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of Health &
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18th December 2020

To: Natalie Forrest Senior Responsible Owner (SRO) for
the **New Hospital Programme**

From: **Chris Wormald**, Permanent Secretary and

Nick Smallwood Chief Executive, IPA

Subject: Appointment as Senior Responsible Owner (SRO) for the New Hospital Programme

Further to our discussion we are writing to confirm your appointment as Senior Responsible Owner (SRO) of the Health Infrastructure Programme with effect from 1 January 2021, directly accountable to David Williams, Second Permanent Secretary under the oversight of the Secretary of State for Health and Social Care.

This will be a full-time role.

As SRO you have personal responsibility for delivery of the strategic priorities of the New Hospital Programme and will be held accountable for the delivery of its objectives and policy intent; for securing and protecting its vision, for ensuring it is governed responsibly, reported honestly, escalated appropriately and for influencing constructively the context, culture and operating environment of the project.

Like all civil servants, you remain accountable to Ministers, as set out in the Civil Service Code, and should deliver the project in accordance with the objectives and policy intent as set by Ministers.

In addition to your internal accountabilities, SROs are personally accountable to 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). In your case this means that from the date of signature of this letter you will be held personally accountable and could be called by Select Committees to account for delivery of the Health Infrastructure Programme.

More information on this is set out in [Giving Evidence to Select Committees – Guidance for Civil Servants](#), sometimes known as the Osmotherly Rules. Detailed SRO roles and responsibilities are detailed in the IPA's guidance on [the role of the Senior Responsible Owner](#). It is important to be clear that your accountability to Parliament relates only to implementation, within the terms agreed in this letter. It will remain for the Minister to account for the relevant policy decisions and development.

Tenure of position

You are required to undertake this role until 31 December 2022, the term of your secondment to the Department of Health and Social Care. Progress towards this will be reflected in your personal objectives. The role will be subject to substantive recruitment before the end of this period.

As it is vital to ensure that the appropriate succession planning is undertaken with the interim Programme leadership, and such you should agree a succession plan with David Williams and share with the IPA Review Team appointed for the Programme by March 2022.

Objectives and Performance Criteria

The strategic policy intent supported by this programme was first published in the Government's Health Infrastructure Plan (HIP) on 26 September 2019, which references the new-hospital commitment, further developed under the 2019 Government Manifesto and with detail on clarity around scope, timescales and funding provided in the Prime Minister announcement of 2 October 2020.

This programme formalises government plans to transform the delivery of NHS healthcare infrastructure to provide world-leading experiences for as many patients and staff as possible, to meet the changing needs and rising demand the NHS is going to face in the 2030s and beyond.

The objectives and key strategic priorities of the programme are to:

- Reduce the time and cost of building NHS Infrastructure – specifically with a portfolio of 48 new hospitals delivered by 2030
- Build national capability in planning and delivery of Healthcare Infrastructure
- Create an infrastructure ecosystem that owns, learns from and improves healthcare design iteratively – specifically through centralised standards with limited scope for variation, centralised design, modelling, and assumptions, with repeatable learning and efficiencies applied to the pipeline of hospital builds in the programme
- Deliver a centralised procurement strategy
- Ensure a programmatic approach to phase building projects in the optimal way
- Build trust in the programme – its' products and ways of working - amongst key stakeholders

Proposed changes to the project scope and/or strategic priorities that impact on intent or benefits realisation must be authorised by the Programme Board, and may be subject to a further levels of Government approval.

As set out in the Prime Minister announcement (reference above); the funding envelope and timing of release has been confirmed as a total £3.7bn of Capital DEL for financial years 2021/22 to 2024/25, phased as set out in Spending Review 2020.

The funding requirements beyond 2025 through to 2030 are currently indicative, to be agreed at future fiscal events and determined by greater certainty on costs driven in part by the impact of the “standardisation” and uniformity of clinical planning during the planning phase, which will impact on both individual hospital design and funding requirements.

As SRO, your personal objectives and performance criteria are:

To develop, maintain and communicate the vision of the programme to all key stakeholders, particularly the Trusts, who will manage assets for their lifetime. You are to ensure, through leading and guiding the programme, that it delivers capability through the achievement of strategic outcomes and the realization of benefits in line with approved business cases.

You are responsible for the establishment of the national programme; within the first 12-months you will be required to increase national capacity and capability, and ensure the delivery of a standardised design, clinical modelling, and planning assumptions to facilitate efficiencies and embed ways of working to drive longer-term success.

You are responsible for securing the resources necessary for the success of the Programme and ensuring related implementation and transition activities realise the agreed objectives and benefits. The stakeholder landscape in the NHS is hugely complex and this role will also require you to lead and oversee a dramatic shift from previous ways of hospital building, which were done relatively independently of each other, working in partnership with NHS Trusts to develop a unified approach to hospital building.

You must ensure the effectiveness of the governance, assurance and project management arrangements and maintain them throughout 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 IPA. This must include:

- Appointing, chairing and setting priorities for the Programme Board.
- Supporting the Minister for Health to set priorities for the Oversight Committee
- Ensuring the effectiveness and performance of the programme.
- Ensuring appropriate assurance is in place including the commissioning of assurance and audit reviews.

Additionally, you are expected to ensure value for money of the programme, both by bearing down on costs and improving benefits, where possible. This assessment of value for money should take into account both upfront investment cost and the whole life cost of the new hospitals being delivered.

As SRO, you are expected to run your project in accordance with the [Government Functional Standard for Project Delivery](#). Further detail on your role and responsibilities as SRO are set out in [IPA guidance on the role of the senior responsible owner](#), and you are expected to follow that guidance, and other IPA guidance on the management of major projects

You will be supported in your role as SRO by two programme directors and a programme management office. You should agree respective accountabilities and responsibilities with your programme directors and set these out in letters of appointment, which should be reviewed at least annually or if there are significant changes to the programme.

Extent and limit of accountability

You will be personally accountable to 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.

Other accountabilities include:

(1) Finance and Controls

HMT spending controls will apply on the basis set out within your department's delegated authority letter. Where the 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 your HMT spending team. You should consult departmental finance colleagues on how to go about this.

You should also note 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 programme expenditure exceeds the delegated authority set by HMT. If in doubt about whether approval is required you should, in the first instance, consult departmental finance colleagues before raising with the Health HMT spending team.

The overall budget for the projects is £3.7bn Capital DEL over the next 4-years, phased per the Spending Review 2020 publication. An immediate priority will be to agree your staffing and project team budget for the 2021-22 financial-year, and any recharging arrangements where applicable.

You should operate at all times within the rules set out in [Managing Public Money](#). In addition, you must be mindful of, and act in accordance with, the specific Treasury delegated limits and Cabinet Office controls relevant to the New Hospital Programme. Information on these controls can be found here: [Cabinet Office controls](#)

(2) Delegated departmental/project authority

- You are authorised to approve expenditure associated with the direct running of the Programme in line with the Standing Financial Instructions of the Department of Health and Social Care.
- In relation to individual scheme business cases, as SRO you will make formal recommendations to the Programme Investment Committee in line with agreed governance and departmental delegations as set by HM-Treasury (per above).

- You are authorised to agree project rescheduling within the financial profile agreed with HM-Treasury at Spending Review 2020 (or subsequent fiscal event(s) should this supersede the SR20 agreement).
- Where rescheduling is driven by individual schemes exceeding agreed business case tolerances agreed via HM-Treasury approval, this would require agreement by both the Programme Board and HM-Treasury in line with departmental delegations.
- You are also responsible for recommending to David Williams and the Programme Oversight Committee the need to either pause or terminate the programme where necessary and in a timely manner.

Where issues arise which you are unable to resolve, you are responsible for escalating these issues to the Departmental Accounting Officer and Board member David Williams.

Project Status

The Project Status at the date of your appointment is Amber/Red as reflected in the most recent quarterly return on the programme to the Infrastructure and Projects Authority; a Gateway 0 Review. This is the agreed position as you assume formal ownership of the programme.

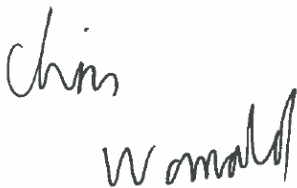
Major Projects Leadership Academy (MPLA)

As SRO of a GMPP project, you will be required to enrol on the MPLA. You will be contacted shortly by a member of the IPA Leadership and Capabilities team to discuss your application.

To widen experience and understanding of the role, SROs 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 of Health and Social Care 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.

Yours sincerely,



Permanent Secretary

Department of Health and Social Care



Chief Executive Officer

Infrastructure and Projects Authority