

**HM Government**

To: David Capper, Senior Responsible Owner for the Green Heat Network Fund. Project Identifier: DPO-2030

From: Clive Maxwell, Interim Permanent Secretary of the Department for Energy Security and Net Zero (DESNZ); and

Becky Wood, Chief Executive Officer of the National Infrastructure and Service Transformation Authority (NISTA)

20/11/2025

Dear David Capper,

APPOINTMENT AS SENIOR RESPONSIBLE OWNER FOR THE GREEN HEAT NETWORK FUND PROJECT.

We are writing to re-confirm your appointment as Senior Responsible Owner (SRO) of the Green Heat Network Fund (GHNF) with effect from 18th May 2021. This letter sets out your responsibilities and the support you can expect from the Department of Energy Security and Net Zero (DESNZ) and the National Infrastructure and Service Transformation Authority (NISTA).

As SRO, you are directly accountable to Director General, Net Zero Buildings and Industry, Ben Remington, under the oversight of the Interim Permanent Secretary Clive Maxwell as interim accounting officer for DESNZ, and Martin McCluskey, Parliamentary Under Secretary of State, Minister for Energy Consumers.

Your project forms part of the Net Zero Buildings and Industry Portfolio. It is under the oversight of the Chair of the Net Zero Building Portfolio Board and is included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of the GHNF 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 project. You are also responsible for ensuring the ongoing viability of the project 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 Net Zero Building Portfolio Board.

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 project.

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 NISTA'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 Net Zero Buildings and Industry Portfolio.

Time commitment and tenure

This role will require at least 15% of your time to the project to enable effective delivery of the role and to execute your responsibilities in full. It is noted that the project has an approved Full Business Case. This is appropriate given that you are supported by a highly experienced internal team who are, in turn, overseeing the work of a delivery partner with a proven track record of delivering the GHNF since March 2022 as well as a predecessor scheme to the GHNF.

You are required to undertake this role as long as you are in post as DESNZ, Director of Clean Heat Directorate. Your role as SRO will be regularly reviewed taking into account the benefits of continuity and the capability needed to lead this project through its review phases, if you are still in post at that time. 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 NISTA consent.

Objectives and performance criteria

The policy intent supported by this project is the role of heat networks in achieving the UK's net zero emissions target. Heat accounts for around a third of UK carbon emissions and almost half of the UK's energy usage. To meet the UK's net zero 2050 target and deliver future carbon budgets, it is necessary to decarbonise almost all heat. Heat networks offer a cost-effective means of delivering low-carbon heat while fostering local regeneration. The Committee on Climate Change recommends increasing their share of UK heat from 3% to 18% by 2050.

The vision of the GHNF is to incentivise heat network market transition to low carbon heat sources via targeted financial support, that will help stimulate the increased deployment of low carbon technologies at scale.

The overarching aims of the GHNF are to:

- achieve carbon savings and decreases in carbon intensity of heat supplied.
- increase the total amount of low-carbon heat use in heat networks.
- contribute towards market transformations across the investment landscape and supply chain that will better prepare the heat network sector for further decarbonisation.

The scheme was initially allocated £270m in capital funding in the March 2020 Budget. This was increased to £288m over three years in the 2021 Spending Review, which formed the capital budget at time of the scheme's launch in March 2022. In December 2023, The Treasury provided a further £530m to the Treasury to the Heat Networks Transformation Programme, of which £485m was allocated to the GHNF for the 2025/26

to 2027/28 spending period. Following capital budget re-allocations and uplift to the scheme's resource budget, the GHNF's current Whole Life Cost is £701.63m.

The scheme funds are spent under the vires of the Natural Environment and Rural Communities Act (2006) and the Local Government Act (2003). The scheme covers England only and is being delivered by a private sector delivery partner under contract to DESNZ.

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

- deliver an estimated 10.4MtCO₂ carbon savings by 2050 for net zero
- deploy an estimated 1.81TWh of low-carbon heat per year by 2030
- within the context of the Heat Network Transformation Programme, focus on contributing towards market transformations by increasing investment leveraged in the market for further deployment of low-carbon heat networks. The GHNF will aim to achieve an average of 55% + external funding leveraged by scheme closure; however, the minimum tolerance threshold for achieving this objective is 50% external funding leveraged.

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

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 project 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 project 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 revised CDEL and RDEL budget allocation for the GHNF is set out in the 2023 GHNF Full Business Case. Additional capital funding was requested as part of the 2025 Spending Review. The scheme is demand-led and therefore a higher risk of budget fluctuation is inevitable. Both CDEL and RDEL (programme and admin as determined by the group) should be managed appropriately to deliver scheme outcomes within the tolerances dictated by the scheme and HMT.

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

Delegated authority

You are authorised

- approve expenditure of £10m CDEL, £2.5m admin;
- agree project rescheduling within 12 weeks of agreed milestones, but rescheduling beyond that must be agreed with the Net Zero Building Portfolio Board; and
- recommend to the Director General, Net Zero Buildings and Industry and the DESNZ Portfolio and Investment Committee (PIC) 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 Director General, Net Zero Business and Industry and PIC.

Appointments

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

A full-time project director appointment is not required for this project. The current Project Director has confirmed a substantial and active commitment to the GHNF, which is sufficient to meet the project's delivery and oversight needs.

Governance and assurance

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

As primary owner, you must ensure that the GHNF secures business case approval from the Heat Networks Programme Board, PIC and TAP. You should also ensure that the project 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 project 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 Full 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 project 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 project, 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 and Industry 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 NISTA.

Project status, reporting and transparency requirements

The project status at the date of your appointment is reflected in the most recent quarterly return on the project to NISTA 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 project to NISTA 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 project will be published annually by NISTA.

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 office assessment completed in line with the approval of the Full Business Case and summaries of any subsequent assessments should they be required.

Development and support

As a graduate of the Major Projects Leadership Academy, you are expected to maintain your continuing professional development as a project leader, including your status as an accredited assurance reviewer. To maintain your accreditation, you will be required to participate in a review at least once every 12 months.

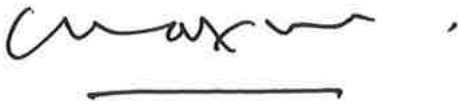
The department will assist you in securing the necessary resources to support the project, and will set clear guidance, requirements and standards, which align to the [Government Functional Standard on Project Delivery](#), to enable good governance and effective delivery. You will be part of the department's 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.

NISTA will be available to you for support, advice, and assurance throughout the project's time on the GMPP.

Following approval of the business case and entry onto the Net Zero Buildings and Industry, the Net Zero Delivery 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,



CLIVE MAXWELL

Interim Permanent Secretary, Department for
Energy Security and Net Zero



BECKY WOOD

Chief Executive Officer, National Infrastructure
and Service Transformation Authority

CONFIRMATION OF ACCEPTANCE OF APPOINTMENT

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



DAVID CAPPER

01/12/2025