

Scott, Michelle

From: Scott, Michelle
Sent: 19 January 2017 15:59
To: Morelli, Emer
Cc: Millar, Angela (DoF)
Subject: RE: RHI PQs - deadline 12.30pm Thursday

Emer

This isn't entirely consistent with the October engagement when HMT told us to forecast AME for all installations in 2015-16 but then assume scheme closure at year end.

The response is also silent on the 2015-16 position.

Michelle

From: Morelli, Emer
Sent: 19 January 2017 15:54
To: Scott, Michelle
Subject: FW: RHI PQs - deadline 12.30pm Thursday

Michelle

For info.
 Many thanks

Emer

From: Brennan, Mike [<mailto:Mike.Brennan@finance-ni.qsi.gov.uk>]
Sent: 19 January 2017 10:51
To: Donaghy, Jon - HMT; Morelli, Emer
Cc: Kessler, Jack - HMT; Jarrett, Keith - HMT; McBurney, Joanne
Subject: RE: RHI PQs - deadline 12.30pm Thursday

Jon

OK with first para but not second. See suggested amends below:

2. The relevant Northern Ireland department has now acknowledged flaws in the design of the Northern Ireland schemes, and has also acknowledged that the implications of overspending against the Treasury-determined AME budget were understood before the Northern Ireland schemes were set up and reinforced when budgets were set for the current Spending Review period. These implications are consistent with the general principles set out regarding AME budgets in successive versions of the Treasury's *Statement of Funding Policy*.

From: Donaghy, Jon - HMT [<mailto:Jon.Donaghy@hmttreasury.qsi.gov.uk>]
Sent: 19 January 2017 10:29
To: Brennan, Mike; McBurney, Joanne; Morelli, Emer
Cc: Kessler, Jack - HMT; Jarrett, Keith - HMT
Subject: RE: RHI PQs - deadline 12.30pm Thursday

Thought I should give you sight of a couple of paras we are going to include in a response to a Margaret Ritchie letter to the Chancellor – she’s asked some specific questions about records of meetings between HMT and NI departments. Can you let me know if this causes any concerns:

1. **Accountability in relation to the implications of devolved policy matters is also a matter for the devolved institutions. The Treasury did not have a role in ‘warning’ the Executive of risks of overspend on these schemes, which were within its devolved remit. No records exist of formal meetings between Treasury officials and officials in the Northern Ireland Executive about the Executive’s handling of the RHI schemes. Treasury officials briefly discussed the emerging issues in the Northern Ireland RHI schemes with their counterparts in the Northern Ireland Department of Finance in late 2015 in the course of regular discussions on matters of mutual interest. In relation to the RHI schemes, those conversations simply confirmed the existing position - that overspends against the allocated AME budgets would generally need to be met from the Northern Ireland Executive’s block grant or the other resources available to it.**
2. **The relevant Northern Ireland departments have acknowledged flaws in the design of the Northern Ireland schemes, and have also acknowledged that the implications of overspending against the Treasury-determined AME budget were understood before the Northern Ireland schemes were set up and reinforced when budgets were set for the current Spending Review period. These implications are consistent with the general principles set out regarding AME budgets in successive versions of the Treasury’s *Statement of Funding Policy*.**

Jon Donaghy | Head of Devolved Spending | Devolution | Public Services Group
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From: Brennan, Mike [<mailto:Mike.Brennan@finance-ni.gsi.gov.uk>]
Sent: 19 January 2017 09:43
To: Donaghy, Jon - HMT <Jon.Donaghy@hmtreasury.gsi.gov.uk>; McBurney, Joanne <Joanne.McBurney@finance-ni.gsi.gov.uk>; Morelli, Emer <Emer.Morelli@dfpni.gsi.gov.uk>
Cc: Kessler, Jack - HMT <Jack.Kessler@HMTreasury.gsi.gov.uk>; Jarrett, Keith - HMT <Keith.Jarrett@hmtreasury.gsi.gov.uk>
Subject: RE: RHI PQs - deadline 12.30pm Thursday

Jon – some suggested input highlighted below:

M

A: All spending on the Northern Ireland Renewable Heat Incentive is ‘devolved spending’ in respect of the Northern Ireland Executive’s devolved responsibilities, regardless of whether the supporting budget is the AME budget set by the Treasury or additional funding provided from the Executive’s block grant.

The Minister for the Economy has indicated his intention to put in place a comprehensive inspection process to ensure that funds are dispensed to legitimate users only.

To ask Mr Chancellor of the Exchequer, whether AME funding for the Northern Ireland non-domestic Renewable Heat Incentive continued on an interrupted basis from 1 April 2015 to 30 September 2015.

[Any idea what this is asking about? As far as I am concerned we will just answer that the disbursement of funding associated with the RHI to recipients is a matter for the NI Executive – DN Dont understand the question either]

From: Donaghy, Jon - HMT [<mailto:Jon.Donaghy@hmttreasury.gsi.gov.uk>]
Sent: 18 January 2017 14:01
To: Brennan, Mike; McBurney, Joanne
Cc: Kessler, Jack - HMT; Jarrett, Keith - HMT
Subject: FW: RHI PQs - deadline 12.30pm Thursday

Mike, Joanne

Grateful for help with the following PQs (which we have to answer tomorrow). They are all from Mark Durkan and seem to be picking up on specific points raised in the NIAO report. I have some quick drafting suggestions but some specific things I would appreciate input on.

To ask Mr Chancellor of the Exchequer, whether (a) his Department and (b) the National Audit Office were notified that the Northern Ireland Department for Finance and Personnel had declined to give retrospective approval for spending on the non-domestic Renewable Heat Incentive scheme from 1 April 2015 to 30 September 2015.

A: *Neither the Treasury [nor the NAO] would expect to be notified of interactions between departments of the Northern Ireland Executive in relation to internal Northern Ireland Executive spending approval processes.*

To ask Mr Chancellor of the Exchequer, whether any misuse of funds attached to the uptake of the Northern Ireland non-domestic Renewable Heating Incentive was confined to devolved spending only and did not entail use of AME funds.

A: *All spending on the Northern Ireland Renewable Heat Incentive is ‘devolved spending’ in respect of the Northern Ireland Executive’s devolved responsibilities, regardless of whether the supporting budget is the AME budget set by the Treasury or additional funding provided from the Executive’s block grant.*

[Need a line in response to ‘misuse of funds’ – I assume you have a standard line about investigations ongoing or something, and that we can’t answer directly in relation to ‘misuse of funds’ because at the moment those are allegations. Not sure whether I will need it for the answer or just background]

To ask Mr Chancellor of the Exchequer, whether AME funding for the Northern Ireland non-domestic Renewable Heat Incentive continued on an interrupted basis from 1 April 2015 to 30 September 2015.

[Any idea what this is asking about? As far as I am concerned we will just answer that the disbursement of funding associated with the RHI to recipients is a matter for the NI Executive]

Thanks

Jon

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