



Department for
Business, Energy
& Industrial Strategy

John Saunders

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Department for Business, Energy &
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Dear Simon,

I hope you, your family, colleagues and members are well and are managing to cope with the circumstances we find ourselves in. During these challenging times, I want to reiterate the [Secretary of State](#)'s words today and thank everyone who is working tirelessly within the heat network sector and especially for the work your association has done in stepping up to support our national response.

My team and I regularly discuss the collective work being done across industry to better understand the challenges being faced by the sector during covid-19. Given heat networks provide heating, cooling and hot water to tens of thousands of buildings across the country, including many hospitals, care homes and vulnerable people, your continued support to keep heat networks operating and providing these services is very important.

As we know, the heat network sector faces wider challenges than the gas and electricity sector, unlike gas and electricity markets, heat supply is not currently regulated – beyond basic consumer protection legislation and legislation related to accuracy of metering and billing. Therefore, the sector requires all of our joint effort in this pandemic situation.

My team is working with you and your members as appropriate to understand how to best resolve these risks:

- **Workforce and equipment shortages:**
 - A small workforce is operating and maintaining all of the 14,000 heat networks across the UK. Concerns over increased absenteeism and extra caring responsibilities are currently being managed but will need to be closely monitored.
 - As we are building our manufacturing capabilities in low carbon technologies in the UK, most products and components are currently being imported from abroad. With factories having reduced production, such disruptions require close monitoring.
- **Customers not receiving heat and hot water:**

Some customers (domestic and non-domestic) are concerned about the impact of COVID-19 and their continued access to heating and hot water supply, due to reduced availability of equipment/workforce for maintenance and the ability of customers to pay bills.
- **Heat network operator commercial viability:**

Covid-19 is having a significant impact on heat networks businesses creating additional financial pressures during this period of disruption.

The Government is acting to help businesses and households through the impacts of this coronavirus pandemic, with the Chancellor announcing a far-reaching £330bn financial package of support. Please visit our business support webpage for further information: www.businesssupport.gov.uk. We would like to hear from you if the existing measures are working – in particular the support for SMEs.



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The Government has advised that wherever possible, people should work at home and if children can stay at home, they must, to limit the chance of the virus spreading. I know that many people working in the heat network sector, and in particular around servicing and construction, are required to travel to their place of work which they can continue to do. This is consistent with the Chief Medical Officer's advice. Guidelines from [Public Health England](https://www.gov.uk/government/publications/public-health-england-guidelines) and the [Site Operating Procedures \(SOP\)](#) by the [Construction Leadership Council](#) provide best practice advice on how this can be done safely. The latest advice on "key workers" and who is eligible for childcare, can be found [here](#). The essential service provisions for heat network operations should be considered as part of "utilities".

I know this is a difficult and unprecedented time, but I wanted to reinforce that the UK is a world leader in reducing carbon emissions and we were the first country to make a legal commitment to net zero by 2050. And to meet this challenge the Government is determined to build growth and investment in low carbon heat infrastructure, and we need to find a way, working together that ensures this continues to progress in heat networks. The UK is the largest investment opportunity in the European heat network market. The Government has backed the heat network sector with over half a billion pounds of announced heat network funding, including the existing £320m Heat Network Investment Project and our newly announced £270m Green Heat Network Fund. **Together we can come out of this stronger, bolstered by this current and future support for the sector.**

I appreciate your support and welcome your regular meetings with my team to monitor the effect of COVID-19 on industry and its workforce. I also call for your expertise in tackling these challenges and encourage you to join us in leading a joint Heat Network COVID-19 response effort to,

1. Keep heat networks operational and protect consumers,
2. Safeguard jobs and grow the capability and capacity in the sector,
3. Mobilise partners, driving the pipeline and more investment into the regions, and
4. Prepare for our net zero future.

Thank you again, you are making a hugely valued and critical contribution to the resilience of the UK heat network sector, the wider economy and achieving our net zero target.

Yours sincerely,

John Saunders

Project Director, Heat Networks