



**HARD QUESTIONS FOR THE DUP, BUT ALSO FOR THE CIVIL SERVICE**

**A tale of monumental ineptitude - or something darker**

**ANALYSIS**  
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**More than seven weeks after BBC Spotlight's image of bank notes being casually cast into a fire ignited public fury, major revelations about the RHI scheme continue to emerge on an almost daily basis.**

Now, with a public inquiry due to begin its work on Wednesday and with an election little more than a month away, we have a fuller picture of what lay behind the biggest financial scandal in the history of devolution – but myriad new questions.

Much of the information and allegations that have emerged have been politically painful for the DUP – from the revelation that the whistleblower contacted Arlene Foster via her personal email address to the allegations that Mrs Foster's special adviser Andrew Crawford was central to keeping the scheme open just as the disastrous spike in applications was gathering pace to the claim (under Assembly privilege) that Mrs Foster's former Spad Stephen Brimstone tore out a new biomass boiler at his home to install a non-domestic boiler with which it is claimed he heats his house.

The suddenness with which Mrs Foster has been despoiled of her iron grip on power has been almost Shakespearean. From a guaranteed five years as First Minister, she now finds herself cast upon the mercy of

the electorate just months after what had been a stunning electoral triumph – and all because of the RHI scandal.

But other major questions have emerged for the civil service.

Andrew McCormick, the permanent secretary of the Department for the Economy, has admitted to serious failures by his department (although the scheme was designed on the watch of David Sterling), saying bluntly this week: "Shame on us for not having spotted the problem".

And, as emails leaked to this paper revealed, detailed information made its way out of the department, seemingly via officials, four months before the scheme was closed. That information suggests that – based on the hazy and ever-changing picture we now have – blame for the spike may be shared between civil servants, DUP Spads and perhaps others not yet publicly in the frame.

We also now know that a charity – Action Renewables – whose chief executive Michael Doran agreed on BBC Spotlight that the RHI scheme had been a "fundamental cock-up" – made a quarter of a million pounds from processing a quarter of all RHI applications without ever warning the government about the flaws in the scheme.

And Sinn Fein has known about this scandal for at least a year, since a whistleblower went to Arlene Foster and Martin McGuinness's office, but has done little to either rein in costs or set up an inquiry to investigate what had transpired.

The entire Stormont system – the political government

which for now is the DUP and Sinn Fein, the permanent government of the civil service and to a lesser extent the entire political class, whether Executive or Opposition – has been maimed by this scandal.

On Wednesday, a rare public inquiry into a financial scandal will begin its work of probing a subject which some at Stormont probably once

hoped would be too dry and esoteric to cause widespread public fury.

Here are just some of the astonishing failures which singularly would be incredible but cumulatively are almost beyond benign explanation:

1) At the inception of the Stormont scheme, the department (who precisely has not yet been identified) specifically removed the cost controls from the GB RHI scheme, leaving it open to abuse from day one.

2) In the consultation about the initial RHI scheme, even

some of those who stood to gain most – including farmers' representative body the Ulster Farmers' Union – were warning that the scheme should not be overly generous or it would be unaffordable.

3) Mrs Foster personally signed off a key declaration about the costs of the RHI scheme, stating that "I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs".

4) When DETI officials submitted the scheme to the

Department of Finance for approval they said that the cost of





wood pellets was higher than the subsidy, even though figures in that very document showed that this was not the case:

5) Mrs Foster was sufficiently aware of the detailed financial aspects of the scheme to write to every major Northern Ireland bank in 2013, urging them to lend to RHI claimants and stressing how generous the scheme was and that the tariffs would not be cut (as Stormont has now voted to do

after a DUP proposal).

6) Mrs Foster's department's own consultants warned in 2013 about the non-domestic scheme being open to abuse and specifically specified buildings being heated with the windows open.

7) A whistle-blower contacted Mrs Foster personally in 2013, and then the department in 2014 to warn about the abuse which was subsequently confirmed to be taking place.

8) Two years before the disastrous spike, MLA Steven Agnew - who had also been

contacted by the whistleblower - asked Mrs Foster in the Assembly whether RHI incentivised wastage. His point was dismissed.

9) The department failed to get the approval of the Department of Finance in 2015 for its soaring RHI budget as it was scheduled to do, meaning that it was irregular spending.

10) The scheme operated with only a handful of site checks for the almost 5,000 claimants - the vast majority simply submitted a claim and were paid, with no evidence

that they even had a boiler.

11) A regulation which allowed the department to halt payments where the purpose

of the heating was purely to make money was never enforced.

12) At no point did any civil servant insist on a 'ministerial direction' - the nuclear option which is used a handful of times each year at Stormont when officials have serious concerns about a policy and formally absolve themselves of blame by asking the minister to order them to go ahead with what is proposed.

13) There were serious - and thus far unexplained - delays in belatedly introducing cost controls as the costs mushroomed out of control last year. According to both the then minister and the permanent secretary, at least one DUP Spad was central to keeping the lucrative scheme open at a point where civil servants say they were urgently seeking to introduce cost controls.

14) Despite being intended as a means of moving people from fossil fuels to renewable energy sources, more than 60% of RHI boilers did not replace existing heaters; some were for new poultry sheds or other structures but it is clear that some were simply as a means of making money. But few questions were asked - 99.4% of all RHI applications were approved.

There still is no smoking gun - no evidence that one of those whose decisions led to the catastrophe personally benefited from it. It may be that this scandal is actually incompetence on a scale so grand that it looks like corruption but is actually evidence of a Stormont system which cannot satisfactorily perform what are the basic tasks of government.

**“The astonishing failures would singularly be incredible but cumulatively are almost beyond benign explanation”**





BBC Spotlight's Conor Spackman throwing bank notes into a fire as he explained how taxpayers' money is going up in smoke because of the RHI scheme. Picture courtesy of BBC NI Spotlight

