

# Wednesday 12th October 2016

## Joanne McCutcheon Interview Transcript

### Attendees:

Name	Initial	Company
Joanne McCutcheon	JM	-
Leanne Coey	LC	PwC
Clare Kennedy	CK	PwC
Ian McConnell	IM	PwC

### Meeting notes:

CK	For the purposes of the tape it is now half past ten on Wednesday 12 <sup>th</sup> October and it is the interview of Joanne McCutcheon and in the room as well from PwC it is Leanne Coey and Clare Kennedy and Joanne just for the record can I just thank you for coming in, certainly from our perspective we do very much appreciate your co-operation. Just to let you know how we tend to run the interviews is that we tend to run them for 45 minutes and then offer you the opportunity to have a comfort break for 5 or 10 minutes and then come back. I have to say I notoriously bad at that, once I get into an interview I tend to go with the flow and forget about that, so Joanne all I would say is if at any time you would like to have a break please just flag and we can stop that because we can pause the tape. Is that OK?
JM	Yeah that's fine.
CK	As well Joanne we are obviously conducting a number of interviews and I would be grateful if you would confirm that you would keep the content of the interview confidential.
JM	I will yes.
CK	Thank you and the other thing as well Joanne, we've obviously discussed it off tape and you are happy that it is recorded and you would like us to send you a copy of the transcript whenever it's done.
JM	Yes please.
CK	OK, thank you very much. The other thing as well Joanne I would just say is that I do appreciate that these events were some time ago so like please take your time in answering the question just to think back, and if you can't remember obviously you know that is fine, but hopefully some of the questions will jog your memory. So have you any questions before we start Joanne? OK.  Maybe just to start Joanne for Leanne and I, it would be useful to know a bit about you and your background and how you came to be working in the Energy Division.
JM	So I came to Energy Division on the 9 <sup>th</sup> May 2011 and stayed there until 30 <sup>th</sup> April 2014 when I went on a career break and when I went to Energy Division I had a term time contract, so although I arrived there in May I was then off in the summer on my term time contract and returned on September 2011 and during my whole time in Energy Division I worked 24 hours per week and while I was in Energy Division as well as working on the RHI I worked on sustainable energy messaging, the renewable heat strategy group, renewable heat premium payments, energy wise sustainable messaging campaign, so that's my time in Energy Division and prior to that I worked in telecoms I couldn't tell you just exactly how long, before that a little bit of personnel and the main

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	bit of my career was in NISRA which is Northern Ireland Statistics and Research Agency where I was a statistician from 1990 I think to about 2002.
CK	OK, and how did you come to be in the Energy Division?
JM	I was in telecoms and there was... well I suppose during my time in telecoms I worked on different projects there was a natural sort of end to a project there was the grade 5 there was, the grade 5 there was sort of questioning which projects would go forward and there was a suggestion that there might be fewer grade 7 posts and then I was asked if I would be interested in going to the Energy Division and I was happy to go.
CK	OK, can you just tell us about the team that was there at the time, you know in particular the ones who were responsible for the RHI scheme, so who would you have been working with, beneath you and above you?
JM	OK so I reported to Fiona Hepper who was the grade 5, so she was responsible and that was part of her responsibility as well as the whole Energy Division and the team consisted of me working 24 hours per week and Peter Hutchinson, there was nobody else working on the RHI.
CK	So it was a small team?
JM	It was a very small team yes. Subsequently whenever we started to do the renewable heat premium payment scheme, there was some additional staff.
CK	OK but they were focussed solely on the premium payments?
JM	Yep
CK	OK. OK. That is very helpful as well. Alison Clydesdale obviously was around but I think she had just left then before because you obviously replaced Alison Clydesdale?
JM	I'm not sure.
CK	OK. But your time didn't overlap with hers at all?
JM	Alison was there the whole time that I was there but she was working on... electricity
CK	Of course she left...
JM	I'm not exactly sure how the work existed before there would've been Olivia? I can't remember Olivia's surname, there would have been Olivia and Alison and somehow between them they were dealing with it but I don't know what the division of labour was or anything.
CK	OK, so your time within the renewable heat scheme Alison wasn't involved with it at that time at all?
JM	No. Whenever I arrived Paul Dolohan who would have been the 7 in charge of co-ordination would have provided me with very very helpful documents whenever I arrived which would have been the sort of documents that are listed there in Peter's hand over note.
CK	Right OK and that related to the RHI scheme, or just generally..?
JM	Well the RHI wasn't really running then but it was the background to the, it would have been I think there was a heat study done in 2009-2010 that type of thing so he gave me a folder and that was really and then I worked to Fiona so everything I knew came from those documents and Fiona.
CK	OK, his is a name that we haven't come across before Joanne?
JM	Well he just greeted me that morning he had to do a file he had no part to play in it although he probably, he would've been, he would've have co-ordinated all the stuff in the branch and he would've had the administrative staff so I presume he asked them to

	photocopy the documents, he's nothing to do with renewable heat that's just to keep the context of what I got when I arrived.
CK	OK, so this document, essentially like a handover document...
JM	No it wasn't a handover document, it was everything by like do like this, but it would have had like... I can't actually remember who did the heat study from 2009/2010.
CK	OK, so what was your first introduction to the RHI scheme or the discussions around getting it up and running?
JM	Fiona. Fiona would've given me all the background and Peter, who had been there, I couldn't say exactly how long he'd been there but he'd been there for quite a while so, I was kind of fitting in between Peter and Fiona and anything I knew came from the two of them.
CK	And what were your particular responsibilities Joanne so you know the division of responsibilities like I mean I know that Peter was basically working on it full time but what would've been your particular responsibilities?
JM	Well Peter was working on a whole lot of other things as well I suppose Peter and I would have, Peter and I would've been the day to day working but Fiona would've been you know, we would have been meeting Fiona every week I've talked to Fiona most days it really was a team you know, so my responsibility...
CK	OK, just for the record Ian McConnell has joined the interview as well at 10:45 and what we were just discussing Joanne before Ian came in, was the interaction that I guess that you had as a team and you were starting to say about meetings that you would've had, well not meetings, but interactions, you know with Fiona discussions that you would've had and...
JM	So you're asking my role, I mean I was Peter's line manager so Peter had been there for quite some time, he worked to me, he and I worked closely, we talked every day, so I mean I suppose I was there as his Line Manager as a Supervisory role of what he did and likewise Fiona was our Line Manager.
CK	Yes - I mean in terms of that team just getting together like was there a regular you know team meeting that you would've had to catch up or was it just sort of an adhoc thing?
JM	Well Peter and I would've met, I don't think there would've been a day he wouldn't have been in, OK because we were basically, we had a huge workload and we were dealing with it between us had, we would have had, I mean I can't say for sure because I was there for a number of years, we had meetings with Dan and the premium team... I can't remember the exact sequence but there wouldn't have been a day that Peter and I would not have been talking about what we were doing and we would've been talking with Fiona several times a week and a formal meeting with Fiona and I think at that stage weekly, we were meeting but I would have been speaking to her every day.
CK	OK, and just in terms of those formal meetings when you met as a team, would they have been minuted at all?
JM	Not formal minutes, no there would've been action points and Fiona would've kept the action points and we'd have come back and she would've you know, asked what was happening on this.
CK	OK so at the point when you joined then just, you know in the middle of May, obviously there had been the heat study before etc. etc. I think the Minister had maybe made the announcement before then in 2010 that this scheme was obviously going to be run, so where exactly was this scheme in its progress when you came in?
JM	So whenever I arrived the consultants had been appointed and the consultants were working on it and Peter Hutchinson was working with the consultants and there was an

	<p>economist working with him I think called Sam Connolly so the two of them were working with the consultants when I came in and the consultant's report, I think, their first report came in within the first bit that I was there some time in May or June and then I was off on a career break or term time and I think that when I came back the consultation was out on it so the first sort of main thing that I remember being involved in was the public consultation which would have been around September/October there would have been events around the public consultation on the CEPA's first report.</p>
CK	<p>And if I just take you back to before we go out to public consultation there was some correspondence and I'm not sure if you were party to it but with H M Treasury just agreeing look in terms of funding, what funding is available you know for the scheme, what may the spend profile look like, would you have been involved in any of those conversations?</p>
JM	<p>There are emails here. I haven't seen those ever before.</p>
CK	<p>OK, so in particular if I could just ask about one in particular and it's on page 39 Joanne and that is the email from Alison Clydesdale, obviously you're not copied in but its page 39.</p>
LC	<p>I'm not sure that one is page numbered, I can find it for you.</p>
CK	<p>I can give you a copy here anyway, so this was Alison's sort of last missive before she moved on to a different part of the department obviously coming from her to Peter to Fiona and Sam Connolly is copied in as well and its talking about the fact that the budget which was £25 million and obviously there was a profile behind it but that wasn't typical annual managed expenditure so actually there was an additional risk to the department because if there was an overspend then it had to essentially to come from the Northern Ireland block grant, and she is saying this is going to represent a significant challenge and it needs to be built into you know proposals that go up the line to DFP in due course because there is an additional risk here, so I'm just trying to understand what or how aware were you of that?</p>
JM	<p>I wasn't aware of seeing that email at all and my understanding was that the budget came from what I was told from Fiona and Peter, so the £25 million, the spread of it, the fact that all that was guaranteed beyond 2015 was the tail on that money as Fiona called it but that the tail on money had got to be controlled too, that it had to be like a flat level and the only question I had in my head was, was there going to be anymore upfront type money post 2015 and I mean, I'd actually forgotten but there's an email you showed me here today were I'd spoken to Camp Georgia was it or something so the whole time I was there from Fiona I had no doubt that we were living within that 25 budget until 2015 that we had to control the tail on that money and that post 2015, we weren't sure if there was any more upfront money coming to...</p>
IM	<p>And Joanne what kind of stuff was being done or considered in terms of making sure then that the Department were living within that 25 million budget over that first four years?</p>
JM	<p>OK so whenever I arrived the whole work that CEPA had been given to do was to live within that budget and to maximise the output of renewable heat living within that budget, so upfront that's what was being done post that, you know we were... once OFGEM, once the applications came there weren't very many before I was there, but we were looking at the profile with Peter, you know Peter could fill you in on the detail of it but Peter basically was looking at the figures coming in from OFGEM, he was looking at the profile of that money at our meetings with Fiona we were discussing that.</p>
IM	<p>And to what extent so, so I understand that, we can see I guess you know that risk being highlighted by Alison that's a fair risk... we've 25 million to spend there's a risk if we overspend it's on us so we and we can then see that translating through onto the risk register and the risk register highlights the risk of overspend as a potential risk but I</p>

	guess what we have struggled to see then are there any controls or actions taken to recognise and do something about that risk sitting on the risk register?
JM	OK so that was being managed day to day by our meetings Fiona, Peter and I and the input from OFGEM and looking at the implications of that going forward and keeping an eye once those would start to look very different from what had been built it then to the assumptions at the beginning and ultimately the review process we would have looked at that.
IM	So what review processes because again we don't see, we hear it talked about but we don't see very many?
JM	So there was to be a review of the scheme in 2014, so the review of the scheme I mean there seems to be a narrative that, seems to be a narrative that we thought we would devise this scheme and that was it devised, this was an evolving process. GB were I think roughly a year to eighteen months ahead of us, we were watching what they were doing, we were learning from them we didn't ever think that it was written in stone, we fully, you know, and that was day in and day out we knew that this scheme was built on a huge range of assumptions and had to be very very carefully monitored and that we had a finite budget and that the formal review was to be in 2014 and meanwhile obviously we were to keep a very careful watch on it and if there was any alarm bells would ring, that we would escalate those and I've already said I'm very relieved now to see handover document because I believe that document shows that we fully expected that that would continue.
IM	But we don't see any review having taken place, we see that it was, so absolutely all the consultation papers, it talks heavily about the need for review we absolutely get that, absolutely agree. One of the documents talks about a review happening proposed to take place in January, but we don't see the review taking place in January?
JM	The review didn't take place in January because whenever January was put in the date and I can't be precise on the dates here but I think... I'd prefer to check the dates but I'll give you a rough indication OK. I think the business case was written around March time and at that time I think we intended that the scheme would start before the summer 2012 that it would start before the summer and we had delays on getting the regulations up so the scheme instead of starting before the summer started in November 2012, so yes when we did the business case we expected it to start before the summer and we were scheduling a review for early in 2014 but actually the scheme didn't start until about six months later than we envisaged just so the review would have been done later in 2014. At the end of the day I mean I think when I left we had maybe about a hundred accredited installations so you need to have a reasonable number of installations to do a review so when I left, I expected a review in 2014.
IM	And was there a conscious decision then taken, at a meeting, a discussion between yourself Peter, Peter Fiona, I don't know at which the kind of rationale for not doing the review in January 2014, it's not just as you've described.
JM	Well, Fiona wasn't there in January 2014.
IM	So then go back was there a conscious decision taken not to perform the review.
JM	No, the review was to be done in 2014.
IM	Business case suggests January 2014, so I guess that's what I'm trying to understand is, it says January it wasn't taken, was there a reason, it's not a trick question, I'm just trying to understand the kind of thinking, it might have been there wasn't enough applications, there wasn't enough this, there wasn't a lot, whether the scheme was ongoing.
JM	In truth I can't remember I can't tell if there was a meeting what I can tell you is that if you have a look at the number of things that were going on in the department at that time John Mills had just arrived, Peter Hutchinson was working on it and I was

	working on it 24 hours a week and we developed a renewable heat premium payment scheme that was being run in house by 1,500 applications...
IM	So domestic?
JM	Yeah, no not the domestic RHI they are completely different scheme, we were running a sustainable energy messaging campaign, we were secretariat to enable heat strategy group, we were you know... so I can't swear there was a meeting or there is a minute but I wasn't told to do a review in Jan 2014 and I can see very good reasons why it wasn't done then. But whenever I left in April 2014, my expectation was that the scheme would be reviewed.
IM	And just on you leaving Joanne had you any specific handover notes, we see the handover notes that Peter seemed to have penned did you have any specific handover notes.
JM	I needed to go to career break for personal reasons. John had just arrived in the branch and I think it was probably his first week, the reasons I needed it had come to light over Christmas after Fiona left. The first week he was there I asked would he approve it and he said he ... well the day I asked for it, it was approved for the next day there was no problem with that. He asked me when I wanted it and I said as soon as possible, but I recognised it wasn't going to be a good idea for me to walk out the door so we agreed 30 <sup>th</sup> April. In the run up to me going I asked repeated times who was coming in my place and I was never told, I wasn't told where the person was. I recognised that Peter was going to be the lynchpin, he came to me and asked if he could apply for a move out and it was up to me to sign the approval for him to move and I told Peter that I couldn't do that without asking John. I went and asked John and I told John that I thought Peter was very, very important, and John told me that he ... it was not his way of operating to stand in the way of anybody who wanted to move. So Peter's application was signed off and he subsequently got that move which left a situation where I was leaving at the end of April and he was ... I'm not sure I knew when but I knew he was leaving shortly after I left. I went back to John again in the month I would say before I left and said I think there's going to be a problem and I suggested that if Peter would be allowed to act up into the post that I was leaving I thought that he might stay, and John told me that he would not allow Peter to act up into the post and that if he had other plans, but he didn't tell me what they were, and he told me that if there was, he didn't anticipate acting up but if there was to be acting up, he would be offering it round all the DP's in the branch, which didn't make much sense and so that was how Peter came to leave very shortly after I left. Peter and I were aware of what all the issues were and as I said, I can't say how relieved I am to see the handover document. As regards did I do a handover, I went to John and I told John how complex I thought the system was and that I thought it would be very useful for whoever came after me for me to have a one to one with them, and I told him that I wasn't going away until 1 <sup>st</sup> July and once he knew who was coming, if he wanted to give me a ring I would come in for a couple of days and talk that person through what the issues were.
IM	So the rest is history?
JM	Well I didn't get a phone call. I tried to find out if there is anybody there and did that by asking a colleague who told me that in June there was nobody there and on 1 <sup>st</sup> July I went away to France.
IM	You go back Joanne to the kind of, you, yourself and Peter kind of lived and breathed this for quite a while, what did you think? So you were leaving in April and you got a sense of what were you thinking were the key things, the key challenges, the key issues that whoever came behind you and had to grasp, grapple or deal with?
JM	The key challenge at that time was workload, capacity. Because, a bit like as I said earlier, this was an evolving scheme that was growing and growing and growing, and you know every few months Dec seemed to have I don't know how many people working on it, you know, review this, consult it on this, got experts in on this, change

	<p>this, tie this up, new technologies, degression came in and so there was a huge amount of evolution in their scheme and we were mirroring what they did with very, very limited resource. And the other problem was that, as you'll know, you don't just decide to start the scheme, you've got your research, you've got your draft policy, you've got your consultation, you go back and on top of all this then you've got OFGEM and how they are, and the implications for that, then you've got to lay the stuff in the Assembly so for every little thing you might want to do, the lead into it is huge and so you know yes did we know there are questions in PAC and all the rest of it, oh GB had degression, well GB hadn't even thought of degression when we started this. By the time they were thinking of these things, we are you know two thirds or halfway through these processes, do you stop and go back, no you don't, you put it on your radar and we need to look at this when I left Peter's handover note couldn't be better, it summarises all of those things and ...</p>
IM	<p>So you're saying your concerns are would ... I don't want to put words into your mouth but were similar or consistent with what Peter's handover note highlights which was kind of he highlights multiple, predominants of boiler sizes, kind of sub 100 as of all the applications are he identifies degression as something, he identifies tier tariffs as something ...</p>
JM	<p>All of that and Peter has the technical knowledge which I don't have so has he got all the boiler sizes, I don't know, we would need to go back and visit it but that note summarises very well what I thought the team that came afterwards would do and at the point where I left I thought; Oh my goodness I wouldn't like to be the person coming after me which is why I offered to come in but I also you know, I was also aware that John had been there since January, he had had 4 months which you know isn't that long but he'd had the 4 months, he had met with us, he had talked with us and when he didn't call me in I assumed that he was happy that he could hand over so the short answer to your question is, no I didn't do a one to one handover.</p>
IM	<p>No that's OK and what's your sense of kind of, would John have been equally aware of those kind of issues i.e. the challenge ahead, you know because you were saying he was there for 4 months, you're saying well yourself, Peter and Fiona would have spoke quite frequently, what kind of interaction was there with John then during that 4 month period and would he have been up to speed and have been as familiar with the challenge, the thing that he considered looked at as yourself and Peter might have been?</p>
JM	<p>I don't know the answer to that question.</p>
IM	<p>To what extent do you recall briefing and telling him.</p>
JM	<p>If you're asking me did he spend as much time with Peter and myself as Fiona did, the answer to that question is no</p>
IM	<p>No</p>
JM	<p>Did he understand what the issues were we were telling him, I don't know</p>
IM	<p>And just to go back to your own interaction because we have spoken to Peter and you know let's say Peter suggested that in the number of months that he was there that he had very little interaction with Fiona, which I guess is at odds to what you're describing as a picture?</p>
JM	<p>Well I suppose I'm in between the two OK so Peter would have been at the team meetings that Fiona had he would have been at those meetings there would have been conversations probably between Fiona and I that Peter wasn't there for but I would be surprised if Peter didn't think that he had more than average contact with a grade 5.</p>
CK	<p>And why was John in your opinion Joanne, not as familiar with the issues?</p>
JM	<p>I don't know whether he was as familiar, he just said he didn't spend as much time</p>

CK	Right OK but can you remember conversations with John specifically around concerns do you know that the scheme profile was looking different in terms of usage, the issues that Peter was covering and it's quite clear for example that tier tariffs he saw as a solution to this, would those conversations with John been that specific can you remember?
JM	I don't know
IM	So another one, so obviously Janette O'Hagan came in, I think maybe were in the meeting with Fiona and Peter and met Janette in October
JM	I could have been, I don't recall
IM	You know because I guess an added question is well OK Fiona was aware of that issue and Peter was because they met with her, there wasn't another a third part person or anything?
JM	I'm not
IM	You're suggested to be that person
JM	I could well have been, there was a lot of meetings
IM	Yeah I guess the question I have, well OK would John be aware of the fact that someone had come in in October and raised an issue in respect of you know heat wastage over use etc?
JM	No John may not have been aware of that
IM	OK, I'm just curious as to what extent....
JM	I don't know, I don't know where the handover note went
IM	There was so much change in the handover note here
JM	Well Janette is mentioned in the handover note, I don't know where the handover note went
IM	Well
JM	Yeah I couldn't say that it did, I don't know who the handover note went to
CK	Did you see that handover note at the time?
JM	No, just today.
CK	That's the first time that you've ever seen it?
JM	Uh hmmm
CK	So if you did or you didn't meet Jeanette was it an issue that you would have discussed with Peter that actually someone had come in and said; look out there on the ground, it looks as if the scheme could be being abused?
JM	Yes
IM	So you were aware that a meeting had at least taken place with someone?
CK	Or that the issue had been raised?
JM	I cannot now specifically remember the meeting, if I was there then yes OK there was a number of meetings, there was another guy and there were a whole lot of people who would have come in with their perspective on things when we went out to public consultation, people would have said you know this isn't going to work or this, you know so there would have been feedback and where that feedback came and in that particular meeting if Fiona was there, that would have been on the radar and it's in the



	handover note. Did I specifically remember having a conversation with John about it? No I don't. Do I remember the contents of the meeting? No I don't.
IM	Just to put it in context, you were saying there was numerous meetings because I suppose puts a different flavour on well if it's one off, do you know what I mean? What kind of other meetings had there been had and who was saying what?
JM	Peter would have said to me; oh so and so is coming in to talk to me about OK, there was a meeting, I can't remember the name of the guy from one of, I can't remember Bio Liquids or something, he had a meeting with Fiona. I can't remember names but, you know people in the industry, people had things to sell, people had specific concerns, producers of things you know, there would have been a body of people speaking to both, usually Peter and Dan because they...
IM	Dan just remind me was...?
JM	Dan was a part time DP who worked on the renewable heat premium payment scheme but he also he worked in energy for years and a lot of people from industry may have phoned him from time to time so.
CK	And sorry to harp back Joanne and I know we're going over stuff again, but you know that sort of issue that so for example, the usage of the scheme that people were basically wasting heat in order to generate a payment so the sort of issue that OK so Janette brought, would that have been an issue that you would have been aware of even outside of that meeting?
IM	i.e. from others, so you reference others having expressed concerns
JM	No, I didn't hear that expressed concern but from my conversations with Peter and from the word go, from the work the consultants did, there were assumptions and you know, we needed to be aware that those assumptions may not continue the whole way through so yes, the answer is that would have been on my radar because it is an assumption built into the very beginning.
CK	Rather than somebody coming with evidence
JM	And also because a whole lot of people came and you know I could well have been at the meeting and if I was then as would have happened with anything else that would have been feeding into the fact that our assumptions you know are exactly that, assumptions.
IM	And if you go back to those assumptions, you know and the kind of concept of review which I absolutely understand, to what extent can you recall then the applications that were received and accepting they were building and you know were at a huge level even before you probably left Joanne? To what extent then [inaudible] provided by OFGEM so that you know the underwriting issues around usage etc. were not being considered on a collective but on a case by case basis.
JM	Yes well OFGEM were obviously the operational arm, there was quite a bit of the time when I was there initially was trying to get an SLA with OFGEM for the sharing of information so that was an issue but by the time I was leaving they were sending Peter through reports of the usage and Peter was watching those reports and from his handover note it appears that very shortly after I left that that escalates
IM	Well I would suggest you know that Peter raised the issue of usage with OFGEM on the back of Janette chasing again in terms of what's happening post my meeting in October so in May she sends another email so,
JM	I don't know I wasn't there
IM	So that's what I was wondering, was it independent of Janette O'Hagan and what she was saying or not saying you know, were people looking at usage?
JM	At the point where I left, Peter was looking at it, it would appear to me that very shortly after I left, I don't know whether it was through what Peter was saying or prompted by

	Jeanette or who it was but it obviously somewhere between me leaving and Peter doing the handover note it came to more prominence or certainly he developed a view that it needed to be looked at urgently. At the point where I left, I wasn't thinking it needed to be looked at urgently. No I'm not saying I didn't think it needed to be looked at in due course but not that it needed to be looked at urgently.
IM	So just to confirm during your tenure OFGEM never came along and said; we think there's an issue potentially with A or B based on what we're seeing through the administration of the scheme?
JM	No I don't recall that
CK	Would you have met with OFGEM yourself I know they had planning meetings and budget meetings etc?
JM	Yeah so a lot of my meetings with OFGEM were to do with the SLA and Fiona had I think his name was Matthew Harlech, I think there was at least two meetings with Fiona we brought them over because there was some difficulties in getting an SLA agreed with them because they considered themselves to be a utility regulator and that they didn't have to, they weren't happy to agree targets with us so there would have been quite a lot of meetings on that and there would have been lots of telephone calls and conference calls with OFGEM between Peter and I, what mostly while we were developing on their guidance notes and on the scheme regulations, we had conference calls with their operational people and with they had a legal advisor.
IM	Sorry for jumping around in places unfortunately that this is the way my mind works or not works but on the phase 2 consultation, Joanne this is me trying to get my head around and understand what the kind of typical process is, so the consultation?
JM	Sorry this is?
IM	This is the phase 2 consultation so this will now
CK	July 2013, completing October
IM	There's 2 things that seem to raise that stuck in my mind, it talks about in a number of places you know the necessity to review and to re-visit etc. It talks about a programme or schedule of reviews but it kind of never goes beyond that as to well was there a schedule, was there a programme or is it just a principle of OK and the next issue was it introduces I guess the concept of potential degression because obviously a few months earlier the GB scheme had brought degression and it says look degression is a quite complicated thing, quite a bit of work needed to be done before you go there however, there's probably a simpler way of cost control and outlining like things in a table, fairly pragmatic way of keeping an eye on if this is going off the rails, falling a bit early. I guess there's a couple of questions around that number 1, were you involved in drafting the consultation paper and secondly what if, anything, happened beyond the consultation process with those things? Was there a schedule of reviews determined put in place previously did this kind of cost control did that become policy?
JM	So the first thing you asked me was what reviews, so I mean that's the review, this was Summer 2013 so the first review would have been 2014 but yes what you say, the principle was this was going to be, need to be reviewed and reviewed on a regular basis as it was an evolving scheme so that's....
IM	But you're saying that there was never a schedule drafted or planned at a point in time to say we're going to do it here, here and here or....
JM	Other than the first one would be in January '14 yeah.
IM	That's fine, that's perfect
JM	There was nothing beyond that but there was the expectation I mean GB at that stage, I couldn't put a figure on in but had multiple reviews so we anticipated we would have to

	do that to. As regards the phase 2 consultation and the cost control so it's as I was saying earlier, GB had introduced degression at that particular time our issue was under-spend not over-spend however, obviously they have gone from the position of having nothing to negate this yeah so we anticipated so we would too but with me and Peter there was no way we were going to get all of that sort of through so we looked at what GB had done and they had nothing, cost control and then degression so we thought it was reasonable that we would control through cost control in the interim until we had time and resource to look at degression and I clearly recall this that we had a meeting and Peter was there and Fiona was there because our percentages are not the cost control percentages that GB had and we had a discussion because we felt we wanted to put in tighter controls as well because our percentages are different from GB's.
IM	So I understand that certainly, absolutely so what then happened because I guess we kind of lose the trail there's a consultation paper that there's a kind of recommended but we don't see it every getting beyond a consultation paper
JM	OK so I can't remember the guy's name...Peter....so there were responses to the consultation which I have looked at and are online OK and they were published in June 2014 after I left so Peter was coordinating the responses to that, we were in the middle of developing, so the priority was seen to get Phase 2 of the domestic site so we started to develop that, we took the feedback from the consultation to inform the process of developing the Phase 2 domestic RHI. Peter Briggs, I think his name was Peter Briggs who we didn't have the resource, so Peter Briggs was looking after the responses to the consultation and there was an expectation that it would need to be written up and to be published and it wasn't done while I was there.
IM	So if you look at the typical programme this is ignorance on my part and this is important so the consultation period ran out July '13 responses would have needed to be received by
CK	Well it closed in October
IM	October so what would the typical process be then of how you would deal with that consultation process, how would you revise, reflect, determine then what you took from the consultation paper and actually put into policy?
JM	OK so I would need to look, I haven't looked, so I would need to look at what the consultation was but from memory there would have been the domestic scheme, there would have been new technologies coming on to the existing RHI and then there would have been things like cost control and degression. The normal thing when that would come back would be that all the responses would be collated and somebody would produce a report and in due course that report would be published and the information that came back on that would feed in to the development of the policy.
IM	Can we see any, because maybe we just haven't got all the information you know I haven't seen a report that kind of addresses and deals with the responses from the consultation and therefore a revised position on the proposed policy and then policy changes because, and again maybe this is a big assumption, I'm assuming that never became policy because if that had become policy, either it was ignored or it would have identified these issues because it was probably fit to identify the subsequent issues if it had have been executed and we just at the minute, I've absolutely no idea as to why it did or didn't? If it did and if did, why it wasn't used or if it just never made it beyond the consultation paper and if so why? What would have been the expectation in terms of time frames for that to happen, not even in this but generally, how....would you expect that to take a year to happen, would it be 6 months, you know how quickly does the wheels of government work typically? You know on the basis that basically closed on October '13, you left in April, what would you have expected and what was within your gift there for are you saying; no I'll delegate that to Peter Briggs and that he would do it?

JM	No no no no – Peter Briggs was a staff officer he was going through the responses that I'm collating. I don't what the reasonable time scale, I mean the consultation of the first part happened in – it's hard to get all these dates – it happened in summer of 2011 and the policy came in December or November of 2012 so that was for phase 1.
IM	And can you recall anything you know in terms of because obviously you and Peter you know, this was your kind of child, you created this consultation document, it had your thoughts, your ideas, what activities would you have been involved in then in terms of trying to pull this stuff through from the consultation into policy before you left?
JM	Well Peter, I mean when I was there we were working on amongst other things, our priority was phase 2.
IM	Was it fair to say some of this stuff probably got de-prioritised or wasn't as important and therefore?
JM	Well I suppose it's fair to say it wasn't as important because, I mean I think at the time I left, I looked it up in the audit but I mean a year after I left the budget was £15m or something under-spent so you know, yes if you're asking me when I came in in the morning was the top thing on my desk cost control, no it wasn't. If you're saying did we forget about it? No we absolutely didn't because as I've said before this was an evolving scheme with an awful lot of assumptions and
IM	But if I take that as kind of an audit perspective to it, I guess the bit that wasn't considered then is the fact that the importance of having controls and controls being there to protect against unseen eventualities, unknowns, assumptions going wrong, right, so I accept that in the moment the number of applications there and then wouldn't have necessarily said, well cost control is my biggest problem today but yes and in a controlled environment....
JM	You mean there was a review coming up
IM	So when was that review coming up?
JM	There was a review coming up in 2014 to look at the assumptions
IM	But when in 2014 because I know that you're saying there's a review plan for January 2014 that didn't happen, nothing else, again that's an expectation on your part I absolutely accept but nothing tells us that someone actually somewhere was coming in saying; must remember that review needs to be done?
JM	Well it's in the handover isn't it? OK and John was there from January and you know I don't know, Fiona can tell you what she handed over to John I don't know what she handed over to John but I work for the Grade 5 and my resource was 24 hours of me working on quite a lot of projects and
IM	Who dictated the priorities because obviously you know, where did that kind of flow out from? Was it the Grade 5, was it the whatever or was it even higher than that?
JM	I think in the time I was in the branch, the Grade 3 spoke to me once so nothing that I did came from the Grade 3 it was the, he spoke to me once when I made an appointment and Fiona was on holiday and it was on a different issue so, nothing was coming to me for the Grade 3 so my work plan was coming from the Grade 5.
CK	And can you recall a meeting with John Mills, once the responses were coming in from the consultation and I know he only came in in January 2014 but would you have had a conversation around on the consultation?
JM	No not that I recall
CK	Or around cost control and whether it was something that you were going to push for?
JM	No

IM	So what, why? Was John just not about, busy on other stuff?
JM	I don't know whether he was doing other stuff or not, I don't know what his handover was?
IM	Did you ever feel that you required access you know time spent with consultation with John and were you feeling you weren't getting it or were you getting all the support you needed? So
JM	[PAUSES]
IM	So lots of big personalities - did you feel that you were getting all the support you required both yourself and Peter during the period January to April 2014 when you left?
JM	Was I getting anywhere close to the support and direction I had before that? Absolutely not.
IM	That's what I expected.
JM	Was I asked to change my priorities, was I asked to focus on anything different that I wasn't or in any order different from what I was doing? No I wasn't.
CK	Can I ask a more mundane question about risk registers? Obviously there was a risk register prepared at the inception of the scheme, obviously because it was a very small team had your name and Peter's name all over it as you know the people responsible for monitoring that and it going forward and as Ian's already said, there was a specific risk, well a number of risks including overspend. Can I just ask how often those risk review registers were taken out and reviewed and updated?
JM	Well there's a system within the department where they're flagged up for you to do so each time that happened they were reviewed and you know any changes that needed to be made or any additional actions you know were things had been done or, to be honest, I see it in here and I haven't looked at it in detail. I suspect there is a lot of ongoing stuff because that was the nature of this work you know and then that would have gone to Fiona and if Fiona had any questions she would have phoned me and that would have been pretty much been the way it worked in anywhere I've worked.
CK	We haven't seen, we've only seen the original one and it's maybe unfair to ask you but can you remember any particular amendments needing to be made?
JM	I couldn't remember because just you'd be inundated with stuff that is part of the governments process so I couldn't no.
CK	OK and are you aware of any of the particular risks identified and this is just for the renewable heat scheme that we've seen been elevated to for example, the departmental risk register or any higher were you aware of anything in that regard?
JM	I can't remember
CK	OK
IM	Because as you say no bias nature this was demand laid you know, in its design there was lots of assumptions, lots of variables that were without anybody's control in terms of all the fuel prices and how that would impact on usage on the tariff's etc. as a result of that, that just inherently carried risk
JM	Absolutely
IM	That's not to make it a bad thing, it shows, it just invariably carries a risk.
JM	From the day I arrived there the word I used was volatile. This is a very and the more it evolved and the more that GB were ahead of us and the more they were having to do

IM	And just on that so how do you keep yourself and Peter apprised of all the GB changes, were they kind of feeding that down the pipe? Was Dec feeding that down the pipe?
JM	No not in an official way, you know we just had, Peter in particular had been there for quite a while and you know sometimes you phone people and you say; are you the right person and who would we speak to about this? I don't know how many and Dec were working on it but they would say; talk to this team or that team and you know it was Peter and I.
IM	And why do you think, maybe this is an unfair question so if you can't answer it but I guess that kind of raises the question as to why the decision ultimately was ever taken for the department to take this in-house and run it as opposed to give it to Dec? Who had in theory what you're saying, all this infrastructure, lots of people.....
JM	What I was told when I arrived because quite frankly, I asked that. OK probably in a jokey way, you know how did we end up doing this? I mean obviously there were good reasons and there was the different heat market in Northern Ireland and all the rest of it. Who took the decision and was there another way to do it, I don't know. Could we have been run, could it have been run as part of the UK scheme but with different tariffs? I don't know, it was way before I came.
CK	To me obviously tier tariffs is something that's all out there and everyone is talking about then and we've seen the consultants reports so had that decision effectively or how involved were you with that decision?
JM	OK so Peter and Sam Connolly were the prime people who were talking all the time with the consultants. I would need to have access to records but I distinctly remember a meeting where the consultants were over and met with and I think it was between the first and second tariffs and Fiona was there and I think it was Sam as well, it was a large table and so that would have been discussed then.
CK	Can you remember what was said specifically?
JM	I couldn't I'd need to look at the records but certainly my understanding and I read PAC but my understanding was that they recommended tiering was not required. I cannot remember without access to papers what exactly but that is my recollection of it and I suppose you know in PAC it said that we misunderstood that and perhaps we did and if somebody wanted to talk about that I would be very happy to see how we misunderstood that because we may well have done but you know, if they said, I'm not quite sure what PAC comments actually mean but if they were recommending a second tier is there a pence per kilowatt hour for that second tier that they were recommending. My understanding was they were not recommending tiering at that point.
IM	At that point?
JM	At that point in time and you know I don't know whether anyone has gone back to the consultants and spoken with them or not? But I definitely met with them, Fiona definitely met with them, we definitely asked questions. What the questions were and the responses were, I would need some time to actually look at papers and all the rest of it but the idea that nobody asked them any questions, is fundamentally wrong and...
IM	And you saying Joanne that you know tiering as a concept was clearly considered and what I'm hearing is based on consultants advice wasn't considered necessary. It was something that was at least being talked about?
JM	Well these consultants had devised the GB scheme OK so there was from my perspective, that was a good assurance these people have devised the GB scheme
IM	Although tiering wasn't initially in the GB scheme was it?
CK	It wasn't in the consultation but it was when the actual legislation was enacted

JM	So you know my assumptions at that time would have been that those consultants knew how the GB scheme was devised and decided a second tier for the GB scheme. The same consultants came to work with us I can't give all the detail Peter and Sam, the economist, worked with them so I supposed my role would have been you know Peter telling what was happening and we had the meeting with the consultants and at that meeting I can't sit here and tell you exactly the conversations but the outcome of it is we didn't have tiering so you know, what I'm saying is the consultants did not say at that meeting that we should have tiering and I or anybody else took a decision not to have tiering but I would welcome the chance to do that, I would also ask the question; has anybody spoken to the consultants? But I would also add that even were that a misunderstanding or a mistake, we didn't at that time think those tariffs were there forever, it was an evolving situation and you know and I will put this on tape, when I read a PAC things like you know, this was fundamentally flawed at the design stage, everything flows from the mistake and understanding at the design stage. I don't agree with that OK. If there was a design fault, there was ample opportunity in the period of time afterwards to identify that fault.
IM	Guess it depends how you interpret design, whether design was something that...the design of the scheme is the issue as opposed to you interpret design as being the day the scheme first went live because, look....[OVER TALKING]
JM	I'm picking up what was said at the PAC its my interpretation, it's all about the tariff
IM	Inherently, well my interpretation is inherently it's about the fact that the design scheme has led to a lot of things happening right and you can't really....they all flow back to the scheme design. Now design as in what the regulations say at different points in time so to be fair to, I know exactly what you're referencing and I guess people are going to be looking at that terms slightly differently. I would say it's the design right throughout its life. It wasn't a design necessarily the first day it went live but it's the reg's it's the guidance as they evolved there's always been design issues there throughout its life caused some of this stuff. Just like there were obviously design issues in the GB scheme which they fixed, improved, bettered as they went. It wasn't that they got it perfect from day 1 which is fine because...
JM	Yeah and I suspect they didn't think they'd got it perfect day 1, they knew it would evolve just as we didn't think it was perfect from day 1 either that it was going to evolve.
CK	Coming back to that tier tariff point, you know in those initial meetings certainly you know like whenever we look at the papers we weren't there Joanne at all, it does seem that the original tariff which was set at 4. something pence, I can't remember you know exactly obviously wouldn't have incentivised them you know just based on the cost of fuel when all the other sort of but you know it jumped to 5.9 and you know it doesn't seem that actually, you know the actual cost of running it or you know the incentive element was actually looked at again in the context of tiering and whether in fact it was over incentivising so I understand why they were saying there were design flaws, do you know have come from, so it wasn't that it wasn't being discussed but suddenly when the tariff jumped actually nobody stopped to look at actually whether....
IM	What does that mean? Because again it goes back to then you have to look at that in the context of usage and all of those other assumptions and how that plays itself out over 20 years.
JM	So would have happened would have been the feedback on the original tariffs which would have you know had a whole lot of queries on the costs of fuel and all that type of thing would all have gone back to the consultants and they would have done that work and you know along with Sam and Peter you know there would have been telephone calls I wouldn't have known the content, Peter could tell you more about that and then their recommendations would have come back to us and I would be 95% sure that that meeting I'm talking about that Fiona and Peter and I and the economist met with him.

IM	Anything else you want to kind of say to us, now's your opportunity, you know things you think we should look at, people you think we should talk to, you know you lived this, you were in the midst of it Joanne, we're kind of on the outside looking in retrospect?
JM	Well this is quite an unusual situation obviously in the Civil Service in that I don't mean what you think I mean, what I mean is that in December of 2013 OK you had David Sterling, David Thompson, Fiona Hepper, myself and Peter OK and by the summer every one of those people had gone OK and so you have a situation where up to quite a vital point as it now appears, 2014, you have one team departing completely and a second team coming and the only person who straddles those teams is John. I am the only person from that team who is still working in the department
IM	Right OK everyone else is in the DoE or somewhere else?
JM	Everybody's gone somewhere else or has retired. I'm working a completely different thing, I'm working on the development of a new culture for the department OK but it seems to me that so let's call them team 1 and team 2, so it seems to me that this whole investigation has resulted in the narrative of what happened which is totally from the perspective of team 2. I find it very very strange that nobody has spoken to me. In April of this year, Michael Woods – the head of internal audit – came and spoke with me
IM	Right as part of the internal work review?
JM	As part of his work and said he would like to have a word with me and he was doing this review on energy and there was a few gaps a few things he didn't seem to be able to and could I speak with him and I did but apart from that nobody in the department has ever asked me anything about this. Anything I know about it has come from chat in the canteen and from going online and finding the Northern Ireland Audit Office Report and subsequently the PAC and I find it completely bizarre that between 5 July when it would appear the audit office report came out and the appearance of the Department of the PAC at the end of September, nobody actually spoke to me and I am presuming, perhaps incorrectly but I am presuming that if they didn't speak to me in an office a few meters away from them then they didn't speak to anybody else in team 1, that maybe incorrect, I don't know but I find that absolutely bizarre and I do, I have got these papers off line and you, on the Northern Ireland Audit Office Report it says something about this wasn't exchanged at handover OK, you go into the PAC report it says between I think, I could look it all up but I won't, between 6 and 10 people worked on this project OK
IM	You're saying there was 1 and a bit?
JM	Well I go through this with a highlighter pen just this weekend in my own time and the number of times that Andrew McCormick says 'I don't know' OK which isn't incorrect, he doesn't know, when somebody says to you; I don't know how this could have happened, this is bizarre OK. I don't think it's unreasonable to imply from that that they've tried to find out but they don't know as opposed to I don't know because I haven't asked the people and that's probably all I want to say on it. It just seems to me and I'm not saying that the narrative of team 1 is any more valid than the narrative of team 2 but there are 2 narratives there and it seems very strange that the first time that anybody has tried to find any of narrative 1 that is with me sitting here with me in PwC being recorded and I didn't intend to say that on tape but I have. You know the terms of reference for this review have been written by Andrew McCormick who arrived in summer of 2014
IM	Yep OK, thank you.
CK	Yeah I'll close and thank you Joanne for coming in and we do appreciate your cooperation – OK for the purposes of the tape the interview has finished at 11.45 – many thanks