



Defra Group Management Consultancy Call off Contract: Defra Project Engagement Letter (DPEL)

Project Delivery Partner (Lot 3)

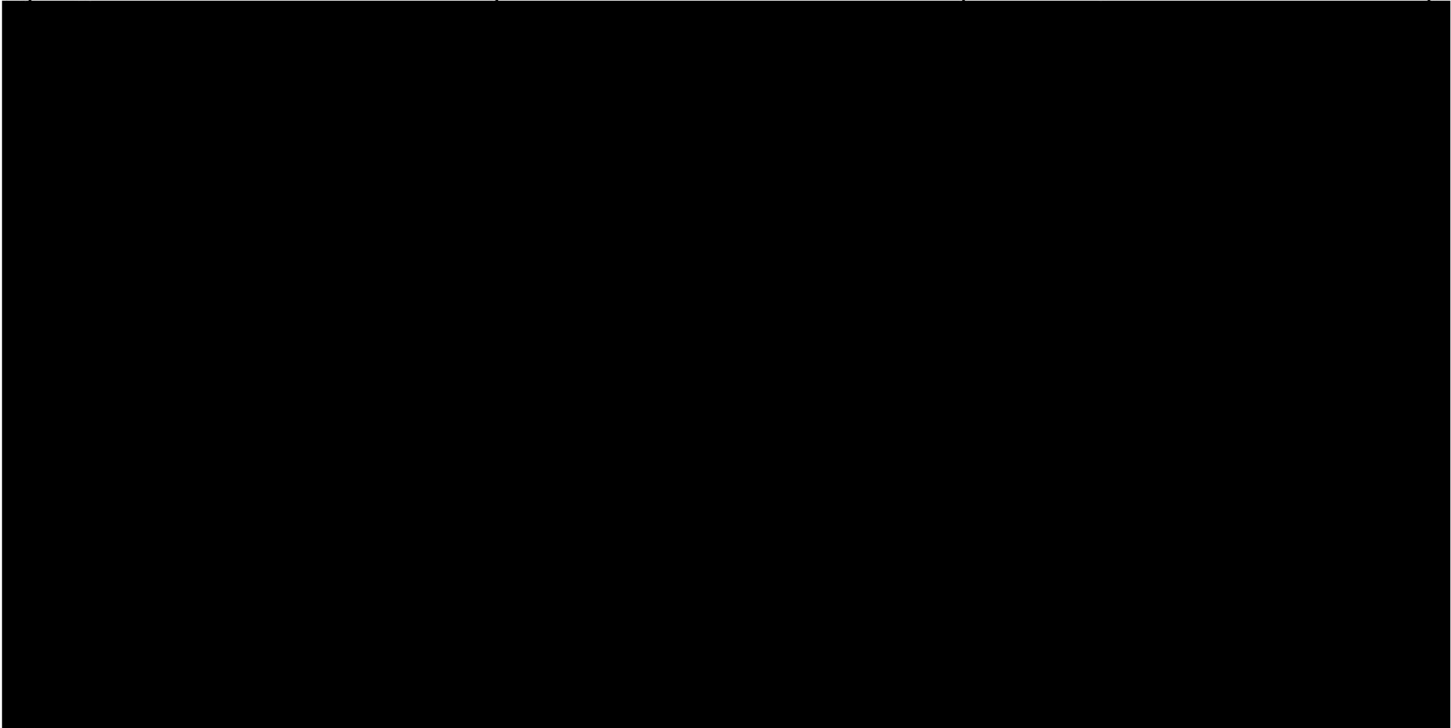
Completed forms and any queries should be directed to Defra Group Commercial (DgC) at [REDACTED]. Please do not complete this form until you have liaised with DgC, and they have allocated you a lot to access consultancy services including a DPEL reference number.

Engagement details		
DPEL Reference Number	DPEL_61541_154	
Local Client Reference	N/A	
Extension?	N	
Business Area	Environment Agency: FCRM	
Programme / Project	Project Aurora	
Senior Responsible Officer	[REDACTED]	
Supplier	Methods Business & Digital Technology	
Title	Project Aurora Benefits Maturation Support	
Short description	The 14-week benefits maturation phase will build on the benefits identified during the DDP202 Discovery Phase, identifying proportionate reporting data and supporting embedding enduring monitoring and benefits-led decision making.	
Summary of Change	N/A	
Engagement start / end date	Proposed start date 07/07/2025	Proposed end date 10/10/2025
If an extension	N/A	N/A
Expected costs 23/24		
Expected costs 24/25		
Expected costs 25/26	£55,635.00	
Base location	Remote	
Version #	V1.2	
Version Date	20/06/2025	



By signing and returning this cover note, Defra accepts the contents of this Project Engagement Letter as being the services required and agrees for Methods Business and Digital Technology to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 3 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures		
Supplier	Business Area	Defra Group Commercial



--	--	--

Signature and timestamp to be added through electronic signature.



General Instructions

The Engagement Letter describes the services required and provided. When completing the Engagement Letter establish the context, explain why external support is required and distinguish between the objectives, outcomes, scope, and deliverables. The rationale behind the costs should be made evident in the Fees section.

The Business Area considerations are guidance notes for the customer to support their evaluation of the Engagement Letter.

The Engagement will be a fully contracted out service therefore the off-payroll legislation will not apply. A true service will have the following characteristics:

- Delivery is fully outsourced to the supplier, who will have full responsibility for delivering the outcome and the risk of non-delivery sits with the supplier.
- The team is not embedded within your organisation but is engaged, directed, and controlled entirely by the supplier.

OFFICIAL SENSITIVE - COMMERCIAL



It is your responsibility to determine whether your Engagement represents a supply of an outsourced managed service or a supply of resource. The reality of working arrangements should be considered and not just contractual terms.



1. Background

Project Aurora is a 15-month, corporate transformation programme, commissioned by the Executive Director Team (EDT), that aims to prepare the agency for delivery of a new flood investment programme and transform our approach to asset management. It will enable us to become more efficient and effective in what we do, ensuring our assets work reliably and we are creating greater resilience across the community to current and future flood and coastal erosion risk.

Project Aurora is ambitious, delivering at pace and building on the successes of previous and current improvement projects and providing a coordinated approach to transformation. One of the key outputs is a more agile and integrated delivery model, with flexibility around levels of governance, assurance and resourcing to suit different scales of value and complexity.

The new ways of working will ensure we can adapt and evolve to changing circumstances more effectively. It will be simpler and easier to understand, more efficient and effective with the aim of maximising value for money.

Project Aurora is led by [REDACTED]. It will be achieved through the delivery of two broad, but very connected, workstreams.

More information is provided for each below:

Flood & Infrastructure Improvement Programme

- Finalise the merger of the Flood & Coastal Risk Management (FCRM) directorate and the Major Projects & Programme Delivery (MPPD), Navigation and Evidence and Risk teams.
- Ensure that national approaches to delivery are built into the future service
- Revise, develop and implement new ways of working, particularly focussing on delivering efficiencies in the capital programme and improving delivery confidence in the future pipeline of projects

Asset Transformation

- To improve the management of our asset base by transforming our approach to asset management across the business for all types of assets (flood, navigation and water) to embrace a more modern and reliability-centred approach. This will include adopting new approaches to asset management, including technological innovation.

2. Statement of services

Objectives and outcomes to be achieved

Overview

Project Aurora is a 15-month corporate transformation programme aimed at improving governance, efficiency, and asset management in preparation for a new flood investment programme. To support this, a proportionate approach to benefits identification, management and reporting is required while ensuring alignment with strategic priorities and change management.

This maturation phase will mature the existing benefits management understanding and documentation, undertake strategic benefit mapping and develop profiles and realisation plans for priority benefits, with supporting reporting approaches for realisation through delivery and into BAU.

The approach consists of three key stages:



- Alignment of the Aurora benefits with the integration activities, enabling the development of a strategic benefits map across the Pillars and Themes
- Supporting the Aurora TMT and the underpinning Pillars and Themes to identify key benefit realisation metrics and outline the associated reporting to support benefits-led decision making at Board level, and enable effective reporting into the programme from the Pillars and Themes
- Develop benefit profiles and realisation plans to support ongoing change and transformation activities, updating the benefits management strategy and associated governance structures to enable benefit realisation monitoring through Delivery and into BAU

Objectives

1. Strategic Benefit Mapping – Ensure benefits are mapped against key outputs and outcomes across the Pillars and Themes, with clear supporting narrative and dependencies showing attribution
2. Metric Identification and Analysis – identify metrics that evidence progress towards benefit realisation, ensuring there are accessible sources of data, and utilising existing reporting wherever possible.
3. Develop robust documentation for the benefit profiles, realisation plans, and benefit management strategy, in line with best practice, that enables the Aurora Programme to evidence the impact of the transformation

Outcomes

By the end of the Maturation Phase, the EA will have:

1. A strategic benefit map
2. Benefit profiles and realisation plans
3. A reporting framework to enable benefit realisation monitoring
4. Supporting guidance and documentation for sustainable implementation of the benefits management strategy

Scope

Weeks 1-4: Benefit Definitions, Key Indicators, and Strategic Mapping

Review and refine the descriptions of the Aurora Benefits, and socialise them around stakeholder groups, ensuring existing meetings and forums are used wherever possible

- Capture feedback and build up detail for benefit profiles
- Identify priority KPIs
- Integrate with Change & Transformation messaging and the Aurora Design Principles
- Draft Benefit Map to capture contributions from Themes and Pillars

Weeks 5-10: Deeper Analysis of Indicators, Development of Reporting Approach, and Progressing the Benefit Artefacts

Working in collaboration with other Aurora workstreams, ensure input provided in other forums (e.g. integration workshops, change & transformation work) is reflected in the benefits management approach



- Identify existing reporting that can be utilised.
- Analysis of identified indicators for accessibility & relevance for benefits reporting.
- Build further detail into the benefits map to capture dependencies and critical paths
- Work with pillars and themes to identify milestone & deliverable reporting requirements
- Draft reporting templates to reflect a proportionate approach to embedding benefits-led decision making
- Develop governance to be reflected in Benefits Management Strategy
- Develop Benefit Profiles & Realisation Plans for approval

Weeks 11-14: Consolidation and finalised documentation, knowledge transfer

- Ensure documentation is consistent with programme requirements
- Update Benefits Management Strategy
- Knowledge Transfer Sessions to handover ownership of documentation
- Guidelines to supplement approach and upskilling sessions as required

Assumptions and Dependencies

Assumptions

- All Benefits Management Activities will be aligned with central Defra portfolio directorate standards where defined and appropriate.
- Methods staff will have access to key stakeholders who are required to deliver the work, who will engage meaningfully and promptly to provide information to support the outcomes.
- Relevant stakeholders will engage with the Methods team where required
- All relevant stakeholders will be available as necessary for the purposes of knowledge transfer and the transfer of responsibilities and that key topics of interest will be identified and communicated to Methods team for this purpose.
- Access to Existing Governance & Reporting Materials – Relevant documentation (e.g., governance frameworks, reporting templates, business case processes, benefits maps) will be provided in a timely manner.
- Defra colleagues will support in the identification of suitable timings for and required workshop and engagement activity to underpin key delivery (engagement) activity.

Dependencies

- Delays in scheduling meetings or obtaining input may impact the depth of findings.
- The ability to assess benefits and reporting structures relies on the availability of accurate and up-to-date materials.



Risk management

Two layers of risk management shall be considered during this engagement:

- Risk to the service provided by Methods to the Client. These risks shall be recorded and mitigated by Methods staff and communicated to the named Point of Contact either through the regular governance structure or on an ad-hoc basis should a critical risk be raised.
- Risk to the projects which the Methods team are supporting the Client to deliver will be managed through project-level risk processes via the Project Manager. Mitigations will be jointly developed.

A Methods Service Delivery level risk register will be produced as part of the SDD which will be shared with the Aurora project team so that all identified risks can be mitigated/managed appropriately.

3. Deliverables

Project Delivery

Deliverable	Date	Success Criteria	Linked outcome
Benefit definitions and descriptions established	01/08/2025	<ul style="list-style-type: none"> • Benefits defined and described • Alignment with Design Principles clear 	1, 2
Strategic Benefits Map	01/08/2025	<ul style="list-style-type: none"> • High-level benefits map generated • Priority KPIs identified 	1, 2
Benefits Reporting Framework	12/09/2025	<ul style="list-style-type: none"> • Proportionately sized and scoped to support ongoing benefits management and reporting • Meets Aurora Board requirements 	3
Benefits Documentation	10/10/2025	<ul style="list-style-type: none"> • Benefits Management Strategy Updated • Benefit Profiles & Realisation Plans • Guidelines to support adoption 	4

Internal Capability Development Outcomes

Deliverable	Date	Support on content	Linked outcome
Business Change Knowledge Transfer	Iteratively reviewed at points in service delivery period- completed by 10/10/25	Knowledge transfer needs to be identified, monitored, and planned for throughout delivery period. Evidence of growing capability systematically and proportionately in line with Programme needs and specifically related to associated tools and information.	1, 2, 3, 4

Limitations on scope and change control



Unless instructions to the Supplier are later amended in writing, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Supplier will be acting in reliance on information provided by the Business Area.

The Project Engagement Letter is the agreed contract of work between the Defra Group Business Area and the Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require consultation with DgC and subsequent relevant approvals.

4. Delivery management

Supplier Delivery Team

The outcomes-based nature of consultancy services provided through Lot 3 (Ref 28595) dictates that the Supplier retains responsibility and authority to provide the delivery team required to meet the contracted outcomes. The Business Area team should manage any performance concerns directly with the Supplier Team in the first instance with escalation, where necessary, through Defra Group Commercial.

The actual resources used in the delivery may be greater or less than that on which the price is based as the work is undertaken at the Supplier's risk. Should factors materialise that impact successful delivery, through factors outside the Supplier's control that warrant an alteration to time or cost, a change control will be made to this document as well as to the Service Definition Document (SDD).

The SDD is the first standard deliverable used to manage the project and provides the delivery team structure alongside more detail on governance, plan and success criteria.

Business Area's Team

No members of the current team will be directly allocated to support delivery. Candidates for knowledge transfer will be identified on an ongoing basis as appropriate.



5. Fees

Defra Group will reimburse the Supplier for approved work done according to the table below. The total fees for the scope of work detailed in this Engagement Letter will be £55,635.00, exclusive of expenses and excluding VAT.

This total represents the agreed fixed price of the Supplier for the successful delivery of the contracted outcomes. The fees are based on the expected delivery team using the set framework rates. DgC review the resources and rates as part of commercial due diligence and sign-off.

Stage	Due (link to milestone dates)	Cost
Milestone 1 – Benefit Definitions, Strategic Map, and Priority KPIs	01/08/25	£18,545.00
Milestone 2 – Benefits Reporting Approach	12/9/25	£18,545.00
Milestone 3 – Benefits Documentation	10/10/5	£18,545.00
Grand total		£55,635.00



Payment

The Supplier should invoice at project stage milestones set out in section 4. Defra Group will reimburse fees on confirmation of approval of work delivered by the Business Area.

6. Governance and reporting

Business Area to outline governance and report requirements relevant to the Engagement through Key Performance Indicators below:

Key Performance Indicators

Business Area and Supplier to agree any specific key performance indicators related to this specific project engagement.

KPI	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
#1	All project artefacts are up to date for in scope projects, specifically including RAID logs, project plans and board reporting.	Monthly	Delivery team	Routine reporting	100% up to date and accurate

Feedback and satisfaction

Business Area and Supplier to agree regular reporting intervals for the duration of the engagement.

Defra Group reserves the right to hold review meetings during the assignment, discussing what went well, opportunities for improvement on future assignments and similar. This will incorporate any 'Show and Tell' documentation or transferable products that have been produced. A post-engagement quality review must be completed as part of the Engagement sign-off. DgC will contact the Business Area to arrange this and share the feedback with the supplier on a bi-monthly basis.

Non-disclosure agreements

The overarching MCF2 framework includes NDAs.

7. Exit management

The agreed actions and deliverables by the Supplier for when the contract ends are as follows:

Handover of deliverables will be completed in line with the discovery plan.



Notice period

The nature of these engagements requires that Defra Group have the ability to terminate an engagement with notice. Defra Group's termination rights for this engagement are marked below.

The minimum notice period for termination is 5 working days regardless of engagement duration.

Supplier Engagement Process

1. Business Area identifies a potential need for delivery support, initiates a conversation with DgC, confirms which approvals are required for an engagement to occur, e.g. Consultancy Governance Board if over £120k or DgC Corporate Services Delivery Board if under £120k.
2. If over £120k the Spend Control Form must be completed by Business Area and submitted to DgC at:
[REDACTED]
3. Lot / Supplier is selected and briefed on the request by DgC, then introduced to the requesting Business Area for further discussion and confirmation of work to be delivered.
4. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and support from DgC and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed. Approval states are:

Approval state	Definition	Permissions
Full approval	<ul style="list-style-type: none">▪ DPEL agreed▪ DPEL signed: Supplier, Dept and DgC▪ Purchase Order number	<ul style="list-style-type: none">▪ Work can start▪ Supplier can invoice for work