

**From:** [REDACTED]  
**To:** [REDACTED]  
**Subject:** FW: DfE - 7. FW: Extracts from First Day Briefs over the period May 2011 to May 2016  
**Date:** 25 July 2017 08:34:06  
**Attachments:** [image001.png](#)  
[Extracts from First Day Briefs May 2011 to May 2016.pdf](#)

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**From:** Coyne, Terence  
**Sent:** 19 April 2017 11:14  
**To:** Butler, Patrick (RHI)  
**Cc:** McCormick, Andrew (DFE); McMurray, Stephen; McAdams, Jonathan; Hudson, Kerry; Frampton, Gillian; Murray, Celine  
**Subject:** Extracts from First Day Briefs over the period May 2011 to May 2016

Paddy

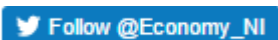
I attach documentation relating to various First Day Briefs prepared over the period May 2011 to May 2016 which refer to RHI. The extracts are taken from much larger documents covering the Department of Enterprise, Trade and its successor, the Department for the Economy. We will provide the full versions of the First Day Briefs, should the Inquiry wish to see them.

Regards

Terry

**Terence Coyne**

RHI Task Force  
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## Inputs to First Day Brief for DfE Minister, May 2016

Included below:

- (i) Extracts from Finance & Energy Briefs relating to RHI
- (ii) E-trail showing CLU request of 11 April 2016 for briefing; Energy input of 12 May 2014

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(i):

**Division/ALB:** Finance Directorate

**Subject / Issue:** 2015-16 DfE Provisional Outturn (Former DETI)

### Current Position:

Outturn will be presented on the former 12 Department basis. DETI Resource Provisional Outturn is currently forecast to be 99.7% (£0.6M) against a target of 98%. Capital Provisional Outturn is forecast to be 99.9% for Conventional Capital and 78.6% for Financial Transactions Capital, giving an overall forecast Capital outturn of 93.0%. The underspend of £2.4M in Financial Transactions Capital comprises £0.2M Science Park due to slippage in the expenditure profile, £0.7M reduced draw down against Invest NI Agri-food Loans and £1.5M Invest NI Sustainable Use of Poultry Litter financing as a planned project did not proceed in 2015-16.

The AME budget is projected to overspend by £1.2M (2.3%) against Final Plan. This comprises underspend of £3.5M against Invest NI's grants provisions partially offset by a £4.7M overspend in Renewable Heat Initiative (RHI) AME. The forecast RHI AME expenditure will be reviewed before finalising Provisional Outturn.

### Way Forward:

Business areas are still finalising their accruals and there may be some further adjustments between now and Provisional Outturn, which will be reported to DoF on 18 May 2016.

### Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):

Economy Committee

**Funding Issues:** As above.

### **Need for Primary/Subordinate Legislation:**

Primary No

Subordinate No

### **Need for Referral to the Executive Yes/No**

Provisional Outturn is likely to be considered by the Executive in May or early June

**FoI/EIR Status:** This template is fully disclosable.

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Briefing Prepared by: **Stephen McMurray**  
Alternative Contact: **Andrea Quail**

Phone: **(028) 90 257810**  
Phone: **(028) 90 257645**

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**Division:** **Energy Renewables**

**Subject:** **Renewable Heat Incentive (RHI)**

**Current Position:**

The Non-domestic RHI provides an ongoing incentive for generators of renewable heat for 20 yrs. A similar scheme applies in GB. The Domestic RHI Scheme (introduced in Dec 2014), provides households with an upfront payment followed by 7 annual tariff payments. The Strategic Energy Framework (SEF) includes a target of 10% of heat from renewable sources by 2020. Current estimates suggest around 6% renewable heat is in place.

Both RHI schemes have been very successful with some 4,700 installations supported. Almost 1000 of these applications were received in the run up to tariff changes in November 2015. This unprecedented spike in demand coupled with a 30% reduction in RHI funding arising from the November 2015 spending review and confirmation from Treasury (in Jan 2016) that future RHI expenditure would be capped at 3% of DECC's budget (despite NI non domestic applications accounting for 33% of UK total during 2015/16), means that the NI budget for new applications has been exhausted. It is estimated that £125.5m of additional funding will have to be found from within the NI Block during the next 5 years to meet existing RHI commitments, although this will be matched by £130m of HMT funding.

As a result of these pressures the former DETI Minister brought forward legislation to facilitate closure of the RHI to new applications from midnight on 29 February 2016.

**Way Forward:**

A number of reviews of the RHI schemes are ongoing including:

- (i) An internal audit review of both RHI schemes - to be completed by May 2016.
- (ii) An independent review of the non domestic RHI scheme in response to an anonymous allegation sent to the First Minister that there is widespread abuse of the RHI. A report is expected by the end of May 2016 and any required follow up action will be undertaken at that point.
- (iii) A NIAO Report on irregular RHI expenditure that resulted from a lapse in scheme approvals from April 2015 – October 2015.

The priority for the Department will be to respond to any recommendations arising from these reviews and complete a detailed evaluation of the RHI schemes to inform future policy decisions.

**Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):**

Economy Committee, DAERA, Finance, The Executive Office, Ofgem, DECC, Action Renewables, Bryson Energy, Ulster Farmers Union, Biomass Energy NI, Combined Heat and Power Association, Ground Source Heat Pump Association, NI Environment Link

**Funding Issues:**

The allocated DETI budget for 2011-2014 was £25m. A further £33m was provided in 2015/16. The RHI budget for 2016/17 – 2020/21 is £129.5m. Current RHI forecasts are that annual RHI expenditure for existing commitments could be around £51m from 2016/17 onwards, hence the £125.5m impact on the NI Block through to 2020/21.

**Need for Primary/Subordinate Legislation:**

Primary	<b>No</b>	Subordinate	<b>Yes</b>
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Subordinate legislation required for any further RHI amendments

**Need for Referral to the Executive Yes/No**

**FoI Status:** This template is fully disclosable.

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Briefing Prepared by: <b>Stuart Wightman</b>	Phone <b>(028) 90 529425</b>
Alternative Contact: <b>Seamus Hughes</b>	Phone <b>(028) 90 529532</b>

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**Division/ALB: Finance Directorate**

**Subject / Issue: Budget 2016**

**Current Position:**

The draft PfG as agreed [DN it must be before the Minister can be appointed] will set the context for the Budget process. It is anticipated that the Executive will be asked agree the Budget 2016 process very soon. This is likely to cover Resource budgets for the period 2017-18 to 2019-20 and Capital budgets for the period 2017-18 to 2020-21.

**Way Forward:**

It is expected that the Department of Finance will commission input from Departments early summer. A submission outlining the issues and providing recommendations will be forwarded separately through Private Office for your consideration with input likely to be required by DoF in August 2016.

**Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):**

None

**Funding Issues:**

The strategic issues around funding for skills in the context of the aspirations in the PfG are probably the most important and difficult strategic issue facing DfE. The financial challenges regarding the skills agenda for 2016-17 will be the lack of funds to fully prepare for the introduction of a lower rate of Corporation Tax in April 2018 and the growing gap in funding for universities compared to counterparts elsewhere in the United Kingdom. In addition, we already face inescapable Resource pressures in relation to inescapable commitments on the Renewable Heat Incentive Scheme. The profile of Capital receipts from the Presbyterian Mutual Society will have to be considered. A submission outlining the issues will be forwarded

separately through Private Office for your consideration. Other emerging pressures are likely to be identified in this budget exercise.

**Need for Primary/Subordinate Legislation:** Primary No      Subordinate No

**Need for Referral to the Executive Yes/No**

Executive approval is required for Budget 2016. DoF is in the lead.

**Need for Urgent Ministerial Decision (Yes/No).**

**FoI/EIR Status:** This template is fully disclosable

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Briefing Prepared by: <b>Stephen McMurray</b>	Phone: <b>(028) 90 257810</b>
Alternative Contact: <b>Andrea Quail</b>	Phone: <b>(028) 90 257645</b>

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**Division/ALB:**            **Finance Directorate**

**Subject / Issue:**        **June 2016 Monitoring**

**Current Position:**

June Monitoring is being conducted on a nine department basis and is due with the Department of Finance on 1 June 2016. The starting position for the June Monitoring process is the outcome of the 2016-17 Budget, which is subject to the Minister's consideration. Financial Management Branch has collated input from DfE business areas.

The current Finance Minister has indicated that the first £20.0 million of Resource DEL available in the June 2016 Monitoring Round will be recommended for the skills agenda within DfE. This allocation cannot be ratified until the new incoming Executive considers the June Monitoring proposals from the Finance Minister; however, the current Finance Minister has noted that it is his intention that this £20.0 million, once agreed by the Executive, will be baselined for future years.

2015/16 saw severe cuts in FE colleges – a £12m (6%) permanent budget reduction (out of £200m budget). The impacts were serious with circa 20k fewer funded part-time enrolments and 500 (12%) staff leaving (out of 4,000) on the Voluntary Exit Scheme. Minister would need to be aware of these recent cuts and their impacts, in the context of not wanting to further weaken the capacity (and viability) of colleges, particularly when colleges are expecting to play a leading role supporting the 'skills pipeline' for new Foreign and Direct Investment from lower Corporation Tax.

A bid will be submitted to DoF in the June 2016 Monitoring Round to draw down £8.0 million in relation to Further Education College End Year Flexibility. In the 2016/17 budget settlement, cuts of £8m were applied to FE colleges. For the reasons above, it had been decided that 2016/17 would be a year of stability for colleges, with a flat budget (no further cuts). The £8m EYF bid in June Monitoring will therefore be critical, to avoid a further round of cuts (and staff exits) in colleges in 2016/17.

**Way Forward:**

A submission outlining the issues and providing recommendations will be forwarded separately through Private Office for your consideration.

**Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):**

Economy Committee

**Funding Issues:**

Energy Renewables Division will have a significant pressure arising from inescapable commitments on the Renewable Heat Incentive (RHI) Scheme. Work is ongoing to firm up the quantum of this RHI Scheme forecast pressure. Invest NI is likely to have high priority pressures totalling £4million for sales activities to promote Corporation Tax devolution, R&D grant and Social Enterprise Hubs.

**Need for Primary/Subordinate Legislation:**      Primary No                      Subordinate No

**Need for Referral to the Executive Yes/No**

Executive approval is required for in-year Monitoring rounds. The Department of Finance is in the lead.

**Need for Urgent Ministerial Decision (Yes/No)**

A submission outlining the issues and providing recommendations will be forwarded separately through Private Office for the Minister's consideration.

**FoI/EIR Status:** This template is fully disclosable.

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Briefing Prepared by:	<b>Stephen McMurray</b>	Phone: <b>(028) 90 257810</b>
Alternative Contact:	<b>Bernie Brankin</b>	Phone: <b>(028) 90 529417</b>

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(ii):

**From:** Andrew McCormick [[mailto:](#) Personal information redacted by the RHI Inquiry]  
**Sent:** 25 May 2016 09:28  
**To:** Simms, John  
**Subject:** FDB

**Division/ALB: Finance Directorate**

**Subject / Issue: Budget 2016**

**Current Position:**

The draft PfG as agreed [DN it must be before the Minister can be appointed] will set the context for the Budget process. It is anticipated that the Executive will be asked agree the Budget 2016 process very soon. This is likely to cover Resource budgets for the period 2017-18 to 2019-20 and Capital budgets for the period 2017-18 to 2020-21.

**Way Forward:**

It is expected that the Department of Finance will commission input from Departments early summer. A submission outlining the issues and providing recommendations will be forwarded separately through Private Office for your consideration with input likely to be required by DoF in August 2016.

**Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):**

None

**Funding Issues:**

The strategic issues around funding for skills in the context of the aspirations in the PfG are probably the most important and difficult strategic issue facing DfE. The financial challenges regarding the skills agenda for 2016-17 will be the lack of funds to fully prepare for the introduction of a lower rate of Corporation Tax in April 2018 and the growing gap in funding for universities compared to counterparts elsewhere in the United Kingdom. In addition, we already face inescapable Resource pressures in relation to inescapable commitments on the Renewable Heat Incentive Scheme. The profile of Capital receipts from the Presbyterian Mutual Society will have to be considered. A submission outlining the issues will be forwarded separately through Private Office for your consideration. Other emerging pressures are likely to be identified in this budget exercise.

**Need for Primary/Subordinate Legislation:** Primary No Subordinate No

**Need for Referral to the Executive Yes/No**

Executive approval is required for Budget 2016. DoF is in the lead.

**Need for Urgent Ministerial Decision (Yes/No).**

**FoI/EIR Status:** This template is fully disclosable.

**From:** Dolaghan, Paul  
**Sent:** 24 May 2016 14:16  
**To:** Garrett, Fiona  
**Cc:** Ingram, June; Clydesdale, Alison; Simms, John  
**Subject:** **\*\* URGENT\*\*** FIRST DAY BRIEF - Request for further information  
**Importance:** High

Fiona,

Please see attached additional FDB as per request below.

**Division:** Energy-Renewables & Energy, Telecoms Minerals & Petroleum.

**Subject / Issue:** Future Strategy for Renewable Energy

**Current Position:**

Current incentivisation scheme for renewable electricity (the Northern Ireland Renewables Obligation (NIRO)) is set to close by 2017. The current incentivisation scheme for renewable heat has closed. Options need to be considered for future government intervention. The future of renewable energy will be considered in the context of the review and refocusing of the Strategic Energy Framework (SEF).

A submission outlining the issues will be forwarded separately through Private Office.

**Way Forward:**

Get Ministerial agreement on the public consultation of SEF and then issue consultation. A Refocused Energy Strategy should then be published covering the 2016-2020 timeframe. Once this has been done work will begin on a new longer term (currently 2020-30 timeframe)

**Key Stakeholders Other Than DfE (e.g. other Depts, Economy Committee etc):**

Utility Regulator, Consumer Council, NIE, SONI, industry and business groups, renewable energy developers.

**Funding Issues:**

Funding of renewable energy issues will incur administration costs and will impact on consumer bills. Alternative funding streams may need to be considered.

**Need for Primary/Subordinate Legislation:**

Primary Yes

Subordinate Yes

A new renewable support scheme would require both.

**Need for Referral to the Executive Yes/No (Approx Timing)**

Yes, if there is an associated increase in consumer bills. Autumn 2016.

**Need for Urgent Ministerial Decision (Yes/No) (if Yes, briefly describe the nature of decision)**



Yes – Ministerial decision needed in relation to policy direction on renewable energy.

**FoI/EIR Status:** This template is fully disclosable.

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Briefing Prepared by: **Alison Clydesdale** Contact Phone No: **(028) 90529248**  
Alternative Contact: **Trevor McBriar** Contact Phone No: **(028) 905 29515**

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Thanks

Paul

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**From:** Garrett, Fiona  
**Sent:** 23 May 2016 16:23  
**To:** Dolaghan, Paul  
**Subject:** \*\* URGENT\*\* FIRST DAY BRIEF - Request for further information  
**Importance:** High

Paul

Andrew McCormick has requested the following further briefing for the First Day Brief:

· Please provide briefing on Future Strategy for Renewable Energy on the attached template.

[All responses are due in with CLU by noon Monday 23 May 2016 – sorry for the tight deadline](#)

**Fiona Garrett**

**From:** Gilmore, Gemma **On Behalf Of** CLU Mailbox (DETI)  
**Sent:** 11 April 2016 15:28  
**To:** Cooper, Trevor; McMurray, Stephen; Jack, Colin; McCann, Brendan; McFarlane, Iain; Woods, Michael (DETI); Connolly, Jackie; Clydesdale, Alison; Wightman, Stuart; Ingram, June; Kerr, Jackie; Monds, Richard; Johnston, Wendy; Harrison, Beverley; Russell, Jim; Croskery, Yvonne; Gould, Michael; Thompson, Mike; Brush, Paul; McLean, Diarmuid; McIvor, Mary; Donnelly, Stephen; Murphy, Shane; Clulow, Bobby; Cole, Andy  
**Cc:** McCormick, Andrew (DETI); Cousins, Heather; Stewart, Chris (DETI); Rooney, Eugene; Baker, Derek; Hill, Janice; McIlwrath, Linda; Johnston, Iris; Mitchell, Anne; McClure, Margaret; Thompson, Claire; Devine, Tim; Brady, Conor (DEL); Miskelly, Lynne; Shaw, Judith; Cromie, Philip; Mannion, Kieran; Kerr, Sian; Murtagh, Ronan; Brankin, Bernie; Conliffe, David; Woods, Colin (DEL); Hamilton, Maeve; McKenna, Kelly; White, Fiona; Stevenson, Bill; Vaughan, Helen; Gray, Orla; Dolaghan, Paul; Smith, Alan; Crossin, Nuala; Frazer, Fred; Scott, Alan; McKeown, John (DEL); Brown, Keith; Ferguson, Harriet; Cunningham, Dennis; Livingstone, David (DETI); McClean, Eddie; Henderson, Audrey; Gaughran, Aine; Cunningham, Patrick (DETI); McCreary, Paula; Morgan, Lisa; Hetherington, Carol; Simms, John; Cole, Andy; Camplisson, Michael; Murray, Niall; Andrews, Christopher; McGuigan, John (DEL); McKenna, Margaret (del); Athanasiou, Clement; Boyd, Martin (DEL); Sampson, George; Rodgers, Philip; Davis, Robbie; Muldrew, Rory; McCamley, Kathryn; Fleming, Lorraine; Bell, Michelle (DEL); Quail, Andrea; Bryans, Paul; O'Hara, Frances; Langtry, Mervyn; Forster, Keith; McGarrity, Ciaran; McKeown, Bernard (DETI); Pauley, Alberta; Hunter-Hill, Wendy; Noble, John; Byrne, Thomas; McClelland, Alan; Lecky, Wendy; Moore, Stephen (DETI)  
**Subject:** First Day Brief - New DfE Minister  
**Importance:** High

All

Please see attached request for inputs to First Day Brief for the new DfE Minister. This request is issuing on behalf of John Simms.



First Day Brief - May  
2016 - Commissioning

I have issued directly to those G7s for whom I have no named G6 / G5.

Returns are due back to [clmailbox@detini.gov.uk](mailto:clmailbox@detini.gov.uk) by **cop Friday 22 April 2016**.

Thank you,

Gemma