



Department for
Energy Security
& Net Zero



Infrastructure
and Projects
Authority

To: **Caroline Botwood**, Senior Responsible Owner for the **New Nuclear Project (Sizewell C Project)**

From: **Jeremy Pocklington, First Permanent Secretary**, of **Department of Energy Security & Net Zero**
and Nick Smallwood, Chief Executive Officer of the Infrastructure and Projects Authority

20 March 2024

Dear **Caroline**

**APPOINTMENT AS SENIOR RESPONSIBLE OWNER FOR THE NEW NUCLEAR PROJECT
(SIZEWELL C PROJECT)**

We are writing to confirm your appointment as Senior Responsible Owner (SRO) of the New Nuclear Project (Sizewell C), DPO 2083 (hereafter, the Sizewell C Project) with effect from 17 July 2023. This letter sets out your responsibilities and the support you can expect from your department and the Infrastructure and Projects Authority (IPA).

As SRO, you are directly accountable to Lee McDonough, Director General, under the oversight of Jeremy Pocklington as Accounting Officer for the Department for Energy Security & Net Zero and the Secretary of State for Energy Security and Net Zero.

Your Sizewell C Project is within the New Nuclear Projects Directorate under the oversight of the Chair of the Portfolio Investment Committee and is included in the Government Major Projects Portfolio (GMPP).

You have personal responsibility for the delivery of the Sizewell C Project 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 project. You are also responsible for ensuring the ongoing viability of the project 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 Sizewell C Senior Board, Accounting Officer and HM Treasury as appropriate and in a timely manner.

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 project.

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 the Department for Energy Security and Net Zero's Implementation and Delivery Directorate.

Time commitment and tenure

This will be a full-time role to enable effective delivery of the role and execute your responsibilities in full.

You are required to undertake this role until the end of the Project or until the responsibility is transferred to a newly appointed SRO. 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 project is to achieve the following strategic objective:

Provide a firm and low-carbon source of 3.2GW of electricity, which represents value for money for consumers and taxpayers.

Any proposed changes to scope which impacts on this intent or the realisation of benefits must be authorised by the project's governance framework and may be subject to further levels of approval.

The overall objectives of the Project are to:

a) Contribute to UK Government decarbonisation commitments by:

- i. Deploying proven technology to offer Net Zero compliant and firm electricity generating capacity, ensuring that the electricity system remains resilient to stress events; and
- ii. Enabling nuclear sector contributions to HMG's Carbon Budget 6 target.

b) Reduce the cost of new, large-scale nuclear power by:

- i. Achieving an appropriate level of risk sharing between investors, consumers and the taxpayer which is both attractive to the market and incentivises the project to deliver to time and budget, whilst lowering the cost of capital; and
- ii. Achieving an appropriate level of Hinkley Point C design and supply chain replication to reduce costs.

c) Support the wider decarbonisation of the energy system by:

- i. Boosting UK nuclear industry capability and investor confidence, providing greater optionality for future new nuclear plant on the pathway to CB6 and Net Zero; and

- ii. Securing the potential for greater system flexibility through enabling cogeneration options to supply a range of potential technologies such as green hydrogen, Direct Air Capture (DAC) and clean heat.

d) Maximise opportunities and wider benefits from the project including:

- i. Levelling-up across the UK through greater UK supply chain content for nuclear new build, and the creation of jobs; and
- ii. Supporting synergies with the advanced nuclear sector, nuclear research and development and the strategic defence nuclear supply chain.

The SRO's personal objectives and performance criteria are to:

- **Business Delivery:**

- a) **Deliver the Full Business Case (FBC) for the Sizewell C project by:**

- Ensuring sufficient resource is made available from the equity raise to maintain progress on the underlying project and to deliver a quality FBC to Major Projects Review Group (MPRG) and Ministers

- b) **Conclude equity and debt raise for the Sizewell C Project OR develop alternative funding arrangements**

- Maintain focus across Whitehall by providing timely and quality advice that allows an assessment of the best Value for Money (VfM) funding solution

- c) **Get cross-Whitehall agreement to the post Final Investment Decision target operating model by:**

- Undertaking the consultation and deliberation to develop a target operating model including proposals on capability, capacity, governance and organisation design to take through the necessary approvals.

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 **project** 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 project 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 Project. Information on these controls can be found here: [Cabinet Office controls](#).

Delegated authority

You should use your programme's governance framework, as the means by which any necessary authorisation is sought for any changes to your programme's scope, milestones or scheduling.

You are authorised to:

- a) Approve expenditure in line with the Delegated Authorities agreed with the Department for Energy Security & Net Zero. These are: capital (whole life costs), £5m capital, £10m R&D, programme (whole life costs), £10m, administration, £2.5m.
- b) Agree project rescheduling of agreed milestones to the end of this Parliament but rescheduling beyond that must be agreed with the Sizewell C Senior Board; and
- c) Recommend to the Accounting Officer / Permanent Secretary and the Sizewell C Senior Board and HMT 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 Accounting Officer / Permanent Secretary and the Sizewell C Senior Board and HMT.

Appointments

You should make appointments as required for the control and delivery of your project within your delegated authority.

Governance and assurance

You should pay attention to ensuring effective governance for your project, including the establishment of a SZC Project Board, accountable to the SZC Senior Board with appropriate membership and clear terms of reference.

As primary owner, you must ensure that the project secures business case approval from the DESNZ Portfolio and Investment Committee (PIC) including Cabinet Office and HM Treasury. You should also ensure that the project 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 project 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 Full 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 project 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 project, 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 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, reporting and transparency requirements

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

You are responsible for ensuring the honest and timely reporting on the position of the project to the Infrastructure and Projects Authority while it remains on the GMPP and for providing reports and information to the Nuclear Projects & Delivery Directorate 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 project 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) A summary of the accounting officer assessment completed in line with the approval of the Full Business Case and summaries of any subsequent assessments should they be required;
- b) A summary of the HM Treasury approved Full Business Case; and
- c) A close out report after the project has completed.

Development and support

As a graduate of the Major Projects Leadership Academy, you are expected to maintain your continuing professional development as a project leader, including your status as an accredited assurance reviewer. 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 project 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 project's time on the GMPP.

Following approval of the business case and entry onto the ES&NZ Departmental Portfolio the Portfolio Investment 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.

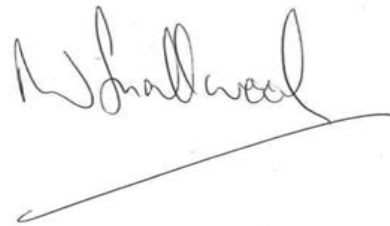
We would like to take this opportunity to wish you every success in your role as SRO.

Yours sincerely,



Jeremy Pocklington

Permanent Secretary, Department of Energy Security and Net Zero



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**, including my personal accountability for implementation, as set out in the letter above.



Caroline Botwood

24 April 2024