

McCay, Davina

From: McCay, Davina
Sent: 09 June 2014 11:22
To: Mills, John (DETI)
Cc: Sinton, Dan
Subject: Domestic RHI - in-house administration costs

Email relating to in-house
 delivery of Domestic RHI -
 highlighted line refers to
 Non-domestic admin costs.

John

We estimate that it costs in the region of £150k per annum to deliver the RHPP in-house, based on the current staffing complement. This figure also includes co-ordination branch time to process payments. It is anticipated that this would rise according to demand and the need for annual payments and could double to £300k per annum by around Year 4 as additional staffing resource is likely to be required – demand may begin to level off at this point. Additional IT systems will also be required to facilitate the annual payments and could cost in the region of £30-50k.

Ofgem costs are currently approximately £1800 per application for the non-domestic scheme. It is likely that domestic applications would be more straightforward and cost significantly less.

External administration is estimated at 600-1500 per application depending on technology.

Regards

Davina

Davina McCay

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