



Department for Energy Security & Net Zero

Steve Race MP
House of Commons
London
SW1A 0AA

Martin McCluskey MP
**Department for Energy Security &
Net Zero**
55 Whitehall
London
SW1A 2HP

www.gov.uk

Our ref: MCB2025/13990
Your ref: SR13674

28 October 2025

Dear Steve,

Thank you for your email of 9 October regarding the Government's decision to discontinue the Public Sector Decarbonisation Scheme (PSDS). I am responding as this matter falls under my Ministerial portfolio.

I am pleased to learn that Exeter City Council, the University of Exeter, and the local NHS are successfully delivering decarbonisation projects through the PSDS, with some already completed and others underway. These initiatives are a testament to Exeter's leadership and commitment to locally lead action to reduce emissions and support the city's net zero ambitions.

While the announcement that the PSDS will not continue after March 2028 is disappointing, over £1 billion in public sector decarbonisation funding is still to be disbursed through to 2028. This funding continues to provide grants for hundreds more low carbon heating and energy efficiency projects.

To support ongoing public sector decarbonisation efforts, the Government and Great British Energy Solar Programme are investing £255 million to fund around 250 schools, around 260 NHS sites, and around 15 military sites to install solar panels across the country. The scheme could save schools, hospitals, and military sites millions on their energy bills. The money that is saved can be redirected into public services which have been hit hard by increasing energy bills in recent years.

Although there is no dedicated funding stream to replace the PSDS, officials will continue to monitor developments and provide updates as new opportunities emerge. Further details on our approach to supporting decarbonisation across the public sector will be outlined in the forthcoming Carbon Budgets and Growth Delivery Plan.

The Department is also working closely with the National Infrastructure and Service Transformation Authority to explore options to deploy private finance for decarbonising public sector buildings.

Should the Council have any further questions about these initiatives, officials would be happy to engage with project leaders to discuss the Government's decarbonisation policies.

Thank you for taking the time to write. I hope you find this response helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. McCluskey', with a long horizontal flourish extending to the left.

Martin McCluskey MP
Minister for Energy Consumers