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FROM: JOANNE MCBURNEY *cc: Copy distribution list below*

DATE: 09 NOVEMBER 2016

TO: MÁIRTÍN Ó MUILLEOIR, MLA

COR 1259/2016 - RENEWABLE HEAT INCENTIVE – PART INPUT

Issue: Anne Donaghy, Clerk & Chief Executive of Mid & East Antrim has written in relation to the Renewable Heat Incentive Scheme. The Department for the Economy has agreed to respond to Ms Donaghy with part-input from the Department of Finance.

Timing: Routine.

Need for referral to the Executive: Not applicable.

Presentational Issues: None.

Freedom of Information: In the event of a request for disclosure of information contained in this submission under the FOI Act, the request would be considered in the context of the relevant provisions of the legislation including any relevant exemptions that may be applicable.

Financial Implications: None arising from this correspondence. However £20 million has been set aside by the Executive in 2016-17 for RHI and it is expected there will be a recurring budgetary pressure.

Legislation Implications: Not Applicable.

North/South Implications: Not Applicable.

Statutory Equality Obligations: No implications.

Recommendations: That you note this background brief and:

- (a) **Agree to issue part-input to the Department for the Economy (Annex B).**

Background

1. The Clerk & Chief Executive of Mid & East Antrim Borough Council, Anne Donaghy has written to you in relation to the Renewable Heat Incentive Scheme. A copy of Ms Donaghy's letter is attached at **Annex A**.
2. Responsibility for the Renewable Heat Incentive Scheme rests with the Department for the Economy and as such they have agreed to respond to Ms Donaghy with input from the Department of Finance in relation to the impact of RHI on Public Expenditure.
3. Ms Donaghy asks for "*an update on the adverse impact RHI will have on the Mid and East Antrim Borough and what the loss of £20 million will have on public services, to this area over the next 20 years*".

Advice

4. The Executive has agreed to hold £20 million Resource DEL centrally in the 2016-17 year for pressures relating to the Renewable Heat Incentive Scheme and will revisit this issue in the January Monitoring Round. The actual RHI pressure in this year is expected to exceed £30 million, however the Department for the Economy has proactively managed £6 million through the October Monitoring round process.
5. Unless corrective action is taken it is envisaged there will be an annual budgetary pressure for the Executive over the life of the RHI scheme.
6. It is not possible to link the impact of RHI on the Executive's budget to specific public services or regions. Part-input to the Department for the Economy response reflects this and is attached at **Annex B**.

Recommendation

7. That you note this background brief and agree to issue part-input to the Department for the Economy (**Annex B**).

A handwritten signature in dark ink, reading "Joanne McBurney". The signature is written in a cursive style with a large initial 'J' and 'M'.

JOANNE McBURNEY

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