

Mr Simon Hamilton MLA
DUP Headquarters
91 Dundela Avenue
Belfast
BT4 3BU

4 May 2017

Dear Sir

Re: The Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme
Provision of a Section 21 Notice requiring the provision of evidence in the form of a written statement

I am writing to you in my capacity as Solicitor to the Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme (known as 'the RHI Inquiry') which has been set up under the Inquiries Act 2005 ('the Act').

I know that you will be familiar, from my previous correspondence, with the RHI Inquiry's Terms of Reference, which remain available on the Inquiry's website. You will also be aware that the RHI Inquiry is conducting its investigations into the matters set out in its Terms of Reference. The Inquiry is continuing with the process of gathering all of the relevant documentation from relevant departments, organisations and individuals.

In addition, the Inquiry has also now begun the process of requiring individuals who have been, or who may have been, involved in the range of matters which come within the Inquiry's Terms of Reference to provide written evidence to the Inquiry Panel.

In keeping with the approach we are taking with other individuals, the RHI Inquiry is now issuing to you a Statutory Notice (known as a 'Section 21 Notice') pursuant to its powers to compel the provision of evidence in the form of a written statement in relation to the matters falling within its Terms of Reference.

The Section 21 Notice enclosed with this letter requires you to provide evidence to the RHI Inquiry Panel in the form of a written statement addressing the matters identified in the Schedule to the Section 21 Notice. As the text of the Section 21 Notice explains, you are required by law to comply with it.

The aim of the enclosed Notice is to require you to provide all relevant evidence you have within your knowledge, information or belief which is pertinent to the Inquiry's Terms of Reference. The Schedule to the enclosed Section 21 Notice provides further detail as to the matters which should be covered in the written evidence which is required from you. In the event that there is a category of information in respect of which you have no evidence which you can provide, please state this in your response. Where you can provide evidence, the more comprehensive your statement is, the less likely it may be that the Inquiry will have to revert to you at a later stage for clarification, although in many cases this is likely to be necessary to some degree.

It is vital that the witness statement you provide to the Inquiry is your own evidence, absent the influence of others; that it is comprehensive; and that it fully explains your involvement in the matters about which you have been asked.

I appreciate that you may require or desire access to some documentation, to which you previously had access in your role as Minister but to which you no longer have access, in order to assist you in preparing your statement. If so, I understand that the Department for the Economy (DfE) is making arrangements to permit such access, at least in the first instance. You should contact Terence Coyne at DfE, who is the Department's RHI Task Force Information Manager, to organise this. He is contactable at Terence.Coyne@economy-ni.gov.uk. I have informed Mr Coyne that you may be making contact with him to arrange access to documentation; but there is, of course, no obligation upon you to do so. A similar arrangement will be

available in relation to documentation held by the Department of Finance. The relevant contact in the Department of Finance is Emer Morelli, Head of Supply, who is contactable at Emer.Morelli@finance-ni.gov.uk.

Receipt of this correspondence and its enclosures places you under a duty of confidentiality to the RHI Inquiry in respect of them. You may share the correspondence and the enclosed Notice with your legal representative(s), but neither you nor they may show, communicate the contents of, nor provide this correspondence or the Notice to any other person or organisation without the express permission of the RHI Inquiry. Any breach of this duty of confidentiality is actionable at the suit of the Inquiry Chairman.

You will also find attached to the Section 21 Notice a Guidance Note explaining the nature of a Section 21 Notice and the procedures that the RHI Inquiry has adopted in relation to such a notice. In particular, you are asked to provide your evidence in the form of the template witness statement which is also enclosed with this correspondence.

Given the tight time-frame within which the RHI Inquiry must operate, the Chairman of the Inquiry would be grateful if you would comply with the requirements of the Section 21 Notice as soon as possible and, in any event, by the date set out for compliance in the Notice itself.

A copy of this correspondence has also been provided to your legal representative, John McBurney of John McBurney Solicitors (by email only).

Finally, I would be grateful if you could acknowledge receipt of this correspondence and the enclosed notice by email to Patrick.Butler@rhiinquiry.org.

Please do not hesitate to contact me to discuss any matter arising.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Butler', with a stylized flourish at the end.

Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE
[No 136 of 2017]

Background

1. Set out a description of your occupational history, qualifications and experience.
2. Set out a summary of your Ministerial roles (this includes the dates between which you held the role/s; when, how and why you were appointed to the role/s; and what the role/s entailed). In each instance, describe how this role related, if at all, to the Non Domestic Renewable Heat Incentive (RHI) Scheme in Northern Ireland ('the Scheme').

Ministerial responsibility and Special Advisers

3. Describe your understanding of your position as a Minister, including:
 - a. what duties you considered yourself to owe as a Minister;
 - b. what rules or codes governed the exercise of your Ministerial functions; and
 - c. your relationship, as a Minister, with the political party to which you were affiliated (including whether you were in any way under the direction or control of that party in the exercise of your Ministerial functions).
4. Describe your understanding of your relationship, as a Minister, with your Special Adviser/s, including:
 - a. the rules which governed the position of Special Adviser;
 - b. who would give your Special Adviser/s instructions, and who was entitled to do so;
 - c. how your Special Adviser/s interacted with other Special Advisers, and whether there was an understood or accepted hierarchy within your or any team of Special Advisers;

- d. what duties your Special Adviser/s owed (or may have considered himself or herself to owe) to the political party to which you were affiliated and how, if at all, that affected their role or performance of it; and
- e. how your Special Adviser/s interacted with civil servants, including the procedures which operated within a Department between civil servants, the special adviser/s and the minister and, in particular, the persons to whom your Special Adviser/s were entitled to issue instructions or directions.

Involvement with RHI Scheme

- 5. Explain your position and role in relation to the Scheme.
- 6. Explain in detail any involvement you had in relation to, or touching upon, the Scheme including (but not limited to) any role or involvement you had in respect of the setting up, design, implementation, operation, promotion, oversight, governance, funding, amendment (including the introduction of cost controls), suspension and/or closure of the Scheme, from its inception up to the present day.
- 7. Without prejudice to the generality of paragraph 6 above, explain your involvement (if any) in:
 - a. the creation and development of the Scheme in, or before, 2012;
 - b. the administration/operation of the Scheme;
 - c. any problems or difficulties which emerged in respect of the Scheme (including, but not limited to, the causing or permitting, identification, consideration and/or remediation of any such problems);
 - d. the amendment, suspension or closure of the Scheme;

in each instance providing:

- i. details of any relevant interactions with Civil Servants, Ministers, Special Advisers, MLAs, politicians, political parties and other potentially relevant persons (e.g. consultants, the renewable heating industry, actual or potential applicants for accreditation under the Scheme, journalists, etc.);
 - ii. where you made any decision, or gave any advice, in respect of any of the matters set out at paragraph 6 above, the reasons for that decision or that advice (as the case may be); and
 - iii. details of any documents which are of significance or particular relevance (which should be annexed to the witness statement if you have access to the documentation which permits you to do so; or, otherwise, which is identified as clearly as you can).
8. Again without prejudice to the generality of paragraph 6 above, provide a full explanation of your involvement, if any, in the decision-making processes as to (a) the introduction of costs controls into the Scheme, (b) the suspension of the Scheme to new applicants, (c) the timing of each of those steps, and (d) any announcement or publication relating to those matters.
9. Explain your understanding of the funding arrangements for the Scheme, including how that understanding was gained, how (if at all) it developed, and what steps (if any) you took or directed in any of your Ministerial roles to clarify the funding arrangements for the Scheme.
10. Identify, in your view, any flaws or difficulties with the Scheme and/or its operation, explaining in each instance, so far as you can, how these difficulties or flaws came about and with whom (if anyone) responsibility or accountability for them lay.
11. Specify whether you promoted the Scheme and/or encouraged any third party to seek accreditation under the Scheme, assisted any third party in so doing, or provided any third party with information to the end that they might apply, or consider applying, for accreditation under the Scheme. In respect of any such instance, please provide full details including (but not limited to) the third party concerned and the date of any steps taken by you in that regard.

12. Identify any instances, to your knowledge or belief, of lobbying or encouragement of Ministers, Special Advisers, Civil Servants or other relevant persons in relation to the terms of the Scheme and/or the introduction, non-introduction, variation or delay of the introduction of cost controls into the Scheme (including, but not limited to, the amendment of tariffs, tiering, degression and Scheme suspension or closure) at any stage but, in particular, at the creation of the Scheme and in the period from mid-2015 to early 2016.

13. Identify any instances, to your knowledge or belief, where influence or pressure was exerted on you in relation to any aspect of the RHI Scheme. In respect of any such instance specify:
 - a. who provided that influence or pressure;
 - b. when it occurred;
 - c. what it consisted of and how it was conveyed;
 - d. what you believed the motivation to have been (and what you now believe the motivation to have been, if different), and why you believe that; and
 - e. how you dealt with it.

14. Identify any instances, to your knowledge or belief, where influence or pressure was exerted on someone else in relation to the RHI Scheme. In respect of any such instance identify:
 - a. who provided that influence or pressure;
 - b. who it was exerted on;
 - c. when it occurred;
 - d. what it consisted of and how it was conveyed;
 - e. what you believe the motivation to have been, and why you believe that;
 - f. how it was dealt with; and
 - g. how and when you came to be aware of the influence or pressure.

15. Identify any instances, to your knowledge or belief, where a Minister, Special Adviser, Civil Servant or any other person involved in the RHI Scheme (including, if applicable, yourself):

- a. breached relevant standards (including, but not limited to, the Nolan Principles, the Ministerial Code of Conduct, the Civil Service Code of Conduct, the Code of Conduct for Special Advisers and/or terms or conditions of employment or service) or acted in a way incompatible with their duties (including, but not limited to, by means of making premature or unauthorised disclosures);
- b. acted in circumstances relating to or touching upon the Scheme in any way where they had a real or perceived conflict of interest;

in respect of any such instances, providing details and specifying the basis for any belief that there has been a breach of a relevant standard or duty or that a conflict of interest arose.

16. Specify whether, to your knowledge, you have any connection to a person or body receiving payment under the Scheme or benefiting commercially from the Scheme in some other way (for instance, by supplying equipment, plant, fuel or other goods or services used by Scheme claimants). In this request, a 'connection' includes (but is not limited to) circumstances where the Scheme claimant or beneficiary is a relative, friend, close acquaintance, business associate or (in the case of politicians or special advisers) donor or supporter (either to or of you or your political party).

Whistle-blowing and raising of concerns

17. Identify any instances of which you are aware of whistle-blowing in relation to the Scheme, or disclosures made in the public interest raising concerns about the Scheme, setting out details of when this occurred, to whom and by whom any relevant disclosure was made and how it was dealt with.
18. In particular, provide an account of how you dealt with any disclosures raising concerns about the Scheme made to you, or your Civil Service officials or party staff, at any time. In relation to each such instance, identify precisely how the concerns were communicated to you (or, as the case may be, your officials or staff).

19. Specify when you first became aware that subsidies payable under the Scheme exceeded the cost of biomass fuel used to produce heat (so that there was an incentive in some cases to produce heat merely to make profit from the Scheme) and how you so became aware.

General

20. Considering the RHI Inquiry's Terms of Reference, please identify any representations made to you about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those representations were made by colleagues, or otherwise. In respect of any such representations please indicate when they occurred, where they occurred, who was involved, and what was said or communicated to you.
21. Considering the RHI Inquiry's Terms of Reference, please identify any conversations or discussions you had about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those conversations or discussions involved colleagues, or otherwise. In respect of any such conversations or discussions please indicate when they occurred, where they occurred, who was involved, and what was said to you.
22. Provide any further evidence within your knowledge or belief which is relevant to the matters which the RHI Inquiry is investigating as set out in the RHI Inquiry's Terms of Reference.

NOTE:

It is important for the efficiency of the RHI Inquiry that the issues identified above are addressed as fully as possible and by reference, where available, to the dates and locations of specific incidents to which reference is made. The statement should be broken down into paragraphs, which should be numbered sequentially from '1' to the end. The use of appropriate section headings or sub-headings is also encouraged. A template witness statement is provided with this Notice for your assistance and should be used as the format for your response.

INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME

RHI REF: Notice 136 of 2017

DATE:

Witness Statement of: SIMON HAMILTON

I, Simon Hamilton, will say as follows:

Background

- 1. Set out a description of your occupational history, qualifications and experience.**

I left The Queen's University of Belfast in 2001 after graduating with Bachelor of Arts and Bachelor of Legal Science degrees. Shortly thereafter I took up employment with PricewaterhouseCoopers as a trainee chartered accountant gaining Professional 2 and Professional 3 chartered accountancy qualifications before beginning work as a Press Officer with the Democratic Unionist Party in 2003.

I was elected to serve on Ards Borough Council in 2005 and became an assembly member for the Strangford constituency in 2007 gaining re-election in 2011, 2016 and 2017.

- 2. Set out a summary of your Ministerial roles (this includes the dates between which you held the role/s; when, how and why you were appointed to the role/s; and what the role/s entailed). In each instance, describe how this role related, if at all, to the Non Domestic Renewable Heat Incentive (RHI) Scheme in Northern Ireland ('the Scheme').**

I have served in three different Ministerial roles. As Minister of Finance and Personnel between July 2013 and May 2015, as Minister of Health, Social

Services and Public Safety between May 2015 and May 2016 and as Minister for the Economy between May 2016 and March 2017.

I was appointed as Minister of Finance and Minister of Health by then First Minister and DUP Party Leader Peter Robinson and as Minister for the Economy by then First Minister and current Party Leader Arlene Foster MLA.

In each Department, my role entailed giving direction and assisting in the development of policy, agreeing budgets and policy priorities for the Department, communicating government policy in the media, establishing and maintaining relationships with other Ministers at devolved, national and international levels and speaking in debates and answering questions in the Assembly on issues relating to the work of the Department.

As Minister for the Economy, I was responsible for the Non-Domestic Renewable Heat Scheme after the new Department for the Economy inherited the scheme from the former DETI in May 2016.

Ministerial responsibility and Special Advisers

3. Describe your understanding of your position as a Minister, including:

a. what duties you considered yourself to owe as a Minister;

I considered that my primary duty as Minister was to exercise the responsibilities of office to the best of my ability

I also believe that I had a responsibility to abide by the duties set out in the Pledge of Office, the Ministerial Code of Conduct and the Nolan Principles of Public Life.

b. what rules or codes governed the exercise of your Ministerial functions; and

Like all Ministers, I considered myself bound by the Pledge of Office, the Ministerial Code of Conduct and the Nolan Principles of Public Life.

- c. your relationship, as a Minister, with the political party to which you were affiliated (including whether you were in any way under the direction or control of that party in the exercise of your Ministerial functions).**

While I would, from time to time, converse with Party colleagues about a range of issues involving my Department, at no stage did I take direction from or be under the control of the Party in the exercise of my Ministerial functions.

- 4. Describe your understanding of your relationship, as a Minister, with your Special Adviser/s, including:**

- a. the rules which governed the position of Special Adviser;**

My Special Advisers were all appointed in accordance with the relevant rules and legislation. In particular, the Civil Service (Special Advisers) Act (Northern Ireland) 2013 and the Code Governing the Appointment of Special Advisers.

- b. who would give your Special Adviser/s instructions, and who was entitled to do so;**

I, as Minister, was the only person entitled to give my Special Adviser instructions.

- c. how your Special Adviser/s interacted with other Special Advisers, and whether there was an understood or accepted hierarchy within your or any team of Special Advisers;**

My Special Adviser would have interacted with the Special Advisers of Party Ministerial Colleagues to seek advice and to coordinate work. My Special

Adviser would also have liaised with the Special Advisers from other parties where cross-cutting issues required it.

- d. what duties your Special Adviser/s owed (or may have considered himself or herself to owe) to the political party to which you were affiliated and how, if at all, that affected their role or performance of it; and**

Whilst I would not have considered that my Special Adviser would have owed any specific duties to the Party, it would not have been unusual for Party colleagues to raise, for example, constituency issues with my Special Adviser. Indeed, it would have been the case that members of other political parties would also have interacted in the same way with my Special Adviser.

- e. how your Special Adviser/s interacted with civil servants, including the procedures which operated within a Department between civil servants, the special adviser/s and the minister and, in particular, the persons to whom your Special Adviser/s were entitled to issue instructions or directions.**

My Special Adviser would have worked closely with civil servants across the Department. They would have had access to all ministerial papers and would have been entitled to attend briefings by officials and contribute to the discussions.

Having a Special Adviser to discuss issues with was, I believe, useful for civil servants as it gave them an opportunity to get a sense of what the Minister's mind might be on a particular matter before commencing detailed work.

I did not consider that my Special Adviser had the power to issue instructions or direction to any civil servant.

Involvement with RHI Scheme

5. Explain your position and role in relation to the Scheme.

I was appointed as Minister for the Economy in the Northern Ireland Executive in May 2016. Within the remit of the new Department for the Economy was energy policy and thus I took on Ministerial responsibility for the RHI scheme.

6. Explain in detail any involvement you had in relation to, or touching upon, the Scheme including (but not limited to) any role or involvement you had in respect of the setting up, design, implementation, operation, promotion, oversight, governance, funding, amendment (including the introduction of cost controls), suspension and/or closure of the Scheme, from its inception up to the present day.

I was not involved in the scheme in any way up until my appointment as Minister of the Economy in late May of 2016. By that time, concerns with the budgetary pressure created by the non-domestic RHI scheme were a live issue in the new Department and was discussed with my Permanent Secretary during our first meeting after taking up post.

I was aware of serious allegations of fraud and abuse within the scheme which had been brought to the attention of the then First Minister Arlene Foster MLA in early 2016 which had hastened the closure of the scheme to new applicants. I was surprised that by late May when I took post it appeared that no work had been undertaken by the Department to investigate the veracity of these allegations. I began discussing the prospect of unannounced site inspections with senior departmental officials from an early point in my tenure. This culminated in my agreement to a business case in July 2016 and the subsequent appointment of PwC to undertake this work.

I was also seized of the importance of addressing the projected cost overrun of the non-domestic RHI scheme. The work carried out by PwC was valuable in this regard and officials from the Department for the Economy examined a range of options during the autumn of 2016. The matter was raised by me in discussions with my

Permanent Secretary and senior officials throughout the autumn period. While I can recall expressing some frustration that it was taking longer than I had hoped for proposals for limiting the cost of the scheme to the Northern Ireland Executive to come before me, I was aware of the complexity of the work.

Work on limiting the cost to the NI Executive accelerated in December 2016. A preferred option was selected in late December and legal advice was sought. This preferred option, which was an interim solution for the 2017/18 financial year, was adopted by the Assembly in January 2017, became operational on 1 April 2017 and is currently subject to legal challenge.

I was also involved in the process around the publication of the details of recipients of payments from the RHI scheme. I can recall official advice in December 2016 that there were likely to be legal issues with publishing details. Over December 2016 and into January 2017 I recall advice from officials changing as to what we could legally publish, making an already difficult process more problematic. I ultimately took the decision to publish details in mid January 2017. Publication took place after an unsuccessful legal challenge.

7. **Without prejudice to the generality of paragraph 6 above, explain your involvement (if any) in:**

a. **the creation and development of the Scheme in, or before, 2012;**

I had no role in the creation and development of the scheme.

b. **the administration/operation of the Scheme;**

I had Ministerial responsibility for the operation of the scheme during my time as Economy Minister.

- c. any problems or difficulties which emerged in respect of the Scheme (including, but not limited to, the causing or permitting, identification, consideration and/or remediation of any such problems);**

The difficulties with the non-domestic RHI scheme had emerged before I became Minister for the Economy.

- d. the amendment, suspension or closure of the Scheme;**

I was – as outlined in my response to 6 above – involved in the introduction of measures to limit the cost of the scheme to the NI Executive covering the 2017/18 financial year.

in each instance providing:

- i. details of any relevant interactions with Civil Servants, Ministers, Special Advisers, MLAs, politicians, political parties and other potentially relevant persons (e.g. consultants, the renewable heating industry, actual or potential applicants for accreditation under the Scheme, journalists, etc.);**
 - ii. where you made any decision, or gave any advice, in respect of any of the matters set out at paragraph 6 above, the reasons for that decision or that advice (as the case may be); and**
 - iii. details of any documents which are of significance or particular relevance (which should be annexed to the witness statement if you have access to the documentation which permits you to do so; or, otherwise, which is identified as clearly as you can).**
- 8. Again without prejudice to the generality of paragraph 6 above, provide a full explanation of your involvement, if any, in the decision-making processes as to (a) the introduction of costs controls into the Scheme, (b) the suspension of the Scheme to new applicants, (c) the timing of each of those steps, and (d) any announcement or publication relating to those matters.**

I was involved in the introduction of measures to limit the cost of the scheme to NI Executive covering the 2017/18 financial year for the non-domestic RHI scheme. When I took up post as Minister for the Economy in May 2016, the projected annual cost overrun of over £20 million was a cause of considerable concern not only to the Department but to the Executive as a whole because of the Budget impact. I considered it my responsibility as Minister to ensure that the allegations of fraud and abuse were investigated thoroughly and that legally robust measures to limit cost were introduced.

- 9. Explain your understanding of the funding arrangements for the Scheme, including how that understanding was gained, how (if at all) it developed, and what steps (if any) you took or directed in any of your Ministerial roles to clarify the funding arrangements for the Scheme.**

I believe that I first became aware of problems with the funding of the non-domestic RHI scheme when the then DETI Minister was taking legislation through the Assembly in February 2016 to close the scheme to new entrants. My understanding of the issues around the funding arrangements deepened when I took up post as Minister for the Economy in May 2016.

- 10. Identify, in your view, any flaws or difficulties with the Scheme and/or its operation, explaining in each instance, so far as you can, how these difficulties or flaws came about and with whom (if anyone) responsibility or accountability for them lay.**

It is apparent to me that the RHI scheme and its operation was flawed in a number of aspects. I believe that the Inquiry is best placed to ascertain how these flaws came about and who was responsible or accountable.

- 11. Specify whether you promoted the Scheme and/or encouraged any third party to seek accreditation under the Scheme, assisted any third party in so doing, or provided any third party with information to the end that they might apply, or**

consider applying, for accreditation under the Scheme. In respect of any such instance, please provide full details including (but not limited to) the third party concerned and the date of any steps taken by you in that regard.

Aside from one letter that I sent to the then DETI Minister in July 2015 on behalf of my constituent Mr Hamilton Coulter regarding his concerns about lower than expected payments he was receiving through the non-domestic RHI scheme because of his environmentally-friendly house, I recall no occasion when I encouraged any third party to seek accreditation under the Scheme, assisted any third party in so doing, or provided any third party with information to the end that they might apply, or consider applying, for accreditation under the Scheme.

12. **Identify any instances, to your knowledge or belief, of lobbying or encouragement of Ministers, Special Advisers, Civil Servants or other relevant persons in relation to the terms of the Scheme and/or the introduction, non-introduction, variation or delay of the introduction of cost controls into the Scheme (including, but not limited to, the amendment of tariffs, tiering, degression and Scheme suspension or closure) at any state but, in particular, at the creation of the Scheme and in the period from mid-2015 to early 2016.**

From early December 2016, I recall receiving correspondence from individuals who put forward their suggestions as to how the Department and I as Minister could deal with the issues highlighted publicly about the non-domestic RHI scheme. When proposals for measures to limit the cost to the NI Executive entered the public domain, I received further correspondence from individuals regarding the proposals. Similarly, individuals corresponded with me regarding the publication of RHI recipient details. To the best of my knowledge, I have provided the Inquiry with all such correspondence.

While I cannot recall the names of specific MLAs or the actual dates when they occurred, I believe that a number of Assembly Members asked me questions about aspects of the cost limiting proposals that I was putting forward. The only exception

to this that I can recall was a text message received from Mervyn Storey MLA on 4/1/17 where he forwarded the concerns of a constituent regarding the proposed measures.

I remember a presentation during a visit to Moy Park in late November 2016 when they stated their desire to see a new non-domestic RHI scheme established in Northern Ireland.

I can also recall a phone call being made to my constituency office in early January 2017 when Mike Mullan of Moy Park sought a meeting with me or my Special Adviser to discuss the RHI scheme. I asked my Permanent Secretary Dr Andrew McCormick to contact Mr Mullan and a meeting was set up.

13. **Identify any instances, to your knowledge or belief, where influence or pressure was exerted on you in relation to any aspect of the RHI Scheme. In respect of any such instance specify:**
- a. **who provided that influence or pressure;**
 - b. **when it occurred;**
 - c. **what it consisted of and how it was conveyed;**
 - d. **what you believed the motivation to have been (and what you now believe the motivation to have been, if different), and why you believe that; and**
 - e. **how you dealt with it.**

I can recall no such instances other than those indicated in my answer to 12 above.

14. **Identify any instances, to your knowledge or belief, where influence or pressure was exerted on someone else in relation to the RHI Scheme. In respect of any such instance identify:**
- a. **who provided that influence or pressure;**
 - b. **who it was exerted on;**
 - c. **when it occurred;**
 - d. **what it consisted of and how it was conveyed;**

- e. what you believe that motivation to have been, and why you believe that;
- f. how it was dealt with; and
- g. how and when you came to be aware of the influence or pressure.

I can recall no such instances other than those indicated in my answer to 12 above

15. Identify any instances, to your knowledge or belief, where a Minister, Special Adviser, Civil Servant or any other person involved in the RHI Scheme (including, if applicable, yourself):

- a. breached relevant standards (including, but not limited to, the Nolan Principles, the Ministerial Code of Conduct, the Civil Service Code of Conduct, the Code of Conduct for Special Advisers and/or terms or conditions of employment or service) or acted in a way incompatible with their duties (including, but not limited to, by means of making premature or unauthorised disclosures);
- b. acted in circumstances relating to or touching upon the Scheme in any way where they had a real or perceived conflict of interest;
in respect of any such instances, providing details and specifying the basis for any belief that there has been a breach of a relevant standard or duty or that a conflict of interest arose.

I am not aware of any instances aside from those already in the public domain or within the documentation provided by me and my colleagues.

16. Specify whether, to your knowledge, you have any connection to a person or body receiving payment under the Scheme or benefiting commercially from the Scheme in some other way (for instance, by supplying equipment, plant, fuel or other goods or services used by Scheme claimants). In this request, a 'connection' includes (but is not limited to) circumstances where the Scheme claimant or beneficiary is a relative, friend, close acquaintance, business associate or (in the case of politicians or special advisers) donor or supporter (either to or of you or your political party).

I have no connections to any person or body receiving payment under the non-domestic RHI scheme.

Whistle-blowing and raising of concerns

- 17. Identify any instances of which you are aware of whistle-blowing in relation to the Scheme, or disclosures made in the public interest raising concerns about the Scheme, setting out details of when this occurred, to whom and by whom any relevant disclosure was made and how it was dealt with.**

I am aware of two well-publicised examples of whistleblowing in respect of the RHI scheme. The first being the whistleblowing by a concerned citizen in respect of her worries about how the scheme had been constructed and was operating and the second being a whistle-blower who contacted the then First Minister Arlene Foster MLA in early 2016 regarding concerns about fraud and abuse of the scheme.

I only became aware of the first whistle-blower after taking up post as Minister for the Economy and was aware of the second in early 2016 as it was this whistle-blower which precipitated the early closure of the non-domestic RHI scheme.

I was not involved with either of these whistle-blower cases and only became aware of the details of the first after becoming Economy Minister and, as far as I can recall, was never aware of the detail of the second other than the fact that it contained allegations of fraud.

I am also aware that the NIAO received an anonymous note regarding Stephen Brimstone's installation which was then sent to Andrew McCormick in October 2016. I understand that Ofgem had by that time already investigated the specific allegations made.

- 18. In particular, provide an account of how you dealt with any disclosures raising concerns about the Scheme made to you, or your Civil Service officials or party**

staff, at any time. In relation to each such instance, identify precisely how the concerns were communicated to you (or, as the case may be, your officials or staff).

No disclosures about the Scheme were made to me. During my tenure as Minister for the Economy, any communications made to me as Minister via non-departmental email addresses were forwarded to the department to be processed properly through the system.

- 19. Specify when you first became aware that subsidies payable under the Scheme exceeded the cost of biomass fuel used to produce heat (so that there was an incentive in some cases to produce heat merely to make profit from the Scheme) and how you so became aware.**

As the non-domestic RHI scheme was being closed in early 2016, I was aware of the fact that there were serious issues with the Budget for the scheme although I was not aware of precisely why this was the case. I became better appraised of the detail around the Budget and the perceived incentive that existed within the scheme after taking up post as Economy Minister.

General

- 20. Considering the RHI Inquiry's Terms of Reference, please identify any representations made to you about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those representations were made by colleagues, or otherwise. In respect of any such representations please indicate when they occurred, where they occurred, who was involved, and what was said or communicated to you.**

I do not recall any representations being made to me other than those I have indicated elsewhere in my answers.

- 21. Considering the RHI Inquiry's Terms of Reference, please identify any conversations or discussions you had about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those conversations or discussions involved colleagues, or otherwise. In respect of any such conversations or discussions please indicate when they occurred, where they occurred, who was involved, and what was said to you.**

I do not recall any conversations other than those I have indicated elsewhere in my answers.

- 22. Provide any further evidence within your knowledge or belief which is relevant to the matters which the RHI Inquiry is investigating as set out in the RHI Inquiry's Terms of Reference.**

To the best of my knowledge and endeavours, I have provided the Inquiry with all evidence in my possession that is relevant to the matters which the RHI inquiry is investigating. Should I discover any further evidence which is of relevance to the Inquiry I will provide this to the Inquiry immediately.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed:

A handwritten signature in blue ink, appearing to read 'Simon', written over a light blue horizontal line.

Dated: 25/5/2017.