

**Central Finance Group  
Supply 1**

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**Mr Iain McFarlane –(by e-mail)  
Accountability & Casework Branch  
Department of Enterprise Trade and Investment  
Netherleigh  
Massey Avenue  
Belfast,  
BT4 2JP**

**30 November 2012**

**Dear Iain,**

**Engagement of Consultants to Undertake Phase II of Renewable Heat Incentive**

Your request of 23 November 2012 seeks DFP approval in relation to the engagement of external consultants to undertake an assessment of a range of issues relating to a second phase of the Northern Ireland Renewable Heat Incentive (RHI). The estimated cost of this phase is £120,000.

Having considered the proposal including the additional information provided in your email of 23 November, I am content to convey DFP approval as requested.

In considering this letter, it should be further noted that DFP Supply approval is granted subject to the strict adherence to the following three conditions:

- that the project is commenced within 24 months of the date of this letter;
- 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 the irregular spends.

*Further requirements in relation to this project include*

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 31 August 2015. DFP will require an assurance that this PPE has been completed and may ask to see it at a later date for the purposes of quality assurance.

It should be noted that this approval 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.

Yours sincerely,

*S. Sands*

SYLVIA SANDS

cc Francine Manikpure  
Gerry McAvera  
Stuart Stevenson