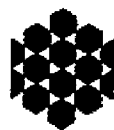


Change Request Form



Department for the
Economy

ofgem e-serve


Project name	NI NDRHI Scheme	Date raised	19 August 2016
Change Title	NI RHI 2016/17	Raised by	Edmund Ward
Change Reference	NI RHI Funding 2016/17	Senior Responsible Owner (SRO)	Gareth John
Project Director	Gareth John	Workstream Manager	Teri Clifton
		Version	2
		Version date	19 August 2016

Change description	<p>Further to the change control signed between departments on 16 April 2014, and our agreement on 2015/16 budgets (confirmed by letter from John Mills on 12 November 2015), this change control confirms the budget figures for 2016/17, calculated based on 3% of actual relevant total scheme costs as agreed.</p> <p>For 2016/17, our forecast total UK scheme costs including overheads is £6.8m of which DfE will be charged 3% of actual relevant total scheme costs, plus additional NI specific costs. The total amount is £375,895, of which £204,841 is 3% of the relevant scheme costs, and £171,054 is NI specific costs.</p> <p>The NI specific costs are those costs anticipated to be incurred in:</p> <ul style="list-style-type: none"> • processing the additional volume of applications carried over into 2016/17 following the significant spikes in applications last year, • the additional processing costs associated with servicing those participants, • and an additional programme of 50 site audits commensurate with our remit to appropriately monitor and mitigate scheme risks as part of our approach to public administration (a total of 57 site audits will now be completed during 2016/17). <p>As per our agreement, we will only pass on those costs actually incurred in administration of the scheme, and we will deal with any variations through our existing change request procedures.</p> <p>The approach to funding has been the subject of joint discussions between our Departments, with the one outstanding area as discussed (between Stuart Wightman and Edmund Ward amongst others) being the approach to audit costs. This was subject to further dialogue on (1) a potential DfE-led audit programme and (2) ongoing discussions regarding a joint review incorporating site audits.</p> <p>While there will still be increased clarity on those areas as DfE plans develop, we are keen to confirm the current funding position for 2016/17. Should there be any adjustment necessary, we would then expect to adjust the funding through the change request process.</p> <p>We will continue to send a monthly breakdown of the NI actual costs, which will be</p>
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paid quarterly as agreed by change control. Total Cost of Change: £375,895 , of which: The total amount is £375,895 , of which £204,841 is 3% of the relevant scheme costs, and £171,054 is NI specific costs. To note for clarity, this includes conducting 50 site audits as NI specific costs, without those costs the total would be £324k in line with the amount agreed.			
Change approval required by	Gareth John/Chris Poulton	Reason for requirement	In line with administrative arrangements.
Impact Assessment	This funding will support administration in line with Administrative Arrangements between DfE and Ofgem.		
Change Control Stage	Cost assessment has been completed by Ofgem.		

Ofgem Authorisation

The following signature certifies that the costs and other Impacts of the change have been adequately assessed and that the details provided are Ofgem's best estimate of those impacts.


Approved by (name)	Signature	Date
Chris Poulton		19/08/16.

DETI Authorisation

	2015-16	2016-17	2017-18
Approved Funding to date	267,096	375,895	
Current Additional Funding			
Total Funding Agreed	267,096	375,895	

The following signature certifies that the change has been agreed as stated in this form and certifies the approval of additional funding as set out in the table above. Where no funding is included this indicates DFE's view that the costs of implementing the change have to be found from within the funding already approved.

DFE Approval

Approved by (name)	Signature	Date
CF STEWART		23/8/16

Ofgem Approval to proceed

The following signature certifies that the Ofgem will proceed with the change request on the basis of the costs identified and the funding indicated by DFE.

Approved by (name)	Signature	Date

Annex A – Split of anticipated costs based on relevant total costs and NI-specific costs

Area	3% of relevant total scheme costs	Additional NI-specific costs	Total NI funding requirement	Basis of additional costs
Staff	144,928	98,464	243,392	Application volume of 768 applications due to 15/16 application spike increases NI share of applications processed to c 19% of GB forecast, and participant base to c. 9% of GB participants, impacting on staff resource requirement to process applications and service participants
Other	9,216	21,053	30,269	The increased staff requirement also increases other costs associated with training, recruitment, travel and subsistence and associated costs
Consultancy	3,919	51,314	55,233	Based on the increase in applications, we anticipate conducting around 57 site inspections during 2016/17
IMT	46,778	222	47,000	Small additional IT support cost associated with additional NI staff
Total	204,841	171,054	375,895	
