



Department
for Education



Infrastructure
and Projects
Authority

Department for Education
Sanctuary Buildings
Great Smith Street
London SW1P 3BT
Tel: 0370 000 2288
www.gov.uk/df
Email enquiry form:
www.education.gov.uk/contactus/df

26 October 2020

Dear Bernice

Appointment as SRO for the Student Loans Company Evolve Programme

This letter confirms your appointment as Senior Responsible Owner (SRO) for the Student Loans Company Evolve Programme (SLC Evolve). It sets out your responsibilities, and the support you have the right to expect from the department.

The appointment is made with effect from Sept 2020. In this role, you are directly accountable to your CEO, with oversight from your senior DfE Sponsor.

Thank you for taking on this important role – you have my full support in executing your responsibilities and in drawing on the support and resources of the department as set out in this letter.

You should be aware that SROs of projects on the Government Major Projects Portfolio (GMPP) will now be held personally accountable to, and could be called to attend Parliamentary Select Committees. You will be expected to account for and explain the decisions and actions you have taken to deliver the project (or specific milestones).

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.

You should familiarise yourself with guidance on “[Giving Evidence to Select Committees – Guidance for Civil Servants](#)” and with the Infrastructure & Projects Authority (IPA) guidance on [management of major projects](#).

A signed copy of this letter will be published on the DfE website. This is a requirement of all projects that are part of the GMPP.

Summary of responsibilities

As SRO you have personal accountability for delivery of the SLC Evolve Programme. You are responsible for:

- setting the long-term vision for the project;
- the delivery of agreed objectives and policy intent over the lifetime of the project (see below);
- putting in place effective management for the project to ensure work is appropriately defined, planned, monitored and controlled, and quality managed to maximise success;
- ensuring that a business case is developed and updated throughout the project lifecycle;
- presenting all iterations of the project's business case at Investment Committee (if it meets committee thresholds) to seek departmental approval;
- identifying and securing the necessary approvals for the project internally and externally, for example HM Treasury (HMT) clearance and Cabinet Office (CO) controls;
- managing the resources allocated to the project and ensuring they are equipped with skills and expertise for successful delivery;
- realising the benefits of the project as outlined in the agreed business case;
- putting in place effective governance for the project;
- understanding how risk is managed in the department (the risk management framework, which we have supplied you with separately, sets this out), setting up and embedding processes to identify and escalate risks and issues in your area, and actively managing risks where you are the owner; and
- influencing the context, culture and operating environment of the project so as to maximise its chances of success.

Executing your SRO role

As SRO you are expected to remain in position for the lifetime the project (delivery is currently planned for end of 2022 with benefits continuing through to the end of 2024) or until a suitable intermediate phase in the project has been completed. You should make sure that you have appropriate knowledge management arrangements in place and could manage an orderly handover to a new SRO if required.

This role will require approximately 60% of your time per month.

Before signing this letter, you should have established in discussion with your CEO how managing your SRO responsibilities is going to be feasible alongside your other responsibilities. You will be expected to carry out this role alongside your other responsibilities and are responsible for making sure that you allocate sufficient time to the effective delivery of your SRO role and responsibilities.

If you find that you are not able to allocate sufficient time and attention to your role, you should escalate the issue to your DfE Senior Sponsor (Sinead O'Sullivan) and your CEO in the first instance, and in doing that you have the right to expect the issue to be resolved

satisfactorily. If that is not possible, you should escalate, and have the right to require resolution of, the issue through the organisation's formal governance structures.

Support for you in your role

I am fully committed to making sure that you, as Evolve SRO, have access to the expert advice and support from corporate services in DfE to help ensure that the CEO as Accounting Officer can be assured that adequate arrangements are in place in SLC to execute your responsibilities. As SRO of a major project, I will invite you to a quarterly meeting with all the major project SROs where we can discuss common concerns and issues.

Sinead O'Sullivan (Director, CLASS, DfE) is your senior sponsor for this project. In that role you can expect her to offer you support, advice and oversight on my behalf. This should include help with escalating unresolved risks and issues to the DfE Leadership Team where necessary, dealing with strategic blockers to delivery, and supporting you in obtaining the resources and support you need to execute your SRO responsibilities.

As part of the major projects portfolio, you will have access to:

- support and expert advice from DfE's corporate functions including finance, commercial, transformation, digital, project delivery and analysis. Where the requirement is significant, you should request the nomination of a named, accountable individual who will provide the required services and support
- help to bring in essential external expert support and services if the organisation is not able to meet the need internally
- support from your Portfolio Lead in the Major Projects Directorate
- a growing network of delivery and programme specialists to act as contacts, mentors or sources of assurance at critical stages of the project
- the [Project Delivery Capability Framework](#) which describes the job roles, capabilities and learning for all Government Project Delivery Professionals across government
- the right to be involved in decisions in the department that may affect your ability to deliver

Objectives and Performance Criteria

The Evolve programme is part of the long term strategy to enhance ways of working within SLC. The strategy has 5 key objectives: An Outstanding Customer Experience; An Enabler of Opportunity; Leaner, Better, Doing more for less; A Great place to work; Trusted delivery partner.

The Evolve portfolio contains the following 7 programmes:

- Customer Engagement Management -Transforming the operations of the organisation by: focusing on the delivery of an outstanding customer experience through digital technologies; implementing workforce planning and productivity tools; changing the shape, size and skills of the customer facing workforce;

- Data - The quality of the customer service we deliver and the delivery of repayment yield and loan sales depends on good quality data. The data programme embeds data governance, quality and fraud checking into all processes such that it can be measured and remediated;
- Apps & Portals - Stabilising, simplifying and consolidating SLC's legacy applications and portals; Policy Commissioning and Product Simplification;
- Policy Commissioning - aims to ensure that SLC can bring operational impact influence on policy design and to bring requirements earlier in the change cycle. Product Simplification aims to identify and implement ways to simplify the products that SLC services;
- Accelerated Service Improvement - A programme of work made up of two initiatives; Robotic Process Automation (RPA) and LEAN which aim to streamline and automate processes using a continuous improvement method;
- People - Aligning the future of the workforce to the changes that Evolve introduces. Redesigning pay and grading and reward for the same purpose;
- Working Practices Transformation - Review the way that SLC delivers technology change. This will cut across many teams at SLC and will change the way SLC engage with partners who perform much of SLC's software delivery activity such that they take on a higher level of risk themselves in outcome based contracts.

The project started in October 2019 and has a current delivery completion date of October 2022. Since the commencement of the programme SLC has consumed £53.8m of the lifecycle funding, building the foundations for the transformation. Whilst doing so, benefits of £1.4m cashable and 51.8m HMT cashable benefit have been delivered as well as some key foundation projects that lay the ground for future work and outcomes. The full lifecycle benefits quantified for Evolve are £377.3m, this is £127.3m DfE/SLC Cashable, £158.9m HMT Cashable and £91m HMT non-cashable.

There are a range of projects which contribute towards this total benefit profile which you, as SRO, will be held to account for by SLC management, DfE and HM Treasury. The four most significant cashable benefit areas include:

a) **Operational Efficiency**

This will be achieved through a headcount reduction 580 FTE by 2024-25, delivering cash releasing benefits of £35.8m. These benefits have been quality assured through activity analysis performed by PWC, These benefits are scheduled to be delivered from 20-21 onwards and received ongoing oversight from the Government Evolve Programme Board. To support oversight the Evolve Management Office will work closely with SLC project managers to provide running monthly forecasts.

b) **Improved Yield of £29.6m**

This benefit will be delivered through SLC delivering a reduction in the number of unverified borrowers, resulting in a cash releasing benefit of £29.6m. These benefits have been calculated based on achieving an increase in the number of unverified accounts each year and will be monitored through project governance, as well as

the SLC's overall APRA performance measure which targets keeping verified customers above 89.5%.

c) Increased Direct Collections

Which will be achieved by increasing the volume of direct collections from customers who are overseas and do not make repayment contributions via salary deductions using HMRC tax system. It is expected that these benefits will be achieved through the collection of the following sums in each of the next four financial years:

Financial year	Customers	£ (million)
2020 to 2021	6744	4.9
2021 to 2022	2638	1.9
2022 to 2023	2699	1.9
2023 to 2024	833	0.6
Total	12914	9.3

d) Reduction in Fraud

Which will deliver cash releasing benefits to HMT of £67.2m over the duration of the programme lifecycle. The baseline current volumes and values that have been prevented across the high risk areas in previous years (7000 cases and prevented payments of £22m in FY19/20)

The Evolve programme has numerous project level milestones which will need to be delivered in order release the benefits stated above. Some of these, most notably the Online Repayments Service, and Digital Evidence Upload projects, have already delivered, and making a difference to the way users engage with the student finance system. Of those milestones which are yet to come, we would expect particularly close attention to be paid to delivery of the Customer Engagement Management Project – which is due to launch a public beta in early 2021, and will unlock so many of the improvements to user experience that SLC want to achieve. Key delivery milestones during the lifetime of the programme include:

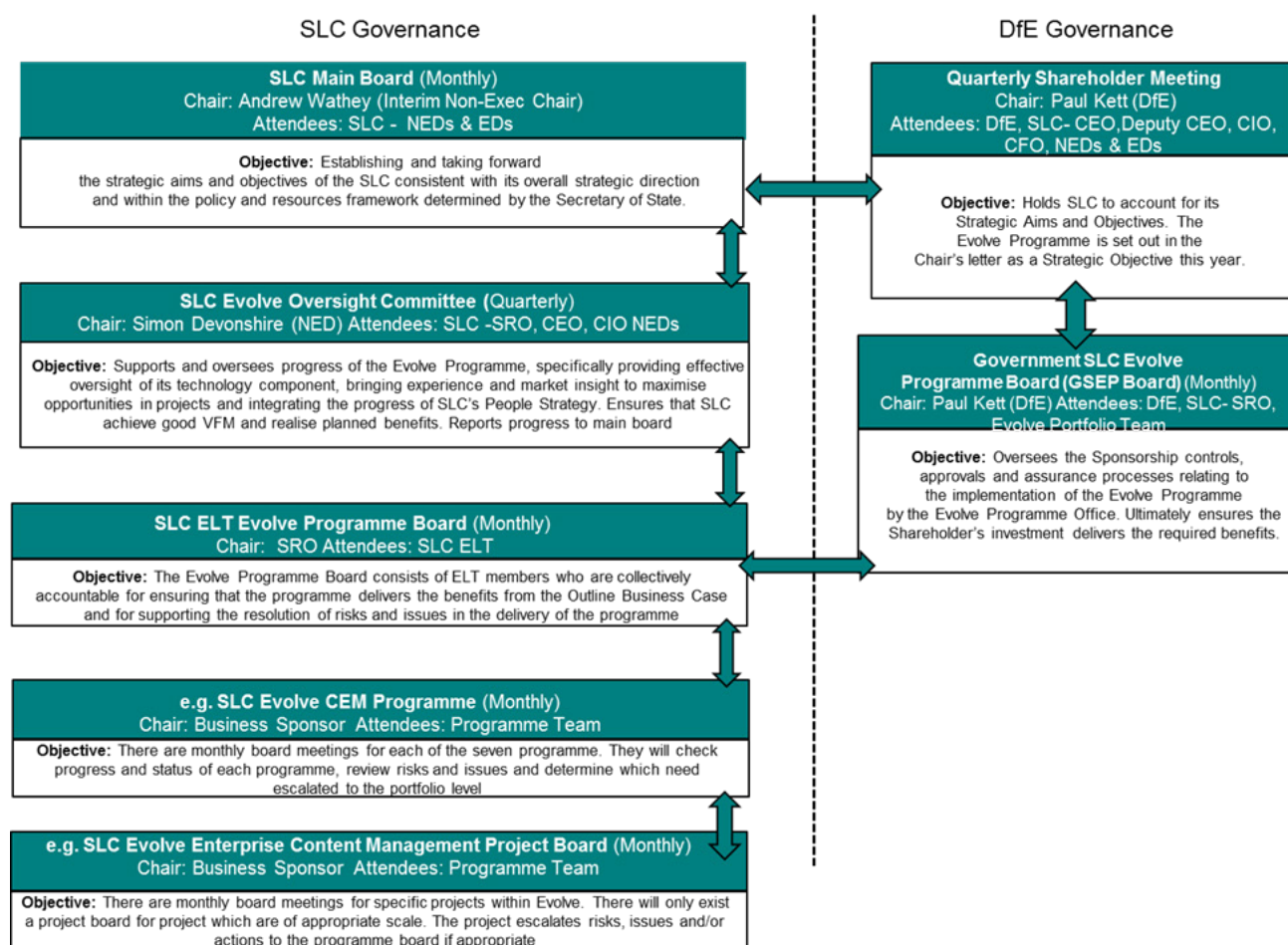
- Launch of an on-line repayment service (ORS) by July 2020
- Launch of the Customer Engagement Management Project (Phase 1) in Spring 2021, and launch of Phase 2 in Autumn 2021.
- Completion of the portal stabilisation project by the end of calendar year 2020.
- Redesign of the higher education provider, student sponsor and disabled student service redesign by the end of 2021.
- Implementation of a new collections and areas system by the end of 2022.

- A redesigned policy commissioning process, to be in place in advance of Academic year 2021/22, with simplifications of existing policy to be made by the Department and the Devolved Administrations, wherever possible and practical to do so.
- A clear strategy of the impact to the workforce as a result of the Evolve changes. These changes will commence in 21-22 and continue through to the end of the benefits cycle in 2024.

Over the lifetime of the programme we expect £115m cashable benefits to be delivered, and a further £119m of benefits which will flow back to the Exchequer through increased repayment yields and a reduction in fraud. We also expect non-cashable benefits of £91m to be delivered, primarily through improvements in the Company’s ability to defend itself against cyber security threats.

The Government Evolve Programme Board provided DfE and Shareholder governance over the programme. The Committee meet monthly and track the plans and progression of the Transformation Programme, whilst providing a point of escalation and a de-blocking mechanism where appropriate.

The SLC Board Transformation Committee will consist of members of SLC’s main board, the SRO for the Transformation Programme, SLC’s Executive Leadership team and the Transformation Programme Director. They will keep a close track on progress of the programme, will pay particular attention to the benefits realisation plan and will provide a point of escalation for risks and issues.



Proposed changes to the project scope which would affect the policy intent or benefits realisation must be authorised by your CEO.

The objectives and vision of the project should be regularly reviewed and also agreed with your CEO.

Financial, Commercial and Project Delivery authority

Your financial and commercial delegated authority are provided to you from your CEO set out separately from this letter. You may have been delegated financial and commercial authority and so be authorised to approve expenditure up to your allocated budget as set out in the department's budget allocations. You are responsible for seeking authority from relevant budget holders for spend on this project, where it is in excess of your own delegated financial authority. The whole life cost for the SLC Evolve Programme is: £142.7m (including £18.5m of already agreed funding) over the next five years.

You are also responsible for recommending to your Senior Sponsor and the SLC Programme Board the need to either pause or terminate the project where necessary and in a timely manner.

You should operate at all times within the rules set out in [Managing Public Money](#). HMT spending controls including any [CO spending controls](#) will apply on the basis set out within the [department's delegated authority letter](#). Where the project exceeds the departmental delegated authority limits set by HMT and/or regardless of the value if it is novel, contentious, repercussive or likely to result in costs to other parts of the public sector, the Treasury Approval Point process will apply.

All cases that need Principal Accounting Officer and HMT formal approval will first need to be referred to your sponsor team in DfE, who will who in turn will involve Central Strategic Finance for final consideration and clearance and including liaison and clearing approval with HMT spending team.

Where issues arise which you are unable to resolve, you are responsible for escalating these issues to your CEO and then your Senior Sponsor and / or SLC Programme Board. When you do that, you have the right to expect the issue to be resolved satisfactorily. If not you should continue escalating it through the organisation's governance structures until you are satisfied it has been resolved.

Governance

The department's governance structure is there to support you if you have a risk, delivery or performance issue that cannot be managed within your directorate, or that would benefit from further assurance.

The project(s) detailed in this letter is/ are part of the DfE major projects portfolio and will have oversight from the Performance and Risk Committee (PRC). PRC is responsible, on behalf of DfE Leadership Team, for regular oversight of the department's top tier risks and major projects and programmes.

Your portfolio lead, can advise and support you in working with the appropriate committees including specialist advice from the risk team on escalating risks to the department's top tier risk register. When you do that, you have the right to expect a joint conversation about how the organisation can support you to reduce or mitigate the escalated risk.

Assurance

You will be required to undertake internal and external assurance reviews which are an essential part of successful project delivery. The reviews are often required for formal [HMT approvals](#) or business case approval points and they also provide support and constructive challenge to SROs. Further advice and support on assuring your project is available through your Portfolio Lead.

You are responsible for making sure that you are appropriately skilled and able to execute the functions outlined in this letter. If you need additional support or training, please contact your Portfolio Lead in the first instance.

Major Projects Leadership Academy (MPLA)

As SRO of a GMPP project, you will be required to enrol on the MPLA, you are planning to apply for an MPLA cohort starting in 2021.


To widen experience and understanding of the role, MPLA graduates are expected to become accredited major project reviewers and to lead or participate in such reviews for other government departments, the wider public sector or other areas of the department. You will be required to participate in such reviews at least once every 12 months to maintain your accreditation.

I would like to take this opportunity to wish you success in your role as SRO.

Yours sincerely



Susan Acland-Hood, Permanent Secretary, Department for Education



Nick Smallwood, Chief Executive, Infrastructure and Projects Authority

I confirm that I accept the appointment including my personal accountability for implementation of the SLC Evolve Programme as detailed in the letter above.

Bernice McNaught

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21.10.2020