



Department
for Work &
Pensions

To: Neil Couling, Director General and Senior Responsible Owner for Universal Credit Programme

Date: 16 November 2018

From: Peter Schofield CB, Permanent Secretary, Department for Work and Pensions

Tony Meggs, Chief Executive, Infrastructure and Projects Authority

Appointment as Senior Responsible Owner for Universal Credit Programme

We are writing to confirm your continued appointment as the Senior Responsible Owner (SRO) of Universal Credit Programme (UC), which took effect from 1 October 2014. You are directly accountable to the DWP Accounting Officer (AO), under the oversight of the Secretary of State. This will be a full time role.

As SRO you are personally responsible for delivering the Programme. You are held accountable for delivering its objectives, benefits and policy intent, for securing and protecting its vision, for ensuring it is governed responsibly, reported honestly, escalated appropriately and for influencing constructively the context, culture and operating environment of UC.

In addition to your internal accountabilities, you should also be aware that SROs of Government Major Portfolio Projects (GMPP) programmes and projects are held personally accountable to Parliamentary Select Committees. You will be expected to account for, and explain, decisions and actions you have taken to deliver the programme or specific milestones within the delivery plan.

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.

Tenure of Position

You will be expected to remain in this role until the end of the programme, ensuring the safe and secure delivery of UC in the future. The current end date is planned for 31 December 2023.

Objectives and Performance Criteria

UC is a major reform, which, at a strategic level, is transforming the welfare state in Britain for the better. UC introduces a welfare service designed to encourage those

not in work to take up work, and those in work to seek to earn more and become financially independent. It changes the way benefits are assessed, administered and delivered and impacts a range of stakeholders including claimants, DWP staff, landlords and delivery partners including HMRC, Local Authorities and other public, private and third sector organisations.

UC introduces fundamental changes to the way that citizens interact with the welfare system. It seeks to tackle worklessness through a combination of incentives and new forms of support for those seeking work and those in work who are in a position to take on more hours. In summary, the main changes include:

- Stronger financial incentives;
- Stronger support and conditionality;
- Integrating out of work benefits and tax credits into one single Universal Credit.

UC will deliver wider transformation for:

- Claimants – the approach puts claimants at the centre of the development, with work outcomes influencing the entire design and build;
- Taxpayers – by designing a service which builds in security at every level and by doing so, reduces the risk of Fraud and Error;
- Staff – the single system will be coherent and intuitive, based on a “*Test and Learn*” approach throughout the build and ahead of rollout;
- Employers – the dynamic effects of UC increase demand of employers for labour supply;
- Government – by reforming the Welfare State, providing fit for future technology, focussed on getting people into work and earning more.

The objectives of UC, working with a range of delivery partners, is to deliver:

- Full employment – increasing participation in the Labour Market;
- Reducing and preventing fraud and error;
- Controlling welfare cost;
- Providing a safety net - UC will allow the Department to tailor our offer to those who need it most, with extra assistance for those with disabilities and those who require support with childcare costs;
- Increasing efficiency through automation.

In addition, the delivery of UC has a transformational effect on the Department’s future business model, culture and ways of working through the development of digital services that meet both the Programme’s needs and provide enablers for the wider Department, these include:

- Use of Real Time Information;
- Digital verification services;
- Digital Service centres.

UC will ensure a smooth transition and migration from Legacy Benefits and the roll out of Universal Credit in a safe and secure manner.

Since your original appointment in October 2014, the scope of the programme has changed through the passage of the Work and Welfare Act 2016, the Scotland Act 2016 and the Northern Ireland Welfare Reform Act 2015. In result of the policy changes announced through Budget 2017 and Budget 2018, the timetable for delivery has been changed, on your advice to Ministers, to accommodate these changes in scope.

You will continue to develop ongoing plans for implementation in line with the Full Business Case agreed in spring 2018. Using the strategic planning assumptions in that Business Case, and subsequent outcomes from Budget 2017 and Budget 2018, you will develop plans for delivery, reflecting emerging evidence, operating experience and responding to the agile design and build of the UC Full Service. Future revisions to plans will be subject to Ministerial agreement and you are accountable for ensuring formal approval for delivery of UC throughout this Parliament and longer-term.

Future proposed changes to the programme scope that impact on government policy, digital transformation or the benefits your programme has been set up to deliver must be authorised by the AO, who may delegate their decision-making authority to DWP's Investment Committee (IC), and may be subject to further levels of approval. You are also responsible for recommending to the AO or IC, the need to either pause or terminate the programme where necessary and in a timely manner.

As you know, the Department is transforming the way it delivers its business by introducing digitally-based, user-centred services to better meet customer needs and deliver increased efficiency. As SRO, you have responsibility to be sighted on and aligned with Departmental Strategy and the Single Departmental Plan and attend appropriate governance fora to provide assurance that the programme deliverables are aligned with DWP's strategic direction and processes.

Programme Status

The Programme status is reflected in the latest quarterly return to the Infrastructure and Projects Authority (IPA), where the most recent assessment of deliverability was an Amber rating. The whole life cost budget for this programme is as per the latest approved Business Case; see Annex 1. Detailed guidance on SRO roles and responsibilities is attached at Annex 2. You should follow that guidance and also ensure that you understand the guidance "Giving Evidence to Select Committees – Guidance for Civil Servants" ¹ and make yourself aware of the Infrastructure and Projects Authority guidance on the management of major projects².

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364600/Osmotherly_Rules_October_2014.pdf

² <https://www.gov.uk/government/policy-teams/major-projects-authority>

Extent and Limit of Accountability

HM Treasury (HMT) spending controls will apply, as set out within the HMT Delegated Spending Authority letter. Where your 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 the DWP's HMT spending team.

You should note in particular 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 project exceeds the delegated authority set by HMT.

Following recommendation from the Public Accounts Committee (PAC), from April 2017 an Accounting Officer Assessment should always be produced for projects or programmes which form part of the GMPP at the Outline Business Case (OBC) stage (or at the point when it enters the GMPP if this is later).

As the UC Programme is beyond the OBC stage, there is no mandate to undertake an assessment. You should note an Accounting Officer Assessment should be prepared at subsequent stages of the programme if it departs from the four standards (regularity, propriety, value for money and feasibility), or the agreed plan – including any contingency – in terms of costs, benefits, timescales, or level of risk.

It is for you, as the SRO, to decide whether or not an Accounting Officer Assessment should be prepared at any other stage of the programme. You should be prepared to defend your decisions to Parliament if challenged, for example, if called to give evidence to the Public Accounts Committee.

You should ensure that you operate at all times within the rules set out in Managing Public Money.³

In addition you must be mindful of and act in accordance with the specific Treasury Delegated limits and Cabinet Office controls relevant to projects. Information on these controls can be found here.⁴

Major Projects Leadership Academy (MPLA)

As the SRO of a GMPP programme, you are required to attend the Major Projects Leadership Academy (MPLA). You attended this as part of Cohort 10.

As a graduate of MPLA, we will both expect and support you to continue your on-going professional development, and will encourage you to take an active part in MPLA alumni activities. You are a recognised, accredited IPA reviewer and as such will be expected to lead or participate in such reviews for other Government Departments, the wider public sector and other areas of the Department for Work and Pensions as appropriate.

³ <https://www.gov.uk/government/publications/managing-public-money>

⁴ <https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

You will be required to participate in such reviews at least once every 12 months to maintain your accreditation.

We would like to take this opportunity to wish you success in your role as SRO for the Universal Credit Programme.

Yours sincerely,

Peter Schofield CB
Permanent Secretary
Department for Work and Pensions

Tony Meggs
Chief Executive
Infrastructure and Projects Authority

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

Name of SRO:

Signature of SRO:

Date:

Programme Budget

The latest planning allocation assumptions are:

2018/19 Budget (£m)	Whole Life Cost (£m)
836.7	12,716.95

⁵ Sources:

- 2018/19 – 2019/20 Budget Allocations from DWP RAM dated 24 Oct 2018
- 2017/18 Budget Allocations from DWP RAM dated 22 March 2018
- 2016/17 Budget Allocation from DWP RAM dated 10 February 2017

Senior Responsible Owner Role and Accountabilities

The role of the SRO

You are personally accountable for ensuring the on-going delivery of the programme. You are responsible for ensuring the related implementation and transition activities will deliver the agreed objectives and the benefits stated in the Business Case.

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

An SRO will:

- Be a visible, engaged and active programme 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 Programme Director and ensure they have a clear and current letter of appointment; and
- Have sufficient time, experience and the right skills to carry the full responsibilities of the role.

Specific SRO accountabilities

Set up the programme for success

- Ensure the programme is set-up to make an unambiguous and demonstrable link to strategic policy;
- Translate the policy intent into clear deliverables which are established and agreed with senior stakeholders;
- Carry out robust and commercially viable options appraisal, which balances the risk with opportunity, as part of initial programme feasibility;
- Establish a firm Business Case for the programme during the initiation/definition phase and ensure any planned changes continue to be aligned with the business;
- Identify and secure the necessary investment for the Business Case (this includes both budget and operational resource);
- Design and implement robust, appropriate and transparent programme governance;
- Build strong and effective relationships with key stakeholders, justifying their trust and retaining their confidence, and obtain commitment to benefits realisation.

Meet the programme objectives and deliver the projected benefits

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

Develop the programme organisation and plan

- Design and implement a coherent organisation structure and an appropriately detailed programme 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 Programme Director.

Monitor and take control of progress

- Monitor and control the progress of the programme at a strategic level, being honest and frank about project progress, risk and issues;
- Monitor benefits and ensure that any changes to the agreed programme stated benefits are flagged appropriately within programme governance and the Business Case is updated accordingly (throughout the programme life-cycle);
- Maintain the integrity of the programme and speak truth to power;
- Communicate effectively with senior stakeholders about programme progress and provide clear, appropriate and delivery-focused decisions and advice to the Programme Director.

Effective and appropriate problem resolution and referral processes

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

Ensure the programme is subject to review at appropriate stages

- Recognise the value of robust programme review and ensure it occurs at key points in the programme lifecycle, particularly at the pre-initiation (feasibility) and initiation stages;

- 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, ensure the Permanent Secretary has been made aware of the situation and briefed accordingly.

Manage formal programme closure

- Formally close the programme documenting lessons learned with the final evaluation report and disseminate to stakeholders;
- Put plans in place for a post implementation review, agreeing this with your Programme Board and other relevant stakeholders;
- Agree a plan for both long term benefits realisation and on-going sustainability with key stakeholders as part of the process of moving to business as usual.