

To: Jacqueline Balian[Jacqueline.Balian@ofgem.gov.uk]; Peter Rice[Peter.Rice@ofgem.gov.uk]
Cc: Mary Smith[Mary.Smith@ofgem.gov.uk]; Marcus Porter[Marcus.Porter@ofgem.gov.uk];
Michelle Murdoch[Michelle.Murdoch@ofgem.gov.uk]
From: Morag Drummond
Sent: 2013-02-20T18:25:52Z
Importance: Normal
Subject: RE: Projected budgets for NIRHI
Received: 2013-02-20T18:25:54Z

Agreed re audits and credit check estimates.

Morag

From: Jacqueline Balian
Sent: 20 February 2013 18:24
To: Peter Rice
Cc: Mary Smith; Morag Drummond; Marcus Porter; Michelle Murdoch
Subject: Projected budgets for NIRHI

Hi Peter,

Mary and I met today to discuss (among other things) how we should manage the budget request for NIRHI for 2013/14.

I raised the following issues:

- 1) Legal costs (staff and consultancy) will not be in proportion to the number of applications so we should bill for these separately, that means having some timesheets from legal for this work. It is perhaps also necessary that we have some budget for this work in advance to avoid delay, although we might be able to do without this.
- 2) Lack of an NIRHI Operational IT budget would mean that we would have to seek funding for every minor change to the NIRHI system in advance as IT will not undertake work at risk.
- 3) As discussed, there will be other operational costs which are not in line with the number of applications and we will be keeping timesheets to account for this cost.
- 4) Similarly we might justifiably ask for a budget for technical advice so that if we need to take advice we can do so without undue delay.
- 5) The other significant areas of spend for GBRHI are audit and credit checks. These are areas where it might be reasonable to bill in arrears as we will pay for the work that way. We already have agreement that these costs will be met and we cannot give any reliable figures as to what the costs are likely to be at this stage. Please let me know if anyone sees this differently.
- 6) To have to agree each of these costs on a case-by-case basis will inevitably increase the burden on staff at a time when we are trying to cut workloads to a more manageable average working week.

I would like to meet with DETI to discuss a way forward on this, and we hope to meet Matthew next week to get his agreement first, but I would be grateful for your views on how we could pull together a draft budget for 2013/14. Mary is intending to pull out the current form of words we have agreed on budget and on the amount of effort we will expend on communications to add to the mix.

Could I put another date in your diary to discuss?

Jacqueline