Accounting Officer Assessment: Boiler Upgrade Scheme (BUS)

Scheme Project Stage: Full Business Case (FBC) for the extension of the scheme, which has been in delivery since April 2022, was approved by Project Investment Committee (PIC – now InvestCo) in November 2025 and Treasury Approval Point (TAP) in January 2026.

Introduction

This Accounting Officer Assessment considers whether the Boiler Upgrade Scheme (BUS) continues to meet the four Accounting Officer standards of regularity, propriety, value for money and feasibility, as set out in *Managing Public Money*.

The assessment supports assurance for the ongoing operation and development of the scheme, including delivery arrangements with Ofgem (and associated programme costs) and provides a clear audit trail for Parliamentary and external scrutiny.

Background and Context

The Boiler Upgrade Scheme supports the decarbonisation of domestic heating in England and Wales by providing capital grants to encourage the installation of low-carbon heating technologies, including heat pumps and biomass boilers as replacements for existing fossil fuel systems. The scheme contributes to the government's wider objectives to reduce carbon emissions in buildings and support the transition to net zero.

The scheme is delivered by Ofgem on behalf of DESNZ. DESNZ retains responsibility for policy design, funding and overall accountability, while Ofgem is responsible for day-to-day administration, including installer registration, grant processing, compliance and assurance activity.

The scheme operates under the Boiler Upgrade Scheme (England and Wales) Regulations 2022, which provide the statutory basis for grant payments and administration. BUS forms part of the Net Zero Buildings Portfolio and interlinks with other government interventions aimed at supporting low-carbon heating deployment.

The scope of this assessment relates to the Full Business Case (FBC) approvals recently obtained by the scheme via InvestCo and TAP.

Assessment Against the Accounting Officer Standards

Regularity

The Boiler Upgrade Scheme is underpinned by a clear statutory and delegated authority framework.

The scheme is established under the Boiler Upgrade Scheme (England and Wales) Regulations 2022 (SI 2022/565), which were made using powers conferred by sections 100 and 104 of the Energy Act 2008. These Regulations provide the legal basis for the Secretary of State to establish the scheme, appoint an Authority to administer it and make grant payments to installers in respect of eligible low carbon heating installations in England and Wales.

Expenditure under the scheme is consistent with Parliamentary authority and Treasury spending controls. Funding is provided within agreed departmental budgets, with delivery delegated to Ofgem under established governance and financial control arrangements. Grant payments and associated administration costs are incurred solely for the purposes set out in the Regulations and related scheme guidance.

Accounting procedure of scheme expenditure, including grant payments and programme delivery costs, is consistent with departmental and cross government accounting guidance. Where liabilities or commitments arise through delivery arrangements, these are managed in accordance with established government processes and within delegated authority.

Overall assessment: My assessment is that the regularity test is satisfied.

Propriety

The Boiler Upgrade Scheme has been subject to appropriate internal governance, assurance and approval processes throughout its development and delivery. The scheme joined the Government Major Projects Portfolio in July 2024 and reports quarterly to National Infrastructure & Service Transformation Authority.
The scheme design and delivery model have been considered through departmental governance structures, including review and approval through InvestCo and TAP prior to launch in 2022 and more recently for the extension to the scheme in 2025 (InvestCo & TAP).

The project will continue to provide information through quarterly and annual Government Major Projects Portfolio reporting and be subject to an annual assessment by NISTA. A summary of the Full Business Case will be published along with this assessment. The programme delivery model is structured to allow delivery oversight and management of risks and issues.

Overall assessment: My assessment is that the propriety test is satisfied.

Value for Money

There is a clear rationale for government intervention in the domestic heating market. Intervention is required to address market gaps, including the higher upfront costs of low carbon heating technologies and the fact that the environmental benefits of carbon abatement are not fully reflected in market prices.

The grant-based design of the scheme provides targeted support to reduce barriers to uptake while limiting public expenditure exposure. Delivery through Ofgem enables the scheme to leverage existing capability and systems, reducing duplication and administrative cost.

The scheme’s value for money case has been tested through the government’s spending and approval framework, including scrutiny by HM Treasury at the relevant approval point. This scrutiny considered the economic rationale for intervention, the appraisal of costs and benefits, affordability and the robustness of delivery and assurance arrangements, in line with *Managing Public Money*.

The scheme delivers benefits primarily through carbon abatement, with wider social and economic benefits, including support for supply chains, skills development and progress towards net zero commitments. Ongoing monitoring and evaluation supports continuous improvement and value for money over the life of the scheme.

Overall assessment: My assessment is that the value for money test is satisfied.

Feasibility

The Boiler Upgrade Scheme is well established operationally, with four years of successful delivery having already taken place. The scheme will continue to operate under the current delivery model. Ofgem has established systems and processes to administer the scheme at scale, including digital automated application, redemption and payment routes.

The delivery model has been subject to recent assurance through departmental governance and assurance processes, including scrutiny by InvestCo and TAP. This assurance activity tested the robustness of the delivery approach, the clarity of roles and responsibilities between DESNZ and Ofgem, delivery capability and the management of key operational and delivery risks.

The scheme forms part of the Department’s wider portfolio and is subject to ongoing oversight through Government Major Projects Portfolio (GMPP) reporting, providing continued visibility of delivery confidence, risks, and mitigations at a cross-government level.

DESNZ retains appropriate programme management and SRO oversight, with risks monitored through established governance arrangements. Key risks, including demand uncertainty, supply chain capacity, and consumer awareness are actively managed and kept under review.

While delivery of low carbon heating at the scale required for net zero presents ongoing challenges, the scheme is feasible within the current legislative, financial and operational framework.

Overall assessment: My assessment is that the feasibility test is satisfied.

Conclusion

As the DESNZ Accounting Officer I have considered the assessment of the Boiler Upgrade Scheme and approved it on 23 April 2026.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

The summary included in this letter will be published on the government's website (GOV.UK). Copies of this letter will be deposited in the Libraries of the House and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Signed:
Jonathan Brearley
Permanent Secretary, DESNZ