



To: Robert Thompson, Senior Responsible Owner for the Optimus Programme.

From: Tricia Hayes, Second Permanent Secretary of the Home Office; and
Nick Smallwood, Chief Executive Officer of the Infrastructure and Projects Authority

02 February 2022

Dear Robert.

# APPOINTMENT AS SENIOR RESPONSIBLE OWNER FOR THE OPTIMUS PROGRAMME.

We are writing to confirm your appointment as Senior Responsible Owner (SRO) of the Optimus Programme with effect from the date of this letter. This letter sets out your responsibilities to, and the support you can expect from, the Home Office and the Infrastructure and Projects Authority (IPA).

As SRO, you are directly accountable to Simon Bourne, Chief Digital, Data and Technology Officer, under the oversight of the Second Permanent Secretary as accounting officer for the Home Office, and the Secretary of State for the Home Office.

Your initiative forms part of the Home Office Portfolio, under the oversight of the Chair of the Finance and Investment Committee (F&IC) and is included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of Optimus Programme and will be held accountable for the delivery of its objectives, with policy intent and outcomes expected. This encompasses securing and protecting its vision, ensuring that it is governed responsibly, reported on honestly, escalated appropriately and for influencing the context, culture, and operating environment of the initiative. You are also responsible for ensuring the ongoing viability of the initiative and recommending its pause or termination if appropriate. Where issues arise which you are unable to resolve, you are responsible for escalating these to the Portfolio Delivery Board, F&IC, and/or other HO Governance bodies as appropriate to the resolution of those issues.

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.

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In addition to your internal accountabilities, SROs for GMPP projects and programmes are personally accountable to Parliamentary Select Committees. This means that, from the date of this letter, you will be held personally accountable to and could be called by Select Committees to account for and explain the decisions and actions you have taken to deliver the initiative.

It is important to be clear that your accountability relates only to implementation, within the agreed terms in this letter; it will remain for the Minister to account for the relevant policy decisions and development.

More information on this is set out in <u>Giving Evidence to Select Committees - Guidance for Civil Servants</u>, sometimes known as the Osmotherly Rules. Information on the roles and responsibilities of the SRO are summarised in the document at Annex 1, and detailed in the IPA's guidance on <u>the role of the senior responsible owner</u>. You should also make yourself familiar with the <u>Government Functional Standard for Project Delivery</u>, the requirements of the Government Project Delivery Framework, and the guidance and requirements for project delivery as set by Home Office Project Delivery Framework.

Key decisions on GMPP level projects and anything which is otherwise novel, contentious or commercially sensitive, or which Ministers have asked to see must be submitted in a timely manner to the Permanent Secretary and Ministers as appropriate.

#### Time commitment and tenure

You will undertake this SRO role alongside your other responsibilities. You must ensure that you allocate sufficient time to fulfil the responsibilities that being an SRO entails and these are expected to take up at least 50% of your time. This will be periodically reviewed to ensure that an appropriate balance is maintained across the full range of your responsibilities.

You are required to undertake this role until closure of the Optimus Programme, currently planned for March 2027, but that date will be kept under review as the programme progresses. Progress towards this will be reflected in your personal objectives. Any changes to the agreed time commitment or tenure of the role, as set out above, will require both Home Office and IPA consent. Consent to leave the role early will not typically be withheld but where permission is given it may be accompanied by conditions relating to handover of your accountabilities.

Please note that individuals are not normally permitted to act as SRO for more than one major programme at any one time. As such you should resist taking on any additional programmes during your tenure as SRO.

### Objectives and performance criteria

The policy intent supported by this programme is to deliver a new DDaT operating model to replace the previous model and transform how DDaT works.

Any proposed changes to scope which impact upon this intent, the spending objectives or exceed Home Office tolerances for the realisation of benefits must be authorised by F&IC and may be subject to further levels of approval.

The vision of the Optimus Programme is to deliver a new DDaT operating model to replace the previous model and transform how DDaT works. The goals of DDaT transformation can be summarised by three clear spending objectives that will transform DDaT and its objectives are to:

- Achieving a higher proportion of civil servants through establishing a target ratio of 65%:35% civil servants to externals, with more even and flexible distribution across portfolios and functions.
   To-date there has been a 280p.a. increase in civil servants between 2018/19 to 2021.
- Coherent sourcing and procurement approach a sourcing strategy has been established and centralised contracts for each profession created, however an understanding of specialisms that will need to be required externally from suppliers needs to be established.
- **Develop our in-house product delivery and support** Shared Application Services has been established, civil servant recruitment has begun and development of applications have moved over to SAS to fall within its remit, but a clearer understanding of business change and scaling the capability needs to be agreed.

# Your personal objectives and performance criteria which relate to the Optimus programme are:

To visibly and actively lead Optimus to expand upon the already established building blocks by delivering the following <u>outcomes</u> for DDaT. This will help promote a more effective, cost-efficient, and consistent DDaT organisation going forward.

- Monitoring and controlling the progress of the programme at a strategic level, being honest and frank about its progress, risks and issues,
- Communicating effectively with senior stakeholders regarding programme progress and providing clear, appropriate and delivery-focused decisions and advice to the Programme Director.
- Supporting the Programme Director to implement the DDaT outcomes described above, via:
  - o Delivering a higher proportion of civil servants through
    - Defining and agreeing DDaT-wide people demand and a process to prioritise and manage it
    - Developing a workforce strategy to address the prioritised people demand, including to:
      - Increase civil servant numbers and capabilities
      - Inform the centralised contracts approach
      - Sequence recruitment (with swifter results via a DDaT-wide 'accelerator cell')
      - Facilitate timely resource redeployment
      - Make it sustainable by improving retention and development

# A coherent sourcing and procurement approach through

- An agreed sourcing and procurement approach
- A mandated sourcing strategy
- Strategic centralised contracts and target rates aligned with the overall workforce strategy

#### An inhouse product delivery and support

- Shared Application Services
  - Build in-house application development and support functionality, via
    - Onboarding DevOps and/or Support, then optimise end-to-end inhouse capability
    - Incrementally across 564 applications
- Tooling
  - Define and agree a DDaT-wide Tool set for DDaT professions
  - Implement, test, iterate, prove and agree solution within SAS (DevOps & Support)
  - Prioritised deployment beyond SAS
- Supporting the Programme Director in timely delivery of the Programme but also openness and pragmatism of response to risks and issues that threaten that.

Steps will also need to be put in place to ensure the benefits realisation and on-going sustainability is agreed with key stakeholders as part of the process of transitioning the programme to "business as usual".

You are expected to run your project in accordance with the <u>Government Functional Standard for Project Delivery</u>, the other <u>Functional Standards</u> as applicable, and the requirements of the Government and Home Office Project Delivery Frameworks.

<u>Performance Criteria</u>: Timely delivery of the initiative, but also openness and pragmatism of response to risks and issues that threaten that.

DG Delivery has asked the CPO to provide feedback on performance against these criteria.

# **Extent and limit of accountability**

## Finance and Controls

HM Treasury spending controls and the Treasury Approval Point process apply to this initiative, and the details of each approval process must be agreed with your HM Treasury spending team. You should consult Home Office Portfolio colleagues on how to go about this.

The overall estimated budget, resourcing requirements and tolerances for this initiative will be agreed as part of the approval process. You will be expected to deliver within these tolerances and report quarterly on these as part of GMPP reporting.

You should operate at all times within the rules set out in <u>Managing Public Money</u>. In addition, you must be mindful of, and act in accordance with, the specific HM Treasury delegated limits and Cabinet Office controls relevant to this initiative. Information on these controls can be found here: <u>Cabinet Office controls</u>.

In addition to the above points you will be expected to progress this initiative in line with HM Treasury and Home Office allocations, and investment stages as agreed by F&IC. F&IC investment authorisations will be confirmed separately and will kept under review in the light of delivery progress.

### Delegated authority

You are authorised to:

- Approve expenditure up to the limits granted by F&IC plus stage tolerances described by Home
  Office Portfolio Change Control. Appropriate authority must be sought for expenditure which
  breaches tolerances. The Chief Portfolio Officer (CPO) and the Corporate Finance Director should
  be involved in such discussions along with the Director General of Corporate Enablers. Funding –
  especially underspends must not be flexed within or between allocations without reference back
  to F⁣
- Agree the rescheduling of delivery within the tolerances described by Home Office Portfolio
  Change Control. Exceeding these tolerances requires the agreement of F&IC and the CPO should
  be involved in discussions seeking such agreement; and
- recommend to Simon Bourne, Chief Digital, Data and Technology Officer and F&IC the need to either pause or terminate the initiative where appropriate and in a timely manner.

These authority limits are subject to change and other conditions or tolerances may be set as part of the business case approval and ongoing monitoring processes which you should then operate within.

# You must escalate to F&IC and DG Delivery:

- Proposed changes to the programme scope which impact on the intent or its expected benefits realisation, or which have wider impacts for other programmes or projects, or for Home Office transformation more generally
- Slippage or any proposed change which materially impacts on wider Home Office objectives, including ministerial objectives, or adversely affects completion of any of the programme stages or its funding
- Issues which you are unable to resolve, including the need to either pause or terminate the programme where necessary.

Your role as SRO is a corporate responsibility and you are expected to:

- Establish and progress the programme in line with the Home Office Project Delivery Framework, ensuring the effectiveness of its governance, assurance and programme management arrangements, including:
  - o Appointing, chairing and setting priorities for the programme Board;
  - o Ensuring the effectiveness and performance of the programme organisation; and
  - Ensuring appropriate first line assurance is in place backed up by the commissioning of timely assurance and audit reviews.
- Ensure that the programme is progressed according to the Home Secretary's agreed portfolio
  prioritisation, recognising that under some circumstances resource may need to be diverted to
  higher priority programmes and discussing with the CPO's team any factors which may change the
  priority of your programme.
- Submit the programme's business cases and other reports as appropriate to F&IC, the IPA and HM Treasury. In doing so, you will:
  - monitor the programme's status, its forecast timescales, costs and benefits and key risks and dependencies;
  - o report issues openly and transparently; and
  - ensure that the programme's business cases make specific funding allocations for networks, infrastructure and cyber security, should your programme need work performed on any of these areas, base these allocations on estimates agreed with the appropriate leads in Enterprise Services, and provide the funds identified for these purposes to those leads to deliver on your behalf.
- Ensure that the programme's anticipated impacts upon business as usual operations are informing forecasts of those operations, including workforce planning and running costs.
- Lead the programme in a way which maximises delivery of shared corporate capabilities, for use across the Home Office and wider government.
- Ensure that Home Office data management principles are adopted in taking forward the programme
  to ensure that data is collected and stored in such a way as to enable sharing and reuse where
  appropriate, that it is protected in line with GDPR requirements.
- Take account of Home Office and wider government initiatives.

• Ensure that any legacy systems replaced by the programme are decommissioned as appropriate. **Appointments** 

You should appoint a full-time programme director to support you in the management of this programme and make other appointments as required for the control and delivery of initiative within your delegated authority.

#### Governance and assurance

As SRO, you must ensure that the programme secures business case approval from F&IC and HMT, together with all relevant spend control approvals from Cabinet Office. You should also ensure that the initiative remains within the strategic outcomes, costs, timescales, and benefits described by the latest approved business case as well as monitoring the context within which the programme is being delivered to ensure it remains valid.

Where a change impacts the scope, costs, benefits, or planned delivery milestones agreed as part of an agreed business case, you are accountable for following the Home Office Portfolio change request approval process and setting a new, approved, business case baseline.

You must ensure that an accounting officer assessment is completed no later than alongside the approval of the Outline Business Case and that this is published on GOV.UK as part of the government's transparency requirements on major projects. You are accountable for bringing to the attention of the accounting officer any material changes in the programme which could require a new accounting officer assessment to be completed and published. <u>Guidance on completing accounting officer assessments</u> for major projects is available from HM Treasury.

Although you are directly accountable for this programme, you are also expected to support delivery of the Home Office's overall strategic objectives. This means that you are expected to work collaboratively with other SROs and project directors in associated projects and programmes and with the CPO and Home Office Portfolio and Project Delivery Directorate (PPD) to manage dependencies, resources, schedules, and funding to support delivery of the overall change the Home Office needs to achieve its strategic objectives.

You must ensure that appropriate and proportionate assurance is in place and agree on the level and frequency of assurance reviews through the maintenance of an integrated assurance and approvals plan. You should develop this plan and its maintenance in collaboration with the Departmental Assurance Coordinator and the IPA.

# Programme status, reporting and transparency requirements

We note the Optimus Programme presentation provided to F&IC on December 2020 and approval was granted to go ahead and spend FY21/22's SR allocation. To note, this business case, excluded SAS, STP and Tooling. The decision was made in March 2020, that the next business case, going to FIC in early 2022, would also incorporate these three workstreams. We note the report provided to PPD at the end of October 2021 and report extracted from MSPO at the end of October 2021 recorded the status of the initiative at this point, and is the agreed position as you assume formal ownership of the initiative.

You are responsible for ensuring the honest and timely reporting on the position of the Optimus programme to the IPA and PPD while it remains on the GMPP. Should it be relevant to the initiative, reporting should

include carbon measurement, and other sustainable development goals in accordance with evolving government policy and standards. Information on the programme will be published annually by the IPA.

### **Development and support**

We have noted that you are currently undertaking the MPLA. Once you have completed it, we encourage you to become an accredited IPA Gateway Reviewer and to lead or participate in such reviews for other Government departments, the wider public sector or other areas of the Home Office as appropriate. We suggest participation in such reviews at least once every 12-18 months to maintain your accreditation.

The Home Office will assist you in securing the necessary resources to support the Optimus Programme, and sets via the Home Office Project Delivery Framework clear guidance, requirements and standards, which align to the <u>Government Functional Standard on Project Delivery</u>, to enable good governance and effective delivery. You will be part of the Home Office's cohort of major project leaders who will be expected to support each other, share good practice and lessons learned and to collectively develop solutions. You should liaise with the Home Office CPO for project delivery to discuss the maintenance and development of your delivery and leadership skills.

The IPA will be available to you for support, advice, and assurance throughout the initiative's time on the GMPP.

Following approval of the business case and entry onto the Home Office Portfolio, the Portfolio Delivery Board will provide ongoing oversight and support and will take steps to help resolve and escalate risks, issues or constraints that are acting as a blocker to successful delivery.

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

Yours sincerely,

**Tricia Hayes** 

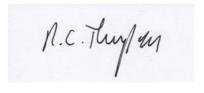
Second Permanent Secretary, Home Office

**NICK SMALLWOOD** 

Chief Executive Officer, Infrastructure and Projects Authority

# CONFIRMATION OF ACCEPTANCE OF APPOINTMENT

I confirm that I accept the appointment of Senior Responsible Owner for the [**project/programme**], including my personal accountability for implementation, as set out in the letter above.



[Robert C. Thompson]

[02/02/2022]

### Annex 1 - SRO Role and Responsibilities

# The Role of the Senior Responsible Owner

You are personally accountable for ensuring the ongoing delivery of your Programme. You are responsible for securing the resources necessary for the success of the Programme and for ensuring that the related implementation and transition activities realise the agreed objectives and benefits. 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 Programme 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 programme 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 the Government Functional Standard for Project Delivery and other guidance published by the Cabinet Office.

#### An SRO will:

- Be a visible, engaged and active project leader, not a figurehead;
- Deliver the agreed outcomes and benefits;
- 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 that 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 this policy intent into clear deliverables which are established and agreed with senior stakeholders:
- Carry out a robust and commercially viable options appraisal, which balances 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 change continues to be aligned with the business;
- Identify and secure the necessary investment for the Programme's business case (this includes both budget and operational resource);
- Design and implement robust, appropriate and transparent programme governance; and
- Build strong and effective relationships with key stakeholders, justifying their trust and retaining their confidence, and obtain their commitment to benefits realisation.

# Ensure that the Programme meets its objectives and delivers the projected benefits

- Gain agreement to the programme objectives and benefits amongst stakeholders, including ministers where appropriate;
- Ensure that the Programme's anticipated impacts upon business as usual operations are informing forecasts of those operations, including workforce planning and running costs.
- Understand the broader government perspective and its impact on the Programme;
- Ensure the strategic fit of the programme objectives and benefits;
- Agree a clear and simple approach to performance management and monitor delivery of the objectives and benefits, taking appropriate action where necessary to ensure their successful delivery;

- Develop the programme organisation structure 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;
   and
- 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 its progress, risks 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 programme life-cycle);
- Ensure that the integrity of the Programme is maintained and speak truth to power including to Parliamentary Select Committees; and
- Communicate effectively with senior stakeholders regarding programme 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 the programme team and its stakeholders and sponsors;
- Ensure that communication processes are effective and that the Programme's objectives and deliverables continue to be consistent with the organisation's strategic direction;
- Ensure that the Programme is subject to suitable assurance arrangements, including reviews at appropriate stages, and that these are captured in an Integrated Assurance and Approval Plan (IAAP) that includes commercial, technical, financial and other assurance;
- 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; and
- In the event of a 'red' or 'amber-red' review or a 'red' or 'amber-red' quarterly GMPP review rating, ensure that the Permanent Secretary (copying in the Chief Portfolio Officer) has been made aware of the situation and has been briefed accordingly.

### Manage formal programme closure

- Formally close the Programme and ensure that the lessons learned are documented within the final evaluation report and disseminated to key stakeholders;
- Ensure that the post implementation review takes place and that the output is communicated to appropriate stakeholders;
- Ensure that arrangements for a return on investment report, including benefits realisation plans are agreed with the Portfolio and Project Delivery Directorate (PPD); and
- Ensure a plan for both long term benefits realisation and on-going sustainability is agreed with key stakeholders as part of the process of transitioning the Programme to "business as usual".