

From: [Millican, Mark](#)
To: [Benton, Sarah](#)
Subject: FW: RHI Budget - Northern Ireland
Date: 02 June 2015 10:36:46

Sarah,

As discussed see advice from Pamela.

Mark

From: Galloway, Pamela
Sent: 01 June 2015 16:10
To: Millican, Mark
Cc: Weir, Karen; Barrett, Stephen
Subject: RE: RHI Budget - Northern Ireland

Mark

The short answer is that spend should be reported against the correct lines if correctly incurred and if that means that against plans that shows an overspend then so be it – an explanation should be provided. Underspend against a different programme or type of spend cannot be used to offset this overspend. If this is voted expenditure is there also then the question of excess vote?

In terms of the profiled spend against the scheme this is still well below the profile established in the SR 2010 and I note from the most recent AME forecast that spend is profiled against this scheme against all years going forward. In doing this has DETI consulted with DECC or HMT on the funds available? In light of the spend profile for the SR 2010 period being different to that forecast have DETI consulted with DECC or HMT? Or in terms of both these questions have DETI been providing all data independently?

The special circumstances noted in the email below relates to risk of overspend against SR profile and the repayment of that in future years with a proportion of savings from DEL – and in this case DETI are not reporting spend in excess of SR 2010 profile.

Talk to me when you have got your head around this

Pamela

Pamela Galloway
Central Expenditure Division
Room S23 New Building
Rathgael House
Bangor

Tel: 028 91858010

Internal: 68010

email: pamela.galloway@dfpni.gov.uk

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From: Millican, Mark
Sent: 29 May 2015 10:51
To: Galloway, Pamela
Cc: Cuthbertson, Mark; Kennedy, Claire; McMillan, Kirsty
Subject: FW: RHI Budget - Northern Ireland
Importance: High

Pamela,

See the record lines below DETI have suggest to fix the over spend this allowable?

Thanks

Mark

From: Benton, Sarah
Sent: 29 May 2015 10:49
To: Millican, Mark
Subject: FW: RHI Budget - Northern Ireland
Importance: High

From: Partridge, Jeff
Sent: 29 May 2015 10:42
To: Benton, Sarah
Subject: FW: RHI Budget - Northern Ireland
Importance: High

Sarah,

The RHI AME overspend of £2.3M would be against record number 300829.

There in under spend of £7.2M against several Invest NI AME records. Record 300851
Revaluation of Assets has underspend of £2.9M. Alternatively, we could use 300881 or 300772.

Regards,

Jeff

From: Partridge, Jeff
Sent: 29 May 2015 10:26
To: Benton, Sarah
Subject: FW: RHI Budget - Northern Ireland
Importance: High

Sarah,

As discussed, please see email below from HMT setting out that the RHI AME differs from standard AME.

We released RHI AME in 2014-15 profiling exercises due to slow uptake on the NI RHI scheme. However, due to a rapid increase in uptake in the last quarter (mainly due to poultry farmers buying into the scheme), DETI Energy Branch now calculate that they should accrue a further £2.3M into 2014-15 in excess of the final AME budgeted position.

We have underspending in standard AME in 2014-15. Can we offset the RHI overspend with standard AME underspend?

Jeff

From: Parker, Jon - HMT [<mailto:Jon.Parker@hmtreasury.gsi.gov.uk>]
Sent: 15 April 2011 12:13
To: Clydesdale, Alison
Cc: Hutchinson, Peter; Garcia, Nicolas - HMT; Parkinson, Mark - HMT; Mike.brennan@dfpni.gsi.gov.uk
Subject: [RESTRICTED] RE: RHI NI

Alison,

Sorry for the delay in coming back to you. Taking your points in turn:

- i) With DECC, we have agreed that they can make commitments to spending in future years (up to 20 years) for installations that are installed within the SR period (i.e. the initial payments have to be affordable within the SR profile), and providing that the policy is set up so that payments should be basically flat over the 20 year period in real terms (i.e. no backloading to ease short-term affordability pressures). This same agreement would apply to any NI scheme.
- ii) DECC's GB RHI profile is £56m/133m/251m/424m. NI's share of this is 2.98%, so £1.7m/4.0m/7.5m/12.6m. The NI scheme would need to follow this profile as much as possible – on which further below. We will need you to feed into us forecasts of NI RHI spending for the Office of Budget Responsibility's bi-annual forecasts – this can be fed through me or Mark Parkinson (in the Devolved Countries Unit within Treasury).
- iii) This funding does have to be used for renewable heat, but if NIE decide you would like to use it for a grant scheme or some such then this would be permissible as long as the cost of NIE spending is constrained to the AME consequential.

The other key point it is necessary to let you know about is that the DECC RHI spending is not being treated as standard AME, where the Exchequer takes on all risks of overspend. Instead, there is a risk-sharing arrangement whereby should RHI spending in one year exceed the SR profile, then DECC would need to repay this in future years. They can do this through announcing changes to the SR that will bring cost savings relative to the SR profile in future years. However, a small proportion of any required future savings (still to be determined, but likely to be of the order of 5%) will have to be funded through contributions from DECC's DEL. Again, these rules would be applied in equivalent fashion to NI.

Happy to discuss any of these issues in more detail.

Jon

Jon Parker | Joint Head, Energy Branch | Energy, Environment and Agriculture

HM Treasury, 1/N2, 1 Horse Guards Road, SW1A 2HQ | 020 7270 5641

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From: Clydesdale, Alison [<mailto:Alison.Clydesdale@detini.gsi.gov.uk>]

Sent: 11 April 2011 13:00

To: Parker, Jon - HMT

Cc: Hutchinson, Peter

Subject: RHI NI

Jon

We spoke briefly the other day about the £25m allocation to NI for an RHI.

Can I ask you to clarify for me :-

- (i) The position with the commitment to 20 year payments within NI.
- (ii) The process for advising on the spending profile of the £25m AME that we have been allocated.
- (iii) If the £25m can solely be used for an RHI - or we can use it to incentivise in a different way e.g grant ?

Happy to discuss.

Alison

Alison Clydesdale

Sustainable Energy

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9248 (ext: 29248)

Mob: 

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RHI Inquiry

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Web: www.detini.gov.uk

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From: [Millican, Mark](#)
To: [Galloway, Pamela](#)
Cc: [McMillan, Kirsty](#); [Cuthbertson, Mark](#); [Kennedy, Claire](#)
Subject: FW: RHI Budget - Northern Ireland
Date: 29 May 2015 10:43:01
Importance: High

Pamela,

Some help with this one please?

Mark

From: Benton, Sarah
Sent: 29 May 2015 10:40
To: Millican, Mark
Cc: Millar, Angela (DFP)
Subject: FW: RHI Budget - Northern Ireland
Importance: High

Hi Mark

As discussed, please see below from DETI. I have asked them to send me the relevant record lines and I will forward these to you when I get them.

Thanks

Sarah
68217

From: Partridge, Jeff
Sent: 29 May 2015 10:26
To: Benton, Sarah
Subject: FW: RHI Budget - Northern Ireland
Importance: High

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Cc: Hutchinson, Peter; Garcia, Nicolas - HMT; Parkinson, Mark - HMT;
Mike.brennan@dfpni.gsi.gov.uk
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From: [Millican, Mark](#)
To: [Galloway, Pamela](#)
Subject: RE: RHI Budget - Northern Ireland
Date: 29 May 2015 10:55:04

Pamela,

Ok, thanks

Mark

From: Galloway, Pamela
Sent: 29 May 2015 10:54
To: Millican, Mark
Cc: Cuthbertson, Mark; Kennedy, Claire; McMillan, Kirsty
Subject: RE: RHI Budget - Northern Ireland

Mark

As this is an AME programme for which Barnett share was received across the SR period years on this scheme we need to look at spend across the SR period. Can you get me outturn from 2010-11 on this and compare that to the Barnett share. We can then look at the bigger picture.

Thanks

Pamela

Pamela Galloway
Central Expenditure Division
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