



Department for  
Business, Energy  
& Industrial Strategy



Infrastructure  
and Projects  
Authority

To: **Fred Perry**, Senior Responsible Owner for the **Automotive Transformation Fund (ATF)**

Project Identifier: DPO-2018

From: **Sarah Munby, Permanent Secretary** of the **Department for Business, Energy and Industrial Strategy**; and **Nick Smallwood**, Chief Executive Officer of the Infrastructure and Projects Authority

**November 2022**

Dear **Fred**,

## **APPOINTMENT AS SENIOR RESPONSIBLE OWNER FOR THE AUTOMOTIVE TRANSFORMATION FUND (ATF)**

We are writing to confirm your appointment as Senior Responsible Owner (SRO) of the **Automotive Transformation Fund** with effect from **2 July 2022**. This letter sets out your responsibilities and the support you can expect from your department and the Infrastructure and Projects Authority.

As SRO, you are directly accountable to David Bickerton, Director General for Business Sectors, under the oversight of Sarah Munby, Permanent Secretary and Accounting Officer for the Department for Business, Energy and Industrial Strategy, and Nusrat Ghani, Minister for Industry in the Department for Business, Energy and Industrial Strategy.

Your **Automotive Transformation Fund** is not only a key programme in the Business Sectors group, within the Department for Business, Energy and Industrial Strategy, but it is also included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of the **Automotive Transformation Fund** 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 Automotive Transformation Fund. You are also responsible for ensuring the ongoing viability of the programme and recommending its pause or termination if appropriate. Where issues arise which you are unable to resolve, you are responsible for escalating these to David Bickerton, Director General of Business Sectors group in the first instance.

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 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 **Automotive Transformation Fund**.

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 [Giving Evidence to Select Committees - Guidance for Civil Servants](#), sometimes known as the Osmotherly Rules. Information on the roles and responsibilities of the SRO are detailed in the Infrastructure and Project Authority's guidance on [the role of the senior responsible owner](#). You should also make yourself familiar with the [Government Functional Standard for Project Delivery](#), the requirements of the Government Project Delivery Framework, and the guidance and requirements for project delivery as set by Project Delivery Profession in BEIS.

## Time commitment and tenure

**As discussed and agreed with Simon Hulme, Chief Project Delivery Officer and Head of Function in the Department for Business, Energy and Industrial Strategy, this role will require 30% of your time to enable effective delivery of the role and execute your responsibilities in full.**

You are required to undertake this role until the end of this current Spending Review period set for end March 2025. 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 departmental and Infrastructure & Projects Authority consent.

## Objectives and performance criteria

The government remains committed to putting the UK at the forefront of the design and manufacturing of zero emission vehicles. Government increased its ambition with the announcement that it would end the sale of internal combustion engines (ICE) by 2030 and hybrid vehicles by 2035, while the UK-EU Trade and Cooperation Agreement has provided clarity on the Rules of Origin requirements which manufacturers will need to meet if they are to benefit from tariff free trade. Government support and funding via the ATF is intended to ensure that we can meet these phase out dates as well as the Carbon Budget 6 trajectory.

The **Automotive Transformation Fund** is designed to support the creation of an internationally competitive zero emission vehicle supply chain here in the UK. It supports late-stage R&D and capital investments across strategically important parts of the electric vehicle supply chain.

Any proposed changes to scope which impacts on this intent or the realisation of benefits must be authorised by the Programme Delivery and Governance boards and may be subject to further levels of approval.

The **Automotive Transformation Fund** aims:

- to secure the transformation of the UK automotive sector at scale and pace by developing and embedding the next generation of cutting-edge automotive technologies; and

- to retain or better the current economic benefits and trade flows; and
- to ensure that the UK retains its technological leadership position throughout this transformation.

Specific objectives for **Automotive Transformation Fund** are to:

- Signal the UK's commitment to the future of the automotive sector and support the transition to zero emission vehicles through raising the profile of the UK as a location for automotive activity and drawing in private investment, including in gigafactories.
- Support the UK's role in tackling climate change by reducing global emissions from the automotive sector whilst also ensuring we maximise economic benefits from the transition.
- Safeguard/grow manufacturing jobs in the UK automotive sector, including the creation of skilled, well-paid jobs for the design and manufacture of the next generation of vehicle technologies to offset losses which will be expected to occur as production of ICE vehicles declines.
- Address and remedy the structural weaknesses in the UK supply chain, helping ensure a secure and resilient supply of key materials and components, and work towards increasing local content in UK built electric vehicles, which will support meeting Rules of Origin requirements in future trade agreements, enabling tariff free access to global markets.

Your personal objectives and performance criteria which relate to the Automotive Transformation Fund are reflected in your performance agreement form, agreed with David Bickerton.

You are expected to run your project in accordance with the [Government Functional Standard for Project Delivery](#), the other [Functional Standards](#) as applicable to this **Automotive Transformation Fund** and the requirements of the Government Project Delivery Framework.

## Extent and limit of accountability

### Finance and Controls

HM Treasury spending controls will apply on the basis set out within the department's delegated authority letter. Where the **Automotive Transformation Fund** exceeds the delegated authority set by HM Treasury, the Treasury Approval Point process will apply, and the details of each approval process must be agreed with your HM Treasury spending team. You should consult departmental finance colleagues on how to go about this.

You should note that where expenditure is considered novel, contentious, repercussive, or likely to result in costs to other parts of the public sector, HM Treasury approval will be required, regardless of whether the programme expenditure exceeds the delegated authority set by HM Treasury. If in doubt about whether approval is required you should, in the first instance, consult departmental finance colleagues before raising with the relevant HM Treasury spending team.

The overall estimated budget, resourcing requirements and tolerances for your project/programme 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 [Managing Public Money](#). In addition, you must be mindful of, and act in accordance with, the specific HM Treasury delegated limits and Cabinet Office

controls relevant to the **Automotive Transformation Fund**. Information on these controls can be found here: [Cabinet Office controls](#).

### Delegated authority

You are authorised to:

- approve expenditure of up to £5m CDEL, £10m R&D, £10m RDEL and £1m admin.
- agree project rescheduling which represents non-material changes to agreed milestones in the PIC-approved business case but rescheduling that represents material changes to these milestones must be agreed with PIC.
- recommend to the Programme's Governance board and the Accounting Officer the need to either pause or terminate the programme where necessary 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.

Where issues arise which take you outside of these authority limits which you are unable to resolve, you are responsible for escalating these issues to the David Bickerton, Director General for Business Sectors group in the first instance.

## **Appointments**

You should appoint a programme director to support you in the management of this **Automotive Transformation Fund** and make other appointments as required for the control and delivery of your programme within your delegated authority.

## **Governance and assurance**

You should pay attention to ensuring effective governance for the **Automotive Transformation Fund** including the establishment of a programme delivery board and programme governance board with appropriate membership and clear terms of reference.

As primary owner, you must ensure that the **Automotive Transformation Fund** secures business case approval from BEIS Portfolio and Investment Committee and HMT. You should also ensure that the **Automotive Transformation Fund** remains aligned to the strategic outcomes, costs, timescales, and benefits in line with the approved business case as well as monitoring the context within which the **Automotive Transformation Fund** 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 responsible for following the agreed change request approval process and setting a new, approved, business case baseline.

You should ensure that an accounting officer assessment is completed 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 responsible for bringing to the attention of the accounting officer any material changes in the **Automotive Transformation Fund** which could require a new accounting officer assessment to be completed and published. [Guidance on completing accounting officer assessments](#) for major projects is available from HM Treasury.

Although you are directly accountable for this **Automotive Transformation Fund** you are also expected to support delivery of the department's overall strategic objectives. This means that you are expected to work collaboratively with other SROs and project directors in adjacent projects and programmes and with the BEIS Project Management team and Head of Profession to manage dependencies, resources, schedules, and funding to support delivery of the overall change the department needs to achieve its strategic objectives.

You should 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 Infrastructure and Projects Authority.

### **Automotive Transformation Fund status, reporting and transparency requirements**

The Automotive Transformation Fund status at the date of your appointment is reflected in the most recent quarterly return on the Automotive Transformation Fund to the Infrastructure and Projects Authority and is the agreed position as you assume formal ownership of the programme.

You are responsible for ensuring the honest and timely reporting on the position of the Automotive Transformation Fund to the Infrastructure and Projects Authority while it remains on the GMPP and for providing reports and information to the BEIS Corporate Reporting team as required. Reporting should include metrics and evidence demonstrating that the project contributes to an overarching environmental strategy and is aligned with defined Net Zero pathways. Information on the Automotive Transformation Fund will be published annually by the Infrastructure and Projects Authority.

**As the SRO of a project/programme that is within scope of the cross-government Net Zero Portfolio you are additionally required to report into the Net Zero and Climate Change governance structure, specifically reporting into the Net Zero National Security Implementation Group Sub-Group and the Climate Action Implementation Committee.**

**You are responsible for publishing on GOV.UK a summary of the accounting officer assessment completed in line with the approval of the Outline Business Case and summaries of any subsequent assessments should they be required.**

### **Development and support**

As SRO of a GMPP programme, you are required to complete the Major Projects Leadership Academy, which I know you have commenced.

To widen experience and understanding of the role, SROs are also expected to become accredited assurance reviewers and to lead or participate in such reviews for other government departments, the wider public sector, and other areas of the Department for Business, Energy and Industrial Strategy as appropriate. Becoming an assurance reviewer and completing a review will form part of your time at the Major Projects Leadership Academy. To maintain your accreditation, you will be required to participate in a review at least once every 12 months.

The department will assist you in securing the necessary resources to support the **Automotive Transformation Fund** and will set clear guidance, requirements and standards, which align to the [Government Functional Standard on Project Delivery](#), to enable good governance and effective delivery. You will be part of the department'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 department's Head of Profession for project delivery to discuss the maintenance and development of your delivery and leadership skills.

The Infrastructure and Projects Authority will be available to you for support, advice, and assurance throughout the **Automotive Transformation Fund's** time on the GMPP.

Following approval of the business case and confirmation of funding through the last two Spending Reviews, the Automotive Transformation Fund's two governance boards (delivery and governance) 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. The programme management team will also report progress internally and across HMG, escalating risks, issues or constraints to the BEIS Executive Committee and its subgroups as necessary.

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

Yours sincerely,



**SARAH MUNBY**

Sarah Munby, Permanent Secretary, Department for Business, Energy and Industrial Strategy



**NICK SMALLWOOD**

Chief Executive Officer, Infrastructure and Projects Authority

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## CONFIRMATION OF ACCEPTANCE OF APPOINTMENT

I confirm that I accept the appointment of Senior Responsible Owner for the **Automotive Transformation Fund**, including my personal accountability for implementation, as set out in the letter above.

A handwritten signature in black ink, appearing to be 'Fred Perry', written over a faint rectangular box.

**Fred Perry**

**Director, Advanced Manufacturing**

November 2022