

# Wednesday 19th October 2016

## Stuart Wightman Interview Transcript

### Attendees:

Name	Initial	Company
Ian McConnell	IMc	PwC
Stuart Wightman	SW	Department of Economy
Leanne Coey	LC	PwC
Clare Kennedy	CK	PwC

CK	<p>Ok for the purpose of the tape it is now 11.35 on Wednesday 19<sup>th</sup> October and it is the interview of Stuart Wightman and in the room from PwC we have Clare Kennedy and Leanne Coey.</p> <p>So Stuart just for the record can I thank you genuinely very much for coming along and for cooperating well so easily in terms of the interview process. We've obviously talked off tape about the fact that we are recording it purely for accuracy purposes Stuart and you have confirmed that you are happy with that and if you would like a transcript of your interview you are very welcome and please just let us know, equally if you don't want one that is equally fine, but that option is very much there for you if you would like it.</p> <p>We won't take the 3 hours that we've anticipated, well I don't anticipate that we will however, what we try to do, and fail miserably, is run the interview for about 45 to 50 minutes and then offer people just the chance to have a break if they want it ...</p>
SW	... right ok ...
CK	<p>... Stuart I am really bad at that, I never do it so just if at any time you would like to take a break please just let me know and we can pause the tape and then reconvene after that.</p> <p>Can I ask because we have a number of other interviews to do that you do keep the content of the interview confidential ...</p>
SW	... no problem ...
CK	<p>Ok, I appreciate that.</p> <p>Ok so Stuart just to start what is useful for us is just to understand a bit about you and your background, your various roles that you had within the civil service and how ultimately you came up, you came to be working in the post that you did in DFE.</p>
SW	<p>Ok, joined the civil service in 1995, after graduating from Queen's University, civil engineering. Joined as a civil engineer in roads service, did a variety of roles in road service for 8 years before I moved on promotion to the administrations, the admin side in the Department of Regional Development still and I was a DP in public transport division, again for 4 years and I then I moved on promotion to water policy division, which was also the Department of Regional Development. Both those posts the DP post and the grade 7 post involved a lot of policy, a lot of legislation, so a lot of similarity to the role that I'm currently in.</p>

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	I moved on, I transferred across then in 2014, it was 30 <sup>th</sup> June I think it was 2014, to DETI and to Energy Division and with my engineering background, obviously I was involved in water, I was involved in transport, I thought energy was a natural fit for me, for career progression and that so that's how I ended up in DETI.
CK	So it's essentially, the underlying motivation was the career progression and ...
SW	... career progression and I enjoy policy, I enjoy that area of policy and legislation.
CK	How did you become aware of the vacancy in the Energy Division Stuart?
SW	It was, I'm trying to remember back now, how did I become aware of it... I put in a transfer request in DRD and I can't remember exactly but I'm pretty sure it was through DRD personnel that was, brought to my attention a number, a number of vacancies or potential opportunities, now I will have to confess I worked for John Mills, my director, who had just moved 6 months earlier to DETI, I'd worked for him in, he was the Director of Water Policy Division ...
CK	... oh right ok ....
SW	... in DRD and that, there was a number of posts that probably, because I knew I'd worked with John before etc., and we knew how each other worked sort of thing, that probably was what influenced my decision to move across.
CK	Ok, and do you remember how long that process took really?
SW	It would have been, I was working on... probably it was from the, I put a transfer request in probably before John even left DRD, so it would have probably been late 2013 I think. I can't remember if it was a formal request or I put the feelers out and there was a number of key pieces of work had to be completed before I left which always makes sense and I had, one of the big pieces was a water strategy that I was bringing forward and the deal if you like was struck that I get a consultation out on the water strategy before I went and that took me, a bit longer than I'd planned but it took me until the summer 2014.
CK	What is helpful and various people have sort of said 'look, there was the Energy Division and it was sub-divided, or it became sub-divided etc., etc.' So just to be clear whenever you came in at the grade 7 level ...
CK	Just for the purpose of the tape Ian McConnell has joined us as well at 11.35. So Stuart we were just talking about obviously your move into what was DETI then and can you just explained to us what your particular role was and what you were going to be responsible for?
SW	Yes whenever I came in there was a bit of a change, a bit of reorganisation within the division, within Energy Division, and Renewable Heat Branch as it was called was amalgamated with sort of energy efficiency to become Energy Efficiency Branch. I was brought in to head up that branch. So there was sort of 2 key areas, there was renewable heat policy and energy efficiency policy, there was quite a lot of work happening in relation to the energy efficiency directive, on the energy efficiency side and a lot of my time was devoted to bringing forward proposals for a new energy efficiency scheme, called energy wise. I was project manager for that. Interestingly, when the energy wise scheme, because of the sheer scope of the work in Energy Division the SRO for the energy wise project, was Chris Stewart, because John to be fair there was so much work involved, he was so busy with the other areas that it was agreed that I, on energy wise, specifically I worked directly to Chris Stewart. On the

	<p>subject in question, back to the renewable heat incentive because obviously there was 2 aspects to that, there was the domestic scheme and the non-domestic scheme. From day 1 the priority was to get the domestic scheme launched, to get the business case, the business case was just going through the internal DETI case work process when I came in and the first thing, my first job was actually to amend the business case, to try and secure approval, Ministerial approval, DFP approval etc., and then get the necessary legislation done to get the scheme launched as soon as basically.</p> <p>The non-domestic scheme was obviously ticking along in the background. The, certainly it was not brought forward as a priority at that time. Obviously when we look back now it should have been but it was definitely to get the domestic scheme in. My objectives in my forward job plan etc., reflected that, it was get the domestic scheme in, manage the non-domestic scheme in terms of, to sort of routine management... the scheme ticking over. And then the energy efficiency side was equally big so my time was probably split 50/50 between energy efficiency and renewable heat. So I had a great reliance on the DP, Seamus.</p>
IM	In the renewable heat bit of that 50/50 split how much would have domestic versus non-domestic?
SW	<p>Oh certainly at the outset it would have been 70/30 in favour of domestic the 30% would not have been... the reason it's 30 it would have been less than 30% except for the fact there was an issue to do with carbon trust loans that we had to address which was quite tricky and the irony of that was there was, I think there was up to 10 or so large installations that couldn't get onto the scheme because they had a carbon trust loan.</p> <p>So I had that to work that through but the whole aim was to get them onto the scheme because the scheme was underperforming in terms of budgetary terms anyway, but obviously when we look back now that shouldn't have been a priority, the priority should have been the non-domestic and doing the associated reviews but... there was also a number of admin improvements we brought in quite quickly which was there was an issue to do with Ofgem's funding and how they calculated their costs, and we had to agree a change control process, I can't remember the exact date but I remember we had Ofgem over for the first time, it was like a 'meet and greet', it was probably October/November time in 2014. There was a piece of work that was done leading up to that which was to agree a revised way of calculating their admin costs for us and also there was another piece of work with Ofgem which related to the sharing of information which had been an issue prior to us, prior to myself joining the department.</p>
IM	Stuart you mentioned there objectives. You came in, you come in new, you reference kind of a, I presume it was some kind of formal objective setting ...?
SW	<p>... in the personal performance agreement, the civil service everybody has a PPS it's called and you basically that's your, how your performance is measured and you know from day 1 my objectives were you know, finalising this business case for the domestic scheme, get all the approvals, get the legislation drafted, get it approved, get it brought through the Assembly and you know that was top of the pile... manage the non-domestic scheme of particular issues such as the carbon trust loan issue, try to work through it and in fact the legislation we did for the domestic scheme we were able to use that to make the changes needed to the non-domestic scheme at that time, in December, there was the, you know trying to build on the relationship with Ofgem which didn't seem to be particularly good, sort regular meetings with Ofgem prior to coming into the department... the relationship was quite, not cold but I think there were issues around information sharing as I eluded to earlier and about the Department having access to information. So there was a secure transfer sort of protocol put in place which was agreed and signed by both parties and then I mentioned there was a change control about the costs and that was all brought in... all</p>

	<p>worked through and signed off at that meeting, I think it was October/November time.</p> <p>The review, there was a list of, in my objectives it was sort of get the domestic scheme, when you've done that move on to phase 2. Of the non-domestic RHI the review of tariffs, the two reviews were probably muddled to be fair you know there was obviously a review needed to be done on existing tariffs but then there was the phase 2 which was widening out...</p>
IM	... new technologies ...
SW	<p>... new technologies and sustainability. I know there was a cost control piece in that and I can come to that in a second but the, it took us to January to get the, or to December, to get the domestic scheme in and I think the background it talks about, like I alluded to earlier urgent action to be completed by August, well there was no, to work the legislation through etc., etc., it was never going to be August '14, so the, we effectively, we worked in a chronological way we worked our way through the list and when we got to the turn of the year and entered early 2015 the priority was then switching to non-domestic. But very quickly as you were aware March to April time we were already looking at budgetary issues and already thinking about we need to do something here in terms of tariff changes later in the year.</p>
IM	Just go back to the objectives bit because, so I'm trying to get my head around what process works... yourself and I presume Seamus as DP would both have had objectives set, so you'd have set Seamus' yeah?
SW	I would have set Seamus' but with a bit of flow from my own
IM	So John would have set yours?
SW	John would have set mine.
IM	So it kind of cascaded and I'm sure John's was set by Chris Stewart or whoever appropriately above, so ...
SW	... sort of flows from the very highest level from top down of your corporate plan, you've your... Chris Stewart has a group plan and then you have divisional plan and my own objectives would have flowed from the divisional plan, agreed with John.
IM	So who actually then drafted those objectives? So do you sit with John and draft them, does John draft them and say 'Stuart here's your objectives'?
SW	It's sort of 2 way, it would be a 2 way process.
IM	But in essence they do, you know practically set out the priorities for you and therefore as a result for that area of the business?
SW	Yes, yes they do. And everybody has their own personal performance agreement. I will have to confess my experience across my previous posts in civil service, everybody doesn't use it the way they should be.
IM	But at least it is evidence of something on paper that reflects the mind-set of the individuals at the point in time they set them regardless of what happens afterwards ok but a point in time at least it's evidence that here's what was in the mind of John and Stuart at a point in time in terms of the priorities that faced them?
SW	Definitely.

IM	Ok, and you're saying, so just I know you talked through it but to what extent then was you know so were there any specific objectives on that that related to, I don't know the non-RH, non-domestic RHI and particularly in kind of out workings of the consultation process from October '13 or cost control being a key part of that or carrying out a review of the scheme, were any of those specifics highlighted in objectives or ...?
SW	... yes it would have been a bit more general than that but it would have been implement phased you know... bring forward... obviously domestic was part of that consultation ...
IM	Yeah it was I think... most of it
SW	So bring forward the domestic scheme, 2 <sup>nd</sup> thing was, and then you had your on-going, there was obviously an on-going function, businesses normal function which was, there was a precursor to the domestic scheme was a scheme called RHPP or Renewable Heat Premium Payment Scheme, capital scheme only, so we had a team managing... continuing that was still a live scheme and then we had the non-domestic scheme which was a live scheme, sort of business as usual. So there's that, put that to the side the business as usual function, there was bring forward new policies in terms of the domestic scheme and then once that's done move onto phase 2 of the non-domestic scheme and then yes there was a recognition of reviewing tariffs but probably alluded to a minute ago... it was probably... the phase 2 implementation and the review of tariffs probably became muddled and not viewed as 2 separate schemes or 2 separate pieces of work. I mentioned earlier if we knew what we knew now yes those priorities should have been quite different. It should have been get the review done on the tariffs.
IM	If you go back to your objectives Stuart again, did they just list a range of things or did they actually say 'look in order of priority or importance or you know, here's what you do' so I guess what I'm trying to ....
SW	... the dates would have reflected the priority.
IM	Right so there's dates as well ...?
SW	... there would have been dates... now you don't always meet every single objective... but it would have been...
IM	no, no, no, but at least that again that reflected the mind-set of the individual ...
SW	... by November, I think it was maybe November, by November '14... introduce domestic scheme, by 31 <sup>st</sup> March... commenced work on phase 2 of the...
IM	Ok, Understood. I think it would be really useful to see that you know just to get a sense of... that's a good place to be.
CK	And you're saying those objectives were in place if not on day 1, very close to day 1?
SW	As close as yeah, I can't remember exactly but myself coming in, it can take you nearly a year to get up to speed so the first thing you want to know is what am I, what I have to do this week, never mind, so you know you're, it was in my interest to have something in front of me because I didn't want to just sit there getting, coming to reporting time at the end of year, you didn't do this, this, this, I like to have and I'm

	more than happy, now there is a confidentiality aspect with reports, but I'm more than happy to share a copy of my PPAs with...
IM	It's not really about that, it's more the objectives because, that in essence then tells us well ok, what was being discussed? What was important and what order of priority was things considered?
SW	The original plan might have that actually as well I'll just ...
IM	I think it's very meaningful though to see Seamus' and your own ok and then to understand well who set those because that then allows us to kind of assess you know ...
SW	Well mine to be fair... Seamus' would have just flowed from mine. I would have agreed I think the [12:27 inaudible] would have been mine as the branch, as head of branch
IM	... exactly, his job was to support you, essentially deliver yours, so I understand that. Because, it all comes back to this point you know, was there a conscious decision to defer, to de-prioritise non-RHI because of the need to get domestic sorted? And was that a conscious rationalised decision that was thought about, taken, decided upon and actioned? Or did it just happen as a consequence of the busyness of everybody and it wasn't that it was ever intended but it just kind of happened by default right? And if you are where we are, we are kind of... which one of those is it? And hence the line of questioning, it's just trying to understand which of those is it?
SW	It's quite difficult because some of this stuff happened before I came in but it was rather peculiar that... Usually when you do a consultation you're under pressure to come back very quickly even if it's to say 'that we're focusing on domestic and we're deferring non-domestic' that didn't happen which was unusual, that wouldn't be in my experience of dealing with policy, you try get to the public as soon as possible. So it was phase 2 was effectively implemented in dribs and drabs.
IM	So what happened then if you... so I presume to be able to execute on the domestic side someone had to act and pull through the outputs of the consultation for domestic? So can you recall what kind of timeframe that was happening in, now maybe a lot of it had happened by the time you came in?
SW	It was around the time I came in they'd already done a final, they'd already done a policy paper, like a final policy paper and stuff which was approved just around the time I was coming in and that, it was strange... as you say it just drew out the domestic aspects of the phase 2 consultation and then it meant there was a void as far as the other 3 aspects of the consultation was concerned. So was there a, back to your question, was there a conscious decision, I hate using this point but we wouldn't have had the resources to do all the phase 2 stuff together because you're talking 2 different sets of, 2 different pieces of legislation and there was a, certainly when I came in that conscious decision had already been taken and was definitely the, it was fair to say there was probably a political pressure as well because the GB had already brought in their non-domestic scheme and it was like 'what's keeping us'... get the domestic scheme in, but obviously DECC or BIS would have had a lot more resources at their disposal to do that. We're really talking a third or half a grade 7 and a DP, the rest of the team was very much admin function in terms of domestic and doing the RHPP scheme so that decision, there doesn't seem to be an audit trail in terms of a conscious decision to say 'no' or there are no submissions saying you know ...
IM	Someone somewhere must have made that decision particularly given that as you say 'a chunk of the consultation was pulled through for domestic, but a chunk of the other

	stuff wasn't' so you kind of have to say well somebody decided not to because typically what's expected is well all of the consultation flows through into policy, it kind of ...
SW	... well certainly from the consultation in November or whenever it was October '13 when it ended to when I came in the following June that decision to consciously defer had already been taken.
IM	And you were seeing the outputs of that which was the policy hadn't been prepared on the domestic side but nothing being looked at actioned in terms of the non-domestic ...
SW	... non-domestic, because I remember asking the question 'where's the final policy paper?' or 'where's the' because when you go online and did a search, even I think it was before I went into the post I was, remember looking up and there was a, I could find the consultation but I couldn't find the next step so to speak. So that decision had been taken. It doesn't seem to have been taken
IM	Who would you expect to have been in a position to make that decision?
SW	I would have thought it would have been John as Director stroke in consultation with Chris.
CK	So you said that your objectives would have flowed from the divisional plan and you said that there would have been reference in the divisional plan to the domestic...
SW	...The higher you go up obviously the less detailed but yes it would have.
CK	And do you remember seeing a copy of that divisional plan because you were obviously head of branch, would they have also have said for the domestic scheme you know the priority is this, this is to be taken forward and then ...
SW	...yes it would have been done by dates, it would have yes been the domestic... you could see...
CK	...Yeah so you could see a very similar prioritisation within the divisional plan.
SW	And the divisional plan probably, work would have probably started on that March, February/March time 2014, because it would have to have been in place for 1 <sup>st</sup> April. So it would have been the very start of 2014 that that, that process now when I'm thinking, that process itself may have ended up... that conscious decision coming out about deferring things ...
IM	... it essentially drives that, perhaps ...?
SW	...yeah, but there's no, that would be the only place where I could think, there's certainly no, I would have expected submissions back and forward to the Minister, but yeah, I just had to, we'll have to concede as a I think as a department that normally you would have the consultation response published as soon as, you know.
IM	And when did the domestic... response... was it ever published or did it go straight to policy?
SW	Yes, well it was a final policy paper was produced which basically said 'here's what the responses said, here's what we're doing'.
IM	Yeah ok, so it was in essence...

SW	And then that became, that then formed what was the SL1 which was the policy for the legislation which went to the DETI committee at the time.
IM	And just to go back to the objectives, the performance year is what, is it June to July, is it April to ...?
SW	No it's in our financial year, so it's April, to March
IM	It's April to March.
SW	As are all our business plans so... And you do have opportunities at any time to review your objectives, there not fixed, they can be, it's quite a fluid process and you do have a formal in year review process after six months, in October, we're just at that stage now, where you do have an opportunity to revisit and go 'you know what things have moved on a bit, we might want to put that priority, give that greater priority etc.'
CK	And in the October of 2014, now you wouldn't have been in post for very long so probably you didn't have that going back... to the objectives
SW	No that would have been we were still in the throes of domestic and trying to get the domestic... but we'd probably had our draft legislation virtually done at that stage so it was, that would have been the priority just get the, keep going with the domestic scheme.
CK	I get what you're saying about you know resourcing and stuff and in particular that you're covering off essentially what were two branches previously isn't that right? You would have two grade 7s covering off energy efficiency and covering off renewable heat?
SW	I think the renewable heat grade 7 was part time.
CK	It was. In that resourcing issue, because it's not a big team ...
SW	... no it's not.
CK	... Did you during your time every raise any concerns about resourcing?
SW	... I raised it with John... head of branch meetings, John was... I have to say, I was a bit of a broken record. My biggest bug bear was that whatever the conditions, one of the conditions of the approval for the domestic scheme... we decided to, because we had the admin team in place with the RHPP to do the domestic scheme in-house and not put it out to Ofgem for example and that was done on the basis of getting some additional staff and we knew we had a... in addition to Seamus I had a part time, was it 2 days a week, 50% of the time a DP who did a lot of the work with me on the domestic scheme as well but we knew he was coming with the VES scheme coming up and there was another part time lady who both left on a VES but our business case was based on those people being in post plus additional people and it took some time, it took towards the end of 2015 before we got the additional people.
IM	You say the end of 2015?
SW	Yeah it ...



IM	... so that was what?
SW	Nearly a year after so that put quite a bit of challenge on the domestic scheme in terms of we had a backlog of applications, backlog of site inspections and things to do. So the resource was an issue. I do know John did escalate it to Chris and Chris likewise and there was... we're talking staff at a relatively low grade here, we're not talking, so it was unfortunate timing with the whole VES thing was, exit scheme was on the go at the time and people weren't willing to release people because they knew they weren't getting the post filled... so it was unfortunate but I know after the event resources are very easy to find now but at the time resources was definitely an issue.
CK	And was that resource request just focused on the domestic side or was anyone calling out to cover the non-domestic side?
SW	It was primarily the domestic side at that time but it would have been a general issue to do with resources. One of the issues that I did talk to people, people kept talking about degression and this is more recently, we're not going back to 2014 but we could never have implemented degression in Northern Ireland without having a large team of people, degressions are very labour intensive process, that DECC follow every quarter or every 3 or 4 months ...
CK	... in terms of monitoring ...
SW	... in terms of monitoring, we just wouldn't have had that ability you know we are talking 1½ members of staff here, going back to 2011 ....
IM	... did anybody stand back and think about 1½ members of staff and yet the kind of magnitude of the budget that was flowing through this, big chunky numbers ...?
SW	... a big chunk of numbers, there was a, I think one of the issues as well was, rightly or wrongly back in 2014 when I came in we were in AME, this was an AME scheme so we know what we know now but this was an AME scheme.
CK	How did you know that, at the time?
IM	Why did you believe that at the time?
CK	Yes, yes.
SW	Because, well I would have been told by John it was an AME scheme, this is an AME budget, it's outside the NI block grant, it is, there was nothing to suggest that it wasn't AME, you got your returns, every quarter, your monitoring returns, which were called AME.
IM	Where did those come from, finance?
SW	They would have come from finance and probably then from DFP or whatever, so it was AME by name there was nothing to, my...
IM	... it didn't say non-standard AME...?
SW	... no, no there was nothing. I was the one that found the 2011 email in Trim that then brought in the question marks over it.
CK	This is the Alison Clydesdale emails?

SW	<p>Yes.</p> <p>So the information was clearly within the department back at 2011, somehow it was lost, but we were in AME rightly or wrongly and that, I'm not saying we would have treated it differently if it was DEL but because it's all public expenditure but in terms of the NI block you probably would have had more of a focus on the scheme if you knew your DEL and if DECC, the department's budget for other things could have been impacted. And it was talked about because AMEs an allocation and they talk about initial allocation well you know AME is used for welfare in Northern Ireland, because of the troubles etc. you probably find it's a lot more than 3% of the AME money across the UK goes to Northern Ireland. So likewise with Northern Ireland being reliant on oil compared to gas in GB we thought Northern Ireland could probably fight above its weight as far as RHI was concerned, so we were never, consciously I was never thinking that the 3% is going to be an issue here because we're going towards a UK wide target. So that was because we were AME. If it had of been what we know now in terms of AME with this caveat that you can't overspend above the initial allocation... the scheme, you would have done everything you could to stop the scheme straightaway. That is so critical that the way the scheme was funded and then you have to ask why was it a demand led scheme if we knew back in 2011 it was AME, sorry it wasn't normal AME, so there's a number of things yes, priority was on domestic, rightly or wrongly, but the AME, the fact it was AME we were underspending our budget, it wasn't, the priority was let's get the domestic scheme, let's make use of this money that Northern Ireland has handed back effectively, so that's such an important part ...</p>
IM	<p>And was that a conscious debate that was happening you know, was that unconsciously or consciously influencing the approach to non-domestic RHI in terms of activity, pulling through cost control etc.? Was that kind of fundamental bit that was driving then some of the decisions? So yes there was domestic demand and therefore resources were constrained, but alongside that and parallel to it there was the fact that well this is AME, this is money for old rope in the sense of the Northern Ireland economy and therefore and it's at this point in time it's probably underperforming, this isn't about cost control, this isn't about A, B and C this is about filling pipe.</p>
SW	<p>I think it's fair enough, yeah, I think that's, I think in the first four years there was £25m and we handed back nearly £15m ...</p>
IM	<p>... honestly..? In the first 4?</p>
SW	<p>So you're talking about that's £15m, were we would have been at... that's £15m that the Northern Ireland economy has lost out on and certainly the advice even that we would've put up the line to Ministers would have been on that basis because it was AME money that Northern Ireland had lost out on. So we were at the highest level in terms of budgetary position. I have to concede now we weren't in terms of the individual applicants that were maybe getting more... usage or wastage.</p> <p>That wasn't really on the radar. It was very much at the highest level. If it had of been DEL, rather than AME I think we would have processed it differently. Now it's all taxpayers' money but from putting my Northern Ireland hat on...</p>
IM	<p>So what do you think, at what point do you think different decisions would have been taken or what kind of different action would have been taken if it had of been DEL, so I can understand the difference?</p>
SW	<p>Well if it had of been DEL ...</p>
IM	<p>What could have been done differently I guess?</p>

SW	Well it becomes finite. The money becomes finite and we're sitting with a demand led scheme with finite budget, the two things don't go hand in hand, without any opportunity to disclose this scheme or cost control.
IM	So you're saying cost control therefore becomes critical?
SW	We had to have a way of turning the tap off simple, if it's a finite budget, and the... at any points when I was dealing with my finance colleagues at the time, sort of Spring 2015, they were saying 'well stop entering into new commitments', and I said 'we can't'. You know we'd found out our approval had lapsed, 'well stop entering into new commitments', we can't because the legislation requires us to enter into new commitments. The DFP approval is nearly secondary here, the law trumps that's and you know...
CK	You had no ability to turn the tap off?
SW	And back to the AME point, even in Spring '15 if I had of known it was DEL we would have probably been jumping over backwards to try to get it turned off quicker. Because it was AME even our advice went up to the Minister in July it would have been around AME.
IM	So you think that the kind of timeframe between, because I find if I ask someone about this, as a lay person looking at it from a distance you kind of say, ok, issues were then identified in kind of February/March '15, but it took until September, there seemed to a 6 month gap almost before things happened to turn the tap off, which seemed to be a long time looking at it from the outset
SW	I was working ...
IM	And you think again that was ultimately influenced by the fact that people still believed it was AME?
SW	Yes I certainly... at a divisional level...
IM	So... there was no real cost to the Northern Ireland budget or exchequer?
SW	No there, that's where we were, yes we were in that place where this is AME, even when we found out I think it was towards the end of March '15 I had drawn this email to the attention of finance division.
IM	March '15 this is Alison Clydesdale's email at that stage Stuart yeah?
SW	Yeah... and it said 'what's this mean?'. And even then we were thinking it's only 5%, you know if you overspend it's only going to be 5% hit on DEL so it's still a pretty good deal for Northern Ireland. For every £1m you overspend it's only getting a £50,000 hit on the DEL budget to the Northern Ireland block. So there was a, I remember quite clearly raising the budgetary issues sort of say March, the scheme was beginning to take up in terms of applications and I remember raising the questions 'how do I go about getting more AME money, do I just, because you only get these monetary templates every 3 months, do I just wait to the next template and change the figures, what do I...?', I remember asking that question, because I've got engineering background not a finance person and I, there was a, it took quite a while for me and I was sending emails back and forth to finance colleagues ...
IM	Who in finance was dealing with that kind of stuff?

SW	Well it would have been Trevor Cooper would have been the Director of finance at the time, and trying to get clarity around the money, how do I go about this, the fact that we've underspent, can I assume we carry that money forward? Those sort of questions there and it took some time, it wasn't until sort of April/May time that they came back and told me the way your approvals ran out.
IM	That was the first you realised that your DFP approval had run out as well? You know because I was going to say, how was that allowed to lapse but from your perspective you're saying you were blissfully unaware until someone told you it had lapsed?
SW	Oh it was a 7 year scheme up to 2020, unless I had found that the actual approval letter or someone had handed me the approval letter.
IM	But would you have not expect John to be aware or someone to be saying 'guys, you know...'
SW	Oh yeah, I would have expected, going right back to outset... yes when I came into the post I had objectives fine and they were agreed but usually when you come into post in my experience in the past whether I've had to attend a lot of different inter-departmental boards and groups and things, there's structures there that you automatically you know... 'Stuart your first meeting of this board is next week or the week after' or whatever, because the RHI... there wasn't that sort of you know, apart from the handover note there wasn't the...
IM	... [31:50 inaudible]
SW	Yeah and it was react, a lot of it was, now with the domestic it was a new scheme and a lot of it was in my control and I was able to do that from the outset, the non-domestic, when I inherited it, was very much 'yes it sort of looks after itself, Ofgem'...
IM	Did someone say that, 'it sort of looks after itself'?
SW	Em... did someone say it... I can't remember exactly how I was told, I can't remember exactly who told me, was it John, I can't remember, I honestly can't remember, but it was very much, you could even see prior to coming in that Ofgem were very much, because they were administering the scheme, there was probably, and there was only 2 staff in the department, it was very much there was a reliance placed on Ofgem. In terms of, back to the point about 'yes the approval, AME and approval' the, we actually got domestic approval for 7 years, right up until the end of the scheme... I'm not a finance person, as I said, you know, there was nothing, the fact that we just got approval for 7 years why would I have ever thought that the approval for the non-domestic scheme would... was only from July '12 to 31 <sup>st</sup> March '15, for a 20 year scheme? Both schemes were always supposed to be open until March 2020 so there was nothing there to alert me to it. I agree now there should have been. The approval letter, and obviously we're putting processes in place now, when I came into post, yes, if there had been an approval letter and that approval letter, which obviously makes it clear that you had to do a review in January '14, and that review would have informed the decision to extend the approval those things only became apparent whenever I started to dig down and start to review the non-domestic scheme.
IM	So whose responsibility was it to make sure you had that knowledge day 1? So I expected someone to be giving you something, briefing you, doing something. I presume from what you're saying no one did. I guess I would also then expect individuals landed in it and there's so much change around them therefore there's a self-taught, there's a self-read piece, right so...?

SW	At the outset yes I would have expected, here's what this job is, here's the job description, and you would've expected it you know, expected it as part of that, and then part of the objective setting. I did not have an objective to seek re-approval for the scheme for the year and... now, to be fair to John at the time he would not have necessarily have been aware of that either unless it was passed forward from his predecessor so, because... I've worked with John long enough and he is quite meticulous in those sort of things and even the AME point you know, there was never any thought that there was DEL consequences here until we found that email so... sorry go ahead...
IM	So just let me finish off and then we'll go back to AME, apologies. So then you're saying 'ok, there was lack of knowledge perhaps around you, there was no kind of express briefing, no instruction'. So what was available to you to be able to kind of self-read, self-teach, become aware of, what material or are you saying the objectives set my direction of travel, I worked to my objectives'?
SW	I remember the handover here, it's so long ago, I remember the bulleted point list, I don't remember the other papers that were attached to it, the detail, but I do remember that bulleted point list would have informed my objectives, I would have probably had a first go at the objectives in terms of... and sent it to John, and said 'John does this look' ...
IM	Let's park and then let's go back to the handover note. Let's finish off on AME. So you're saying March kind of you're saying 'how do I get approval, do I need approval, underspend kind of all these questions'... finance coming back to you April time ...
SW	... April/May time and saying after the event sort of saying your approval has now lapsed, you're now already incurring a regular spend, we couldn't turn the tap off because we'd no way of doing so. So I had to start to think about of a business case for retrospective approval now that work did start in June 15, it took some time obviously working with finance and working with DFP etc., to get the options that we were looking at, you're obviously aware of the submission that went up to the Minister, we were looking at more than just tier tariffs in November we were looking at the ability to suspend the scheme and other things....
IM	So what drove that work? So was it the fact approval has lapsed, so was it the fact that spending was non-AME when did people realise this wasn't standard AME?
SW	It would have been April/May time.
IM	April/May time and it was finance that ultimately clarified that for you, or how did you, who made you aware?
SW	It really was that email that drew attention to it and whenever I flagged that email up to people ...
IM	... but you're saying you saw that email March time, you flagged it and then it took to May until who said 'Stuart that email, yeah this is non-standard AME, this is now DEL'?
SW	That discussion, that point was never quite clarified, there was on-going discussions about... is this you know the 5% figure etc., is there a 5% hit or not? And there was a bit of a wild goose chase that went on during the summer, we were asked as the division to liaise with DECC to see if we could get some of their underspend for example, and quite rightly DECC came back and said 'well that's not for... you'll have to speak to Treasury, we can't speak to Treasury because you've got to go through

	DFP who speak with Treasury', so I feel that, now when we look back yes there was time wasted during the summer trying to clarify the finance, the finance piece. Now obviously ...
IM	... and do you think the focus was on clarifying the finance because I'm trying to understand here it, right so, it kind of appears to me that there were issues identified, numbers were going upwards, you know there were issues around waste, potential wastage and other things identified... certainly at the latest kind of March '15 but the kind of subsequent time was focused around trying to establish the AME position and actually if it had of been AME people were relatively relaxed about some of those things because it wasn't going to cost them and it only became apparent that it was costing them 3, 4 months in when AME was finally clarified. Because is that the explanation really why it took so much time, people got distracted about is this AME, is it not, if it's AME we're maybe less concerned and it all became around AME or am I completely misjudging what happened?
SW	It's around, no I think there's some truth in that I think, I think there was, I was, we were, as a branch I was working away on options. The submission that went up in July to the Minister was on the premise of AME, not DEL, so even though we'd found the email back March/April time we were still at that point in time we were still... had the AME, sort of thinking this was AME.
IM	But I thought you said that finance were kind of saying in May ...
SW	... oh they were saying, they were saying 'oh' in May, I can't remember exactly what the email said but yes they were saying 'you're approval has lapsed here, you're', they then said to me 'go and speak to DECC to see about additional money' but they hadn't explicitly said 'it's not AME'... all the email said there might be a 5% ...
IM	Right ok. So in May you were still in the world of 'this might be a 5% penalty?'
SW	Which isn't... in the sight of things isn't huge. So our advice that went to the Minister was still along the lines of we needed a cost control scheme beginning to go up where... we need more budgetary, we need more budget, did not get into the individual usage etc., of individuals. It was scheme... we need to get additional money, here's cost controls that we need to bring forward and the point you were making if we knew that was DEL there was a more significant DEL hit ...
IM	... You think it would have happened much faster, quicker?
SW	Yes, all you had to do was look how quickly we suspended the scheme at the end. In the meantime in the background I was working away on a business case for retrospective approval and getting some VFM assessment done in terms of the, we had to make a call on when we were likely to get the legislation done and we said, October, so we had to allow for the April to October period, which was the retrospective period and have a judgement call how many installations we would likely receive applications for and do like a VFM piece on nett present value etc., on all the installations. It took some time back and forward because the business case addendum we needed clarity around the budget and it was the clarity around the budget that caused a lot of the delay, when I look back now.
IM	So then if you go forward so when did the kind of light bulb moment appear and when and who finally said 'guys this is not AME'?

SW	I would, I am sure it was sooner than this but it wasn't until the run up to the actual tariff changes were happening, there was a November spend review done by the Chancellor across the water and there was, it was probably October leading up to that that it was clear, there was actually... there was rumour, the rumour mill was started about the UK and about the UK Government were going to actually stop the RHI period going forward and it was around that same period leading up to that spending review that DFP had come back, I think DFP must have been speaking to Treasury at that stage and they'd come back quite clearly and said 'you're, it looks as if your allocations are going to be capped going forward and any overspend will have to be, all overspend will have to be met by the Northern Ireland block DEL' and then that was formalised.
IM	When was that roughly?
SW	October/November '15. I had to do an AME return in October '15 and of course I obviously had put in, every other month it was increasing and I remember doing an AME return in October and then being asked very, very quickly to revise it and allow it for no new commitments post March '15. Post March '16 sorry, post March '16, in other words the schemes were definitely going to be, looked as if across the water they were going to close the RHI and so I had, DFP asked us don't revise your AME return and don't include any new RHI commitments beyond March '16. So at that point obviously it looked as if the money was going to be cut you know there wasn't going to be no money for the scheme to continue but the AME, it wasn't formalised until there was like an email and a letter in December time, I think it was October when those things were probably being fleshed out. I don't think before October. I can't remember before October the thing being clear that it wasn't AME. Now we can look back and say we should have known but as a division I can't recall that it was, because our advice went to the Minister in July, submission was approved in September, that was all on the basis of AME so ...
IM	So the kind of the cost control mechanisms mainly tier tariff, I guess that was the reaction, that was about controlling costs ...
SW	That was about controlling ...
IM	... it actually wasn't a reaction to people having identified wastage?
SW	It wasn't but, well we'll probably come to it in a minute, it wasn't but we knew we would be killing 2 birds with 1 stone, so to speak in terms of the wastage point that was certainly, we were aware of that point but the primary driver would have been budgetary and ...
CF	... based on the number of applications that you were seeing.
SW	Yes, based on the number of applications we were seeing and obviously we were now beginning to think 'oh my goodness... this isn't AME, and we're going to be, this was going to be a DEL consequence of this'.
IM	Yeah the only thing is you know, you're saying AME wasn't clarified until October the action that was taken around ...
SW	... well there was sufficient doubt that we needed cost control but ...
IM	... and again this is speculative, but if someone had have turned around in March/April and Trevor Cooper had come back to you said 'yes this is AME' do you think then people would have done something different?

SW	<p>No well, the stuff we brought forward was on the basis of AME. So I think that would have happened you know the aim of this scheme which I always understood was, yes people get a higher tariff to begin with, the early adopters, then as applications increase you know that the technology prices have come down so you can afford to reduce tariffs. So that point wasn't lost. When I did my business case addendum, for instance I remember the sequel work talked about... with the money that was proposed you had to have the average tariff to get 1,000 gigawatt hours which was what you needed to meet the 10% target would have been an average tariff of 4.2p, so you were always anxious to get down below that 4.2p figure. So yes, I think we would have gone ahead and done the cost controls that we have done if it was DEL we'd have done something much faster and probably a lot more draconian in terms of what we would have done.</p> <p>I don't think we would have closed this scheme necessarily but we wouldn't have, the spike... it's worth saying the spike that came in, I'd allowed for spikes in my forecasting, but not receiving 900 to 1,000 applications in 2 months.</p>
CK	<p>Because you were saying obviously the submission that you were putting up to the Minister was killing 2 birds with 1 stone, now primarily related to the applications increasing... now you did say that you were also aware of heat usage and wastage issue, so I guess my question is how were you aware of that Stuart and when did you become aware that, in addition to a spike in applications there was also an issue with the usage ...?</p>
SW	<p>... I wouldn't have been aware of the detail on an installation by installation basis, it would wrong of me to sit and lie and say that I looked at the weekly data. The weekly data came in and you had, the applicant estimated usage, it was at that point of application it wasn't actual usage, now we would have had discussions with Ofgem about this in the sort of teleconferences but Ofgem quite rightly had said to us 'well some of the applicants air on the side of caution and say... 24/7 running, is it 168 hours a week, whatever it works out, some people did the opposite and put a smaller number in to try to get through the approval process, not realising that doesn't come into the approval process. So yes we..., there's obviously I don't know if got into... some of these papers here but there's obviously the email from the lady who contacted... Janette O'Hagan, at that stage we were already conscious, probably from a budgetary point of view more than a usage point of view, in March we were already thinking we need to do tariff changes here at some stage and we wouldn't have written back to her and said 'we were doing tariff changes' because we don't want a spike, we don't want to let people know what we're necessarily doing. So that would have been, it would have been probably around that time, it wouldn't have been her email alone would have triggered this, it would have been, because it's on the handover note, there was always a need to review tariffs so we would have been aware of it but I'll be perfectly honest and say because it was a relatively small number of applications the priorities of the domestic scheme it just would not have been top of the agenda. I have to concede it should have been when I look back.</p>
IM	<p>Can you ever remember Stuart going back to the handover note, obviously it references the fact that Janette had been there, this had been raised, it references the fact that Ofgem separately had raised issues around individual usage, do you remember a conversation where that actually was discussed between yourself and John? You were saying the handover note was kind of driving some of your objectives and some priorities you know, that's on the immediate action sheet... can you recall that being discussed and a decision to rationalise why that wasn't an immediate action required?</p>
SW	<p>No, no. I'll have to confess whenever the email came in in March there was no alarm bells went off in my mind about Ms O'Hagan in terms of that this is an ongoing issue. We obviously get a lot of emails, we get a lot of correspondence cases, 100s of emails a</p>



	<p>day so this would have been... I'm sure Seamus... I'm copied into the email, I'm sure Seamus spoke to me at the time, I can't actually, I know it's only a year ago, I remember properly more the handover note than even that email but no I know it was referred to in the subsequent pages of the handover note but that, and I remember the bulleted list but no I wouldn't, I would've have had a discussion and I don't remember having a discussion with John about that.</p>
IM	<p>Can you recall why that was missed? What's your sense of why those issues were missed, because there were clear, there were red flags there undoubtedly, so even if they were missed or they were recognised but consciously de-prioritised because of A, B, C, D?</p>
SW	<p>To be fair to my predecessors it was a very comprehensive note. Back to the point I think it, because of at the highest level, I don't want to say underperformance because it wasn't underperforming when you look at the usage but budgetary terms there was no immediate pressure with the non-domestic scheme. That conscious sort of decision had probably been set through the business planning process that we discussed.</p>
IM	<p>And that essentially trumped or overruled the handover note flags?</p>
SW	<p>Yeah the handover note, there is an element as well like the review should have happened in January '14, January '15 sorry, January '14, there is an element as well that the handover note can become a list of all the nasty things that needed, that we didn't manage to do, I'm not suggesting that but, I think it was a very comprehensive handover note but the review of tariffs probably when I look at it now should have been at the top of it and I'm not suggesting, it's there, it's in black and white I can't say this and I can't that I wasn't given the full handover note of all pages but I only remember the bullet pointed list and that was my initial... and I'll be perfectly honest by the time I was probably in post 2 months there was probably new priorities arising elsewhere and the handover note was just to get, see me through that initial period to bed me in the post. As I say it took us to the end of the year to get to the domestic scheme in and then we were switching our attention to the non-domestic but the priority of the need to review, the urgency of reviewing the tariffs and well bringing cost control in wouldn't have been apparent at that stage.</p>
CK	<p>Just to take you back and I know in the handover note that Peter Hutchinson references a conversation, a specific conversation that Edmund, from Ofgem had specifically around you know the usage and I guess what they're saying in GB and about how it was completely different than the CEPA assumptions... we've spoken to Edmund about that, now he references another meeting after that in October, now you, earlier on did reference Ofgem coming over and he said that 'yes, they came over, 3 or 4 of them whoever it was that met with yourself, Seamus and John was there as well', now they say it was in the context of annual review planning, budgeting planning etc., etc., but he did say that actually in that conversation, or in that meeting it was raised the fact that actually look if you look what's actually happening on the ground the usage is different than what was in the assumptions and they even started talking about if you wanted to introduce cost control measure look we have they systems already sitting there, you know we use them for the GB scheme so actually the cost of it for Northern Ireland isn't going to be significant if that's what you wanted to consider. Do you recall that meeting with that conversation?</p>
SW	<p>I can't remember him or Edmund saying that specifically, unfortunately I don't think there was a record of that meeting. And I wouldn't dispute maybe he didn't, I'm not going to say that he didn't say it. Certainly the fact that he said it in May and subsequent conversations, it certainly wasn't mentioned on a 1-2-1 for myself when I had conversations with Ofgem but that's probably because there was issues around</p>

	<p>the carbon trust loan issue, there was other issues, but really the shouldn't they were minor when you look back now. If it was said on the fringe of that meeting it certainly wasn't part of a formal discussion, it might have been said in passing, which is quite different to saying 'listen we really need to, this is something we need to work together on urgently' the fact that they could implement it with their systems is one thing, we're looking at... it's consulting on it, it's getting the ministerial approval to it you know these things can take 6 months to a year for it to happen so again back to the AME/DEL point depends how quickly you, it can maybe happen but on, to that meeting I can't dispute did he say something did he raise it or not but I would imagine it would have been on the fringe of the meeting it wouldn't have been highlighted as a top priority item. I remember raising the issues about, in discussions about just in passing there would anecdotal claims that people were heating empty sheds and things like that there and it's obvious that in the GB scheme, and this was quite recent, that's probably quite recent this conversation but again, there's been ample opportunities for Ofgem to say well you know your usage etc. would have shown that.</p>
IM	<p>And go back to the information you got, you said there's weekly data coming through Stuart, you wouldn't have been looking at it personally?</p>
SW	<p>I would have seen it from time to time but it was more from the budgetary perspective in terms of simply application numbers. Forecasting and stuff.</p>
IM	<p>Right so number of applications. So some of the data come through, comes through in spreadsheets, some of it has usage which is based on the projected usage that was as per the application form, in essence that's not ...?</p>
SW	<p>The weekly data doesn't actual usage as I understand it's projected.</p>
IM	<p>We understand though then there's weekly stuff that goes to ...</p>
CK	<p>... finance ...</p>
IM	<p>... well it wouldn't go weekly, well sorry it may be weekly but it wouldn't be weekly in respect of every installation because of the meter readings are only taken ...</p>
SW	<p>There's the payment information stuff... I don't know if it's, I can't remember if its weekly, if it's as frequent as weekly but I think the reports that are alluded to are the ones that have what the applicant put on their application. But it's still an indication, don't get me wrong.</p>
IM	<p>Maybe Clare if you would just excuse me from the meeting. I just have one of those reports ...</p>
CK	<p>... we brought it in it's on Leanne's laptop.</p>
IM	<p>Oh have you, oh have you because I'm was going to say I'd love to, because I'm trying to decipher what this is telling me so...</p>
IM	<p>Right, so I am just showing Stuart – for the purposes of the tape – it's an A3 sheet which is really a printed excel spreadsheet and it's entitled RHI Ofgem monitoring report August 13. And there's various columns running from left to right, so I think at that point in time Stuart this is listing the accredited live installations and we have RHI numbers for all of them – I don't know there's maybe 30-40 of them – and as</p>

	you work left to right it talks about the installation capacity of the relevant boilers, the flow rates the efficiency, average hours of operation each week. So, I guess my question is, I wonder is that an actual average or is that projected as per the application form?
SW	I think it's projected, but I would need to clarify that. This looks quite .... different ... it is a different.....I noticed at the time this is a different looking spreadsheet to the one that we get ...but that might just be things are .....Formatting and how the things are exported. It's the fact that that says no grant, grant status, no grant, no grant, no grant, grant not paid.
IM	...what would that mean?
SW	.....Live accreditation... accreditation status... live means it's accredited, pending, pending.... There is payment information.... I know the department does receive, we do receive payment information for actuals because that's what we pay it on, but the application data that we specifically looked at in the branch was very much these figures here...the weekly, were very much based on the projected based on the application, somebody had said 168 hours a week is 24/7 ....
IM	You maybe pull up your spreadsheet Leanne, just then as to whether that format is more familiar to Stuart?
LC	It sounds though like the same format
IM	...it is... oh does it? I guess for me, I kind of look at that Stuart and go, a couple of questions; as we understand it and we probably need to confirm this, the kind of....one of the key underlying assumptions on the CEPA work and the business case and on the initial tariffs was a 17% usage assumption
SW	Yes
IM	OK, so there had to be some usage assumption right? I believe it's 17%.... but anyway regardless, there was an assumption around usage, even if this is projected rather than actual, you know, the usage percentage is much, much higher than therefore would have been expected or assumed within the model, as such you would have expected.....the natural consequences, my goodness, people are using it much more therefore the commercial returns are much more because you are spreading the capital cost, you are spreading all those things over much more hours, so you are getting a far better return if you go beyond the average assumed, yes?
SW	Uh, huh
IM	Yes, which is dictated where tariffs are set, so people here might be using 40/50%, you know they are getting a much higher return than whatever was envisaged based on the model and I guess that was therefore saying OK, our usage assumption actually wasn't correct therefore we need to revisit the tariffs and that's not.....you know, I think that was always likely to be the case given this is a fairly volatile beast.
SW	Yeah
IM	....but the trick is, should people not have been identifying that differential early doors and actually that driving again – that was like another red flag – to say yes, usage is different, the model was right on the day it was done, but X months on now actual behaviours are very different, we need a review, we need a review?
SW	Yes, no I.....there's no doubt whether that's actual or projected, it doesn't... I think it's irrelevant, I agree that we should have...there's no doubt we should have been reacting to that, I have to confess when I came in to post, the last thing on my mind was to go and read through this CEPA report and understand what this CEPA report was saying. I probably didn't read it in full until I started reviewing the tariffs and things. Rather than the application data I think was a simpler way of monitoring

	that as simply...I can tell you now because I can remember doing the forecasting, the average payment back when I came in was about £25,000 pounds a year.
CK	OK
SW	Now that didn't seem large to me? There was no reason for that to appear large to me because I wasn't aware that it should have only been £5,000 if you take the CEPA assumptions? So I should have ...
IM	So that was already saying that was a multiple..... five times
SW	But I wouldn't have known that...
IM	You need a base line to be able to know... to know whether it was out of the ordinary or not?
SW	Yes, so £25,000 seemed like a lot but it didn't seem.....so I knew that's... we were sort of using as the basis of ...for our forecasting and I think that is still the case, I think it's about an average is about £25,000 or thereabouts. So, if I had had something from day 1? That was very simplistic, it just said, this is the assumption, I know I had access to it, I know the CEPA work was in Trim and there's documents... and is referred to in the handover note etc., but a very, very simple check would have been £5,000, obviously the CEPA work was based on a 50kw boiler running for 17% of the time etc., it turns out, yes, they are 99kw boilers mostly run for 100% of the time, of course there are going to be differences but that would have only drawn their attention I think a lot more work if we knew what the business case was approved based on 5... you know average payments of around £5,000 – obviously there would be people above that, people below that – but, that wasn't ...I would have to confess that those alarm bells were not going off ....was not, our focus was at a higher budgetary level.
IM	...Stuart just... so Leanne has put on the screen then the spreadsheet, this is a spreadsheet that we've got from the department Leanne, yes?
LC	Yes, that's right
SW	Yes, I'm pretty....how many is that, is that the full amount?
IM	yes, so that's entitled what NI Data w/c 10 October 2016 so that is all the installations, all the RHI numbers
SW	I can confirm this separately for you at some stage but, I am pretty sure that's not actuals hours per week
IM	.....that's projected as per the application form, Stuart?
SW	...the fact that there's so many 168s you know – too standard – that's been people saying 24/7, 24/7 and there's too many nice round numbers there. I ....there is other information that does go to the people... the branch that look after the payments, which would have actuals and the actuals then....the figures I had in my head of £25,000 did vary a bit that would have been the average of that actual...
IM	OK. It would really useful I think for us to get what the finance branch would have received from Ofgem i.e., that drove the payments?
SW	...they would have got everything, they get information on which applications are due, meter readings have come in and which applications are due payment. So you...
IM	....do you ever see that... did that stuff ever comes from finance Stuart into the kind of team?
SW	...well it was, let's make it clear the RHI.... it was my branch's information just that the payment function... was separated out and the finance was done by another part of energy division. So it was our information we could have looked at information if we'd wanted....

IM	....but the data ....did the data come from Ofgem to the branch and then from the branch to finance, or did the data go straight from Ofgem to finance....?
SW	....well I think that it was not finance within the department it's finance within the division
IM	....it's in the division right, it is internal to the division?
SW	..... it is internal to the division, there would have been two contacts – one in Ofgem, one in the department, in the finance part of the division – that would have shared this information. We would have had access to it if we'd wanted it, but we – and I think we should have – but we were focusing on the weekly application data but focusing on the number of applications and based on an average of £25,000 per applicant per year we were then using our forecasting in terms of the application numbers per month, 'oh so it went up to 20 this month, if we continue with 20'...
IM	.....but if that were the case then you believe – am I right in thinking – you believe or assumed that you could still achieve the same number of applications as per the initial business plan using £25,000 or were you simply dividing the total budget available by £25,000 to work out the number of applications that you thought you could cover?
SW	No, it was just purely a live... it was purely a live... because we were in AME and it was demand led we were basically saying how much is the average application costing? Here are the applications coming in ....
IM	But to what extent were you then comparing that with the budget that you had been made available, i.e. the approved funding?
SW	The approved funding we were already .....if you take the March 15, stage, we were already at that stage March 15 we were realising you know what we're already over I think it was £12m for some reason it went 2, 4, 7, 12, 12...
CK	Yeah
IM	...so that was the third year of it so the target that year was 7 or 12?
SW	...no sorry this was the fifth year of it
IM	...fifth year...
SW	...so I was .....
IM	.....so the year ended March 15?
SW	....yeah but I was looking at the following year and already I could tell by the existing payments that were on the system that we were going to be over the £12m budget for the following year. In fact I did a forecast in May 15 of about £23m....
IM	.....right, so were almost doubling it in the following year?
SW	Yes, that's allowing for the current application numbers to continue each month etc., etc.
IM	OK
SW	...and the figure I was using was £25,000 because that was based on the actuals we had to date
IM	Ok, I get you now
SW	...I wasn't linking that back to the CEPA.....
IM	.....the number of installations was irrelevant, yes, yes, you were looking at the total budget...?
SW	Uh huh

IM	...and was that the first time you were kind of doing that or....right throughout was someone each month looking at that kind of... number of applications, extrapolating what that meant in terms of budget?
SW	There was quite a sophisticated spreadsheet in the branch in the finance part of the energy division that looked after this. It has sort of outdated – we now recognise we need to move to a more comprehensive database but it would have been done within that spreadsheet. I, at snapshots in time, did a double check and I did my own spreadsheet to cross check that... each time there was a significant increase. Every quarter I remember in May 15 doing ....and that's when it had jumped it was... I said my goodness it's £23m here we're looking at... and we would have been seeking clarity in the weeks, months leading up to that and then I did another return in October 15 it was up to £30m but that wasn't including the ....all the tranche because it jumped then... the annual cost then became 48 for the non-domestic when you brought the whole the whole spike in...
IM	OK, understood. That's useful. Alright, so handover paper I think we've kind of covered, yes? Do you want to cover off the kind of management structure, just how often, the kind of management regime between yourself Seamus, yourself John, so you what the typical kind of operating....did you meet them weekly, did you have like fortnightly meetings, where were the kind of then the ongoing priorities discussed and agreed and approved, what did that look like?
SW	Um, within my own branch first of all, we are making a point of making sure it's formalised going forward. I would have had daily contact with Seamus on daily issues, if Seamus got a query he came and spoke to me about it. Similarly with any of the team, domestic team, you based it on a daily basis. The contact with John was more challenging because John had 8 branches effectively... 7 or 8 grade 7s so there was the Head of Branch meeting once every fortnight and.....
IM	.... that's all of the 7 together?
SW	.... All of them together. When I look back now, yes, it was quite challenging to get .... We are all... and I was usually the last person on the agenda. But I did ... I would have tried to escalate things when I... outside of that as well. But it could be quite challenging when I look back now trying to get time with John because he was I have to say in terms of energy it was a huge, huge brief for one assistant secretary one grade 5 and it could have easily been split in 3 and that was probably a challenge, the renewable, the Northern Ireland Renewables Obligation, there was a whole lot of work high... very contentious work happening with closing it at the same time and a lot of John's time would have been taken up with that – a lot of legislation going through the assembly for different changes, that scheme being closed off to different technologies, etc., so it was .....it would have been switching from NIRO to RHI in terms of John so it would have been quite challenging particularly when he was in the throes of something like NIRO trying to get time with him.
IM	Do you feel as if you got sufficient support or leadership to do your job?
SW	I don't I think I got the resources.....erm, back to the resource point, when I look back now did I escalate? I probably could have escalated more, made more of an issue, but I wasn't aware that ...it's easy now looking back to say, I wasn't aware of the time bomb that was ticking in terms of the non-domestic RHI. I think in terms of did I get enough support? I did escalate stuff – I know John escalated stuff as well particularly around the resources point – we were frustrated on a number of occasions trying to get additional resources. I did feel that I had to ...I also looked after this energy efficiency scheme we've been bringing forward, and I did feel as if I was I had a lot more autonomy than maybe I wanted to have. In some ways, I was left sometimes to make ....
IM	I was going to say that means you were saying you ended up feeling as if, that you were having to make decisions?

SW	Sometimes yes, and I have to say a lot of it was down to simply John being so busy in terms of the brief that he had. He would probably tell you that he ...if you take the 8 branches, if you divide a fortnight he was lucky if he was getting one day a week or half a day a week on RHI and of course if any one of these issues blows up it takes all of your time up to that particular period so.....
IM	Just .... we've covered quite a bit of this stuff so I am just flicking through, Janette O'Hagan, we have kind of discussed, can you recall the first time you became aware of the name Janette O'Hagan?
SW	The name doesn't – only from recently the name means anything to me to be perfectly honest. I do whenever ....
IM	....you do recall and you have said you recall in the handover papers – the issue?
SW	I remember the issue, I remember the email that came in in March 15 – I remember ...I don't remember it being March 15 necessarily but I do remember a discussion it wasn't the issue of an energy efficiency company trying, struggling to get some of these companies to take the products because there was no .....that ....I remember it was familiar let's just say I wouldn't have known the name necessarily
IM	...and we've talked around this issue in terms of the volatility of the scheme, the fact that the consultation paper heavily trails the need for frequent reviews, the fact the business case outlined the review should have started in January 14 and completed in April 14 but it didn't happen – can you ever recall a discussion, an explicit discussion of any description around the need to perform a review?
SW	No
IM	....planning for a review? It never .....
SW	No it's obviously referenced in the handover notes .....I think....it's not in my objectives it's maybe in my own branch plan I had it down alongside the phase 2 you know, implement phase 2 and review the existing scheme – as I said two things generally became one. But no there wasn't a formalised discussion about we need to review tariffs because they should have been done straightaway
IM	So less about tariffs but more a review of the scheme because I think a review of the scheme may well have led you to tariffs, granted, but the kind of principle of reviewing this scheme?
SW	Not a review as such it was more specific to do with the particular tariff on that point – the Janette O'Hagan point – about that particular tariff, that's where most of the installations were coming in on and having a look at that particular tariff
IM	.....this is the 99kw boiler?
SW	.....the 20 to 99, yes
IM	But that was discussed?
SW	It wasn't discussed, I was aware of it because of the handover note, I wasn't saying that this needs to be... nobody told me that this needs to be done apart from .....I had seen it in the handover note and I put it as I say, in my objectives as I mentioned earlier to do XYZ before we even get near the non-domestic... and the non-domestic there was phase 2 and there was a review of the tariffs, that should have been top you know, given the information that the non-domestic review should have been top particularly because it was supposed to be done by January. On that point about... January seemed very late, if there was legislation needed you would not have had legislation done by March because you might have had to consult, you know you can't do tariff changes without consultation so if that review had have led to tariff changes the tariff changes would not have been in place for 1 April is what I am saying

IM	1 April?
SW	14... it said the review had to be commenced by January 14
IM	Commenced January, yes I think it referenced finishing in April, yeah so there was a formal period to do...
SW	It was very challenging to do the review and actually bring legislation forward in that period of time
IM	I guess that I had assumed – maybe incorrectly – that the review would have taken place and then the outputs of the review in April would have determined the timeline for any changes, policy, legislation required?
SW	The DFP... it's an important point... the DFP approval, yes March 14... yeah suppose you would have had another year...so that's ok
IM	Another year, so you would have had a fair bit of time. Clare do you want to pick up.....?
CK	.....I was going to ask on the review point and the fact that it was referenced and it was referenced as being a critical, actual control of the scheme and do you know managing the various risks that were there, and a demand led scheme is very very risky... do you know was the risk register there Stuart you know it's highlighting particular risks one about tariffs being over generous and one of the other risk was overspend, and one of the key controls was review. Would you have been familiar with the risk review register?
SW	I wouldn't have been familiar with what seemed to be put in to Trim and forgotten about which was the risk register that was done as part of business case at the time. We had RHI on our divisional risk register it was ....because every piece of work that I do there is a risk associated with it but obviously it... it was fleshed out to become obviously more critical because as the months and years passed but no ..... there was .....the typical documents... issues log, decision log, risk register all that stuff... project plan, all that stuff... there was none of that stuff when I came into post which you would expect for a something that's an ongoing... with milestones such as approvals and things to be mapped out
IM	And what kind of risk then for RHI sat at the divisional level?
SW	RHI would have sat ...at the divisional level it would have been one of the bigger....there was RHI there was NIRO and it was .....it would not have been ....it would have been the budgetary risk ...would have been materialised... I did escalate the budgetary issue in my own assurance statement which is one of the other ways I could escalate stuff, that was again....that would have been the 14/15 year so in March April whenever we were doing our assurance statements for the year, in terms of you know there are statements of internal control that go up the line... I would have put that in and then John would have reflected that in his and that would have went up the line about the budgetary issues etc., etc.,
IM	..... and what... so give me 14/15 when would that have been? That would have been in..
SW	.....so in the spring of 15 whenever we were .... The issues were beginning to materialise we were.... The budgetary uncertainty, the 2011 emails had been found and we were seeking clarity.....
IM	But surely the ...was there not then a .....so go back to the domestic as a bit of a baseline, you were implementing the domestic scheme did the domestic scheme not have a project risk register?
SW	The domestic scheme would have had a risk register done as part of the scheme itself in terms of the risks.



IM	So how was it managed?
SW	It would be just managed at the branch, you know at branch level because the domestic had only literally... I think the risk register in the domestic scheme if I remember back would have been about the risk of not getting it... it would have been all around the actual process of getting domestic scheme in place not necessarily the ongoing....we now in the domestic scheme at branch level because we look at in in-house are aware of all the risks but I think at that time the risk register in the division would have been about... the target would have been... the risk would have been associated with the target, the target being bring in the domestic scheme in by 31 December
IM	I get that, but the fact there would have been most likely and there was a risk register in the domestic scheme, did that never pose the question well was there....I must be missing something because I haven't seen one for the non-domestic?
SW	...er....yes....along with all those other documents you would expect to have on a project we did as I said, there would have been a non-domestic risk. I think the division had about a dozen or maybe ten risks and I can't remember if it was down in 2014/15 or not but I think it was there would have been a specific risk for RHI. Now I can't remember exactly did that risk talk about the wastage issue it was probably more on a budgetary issue and making sure we have sufficient budget
IM	That was then...you are saying that was the 14/15 year?
SW	Uh huh
IM	So that was in March 15, you can't recall anything between you starting kind of in June through to March 15 where you saw a risk register, you saw an issues log, you asked questions as to why you weren't seeing one, was being done to manage the risk? Did John ever mention the term – or ask you to kind of validate to him – that you were managing the risks associated with the scheme?
SW	No, no...it was very much the... as I eluded to earlier that the management of the scheme was very much being taken forward by Ofgem, we were obviously....they were doing it on our behalf. There wasn't a project management structure that I could take on or as project manager you know... as project manager... as head of branch I should have been a project manager for a project called Renewable Heat... that wouldn't have been there
IM	There doesn't seem to be any kind of – I don't know how you describe it – rhythm, governance, structure around RHI so leaving all the kind of issues as to why maybe it wasn't focused on because of competing priorities, there doesn't seem to have any kind of governance structure around it to act as a protection to either rationalise and make those decisions consciously or make sure that stuff wasn't being missed that shouldn't have been, literally it seems to have been done on the fly?
SW	Not on a....not on a specific project basis no, the division would have been very much managed on a branch basis and as I said you had the fortnightly head of branch meetings and ....
IM	That's quite high isn't it?
SW	It is quite high, it wasn't getting down into that specific.....
IM	There is a big gulf between the detail of the practical reality of life, and you being one of 8 competing for time at a meeting operating probably, you know, 3 stories up. And then you not being able to get access to John in between to deal with ....
SW	Yes, the detailed decisions that need to be made on the detail, yes we didn't ....it probably did lack a structure for dealing with for escalating those sort of lower level issues in terms of the scheme design, scheme management, scheme changes, what

	<p>.....I think the scheme would have applied to any of the other areas in the division it wouldn't have been specific to RHI.</p> <p>The... with my experience of the other scheme that I brought forward... business case on energy wise, I say I'm the project manager on that reporting to Chris Stewart as the SRO... I had to go through the whole gateway process ...its .....we have had... the amount of reporting and structures etc. we've had to put in place, you know, we'd talked about all the prints to documentation, but with the whole gate 2 process and having somebody come in and take an independent look at your scheme, isn't viable, it's strange that that wasn't done for RHI. I think an argument has been made that it's because it was a scheme not a project but something of this scale, gate 2 is a standard methodology used in government for anything above £1 million I think. So given the scale of this these things would have .....once the prints report goes to Amber or... Amber/Green or whatever, Amber/Red you must do certain things....</p>
IM	well it creates a structure it's the failsafe isn't it? It says... this red light is going to keep flashing until it's done as opposed to no one is seeing a light
SW	I am not being critical of people up above in the chain but it makes people at the higher level have to take notice.
IM	.....they were no longer depending on someone escalating it and if someone doesn't say something they don't know what they don't know, so it's the failsafe to make sure that if someone isn't speaking up there is a structure that flashes this to say guys you need to work top down – but there just doesn't seem to be anything like that around this particular scheme or project
SW	No, I think I said earlier the same applied to the other areas, you know you could argue that if you take the renewables generally you could have a structure like that, like a programme board to cover all those things.
IM	....and go back quickly to Janette O'Hagan then, we kind of know the history, you saw in the handover, Janette then sends in a chaser email on March 15 saying what has being done about this I still believe these issues exist. So, how was that reacted to? We can see Seamus having replied to her saying look we're thinking about doing A B and C, what was the mind-set though of yourself and Seamus having received then that chaser from Janette, did that kind of ring bells, did you go off to Ofgem and ask them could there be any truth in this allegation, what kind of action, if any, was then taken on the back of that?
SW	I can't remember did we specifically raised it with Ofgem, but I remember that that was the first time that thing came to my attention. That's how I remember it. I couldn't have told you it was March as I said earlier but we were already in the mind-set at that stage that we needed to do tariff changes and we were looking at the idea of tiered tariff although that wasn't in the cost control proposal, we were using that as a hook to do the changes, we knew we would kill two birds with one stone with this. We wouldn't have went back to Janette and say we are doing this explicitly I think the email said something like we're not ruling it out but we talked about doing phase 2 and possibly a bit of budgetary stuff in the longer term. I can't remember exactly but I think when we received that email we were pretty clear what we were going to do tiered tariff, we would need to do tier tariffs but I wouldn't have said that to any individuals for obvious reasons
IM	I get that. What you are basically saying look ...am I right in you saying well ok off the back of that email we didn't do anything differently than we weren't already doing because we were in a train of thought and we were headed down a direction of travel, so no specific action was taken in response to Janette's email?
SW	No.
IM	So I presume therefore you're saying – well I didn't really think of that, you know, I didn't think of it off in the context of being whistle-blowing?

SW	No I didn't
IM	I didn't necessarily go to Ofgem and say – guys could we have a real issue here in terms of waste? And I'm trying to understand the reason...
SW	I can't remember exactly what I did after the email to be fair, but I might have raised it with Ofgem, but I don't recall that I did. But no I didn't react because we were already looking at cost control and it was in our mind-set. To set the context, we were also getting a lot of queries why our tariffs were lower than 'GB'... this was one email of many...
IM	<p>But I get the, I go back to that, I do struggle with this Stuart a little bit, let me just read it, because I'm going read you Seamus' response – because that's what I'm struggling with. So she's saying to be fair and her emails are quite extensive but she says look, she holds out an example of a company that installed a boiler, you know the fact that they would get a, they're telling her that they would get a pay back in 2 years if they keep the heat on 24/7, they only need heat 8 hours a day, 5 days a week, but in anyone's eyes this is like a motivation for waste right? So she's certainly flagging again to be fair to her, she's like a dog with a bone, third time round and then Seamus' responses is in terms of the non-domestic phase 2 review is now under way, final policy yet to be determined – phase 2 we will see the extension of the RHI to new technologies and tariffs. So that is in respect of the extension. These should be in place by late 15. With regard to tiered funding whilst this is not being proposed as a specific issue under the review, it may be introduced at a later date. So you know, that response is not saying – yeah we're thinking about tiered funding and that's why we're happy that we're covering off this risk. That's saying – sorry, yeah tiered funding, we might do that at a point in time, but that's, you know that would suggest in fact the red flag wasn't seen.</p> <p>If I take Seamus' response on the basis of what he says?</p>
SW	No as I say I can't remember the exact, how we reacted exactly to that, but we would never go out in the email... we should say... I realise now we should have treated the person as a whistle-blower and we didn't, but we were, you know, in March, because I know myself, we were in that position that we had started to think we need to do tariffs here and tiered tariffs the same as GB. You know the point there that was said... we're not... the last line although it looks negative, we were not going to explicitly say – we will have tiered tariffs in before the end of the year – we would never have done that in an email. Because that's effectively...
IM	So are you saying then that the fact that he said whilst, you know, tiering isn't being proposed as a specific issue under the review, are you saying – 'well no that wasn't factually accurate', it was and he just said that to make sure we weren't tipping her off?
SW	Well there's a tip off point there yes, yes, we would never tell anybody that we're, because of the nature of the scheme and the demand led aspect of it, we would, we obviously hadn't put anything past the Minister at this stage, we hadn't got the approvals to do, it took us to July to get, you know, the time of submission up, so ....
IM	So what kind of evidence would exist in March 15, which would kind of reinforce your point to say – yeah, no there's evidence here, because look there's meetings, there's notes, there's discussions, tiered tariffing, tiered tariffs was absolutely on the agenda. So this isn't the fair representation of in reality what we were doing to react to this?
SW	We wouldn't have specifically been reacting because as I say, what paper trail would be there in March and it was probably just the budgetary stuff, I'm trying to think was there any mention... there may be wouldn't be specific... paper trail, I would have to go back and check in terms of you know, our thinking at the time, but there would be nothing to suggest that we have reacted, I'll have to concede, there would be nothing to suggest that we have reacted to this, this in theory whistle-blowing

	case and you know and that has led to us doing tiered tariffs. I'm not sure, it was at that time, there's correspondence between myself and our finance colleagues - finance division, about the budget, the clarification point. So yes we would have been, and I can't confirm that there would be a paper trail Ian in terms of the .....
IM	Yeah I think it's an important point
SW	It is red flag, it is a red flag
IM	You read that response as stated and it tells you something different from what you're suggesting was reality ok? So my view is well look, this is the only evidence that currently exists at the moment, what else exists to say, no look, you know, we were dealing with this as an individual, a third party, we had to be cautious in terms of what we said and how we said it, ok I can get that, but in the background here's stuff that clearly shows that, you know, we were looking at cost control and tiering and whether it was necessarily purely as a result of wastage or not, it's irrelevant
SW	No it wouldn't have been, it wouldn't have been
IM	.....but at that point in time it was clearly on the agenda and we were in a process get of going there. Therefore does that in any way seek to negate or mitigate the fact...
SW	I don't think it does
IM	That in any other way this wasn't really taken?
SW	No, I don't think it does. I think it was... our main driver for doing, for coming forward with the cost control earlier in the year was budgetary and I'm not disputing that
IM	Because I'm not so sure people were sufficiently aware to join all these things up
SW	No...
IM	The more I hear, the more I think, you know things just happen by chance, some of it was good grace in terms of timing around cost controls, I'm not sure it was driven as a reaction to stop something. It was actually the AME debate that meant you were 3 or 4 months in and you were in a position to kill it as quickly as you were killing it because .....
SW	It wouldn't have been Janette O'Hagan's email that led to the tariff changes, we were... that process was budgetary driven
IM	Correct yeah
SW	And I'm not disputing that
IM	Yeah, no that's fine ok alright Anything else I haven't covered? Yeah in the terms of Janette can you recall anybody, or you know anybody else, ever raising wastage as an issue during your time Stuart? Between kind of June 14 and March 15, because after that I guess it becomes less relevant
SW	As I said I think we would have... Seamus might have mentioned to me once or twice, I can't remember the detail where he had, I don't know if it was in reference to Janette specifically, that... because as soon as I heard, as soon as I remember I seen that email I remember that particular scenario of a company, but I can't recall anybody else specifically
IM	Yeah ok
SW	There was certainly—you know, that should have been treated as a whistle-blower when I look back. I wouldn't be aware that there was any formal contact that would have merited a whistle blow case for example

IM	Ok Don't think I have anything else Clare unless you or Leanne have anything?
LC	No, nothing else.
IM	But I think I've probably covered everything in terms of a bit of a whistle stop tour through it. So did... anything else Stuart did you want to kind of flag – you know?
SW	I think I've covered, I think I've covered most of the stuff I think. Just it's important to get across in the context of the branch in particular and the pressures that are on the branch given the resources. I don't want to.....
IM	Yeah
SW	I think that needs, it's very important to recognise that, particularly with Seamus and Davina, who's obviously my DP at the minute. Davina subsequently covering the gap before I came in and it's just that, yeah, I know I mentioned it before and I keep repeating it, if you were to replicate the DEC scenario, the biz scenario we would have a lot more staff and staff at certain levels as well, because there is a, you know, I had one full time DP and one part time DP and to be fair to the deputy principals they're not there to make decisions
IM	Yeah
SW	...grade 7 and above, and there's a lot of key, as you identified there was, it's a complex area, it required a lot of monitoring, we just were un-resourced for that, now when I look back. I do agree, there's been obviously Audit Office, our internal audit and Audit Office and obviously the PwC, your own work.....
IM	Yeah
SW	....in terms of controls, there's no doubt that yes, project management structures being in place might have improved, might have improved things. However, I don't, I just want to make it clear that, where we were with the AME budgetary point, if you had of had project management structures we might have been able to react quicker to certain things, however there was a fundamental misunderstanding how the scheme was funded and I think if we had been in the DEL area instead of the AME area I think the scheme would have been treated quite differently within – it's all public expenditure – but as we have discussed earlier, I think there would have been a lot more urgency you know
IM	But, I know have made that point and I absolutely recognise that and I hear it, but to me then that means that, you know, consciously because people thought it was AME they stood off it? That's the application of what you've just said to me, or that's how I interpreted it?
SW	That would be a fair comment I think, because, it's not an impact on the NI block grant and the ....
IM	So then if I ....
SW	The VFM angle maybe wouldn't be such...
IM	But if I follow that line of thought Stuart then the next question comes to me, as ok I get capacity constraints as a kind of an issue, alright, but I would have expected people to have been saying – sorry this needs reviewed, it's not being reviewed, the consultation issues aren't being pulled through for cost control, blah, blah, blah and I would have expected people to be able to say – yeah, look , we raised these issues, we are aware of these risks, we raised the issues and we raised them, but I couldn't do them, my team wouldn't let me do them because I hadn't enough hours in the day and in my view, well ok I could understand, to be honest then I could understand that then capacity was the issue and you hadn't, or Seamus hadn't an ability to go

	out and recruit people without the approval, so then suddenly you ask a different question of a different level right? But what I'm struggling with is to be honest, is to find any evidence of any of those issues ever having been considered, so that capacity would be the legitimate reason why they weren't done. If you're not thinking about them, the fact that you have no capacity to do them is almost irrelevant, because if you had have had 10 people standing there, have we evidence that they would have been thought about? So again, that's the challenge at the minute, which was the head and which was the tail?
SW	No, I think the department didn't have a full appreciation of what was involved in managing the scheme, they brought the scheme forward and they didn't put in place ...maybe the implementation plan, in terms of resourcing staff, the checks the ongoing monitoring etc.,
IM	...but.... the nub of the matter really is that there was a complete lack of appreciation or awareness of inherent risks involved?
SW	I would say from above yes, I think there was an element that the risks were not appreciated now, again they should have been and the risk register... should have been kept in the live risk register .....kept through, that didn't happen. For us to do everything we should have been doing, yes we would have to have a lot more resources but yes, you needed to know what you needed to be doing before you create space for that
IM	...yes, because that drives the resource, because I think once someone's aware of the risk and how relevant, how important how impertinent I guess then ...if they say no, you're not getting a resource to do that, well on their head be it, so to speak.
SW	...it's a very small issue now but it was at the time .... If it was AME, you get the AME from treasury direct, whereas the scheme admin had to be funded by DEL, so ...
IM	...right so the admin costs were always DEL, so people we being tight, that's to use a local term...cautious
SW	...you could look at it that way, if you were to take the... I don't know what they talk about as 1% maybe of the ....
IM	....but this goes back to then to be fair you know, were people being reckless with public funds because it wasn't costing them? Because that's what that tells me?
SW	No, I think it was more, back to the point that we were, there was a large, large, three fifths of the money was handed back in the first 4 years, at the highest level. We were unaware, it's fair to say we should have been, we were unaware of the usage issue and....too late in the process .... At the highest level, underspend and it's... underspend we need to... and then going forward ...alright it looks as if we are going to overspend in 14/15 which is the last year, but... at 15/16, but look but we've had a big underspend here, it's AME, it's not going to hit the Department's finances or the block fund finances, it wasn't .....it would be wrong to say that you are not as concerned about things if it's AME over DEL, it's just that the DEL would have been a different scheme – AME is all about demand led and you ...when demand goes off it appreciates that the cost that the demand is going to continue until you can do something about the demand, DEL just does not give you that luxury, it's a completely different approach....
IM	....different mind-set,
SW	.....so and there is... and we can't ignore that yes... and the Northern Ireland argument that this is money coming into Northern Ireland. I think that's really it, I think, yes I mentioned a point maybe before you came in Ian that I had energy efficiency as well so that was recognised eventually and you know earlier in the summer my job was split in two again
IM	...right OK

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SW	...so I then went to energy efficiency believe it or not RHI and Lucy Marten came in to do the RHI, so yes there was a recognition that you could maybe say too late...
IM	Alright, thank you
CK	Stuart, thank you very much, and it is now 25 past 1. Many thanks.
IM	Thank you Stuart
SW	No problem