

# Official Report (Hansard)

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financial implications, something that, according to 'Managing Public Money', is required to be there.

Ms S Bradley: I thank the Member for giving way. On that point, it was suggested in Committee that that agreement may still be forthcoming. Does the Member share my opinion that, before any vote is taken on this, the House should be fully updated on whether such an agreement has been arrived at and, if not, when and where communications broke down?

Mr Allister: It is very disappointing that the Finance Minister, who has a critical role of having an input to this, has ignored the House on the issue. I read on Twitter today that he is still not happy with these proposals. Why are we not being told that in the House? The Economy Minister can tell us, when he comes to respond to this debate, whether he has received clearance or approval from the Department of Finance. We really should have been hearing it, I would have thought, in these circumstances from the Minister. The Minister who is here needs to tell us that.

Another potential weakness in the process of the regulations is the fact that there was no consultation. The stakeholders have a common law right to be consulted before their circumstances are changed, vet there has been no consultation whatsoever with them. I fear that the regulations will be rigorously tested, and I do not have the confidence of some that they will pass that test. It might be said that they are only for one year, so we will invite the court to ignore, as it were, our failings, breach of property rights etc. It will be interesting to see whether the court is prepared to go down that road. They have all the signs of draft regulations that may not deliver. I said at the outset that I hope that they do because this situation needs to be resolved, but I have severe doubts as to whether they will.

The one group of people whom the regulations will greatly affect are bona fide applicants to the scheme. I have no interest in any rip-off merchant who abuses the scheme, but there are genuine people who did no more than become aware of a Government scheme and applied for it in good faith. Now, Government is about to say, "Never mind all our platitudes, undertakings and promises, we are about to pull that rug from under you, in the public interest". Some of those people are at their wits' end. I had one of those farmers with me last week. Interestingly enough, this farmer was introduced to the scheme by the then DUP special adviser Stephen Brimstone, no less. I

will come back to Mr Brimstone. This farmer a genuine, large-scale farmer in the poultry industry in the north Antrim area — applied in the early days of the scheme, made his commitment, spent tens of thousands of pounds and, assured that he had a 20-year return, used the collateral of that with his bank to increase his investment in his farm. Now, he finds that the rug has been pulled from under him, vet his scheme is a perfect operation of this. He goes through the seven- or eight-week cycle of rearing day-old chicks through to the broiler stage. The audit shows that in the first week, when the heat is needed the most, his use is at its highest, and it begins to dwindle as the chickens need less and less. By the time you get to the end of the cycle, the heat use is significantly less than what it is in the first week, thus confirming that he is a bona fide user of the scheme. When that person asks me, "What about us?", I do not have an answer for him. When that person asks, "What's going to happen to the fact that I am relying on this promised return to pay off my bank? What am I to say to my bank manager, Mr Allister?", I do not have an answer for him. That is replicated many, many times across this country.

There are others, of course, who saw this as a way of making a quick buck or as a means to heat their house. One of the flaws in this scheme is that there is a right to use the heat, it seems, for what should be an ancillary purpose of heating your home —

Mr Swann: Will the Member give way?

Mr Allister: Yes.

**Mr Swann:** Further to that point, when Ofgem was in front of the Public Accounts Committee, it declared that, in its reading of the scheme, it would be OK to use up to 99% of the heat generated from a non-domestic boiler to heat a house. That is how obtuse that part of the scheme was.

Mr Allister: How ridiculous it is. That is the scheme that our Ministers approved and signed off, and that is the scheme that Mr Stephen Brimstone is benefiting under — heating his house on the non-domestic boiler scheme. Did he claim that he had a few sheep and was a sheep farmer? Does he have sheep? One thing is for sure: he is heating his own house. Is that right? Is that how things should be under this scheme? Was this scheme so lax and so perforated that that was an OK thing to do? Even if the individual thought it morally the right thing to do, does this scheme permit that? If it does, is that not one of the loopholes that

the Minister should have addressed in these regulations? It is scandalous that someone can purport to qualify for the non-domestic renewable heat scheme and devote the greater bulk of the heat that they produce to heating their own house, and to do it with considerable forethought. Mr Brimstone built a new house some years ago. He had a biomass boiler in it, but he took it out to qualify for this scheme, because you had to have a new boiler.

He put in a new non-domestic scheme boiler under the scheme in order to qualify. That is the sort of rip-off that brings disrepute to all of the scheme and, sadly, causes great injury to the bona fide users.

### 7.15 pm

This is a scheme that, in a collective sense, covers the House with shame, because it brings the entirety of the process into disrepute. It is quite shocking that this squander, made not by some distant, uncaring, disconnected direct rule Minister but made in Stormont, has inflicted upon us this mammoth potential financial loss—and then to pretend that it is nobody's fault to the point that anyone should pay with their job.

### Mr Hamilton (The Minister for the Economy):

The clear purpose of the regulations before the House this evening is to introduce cost control for the non-domestic renewable heat incentive scheme. The reason for these regulations — I want to make this clear from the outset and remind the House of why we are here — is to prevent a budgetary shortfall in the region of £30 million in the next financial year. There are many other issues surrounding the RHI scheme that absolutely need to be investigated, and I join other Members of the House in welcoming the announcement of a public inquiry. I look forward to that getting under way soon and concluding as quickly as possible. Today, though —

Mr Aiken: Will the Minister give way?

**Mr Hamilton:** Let me make some progress. Today —

Mr Aiken: I will be brief.

Mr Hamilton: Well, OK; I will give way.

**Mr Aiken:** Minister, one of the key questions that we are going to have going forward here is whether the business case has, in fact, been received. Will the Minister address that now

before we go any further, because that will probably colour some of the remarks?

Mr Hamilton: It is a good guestion and it is one that I am happy to address now. I have not vet received approval for the business case that underpins the regulations before us, and that is deeply troubling. I submitted the business case to the Department of Finance some 11 days ago, which, I appreciate, is shorter than is usual. It was, though, given priority by the Finance Minister — comments that he has made in public and in the House. My understanding is that it was making good progress in the Department. Indeed, I understand that departmental officials recommended it to the Finance Minister for approval. I and my Department have cooperated fully with the Department of Finance. We have answered all questions and queries, and we have provided all requested information. Yet, no approval has been forthcoming.

The business case process is there to assess value for money and regularity. I understand that there have been no issues raised in respect of either. I know that the Finance Minister is just coming into the House, and I would be happy to give way to him if he were to offer approval for the scheme. The question that the Member and, I am sure, the House will want to ask is this: why is there no approval? That is a question that only the Finance Minister can answer. Unreasonably withholding approval could be unlawful, and it is certainly contrary to the commitment that was made to make the assessment politics free. I have been told that it will likely be approved but not today. I think that that says it all, and the House can reach its own conclusions.

Mr Ó Muilleoir (The Minister of Finance): If the Minister wants to take an intervention —

**Mr Hamilton:** I am happy to do so. I would more than welcome an intervention if he is going to indicate his approval for the business case.

Mr Ó Muilleoir: I would like to be more helpful tonight, but we are not there just yet. The area of concern remains that we do not have state aid approval. I know that the European Commission has been contacted, and I have some concerns in that regard. The scheme cannot kick off on 1 April without the state aid approval. That is an added difficulty for us, and we need to do more work in that regard. I am committed to speak to Colette Fitzgerald again