



Department for  
Business, Energy  
& Industrial Strategy



Infrastructure  
and Projects  
Authority

To: Alex Milward, Stefanie Murphy and Paro Konar, Joint Senior Responsible Owners for the Carbon Capture Usage and Storage (CCUS) programme including the CCUS elements of the Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) programme

From: Sarah Munby, Permanent Secretary of Department for Business, Energy and Industrial Strategy;  
and Nick Smallwood, Chief Executive Officer of the Infrastructure and Projects Authority

**23 November 2022**

Dear Alex, Stefanie and Paro,

**APPOINTMENT AS JOINT SENIOR RESPONSIBLE OWNERS FOR THE CARBON CAPTURE, USAGE AND STORAGE (CCUS) PROGRAMME INCLUDING THE CCUS ELEMENTS OF THE INDUSTRIAL DECARBONISATION AND HYDROGEN REVENUE SUPPORT (IDHRS) PROJECT**

We are writing to confirm the appointment of Alex Milward, Stefanie Murphy and Paro Konar as joint Senior Responsible Owners (SROs) for the Carbon Capture, Usage and Storage (CCUS) programme with effect from 1 April 2021. This letter sets out your responsibilities and the support you can expect from BEIS and the Infrastructure and Projects Authority.

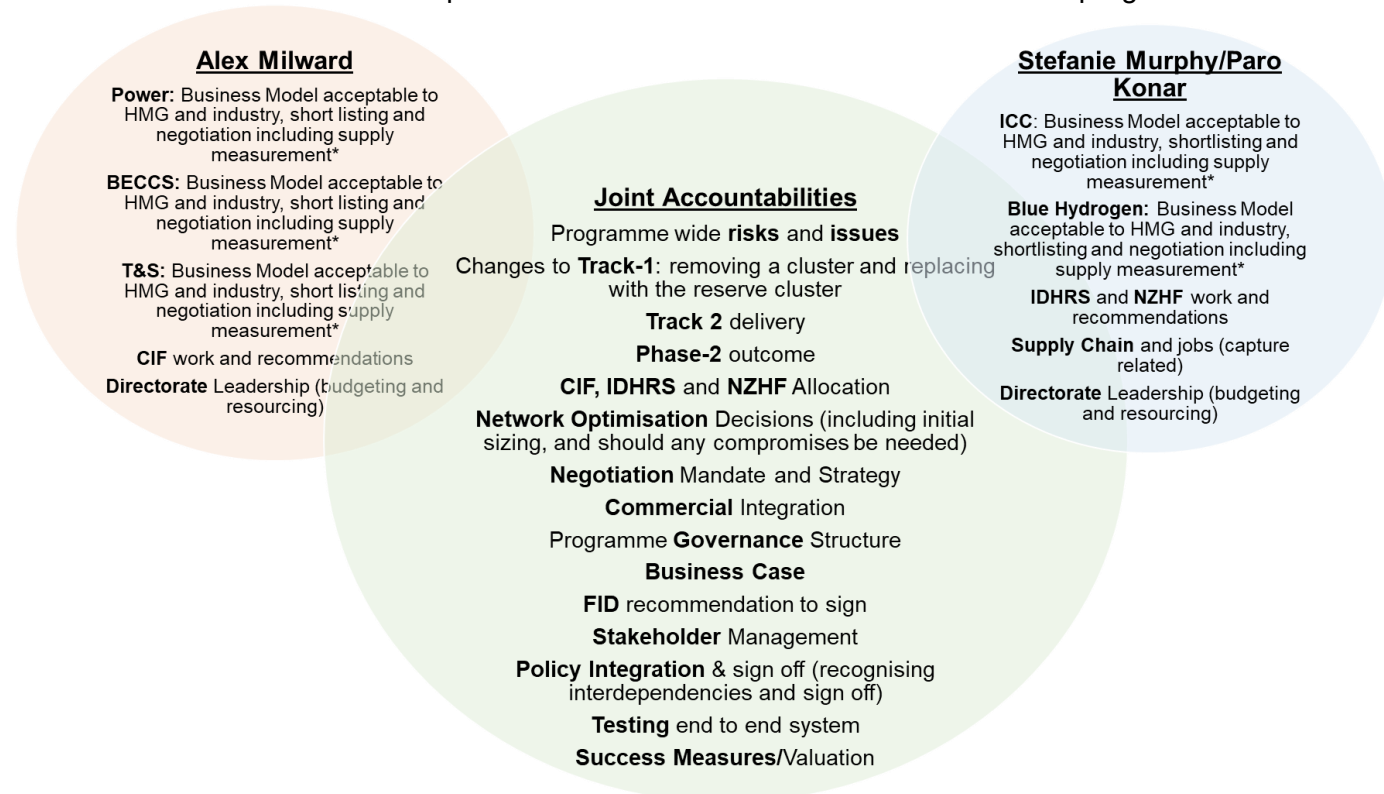
A combined letter has been produced to cover CCUS and the elements of IDHRS that are related to CCUS as together they form a coherent policy package by providing financial support and protection to make CCUS projects and infrastructure investible, supported by legislation and a clear regulatory framework. All references to IDHRS and hydrogen throughout this letter relate to CCUS-enabled elements only, and there will be a separate SRO letter for all other elements of the IDHRS programme.

Delivery of CCUS and IDHRS is managed by two BEIS directorates- the Hydrogen and Industrial Carbon Capture Directorate (HICC) led by Stefanie Murphy and Paro Konar as a job share; and the Carbon Capture, Usage and Storage Directorate led by Alex Milward.

The scale of the interdependencies between the CCUS and the HICC Directorates requires close cooperation between two Directorates therefore a joint SRO model was agreed for the CCUS programme. The joint SRO model is complex; however, it provides the required degree of insight and challenge and brings a wider set of skills, network and experience in integrating a highly complex 'system' programme. It provides additional focus on the development of business cases to ensure alignment of objectives with other programmes/projects and expected outcomes, as well as a joined-up approach in engaging Ministers and stakeholders.

The delivery set up should be reviewed periodically to ensure that the model in this letter remains the best way to deliver these programmes given their high levels of complexity and need for integration. The next review date should be on or before July 2024.

The schematic below shows the split of accountabilities between the SROs for the programme.



As SROs, Alex Milward, Stefanie Murphy and Paro Konar are directly accountable to Ashley Ibbett, Director General, Energy Infrastructure, under the oversight of the Permanent Secretary as accounting officer for BEIS, and Graham Stuart, Minister of State for Climate.

The CCUS programme and IDHRS form part of the Department for Business, Energy and Industrial Strategy Portfolio, under the oversight of the Chair of the Net Zero Delivery Board and Energy Board for the CCUS Programme. The CCUS Programme and IDHRS are included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for delivery of the CCUS and IDHRS programmes and will be held accountable for the delivery of their objectives, with policy intent and outcomes expected. This encompasses securing and protecting their vision, ensuring they are governed responsibly, reported on honestly, escalated appropriately and for influencing their context, culture, and operating environment. You are also responsible for applying an integrated approach to ensure the ongoing viability of the CCUS and IDHRS programmes and recommending their pause or termination if appropriate. Where issues arise which you are unable to resolve, you are responsible for escalating these to the Net Zero Delivery Board and Energy Board for both Programmes.

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 CCUS and IDHRS programmes.

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 BEIS' Implementation and Delivery Directorate.

### Time commitment and tenure

SRO	IDHRS	NZHF	CCUS Programme	Total FTE
Stefanie Murphy & Paro Konar	0.4	0.4	0.4	1.2
Alex Milward	N/A	N/A	1	1

It is anticipated that you will remain in post at least until 2027, which aligns with the completion of building the CCUS infrastructure for the first two industrial clusters within the 2020 Energy White Paper. I also note and appreciate your enthusiasm to stay in role to complete the decarbonisation of four industrial clusters by 2030. 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 CCUS programme was set up to enable the delivery of four carbon capture usage and storage (CCUS) clusters, capturing 20-30 MtCO<sub>2</sub> across the economy, including 6 MtCO<sub>2</sub> of industrial emissions, per year by 2030.

CCUS supports 3 long term strategic objectives: (i) supporting the net zero transition (including contributing to international leadership in this area through our work on CCUS); (ii) economic resilience; and (iii) the levelling up agenda (including developing export potential for this new sector).

The IDHRS programme feeds into the CCUS's objectives since it aims to provide revenue support for low-carbon hydrogen production and ICC projects to bring through investments and enable successful deployment of projects from 2024/5 onwards; provide funding certainty on a return on capital investment and operational costs for ICC and hydrogen projects over their business model contract lifetime, helping to de-risk private sector investment and create a pipeline for future projects; and drive down deployment costs throughout the 2020s and 2030s by supporting initial projects (subject to value for money considerations) seeking to take FIDs in the 2020s, and subsequently through competitive funding allocation and business model design.

CCUS and IDHRS programmes aim to stimulate private sector investment by reducing investor risk and overcoming first-mover market barriers to allow for commercial deployment of CCUS and the required infrastructure to enable the first two clusters to become operational by the mid-2020s.

As joint-SROs for the CCUS and IDHRS programmes you will have joint accountability for:

- Track 1 and 2 delivery;

- Development and delivery of the Business Case where the Full Business Cases will be cluster based and will encompass CCUS and the related IDHRS elements that support it;
- Decisions on network optimisation;
- Negotiation mandate and strategy;
- Shortlisting and negotiations;
- CCS Infrastructure Fund (CIF), IDHRS (relating to Industrial Carbon Capture (ICC) and blue hydrogen).;
- Final Investment Decision recommendations;
- Stakeholder engagement; and
- Programme success measures, governance, planning and risk management.

Alex Milward will have sole accountability for the following elements of the programme:

- Power business model;
- BECCS business model;
- Transport and Storage business model; and
- CCS Infrastructure Fund (CIF) recommendations and implementation of programme decisions.

Stefanie Murphy and Paro Konar will have sole accountability for:

- Industrial Carbon Capture and Waste business model;
- Hydrogen business model (relating to CCS Enabled Hydrogen) ;
- Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) (relating to CCS Enabled Hydrogen, Industrial Carbon Capture spend)<sup>1</sup> and;
- Net Zero Hydrogen Fund (Strand 4) recommendations and implementation of programme decisions; and
- Supply chain and jobs (capture related).

The SROs personal objectives and performance criteria which relate to the CCUS and IDHRS programmes are to:

- Secure the spending powers necessary for CCUS deployment through the third session Energy Bill in accordance with the Parliamentary timetable;
- Obtain approval from Ministers for the shortlist of projects to be supported through Track 1 cluster sequencing by end February 2023, ahead of commencement of negotiations;
- Obtain agreement from BEIS' Project and Investment Committee and the HMT for the Final Business Case for Cluster 1 by end Q1 2024.

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 CCUS and IDHRS programmes 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 either programme 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.

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<sup>1</sup> Stefanie Murphy & Paro Konar are the designated SROs for the IDHRS and NZHF projects, these responsibilities are covered in their respective IDHRS & NZHF project SRO letters.

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 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 CCUS programme. Information on these controls can be found here: [Cabinet Office controls](#).

### Delegated authority

In your respective areas of accountability, you are authorised to:

- approve expenditure of £5m CDEL and £10m RDEL (programme);
- agree project rescheduling within two weeks of agreed milestones via the established change control process; and
- recommend to the Net Zero Delivery Board or Energy Board the need to either pause or terminate the programme where necessary and 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 Net Zero Delivery Board and Energy Board for CCUS programme.

## **Appointments**

You should appoint a full-time programme director to support you in the management of this programme 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 your programme, including the establishment of a programme board with appropriate membership and clear terms of reference.

As primary owner, you must ensure that the CCUS programme secures business case approval from BEIS' Project and Investment Committee. You should also ensure that the CCUS programme 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 programme is being delivered to ensure it remains 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 programme 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 programme, 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 BEIS Net Zero portfolio 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.

## **Programme status, reporting and transparency requirements**

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

You are responsible for ensuring the honest and timely reporting on the position of the CCUS programme to the Infrastructure and Projects Authority while it remains on the GMPP and for providing reports and information into the BEIS Net Zero portfolio and Energy Portfolio 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 programme will be published annually by the Infrastructure and Projects Authority.

As the SRO of a project/programme 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 officer 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 SROs of a GMPP programme, you are required to complete the Major Projects Leadership Academy. To widen your 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 the 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 programme, 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

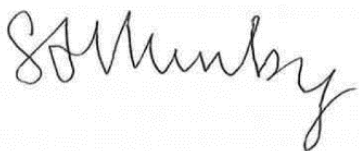
Profession for project delivery to discuss the maintenance and development of your delivery and leadership skills.

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

Following approval of the business case and entry onto the BEIS portfolio, the Net Zero Delivery Board and Energy Board 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.

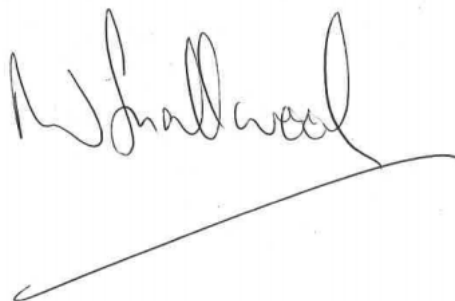
We would like to take this opportunity to wish you every success in your role as SRO.

Yours sincerely,



**SARAH MUNBY**

Permanent Secretary, Department for Business,  
Energy and Industrial Strategy



**NICK SMALLWOOD**

Chief Executive Officer, Infrastructure and  
Projects Authority

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## **CONFIRMATION OF ACCEPTANCE OF APPOINTMENT**

I confirm that I accept the appointment of joint-Senior Responsible Owner for the CCUS programme, including the CCUS elements of the Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) programme, alongside Stefanie Murphy and Paro Konar, including my personal accountability for implementation, as set out in the letter above.



**ALEX MILWARD 21/12/2022**

I confirm that I accept the appointment of joint-Senior Responsible Owner for the CCUS programme, including the CCUS elements of the Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) programme, alongside Alex Milward and Paro Konar, including my personal accountability for implementation, as set out in the letter above.



**STEFANIE MURPHY**

**13.01.2023**

I confirm that I accept the appointment of joint-Senior Responsible Owner for the CCUS programme, including the CCUS elements of the Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS) programme, alongside Stefanie Murphy and Alex Milward, including my personal accountability for implementation, as set out in the letter above.

*Paro Konar*

**PARO KONAR**

**13.01.2023**