

Wednesday 12th October 2016

John Mills Interview Transcript

Attendees:

Name	Initial	Company
Ian McConnell	IMc	PwC
John Mills	JM	-
Leanne Coey	LC	PwC
Clare Kennedy	CK	PwC

Meeting notes:

CK	<p>Ok, just for the purpose of the tape it is now 20 past 2 on Wednesday 12th October and it is the interview of John Mills and in the room from PwC we have Ian McConnell, Clare Kennedy and Leanne Coey.</p> <p>And first of all just John for the purpose of the tape and for the record can I thank you for coming along and for cooperating with us certainly so far.</p> <p>Usually how we run these things and I fail miserably at it every single time is that we run for about 45 to 50 minutes and offer you a break. I must admit I fail every single time. So if at any stage you would like to take a break please just let us know and we will pause the tape and as we discussed prior to starting the tape we appreciate that a lot of the events that we're going to ask you about were some time ago so you know please take time to reflect, and I mean certainly if you want to go away there is certainly the facility you know to come back again, so please don't feel under any pressure to offer up all the responses today. Obviously, you've indicated you're happy for the interview to be recorded and we can certainly make a transcript of your interview available if you would so like.</p>
JM	Please.
CK	<p>Ok, no problem at all.</p> <p>And my other final plea John just before getting into the interview is to ask you to keep the content of the interview confidential please. There are a number of different interviews that we still have to conduct so it would help us enormously if you were happy to work with us on that basis.</p>
JM	Yeah ok.
CK	<p>Ok.</p> <p>So John just to start it would be useful for us just to understand a bit about your background, I appreciate you've been in Northern Ireland now for over 30 years but particularly interested in how you came to be working in the energy to be responsible for that branch?</p>
JM	<p>I've been in Northern Ireland Civil Service civil servant since 1987.</p> <p>Working through a number of posts.</p>

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	I got to my current grade of Director in the mid-2000s. Was in charge of water policy for a while and sort of moved to somewhere else after being there for a while. That somewhere else was energy.
CK	Ok.
JM	And I was Director of Energy Division from January '14 to May '16 when I moved on to Environmental Policy.
CK	Ok.
IMc	So John you would have taken over then from Fiona Hepper is that right? She'd have been grade 5 is that right, I want to get my grades right, grade 5. So she left then around December, and then you took over from Fiona in January '14?
JM	Correct.
IMc	Right ok.
CK	In terms of that process and in terms of handing over, so Fiona's role on to yours do you remember a meeting John that you had with Fiona or how was that handover facilitated?
JM	Well Fiona was promoted so there was a deadline for her departure. I had as is common been expressed a desire for a move and was contacted... in terms of handover, Fiona and I would have spoken a few times I think we had one lengthy session where I went, when we sat down together and a briefing packet with relevant papers would have been prepared for me when I took over. But we probably didn't, we weren't there at the same time, there wasn't an overlap between us.
IMc	But you can recall at least a briefing pack of some description John being made available?
JM	Oh yes there was a briefing pack as would be common with anybody new joining the division, there would be an induction pack.
IMc	Right.
JM	An induction pack for me as Director would have been a lot more substantial than say the business plan or other documents that would usually go into the induction pack.
CK	And I mean just for context John we haven't gone looking for documents at this stage of the investigation and obviously the Department has directed us to a few documents, have asked that we meet with people at the outset to get their views on things and therefore if there is you know a requirement to go looking for documents after that point then we will certainly do that, but just to give you that context that we haven't at this stage done a document trawl such would identify ...
IMc	So John, just so I'm clear so induction I get, I might distinguish between induction maybe and specific handover notes, can you recall whether there were any specific handover notes and do you recall, you know kind of entering this new world, bright opportunity, you know were there 2 or 3 or 3 or 4 things that kind of someone was calling out to you to say well these are our priorities, you're new obviously, you don't have that kind of pedigree or background in the energy division, here are the 3 or 4 key things in terms of your role in the next 6 / 12 months?

JM	Well I have to say my initial reaction to that if only there had been 3 or 4 things ...
IMc	Or the 20, 3 or 4 maybe yeah ...
JM	... so I think it's a point I want to make about what I've seen of the investigations into renewable heat is that renewable heat was one of probably about 10 or so major areas, so for me to remember specifically what was said on renewable heat is I am afraid beyond me, but as I say Fiona and I would have had a half day meeting and she will have covered, we would have covered renewable heat in that and the induction documents would have included information on renewable heat.
IMc	But as a consequence I guess of that John, she didn't say something, or you didn't hear something in your first day or as part of that pack that scared the life out of you which particularly sticks in your mind, at least that's kind... so we will go and see whether we in due course can find the fact that there were kind of handover notes etc., because there is an inordinate amount of change and maybe it is just typical of the civil service but people coming in, going out, so to secure a degree of continuity and consistency just handover and the degree of knowledge and information passed all these times quite relevant as to what was, what wasn't.
JM	No that's, well handover in the civil service maybe as it is from Fiona's point of view there might have been, I don't really recall there might have been bundles of file notes in cupboards as I say, I wouldn't like you to think that the briefing prepared for me was simply just an induction pack, I would have had lines on... a page of information on various subjects. In terms of any specific issues that Fiona may have drawn to my attention to be fair to her and to both of us there were still, there was still some continuity in January and the first 3 months when I started so grade 7 of the DP were there.
IMc	Yes, yes, yes.
JM	And they departed.
IMc	Joanne and Peter?
JM	... Peter they departed.
IMc	Can you recall John when you first became aware and assuming therefore you became aware of a meeting that took place with a lady called Janette O'Hagan back in, you'll see an email in your pack there, October '13 where I guess this lady was coming in saying 'look you know I'm in this sector I can't sell my kind of heat efficiency products because it pays people to essentially waste heat'. Can you recall being made aware of that? When did you first become aware of that individual, her kind of communications with the Department?
JM	Well that would be I guess today... I have to say I don't recall this and... or it coming to my attention the name is not familiar to me, but, to be honest there could well be a piece of paper with me cc'd into or something like that which was copied to me I don't know, but I don't recall it.
IMc	So you're saying prior to today that's not a name that's familiar and you're not, you weren't aware of those correspondence? Because essentially there was a meeting October '13 where Janette met Fiona, Joanne, Peter, then Janette sent a subsequent email in May of 2014 and again you'll see that in the pack and that was sent to Peter, Peter was on his way out, it was then sent to Davina who was covering as a kind of

	temporary acting up grade 7, so you're saying at no point in time that you recall that individual, that correspondence being brought to your attention?
JM	No I don't, I don't recall that.
IMc	Would you have expected that to be brought to your attention?
JM	Erm, no not particularly.
IMc	Have you had a chance to read through the May email? So this is May 2014, follow up email to Peter, Peter obviously didn't respond he seemed to bounce it to Davina who then responded on his behalf but it might be worth taking a moment just to kind of cast your eye down through that John on the basis you haven't saw it before, what page is that on? Clare, Leanne ...
CK	... No it's not
JM	... Well I think I said I didn't recall it, as I say there may well have been sort of copied to me ... somebody may have told me...
IMc So even I guess I think it would be useful if you could maybe just familiarise yourself with the content and on that basis then maybe give us an indication of whether you would have expected to be made aware of that...
JM	If it had been decided to take, that involved whistleblowing or fraud then I would have expected to be made aware of it, if it had been somebody raising a particular policy issue or concern then I wouldn't have necessarily expected to be made aware of it.
IMc	So based on what you were just having read, what's your interpretation of what that is and therefore would you have been expected to be made aware of it?
JM	Well in light of subsequent events, in retrospect one looks back on this and can interpret it as whistleblowing, as I said if somebody said the Department's policies on whistleblowing are that those have to be escalated and various steps taken and if that had been the case this would have been treated as whistleblowing then I would have expected to have been, for it to have been raised. If it was somebody raising a policy query or questioning policy on the scheme then no not particularly, the Division would have received any number of items of correspondence, queries on the operation of this scheme or on the operation of the NIRO in particular that's Northern Ireland Renewables Obligation the other renewable scheme, market single electricity market reform and across the Division so no I would not have, I would have encouraged my staff to deal with what they could deal with without reference to me.
IMc	How then as I guess ultimately the kind of most senior person looking after Joanne or Peter, whoever, how would you have assured yourself that the stuff that you needed to be aware of was actually being brought to your attention? So are you saying to folks well look you deal with it and only if you think you can't deal with it bring it to me, or how would you have satisfied yourself from a leadership/management perspective that things were being brought to your attention and would you have wanted something like that to be brought to, I'm just trying to judge where does this all sit because you kind of look at that and regardless of why you define it at whistleblowing or not you would say well ok that is raising some interesting concerns as regards the purpose and operation of this scheme, it is fairly fundamental, now I would therefore

	have expected someone to have either raised it or for you to have had systems in place to have made sure that they had a responsibility to have raised it. You've just told us that you haven't seen, you don't recall seeing it ...
JM	... I've told you I don't recall seeing it, I haven't told you I didn't see it. I am simply saying that because I don't know along with many other things, it could have been cc'd to me or people could have told me and I wouldn't, if you've interviewed Davina and she said well I did say to John and he said....
IMc	... and we haven't ok so it's not that I'm trying to trick question John
JM	Well the situation is what it is you know. I don't recall it, how I would have satisfied myself, I would have had regular fortnightly meetings with my next level down managers at which we would have discussed, there would have been a go around the table for them to raise significant issues, so that's the formal procedure, if people were not sure of how to deal with something or thought something was significant then they would have asked me to confirm it or send it for my signature. But you know we'd have done nothing as a Division if everything had to go through ...
IMc	...and in terms of the RHI piece then that would have been whom through in January through to April that would have been...
CK	... Joanne
IMc	... Joanne and Peter yeah?
CK	At those fortnightly meetings
IMc	At those fortnightly meetings?
JM	That would have been Joanne yes.
IMc	Joanne and Peter are just the next one down?
JM	Joanne, Peter would have substituted if ...
IMc	Joanne wasn't available.
JM	Joanne wasn't there. I have to say, make one other point about this letter if people are going to be tackled about should it have been seen as whistleblowing it would appear the person raising the issue has a commercial interest in raising that issue which of course does not invalidate it in any way as somebody raising concerns but I can understand if somebody didn't automatically think whistleblowing.
IMc	Yeah you know we'll leave that to the side, leave whistleblowing piece completely to the side and whether it was or wasn't whistleblowing whether it should or should not have been recognised as such and therefore whether it should have followed the typical process. I think I can almost park that and say ok it was on the face of it, it was kind of raising concerns around the appropriateness of the tariffs which is a fairly fundamental piece of how the scheme was designed and regardless of whether it was treated as a whistleblowing bit or not I am kind of sitting here and ok we've the benefit of hindsight absolutely granted thinking well I would have expected someone to have therefore you know escalated, discussed that and to determine consciously whether that actually needed any response or not. Now it if was determined consciously that it didn't and there was a rationale for it well ok then we can

	understand that, if it was never considered then you can also kind of reflect on that, I am just literally trying to establish where did it go? Did it go anywhere? Who else saw it? Was there a conscious or unconscious decision taken? It's just hard for us to get our heads around it as to what happened.
JM	Some, let's call them minor issues on RHI or some detailed policy issues would have been raised with me. The dual, around this time, the dual counting or the inability to claim RHI if you'd got a loan, a carbon trust loan, for instance, I can't recall the detail, but some issues would have been raised with me. So some would be escalated.
IMc	So leaving the kind of specifics aside just going back, so you were saying in terms of how you were interacting with Joanne and Peter just you know that was kind of fortnightly meetings an opportunity for them I assume to brief you, to highlight issues, challenges, what kind of, how were you kind of steering the ship? What kind of direction support were they getting in terms of prioritisation? What was really important, you know domestic scheme versus other competing priorities, how, did they have to work out for themselves? How were they directed, supported, managed in the sense that there are competing workloads?
JM	The priority was the implementation of the domestic scheme, that was the priority when I joined and I saw that as a sensible priority the issue alas alack with hindsight you can look at this scheme but the issue at that time was there was underspend of money for... to help climate change and to put money into the Northern Ireland economy and to use that money and to use that scheme as a priority and one of the best ways of doing that was to introduce the domestic scheme. So underspend was the issue at that point.
IMc	The other thing when you were basically joining John the whole scheme was set up around the concept of there's no doubt you know lots of assumptions underpinning the design of the scheme, lots of assumptions underpinning the tariffs and the need or not for tiering all that good stuff and I guess it was inherent within the, those assumptions that they would move, that's just the world we live in ok, and we see consultation papers with lots of other stuff, where it trails heavily the need for frequent reviews of the programme, make sure it's still working as intended, be able to identify changes required etc., and specifically we see that January '14 was identified as the date of the first review to be performed on the non-domestic RHI. Can you recall kind of being briefed on number 1 that there was a review due? Were you aware of was there a review due in January '14 and was there a conscious decision, debate at a point in time to decide not to carry out that review? Because we know there wasn't carried out.
JM	Yeah I don't recall that.
IMc	Were you aware of a review being required?
JM	No, I don't well, I don't recall it.
IMc	And how do you kind of read yourself into it you know, were you completely dependent on the briefing packs that were provided to you? Or how else did you try and get yourself up to speed with? Undoubtedly the volumes of stuff that exist around this particular scheme, accepting there were multiple schemes sitting alongside this one you know because again I am trying to see the accountability, the review was really important, we know that January '14 the review didn't happen and we're trying to piece together as to why it didn't happen. And ultimately you know I guess it was on your watch at that point in time so hence why I'm asking the question.

JM	I'm afraid I can't even recall what the January '14 review was a review of or supposed to be a review of.
CK	So it was actually, it was in the original business case and that would have been approved in mid-2012, it specifically stated that 'review of the scheme in its entirety should have happened in January 2014' and that was seen as one of the key mechanisms to manage the risks that Ian has talked around about the assumptions that were underlining the tariffs, so it wasn't just the business case that had been signed off at DFP level it was also then the regulatory impact assessment, specifically stated 'that a review was to take place in January 2012' and indeed this was inherently you know the best way to control, what was an inherently risky scheme and it was just by its very nature so I'm assuming that those documents probably would have been provided in the pack to you because they were quite fundamental to this scheme.
JM	<p>Yes, if they are in those documents then I would have seen those documents. And... either... I simply don't recall why it didn't happen... was a decision taken not to do the review in '14? Was... for all I know I could have signed something off saying 'yes we'll delay that review' for all I recall.</p> <p>I have to say in January '14, I was struggling to come to terms with what was renewable heat, let alone the details of these complicated schemes. I have to admit I found the consultants business case very hard to understand and difficult to reconcile figures and in any event the concentration was very much on the domestic scheme. In about June we were preparing for May/June case work on the domestic scheme and then towards the end of the year the legislation came through, December or November I can't remember. So first half of the year was preparing the justification for the domestic scheme and then the actual regulations which brought the domestic scheme into force. The key document that I recall prior to my time was the consultation or the document that went out for consultation.</p>
CK	I mean obviously that consultation document covered the domestic scheme it absolutely did and that consultation document also covered the non-domestic scheme so the commercial RHI, and interestingly had comments in there about both review and then also a mechanism of cost control.
JM	It did mention cost control.
CK	Do you recall that specifically being in? I know we've put a copy in your pack but interested as to what you recall?
JM	Yeah I would said I did recall cost control being in that... I think... the domestic scheme expansion of the non-domestic scheme I think was something else and cost control... but resources were finite, and the domestic scheme was prioritised and... I think to have gone to Ministers to say 'this scheme is not having any pick up, it's not being taken up, we're having to give money back, but the thing we need to prioritise is cost controls as opposed to trying to increase the take up by doing the domestic scheme' that was the position so I'm not sure Ministers would have agreed with that but anyway I wouldn't have made that argument and said that cost control was a priority over getting the domestic scheme in at that point. In hindsight alas...
IMc	How tangible was that kind of direction, pressure, heat from Ministers to deliver on the targets? Was that something you and others were feeling? Was it very tangible or was it just a general sense of we have an objective to achieve X% and that's the focus of our attention, kind of everything that we do then we prioritise of that basis, or was it more obvious and tangible than that?

JM	No that would have been regularly asked when you're seeing the special advisor or Minister.
IMc	Right ok, it was on the agenda you're saying ...
JM	... very much on the agenda, whether there's any papers to prove that point but we would have, I would have done that anyway so I'm not saying all Ministers put the pressure on and we had to respond it was, in my opinion the sensible approach at that time, or it was just the sensible approach given the circumstances.
IMc	Ok, accepted. But you go back then, you've got a consultation paper and in the content, and it must have a content for a reason, if you take cost controls for example, so there are cost controls proposals sitting within it, consultation happened you know close October '13... what would, I guess what we're struggling with is that consultation closes but we can't see any, for example we can't see that cost control proposal coming through into policy, regardless of whether it happens quickly or it takes 12 months we just don't see it happening. It never seemed to make it beyond consultation into anything and again we're back asking the question was that conscious, a decision taken that it wasn't needed, wasn't required or was it unconsciously forgotten about?
CK	Because it was interesting at the time that Ian is talking about you know there was a letter that came into the Department in November 2013, obviously alerting the Department that it had happened in the UK and that they had specifically introduced depression as a means of cost control, it was all part of that mix.
JM	Yeah, it wasn't consciously done away with it was consciously deferred.
IMc	Cost control was consciously deferred?
JM	It was consciously deferred, that is, or rather all the other elements of phase 2, as it was called, were consciously deferred to get the domestic scheme in.
IMc	And you say consciously deferred you know, how does that kind of decision taken? Is it your call? Is it you know, how is that kind of policy/tactical decision made within the department to say 'Well ok no we're going to prioritise this, we going to defer all these other things' someone made a decision or, someone made the decision can you enlighten us?
JM	Well as I say the introduction of the domestic scheme was already, as I recall, the priority to deal with before I came in, I absolutely support that and wouldn't diverge from that. It would have been in a business plan to have the domestic scheme in by X and that's what we would have been trying to achieve to enable that to take place we would have had to devote our resources, all our RHI resources to doing that, and that wouldn't have been possible to do the other aspects of the non-domestic scheme at that point. There were a couple of I think amendments made to the non-domestic scheme at that point on a couple of specific issues like these carbon loans.
IMc	So when then did the domestic scheme come into being can you remember?
CK	You said it was December 2014?
JM	Eh yes, December 2014... then we were preoccupied with implementing the scheme and there had been a predecessor of the domestic scheme called the Renewable Heat Premium Scheme or whatever it was called and plans to move those people across

	<p>from that scheme into the domestic scheme, there were resource issues at that point. The... Ofgem administered the non-domestic scheme but we directly administered the domestic scheme so there was priority making sure that we had the ability to actually implement the scheme that we brought into law.</p> <p>And that took us the early couple of months of '15 and by then it was starting to be, then the increase in the non-domestic scheme started to take over.</p>
IMc	<p>So if I'm right in saying you're saying... the consultation paper closed October '13 and you're saying because of prioritisation of the domestic scheme and the direction of limited resources into the domestic... by February/March '15 some kind of I don't know 15/16 months later, that domestic scheme was still getting in the way of actually doing anything with some of the consultation aspects surrounding non-domestic?</p>
JM	<p>Eh... Yes.</p>
IMc	<p>And was it not, so did anybody ask for more resource? Did anybody believe that you know the deferral of those kind of issues for so long required some sort of structural answer which was more people, more capacity so that you weren't just able to do the one thing but you were able to do more? Was resource ever asked for? Was that ever flagged by you? Did those sitting above you just say 'guys you're asking us to do the impossible with very little, that is having this impact, stuff is getting deferred, deferred, deferred' was that ever pushed up the chain by you?</p>
JM	<p>Yes.</p>
IMc	<p>Who to and how often?</p>
JM	<p>Well first of all the people in that area left and so ...</p>
IMc	<p>... So this is Joanne and Peter?</p>
JM	<p>...Yes so actually that's another chunk of time that was spent replacing Joanne and Peter. So I obtained staff to replace them, when we did I temporarily moved Davina in to cover the period when there was nobody. The... when we took the domestic scheme to... through case work we saw commitments for extra staff for the domestic scheme which were the business case was passed on that basis but those staff due to wider budgetary pressures did not materialise.</p>
IMc	<p>When was that, roughly timing wise? Was that business case in the domestic scheme would have going through then, when... mid 2014?</p>
JM	<p>That was mid-summer June/July something like that.</p>
IMc	<p>'14?</p>
JM	<p>'14 And then we had sought extra staff for the domestic RHI which were agreed and then didn't materialise. Now to make up for that time I moved people internally, a number of people were... a few people were moved into RHI.</p>
CK	<p>On the domestic side or the non-domestic side?</p>
JM	<p>On the domestic side.</p>

CK	And did you ever ask for more staff to cover the non-domestic side?
JM	No because, not that I specifically recall but because the aim was to get the domestic side dealt with then you could have freed people who were doing the domestic, primarily the grade 7, and the DP, the full time DP. We would have freed them to do the non-domestic stuff.
IMc	So just going back to the capacity bit John so you come in in January, Joanne leaves April, Peter leaves May so kind of
JM	... so part time DP, Dan Stinson left, also that year
IMc	Right so how does that, that's a huge amount of change, so suddenly you being new in January, you're now the continuity 3 months later because everybody else whose kind of involved in non-domestic has gone, so who approves and who allows that to happen in terms of that degree of change and the loss of that knowledge all around at the same time? So how does that happen? Again, I presume someone had to approve transfers etc.
JM	The part time DP left on a civil service wide voluntary early severance scheme. Joanne left, in fact did the department a big favour by taking a career break because she... well that's what she did. Peter had, Peter got a transfer to a post, a career development post and the people above also, the person above me retired and the permanent secretary also moved.
IMc	So I presume when I look at Dan, Peter and Joanne, so someone had signed off Joanne's career break, someone had to sign off Peter's transfer and someone obviously had to approve or sign off Dan to avail of voluntary redundancy, is that fair?
JM	Yes
IMc	So it's not that any of them left, resigned and walked off they were all doing stuff within, there was some degree of control or influence could have been exercised?
JM	Not... no it's not quite, if you were saying was it an option to stop those people moving, there was maybe an option to stop Peter moving, that was not... realistically an option to stop the other people leaving, like retirees.
IMc	Sure.
JM	Well that's all very well saying you know well you could have stopped this person leaving but when there are standards of letting other people go you have to be consistent.
IMc	Ok, so then Davina was brought in, she acted up as a grade 7, she was there for maybe a couple of months, May through to June/July and then ...
CK	... so Seamus Hughes came in as DP to replace Peter and then Stuart Wightman ...
IMc	... When did he come in (Seamus Hughes), just remind me.
CK	He came in in was it May? Seamus came in at the end of June?

LC	End of June.
IMc	End of June
CK	And actually exactly the same day as Stuart came in.
IMc	So they then became the kind of replacements and they are still there to this day.
JM	Well Stuart is not in the same post. My post was split in 2 when I left and Stuart is now acting up a grade, he was in charge of the branch he is now acting up a grade across all the renewables and stuff.
IMc	Clare is worth then going back in terms of, well let me finish up one thing which is kind of reviews, so I know we kind touched on the January '14 review, we know it didn't happen, we don't know why it didn't happen. At what point in time did you seek to initiate or carry out any subsequent reviews? When did the first review happen on your watch of the scheme as kind of workings?
JM	Well we'd have had the remainder of the phase 2, so the phase 2 which was the document in October included the domestic so we would have been beginning that at the start of '15 to follow through on that, that's when that would have happened, it was overtaken by events really as the scheme started to...
IMc	What do you mean by you would have started taking...
JM	To make the changes that, to, not to the non-domestic scheme but those changes even at the start of 15 would have been... the focus was on expanding the scheme.
IMc	Yeah but you're saying, correct me if I'm wrong you're saying so you're referring to the consult, the proposal sitting in the consultation document that closed in October 13, you're saying in early 15 you'd have been seeking to essentially take those proposals to the extent they related non-domestic you had to do something with them?
JM	Right because we'd already actioned the proposals for the domestic scheme, so ... we actioned some part of Phase 2...
IMc	So that again, so that's following through from consultation and you can have a view as to whether that was timely, sufficient etc. and you've explained some of the challenges around that but I guess you know fundamentally again you read back this scheme and the key control around it was frequent reviews of the scheme to make sure that all the assumptions still held true and therefore that this was operating in a way that it was intended to do... ok, and that you know the business case says the first one of those should be in January. The consultation document, proposal October '13 talks about frequent regular reviews, talks about a programme of scheduled reviews and then we see nothing so you know so we talked about by January may or may not have happened but I still have a question in mind as to why then, you know time subsequently elapsed and a review never took place. Are you saying that's still about priorities, about domestic? Was it ever considered? Was it ever discussed? Or just it was never gotten to?
JM	No as I say the domestic was prioritised.
IMc	So you're saying that the review of the non-domestic really never was got to because domestic was prioritised, it took the attention, it took the resource. Is that fair?

JM	That is fair. But when you say it was never gotten to it was, it was got to at a time when eventually the increase and uptake of the scheme eventually over-rode anything else anyway.
IMc	But by that stage ...
JM	So we have been planning to expand the non-domestic scheme and that expansion would have been, would have not taken place because by later on in 2015 it was obvious that there was controls that were needed [inaudible 45:45].
IMc	What I kind of, sitting here, it kind of looks, feels as if there's for a period, you during 2014 and into early 2015 when actually no-one was looking at the non-domestic RHI, that all the focus was on domestic and the non-domestic RHI was kind of doing its own thing, whatever was happening was happening, good, bad, indifferent. That fair?
JM	The policy effort and the legislation effort was on the domestic.
IMc	Ok so that's fair.
CK	So if you were to look at Seamus Hughes, obviously who was then brought in to replace Peter, because my understanding that Peter was you know Mr Non-Domestic, now I appreciate the domestic scheme wasn't in at the beginning but was Seamus Hughes not brought in to cover the non-domestic scheme or was he essentially then diverted...
IMc	...Diverted as well to the domestic?
JM	I'm not sure about all those diversions and differences. Peter was, if Peter appeared to be Mr Non-Domestic it's because as you correctly say the domestic scheme wasn't in then though for much of his time but nonetheless the domestic scheme was being developed at the start of '14. Seamus was for both... and Seamus ...
IMc	And Stuart would have been in the same position then yeah? Yeah Stuart and Seamus, essentially they were covering on both?
JM	Yes.
CK	Do you mind if I just take you back a wee bit and you mentioned the business plan, so the department's business plan and how it specifically mentioned the domestic scheme. Do you know given the fact that there was obviously was this target sitting behind the non-domestic scheme as well, was the non-domestic scheme not an item on the business plan as well?
JM	It might have been, I can't remember,
CK	Ok, ok. Just given that pressure that you said that you know was coming, that you were aware of, do you know to meet targets, I'm assuming it would be there on the business plan as well and therefore should have had a focus alongside the domestic scheme?
JM	Em... Yes I, my guess is it would found on the business plan.
IMc	So to take a step back then and again maybe in the pack I think there is the copy of the handover note that Peter Hutchinson had drafted of him leaving John. Do you recall receiving a copy of that handover note? Being aware of its existence?

JM	Em... I think I was aware of its existence. I think I was aware of Peter doing it yes.
IMc	So I presume that means that Peter would have given you a copy or you would have obtained a copy?
JM	I can't recall.
CK	Did he discuss it with you before he left? Do you recall?
JM	Em... I don't, I don't specifically recall.
CK	Ok. The issue is that...
JM	Probably along the lines of conversations, may well have been along the lines of me saying you will do a handover note won't you, you won't go before you've done that.
IMc	Again I'm just thinking you know I guess from the outside looking in, would it not have been reasonable therefore to expect you know if you were asking him say maybe you better do a handover note before you go, I'd have expected him, you either to be saying I want to see it because I want to make sure you've done it and that's the only way I can be sure or I want to see it because I want to see what's in it so that I can appropriately make sure the person coming behind is dealing with the issues and I guess if you're meeting him fortnightly you'd have expected that would have been part of some of those discussions given that, there's no doubt you know he's seems to have had a huge amount of content and knowledge given he'd been there, he'd kind of grown up and developed the scheme in many respects.
JM	Em... yes he did have a lot of knowledge. He did do the handover note.
IMc	So you're saying you're aware of it? Or you don't recall him giving a copy to you or discussing it with you?
JM	I don't recall him giving me a copy of it and I don't recall going through it in detail or discussing it no.
IMc	Alright so that handover note I guess identifies a number of issues, I don't know whether you've had the opportunity to read pre the interview or not but it identifies issues in terms of the types of applications being received and the fact that almost all of the applications were for sub 100 kilowatt boilers and he highlights that as an issue of concern. He highlights the fact that you know Janette O'Hagan has raised issues around heat wastage and loss and the fact that in a subsequent conversation he had with OFGEM that OFGEM were providing data that it may cooperate or support heat wastage and loss and then he goes on to highlight a need for cost controls and depression. So these are fairly fundamental things at this stage. So again sitting here it's you know these are important things and I would have expected them therefore to have been explicitly highlighted and you briefed on them, given that ultimately that he's reporting to yourself at that stage and Joanne had gone.
JM	Well I think if somebody just listened to your precis of the document, you've chosen to highlight the areas where, to fit in with a, you know the hindsight sort of view of it... it still concentrates on things, it starts with things like staffing and with the actions on the domestic scheme so there are other priorities in there along with the things you mentioned, but the concentration at that point was on the domestic scheme.
IMc	So it's fact that he you know highlights and uses the terms 'urgent review'

CK	'Immediate action'.
IMc	'Immediate action', like those are terms with the greatest respect that stand out because they're not used that frequently anywhere within the document from my recollection so again I'm trying to...
JM	What page is this?
LC	It's page 3 of the document.
CK	Sorry, it's quite an extensive document so there, immediate actions, and you're right it does list a number of things, but there's review of the non-domestic scheme there.
JM	Yes well, sorry it says 'immediate actions' and the first thing, first two things on it are the domestic scheme so yes...there were lots of other things
IMc	Yes, there were lots of immediate actions. Right so how did you ensure those were followed, there were immediate actions?
JM	How did I ensure these... on the domestic scheme?
IMc	All of the immediate actions as per the handover note, seem like they say they're immediate actions so I'm interested as to how they were followed up.
JM	Ok.
IMc	Who was briefed John? Who followed them up? Were they consciously not followed up? Were they discounted because other evidence was found that they weren't immediate at all that Peter had overstated it? I'm trying to understand what happened post-that handover note.
JM	The process for, there's always huge lists of things that the department might do, it's capability as to what the division can do is an entirely different thing. The process that is gone through is to construct a business plan for the division which feeds on up through a hierarchy into departmental business plans and that would have been, at my level, that would have been my working document.
IMc	So you're saying unless some of these things made their way into a business case or a business plan the department, they would never have been dealt with? Is that how it operated?
JM	No. I didn't say that. I'm saying my level, what went into a, the priorities would have been in the divisional business plan, there would have been branch plans which some things might have been in at the level, the grade 7 level, the branch level, the level of the 7 or 8 branches in my division. So this would not necessarily have formed the action plan for the division in terms of setting the priorities so they would have been on you know ...
IMc	But would it be unfair to have expected them to have been considered and therefore either discounted because they're not in line with priorities or either, so that's the bit I'm trying to understand so ...
JM	They would have been considered but the domestic scheme would have been prioritised.
IMc	And who would they have been considered by?

JM	They would have been discussed between myself and the people in the branches. If I considered it necessary I would have escalated it my line manager.
IMc	And you say John ...
JM	At some point I did seek approval to defer the work on the non-domestic stuff at some point because the pressures of domestic and because we hadn't received the staffing on the domestic that we thought we would receive.
CK	So that was from David Thompson then, he would have been the Grade 3 no?
JM	No it would have been after that
CK	It would have been after that.
IMc	And you're saying John there was a point where you actually said look so you've sought formal approval from whoever it is above you at the point in time to say look we are deferring work on non-domestic because we are concentrating on domestic?
JM	Yeah.
CK	So Chris Stewart?
JM	Yeah.
IMc	Can you recall in and around what time, you know you actually flagged the fact that you were actively doing that so by concentrating on this you weren't doing that and you were essentially getting someone's blessing that...?
JM	Em... probably around autumn time 2014 something like that. I think because we also, we also weren't able to carry out quickly enough and when I talk about not doing things, I'm talking about deferring them, I'm not talking about deciding not to do them. We weren't able to carry the audits on the domestic side that we wanted to.
CK	In terms of ...
JM	So there were a couple of, there were a few issues.
CK	In terms of that process of actually getting that deferral signed off, would it have been verbally? Would there have been a document that you would have had to have outlined the reasons for it?
JM	That would have been an email.
CK	It would have been an email.
IMc	To go back to this handover note then so the issues probably, you talked about you would have discussed this with the people in the branch, by the people in the branch just who do you mean? So is that Davina, in the sense of she would have come in or...
JM	What I was just talking about, I would have talked about with Stuart.
IMc	Sure I get that, yeah, I'm probably winding back a little bit.

JM	Ok, with several, I have to make it clear that with several deputy principals which is this grade leaving I would not have routinely cleared their handover notes or seen their handover notes. Now when we look back at this with hindsight... yeah.
IMc	So who would you have expected that handover to have gone to? Davina? As the person taking responsibility for Joanne, Peter's role in the absence of having Seamus or someone else start or so where is it likely to have gone to?
JM	I can't remember if it would have been handed over, straight over to Seamus or whether it was passed to Davina to hand over to Seamus. If I recall it was maybe Peter left before Seamus.
IMc	Yeah Peter was gone mid May so Seamus you're saying Clare, hadn't joined till June.
CK	30th of June.
IMc	So was gone 6 weeks probably, so again you know I'm just trying to understand where did this document go to in the interim? Did it go straight to Seamus or did it go to Davina and then Seamus or did it go to you and then Davina? We're just trying to understand where it and how it made its way around and therefore how its contents were considered, whether they were considered and how they were considered.
JM	Well as I say the domestic was prioritised.
CK	Although you described you know as part of your, I guess management structure that you had these fortnightly meetings where the grade 7s were along. So I mean I assuming you said it was basically, well it sounds, like it was issues based so people were there to raise concerns, I mean if these were the concerns around the non-domestic scheme, I'm assuming that these issues here Ok so Peter at DP level, that these would have been the issues that would have been brought to your attention on that fortnightly basis?
JM	Yes the main focus would have been more immediate for those meetings so longer term objectives I would have expected to be going through the business planning process and urgent or immediate actions to be dealt with on a less formal basis, less formal recording basis through the divisional management meeting.
CK	So is it fair to say that even if you hadn't actually seen this handover note and John you may very not have but I mean these issues because of that process you have, you would have been familiar with them all? Is that fair to say?
JM	Yes I think I would have been. I think I would have been aware of those issues ...
CK	Ok.
JM	.. in, through the business planning process that if you know in a free, you know and a completely ideal world we'd have done all those things, probably by the end of the year but would have to look back at the 14/15 ...
IMc	Business plans?
JM	... 16, 14/15 business plans to see what we wanted to do but the domestic was a lot more work and we thought and it slipped and the various staff handovers and loss of knowledge, it all slowed that down ...

IMc	And did, and did anyone you know seek to speak to Peter or Joanne and to get their views as to you know what was really important and that and were there issues you know at any point in time John were you concerned or worried about the non-domestic and how it was operating, accepting that you might have been saying well look, flip, I'm not able to get near it because all my resources are over here doing this and I may have got approval from on high but that's the way it is but was there any time where you were consciously concerned as to whether you know and thought there may or might not be an issue or really it never... never seemed like that?
JM	No it wasn't, it wasn't as I regarded it as a high risk area. So I had a look through some of the PAC, glanced through some of that but it was under-performing. The problem was we were not spending free money and the, expanding the scheme so then to ask what was the, what would we have being done to cost controlling the scheme, had I had time the things that would have happened would have made things worse, because I would have prioritised expanding the scheme and more publicity, and that's what it felt like, sitting there in 2014, 15 and that would have, looking back from 2016 that would have been, obviously I'm quite glad we didn't have the chance to do that.
IMc	Is it worth then Clare picking up there then the Ofgem discussions?
CK	Yeah, because I'm interested you'd said you know moving into 2015 or whatever you became aware that there were these issues around the uptake levels and in fact them being higher and I'm just wondering whether, was that the first time that you'd been aware of it? And it's not just around the uptake I guess it's around how the scheme was actually being used.
JM	Well it was the, it was the monthly figures of applications that sparked the concern too in terms of controls on the scheme.
CK	Ok.
JM	Which started to become apparent from spring '15.
CK	Ok.
IMc	And what about rather than the number of applications? What about the actual usage of accredited installations? So you know installations running 22 hours a day versus the 5 hours that the business case assumed?
JM	Yes that would have not been an issue that I would have thought about or had looked at much before I think... about June '15 when the value for money of the scheme was questioned.
CK	Because you'll see in the handover note there as well that Peter has specifically referenced a conversation he had with, Edmund Ward from OFGEM and specifically talking around, not about the number of applications but about how the scheme was being used, so how it was being used, the various boilers that were being used and this led him to a concern about the fact that these, the installations were running excessively and there was the risk of excessive payment, so he's flagging a conversation with OFGEM. Now we have spoken to OFGEM specifically around that conversation with Peter, they can recall it and OFGEM have also told us that actually back in 2014 they had a meeting, two meetings – one in April of 2014 and one in October of 2014. Now it was part of, a sort of annual planning budget meeting but specifically at that meeting at which they said you were at John obviously because of your position, that discussions were had about look really if you look at how the business case or the economists looked at it, that's not actually how the scheme is

	playing out. The assumptions that Ian has talked are actually, they're significant deviate, or deviations from that and actually the usage, it's much higher than we would have expected so you're sort of mentioning later on in 2015 but from what we can see actually you know the department and yourself ...
IMc	Ofgem flagging this.
CK	... this has been flagged almost a year earlier.
IMc	They're saying it was flagged in April in a meeting with...
CK	And then again yep ...
IMc	Yourself and Peter it was flagged, certainly to Peter and Peter on having got the chaser note from Janette O'Hagan chasing up what had happened post her meeting in October 13, basically it kind of prompted him it appears to go and actually speak to OFGEM and say look you know could there be any truth in this and OFGEM then are again saying well yeah when we look at the usage stats, the usage stats on the Northern Ireland installations are much higher than in GB. We can see installations are running much beyond what the assumptions were in the business case. That's leading to much greater payments than was ever anticipated therefore there's a potential issue here. That then drives Peter to put on his handover note this needs immediately look at, reviewed, tiered tariff is the way to fix it.
CK	And I mean ...
IMc	So actually that was over a year before kind of the balloon went up in mid 15, there was a red flag there I guess again standing outside, looking back at it respectively there were clear red flags that an issue was there, inherently there was an issue with the design at that stage, with the tariffs at that stage, that were leading to behaviours that would become very obvious kind of a year hence.
JM	Well I recall one meeting with OFGEM. I recall that being mainly about the fees that we paid to OFGEM for administering the scheme. They're clear that those issues were raised, I'm sorry they don't, it doesn't ring a bell. I didn't react to that and in general I accept that the, that there was a failure to monitor that particular aspect of the scheme or rather that I failed to ensure that particular aspect of the scheme was monitored. It may well have been that Peter had, would have had he stayed on, would have had the knowledge to make sure this was followed through.
CK	And I mean if helps, and it's purely just to help jog your memory because you say if you can't remember, you can't remember, but I mean OFGEM has said actually as part of those discussions with yourself and the team do you know cost control was specifically mentioned and actually they had gone as far as to say look we're already doing this for the GB scheme so actually it wouldn't cost a huge amount of money to do for the NI scheme because look the technology is already there. Does that help?
JM	Cost control...?
CK	In the context of the fact that the usage levels you know were higher than would have been expected and the assumptions ...
JM	Well it depends, it depends what they're talking about. At some point I recall becoming aware that there had been depression changes in GB.
CK	And that was in 2013.

IMc	April 2013.
JM	That was in 2013. I was aware of that, eh no... Second half of '14 or something like that and realised there was a lot of stuff that we hadn't translated.
IMc	So you know, if you kind of take that theme you're right, you know GB, a scheme that they initially put into place John, you know, they evolved it, there were various iterations you know, the scheme that is there now is a very difference scheme which again is just representative of the fact that it's quite a volatile place and lots of the assumptions changed so they made various changes... degression, cost control, well cost control followed by degression was a couple of changes they made. So to what extent then were you asking and insisting the team proactively kept an eye on, were learning the lessons from the GB changes and were seeking to you know reflect those back into the NI scheme as best practice and to take advantage of them having learnt the lesson and therefore you hopefully avoiding having to?
JM	Well I was, I was saying to my team that the domestic scheme was the priority and get the domestic scheme in and dealing with the staffing issues were the priority until early 15 and thereafter... the, as the scheme started to take off, that overtook what we were doing on the phase 2, on the non-domestic stuff anyway.
IMc	And would you accept if those kind of constraints set aside, that if kind of lessons had to be learned from GB scheme, issues identified, red flags and a handover notes etc. had have been dealt with, that those controls would have prevented lots of the issues that subsequently transpired in 15?
JM	Well red flags and handovers, they were being dealt with but the domestic was being prioritised and if I could, yes if you could wind back time and say well actually I realise this scheme is going to overspend massively then of course you'd have done something different.
IMc	But I guess the lessons was you know that the GB already had that experience so you know they had been in a situation where the scheme was starting to overspend, they had to bring in cost control degression. They had to do that in April 13 so you know so again it's kind of, it wasn't a huge leap of faith or knowledge to say flip you know we might be subject to that same risk so accepted... because within a year they went from not requiring any cost control to having to get degression, so you know again the nature of these schemes, demand led, are volatile, really hard to manage and control accepted...
JM	Well I'm not sure they had a financial crisis which led to their cost control but that's probably neither here nor there. The issue of cost control, degression was quite complicated. That would have needed to be looked at longer to see if it suited us. The other factor in this is the money for this scheme was in the AME line in my budget and rightly or wrongly I believe that to be AME and therefore demand led. It was meant to be demand led, to encourage take-up so why, it didn't seem completely illogical to me that the thing had no turn off tap or anything like that but we would have got round to doing the cost controls, including we were working on the tiered tariff at the time that the scheme went off. We had started to look the cost control measures. It is simply that we had prioritised the domestic.
IMc	So coming back to that in a wee minute so just go back to the AME. So in your budget John you believed, and you had in your budget as AME?
JM	Yeah.

IMc	Because if we go way back to 2011 where's there's clear email trails with Alison and HMT and all manner of individuals who categorically state this is not AME, to the extent this goes beyond the kind of set sums that were involved by the £25m in the kind of first four year profile. You go beyond that in the four years or you go beyond what that generates in terms of a tail, it is coming from the block grant so again I'm wondering how it then got into a budget in your division when you said it was AME?
JM	That was, that was always in there. The emails that, the emails about the status of the finances were, turned up in I don't know April 15 something like that.
IMc	When you said emails, that is the Alison emails you're referring to?
JM	I don't know about the Alison emails.
IMc	Right but emails to that extent...
JM	I think the Treasury email is the one that says the 5% so firstly we, that was when the email came into the consciousness of myself and those who, you know again perhaps there's a piece of paper that which shows that I'd already seen that email or been told something, I don't know. It came into the consciousness that the position was that this was not, that there could be DEL consequences to this money in April, or I think April 15 and then in December 15 or, yeah December 15 it became apparent that even that was completely not the case and that Treasury would make us, make the whole DEL consequence, pay the whole DEL consequence of this from 16/17 but in fact the money was treated as AME in 15/16.
IMc	So I guess even if it were AME and it was assumed to be AME I can kind of understand the logic, well, it's free money, it's money into Northern Ireland but I guess it's still, there's still the responsibility there, it's public funds, it's still the responsibility to make sure that money is being used in a value for money way.
JM	Absolutely, I mean that was additional money into Northern Ireland. It was money over and above the block grant and we had, with the increase, we had already started to react to primarily to introduce the tariff. The tariff and degression were two policy changes needed.
IMc	So talk to us about that. So when can you recall you know the kind of conscious effort now being redirected? It having consciously not been directed there because of the domestic scheme. When was that kind of switch? You know when was that commence started? You know who was working in that just to give us a feel for it...?
JM	About March 15, March, April yeah more like March 15 when there appeared to be a consistent increase in the number of applications.
IMc	And how was that identified? Was that Ofgem data?
JM	Through the, well I think it was identified to me by Stuart raising it with me and through our divisional finance officer who had spreadsheets monitoring the applications.
IMc	Ok that was in March 15?
JM	So whether, whether, whether we were thinking about the tiered tariff before then I can't remember but certainly the tiered tariff was the priority change that we'd identified that we needed to make at that stage.

IMc	And then so work was started on that March and then in September 15 an announcement was made saying these changes are happening and then in October the changes happened, the end of October from memory.
CK	I think it was actually in November, so there's a six week window and this is when this spike of applications came...
IMc	Yeah but in that six weeks then the number of applications kind of sky rocketed.
CK	Yeah.
IMc	And you know what's your sense then you know the timeframes between March and the kind of consultation or announcement of changes coming in September? Was that a timely reaction to the potential issue in the sense that you know kind of 5, 6 months passed there were applications continued to flow through, people locked into you know a fairly generous scheme. Could it have been done faster? Quicker?
JM	Well I mean again it's you know it's hindsight. If it had been done, one thing it would have been faster as you might have got the spike earlier of course but, well proposals for changes went up before the summer to ministerial level and I recall during May and June there was a lot of concentration on the value for money issue which rightly or wrongly is really the first time that I'd thought about the scheme in terms of the payments as opposed to simply the sheers numbers of applicants and the overall cost. And I think perhaps some of the questioning of the value of the scheme has been post since I left so I wouldn't you know, and perhaps the scheme is regarded as worse value now than I would have said if I, when I was there in, earlier this year.
IMc	And when those issues were raised in March John so how were they, you know Stuart came to you and said right you know applications are really increasing here there may be an issue potentially re payments. In quantum terms then you're saying the kind of value for money usage bit came maybe a month or two later, as you've started to look at it. In March, what you know how was that escalated? So I presume that you fired that up the line to Chris and I presume it then went to Andrew and can you recall even hitting the minister at that stage? Or how material, how important was it seen in March? Or did that then again subsequently kind of escalate as you got in to the detail, the depth of it?
JM	I can't, I can't recall what formal papers there might have been. It was, the concentration initially was on the financial position and I think we concentrated on trying to find out what the budget, trying to pin down this budget because of concerns that it wasn't going to be ordinary AME. So we were asking what the budget was, what it was categorised as and that, to try to find, try to find out that out was the priority, at the same time we were discussing internally what was the best policy approach and so I remember debates about should we try and do the degression which was complicated and the tiered tariff which was simple, legal change to make. Should we split those to try and get the tiered tariff in as soon as possible or should we use one piece of legislation to try and do them both but that might delay... so those debates took place and I think it was when we had, there was a requirement in the business case to, the original business case to have sought DFP approval for the extension of the scheme in April 2015 which I missed and when we alerted DFP to that bit they came back with wanting to, raising these issues about the value for money of the scheme and then in June, July there was quite a lot of work done on the [inaudible 01:24:22]
IMc	And the extension you referenced John is that the extension because that was the end of the first kind of four year period? So regardless of the issues that was kind of the

	point at which something had to be done regardless or was that specific to a specific request or need linked to the issues that had been identified?
JM	The April 15...
IMc	Yes.
JM	Would had been a requirement to notify to re-get approval.
IMc	Yes.
CK	It was there from day 1.
IMc	That was the end of the four year initial... ah that's ok.
JM	Yes so the, there had been a commitment to, or an undertaking to go back to the DFP to re-seek approval by April 15 which I missed and therefore we alerted them to this and they then prompted us to look at the value for money aspects and an addendum to the business case was actually produced on the value for money issue.
CK	Can I just ask in that, and I'm taking you right back to whenever you took over from Fiona, was that need to get and to seek additional approval from DFP, would that have flagged to you at that stage?
JM	Again I don't recall it.
CK	Ok.
JM	But I'm sure it was mentioned. The, but the systems in the division weren't... didn't flag it and the reason probably was that in legal terms the scheme was permanent and could not have been stopped so were DFP to deny approval, it wouldn't have made any difference, legally the scheme would have had to continue anyway and again there's a, in terms of managing the other big renewable scheme, the NIRO again there was no cut-off date for that, again that required legislation as with the RHI to terminate it so it didn't, I didn't look for there to be an approval. There didn't seem to be a need for approval point to me nor any logic to it because the legislation dictated that the scheme was permanent and indeed when we took the domestic scheme to DFP that was given approval to 2021 which was as long as the RHI had ever been said by the UK government that would last so it didn't look for there to be a point earlier than that for the non-domestic scheme either. Mistakenly as it turns out and our central division spreadsheet which records approvals and so on didn't have the non-domestic RHI in because it was a permanent scheme. It only has time bound things in it.
IMc	Just something specifically, you know we can see a risk register existed. We can see the kind of risk of overspend, identified as one of the key risks in the risk register. To what extent would you have been familiar with the risk register, reviewed it?
JM	I would have reviewed it with the business plan so it would have been constructed on an annual basis. It would have been reviewed bi-annually, quarterly, quarterly yeah. We'd have had to, we'd also had to, I mean that was as to the business plan it would have fed up into the hierarchy of the department's business plan, risk register, but I can't remember if it translated from the divisional risk into a departmental risk and we'd again, we'd be asked to report on that quarterly.

IMc	Can you recall any specific discussion, actions taken to address that risk that sat in the register?
JM	Of overspend?
IMc	Yeah.
JM	Well I'd have to look at the risk register to see precisely what it says.
IMc	Yeah, no sure. Clare I think we have that... a sheet of it yeah...
JM	Right, so the risk register that you're referring to is the entry about insufficient budget, sorry, overspend on budget is pre my time I don't recall that being the risk during my time, that would have been identified for RHI.
IMc	So it either therefore was, so you're saying you can't recall that being on the register, either you don't remember or it came off as a risk potentially and ...?
JM	Yes, it had been possibly been translated or... I'd need to check the documents myself. I just don't recall that being raised... as a particular issue until around spring 2015 when certainly the question of wanting to try and get some sort of clarity on what our budget was for the scheme.
IMc	And come back to some of the issues that were highlighted in the handover note you know would you have anticipated or expected some of those things to have made their way on to a risk register?
JM	It could well be, I can't remember but I think probably the one that would have been was insufficient resources to be able to carry out the non-domestic scheme would have been the main risk.
IMc	And just the other point to go back you reference obviously getting Chris Stewart's approval, appraising Chris, appraising of the fact that insufficient resources to deal with the non-domestic prioritising of the domestic... can you recall was there a briefing so was Stuart made aware of some of the issues, i.e. kind of what the relevance or potential implications of that? Or was it as simple as that? Is there a briefing paper, I think you referenced maybe an email?
JM	Aha...
IMc	Right, so it would be useful just to kind of understand, see the email.
JM	If that's obtainable. Our email system wipes every 3 months. Stuart would have raised concerns with me, I would have passed those on.
CK	Obviously within the risk register, yes there was initially that one there about there not being sufficient budget. I mean there was always you know in very first risk identified was that there were incorrect tariff levels were set, either too high or too low, I mean is that a specific risk that you do recall?
JM	No I don't recall having concern about that issue until again March '15 or spring '15, in fact slightly later when DFP raised these questions of value for money.

CK	So the monthly returns that would have come in from Ofgem did you ever see them John, or would they have been handled by your team?
JM	Well they would have been primarily handled by the team and the information would have come to me through either the head of branch or the finance officer, the divisional finance officer.
CK	How regularly would that information have come to you?
JM	Well there would have been a monthly discussion with the profile of the... with the divisions budgetary profile... and there were issues around trying to estimate because the scheme, the non-domestic scheme, was still quite new really, the difficulty of estimating the cost of it was very difficult and there were a number of issues around the ability to estimate it. Obviously, once the costs started escalating then discussions were much more frequent between myself and Stuart principally but also the divisional economist and finance and Andrew, the permanent secretary and others. There would have been a number of discussions.
IMc	In terms of other information John can you recall other information, data coming from Ofgem on a monthly basis and would that have reached you? So not just payments but other KPIs relating to the scheme, you know the number of kind of installations credited, the number of applications were pending, some of the usage stats, there was lots of stuff collated by Ofgem, to what extent did that ever make its way to you on a regular basis?
JM	I'm not aware of receiving a regular report on that but I would have been certainly familiar with the increase in applications that would have made its way to me. As I say via...
IMc	... and that was really Stuart at a point in time from kind of June/July onwards ...?
JM	... From Spring onwards. And as I say would have been aware of the budgetary profile and the difficulty of trying to estimate spend from before then through the divisional finance spreadsheet.
IMc	You weren't necessarily close to or aware of a lot of stats from January '14 right through to spring of '15?
JM	No, except for application levels and the likely cost in terms of the value for money and what each of those installations was paying, no I was not.
IMc	Sorry you mentioned originally you know having weekly meetings with what was then Joanne and Peter, I presume that kind of management regime, or management rhythm continued when Stuart and Seamus were there so was it weekly kind of meetings through the tail end of 2014 into early '15 ...?
JM	... bi-weekly meetings ...
IMc	... bi-weekly meetings.
JM	Officially they were bi-weekly management meetings but when the... need to react to increasing application levels then they would have been much more frequent discussion between myself and Stuart and whether that's recorded in any way I don't know.

CK	So your specific interactions with Ofgem so you know aside from the monthly returns, I mean they've obviously referenced a meeting with you sort of April 2014 and October 2014, so how regularly do you recall meeting with them?
JM	I didn't recall one in October '14 but... or I only recall meeting Ofgem 1 time to discuss the arrangements between ourselves on administrative costs but that could well be that I did meet them more than once until then Edmund was over shortly before I left, but I would not have had regular meetings with Ofgem.
CK	So there wasn't an annual meeting or anything to review the scheme?
JM	There was not a formal arrangement in place for annual meetings. Stuart introduced more regular meetings and there may have been more regular meetings at DP level, I can't remember.
CK	Just for completeness purposes if you don't mind I know the Janette O'Hagan bit you don't recall that but she did get in contact with the Department on 2 other occasions right up until March 2015 she had reached out again and so I understand you obviously weren't around the first time then it came through to Peter, but then she got in contact again with Seamus when again nothing really was, or she didn't see anything being done, do you recall those subsequent communications with the Department, or anyone making you aware of them?
JM	I mean I don't... whether there's an email copied to me that, that shows that there was information copied to me it's possible, the number of emails and the complexity of emails means that... to do more than flick through some emails... and to enter my conscience as a substantive issue. So much came in that I couldn't possibly say definitively that I didn't have something copied to me from this individual or from somebody else but I don't recall it, I don't recall her name. By this time I see Seamus's last reply and by that time we probably were thinking about doing tiered tariff anyway. So... but we wouldn't have had by that stage had ministerial approval for making that change so in communications with the outside world we'd have not said we are going to make, don't worry we're now going to make this change. And Seamus's reply looks like a, you know he's given a general reply... internally we may have been further on than Seamus' email reveals but ...
CK	Janette aside, she's obviously raising the issue which has become very emotive issue around people running their installations 24/7.
JM	Yeah.
CK	Would you have been aware? Did anyone else bring that to your attention? Was that something you would be aware of, or heard of?
JM	Yeah there were always, or there were rumblings along that line. So the over, the over incentivisation issue was, that the tariffs were too high, was not necessarily something that struck with me until later. It's fair to say they were always very indistinct rumblings or allegations which nobody was prepared to put a name to, so you would hear these things very anecdotally. The only one, we got a letter I think to the First and Deputy Minister in December 15 maybe something like that, but it was anonymous and it was... it wasn't specific in its allegations. I think that there's a couple of other occasions when people would say of course people are just heating empty spaces, these things.
IMc	How was that kind of information received? so I know you're kind of saying rumblings and ...

JM	Rumblings was the wrong word. There were two other occasions because ...
IMc	Were there letters? Were there communications?
JM	No, no, no. So one would have been an almost jokey throwaway remark by somebody and internally...
IMc	Who was that somebody?
JM	That was, I think that was said by one of the... that was said to Andrew by somebody in political circles.
IMc	A politician ...?
JM	Without, again any backup
IMc	Can you recall when John? 2015? 2014?
JM	No... no in... well in 2015 at some point and somebody at a conference came up to me and said that the... that they had been approached by somebody who said they want to just heat, they were just going to leave the heater on and I remember that must have been around September 17 because at that point I was able to say well we've just issued a consultation and we've introduced...
IM	September sorry...?
CK	13?
JM	15
IMc	15.
JM	Because I remember saying well we're going to introduce a tiered tariff so anybody who does that will make a loss because they won't be ...
IMc	And the particular letter you referenced going the First and Deputy Minister in December, how was that in December 14? 15?
JM	15. So these are probably after or around the time of the big spike.
CK	So you don't recall any rumblings before 2015?
JM	Not, not specifically and rumblings I wish I hadn't used that word, I'm trying to now remember exactly when these, and they were not, they were not substantive enough, the last one was treated as whistle blowing but you know it was completely anonymous and these were not specific enough to even... not sure how they would have been raised, I don't recall other correspondence. If you go back to 14, well there weren't many people on the scheme anyway so...
IMc	And can you recall who the kind of political politician was that raised with Andrew?
JM	I can't, it was maybe one of the special advisors. But said in, sort of what I recall... a sort of jokey provocative sort of way.
IMc	But obviously, it must have struck enough of a chord in his mind, to actually then mention it to you?

JM	Em... Yes possibly.
IMc	And was there any discussion to how it would be considered dealt with or was it again it was well look, yeah...?
JM	Well probably by that stage we were going forward with the tiered tariff which... to Stuart and myself was the thing that we absolutely needed to get done to eh to...
IMc	So that tiered tariff only changed for new entrants. Those who had signed up of which by that stage were quite a number were on the old tariff so in a sense saying that all's all well, you know we're changing the tariffs, didn't have any impact on the large constituency that had already signed up to the really generous tariffs and who could be happily wasting it and making money from it so is that a fair reaction to that kind of issue?
JM	Well... what is legally possible is the question and it was not... no it was not, that's a mischaracterisation of what I've just said. We were looking at a range of policy options, we did not, and I'm only surmising now what has happened since I've left but if, as I said before there seems to be more clarity now that inappropriate use of the scheme is more prevalent than was thought when I was there, but we were looking at options for getting... making retrospective changes to scheme which is very... it would be very chargeable legally. So we were trying to do that... it would be, to me it was almost inconceivable that you could have had a spike of that nature and not... not been some untoward applications in that.
IMc	Anything else from you Clare?
CK	No.
IMc	Leanne?
LC	No, nothing from me.
IMc	Close?
CK	Ok. Is there anything else before we do close John that you want to bring to our attention?
JM	Will I get a chance to come back on seeing the transcript to raise any other point?
IMc	Yeah, absolutely, yeah. Not one problem yeah
JM	I have, you know this has happened fairly swiftly, I've not had enough time to think about things which are now fading in my memory.
IMc	Look please do. Get the transcript, read it John where you think no there is, you know something else you would like to say in respect to whatever look we can organise, come in and spend 15 minutes, half an hour, no issues at all.
JM	Thank you.
CK	Thank you very much John for coming in and just for the purposes of the tape it is just past 10 past 4. Many thanks.