Budget on 8 July:
<https://www.gov.uk/government/news/chancellor-announces-summer-budget-date> and OBR have commissioned a flash AME Forecast.
2. This note sets out the requirement for departmental input into the Summer Budget 2015 exercise. To be clear, this is not a full re-run of the forecast, with every assumption being tested again, but for any large changes that you are currently aware of to be flagged and sent to us in the form of an updated return, within this short timeframe.
3. Please find attached a copy of your last Department's template return for the AME Budget 2015 forecast. Due to the nature of this forecast it is not critical if some Department's AME lines have been omitted due to timing differences. Any critical changes for omitted lines should be included in the body of your e-mail return. You are asked to highlight in yellow any forecasting changes / amendments.
4. **Forecasting Requirement**
 - a) Provisional Outturn 2014-15.
The 2014-15 year on your template is for information only and does not require updating. CED will update 2014-15 using your Department's latest 2014-15 Provisional Outturn data supplied.
 - b) Current year 2015-16
The 2015-16 year again is for your information only and does not require updating. CED will update 2015-16 using your Department's latest April 2015-16 Forecast Outturn return.

- c) Future years 2016-17 to 2020-21
Non Pension Templates should only be updated to account for material changes from 2016-17 to 2020-21. Material change is regarded as +/-£1m per year by AME Programme Type, (AME Programme type is listed and summarised at the bottom of each template i.e. Depreciation, Impairment etc).
- d) DSD Benefit lines
Material change is regarded as +/-£50m per year across all benefit lines. DWP have had prior notice of this exercise and should provide revised forecast figures for 22 May 2015 enabling your Department to achieve the same departmental deadline of noon 26 May 2015.
- e) Pension Scheme contacts (DoJ, DHSSPS, DE and DFP)
OBR will adjust centrally for new CPI assumptions. Pension return templates supplied separately should only be updated to account for material changes per year from 2016-17 to 2020-21. Material change for lines on the Pension template is regarded as +/- £12m total per year across all pension lines.
- f) Please do not attempt to change the template or recreate it in any way. The template includes hidden formula to assist CED with the collation of all Departments' returns. If you have any difficulty with completing the template, please contact Mark Cuthbertson on ext 68084 or Mark Millican on ext 68129.
- g) Release of provisions will continue to be treated as an in year issue, therefore the relevant lines have been removed from the templates.

Explanation of changes since the last Budget Forecast

- h) As OBR have responsibility for public expenditure forecasts, they undertake significant scrutiny of the inputs that they receive. It is critical that your assumptions, methodology and forecasts stand up to this scrutiny. OBR regard the reasons for adjustments to be as important as the adjustment itself and it is important that they understand your assumptions, methodology and profile. We must, therefore, emphasise the importance of ensuring that all information provided is accurate and quality assured within the limited timeframe available at a senior level as we may be asked to fully explain and defend the forecasts to OBR.
- i) Departments are therefore asked to provide robust explanations of **any** material changes to their revised forecasts.
- j) If this request for information causes any difficulties for Departments please contact CED Mark Cuthbertson on Ext 68084 or Mark Millican on Ext 68129 immediately to discuss.

Keying information to RBM Database

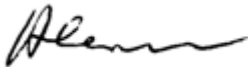
- k) Due to the short notice and timeframe of this exercise a spreadsheet return is only required at this stage.

Summary of Requirements for AME Forecast

You are now asked to:-

- a. **Complete the AME Forecast Template / Templates;**
- b. **Provide robust explanations for any material changes to the forecast in Annex A; and**

Return to Mark Millican and your Supply team by **noon Tuesday 26 May 2015; any sooner would be greatly appreciated.**



AGNES LENNON

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Joanne McBurney
CED Grade 7s & DPs
Supply Division
Department DPs
Mark Millican
Mark Cuthbertson

**Annex A – Explanations of Material Changes since your AME Budget 2015
Return**

(K) RHI AME Forecast - Tariff Tier in Oct 2015 is saved as a separate Excel document

(K) RHI AME Forecast - Close Non-Domestic Scheme Oct 2015 is saved as a separate Excel document

(K) Energy - AME Allocations - 2015-21 is saved as a separate Excel document