Department for Science, Innovation & Technology

Infrastructure and Projects Authority

From the Permanent Secretary
Department for Science, Innovation and Technology
100 Parliament Street
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From the Chief Executive
Infrastructure and Projects Authority
1 Horse Guards Road
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15th November 2023

To: Dean Creamer
Senior Responsible Owner (SRO) for the Building Digital UK (BDUK) Programmes

From: **Sarah Munby**, Permanent Secretary, DSIT and **Nick Smallwood**, Chief Executive, IPA

Subject: Appointment as Senior Responsible Owner (SRO) for Project Gigabit and Shared Rural Network

We are writing to confirm your appointment as Senior Responsible Owner (SRO) for Project Gigabit and Shared Rural Network (the BDUK Programmes) with effect from September 2023, directly accountable to DSIT Permanent Secretary, under the oversight of the Minister for Digital Infrastructure. This will be a full time role, with your time commitment for each divided as follows: 50% as the SRO for Project Gigabit, 25% as SRN SRO and 25% for the general running of the organisation. This division will be kept under review to ensure the appropriate balance is struck as each project progresses.

You will be held accountable for the delivery of objectives and policy intent; for securing and protecting the programmes' vision, for ensuring they are governed responsibly, reported honestly, escalated appropriately and for influencing constructively the context, culture and operating environments of the programmes.

In addition to your internal accountabilities, you should also be aware that SROs will now be held 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 for delivery of the BDUK Programmes.

It is important to be clear that your accountability relates only to implementation: it will remain for the Minister to account for the relevant policy decisions and development.

Detailed SRO roles and responsibilities are attached at Annex 1. You should follow the guidance in that document. You should also make sure you understand the guidance Giving Evidence to Select Committees – Guidance for Civil Servants

Tenure of position

You are expected to undertake this role until achievement of the Programme objectives, set out below, are complete, as currently stands this is 2030, unless agreed otherwise. Delivery of BDUK Programmes continues beyond the 2025 interim milestones so you are also expected to ensure BDUK is on course to deliver longer term objectives. Progress towards this will be reflected in your personal objectives.

SROs are expected to remain in position for the lifetime of a major programme, to see it through to its successful conclusion. Changes to the SRO position are subject to IPA approval and DSIT should ensure plans are in place until the conclusion of Project Gigabit in 2030.

As it is vital to ensure that the appropriate succession planning is undertaken, you should agree a succession plan with the Permanent Secretary to ensure programme benefits are successfully transferred to the business.

Objectives and Performance Criteria

The objectives and vision of the projects at the time of writing include:

- Project Gigabit:

  - Maximise gigabit-capable build to premises outside of suppliers' commercial build plans, supporting the Government's overall target of 85% gigabit coverage by end 2025 and then nationwide by 2030. This includes oversight and implementation of BDUK's corporate plan to deliver 1.56m gigabit capable premises by the end of 2025 and bring gigabit connectivity to at least 99% of UK premises by 2030
  - Through the course of Project Gigabit delivery there will be tradeoffs and choices to make between commercially funded and Government subsidised build in local areas. These tradeoffs may impact on value for money and BDUK's delivery of 1.56m premises. You should discuss with DSIT colleagues and Ministers, as appropriate, if choices need to be made

- Shared Rural Network (SRN):

  - Work with industry and other partners to deliver the Shared Rural Network programme's aim of 4G coverage to 95% of the UK landmass by December 2025

- Superfast broadband coverage

  - Concluding our existing Superfast projects, which continue to deliver to premises with speeds below 30 Mbps up to 2030

- 700MHz Clearance

  - Complete ongoing programme closure.[1]

As and when objectives change, this will be considered to be reflected in this Osmotherley Letter until such time as the letter is updated.

Proposed changes to the project scope which impact on this intent or benefits realisation must be authorised by the Minister for Digital Infrastructure and may be subject to further levels of approval. As SRO, you are expected to run your programme in accordance with the Government Functional Standard for Project Delivery. Further detail on your role and responsibilities as SRO are set out in Annex 1 and the IPA guidance on the role of the senior responsible owner, you are expected to follow that guidance, and other IPA guidance on the management of major projects.

Extent and limit of accountability

(1) Finance and Controls
- HMT spending controls will apply on the basis set out within your department's delegated authority letter. As granted in the January 2021 settlement letter Project Gigabit is granted certain flexibilities in CDEL budgets and these arrangements are subject to annual review. This arrangement does not apply to other BDUK programmes. Where other BDUK programmes exceed 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 relevant HMT spending team.

  The overall **capital budgets** as set out in the business cases for the programmes are:
  - **Superfast Broadband £758.8m (2012/13 to 2027/28)**
  - **SRN £321.4m (2020/21 to 2030/31)**
  - **Project Gigabit £5bn (2021/22[2] to 2032/33**)[3]

  The overall **resource funding** to support delivery of capital programmes in 2023/24 is £43.8m with a further £371.6m expected from 2024/25 to 2032/33, depending on the outcome of future Spending Reviews.

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[1] This Programme has technically completed, but is still incurring cost related to decommissioning activities, hence is included here

[2] This reflects that Project Gigabit commenced in April 2021; limited resource costs from 2020/21 are directly attributable to the programme in 2020/21 and are reflected in GMPP returns

[3] Subject to HMT approval to release all allocated funding

In addition, there is operational expenditure (OpEx) for the SRN programme which is classed as programme resource - this amounts to £156.1m (as per the SRN profile agreed with HMT at SR21).

In the event of any such disruption the deliverables, overall timeline, required funding values and profiles may all be subject to some variation.

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 all four programmes. Information on these controls can be found here: [Cabinet Office controls](#)

(2) Delegated departmental/project authority
- You are authorised to approve expenditure each year in accordance with the profile agreed with HMT and the DSIT Director of Finance and as set out in your separate financial delegation letter.
- You are also responsible for recommending to the Permanent Secretary 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 Permanent Secretary.

Governance

The programmes detailed in this letter are part of the DSIT major projects portfolio. As major programmes, IPA should also conduct assurance reviews at key points during the programme's life cycle.

BDUK and its programmes are also subject to oversight and scrutiny by the BDUK Board. The BDUK Audit and Risk Assurance Committee provides oversight of the management of risk and assurance within BDUK and its programmes as an advisory board on behalf of the BDUK Board. BDUK programmes also report operational matters into their respective Programme Boards. As an executive member of the BDUK Board you are expected to help ensure these governance arrangements are effective and any conflicts of interest with your role as SRO are adequately managed.

Assurance

You will be required to produce an Assurance and Approvals Plan (IAAP) that includes internal and external assurance reviews which are an essential part of successful project delivery. You will be required to undertake internal and external assurance reviews which are an essential part of successful project delivery. The reviews are often required for formal HMT approvals or business case approval points and they also provide support and constructive challenge to SROs.

Professional Development

You are responsible for making sure that you are appropriately skilled and able to execute the functions outlined in this letter.

To widen experience and understanding of the role, SROs are expected to be accredited Major Project reviewers and to lead or participate in such reviews for other Government departments, the wider public sector or other areas of DSIT as appropriate. You will be required to participate in such reviews at least once every 12 months to retain accreditation.

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

Yours sincerely,

Permanent Secretary   Chief Executive Officer
DSIT   Infrastructure and Projects Authority

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

Name of SRO: Dean Creamer

Signature of SRO:

Date: 15/11/2023

SRO Role and Responsibilities - Annex 1

The Role of the Senior Responsible Owner (SRO)

You are personally accountable for ensuring the ongoing delivery of Project Gigabit as well as the Superfast Broadband Programme, and the Shared Rural Network Programme. You are responsible for securing the resources necessary for the success of the programmes 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 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.

You must ensure the effectiveness of the governance, assurance and project management arrangements and maintain them throughout the life of the programmes. You should adopt best practice and be prepared to justify any deviation from it, in line with guidance published by the Cabinet Office relating to Major Project governance, assurance and control.

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 Project Director and ensure that they have a clear and current letter of appointment;
-   Have sufficient time, experience and the right skills to carry the full responsibilities of the role.

SRO accountabilities[4]:

Ensure that the project remains set up for success

-   Ensure that the project 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;
-   Ensure the business cases for each project continue to be aligned with key business objectives;
-   Identify and secure the necessary investment for the business case (this includes both budget and operational resource);
-   Design and implement robust, appropriate and transparent project governance, with regular progress updates relative to the above milestones;

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[4] Some more specific accountabilities are catalogued in a separate management agreement jointly signed off by the BDUK CEO and DI Director General; these relate to key secondary deliverables within Project Gigabit and the SRN and may be more subject to change

- Continue to build strong and effective relationships with key stakeholders, justifying their trust, retaining their confidence and underlining their commitment to benefits realisation.

<u>Ensure that the project meets its objectives and delivers the projected benefits</u>

- Gain agreement to the project objectives and benefits amongst stakeholders, including Ministers where appropriate;
- Understand the broader government perspective and its impact on the project; and
- Ensure the strategic fit of the project 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.

<u>Optimise the project organisational structure and plan</u>

- Ensure that there is a coherent organisation structure and appropriately detailed project plan;
- Build the right team, securing necessary resources and skills and providing clear lines of accountability;
- Provide appropriate support, steer and strategic focus to the Project Director.

<u>Monitor, guide and effectively communicate progress</u>

- Monitor and control the progress of the project at a strategic level, being honest and frank about project progress, risks and upcoming issues;
- Ensure that any changes to agreed project benefits are flagged appropriately within project governance and that the business case is updated accordingly (throughout project lifecycle);
- Ensure that the integrity of the project is maintained and speak truth to power – including to Parliamentary Select Committees.

<u>Ensure problem resolution and referral processes are appropriate and effective</u>

- Understand and drive the successful mitigation of project risks;
- Escalate serious issues quickly and with confidence to senior management and/or Ministers;
- Maintain strong and effective engagement between the project team and its stakeholders and sponsors;
- Ensure that communication processes are effective and that the project's objectives and deliverables continue to be consistent with the organisation's strategic direction.

<u>Ensure that the project or programme is subject to review at appropriate stages</u>

- Recognise the value of robust project review and ensure it occurs at key points in the project lifecycle;
- Make certain that any recommendations or concerns from reviews are met or addressed in a timely manner;

- 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 has been made aware of the situation and has been briefed accordingly.

Manage formal project closure

- Formally close the project or 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 the appropriate stakeholders;
- Ensure a plan for both long term benefits realisation and on-going sustainability is agreed with key stakeholders as part of the process of moving the project to "business as usual".