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for Transport

From the Permanent Secretary

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33 Horseferry Road
London
SW1P 4DR



Department
for Environment
Food & Rural Affairs

From the Permanent Secretary

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2 Marsham Street
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Infrastructure
and Projects
Authority

From the Chief Executive

Infrastructure and Projects Authority
1 Horse Guards Road
London
SW1A 2HQ

To: Sally Randall, Hannah Newell and Claire Wren, Joint Senior Responsible Owners for the Nitrogen dioxide (NO₂) Programme

From: Tamara Finkelstein, Permanent Secretary of Department for Environment and Rural Affairs (Defra) and Gareth Davies, Second Permanent Secretary of the Department for Transport (DfT); and Nick Smallwood, Chief Executive Officer of the Infrastructure and Projects Authority (IPA)

Date: 24 November 2022

Dear Sally, Hannah and Claire,

APPOINTMENT AS SENIOR RESPONSIBLE OWNERS FOR THE JOINT AIR QUALITY UNIT NO₂ PROGRAMME

We are writing to confirm your appointment as Senior Responsible Owner (SRO) of the **NO₂ Programme** with effect from February 2021 (Sally) and November 2021 (Hannah and Claire). 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 the Permanent Secretaries of the Department for Transport (DfT) and Department for Environment, Food and Rural Affairs (Defra). This is under the oversight of both Departments' Secretary of State and both Permanent Secretaries as accounting officer for Defra and DfT with accountability to both departments' Boards.

Your NO₂ Programme forms part of the DfT Tier 1 portfolio office where you report quarterly and present to the Investment Portfolio and Executive Committee by exception. The NO₂ Programme also forms part of the Defra portfolio and has oversight and approval provided by the Executive Committee and Investment Committee for funding awards to local authorities over £10m. The programme is also included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of the NO2 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 NO2 Programme. You are also responsible for ensuring the ongoing viability of the NO2 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 the DfT Investment Portfolio and Executive Committee and Defra Executive Committee.

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 point at which you became SRO for the NO2 Programme (February/November 2021), you will be held personally accountable and could be called by Select Committees to account for and explain the decisions and actions you have taken to deliver the NO2 Programme.

It is important to be clear that your accountability relates only to implementation, within the agreed terms in this letter; it will remain for Ministers 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 Defra Portfolio Office and DfT Centre of Excellence.

Time commitment and tenure

This will be a part-time role which is expected to collectively require 20% of your time each month. You will carry out this role alongside your other responsibilities and must ensure that you allocate sufficient time to enable the effective delivery of the role and execute your responsibilities fully, as set out in [IPA guidance on the role of the senior responsible owner](#). This will be periodically reviewed to ensure that an appropriate balance is maintained across your portfolio of activities.

You are required to undertake this role until achievement of the closure of the NO2 Programme, planned for 31st December 2027 when it is expected that the programme will be complete. 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 policy intent supported by this programme is to reduce NO₂ levels which includes improving air quality for cleaner air and the ambition for a better environment and improved public health.

Any proposed changes to scope which impact on this intent or the realisation of benefits must be authorised by the NO₂ Programme Board and may be subject to further levels of approval.

The objectives and vision of the project are to reduce NO₂ levels, investing in local authority measures to reduce NO₂ in targeted areas in line with statutory limits in the shortest possible time.

The programme responds to the DfT and Defra 'UK plan for tackling roadside nitrogen dioxide concentrations' and multiple other Government policy objectives including the Clean Air Strategy, the 25 Year Environment Plan and the Transport Decarbonisation Plan. The programme is a key priority within both the DfT and Defra Outcome Delivery Plans (within Defra this is the Environment priority and within DfT the Reduce Environmental Impacts strategic priority).

Intended outcomes of the programme are:

- Immediate action to improve air quality and health by delivering the statutory NO₂ limit values within the shortest possible time;
- Supporting local growth and ambition (decoupling growth and pollution); and
- Accelerating the transition to a low emission economy.

Your high-level personal objectives and performance criteria which relate to the programme are:

- Ensuring local air quality plans are developed, agreed and implemented with local authorities to achieve compliance in the shortest possible time
- Ensure implementation of agreed Clean Air Zones, expected to include, Bristol, Bradford, Tyneside, Greater Manchester, Sheffield, Liverpool and Stoke (TBC)
- Leading an inclusive, motivated and effective team as well as ensuring the wellbeing of all team members working on the programme
- Maintaining good relationships with key stakeholders and delivery partners including local authorities, the DVLA, fleet sector and other interested parties
- Ensuring coordination with other Government Departments and ensuring linkage where appropriate
- Championing good project and programme management, including effective deployment of resources, financial management controls and reporting against benefits delivery
- Following the introduction of Clean Air Zones, ensuring that evaluation takes place and lessons are learnt to feed into future policy design
- Ensuring that full project closure activities align with project delivery good practice.

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 programme and the requirements of the Government Project Delivery Framework.

This is a joint SRO role reflecting the joint nature of the team and programme across DfT and Defra. SROs make collective decisions and chair the NO2 Programme Board. Ministerial decision making is also joint, with advice presented to both sets of Ministers in parallel and decisions not agreed until both parties are content.

Significant issues and risks will be escalated to you as SRO and appropriate escalation support will be provided via both Departments' ExCo and/or Investment Committee boards.

Extent and limit of accountability

Finance and Controls

HM Treasury spending controls will apply on the basis set out within the Departments' delegated authority letter. If the NO2 Programme 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 NO2 Programme. Information on these controls can be found here: [Cabinet Office controls](#).

The overall budget allocated for the programme is £883m excluding VAT. The overall programme finance is subject to HMT engagement and any additional funding beyond the £883m would require discussion within Spending Review requirements. DfT and Defra hold joint responsibility for funding of the Joint Air Quality Unit. DfT has primary responsibility for the CDEL budget. Defra has primary responsibility for managing the RDEL budget, with some RDEL budget related to the Clean Air Zone service held by DfT. In administrative terms, both RDEL and CDEL funds are managed jointly by DfT and Defra. Spending Review bids are prepared by the Joint Air Quality Unit working with Defra and DfT finance teams.

The current approved expenditure figure for 2022/23 is £178.9 m.

Delegated authority

- you are authorised to approve expenditure of £178.9 m in 2022/23 (£64.9 m from Defra and £114m from DfT).
- you are authorised to agree project rescheduling within six months of agreed milestones but rescheduling, beyond that must be agreed with the NO2 Programme Board.

- Financial decisions on spend over £10m must be agreed by the NO2 Programme Board, the Defra Investment Committee, DfT Strategic Finance and Defra Strategic Finance.
- you are also responsible for recommending to David Hill Director General of EFM Environment Food and Marine, Gareth Davies, Second Permanent Secretary at DfT, the NO2 Programme Board and both Departments ExCo 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 you are unable to resolve, you are responsible for escalating these issues to the Defra Director General, DfT Second Permanent Secretary and the necessary Defra and DfT steering bodies.

Appointments

You should ensure the continuing role of 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 your programme within your delegated authority.

Tenure of position

As it is vital to ensure that the appropriate succession planning is undertaken and updated, you should agree a succession plan with the relevant DGs in Defra and DfT Second Permanent Secretary as part of standard HR good practice.

Governance and assurance

You should pay attention to continuing to ensure effective governance for your programme, including the continuation of a programme board with appropriate membership and clear terms of reference.

As primary owners, you must ensure that the programme secures relevant business case approvals from the NO2 Programme Board, DfT Investment Portfolio and Executive Committee by exception and Defra Investment Committee as required **including CO and HMT**. You should also ensure that the programme 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 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 responsible for following the agreed change request approval process and setting a new, approved, business case baseline.

You should continue to ensure that an accounting officer assessment is completed in line with the transparency requirements set out by Government Major Projects Portfolio 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 programme 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 programme, you are also expected to continue 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 Defra and DfT Projects and Portfolio Delivery Directorate 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 continues to be in place and ensure the level and frequency of assurance reviews through the maintenance of an integrated assurance and approvals plan. You should regularly develop this plan and its maintenance in collaboration with the Departmental Assurance Coordinator and the Infrastructure and Projects Authority.

Programme status, reporting and transparency requirements

The programme status at the date of your appointment is reflected in the most recent quarterly return on the programme 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 programme to the Infrastructure and Projects Authority while it remains on the GMPP and for providing reports and information to the Defra and DfT Projects and Portfolio Delivery Directorate as required. Information on the programme will be published annually by the Infrastructure and Projects Authority.

As part of the government's commitment to transparency on major infrastructure projects, 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;
- A close out report after the programme has completed.

Development and support

As SRO of a GMPP programme, you are required to complete the Major Projects Leadership Academy, and you are enrolled on cohorts underway now.

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 Defra and DfT 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 programme, and will set clear guidance, requirements and standards, which align to the [Government Functional Standard on Project Delivery](#), to enable good governance and

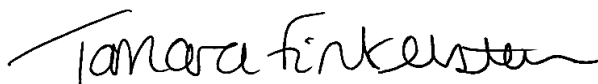
effective delivery. You will be part of the department's cohort of major project leaders who will be expected to support each other, share good practice and lessons learned and to collectively develop solutions. You should liaise with the department's Head of Profession for project delivery to discuss 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 programme's time on the GMPP.

The Defra Investment Committee, DfT Investment Portfolio and Executive Committee 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.

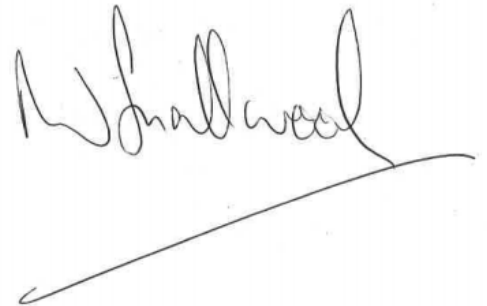
We would like to take this opportunity to wish you every success in your role as SRO.

Yours sincerely,




TAMARA FINKELSTEIN

Permanent Secretary, Department for
Environment, Food and Rural Affairs



NICK SMALLWOOD

Chief Executive Officer, Infrastructure and
Projects Authority



GARETH DAVIES

Second Permanent Secretary, Department for
Transport

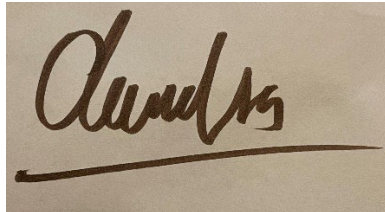
CONFIRMATION OF ACCEPTANCE OF APPOINTMENT

I confirm that I accept the appointment of Senior Responsible Owner for the NO2 Programme, including my personal accountability for implementation, as set out in the letter above.



SALLY RANDALL

28th November 2022



HANNAH NEWELL & CLAIRE WREN (job share)

2nd December 2022