

ASSEMBLY WRITTEN QUESTION

AQW 8780/16-21

Date for Answer:

22 December 2016

GIVEN CURRENT FINANCIAL
I SUGGEST WE NEED
A REVISION WHICH IS
BRIEFER, POINTS OUT
WHAT WE ARE DOING
& FOLLOWS ON GRADING
OF SITUATION
MOED

Máirtín Ó Muilleoir MLA, Minister
Clare House, 303 Airport Road West,
Belfast BT3 9ED

Mr Philip Smith MLA
Northern Ireland Assembly
Parliament Buildings
Stormont

December 2016

AQW 8780/16-21

Mr Smith has asked:

To ask the Minister of Finance to detail the projected impact on the Northern Ireland Budget of the Renewable Heat Incentive scheme, for each of the next 20 years.

ANSWER

I understand that the Department for the Economy has projected a funding deficit of circa £30 million for the Renewable Heat Incentive scheme in this financial year.

The Minister for the Economy would be best placed to advise on the future cost of the Renewable Heat Incentive scheme.

Máirtín Ó Muilleoir MLA

Background

1. The Department for the Economy (DfE) registered an inescapable RHI pressure of £20m as part of the 2016-17 June Monitoring exercise.
2. No allocation was made to DfE for RHI, reflecting the Executive's position that every effort should be made to reduce this pressure.
3. As part of October Monitoring, DfE reallocated £5.6 million of departmental funds towards the RHI pressure.
4. Taking account of the £20 million set aside for RHI, the Executive concluded the October Monitoring round with an overcommitment on Resource DEL of £27.4 million. It is anticipated the Executive will revisit the RHI pressure in the January Monitoring round.
5. The table below sets out the AME funding which is available to DfE for the RHI scheme. Any expenditure above this profile must be funded from the Executive's DEL budget.

	2016-17	2017-18	2018-19	2019-20
RHI AME Allocation	£18.3m	£22.3m	£25.7m	£28.9m

6. It will be for the Department for the Economy, through the ongoing budget exercise, to advise the Executive on the future funding requirements of the Renewable Heat Incentive. The funding requirement will be determined by the ongoing work to explore options for reducing the financial impact of the scheme.

Drafted by: Michelle Scott 14 December 2016 x68089

Cleared by Head of Division: Emer Morelli 14 December 2016 x68128

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ANSWER

I understand that the Department for the Economy has projected a funding deficit of circa £30 million for the Renewable Heat Incentive scheme in this financial year.

This represents a significant call on our public finances and reducing the financial cost of the scheme for future years is the Executive's number one priority. It is the responsibility of the Economy Minister to bring forward a plan to address the budgetary implications of the Renewable Heat Incentive scheme. As Finance Minister I will work, on behalf of the Executive, to ensure that this plan is robust and protects public finances.

Máirtín Ó Muilleoir MLA

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