Department for Work & Pensions

To: Andrew Thomas, Senior Responsible Owner   Date: 24 August 2017
        for the Work and Health Programme

From: Sir Robert Devereux KCB, Permanent Secretary, Department for Work and Pensions

Tony Meggs, Chief Executive, Infrastructure and Projects Authority

Appointment as Senior Responsible Owner for the Work and Health Programme

We are writing to formalise your appointment as the Senior Responsible Owner (SRO) of the Work and Health Programme, which took effect from 1 August 2016. You are directly accountable to the DWP Accounting Officer, under the oversight of the Minister of State for Disabled People, Health and Work. This is a part time role.

As SRO you are personally responsible for delivering the programme. You are held accountable for delivering its objectives and policy intent, for securing and protecting its vision, for ensuring that it is governed responsibly, reported honestly, escalated appropriately and for influencing constructively the context, culture and operating environment of the programme.

In addition to your internal accountabilities, you should also be aware that SROs are held personally accountable to Parliamentary Select Committees. You will be expected to account for, and explain, decisions and actions you have taken to deliver the programme or specific milestones within the delivery plan.

It is important to be clear that your accountability relates only to implementation. It will remain for the Minister to account for the relevant policy decisions and development.

Tenure of Position

You will be expected to remain within this role until the end of the programme, which is planned for 31st March 2018.

Objectives and Performance Criteria

As part of a real terms increase in funding to support disabled people, SR15 provided ring fenced funding for a new contracted employment programme targeted primarily at this group. Rolling out between November 2017 and March 2018, this programme should:

- **Increase the time in employment and reduce the time on benefit for people with a disability,** and in doing so reduce the disability employment rate gap

- **Provide enhanced support beyond the Jobcentre Plus offer** to some long term unemployed claimants reaching two years on out of work benefits

- **Build the evidence base** for potential future support for claimants with health conditions and disabilities by robustly testing a contracted-out payment by results approach to supporting these claimants

- **Test whether greater local involvement results in better services:** more integrated support, better outcomes, and therefore better value for money than a nationally designed and commissioned approach.

As you know, the Department is also transforming the way it delivers its business by introducing digitally-based, user-centred services to better meet customer needs and deliver increased efficiency. As SRO of the Work and Health Programme, you will need to be sighted on and aligned with Departmental Strategy and the Single Departmental plan and attend appropriate governance fora to provide assurance that the programme deliverables are aligned with DWP's strategic direction and processes.

Proposed changes to the programme scope which impact on government policy, digital transformation or benefits realisation must be authorised by the Accounting Officer, who may delegate his decision-making authority to DWP's Investment Committee (IC), and may be subject to further levels of approval. You are also responsible for recommending to the Accounting Officer or the IC the need to either pause or terminate the programme, where necessary and in a timely manner.

Programme Status

The Programme status is reflected in the latest quarterly return to the Infrastructure and Projects Authority, where the most recent assessment of deliverability was Amber. The whole life cost budget for this programme is as per the latest approved business case, and totals £534m (see Annex 2). Detailed guidance on SRO roles and responsibilities is attached at Annex 1. You should follow that guidance and also ensure that you understand the guidance "Giving Evidence to Select Committees – Guidance for Civil Servants" [1] and make yourself aware of the Infrastructure and Projects Authority (IPA) guidance on the management of major projects[2].

Extent and Limit of Accountability

HM Treasury spending controls will apply, as set out within the HMT Delegated Spending Authority letter. Where the Work and Health Programme exceeds the delegated authority set by HMT, the Treasury Approval Point process will apply and the details of each approval process must be agreed with the DWP's HMT spending team.

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[1]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364600/Osmotherly_Rules_October_2014.pdf

[2] https://www.gov.uk/government/policy-teams/major-projects-authority

You should note in particular that where expenditure is considered novel, contentious, repercussive or likely to result in costs to other parts of the public sector, HMT approval will be required regardless of whether the project exceeds the delegated authority set by HMT.

You should ensure that you operate at all times within the rules set out in Managing Public Money.[3]

In addition you must be mindful of and act in accordance with the specific Treasury Delegated limits and Cabinet Office controls relevant to projects. Information on these controls can be found here.[4]

Major Projects Leadership Academy (MPLA)

As the SRO of a Government Major Projects Portfolio programme, you are required to attend the Major Projects Leadership Academy (MPLA), and we note that you are currently on the waiting list to attend.

Following graduation from the MPLA, we will both expect and support you to continue your on-going professional development, and will encourage you to take an active part in MPLA alumni activities. On graduating, you will also become a recognised, accredited IPA reviewer and as such will be expected to lead or participate in such reviews for other Government Departments, the wider public sector and other areas of the Department for Work and Pensions as appropriate.

You will be required to participate in such reviews at least once every 12 months to maintain your accreditation.

We would like to take this opportunity to wish you success in your role as SRO for the Work and Health Programme.

Yours sincerely,

Robert Devereux   Tony Meggs
Permanent Secretary   Chief Executive
Department for Work and Pensions   Infrastructure and Projects Authority

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[3] https://www.gov.uk/government/publications/managing-public-money
[4] https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40

I confirm that I accept the appointment including my personal accountability for implementation of the programme detailed in the letter above.

Name of SRO:

Signature of SRO:

Date:

Senior Responsible Owner Role and Accountabilities

The role of the SRO

You are personally accountable for ensuring the on-going delivery of the Work and Health Programme. You are responsible for ensuring that the related implementation and transition activities will deliver the agreed objectives and benefits. You will be personally accountable to the Parliamentary Select Committees and be expected to explain the decisions and actions you have taken. This could include where a Minister has intervened to change the project during the implementation phase in a way which has implications for the cost and/or timeline of implementation. You will be able to disclose your advice about any such changes.

You must ensure the effectiveness of the governance, assurance and project management arrangements and maintain them through the life of the programme. You should adopt best practice and be prepared to justify any deviation from it, in line with guidance published by the Cabinet Office.

An SRO will:

- Be a visible, engaged and active programme leader, not a figurehead;
- Ensure that the agreed outcomes and benefits are deliverable;
- Create an open, honest and positive culture committed to delivering at pace;
- Challenge senior officers and Ministers when appropriate and escalate quickly;
- Provide appropriate support, steer and strategic focus to the Programme Director and ensure that they have a clear and current letter of appointment; and
- Have sufficient time, experience and the right skills to carry the full responsibilities of the role.

Specific SRO accountabilities

Ensure the programme is set up for success

- Ensure that the programme is set-up to make an unambiguous and demonstrable link to strategic policy;
- Translate the policy intent into clear deliverables which are established and agreed with senior stakeholders;
- Carry out robust and commercially viable options appraisal, which balances the risk with opportunity, as part of initial programme feasibility;
- Establish a firm business case for the programme during the initiation/definition phase and ensure that any planned changes continue to be aligned with the business;
- Identify and secure the necessary investment for the business case (this includes both budget and operational resource);

- Design and implement robust, appropriate and transparent programme governance; build strong and effective relationships with key stakeholders, justifying their trust and retaining their confidence, and obtain commitment to benefits realisation.

Ensure that the programme meets its objectives and that the projected benefits are deliverable

- Gain agreement to the programme objectives and benefits amongst stakeholders, including Ministers where appropriate;
- Understand the broader government perspective and its impact on the programme;
- Ensure the strategic fit of the programme's objectives and benefits, taking appropriate action where necessary to ensure their successful delivery.

Develop the programme organisation and plan

- Ensure that there is a coherent organisation structure and appropriately detailed programme plan;
- Build the right team, securing necessary resources and skills and providing clear lines of accountability;
- Provide appropriate support, steer and strategic focus to the Programme Director.

Monitor and take control of progress

- Monitor and control the progress of the programme at a strategic level, being honest and frank about programme progress, risk and issues;
- Ensure that any changes to agreed programme benefits are flagged appropriately within programme governance and that the business case is updated accordingly (throughout the programme life-cycle);
- Ensure that the integrity of the programme is maintained and speak truth to power – including to Parliamentary Select Committees;
- Communicate effectively with senior stakeholders regarding progress and provide clear, appropriate and delivery-focused decisions and advice to the Programme Director.

Ensure problem resolution and referral processes are appropriate and effective

- Identify, understand and drive the successful mitigation of programme risks;
- Escalate serious issues quickly and with confidence to senior management and/or Ministers;
- Develop strong and effective engagement between programme teams and their stakeholders and sponsors;
- Ensure the communication processes are effective and that the programme's objectives and deliverables continue to be consistent with the organisation's strategic direction.

<u>Ensure that the programme is subject to review at appropriate stages</u>

- Recognise the value of robust programme review and ensure it occurs at key points in the programme lifecycle, particularly at the pre-initiation (feasibility) and initiation stages;
- Make certain that any recommendations or concerns from reviews are met or addressed in a timely manner;
- In the event of a "red" or "amber-red" review or "amber" quarterly GMPP review rating, you should ensure that the Permanent Secretary has been made aware of the situation and briefed accordingly.

<u>Manage formal programme closure</u>

- Formally close the programme and ensure that lessons learned are documented with the final evaluation report and disseminated to stakeholders;
- Ensure that plans are in place for a post implementation review and that these have been agreed with the relevant stakeholders;
- Ensure a plan for both long term benefits realisation and on-going sustainability is agreed with key stakeholders as part of the process of moving to business as usual.

Programme Budget

The latest planning allocation assumptions are:-

2017/18 budget (£m)	Whole Life Cost (£m)
38.4	534.0

The Programme's SR15 allocation[5] is as follows:

Category	2016/17	2017/18	2018/19	2019/20	2020/25	Total
	£m					
Investment	3.5	6.3	0.4	0.4	0.0	10.6
Consequence	0.0	32.1	57.5	96.0	337.8	523.4
Total	3.5	38.4	57.9	96.4	337.8	534.0

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[5] Based on the 22/5/2017 total RAM allocation and Financial Forecasts for 2020/2025