



Department for
Business, Energy
& Industrial Strategy



Infrastructure
and Projects
Authority

To: Selvin Brown, Senior Responsible Owner for the Social Housing Decarbonisation Fund

From: Sarah Munby, Permanent Under-Secretary of State of the Department for Business, Energy & Industrial Strategy (BEIS); and Nick Smallwood, Chief Executive Officer of the Infrastructure and Projects Authority

18/01/2023

Dear Selvin,

APPOINTMENT AS SENIOR RESPONSIBLE OWNER FOR THE SOCIAL HOUSING DECARBONISATION FUND

We are writing to confirm your appointment as Senior Responsible Owner (SRO) of the Social Housing Decarbonisation Fund with effect from 10th October 2020. This letter sets out your responsibilities and the support you can expect from your department and the Infrastructure and Projects Authority.

As SRO, you are directly accountable to Director General, Net Zero Buildings and Industry, under the oversight of the Permanent Under-Secretary of State as accounting officer for BEIS and Lord Callanan, Lords Parliamentary Under Secretary of State, Minister for Business, Energy and Corporate Responsibility.

The SHDF schemes form part of the Net Zero Buildings, Domestic portfolio under the oversight of the Chair of the Net Zero Delivery Board and is included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of the Social Housing Decarbonisation Fund and will be held accountable for the delivery of its objectives, with policy intent and outcomes expected. This encompasses securing and protecting its vision, ensuring that it is governed responsibly, reported on honestly, escalated appropriately and for influencing the context, culture, and operating environment of the scheme. You are also responsible for ensuring the ongoing viability of the scheme and recommending its pause or termination if appropriate. Where issues arise which you are unable to resolve, you are responsible for escalating these to the relevant governance body.

You remain accountable to Ministers, as set out in the Civil Service Code, and should deliver the project in accordance with the objectives and policy intent as set by Ministers.

In addition to your internal accountabilities, SROs for GMPP projects and programmes are personally accountable to Parliamentary Select Committees. This means that, from the date of this letter, you will be

held personally accountable to and could be called by Select Committees to account for and explain the decisions and actions you have taken to deliver the scheme.

It is important to be clear that your accountability relates only to implementation, within the agreed terms in this letter; it will remain for the Minister to account for the relevant policy decisions and development.

More information on this is set out in [Giving Evidence to Select Committees - Guidance for Civil Servants](#), sometimes known as the Osmotherly Rules. Information on the roles and responsibilities of the SRO are detailed in the Infrastructure and Project Authority's guidance on [the role of the senior responsible owner](#). You should also make yourself familiar with the [Government Functional Standard for Project Delivery](#), the requirements of the Government Project Delivery Framework, and the guidance and requirements for project delivery as set by the Centre of Excellence team in the Implementation and Delivery Unit.

Time commitment and tenure

This role will require 40% of your time to enable effective delivery of the role and execute your responsibilities in full. This is split between the schemes as below:

SRO Letter Time Allocations	SRO Time Commitment
Social Housing Decarbonisation Fund (SHDF) Total	40%
Demo	5%
Wave 1	10%
Wave 2	25%
HULA Total	50%
Local Authority Delivery (LAD) Phase 1, Phase 2, and Phase 3	10%
Home Upgrade Grant (HUG) Phase 1 and Phase 2	40%
Home Upgrade Grant Consumer Led Route (HUG CLR)	0% (pre OBC)

You are required to undertake this role until achievement of the delivery phase of SHDF Wave 2.1, planned for March 2025. Progress towards this will be reflected in your personal objectives. Any changes to the agreed time commitment or tenure of the role, as set out above, will require both departmental and Infrastructure & Projects Authority consent.

Objectives and performance criteria

The policy intent supported by this scheme is to decarbonise a significant proportion of social housing through provision of grants and other support to social housing landlords (Local Authorities (including ALMOs) & Housing Associations), in line with the Conservative Party 2019 manifesto commitment to invest £3.8 billion in this project over 10 years. The first £62m of funding, confirmed by the Chancellor in his Summer Economic Update 2020, has supported innovative whole building approaches to decarbonisation, supporting carbon and energy bill savings and helping provide learning for the main fund scheme. £60m of funding was announced in the Spending Review 2020 to launch Wave 1 of the programme and was uplifted to £178.4m to support 69 projects £800m was awarded to the Programme in the Comprehensive Spending Review 21 (CSR 21) and provides funding up to FY 24/25.

The SHDF scheme will make an important contribution to a significant proportion of the social housing stock by 2030, as a significant steppingstone to the Sixth Carbon Budget which recommends reducing emissions by 78% in 2035 compared to 1990 levels, and the Government's ambition to achieving its Net Zero Commitment by 2050. It will build the capacity in social housing landlords and the supply chain to continue the journey to Net Zero with less input from the Government.

Any proposed changes to scope which impacts on this intent or the realisation of benefits must be authorised by the programme's governance framework, in conjunction with the Department's governance framework and may be subject to further levels of approval.

The vision of the scheme is to improve the energy performance of social housing in England reducing the number of tenants in fuel poverty and making progress towards net zero. The scheme's objectives are as follows:

Direct Contribution Objectives:

- 1 **Carbon:** Reduce CO2 emissions from Social Housing in CB4 and CB5
- 2 **Number of Social Homes Improved to EER C:** Number of homes where retrofitting is carried out, and the proportion of which meet EER C reducing the number of homes in Fuel Poverty
- 3 **Fuel Poverty:** Reduce the numbers in Fuel Poverty, ensuring that there is no increase in fuel bills.
- 4 **Tenants:** Improve the comfort, health, and well-being of Social Housing tenants.

Indirect Contribution Objectives:

- 5 **Green Economy:** Develop the Green Economy and associated jobs.
- 6 **Retrofit Sector Development:** Develop Retrofit Innovation and installation value for money, for the broader benefit of the owner occupier and private rental sector.
- 7 **Supply Chain:** Increase the Retrofit Supply Chain Capability and Capacity to help meet the challenge during and beyond the SHDF to achieve Net Zero by 2050
- 8 **Landlords:** Build Social Housing Landlords' capacity and capability to decarbonise their stock.

Your personal objectives and performance criteria which relate to the schemes are:

SHDF Demonstrator has modelled benefits of energy efficiency upgrades to around 2100 homes, delivery of carbon savings, supporting around 1100 full time employees as well as cutting household bills by £300-500 a year. The scheme is in delivery from January 2021 up to managed closure from January 2023.

SHDF Wave 1 has modelled benefits of energy efficiency upgrades to around 20,000 homes, emissions savings equivalent to taking up to 6,000 cars off the road in any given year, supporting around 9,000 green jobs as well as cutting household bills. The scheme is in delivery from March 2022 to January 2023.

SHDF Wave 2 has modelled benefits of energy efficiency upgrades to around 94,000 homes, delivery of carbon savings, supporting green jobs, driving private investment and cutting household bills. The scheme is planned for delivery from March 2023 to March 2025.

You are expected to run your project in accordance with the [Government Functional Standard for Project Delivery](#), the other [Functional Standards](#) as applicable to this scheme and the requirements of the Government Project Delivery Framework.

Extent and limit of accountability

Finance and Controls

HM Treasury spending controls will apply on the basis set out within the department's delegated authority letter. Where the scheme exceeds the delegated authority set by HM Treasury, the Treasury Approval Point process will apply, and the details of each approval process must be agreed with your HM Treasury spending team. You should consult departmental finance colleagues on how to go about this.

You should note that where expenditure is considered novel, contentious, repercussive, or likely to result in costs to other parts of the public sector, HM Treasury approval will be required, regardless of whether the programme expenditure exceeds the delegated authority set by HM Treasury. If in doubt about whether approval is required you should, in the first instance, consult departmental finance colleagues before raising with the relevant HM Treasury spending team.

The overall CDEL budget for the projects is set at £800m over FY 22/23 - FY 24/25,

The CSR 21 CDEL covers £80m in FY 22/23; £300m in FY 23/24 and £420m in FY 24/25. Funding that has been awarded through the Demonstrator fund and the Wave 1 fund will also fall within the delegated budget with £61m being awarded to Demonstrator projects and £179m being awarded to Wave 1 projects. The administration and programme budget is £13.03m in 22/23 including VAT. The RDEL budget for FY 22/23 - FY 24/25 is broken down as follows:

	FY 22/23	FY 23/24	FY 24/25
Admin Budget	£3.17m	£3.17m	£3.17m
Programme Budget	£9.86m	£14.22m	£15.73m

The current approved expenditure figures (above) provide cover to 31st March 2025. In moving towards the milestone of 31st March 2025, you should be aware of the funding conditions outlined in the settlement letters issued by HMT following CSR 21.

The overall estimated budget, resourcing requirements and tolerances for your project/programme will be agreed as part of the approval process. You will be expected to deliver within these tolerances and report quarterly on these as part of GMPP reporting.

You should operate at all times within the rules set out in [Managing Public Money](#). In addition, you must be mindful of, and act in accordance with, the specific HM Treasury delegated limits and Cabinet Office controls relevant to the SHDF schemes. Information on these controls can be found here: [Cabinet Office controls](#).

Delegated authority

You are authorised to approve expenditure in line with your delegated authority letter.

- you are authorised to approve expenditure of £2.5m Capital, £5m programme, £1m. Admin.
- you are authorised to agree project rescheduling within agreed milestones but rescheduling beyond is to be agreed with PIC.

You should use your programme's governance framework, in conjunction with the Department's governance framework, as the means by which any necessary authorisation is sought for any changes to your project's scope, milestones or scheduling. The [Departmental Integrated Assurance and Approvals Strategy \(IAAS\)](#) sets out the limits and conditions of any approvals as well as the process to seek approval to materially change the scope of an approved project. This may include recommending the need to either pause or terminate the project where necessary in a timely manner.

These authority limits are subject to change and other conditions or tolerances may be set as part of the business case approval and ongoing monitoring processes which you should then operate within.

Where issues arise which take you outside of these authority limits which you are unable to resolve, you are responsible for escalating these issues to the relevant governance body such as P&R, Accounting Officer and HMT in a timely manner. This includes making any such recommendation to pause or terminate the project as required.

Appointments

You should appoint a full-time programme director to support you in the management of the schemes and make other appointments as required for the control and delivery of your programme within your delegated authority.

Governance and assurance

You should pay attention to ensuring effective governance for the schemes, including the establishment of a programme board with appropriate membership and clear terms of reference.

As primary owner, you must ensure that the scheme secures business case approval from HMT and BEIS Projects and Investment Committee. You should also ensure that the schemes remains aligned to the strategic outcomes, costs, timescales, and benefits in line with the approved business case as well as monitoring the context within which the scheme is being delivered to ensure it remain valid.

Where a change impacts the scope, costs, benefits, or planned delivery milestones agreed as part of an agreed business case, you are responsible for following the agreed change request approval process and setting a new, approved, business case baseline.

You should ensure that an accounting officer assessment is completed alongside the approval of the Outline Business Case and that this is published on GOV.UK as part of the government's transparency requirements on major projects. You are responsible for bringing to the attention of the accounting officer any material changes in the schemes which could require a new accounting officer assessment to be completed and published. [Guidance on completing accounting officer assessments](#) for major projects is available from HM Treasury.

Although you are directly accountable for this scheme, you are also expected to support delivery of the department's overall strategic objectives. This means that you are expected to work collaboratively with other SROs and project directors in adjacent projects and programmes and with the Net Zero Buildings, Domestic portfolio management office and portfolio director to manage dependencies, resources, schedules, and funding to support delivery of the overall change the department needs to achieve its strategic objectives.

You should ensure that appropriate and proportionate assurance is in place and agree on the level and frequency of assurance reviews through the maintenance of an integrated assurance and approvals plan. You should develop this plan and its maintenance in collaboration with the Departmental Assurance Coordinator and the Infrastructure and Projects Authority.

Scheme status, reporting and transparency requirements

The scheme status at the date of your appointment is reflected in the most recent quarterly return on the schemes to the Infrastructure and Projects Authority and is the agreed position as you assume formal ownership of the scheme.

You are responsible for ensuring the honest and timely reporting on the position of the scheme to the Infrastructure and Projects Authority while it remains on the GMPP and for providing reports and information to the Net Zero Buildings and Industry portfolio management office as required. Reporting should include carbon measurement, and other sustainable development goals demonstrating evidence that the project contributes to an overarching environmental strategy and is aligned with defined Net Zero pathways. Information on the scheme will be published annually by the Infrastructure and Projects Authority.

As the SRO of a scheme that is within scope of the cross-government Net Zero Portfolio you are additionally required to report into the Net Zero and Climate Change governance structure, specifically reporting into the Net Zero National Security Implementation Group Sub-Group and the Climate Action Implementation Committee.

You are responsible for publishing on GOV.UK a summary of the accounting office assessment completed in line with the approval of the Outline Business Case and summaries of any subsequent assessments should they be required.

Development and support

As SRO of a GMPP programme, you are required to complete the Major Projects Leadership Academy. You are enrolled on MPLA Cohort 30, beginning June 2021 and concluding in June 2023.

To widen experience and understanding of the role, SROs are also expected to become accredited assurance reviewers and to lead or participate in such reviews for other government departments, the wider public sector, and other areas of BEIS as appropriate. Becoming an assurance reviewer and completing a review will form part of your time at the Major Projects Leadership Academy. To maintain your accreditation, you will be required to participate in a review at least once every 12 months.

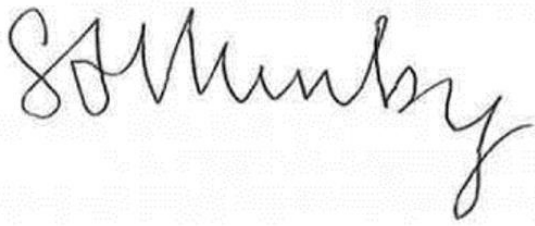
The department will assist you in securing the necessary resources to support the scheme, and will set clear guidance, requirements and standards, which align to the [Government Functional Standard on Project Delivery](#), to enable good governance and effective delivery. You will be part of the department's cohort of major project leaders who will be expected to support each other, share good practice and lessons learned and to collectively develop solutions. You should liaise with the department's Head of Profession for project delivery to discuss the maintenance and development of your delivery and leadership skills.

The Infrastructure and Projects Authority will be available to you for support, advice, and assurance throughout the SHDF scheme's time on the GMPP.

Following approval of the business case and entry onto Net Zero Buildings- Domestic, Net Zero Buildings and Industry will provide ongoing oversight and support and will take steps to help resolve and escalate risks, issues or constraints that are acting as a blocker to successful delivery.

We would like to take this opportunity to wish you every success in your role as SRO.

Yours sincerely,



Sarah Munby

Permanent Under-Secretary-of-State for the
Department of Business, Energy and Industrial
Strategy



NICK SMALLWOOD

Chief Executive Officer, Infrastructure and
Projects Authority

CONFIRMATION OF ACCEPTANCE OF APPOINTMENT

I confirm that I accept the appointment of Senior Responsible Owner for the SHDF scheme, including my personal accountability for implementation, as set out in the letter above.



Selvin Brown

02/02/2023