



Department  
for Transport



Infrastructure  
and Projects  
Authority

**From the Permanent Secretary**

Department for Transport  
33 Horseferry Road  
London  
SW1P 4DR

**From the Chief Executive**

Infrastructure and Projects Authority  
1 Horse Guards Road  
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SW1A 2HQ

14 April 2022

To: Philip Luxford

**Appointment as Senior Responsible Owner for the East Coast Digital Railway Programme**

We are pleased to confirm your appointment as Senior Responsible Owner (SRO) of the East Coast Digital Railway Programme (“the programme”) with effect from March 2020, directly accountable to the Permanent Secretary and the Department for Transport Board, under the oversight of the Secretary of State for Transport. This role will require 30% proportion of your time. During the next 12 months, it will be expected to increase further reflecting the needs of the project as we move forward with the Full Business Case and pivot to delivery at scale.

This will be combined with your wider management and leadership responsibilities within the Department and other responsibilities as SRO of the programme.

Regular conversations with your Permanent Secretary and Director General will take place to ensure an appropriate balance is maintained across your portfolio of activities and that you receive support as needed to carry out your responsibilities. This will take place as a minimum annually but may be more frequently with agreement.

As SRO you have responsibility for delivery of the programme and securing appropriate internal resources to manage these activities. This includes:

- objectives and policy intent;
- securing and protecting its vision;
- ensuring that it is governed responsibly, reported honestly, escalated appropriately;
- identifying and managing risks and issues, as well as coordinating prevention and mitigation where appropriate;
- leading on resolving integration issues that interact with your programme;
- identification, quantification and management of the agreed project benefits, as well as successful delivery of any benefits due to be realised during the life of the project. You will also ensure that a plan, with appropriate budget and resources, for the ongoing management and realisation of benefits is in place for after project closure; and
- ensuring a plan is in place for the closure of the project at the appropriate time. This should include transfer of Business As Usual activities to the East Coast, Rail Infrastructure North Team including the capture and dissemination of appropriate lessons.

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.

Where you are asked to undertake a course of action by Ministers which is contrary to your own or others' professional advice and puts outcomes or value for money at risk, you should – if you judge it necessary – discuss with the principal accounting officer what escalation is appropriate. In circumstances where the action may be inconsistent with [Managing Public Money \(MPM\)](#), this may include consideration of whether Ministerial direction is required.

In addition to your internal responsibilities, you should also be aware that SROs are accountable to Parliamentary Select Committees. More information on this is set out in [Giving Evidence to Select Committees – Guidance for Civil Servants](#), sometimes known as the Osmotherly Rules. 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.

Detailed SRO roles, responsibilities and guidance are listed under **Annex A**.

### **Tenure of Position**

We expect you to undertake this role at least until the programme's FBC is submitted, expected in Q1 2022.

It is important that you support your line manager in the development of a succession plan at the appropriate time. This will then need to be agreed with the Director General, Rail Strategy and Services Group and the Department for Transport Board, under the oversight of the Secretary of State.

### **Objectives and Success Criteria of the East Coast Digital Programme**

The policy intent supported by this programme is to deliver digital signalling on the East Coast Mainline South (ECML S). Two-thirds of signalling assets are life expired and in need of renewal. Concomitantly, 80% of passenger trains running on ECML S are already ETCS compliant. This alignment presents an ideal opportunity to transition from conventional to digital signalling. The £350 million authorised at the OBC stage (including £12m from Network Rail) will allow the following essential activities to take place:

- Remaining passenger fleet fitment
- Remaining freight fleet fitment
- Freight and passenger operator activities to achieve operational readiness
- Design an Integrated Industry Programme, resulting in an FBC submission

Proposed changes to the programme scope which impact on this intent or benefits realisation must be authorised by DfT's East Coast Route Industry Steering Board and the joint Network Portfolio Board and may be subject to further levels of approval.

- The objectives and vision of the programme are: Improve performance on the ECML route, through a reduction in initial and reactionary delay;
- To renew signalling assets using a lowest life cost approach, to reduce long term industry wide costs;
- Improve asset sustainability by utilising digital technology to achieve lower whole life costs;
- To provide capacity for demand growth without a subsequent performance risk;
- Preserve and enhance safety for passengers and workers;
- To unlock wider socio-economic benefits and support Government's Industrial Strategy.

The objectives and vision of the programme to deliver the following outputs:

- Asset Sustainability (Lower Whole Life Costs) - Digital Train Control offers the opportunity to reduce trackside equipment and required maintenance to provide a lower whole life cost solution than conventional signalling increasing asset sustainability over the medium to long-term. The cost of rolling stock fitment is offset by the substantial reduction in cost of Command Control & Signalling infrastructure renewals in the long term.
- Performance - ETCS in-cab signalling offers real-time communication and supervision between trains and infrastructure improving driving consistency and optimise the capacity utilisation of the railway. The efficiency gains are translated into more reliable journeys in a better performing railway that is able to recover faster during times of disruption.
- Capacity - ETCS has the potential to increase the underlying system capacity by reducing headways allowing trains to run closer together. While the scheme will not directly result in increased service frequency it will help to mitigate future performance dis-benefits from any future increase in service frequency.
- Safety Automatic Train Protection (ATP) - functionality delivered by ETCS - provides continuous supervision reducing the minor residual risk of SPADs leading to train collisions derailment and overspeeding events. Moreover, digital control systems reduced trackside equipment and new technology introduces new ways of working further reducing the safety risks to track workers.
- Wider Benefits - The Programme supports the development digital technologies that can drive increase workforce productivity economic growth and investment into the UK. Moreover the scheme supports the development of a world-class industry capable of exporting globally providing learning opportunities and creating the conditions for new high-skilled jobs and apprenticeships in the UK and a strengthened supply chain.

As SRO, you are expected to run your project in accordance with the [Government Functional Standard for Project Delivery](#).

## **Financial Accountability**

### 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.

Further information on finance and controls is provided under **Annex B**.

The overall budget for the projects is £350 million excluding VAT.

The annual spend of DfT funding is forecasted as follows:

- 2019/20 is £0m
- 2020/21 is £22.3m
- 2012/22 is £40.3m
- 2022/2023 is £97.8m
- 2023/24 is £122.2m
- 2024/25 is £55.4m
- £12m Approved - repurposed Network Rail Eastern Region Funding

Total is £350 million

### Delegated Departmental/Project Authority

- Your authorised expenditure is set out in your delegation letter.
- You are authorised to agree project rescheduling, provided you are satisfied that the expenditure can be accommodated under the annual expenditure limit, as agreed with Treasury for control Period 6 in which the rescheduled expenditure would now fall. Rescheduling beyond this must be agreed with Director General, Rail Strategy and Services Group, the Accounting Officer and the Department for Transport Board, and may depending on circumstances require wider cross-government agreement.
- Where issues arise which you are unable to resolve, you are responsible for escalating these issues to the Rail Strategy and Services Group, the Accounting Officer and the Department for Transport Board.
- You are also responsible for recommending to Rail Strategy and Services Group, the Accounting Officer and the Department for Transport Board the need to either pause or terminate the programme where necessary and in a timely manner. Again, this may require in certain cases wider cross-government agreement.

### **Professional Development and Wider Support**

It is important that you have the appropriate professional skills and are committed to advancing your own professional development. This includes maintaining and sharing your knowledge and experience with your own and other project teams.

As SRO of a Department for Transport Tier 1 and/or Government Major Projects Portfolio project/programme, you are enrolled on the Major Projects Leadership Academy, which we will support as part of your on-going professional development.

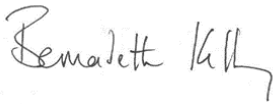
There will be wider support available to help you discharge your responsibilities as an SRO. This includes, but is not limited to the following:

- advice and support from DfT's Project Delivery and Portfolio Directorate;
- access to the various subject matter experts across DfT's Centres of Excellence;
- being part of a shared community of project delivery professionals across DfT (including being a member of an SRO network comprised of peers and taking part in/supporting key learning activities); and
- access to the benefits of professional project delivery networks.

There will also be cross-government specialist support provided by the Infrastructure and Projects Authority (IPA) to further help support you and your team.

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

Yours sincerely,



**Bernadette Kelly**  
Permanent Secretary  
Department for Transport



**Nick Smallwood**  
Chief Executive Officer  
Infrastructure and Projects Authority

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

**Philip Luxford**



**13/4/2022**

### **Annex A – Guidance Documentation**

- [Giving Evidence to Select Committees – Guidance for Civil Servants](#)
- [The Role of the Senior Responsible Owner](#)
- [Project Delivery Functional Standard](#)
- [A Handbook for Leaders of Transformation Programmes](#)

### **Annex B – Additional Finance and Controls**

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 relevant HMT spending team.

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 your project or programme. Information on these controls can be found here: [Cabinet Office controls](#).