



Department
of Energy &
Climate Change

The Rt Hon Gregory Barker MP
Minister of State

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Your ref: DETI COR 595/2013

Minister Arlene Foster, MLA
Minister for Enterprise, Trade and Investment
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Dear Arlene

Thank you for your letter dated 16 December in response to mine of 29 November that included detail of the government's proposed response to the consultation on extending the non-domestic RHI scheme, and details of the budget management mechanism for the domestic RHI scheme.

I am pleased you were able to support the Government's range of proposals, which have since been formally published on 4 December.

You raised a point about the Northern Ireland budget for the RHI in 2015/16, and in particular sought clarification of whether this comes from the £430m settlement agreed for the GB RHI scheme.

The standard arrangement is that the population-based Barnett Formula is applied to all departmental settlements in Spending Reviews in the normal manner, with full details of the formula set out in the Statement of Funding Policy. Funding for the Northern Ireland RHI scheme for 2015/16 would therefore be derived from the £430m 2015/16 settlement figure agreed for the GB scheme, but not paid directly from that.

I understand that your Department should have received RHI funding directly from HMT in the 2015/16 Spending Round.

I hope this is helpful.

Yours faithfully
Gregory Barker