

Thursday 13th October 2016

Alison Clydesdale Interview Notes

Attendees:

| Name | Initial | Company |
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| Alison Clydesdale | AC | Department of Education, NICS |
| Leanne Coey | LC | PwC |
| Clare Kennedy | CK | PwC |

Meeting notes:

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| CK: | Thank you Alison for coming and for your co-operation. It is 2:10pm on 13 October 2016. Usually how we run the interviews is we run for 45 minutes and then stop for a comfort break but if you need a break before then please let me know. We are conducting a number of interviews so I would ask you to please confirm that you will keep the content of this interview confidential? |
| AC: | Yes. |
| CK: | Alison, we are aware that you joined DETI pre 2011. Can you please tell us how you came to be in DETI? |
| AC: | I joined DETI in March 2006 where I was a Grade 7 in the Energy Division. I was involved with Reconnect until 2008/2009. When Reconnect finished I moved to Sustainable Energy branch. I was involved with Renewable Heat in the very early stages with the initial research. Jenny Piper was the Grade 5 then. Fiona Hepper arrived in 2010/2011, I think in the middle of 2010. She kept the same Branch structure. |
| CK: | So you were involved in the research for Renewable Heat and then did you work on the scheme itself? |
| AC: | No, because of my workload I wasn't involved in the RHI scheme. Fiona Hepper set up the Renewable Heat branch. |
| CK: | You weren't in the Renewable Heat branch? |
| AC: | No, I was part of Renewable Energy. The Renewable Heat branch was set up in the 2011/2012 reporting year which begins in April. I think it was set up in April/May 2011. These were probably the last emails I sent in April/May 2011. Jenny Piper had two Renewable Energy branches (Sustainable Energy and Reconnect & Energy Efficiency) and then a third Renewable Heat branch was created by Fiona Hepper. Fiona Hepper created the third Renewable Heat branch as a result of recognition of the resourcing issue. I moved to Renewable Electricity. Fiona Hepper sat over all branches as she was the Grade 5 of the Division. Joanne McCutcheon was the new Grade 7, Peter Hutchinson moved to Renewable Heat and Dan Sinton was also part of Renewable Heat. |
| CK: | Was Dan Sinton a part-time DP? |

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| AC: | Dan worked on Reconnect from around 2006. He took partial retirement at some point but I'm not sure when. He is retired now. |
| CK: | The research you commissioned was to look into a renewable heat incentive scheme? |
| AC: | No, it looked at the NI market, assessing it. The results were not surprising in that it confirmed it was mostly oil. It said we needed something different. It did say there was a need to support renewable heat but not how to do this. It was the economic appraisal that looked at the options for a renewable heat incentive scheme. |
| CK: | Take forward steps for economic appraisal? |
| AC: | The Minister advised that a piece of research should be carried out in accordance with the Strategy Energy Framework. In 2010, Arlene Foster was the Minister. DECC and GB had made an announcement that biomass boilers installed by a certain date would receive funding. Arlene Foster made a similar announcement. She said that she was minded to subject renewable heat to an economic appraisal. The economic appraisal was commissioned separately to the research as we were advised by Procurement that there should be two pieces of work. |
| CK: | You were involved in the economic appraisal? |
| AC: | I probably helped draft the Terms of Reference and may have sat on the panel. I would have known who was appointed and may have seen some early drafts of the appraisal. At the time, they were still looking at options. Would it be a grant, an RHI or a challenge fund? ... early policy process. |
| CK: | You were involved in commissioning the economic appraisal, what other responsibilities did you have between January 2011 and May 2011 for Renewable Heat? |
| AC: | There is nothing I remember specifically. I might have been involved in drafting submissions, I was Peter Hutchinson's line manager. I was aware that consultants had been commissioned. |
| CK: | How was it that you had discussions with HMT? |
| AC: | I was involved in Reconnect and it had its challenges... I worked with Bernie Brankin as well. When Bernie Brankin said that we got this money, I wanted to check what it was, how to monitor it and the profiling. I went to HMT directly but maybe should have gone to DFP but they were copied. It was only an exploratory discussion, fact finding. |
| CK: | The message from Treasury was clear |
| AC: | Crystal |
| CK: | This money was not standard AME |
| AC: | Yes. This was not unusual and the same rules applied with the added implication that if there was overspend then this would come out of the NI block. |
| CK: | Were there discussions in the Department about this specific risk? |
| AC: | I had discussions primarily with Bernie Brankin – when would this money appear, how was it to be reported on? She liaised with DFP. |

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| CK: | What answers did you get? |
| AC: | All I got were the emails. |
| CK: | HMT were clear in the emails that they required forecasts to be provided. How was this requirement taken on board? |
| AC: | This was a matter for Finance. There is a process with Finance through monitoring profiles. I can't remember if they were monthly back then. Finance requested profiling and they did the reporting to DFP. The Finance branch looked after finance for the Department. I moved on before monitoring ... they did not spend the 2011/2012 budget. |
| CK: | In your email your reference a long conversation with Bernie Brankin. You highlight that controls need to be considered and built in to the proposals. DFP needed comfort that this had been recognised and addressed. Do you remember any specific conversations about what costs controls would look like? |
| AC: | No, it hadn't been decided which of the options it would be. Considerations about over/under spend were normal. Standard risks existed no matter what money it was. This money had an additional risk that if cost controls had been implemented, this additional risk would have been addressed. The decision of whether it should be grant/RHI/challenge fund meant that the controls would have been different. |
| CK: | Your email on 4 May 2011 was to alert people that whatever option that they chose the risk needed to be addressed. |
| AC: | Fiona Hepper was my line manager, Peter Hutchinson was moving to Renewable Heat and Sam Connolly was the Department Economist. I would have thought Peter Hutchinson would have asked the consultants to address this. |
| CK: | Do you recall any conversations ...? |
| AC: | I don't remember, it was five years ago. |
| CK: | Do you remember a conversation with Fiona Hepper during which you told her to bear the cost controls in mind? |
| AC: | I don't remember a particular conversation. When Joanne McCutcheon arrived, Fiona Hepper may have spoken to her and I was not included in these conversations. |
| CK: | The nuance in the Scheme wasn't picked up or lost |
| AC: | Yes |
| CK: | Did this surprise you? |
| AC: | : I'm surprised that it went through so many layers – Economist, Casework Committee, etc. and no one picked it up. No one asked how they could be sure there was no overspend. Everyone was obsessed with underspend. Finance flagged the need for controls. |
| CK: | It was in the Risk Register |
| AC: | It was. Because of Reconnect, I was interested in cost control. |

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| CK: | Was Bernie Brankin in post? |
| AC: | Yes, she only retired recently I think. |
| CK: | Was she involved? |
| AC: | She was the Grade 7 in the Finance branch and I think she was the Grade 5 acting up at some stage |
| CK: | Was she aware of the issue? |
| AC: | Yes, well she was instructing me on the issues in that email |
| CK: | Cost controls were not built in? |
| AC: | No, I was not involved in choosing the option and designing the tariffs |
| CK: | Did you provide a handover to Joanne McCutcheon? |
| AC: | There was a period of overlap in May 2011. She was down the corridor so there were opportunities for a handover. Peter Hutchinson also transferred to Renewable Heat and he had the full level of detail. Fiona Hepper was also involved. I may have handed over to the point that I was. We could have had a chat if she had questions. |
| CK: | Was there a formal handover? |
| AC: | I can't remember. There might be a note on the system if there was. |
| CK: | OK, we haven't looked for these things at this stage. |
| AC: | There was consistency in the branch from Fiona Hepper and Peter Hutchinson. I don't know if I would have met Joanne McCutcheon myself without Peter Hutchinson. |
| CK: | Were there any trips down the corridor? That stand out? |
| AC: | I can't remember, it was five years ago. I'm sure she did. I would have probably directed her to Peter as he was working for her. |
| CK: | In your civil service experience, would you have expected the risk of overspend to be added to the Risk Register? |
| AC: | Yes, when you are managing public money, it would have been normal practice. Given the nuance of the money, I would have considered the risk of over/under spend to have made it on to the branch Risk Register. I'm not sure if Joanne kept one. There was a divisional Risk Register and I would have thought the risk would have been on it. The divisional Risk Register is voluminous, there is a lot on it. |
| CK: | There was a business case for the RHI, were you involved in drafting it? |
| AC: | I don't think I was. CEPA hadn't signed off their findings. It would have been drafted post consultation. I don't know when it was started but I don't think I was. They consulted on it and I would have thought they would have asked the consultants to look at it again, worked with the consultants. |

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| CK: | In the first report, there is mention if tiered tariffs. Do you remember any conversations with Peter Hutchinson about tiered tariffs? |
| AC: | No, I don't remember. It was very early. I flagged cost controls. |
| CK: | When you were in Sustainable Energy, can you provide more details about the management of the team and meetings? |
| AC: | Fiona Hepper would have had what she called Heads of Branch meetings. They were either every two weeks or monthly. Wider Departmental issues were discussed during these. They were not detailed policy meetings as there were 6 or 7 Heads of Branch in attendance. It was more the communication of corporate messages about leave for example. Although sometimes we did do a tour of the table and each branch head could raise matters such as conflicts between branches for example renewable heat had a conflict with gas. There were also smaller team meetings. Fiona Hepper had separate team meetings with whoever was appropriate. |
| CK: | The Renewable Heat team was a small team |
| AC: | There was Peter Hutchinson, Dan and other staff. There were additional team meetings where required. |
| CK: | Is there anything else you feel that we should know? |
| AC: | Just about the "5% email" that I mentioned earlier, I think you should ask for that as the email chain isn't complete without it. |
| CK: | Do you know how these emails came to light? |
| AC: | Stuart [Wightman] was looking for them on TRIM. He had them for a preparatory PAC meeting. He turned them up. |
| CK: | Thank you for coming in Alison. |