

From: [Partridge, Jeff](#)
To: [Cooper, Trevor](#)
Cc: [Brankin, Bernie](#); [Conliffe, David](#)
Subject: RE: Six Monthly Assurance Statement - Policy Branch
Date: 29 May 2015 16:54:12

Trevor,

2014-15 Budget and Profiles:

- Energy Branch was originally allocated £25m for RHI over the Budget 2011-15 period, split £2m/£4m/£7m/£12m.
- Energy Branch has profiled underspending for 2011-15 in every profiling exercise carried out during the 2011-15 budget period.
- The opening budget allocated for RHI in March 2014 for 2014-15 was £6.35m based on Energy Branch profiles.
- In Sept 2014 the 2014-15 profile was reduced by Energy Branch to £5.97m (of which £4.83m is Resource).
- In November 2014 the 2014-15 profile was further reduced by Energy Branch to £5.768m (of which £4.628m is Resource).
- Energy Branch declared fully spent budgets at Provisional Outturn in April 2015.
- Energy Branch now state that they have an additional accrual of £2.35m relating to 2014-15.

2015-16 Budget and Profiles:

- The first forecast for 2015-16 was in September 2013, when Energy profiled £9.5m Resource AME.
- This profile remained unchanged at £9.5m in the December 2013 AME exercise.
- In January 2014 the DECC Minister replied to the DETI Minister indicating a DECC budget of £430m in 2015/16, which would equate to £12.8m for DETI under Barnett consequentials.
- Energy Branch increased the 2015-16 forecast in the September 2014 AME profiling exercise to £11m Resource and £1.14m Capital – still within the £12.8m assumed budget.
- Energy Branch reduced this in the December 2014 AME profiling exercise to £10.5m Resource and £1.14m Capital.
- This budget was confirmed by DFP as the opening 2015-16 position in March 2015.
- Energy Division wrote to me on 26 March 2015 expressing concerns about the RHI AME profile going forward. The email trail showed several attempts by Energy Branch to obtain clarification from DECC and HMT of the budget position going forward. This was the first indication of the extent of any budgeting problems for 2015-16.
- I had previous calls (March 2014?) from Energy Branch asking what their AME budget from DECC was going forward.
- The April Outturn & Forecast Outturn profile received from Energy Branch on 5 May 2015 indicated that they would exceed their 2015-16 budget of £10.5m by September 2015.

2016-17 and beyond:

- Since August 2013 Energy Branch has used AME profiling exercises to forecast budget requirements beyond 2015-16 (up to 2020-21).
- We have included these in all returns to DFP, which in turn have been used to inform HMT.
- No actual budgets have been allocated beyond 2015-16.

Jeff

From: Cooper, Trevor
Sent: 29 May 2015 14:39
To: Partridge, Jeff
Cc: Brankin, Bernie
Subject: FW: Six Monthly Assurance Statement - Policy Branch
Jeff

I would like finance branch to provide background on the issues here. In particular when this issue first arose and interactions.

Thks
Trevor

From: Coyne, Terence
Sent: 29 May 2015 12:50
To: Cooper, Trevor
Subject: FW: Six Monthly Assurance Statement - Policy Branch
Trevor

We are working towards production of the six monthly assurance statements paper. Chris Stewart sent his statement to Andrew McCormick this morning. His statement refers to uncertainty over future AME budgets for the Renewable Heat Incentive Scheme. I am summarising Chris's statement for the report to the Departmental Audit Committee but am copying the statement to you for information.

Regards

Terry

Terence Coyne

Accountability & Casework
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From: Hutchinson, Lee-Anne
Sent: 29 May 2015 10:00
To: Coyne, Terence
Subject: FW: Six Monthly Assurance Statement - Policy Branch
Terry

I need to update the DAC papers with the policy response.

Thanks
LA

Lee-Anne Hutchinson

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From: McIlwrath, Linda
Sent: 29 May 2015 09:54
To: McCormick, Andrew (DETI)
Cc: Hill, Janice; Hutchinson, Lee-Anne
Subject: Six Monthly Assurance Statement - Policy Branch
Andrew,

Please see attached Six Monthly Assurance Statement from Chris.

Many thanks

Linda

LINDA McILWRATH

Personal Secretary to Chris Stewart

Head of Policy Group

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