

To: Teri Clifton[teri.clifton@ofgem.gov.uk]
Cc: McCutcheon, Joanne[Joanne.McCutcheon@detini.gov.uk]
From: Hutchinson, Peter
Sent: 2013-10-02T14:19:47Z
Importance: Normal
Subject: RE: DETI Update
Received: 2013-10-02T14:20:12Z

Teri,
Just wondering if there is an update on the admin costs and are you going to be in a position to produce an invoice in October?
Thanks,
Peter

From: Teri Clifton [mailto:teri.clifton@ofgem.gov.uk]
Sent: 17 September 2013 16:18
To: Hutchinson, Peter; McCutcheon, Joanne
Cc: Jacqueline Balian
Subject: DETI Update

Dear Peter and Joanne

Firstly, please accept my apologies in the delay in coming back to you. I've now taken a look at each of the queries as detailed below. As I mentioned to Peter on the phone, we are still struggling especially around the data sharing, but I am still pursuing this on your behalf.

1. Staffing costs 2013/14

Based on our discussions around staffing costs you asked me to look at actual costs against the proposed 3% we had suggested earlier in the year. As we discussed, at outset, the costs were higher than 3% due to operational set up costs. As predicted this has now reduced, and submissions for August were 2.77% of the GB scheme and approvals higher at 4% of GB scheme numbers. I explained to Peter that I have had difficulty breaking this down further as we have a number of staff working on both GB and NI schemes due to the volumes, and as predicted we have had to train new staff on the scheme in the last two months.

2. Audits

Within the figures in point 1, an allowance has been made for 5 audits to take place in this financial year. Now that we have had 30 approvals since outset, we would like to suggest that all of these take place in October, and are lining up the resource to make this happen, to give confidence in the accreditations that have been approved. After the initial results, you may wish us to arrange further audits. If you would prefer a larger number to be audited in October, please let me know as we will need to discuss additional funding for this.

3. Data sharing

I continue to encounter difficulties with this one, but I haven't given up hope of finding a suitable resolution. The issue now seems to be moving to data storage and whether, if we set you up as separate data controllers, could we legally pass this data to you. I'm afraid it looks like we need another round with our lawyers on this one before reaching a practical solution.

4. Forecasts for 2014/15

Based on the numbers for the last two months, you have had 9 approvals each month (30 since scheme inception). If I match that back to the same months in the GB scheme, overall the NI RHI scheme is tracking at 6% of the GB scheme each month. If I project that forward and keep to 6% of the actual GB numbers, you will have 74 accreditations approved at the end of the financial year (2013/2014). Please can you whether that feels realistic and let me know what growth plans you are likely to have for 2014/15.

As I mentioned to Peter, I am now away until 1 October, but I will arrange a call to discuss this further on my return.

Kind regards

Teri

Teri Clifton

Senior Manager RHI Enquiries and Assessments

NSD

Ofgem

3rd Floor

Cornerstone

107 West Regent Street

Glasgow

G2 2BA

Tel: 0141 341 3991

www.ofgem.gov.uk



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Annotated by RHI Inquiry