



Infrastructure  
and Projects  
Authority



Department for  
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& Net Zero

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Date:05 May 2023

To: Damitha Adikaari Senior Responsible Owner (SRO) for  
the Low-Cost Nuclear Programme (Phase 2)

From: Jeremy Pocklington, **Permanent** Secretary and

Nick Smallwood Chief Executive, IPA

**Subject: Appointment as Senior Responsible Owner (SRO) for Phase 2, Low-Cost Nuclear Programme**

Further to our discussion we are writing to confirm your appointment as Senior Responsible Owner (SRO) of Phase 2 of the Low-Cost Nuclear Programme with effect from 8<sup>th</sup> February 2021 (the "Effective Date)", directly accountable to Jeremy Pocklington under the oversight of the relevant Minister of State.

**Your programme forms part of the Advanced Nuclear Fund under the oversight of the Advanced Nuclear Fund Portfolio Board and is included in the Government Major Projects Portfolio (GMPP).**

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.

As SRO you have personal responsibility for delivery of the Low-Cost Nuclear Programme and will be held accountable for the delivery of its objectives and policy intent; for securing and protecting its vision, for ensuring that it is governed responsibly, reported honestly, escalated appropriately and for influencing constructively the context, culture and operating environment of the project. 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 the Advanced Nuclear Fund Portfolio Board and/or the DESNZ Accounting Officer.

Like all civil servants, you remain accountable to Ministers, as set out in the Civil Service Code, and should deliver the programme in accordance with the objectives and policy intent as set by Ministers.

In addition to your internal accountabilities, SROs of GMPP Projects are personally accountable to Parliamentary Select Committees. This means that from the Effective Date, you will be personally accountable for, and could be called by Select Committees to explain the decisions and actions you have taken to deliver the programme (or specific milestones).

More information on this is set out in [Giving Evidence to Select Committees – Guidance for Civil Servants](#), sometimes known as the Osmotherly Rules. Detailed SRO roles and responsibilities are detailed in the IPA'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 the DESNZ Portfolio Office.

### **Time Commitment and Tenure of position**

**This role will require at least 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 completion of Phase Two of the Programme, planned for 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 and Projects Authority consent.

In addition, as it is vital to ensure that the appropriate succession planning is undertaken, you should agree a succession plan with Jeremy Pocklington, the DESNZ Permanent Secretary.

### **Objectives and Performance Criteria**

The aim of Phase 2 of the Low-Cost Nuclear programme is to build on the feasibility study delivered in Phase 1, and to mature the innovations, designs and concepts to the point where they can undertake and complete the first two steps of three steps of UK regulatory scrutiny.

Proposed changes to the scope of the programme which impact on this intent or benefits realisation must be authorised by Jeremy Pocklington and may be subject to a further level of approval.

The objectives and vision of the programme are as follows:

**Objective 1:** To have fully completed step 2 of the Generic Design Assessment (GDA) by the end of the programme (March 2025) to enable continuity of delivery beyond Phase 2.

**Objective 2:** To have developed, by the end of the programme, the SMR technical design and cost models (for product and power outputs), including developing RR SMR's proposed innovation outputs, together with the delivery schedule to a level which allows RR SMR to engage in future investment decisions and attract the level of private funding to support future phases of work, by:

- Attracting a minimum of £258m of industry match-investment needed for Phase 2 by the timelines set out in the Grant Funding Agreement;
- Ability to meet a LCOE of below £70£/MWh through DESNZ methodology, noting that RR-SMRs proposal targets around £50/MWh;
- Developing 19 key innovations to the point of adoption or exclusion from the design by the end of Phase 2.

**Objective 3:** To identify the supply chain and manufacturing strategy required by the RR SMR design, and increase potential deliverability of any "fleet deployment" through:

- An annual assessment of supply chain qualifications and accreditations to fulfil potential orders from RR-SMR;
- Annual review and forecast of percentage by power station spend to UK organisations, noting the RR-SMR proposal is targeting up to 80%;
- To contribute to the maintenance of UK skills and capability for the duration of the SMR programme. By the end of Phase 2 of the SMR programme at least 10% of FTE's will be apprenticeships and graduate jobs.

**Objective 4:** To promote greater equality and diversity in the UK nuclear sector over the lifetime of the programme including, but not limited to, meeting (or exceeding) the Nuclear Sector Deal target of 40% female workforce.

**Objective 5:** To utilise information generated by the LCN programme to support DESNZ led communications and engagement work on the awareness and public acceptance of nuclear energy; to track the communications impact of LCN; and to provide detailed information on the project to inform government policy on SMRs.

Your personal objectives and performance criteria with respect to this project are reflected in your performance agreement form, agreed with Lee McDonough, Director General, Net Zero Strategy & International at DESNZ.

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.

## **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. Where the Low-Cost Nuclear 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. 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 budget for Phase 2 of the programme is £215.5m including delivery costs for UKRI, the selected delivery partner, but excluding VAT. Any additional staffing costs for the Low-Cost Nuclear Programme will be taken from the already extant costs of your Directorate and agreed as part of your approval process. You will be expected to deliver within these tolerances and report quarterly on these as part of the GMPP reporting.

The current approved expenditure figure is £215.5m, which provides cover to 31 March 2025. In moving towards this date, you should be aware of any conditions or controls which have been agreed as part of current agreed financing.

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 the Low-Cost Nuclear Programme or – if relevant, specified tranches of the Low-Cost Nuclear Programme. Information on these controls can be found here: [Cabinet Office controls](#)

### (2) Delegated departmental/project authority

- you are authorised to approve expenditure of £215.5m;
- you are authorised to agree project rescheduling within three months of agreed milestones but rescheduling beyond that must be agreed with Jeremy Pocklington; and
- you are also responsible for recommending to Jeremy Pocklington 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 Jeremy Pocklington.

### Appointments

You should appoint a 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.

### Governance and assurance

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

As primary owner, you should 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 the 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 which was completed alongside the approval of the Outline Business Case 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 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 DESNZ portfolio management office and portfolio director 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.

## **Project Status**

The Project Status at the date of your appointment is reflected in the most recent quarterly return on the programme to the Infrastructure and Projects Authority. This 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 DESNZ portfolio management office as required. Reporting should include carbon measurement, and other sustainable development goals demonstrating evidence that the project contributes to an overarching environmental strategy and is aligned with defined Net Zero pathways. Information on the programme will be published annually by the Infrastructure and Projects Authority.

As the SRO of a 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 Integrated Review Implementation Group Sub-Group and the Climate Action Implementation Committee.

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

**Major Projects Leadership Academy (MPLA)**

As SRO of a GMPP project, you are required to enrol on the MPLA. I am pleased that you already have enrolled and are now part of Cohort 33 of the programme which is underway.


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

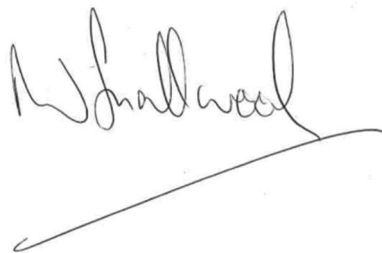
The Infrastructure and Projects Authority will be available to you for support, advice, and assurance throughout the programme's time on the GMPP.

The DESNZ portfolio office 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 success in your role as SRO.

*Yours sincerely,*

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**JEREMY POCKLINGTON**

**NICK SMALLWOOD**

*Permanent Secretary, Department for Energy Security and Net Zero*

*Chief Executive Officer, Infrastructure and Projects Authority*

**CONFIRMATION OF ACCEPTANCE OF APPOINTMENT**

I confirm that I accept the appointment as Senior Responsible Officer for Phase 2 of the Low-Cost Nuclear Programme, including my personal accountability for implementation of the project, as set out in the letter above.

Name of SRO: Damitha Adikaari

Signature of SRO:

A handwritten signature in blue ink, consisting of several loops and a central horizontal stroke, positioned to the right of the text 'Signature of SRO:'.

Date: 05/05/2023