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ministerial statement or are we not? That goes to the heart of the matter.

Mr Speaker: Mr Allister, having taken the legal and procedural advice this morning, it is clear that my role is in relation to the procedures of the Assembly, not the procedures of the Executive, and that I have discharged my responsibilities under Standing Orders to recall the Assembly.

Mr Allister: Further to that point of order —

Mr Attwood: Further to that point of order —

Mr Speaker: I call the First Minister.

Mrs Foster (The First Minister): Mr Speaker, I am grateful to you for agreeing to recall the Assembly today and permitting me to make — *[Interruption.]* — a statement about my role in the renewable heat incentive (RHI) scheme. *[Interruption.]* Unlike normal practice on these occasions, which, by the way, you endorsed, I want to make it clear that the statement has not been cleared or approved by the deputy First Minister. I felt that it was important that I come before the House at the earliest opportunity. For almost two weeks there has been a barrage of media coverage on this matter, including wild claims and allegations, many of which have been based on spin rather than reality. This morning, I want to set out the actual facts to the Assembly. To repeat what I said in media interviews, I want to make it clear that, in order to get to the bottom of the entire issue, I am prepared to waive the normal convention and give evidence to the Public Accounts Committee.

The one issue on which we can all agree is that there were shocking errors and failures in the RHI scheme and a catalogue of mistakes, all of which coincided to create the perfect storm, resulting in the position in which we now find ourselves. In all of this, it is critical that lessons are learned and that the costs of the scheme are brought under control. As First Minister, I am determined that that will be done.

Today, I want to cover in some detail the establishment, operation and eventual closure of the scheme. I want to set out the policy objectives behind the scheme and the flaws in its operation. I also want to address some of the more common questions that have arisen over the past two weeks and, most importantly, to put to rest some of the myths that have grown up around the scheme. However, I want to make it clear that the statement will not set out every failing and flaw in the scheme and

process, every missed opportunity and every mistaken assumption. That work has been and will continue to be carried out by the Public Accounts Committee.

Before I move to the chronology of what occurred, I want to say a few words about ministerial accountability. By convention, Ministers are answerable to the Assembly not only for their actions and decisions but for those of civil servants in their Department, regardless of any personal responsibility for actions or omissions by officials. In practice, Ministers determine departmental policies and delegate their implementation to officials. It is the departmental accounting officer — normally the permanent secretary — who is responsible for the stewardship of resources within the Department's control.

While it may have been lost amidst the media hype, I am on record as saying that I entirely accept that I am accountable to the Assembly for the actions of the Department during my tenure as Minister. I am sorry that the initial scheme did not contain cost control measures and that there were fundamental flaws in its design. This is the deepest political regret of my time in the House. As Minister, I accept responsibility for the work of the Department during my time at the Department of Enterprise, Trade and Investment (DETI). Once again, for the avoidance of doubt, I believe that it is right and proper that I answer to the Assembly for my role in the RHI scheme, and not for one moment do I seek to shirk or avoid that responsibility. But, if we are to learn lessons from the entire experience, it is essential that we know exactly where things went wrong.

The non-domestic RHI scheme was introduced in November 2012. It supports the UK objective of contributing to the EU-wide target that, by 2020, 20% of energy consumption should be from renewable sources. The UK's share of the target is 15%, and the plan is to achieve that through a combination of 12% renewable heat and 30% renewable electricity by 2020. In Northern Ireland, the renewable heat target is 10% by 2020. The non-domestic scheme incentivises the uptake of renewable heat technologies such as biomass, heat pumps and solar thermal installations. It provides payments for 20 years based on the heat energy generated. The level of tariff is dependent on the size and type of technology, and the calculation of the tariff was intended to cover capital costs, operating costs and non-financial hassle costs over the lifetime of the technology.

A domestic RHI scheme was introduced in December 2014. There was an increase in application numbers during 2015 that escalated quite rapidly to produce the crisis we now face. Focusing on the incentive for small to medium-sized biomass boilers, the scheme provided a tariff of just over 6p a unit.

11.30 am

Just under £38 million of funding was provided by the Treasury for the Northern Ireland RHI schemes during the five-year period from 2011 to 2016. However, scheme uptake was initially low in the first few years, with only 409 applications received by the end of 2014, leading to an underspend of around £15 million during the first four years. The total number of renewable heating installations under the non-domestic scheme had increased to over 2,000 by the time that the scheme was suspended in February 2016. Current estimates suggest that around 6% of our total heating needs in Northern Ireland are now met through renewable heating technologies. In addition to the resultant reduction in CO2 emissions, the local Northern Ireland economy is benefiting from the ongoing investment through the RHI schemes. That investment brings benefits: job retention and creation in the energy services sector. I make those points simply to underline the point that, however bad the execution has turned out to be, the aims of the scheme were good and necessary.

One question that has been asked by many people is this: why did we not simply replicate the Great Britain arrangements in Northern Ireland? The answer is quite simple: in Great Britain, the main obstacle to the growth of renewable heat was and is the wide availability of affordable natural gas. Here, the main heating fuel is oil, and the gas market is relatively immature. It was even more so in 2012, hence it is clear that simply to import the GB arrangement to the Northern Ireland market at that time would not have been appropriate.

While this statement is not the place to rehearse every failing or flaw in the process, there is one matter that I believe it is important for me to address. It is the error that goes to the very heart of why the costs of the scheme ran out of control. The crucial mistake in the scheme was that the tariff for the most commonly used boilers — small to medium biomass — was set at a level higher than the market price of the relevant fuel, which is mainly wood pellets. In essence, that created an incentive to continue to burn fuel over and above the levels required for the relevant function, whether a commercial business

operation or a community facility such as a nursing home or a church. Of course, the regulations do not provide for payment for wasted heat or heat that has no functional benefit. However, as the PAC has exposed, a further major failing of the scheme here has been that the necessary aspects of the regulations have not been rigorously enforced. There clearly should have been more and better inspections of businesses long before the summer of 2016.

At the heart of the RHI story is that the tariff subsidy was higher than the cost of the wood pellets, yet DETI's 2012 business case on the RHI wrongly stated that the tariff was lower. That crucial misunderstanding informed DETI's attitude to the RHI in subsequent years. It helps explain why concerns were not taken seriously enough and why action was not taken quickly enough when problems emerged. With the greatest of respect to those who criticise me for that, I remind them that I did not simply impose the scheme on the people of Northern Ireland. The tariff was set out in schedule 3 to the legislation, which was scrutinised by the Enterprise, Trade and Investment Committee and passed after debate by the Northern Ireland Assembly. Indeed, the Chair of the Committee at the time, Mr Patsy McGlone MLA, said:

"The Committee scrutiny of the development of the renewable heat incentive has been considerable and reflects the importance and long-term nature of the proposals. Before supporting the RHI, the Committee sought and received assurances on incentive and tariff levels, banding levels, incentives for domestic consumers, payments to participants and support levels for the renewable heat premium payment scheme." — [Official Report (Hansard), Bound Volume 78, p299, col 2].

The unfortunate reality is that no one in government or in the Assembly in their work in creating and passing the legislation picked up on that crucial failing. Contrary to some accounts, in the early years of the scheme, that was not widely picked up by the industry either. In fact, as has been stated, when I was the Minister responsible, Northern Ireland was underperforming in that area. In my years as Minister, there was an underspend on the RHI up to and including my final year at DETI, which was 2014-15. That is detailed in the Northern Ireland Audit Office report. Take-up in the scheme's early years was low. Indeed, as hard as it is to believe now, there was even a publicity campaign in 2014 to encourage more applicants.

The BBC 'Spotlight' programme and subsequent comment has made significant play of a concerned citizen. I would ask the entire Assembly, if it were here, to join me in thanking that person for all that she did to try to prevent the calamity that we have fallen into.

She deserves our highest respect and a sincere apology on behalf of my former Department, which should not have dismissed her claims with disbelief but examined them with diligence. It is no exaggeration to say that, had she been listened to on any of the three occasions on which she approached DETI, the crisis would have been avoided.

Unfortunately, it has been difficult to establish the exact facts around contact between the concerned citizen and me and the Department. When asked by 'Spotlight' about correspondence from the concerned citizen, I replied:

"I passed these concerns on to departmental officials to investigate. It is now obvious that these investigations should have highlighted the failings of the scheme and ameliorative actions should have been taken."

I made that statement from memory and on advice that appeared to indicate that she had raised her concerns directly with me. It is my normal practice — indeed, it is the appropriate practice — to pass any concerns received from members of the public to the relevant departmental officials. However, my response was made without the benefit of having reviewed the concerned citizen's original letter. It is now clear that the initial communication to me did not raise concerns about the RHI scheme. I understood from the Department for the Economy officials who have spoken to the person in question that this was the only correspondence sent directly to me. However, a subsequent email to my private account the following week has now come to light in which there is a reference to concerns about the scheme.

It has also been alleged that I contributed to the problem by putting the introduction of the domestic RHI ahead of cost controls on the non-domestic scheme. It is quite wrong of anyone to describe this as a smoking gun. I make no apology at all for having pushed to see the domestic scheme introduced, as it was a totally legitimate and rational decision based on the information available to me at that time. I did not receive any indication that cost control of the non-domestic scheme was an urgent priority at that time. The Department for the

Economy is seeking to establish the facts as to why the warning signals that had been given, not least those from the concerned citizen, were not escalated in the Department. It is important that this work progresses to a conclusion as soon as possible.

To sum up, at no time during my period as Minister were any recommendations made to me to introduce cost controls, nor were there any warning signs that spending on the scheme was spiralling out of control. In fact, during my time in the Department, there was an underspend of the money available to us.

I will now turn to the period after I left the Department of Enterprise, Trade and Investment. In May 2015, I became Finance Minister and had no role whatsoever in the ETI Minister's decision to amend the RHI scheme. The then First Minister, Peter Robinson, has also made it clear that he was unaware of the issues around RHI as they had not been brought to him as party leader or as First Minister. Therefore, at no time did he seek to intervene either.

Let there be no doubt that the decision to amend the RHI scheme was a matter for the ETI Minister. The timing of the introduction of cost controls was entirely a matter for him. It has been suggested that my party sought to influence the decision on the timing of the introduction of cost controls. It has been only in recent days that I have been aware of this allegation, and I have now taken the opportunity to investigate it. The only person who would have been in a position to instruct the ETI Minister would have been the First Minister at the time. This has been checked with the then First Minister, who has made it clear that the problems surrounding RHI were never brought to him either as First Minister or as party leader. He made it clear, therefore, that he could not and did not intervene in any way.

No other Minister took any role in this matter, nor did they make any representations in relation to it. I can confirm that the DUP party officers took no interest or role in the question of the RHI. Therefore, regardless of what, if anything, was said in relation to the party's role, no one had any authority to instruct the ETI Minister to do anything. There is no evidence whatsoever of Mr Bell raising any concerns with the First Minister if he felt that he was being pressurised. Let me make it absolutely clear: any suggestion that the Enterprise Minister was instructed to delay the changes to the RHI scheme is totally without foundation.

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By way of a submission from John Mills, the then director of DETI's energy division, on 31 December 2015, a recommendation was made to the then Minister to close the RHI scheme because of concerns about an overspend, and the Minister agreed to that proposal. A subsequent submission from John Mills on 19 January 2016 recommended steps to close the scheme by early to mid-March 2016.

These submissions were based on the assumption that conventional processes of consultation and Committee clearance were required. The Minister signed off on this submission on Friday 22 January, agreeing to the early to mid-March closure. However, as a result of concerns, a hold was put on this decision within half an hour.

In late January 2016, complaints about the operation of the RHI scheme were made to me. I informed the deputy First Minister and I passed them on to the head of the Civil Service. I was deeply concerned about the proposed mid-March closure date in light of the growing financial pressures, and the Executive agreed on 5 February to a closure around 15 February. Immediately after the announcement of the early closure of the scheme, concerns were raised about those who had already installed boilers but had not yet applied and would be disadvantaged.

On the basis that cost control measures were now in place, there was a danger of legal challenges to those who had installed boilers but had not yet received authorisation and, with the agreement of senior civil servants, it was decided that the scheme should remain open for a further two weeks.

As the Enterprise Minister at the time highlighted in the Assembly, he took the decision with the agreement of the First Minister and the deputy First Minister. The extension of the amended scheme was an entirely proper and proportionate step to take in all the circumstances. Once again, for the record, the scheme was closed earlier than initially approved by the Minister of Enterprise, Trade and Investment.

Since the announcement of my decision to make this statement, the former Minister of Enterprise, Trade and Investment has given an interview to the BBC. In that, he makes a number of allegations about the decision to amend and then subsequently to close the scheme. I think it is important that I also take this opportunity to put on record the factual position about a number of those allegations.

Mr Bell alleged on several occasions that he took action immediately to introduce cost control measures into the scheme and signed off the submission at the most immediate point he could. This is untrue.

Today my colleague the Minister for the Economy is placing in the Assembly Library a copy of the submission that was agreed by the former Minister. It will show that the Minister received a submission on 8 July 2015 recommending the introduction of cost control measures. It will also indicate that the original proposal from officials was to introduce cost controls from October 1 2015 but was amended to 4 November 2015 and signed off by the Minister on 3 September 2015. It is apparent from this document that action was not taken immediately but after considerable delay.

Mr Bell further claims that other SpAds became involved in the process who were, and I quote:

"Not allowing the scheme to close".

The fact remains that the Minister signed off a proposal that was to take effect from 4 November 2015. The only further delay in the introduction of cost control measures was as a result of legal and financial issues being resolved by departmental officials. This was unconnected to any ministerial decision. The decision was solely for the Minister of Enterprise, Trade and Investment to take.

The former Enterprise Minister claims that he made a decision to amend the RHI scheme but was overruled by special advisers. Since last week, I have specifically investigated this claim. The evidence is clear. The only decision taken by the Minister was in early September to amend the scheme in November. The Minister was not subsequently overruled by special advisers, and I am clear that whatever representations may have been made by anyone on this issue, it was not being done with the authority of the party.

I understand from Minister Hamilton that the permanent secretary recalls being told at the time that some in the party wanted the scheme to be kept open. He was unaware of the source of this suggestion, but believes it may have been based on the erroneous but widespread view at the time that because the scheme was funded through annually managed expenditure (AME), it was possible to maximise take-up without creating a problem.

I have checked and confirmed that no Minister made any such request or took any interest in the decision taken in September 2015. The

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DUP party officers took no interest in this issue and gave no instructions. It is, therefore, clear that, whatever the belief, the DUP did not ask the Minister of Enterprise, Trade and Investment to extend the scheme. I also understand that, when the suggestion of a four-week extension was mentioned in the DETI issues meeting on 24 August, the Minister did not voice any objections. In fact, he endorsed the decision.

The bottom line is that this decision was taken by the Minister of Enterprise, Trade and Investment. No attempt was made to overrule him and no such allegation was made at the time. In fairness to the Minister, I should say that I understand from Minister Hamilton that departmental officials did not object to a four-week extension.

11.45 am

Mr Bell also claimed that he acted in the way that he did because of what he referred to as "collective responsibility". This demonstrates a total and fundamental misunderstanding of the convention of collective responsibility. The doctrine of collective responsibility refers to a convention whereby, once Cabinet takes a decision, all Ministers are expecting to abide by it or resign. In this case, there was no decision of the Northern Ireland Executive, nor had there ever been any conversation between DUP Ministers, much less a decision, on the matter. There has been no allegation from Mr Bell that the First Minister Peter Robinson sought to delay the change to the scheme. Collective responsibility has no bearing whatsoever on this issue. Indeed, it is clear from Mr Bell's statement on the two-week delay in February that he could robustly defend his role as Minister and would not change his course on the basis of SpAds acting without any ministerial authority or cover.

In discussing the decisions around the autumn of 2015, Mr Bell also claimed that he has a fact that reveals the role of special advisers in the scheme staying open. He then referred to a conversation he had with the deputy secretary of the Department, claiming his own special adviser had been asked by other special advisers to remove references to "Arlene Foster" and "the Department of Finance and Personnel". This is the key allegation — that documents were amended — and it is a crucial point.

The truth is very different from that suggested by Mr Bell. I can set out the simple facts, based on the official records of the Department for the Economy. First, the only conversation

approximating to this version of events took place in February 2016, not in 2015. Secondly, it relates to paperwork concerning the closure of the scheme in 2016, not the introduction of cost controls in 2015. Thirdly, the DETI adviser accepts that any changes he made were made of his volition and not at the request of others.

Fourthly, the amendment that was made relates to one draft submission before it was finalised for the Minister to consider, not to any attempt to delete emails or Government records.

Fifthly, the reference that was removed was one that highlighted the role of OFMDFM in wishing to see the scheme close more quickly and without consultation. The removal of that reference had the effect of avoiding any impression that the Enterprise, Trade and Investment Minister had been told that he had agreed to a process of closing the scheme that was too slow.

Sixthly, this was a submission for the Enterprise, Trade and Investment Minister only and did not impact on the document that was being forwarded to the First Minister and deputy First Minister. Seventhly, and most importantly, the change to the submission had absolutely no effect on anything in the real world; the timing and process for the suspension of the scheme had already been agreed.

Minister Hamilton asked for urgent clarification on that issue from officials, who provided a note setting out the factual position. That was released to the media last evening, and the Minister has also placed in the Assembly Library copies of the draft submission with the tracked changes marked. The final version was then approved by the then Minister.

In relation to the closure of the scheme in 2016, Mr Bell has alleged that he wanted to close the scheme immediately. Once again, let us return to the documentary evidence. First, let me refer to a submission dated 19 January 2016. That proposed a closure date of early to mid-March 2016 and was signed off by the then Minister, Mr Bell. The deputy First Minister and I believed that we should act more quickly, and a further submission was prepared by DETI officials which provided three options. Minister Hamilton has also left a copy of that submission in the Assembly Library. In it, officials recommended a longer process to close the scheme over a longer period of time, but it was agreed that it should be closed as quickly as possible. So even taking into account the issue of the two-week delay that was agreed after the announcement, after all the complex processes the simple truth is that the scheme closed earlier than had initially been proposed by the

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Enterprise, Trade and Investment Minister. The reality is that it was the intervention of OFMDFM that ensured an earlier closure of the scheme than would otherwise have been the case.

To deal briefly with that subsequent two-week delay in the RHI closure, let us remember that it was decided, after cross-party concerns, that the scheme should not close within a fortnight of the announcement. Members across this House voiced concerns that businesses that had just bought boilers would be left in the lurch. The two-week extension that Mr Bell then agreed to as Minister was supported by me and the deputy First Minister. Other parties in this House, of course, wanted it to be longer. Cost controls were in place for the RHI at that stage, and civil servants were content with the two-week period.

This is not an exhaustive rebuttal of the allegations made by Mr Bell, but I hope it will convey, with documentary evidence, what actually happened.

I also want to make it clear that I support the need for an independent investigation, free from partisan political interference, to establish the facts around the renewable heat incentive scheme. I believe that the conclusions of any investigation must be made public and that any investigation must be conducted speedily to assist in the process of building public confidence. I have been working to reach an agreement with officials and others on the precise details of such an investigation over the last number of days, and I hope that it can be resolved in the next few days.

While there will be significant interest in how we came to the present position, the most important issue for us now is to mitigate the costs of the scheme. Minister Hamilton plans to make a statement to the Assembly as soon as possible in the new year. The hope and intent is to reduce significantly the cost of the scheme to the Executive's Budget, but the details are still subject to considerable further work. This matters as we want to be fair to all those who responded to the incentive as it was intended to operate and to ensure that our process completely resolves the widespread abuse of the scheme.

In conclusion, unlike others, my priority in this is not headline grabbing or grandstanding. My priority, just as it was when I pressed for the earlier closure of the scheme rather than let it run to March, is to ensure that lessons are learned and to reduce the projected cost.

When I became First Minister, I said that I could think of no greater honour than to serve my country and the people of Northern Ireland. It is not a responsibility that I take lightly. I am not immune to the considerable anger and frustration that this issue has caused; not only do I understand it; I feel it too. I share those emotions because I am proud of this place and I want the best for it, and that is why I entered politics. I did not enter politics to shirk or shy away from difficult decisions.

The record shows that I have always put Northern Ireland first. The record shows that I have worked hard, throughout my political and ministerial career, to bring more investment and more jobs to Northern Ireland. The record shows that I have worked hard to keep Northern Ireland moving forward, and I will continue to do so as First Minister. That is why, rather than whipping up a media storm, I have actually been dealing with the problem along with my ministerial colleague Simon Hamilton and the Finance Minister, working on a practical solution, because that is what responsible politicians do. That is what government is about.

On a personal note, I want very much to thank each and every member of the public who has called my office at Stormont and, indeed, DUP offices across the length and breadth of Northern Ireland to offer words of support and encouragement. It really is appreciated. I will continue to work hard, as I have done throughout my political career, on everyone's behalf, to ensure a better and more stable future for Northern Ireland.

Some Members: Hear, hear.

Mr Humphrey: I thank the First Minister for the lengthy and comprehensive statement that she has just given to the House. I ask the First Minister this: what is her view of those who say that they want facts and clarity around the situation but, when they have the opportunity to listen to those facts, walk out of the Chamber in an irresponsible way and in a media stunt to draw attention and grab headlines for themselves and are more interested in spin and propaganda than getting the truth for the people of Northern Ireland?

Mrs Foster: I just do not know what to say on this matter. For weeks now, people have been calling for me to come forward and calling on me to go to the PAC. I said I would go to the PAC; that was not good enough. I said I would come to the House, set out the facts and take questions from Members of the House, and

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where are they? Where are they? The people of Northern Ireland deserve better than this. The people of Northern Ireland will look at this today and say, "What is all that about — what is all that about?"

I have listened to people from across Northern Ireland — I have not been hiding away, I have been out and about. I have been in Upper Bann, South Belfast and my own constituency. I have been listening very carefully to what people have to say. They are angry, but they want a plan as to how to deal with this.

I am setting out a plan for how to deal with the matter whilst others seek party political advantage. I regret that. I regret that deeply. Others have to answer for themselves.

Mr Anderson: I thank the First Minister for her detailed statement to the House. Will she explain why the cost controls in the Great Britain scheme were not replicated in the Northern Ireland scheme?

Mrs Foster: I took the opportunity over the weekend to speak to officials to establish why that is the case, and there are three reasons. I have to say that none of them is good or very acceptable, because cost controls, as we know now with the benefit of hindsight, should have been in place right from the beginning of the scheme.

First, there was an understanding from the specialist report — the Cambridge Economic Policy Associates (CEPA) report — that the tariff set was lower than the cost of the fuel. That was the fundamental mistake, as I said in my statement. The suggested rate for biomass boilers below 100 kW was set initially at 4.5p per kilowatt-hour. At that rate, the consultants noted, there was no need for tiering, as, at the time, the proposed rate was less than the cost of wood pellets and therefore there was no incentive to use the boiler excessively just to claim the subsidy.

Secondly, there was not the level of demand for the Northern Ireland RHI in the first few years. In fact, the first application for the scheme was received in January 2013. Remember that the scheme opened in November 2012. Over the first four years, there was an underspend of approximately £15 million. Therefore, it was thought — incorrectly, as it turns out — that the need to introduce cost controls did not arise.

The third issue is around governance. The governance processes in the Department did not enforce compliance with commitments

given when the scheme was approved, including careful review of tariffs and risks. Cost control was proposed back in the 2013 consultation paper but not acted on. There was no submission to me saying, "We think that you need to look at cost controls" or, "This has been raised as an issue". Nothing came to me on that matter.

The cost controls in Great Britain should of course have been replicated in the Northern Ireland scheme. I am giving you the reasons that were given to me as to why they were not replicated. They are not good enough, but they are the reasons that were given to me.

Lord Morrow: I, too, thank the First Minister for her very comprehensive statement. It is most regrettable that those who have barked and shouted the most about the issue, when there was an opportunity for them to learn some facts around it, said, "We are not interested in the facts", and just walked out. They ran away. The First Minister is to be congratulated on her comprehensive report.

There has been much speculation as to why cost controls were not introduced when the scheme was established. Was any advice given to the Minister in 2012 about cost controls? Indeed, will the First Minister tell us what proposals for cost controls were considered and then rejected by the Minister?

Mrs Foster: Back in 2012, there were no submissions to me on cost controls. As I indicated in my last answer, cost controls of a sort were set out for comment in the 2013 consultation paper. It is not unreasonable for a Minister to expect that this document would have been acted on and that I would have been given a submission after the consultation closed. In fact, there was never a formal submission responding to that part of the consultation. I then went on to look at the introduction of the domestic scheme, but that is not a good enough reason for not bringing me a proposal or recommendation on the non-domestic scheme. One should have been brought, especially given that, by that stage, the concerned citizen had been in. She had spoken to officials on a number of occasions, yet they still did not think that it was the right thing to do to send me a submission on the issues. I deeply regret that that was the case.

Mr Stalford: I thank the First Minister for the statement that she made. In the precursor to it, several Members raised points of order and the issue of undermining the credibility of the House. Does the First Minister agree with me

that what undermines the credibility of the House is when its elected Members run away from fulfilling their function of answering questions in this place and instead choosing to do so in TV studios?

12.00 noon

Mrs Foster: Of course it undermines this place when Members do not stay here to ask the appropriate questions but instead go outside and indulge in media spin. Unfortunately, this is not the first time that some Members have done that: we all remember the Ulster Unionist Party's stunt when I was appointed after the election. They said that they were going out of the Executive, and it was "Bring it on" and all that stuff. What was it? "Let battle begin", was that it? That was when they decided not to go into the Executive. They ran away then, and, of course, they ran away before that over the Fresh Start talks when they decided not to engage in that either. This is not new; it is a pattern. I do not think that they serve their constituents well: they do not. If they want to challenge me, the place to challenge me is in the House, but instead they will stay out. They will come this afternoon and put down an exclusion motion even though they have not been here to question me on the issues. They will come here with an exclusion motion even before the PAC has finished its investigation. They have made up their mind about the First Minister of Northern Ireland, but, thankfully, the electorate has also made up its mind about the First Minister of Northern Ireland.

Mrs Cameron: I thank the First Minister for a comprehensive statement to the House this morning. It is obvious from this morning's events that there are many Members who should be in the Chamber who do not want this devolved Government to be in any way successful or to do their job in the rightful way, and that has been shown.

The 'News Letter' published a story this morning about the regulatory impact assessment. On what basis did the Minister sign off on the regulatory impact assessment, and should it not have been apparent that there was a fatal flaw at the heart of the scheme?

Mrs Foster: I thank the Member for her question. It is an important question, and I am glad that she has asked it. First, let me say that our opponents told us that today was an important day but then could not be bothered to show up. They cannot be bothered to show up and ask me questions about the sorts of things that the Member has asked me about.

In the regulatory impact assessment, the Department recognised that setting incorrect support payment levels to the RHI tariff posed the most obvious risk to the Northern Ireland scheme. If the level was set too high, those installing renewable heat would be oversubsidised and less heat would be delivered per pound than would be under more optimal subsidy levels; alternatively, if the rate was set too low, renewable heat would not be deployed to the extent expected. In that document, it was made clear that there were to be regular planned reviews of subsidy levels after a number of years of experience with the subsidy. That would, of course, have provided the opportunity to amend tariffs if needed and ensure that they remained appropriate, given the potential changing market conditions. Of course, the market changes, and we saw that in the prices of wood pellets, oil and gas.

In that RIA, it was proposed that the first review would begin in January 2014, with any changes needed to be made by 1 April 2015. The review did not happen. Departmental officials did not carry out that review. As Minister, I have the right to expect that risks identified in an RIA would be managed by officials. As the accounting officer has explained at length to the Public Accounts Committee, several important commitments were made at the time when the RHI was approved, not least on risk management, that were not followed through. Those omissions by officials contributed materially to the very serious problem we now face. That is already under investigation in the fact-finding work that has been discussed with the PAC, and I look forward to the outworkings of the PAC. As I have already said on the record, I am more than happy to go to the PAC, even though that is not the convention. The reason I am happy to go to the PAC is that I have nothing to hide in the matter — absolutely nothing. I am putting everything out there and am calling for an inquiry if we can get it arranged with colleagues. I have nothing to hide, so why would other Members table a motion to exclude me? It is all party politics, and this party will not be part of it.

Mr McCausland: I thank the First Minister for her statement and the answers to the questions. They bring a great deal of clarity and dispel a lot of the confusion that folk have generated from other quarters on the matter.

Has the First Minister been able to ascertain or establish who was responsible for the assumption that cost controls were not necessary as they thought that the market price of wood pellets was higher than the tariff?

Mrs Foster: I thank the Member for his question. It appears to have been a mistake that was made by DETI officials. The initial report from the consultants, CEPA, suggested that the rate for biomass boilers below 100 kW was set at 4.5p per kilowatt-hour based on a 20 kW biomass boiler reference case. At that rate, the consultants noted that there was no need for tiering because, at that time, the proposed rate was less than the cost of wood pellets, and, therefore, there would be no incentive to use the boilers excessively just to claim the subsidy.

The consultants were then asked to reconsider the rates following feedback from the industry after the consultation process, and, in February 2012, the consultants produced a new paper that increased the rates to account for a larger reference case boiler of 50 kW rather than the original 20 kW reference case. The rate proposed for biomass boilers of less than 100 kW was increased in this paper to 5.9p per kilowatt-hour, but there was no mention — of the need for tiering or that this was not in excess of the cost of wood pellets. So, the final business case approved by DFP in mid-2012 included a 5.9p tariff, which has subsequently been increased with inflation to 6.4p per kilowatt-hour.

The Department's business case to DFP stated that there was no need to consider tiering because the rate proposed was lower than the cost of fuel, and, therefore, there would be no incentive to abuse the system by generating heat just to claim the subsidy. However, in the case of biomass boilers, this was simply not true. In fact, the cost of wood pellets was shown in the same business case as being 4.39p per kilowatt-hour compared with the proposed tariff. It was there in black and white that the proposed tariff for the wood pellets was 6.4p per kilowatt. Nobody in DETI, CEPA or DFP spotted that that was the case, and, therein, lies the fundamental problem.

Mr Speaker: That concludes questions on the statement. The Business Committee has agreed to suspend the sitting for one hour following the conclusion of questions on the statement. I propose, therefore, by leave of the Assembly, to suspend the sitting until 1.00 pm. The next item of business when we return will be the motion under section 30 of the Northern Ireland Act.

The sitting was suspended at 12.07 pm.

1.00 pm

On resuming —

Assembly Business

Exclusion of Minister from Office under Section 30 of the Northern Ireland Act 1998

Mr Speaker: The next item of business is a motion signed by 30 Members under section 30 of the Northern Ireland Act 1998 in relation to the exclusion of the First Minister from office. The motion for exclusion of a Minister under section 30 of the Northern Ireland Act 1998 must relate to the specific terms of that section. Any amendments that take the motion outside of those terms will be inadmissible. I have received legal advice from officials that the amendment proposed by Sinn Féin was incompatible with the requirements of section 30 of the 1998 Act and, as such, was inadmissible.

The Business Committee has agreed to allow up to three hours for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes in which to make a winding-up speech. The First Minister will have 30 minutes, and all other Members who wish to speak will have five minutes. At the start of the debate, I want to note that the motion has attracted the signatures of a wide range of parties. Whilst there is a three-hour time limit to the debate, I want to make Members aware that I intend to use my discretion to ensure that as many Members as is possible are heard from each party represented in the House. I advise Members that the vote on the motion will be on a cross-community basis.

Mr Eastwood: I beg to move

That this Assembly, in accordance with section 30 of the Northern Ireland Act 1998, resolves that the First Minister no longer enjoys the confidence of the Assembly and that she be excluded from holding office as a Minister or junior Minister for a period of six months because of her failure to observe the terms of paragraph (g) of the Pledge of Office and the first paragraph of the ministerial code of conduct, in that she failed to observe the highest standards of propriety and regularity in relation to the stewardship of public funds surrounding the renewable heat incentive scheme.