

**From:** [Linton, Rachel](#)  
**To:** [Sinton, Dan](#); [McCay, Davina](#); [Hughes, Seamus](#)  
**Cc:** [Wightman, Stuart](#); [McFarlane, Iain](#); [Hutchinson, Lee-Anne](#)  
**Subject:** FW: DOMESTIC RENEWABLE HEAT INCENTIVE  
**Date:** 15 September 2014 14:29:23  
**Attachments:** [Supply - DETI - Domestic Renewable Heat Incentive \(RHI\) Phase 11 - DFP Approval - issued to Dept.tr5](#)  
[Supply - DETI - Domestic Renewable Heat Incentive \(RHI\) Phase 11 - DFP Approval - issued to Dept.DOCX](#)

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Dear All,

Please see attached DFP Approval for the RHI case.

Grateful if you could confirm that you are content with the conditions attached to the approval.

Please note you should now prepare your submission to the Minister seeking her approval.

Regards,

Rachel

## **Rachel Linton**

Accountability & Casework  
Department of Enterprise, Trade & Investment  
Netherleigh  
Massey Avenue  
Belfast, BT4 2JP  
Tel: 028 9052 9893 (ext: 29893)  
TextRelay: 18001 028 9052 9893  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)

## **Please consider the environment - do you really need to print this e-mail?**

**From:** Benton, Sarah  
**Sent:** 15 September 2014 13:37  
**To:** McFarlane, Iain  
**Cc:** Cooper, Trevor; Houston, Michael; Phillips, David; Scott, Michelle; Millar, Angela (DFP); Linton, Rachel  
**Subject:** DOMESTIC RENEWABLE HEAT INCENTIVE

Sarah Benton  
PSD Supply  
Room S18  
Rathgael House  
Tel 02891 858217 (68217)

“Supply - DETI - Domestic Renewable Heat Incentive (RHI) Phase 11 - DFP Approval- issued to Dept” is not included since the Department for the Economy does not have access to the container which is owned by the Department of Finance. It is highly likely the contents of the TRIM link are identical to the word document entitled “Supply - DETI - Domestic Renewable Heat Incentive (RHI) Phase 11 - DFP Approval- issued to Dept” which is annexed to this email

**Public Spending Directorate  
Supply**

Rathgael House,  
Balloo Road  
BANGOR, BT19 7NA

Tel No: 028 91 858217  
email: sarah.benton@dfpni.gov.uk



**Iain McFarlane  
DETI  
Netherleigh  
Massey Avenue  
BELFAST  
BT4 2JP**

**15th September 2014**

**DOMESTIC RENEWABLE HEAT INCENTIVE (RHI) PROJECT – PHASE 2**

Thank you for the clarification on the NPV figures that you recently provided in support of this proposal. The provision of these figures has assisted with the comparison of the options included in the Business Case. The department should ensure that in future the calculations behind NPV costs are included with all appraisals.

Having considered the additional information provided, I am now content that a reasonable case has been presented and I am now able to issue DFP approval for this project. The preferred option mirrors the approach taken in GB and will see the introduction of a Domestic Renewable Heat Incentive Scheme at a capital cost of £103m and a resource cost of £1.4m.

DFP approval for the proposal is granted on the following basis:

- that the project is commenced within 24 months of the date of this letter; and
- that there are no substantial changes to the scope/scale of the project as described in the business case;
- that resource or capital costs or assumptions vary by no more than 10% from the value stated;

Requests for revised approval will take account of factors such as:

- Where Supply is approached on the earliest indication that compliance with one or more of the above conditions is under question.
- adherence to correct appraisal procedure.

Should the request for DFP Supply approval be declined, these factors, along with any other mitigating circumstances will be taken into account when determining the extent of any irregular spend.

It should be noted that approval for this proposal relates solely to agreement to proceed with the project. It does not imply approval for expenditure to be incurred beyond existing agreed public expenditure controls.

As recommended in my previous correspondence, DETI should consider completing a benefits realisation plan and consider updating the objectives at section 3.2 to show targets for the end of the project as well as interim targets for 2015.

DFP does not require a PPE to be submitted for this project; however suitable arrangements for PPE must still be made i.e. a PPE must be completed by March 2021.

Thank you for your help.

**Sarah Benton**

**cc Trevor Cooper  
Michael Houston  
David Phillips  
Michelle Scott  
Angela Millar  
Rachel Linton**