

From: Jacqui Duffin
To: [Layberry, Jack](#); [Dynes, Fiona](#)
Cc: [Jakobsen, Peter](#); [McBurney, Joanne](#); [Peover, Stephen](#); [Tweedie, Siobhan](#); [Gepp, Brian](#); [Duffin, Jacqui](#); [Pengelly, Richard](#); [Lennon, Agnes](#); [Vickers, Bruce](#); [Stevenson, Stuart](#); [Scott, Michelle](#); [Peover, Stephen](#); [Pengelly, Richard](#); [Tweedie, Siobhan](#); [Gepp, Brian](#); [Duffin, Jacqui](#); [Brennan, Mike](#); mary.lowry; [Layberry, Jack](#); [Dynes, Fiona](#)
Subject: Invitation INV/317/2010 : Arlene Foster has requested a meeting with the Minister to discuss December Monitoring and Use of Provision in relation to Asbestosis payment & mines. This has been arranged for Monday 8th November at 3.30pm - Pre-Brief at 3.1...
Date: 26 October 2010 16:47:59

DEPARTMENT OF FINANCE AND PERSONNEL

INVITATION BRIEFING REQUEST - URGENT

Reference: INV/317/2010
Invitation From: Arlene Foster
REFERRED TO: Layberry Jack

Date: 26 October 2010

Subject: Arlene Foster has requested a meeting with the Minister to discuss December Monitoring and Use of Provision in relation to Asbestosis payment & mines. This has been arranged for Monday 8th November at 3.30pm - Pre-Brief at 3.15pm in Room 128 Parliament Buildings.

BRIEFING REQUIRED

Please provide briefing to include the following: as appropriate.

Please return to Private Office by 03/11/2010

Jacqui Duffin
Private Office

Craigantlet Buildings Tel:- 29139

Copied To For Information:
CED cc list
Supply 1 cc list
Brennan Mike
Layberry Jack

From: Dynes, Fiona
To: [Private Office DFP](#)
Cc: [Peover, Stephen](#); [Pengelly, Richard](#); [Brennan, Mike](#); [Tweedie, Siobhan](#); [Harbinson, Scott](#); [Stevenson, Stuart](#); [Jakobsen, Peter](#)
Subject: TRIM DFP Document : DF1/10/381268 : Supply - DETI - INV/317/2010 - THE MINISTER IS MEETING WITH ARLENE FOSTER TO DISCUSS SEPTEMBER MONITORING AND ASBESTOSIS PRESSURE
Date: 03 November 2010 16:12:46
Attachments: [Supply - 317 2010 - THE MINISTER IS MEETING WITH ARLENE FOSTER TO DISCUSS SEPTEMBER MONITORING AND ASBESTOSIS PRESSURE.DOC](#)
[Supply - 317 2010 - THE MINISTER IS MEETING WITH ARLENE FOSTER TO DISCUSS SEPTEMBER MONITORING AND ASBESTOSIS PRESSURE.tr5](#)
[Invitation INV3172010 Arlene Foster has requested a meeting with the Minister to discuss December Monitoring and Use of Provision in relation to Asbestosis payment mines. This has been arranged for Monday 8th November at 3.30pm - Pre-Brief at 3.1....msg](#)

Please see attached correspondence from Jack Layberry re the above.

Thank you.

Fiona Dynes
PS/Jack Layberry
Head of Supply 1
Department of Finance and Personnel
Central Finance Group
Room S.16
Rathgael House
Balloo Road
BANGOR
BT19 7NA
Tel: (Internal: X 69055)(Ext: 02891277655)
email: fiona.dynes@dfpni.gov.uk

-----< TRIM Record Information >-----

Record Number : DF1/10/381268
Title : Supply - DETI - INV/317/2010 - THE MINISTER IS MEETING WITH ARLENE FOSTER TO DISCUSS SEPTEMBER MONITORING AND ASBESTOSIS PRESSURE

**Central Finance Group
Supply 1**

Rathgael House,
Balloo Road
BANGOR, BT19 7NA

Tel No: 028 91 858212
email: jack.layberry@dfpni.gov.uk



**FROM: JACK LAYBERRY
DATE: 3 NOVEMBER 2010**

Copy List Below

- 1. GRAHAM CRAIG, SPECIAL ADVISER**
- 2. SAMMY WILSON MP MLA**

INV/317/2010 – THE MINISTER IS MEETING WITH ARLENE FOSTER TO DISCUSS DECEMBER MONITORING AND ASBESTOSIS PRESSURE

Issue:	To provide briefing for the Minister's meeting with Arlene Foster to discuss December Monitoring and Asbestosis Pressure. Minister Foster may also raise the issue of funding for renewable energy.
Recommendation:	That the attached information is used to inform the Minister's meeting with Arlene Foster.
Timing:	Meeting on Monday 8th November 2010 at 3.30pm.
Need for Referral to the Executive:	None at this stage.
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 at this stage.

Legislation Implications: None.

Statutory Equality Obligations: None.

1. The Minister is meeting Arlene Foster to discuss December Monitoring and Asbestosis Pressure. The meeting has been scheduled for Monday 8 November at 3.30pm

December monitoring and asbestosis pressure

2. During the September 2010 in-year monitoring round DETI were unsuccessful with a series of bids. DETI bid for current expenditure budget cover of £4.0m in relation to the drawdown of provisions taken for Harland & Wolff's employee liability claims; and £1.6m to use provisions taken to enable remedial work on abandoned mines.
3. These pressures have arisen as a result of a technical accounting and budgeting change arising from the release of a provision. Basically, the release of such provisions has always caused a Near Cash Resource DEL pressure for departments. Prior to the changes arising from the Treasury Clear Line of Sight (CLOS) project this was accompanied with a Non Cash Resource DEL easement. Although Treasury do not permit transfers from Non Cash to Near Cash DFP were able to assist departments in the past, in some instances, if a reclassification was possible within the overall NI block context. However as a result of budgeting changes under CLOS, this flexibility no longer exists. DETI maintain they cannot meet the resulting Resource DEL pressure from within their existing budget.
4. DETI had advised DFP at official level that if these bids are not met, or at least partially met, in December monitoring then DETI would be unable to make further payments for asbestos related illness or undertake remedial work on abandoned mines. The directors of Harland & Wolff (who are civil servants in position due to DETI's ownership of the company) may also be placed in a difficult position as regards their personal responsibilities and ability to carry on as directors of the company in a situation where the ongoing support towards its liabilities may be in doubt.
5. DETI categorised these bids in September monitoring as inescapable and they were ranked as very high priority bids by DFP. Against that, in managing down the overcommitment with respect to current expenditure, the NI Executive endorsed your recommendation to make no allocations as part of the September monitoring round.
6. Over recent weeks, DFP officials have met with DETI officials to provide them with greater clarity on the technical aspects and in particular the HMT position in respect of budget treatment for provisions. DETI officials are currently working up a contingency plan to cover this funding in the events that further bids are unsuccessful.

Funding for renewable energy in NI as part of 2010 Spending Review settlement.

7. We understand that Minister Foster has now written to you on the subject of funding for renewable energy (a copy of her letter is attached at Annex B) and I understand that she may also wish to raise this at the meeting. The Minister wishes to confirm that DFP will be liaising with HMT to ensure maximum funding is secured for NI.
8. There are three specific areas of renewable energy funding that devolved administrations could potentially benefit from:-
 - HMT has advised that AME funding of £25m is available for a Northern Ireland Renewable Heat Incentive (RHI) over the spending period, should the NI Executive choose to implement one.
 - The Prime Minister has announced £60m support for offshore wind manufacturing infrastructure at ports in England. The associate press release states that through devolved settlements separate additional funding had been made available to the Devolved Administrations.
 - An additional £140m will be made available to assist wider renewable energy projects across the UK. The details of the remaining £140m of funding are not yet finalised but initial indications are that it will be UK wide and it is hoped that NI companies will benefit from UK wide schemes that are administered directly from London.

Recommendation:

9. Lines to take on both December Monitoring and Asbestosis, and Renewable Energy are attached at Annex A. It is recommended that the briefing is used to inform the Minister's meeting with Arlene Foster.



JACK LAYBERRY
Ext 68212

**cc: Stephen Peover
Richard Pengelly
Mike Brennan
Siobhan Tweedie
Scott Harbinson
Stuart Stevenson
Peter Jakobsen
DFP Press Office**

Annex A

Lines to take – December Monitoring and Asbestosis

- The key issue for September monitoring was to address the £127.8 million reduction in the funding made available to the NI Executive and the subsequent level of overcommitment.
- As I said in my September monitoring paper to the Executive, the residual overcommitment of £16.7million current expenditure would be reasonable at the end of the financial year. On that basis, I proposed that any further reduced requirements in the December and February monitoring rounds would be made available for allocation and I hope that will be the case.
- There are however some significant issues emerging from other Departments. In terms of in year monitoring, it will be for the Executive to decide how to address these issues and this will clearly affect the scope to meet other pressures.
- To be clear, the release of provisions has always resulted in a near Cash DEL pressure. Whilst in the past DFP was sometimes able to approve a reclassification to assist departments in managing this pressure, this was not always the case. Now this flexibility no longer exists due to the changes resulting from the Clear line of Sight Alignment project. While this is unfortunate, the onus has always been on departments to manage such pressures.
- Nonetheless, I am seized by the importance of the issue and I will try to be helpful.
- The position will become clearer following December monitoring and I will be supportive of any bids submitted by DETI for this purpose. However, the allocation of resources is a matter for the Executive and

not DFP, therefore I cannot guarantee that funding will be made available.

Lines to take – Renewable energy funding

- I am aware of the offer of funding for a renewable heat initiative in Northern Ireland. I think we should accept this offer and engage with HMT to ensure we feed into AME forecasts and ensure the maximum funding is secured.
- I have asked my officials to commence this engagement and this will require input from your own Department over the coming days.
- My officials will also explore with HMT the Prime Minister's comments at the launch of the National Investment Plan. We will be seeking to establish how much funding will be made available to Northern Ireland.
- DFP will also closely monitor the emerging details on how the remaining £140m support for low carbon technologies will be administered. I have asked my officials to ensure that DETI colleagues are kept informed throughout this engagement.
- However, I would remind you that Barnett consequentials remain unhypothecated, ie it is for the Executive to determine how best to deploy them. However, there will undoubtedly be a strong case made by DETI to exploit the significant potential in the renewable energy field.

From the Office of the Minister

**FROM: ARLENE FOSTER MLA
 MINISTER OF ENTERPRISE, TRADE AND INVESTMENT**

DATE: 29 OCTOBER 2010

**TO: SAMMY WILSON
 MINISTER OF FINANCE AND PERSONNEL**

**FUNDING FOR RENEWABLE ENERGY IN NORTHERN IRELAND AS
PART OF THE 2010 SPENDING REVIEW SETTLEMENT**

You will be aware that my Department, endorsed by the Executive, has set challenging targets through the Strategic Energy Framework for 40% of electricity consumption to be from renewable energy sources by 2020 and a 10% target for renewable heat in the same timeframe. Both these targets are derived from the need to comply with the Renewable Energy Directive which sets binding targets for member states in regards to renewable energy and, despite not being a member state, Northern Ireland is expected to contribute to the United Kingdom's share to meeting these targets

The ramifications of the step change that is required to meet the requirements of the Renewable Energy Directive appears to have been accepted and taken on board at UK level, with many renewable energy initiatives being recognised and funded through the 2010 Spending Review (SR) process.

I am keen that Northern Ireland will play its part in meeting its obligations under the Renewable Energy Directive and also that NI companies benefit from the injection of support available to the renewable energy sector. Hence, I am writing to you to seek clarification on the funding of a number of renewable energy matters that are emerging as part of the SR.

Renewable Heat Incentive Funding

My Department has recently carried out a major study into the renewable heat market in Northern Ireland which has demonstrated that there is significant potential for deploying and developing these technologies in Northern Ireland and that a RHI, which specifically considers the nature of the Northern Ireland market, is the most appropriate method of developing the industry here. The incentive would provide the industry with long term, stable and consistent support and allow investors and consumers to invest with confidence.

Following the conclusion of the study, I announced that DETI would pursue the development of a RHI, however this was subject to the availability of funding.

The Chief Secretary of the Treasury, Danny Alexander, has now outlined in the Northern Ireland settlement that Annually Managed Expenditure (AME) funding of £25million (£2/4/7/12 million) will be available over the spending review period for Northern Ireland to implement a Renewable Heat Incentive (RHI). The level of funding offered by the Chief Secretary is broadly in line with early estimates of how much a Northern Ireland RHI might cost, roughly £2.5m per annum per %. This share is based on a population share of the GB scheme. The method of this funding is also welcome as it will ensure that the cost of the RHI will not be borne by consumers.

HMT has asked that Northern Ireland Executive officials inform HMT officials of their intentions to feed into AME forecasts to ensure this funding is secured. I would ask therefore that this offer of funding for a RHI in Northern Ireland should be accepted and would ask your officials to liaise with HMT officials to advise that NI will feed into the AME forecasts in relation to this funding. I would be grateful if you can advise how DETI officials can feed into this process.

A RHI also presents opportunities to create green jobs, help tackle fuel poverty and reduce carbon emissions. Whilst DETI holds the policy lead on renewable heat there are many cross-cutting issues and therefore a future strategy for renewable heat will be developed in conjunction with relevant departments and require the approval of the Executive.

Without this funding, the target agreed by the Executive in relation to renewable heat will not be met

Additional funding to support off shore wind manufacturing infrastructure at port sites

The Prime Minister launched the National Investment Plan last week and announced that £200m is being made available for low carbon technologies. DECC and the Crown Estate subsequently announced that £60m of this is available to support off shore manufacturing infrastructure at port sites in England. This is primarily to meet the needs of off shore wind manufacturers looking to locate to new facilities. The statement included the following :

‘Through devolved settlements separate funding has been made available to Scotland, Wales and Northern Ireland which could support potential projects in the devolved administrations.’

It therefore appears that there has been a clear intention in Whitehall for DAs to receive funding to support this work. As this has been publicly announced there will be, understandably, an expectation from the industry here that this support will also be available in Northern Ireland.

I would ask therefore that you seek clarity from HMT on this and advise me as soon as possible how much funding can be made available for this in Northern Ireland and when and how this can be made available to off shore wind manufacturers looking to locate to new facilities in Northern Ireland.

Remaining £140 m for low carbon technologies

The details of how this support will be offered are still emerging. Latest discussions with DECC indicate that it will be some form of UK wide support, centrally administered from London, and so NI companies may have to compete across the UK for this funding.

It's unlikely that it will be for off shore wind though as this has already benefited through the £60m initiative. I would ask that DFP officials keep in touch with HMT on this issue to ensure that if any separate amounts are due through the Barnett consequential process that these are identified and all possible efforts to make this funding available for renewable energy projects in Northern Ireland is exploited.

I know that you share my ambition to meet our renewable energy targets and I am keen to ensure that the funding is in place to do this as it offers such a tremendous potential to the economy of Northern Ireland.

I am copying this letter to the office of the First Minister and Deputy First Minister, the Minister of the Environment and the Minister for Regional Development.

ARLENE FOSTER MLA**Minister of Enterprise, Trade and Investment**

NOTE FOR THE RECORD

Meeting with Arlene Foster on Monday, 8 November 2010 in Parliament Buildings [INV/317/2010]

Attendees:

Sammy Wilson MP MLA
Graham Craig
Jack Layberry
Stuart Stevenson
Peter Jakobson
Siobhan Tweedie PS

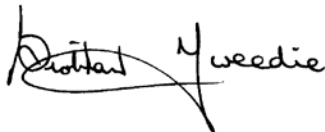
Arlene Foster MLA
Andrew Crawford
Colin Lewis
+ DETI official

Minister Foster requested the meeting to discuss September monitoring and the asbestosis pressure facing DETI.

Minister Foster advised Minister Wilson of the impact to her Department in respect of the asbestosis pressure.

Minister Wilson advised that it would be prudent for DETI to make provision if additional money is not forthcoming in the December monitoring round and went on to explain the capital reduction of 40% over the CSR period.

Jack and Stuart agreed to provide information on DETI's budget allocation.

A handwritten signature in black ink, appearing to read 'Siobhan Tweedie', with a stylized flourish at the end.

SIOBHAN TWEEDIE
Private Secretary to Sammy Wilson MP MLA