



Department  
for Environment  
Food & Rural Affairs

# 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_141	
Local Client Reference	N/A	
Extension?	N	
Business Area	Environment Agency: FCRM	
Programme / Project	DADI: Strategic File Management	
Senior Responsible Officer	[REDACTED]	
Supplier	Methods Business & Digital Technology	
Title	Business Change Management for SFM Project	
Short description	Obtaining expertise in business change management for transformational project support.	
Engagement start / end date	Proposed start date 08/04/2025	Proposed end date 19/09/2025
If an extension	N	
Expected costs 23/24		
Expected costs 24/25		
Expected costs 25/26	£ 79,735	
Base location	Remote	
Version #	V0.2	
Version Date	23/01/2025	



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
<div></div>		

MT

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.

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.



Department  
for Environment  
Food & Rural Affairs

## 1. Background

The Environment Agency (EA) is embarking on the Strategic File Management (SFM) project, aimed at delivering a centralised solution for managing asset management (AM) files throughout their lifecycle. The current file management system is fragmented, with no single repository or standardised processes to manage AM files. Over 80% of the identified issues are related to processes rather than technology, underscoring the need for a comprehensive change management approach to facilitate successful adoption of the SFM solution.

To achieve this, the EA requires the support of change management expertise to help develop and execute a robust change management plan, focusing on engaging stakeholders, aligning business case development, and supporting the creation of a costed and structured change plan that aligns with the overall project objectives and benefit realisation plans.

During DDP191, teams identified and articulated a complex delivery landscape, with 'two' key groups identified as affected by the change. These two groups interface with SFM in differing manners, requiring tailored implementation between the two, and it is understood that full identification of stakeholder teams within these two areas is unlikely to occur before implementation has begun, requiring specialist in continuing iteration of change plans and supporting tools.

The SFM Project has reached the end of their OBC Phase and are beginning work on FBC, with work also progressing on procurement of a technical solution for SFM. During this stage work towards process and behaviour change will begin within the EA. The Project will now require change management support in implementation of the change plan collateral and work began in the prior phase of work. This support is understood to be in place during the technical solution procurement process, barring shifts in timelines.

## 2. Statement of services

### Objectives and outcomes to be achieved

Methods will support the SFM project to begin work on process and behavioural change across the affected user population identified in a previous project, as work is done within SFM to bring in a technical solution supplier. The Methods Business Change and Transformation team will employ a collaborative approach, working closely with the EA project team and stakeholders. The engagement will include workshops, meetings, and regular check-ins to ensure alignment and progress against the plan and outlined deliverables.

This work is proposed as a 24week piece of work, with an option to extend for a further 6 weeks at the end of delivery.

#### Objectives:

1. To utilise the previously developed and agreed change plan to begin implementation, actioning suggested and recommended activities as capacity and readiness allow, for the period of the engagement.

2. To respond to emergent resistances and impact population feedback over course of phase 1 implementation, adjusting and updating the plan in line.
3. Support Development of reporting and tracking mechanisms for change management activities.
4. Continual resistance management and performing change health check and readiness assessment activity towards end of engagement.
5. Ongoing BAU Change Management support to SFM Project.
6. Working with SFM stakeholders and Product owner adjacent figures in generation of training materials for phase 1 of SFM implementation, alongside development of onboarding packs for new users and staff.
7. Knowledge Transfer to change management resources in SFM once they are in place in role.
8. Behavioural change and sustainment activities with end user groups.

## Scope

### In Scope

- Lead engagement with relevant stakeholders and ensure this work is professionally planned and executed, and that change management principles are applied.
- Identify where and why there may be resistance to change and advise strategies to tackle this.
- Seamless integration and deliverables in conjunction with Comms Support DPCL.
- Develop and execute activities in the Change Management Plan along with other relevant plans establishing a clear roadmap to ensure the necessary business change occurs.
- Support the facilitation of workshops and meetings with stakeholders to gather feedback, address concerns, and build consensus on the SFM solution.
- Monitor and report on engagement activities, ensuring alignment with project objectives.
- Enact and update resistance and risk management plans and approaches.
- Work to support onboarding of change specialist internal resource into the SFM project, providing handover and guidance to ensure an aligned and robust approach to both change management and communication efforts within SFM.
- Working within the SFM project to enable and disseminate communications.
- Interfacing with, but not working to, other DADI programme projects, to ensure a balance and cohesiveness between messaging across the programme where possible.
- If a client member of staff joins the team in a business change capacity, knowledge transfer to them.
- Work with SFM project team leadership to ensure the deliverables and progress are regularly reviewed as part of the SDD assessment process, with check ins and monitoring of these elements.

### Out of Scope

- Processing mapping activities and documentation will be created by in place Business Analysis resources on the SFM programme.
- SFM project support may interface with wider DADI programme teams and projects to liaise and align, but these other projects will be responsible for the creation of their own communication and change collateral and activities.



Department  
for Environment  
Food & Rural Affairs

## Assumptions and Dependencies

- All PPM service delivery will be aligned with central Defra portfolio directorate standards and EA FCRM expectations and approaches 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. Including to but not limited to Portfolio Manager, Programme Manager and Outcome Delivery Board owner, and alignment of implementation tasks into operation and maintenance team type plans.
- Relevant stakeholders will engage in pre and post workshop self-assessments.
- All relevant stakeholders will be available as necessary for the purposes of knowledge transfer and the transfer of responsibilities and key topics of interest will be identified and communicated to the Methods team for this purpose.
- The success and deliverability of this DPEL is interlinked with DDP199 and they will commence on the same date.
- It is assumed that a client member of staff will be available after 24 weeks to allow knowledge transfer,
- Leadership across the programme is aligned in approach and thinking, working in a constructive manner to support the engagements.
- Methods staff will have access to all key required data sources to conduct desk-based reviews within the required time so not to impact Methods' delivery windows.
- Agreed formats for product delivery will be agreed upfront prior to creation.
- Methods staff will be given appropriate access to IT systems as may be required for the purpose of extracting relevant information to support delivery of the outcomes for the duration of the contract.
- Any significant changes to the agreed scope will require a Change Control Notice (CCN), including the option to extend for a further 6 weeks if required.
- Further details on assumptions and dependencies will be included in the Service Definition Document.
- The project has a Business Process Analyst already on the team who can conduct process mapping as required.
- The project has a detailed stakeholder register and has carried out interest/influence analysis.
- Development of training materials is dependent on information relevant to outlining requirements being provided by relevant project stakeholders, and dependant on the technical solution selected.
- Knowledge transfer dependent upon project team being able to secure and deliver internal change resource within appropriate timeframe.
- Some change deliverables will be dependent upon the progress made by the projec team in respect of training materials and impact
- Ability of the change specialists to deliver to agreed effectiveness, is dependent upon the comms officer being in place and synergising with this workstream.
- Methods engagement team and the project team will liaise regularly to ensure alignment on success criteria of deliverables, as some deliverables may not be able to be completed without the extension period.
- The implementation efforts of this DPEL are created with the expectation of communication and engagement support also being aligned to the SFM project.



## 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.
- It is not yet known if a client member of staff will be available at the end of the initial 24-weeks. To mitigate this, deliverables and outcomes for a further 6 weeks will be reviewed and included in a CCN to mitigate delivery risk.

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

## 3. Deliverables

### Project Delivery

Deliverable	Date	Success Criteria	Linked outcome
<b>Service Definition Document (SDD)</b>		Document reviewed and signed off by SRO (or delegate), confirming that the defined service meets Programme requirements and timescales, and is aligned with and supports the DPEL outcomes. This will include the comms work in DDP199. No separate SDD will be created for DDP199.	
<b>Change Management Plan Implementation</b>		Progression against previously developed implementation plan over course of engagement.	1, 2,3,7
<b>Ongoing BAU Change Management Support to SFM</b>		A combination of ad-hoc and planned change management delivery and activities to the SFM team in support of outcomes.	3,4,5,7
<b>Training Materials for SFM user base</b>		Training materials for phase 1 of SFM implementation developed, with reviews by SFM team and product owner	6
<b>Change Health Check</b>		Change Health report completed, with recommendations approved by SFM.	1, 4
<b>Change Readiness Assessment</b>		Assessment report completed; recommendations approved and actioned by stakeholders.	1,4,3



<b>Risk and Resistance Management</b>		Risks identified; mitigation strategies in place; risk register regularly updated and monitored.	1, 4
<b>Change reporting and management tool creation</b>		Development of, and socialisation of tracking tool for use across implementation, with guidance for use and maintenance.	1,3
<b>Change Champion Network Support</b>		Identify and stand-up change champion agents within end user population to support with behavioural change activities during implementation, providing guidance and a forum for discussion.	1,8

### Internal Capability Development Outcomes

Deliverable	Date	Support on content	Linked outcome
Business Change Knowledge Transfer		<p>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.</p> <p>It is understood that SFM aspires to onboard a specific change management resource in 2025, who will be made available for knowledge transfer and artefact ownership activities with the Methods communication and engagement specialist.</p>	1,2,7

### 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 £79,735, 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 Payment #1 - Agreed progress towards deliverable stages as stated in DPEL and managed by review of the Service Delivery Document.		
Milestone Payment #2 - Agreed progress towards deliverable stages as stated in DPEL and managed by review of the Service Delivery Document.		
Milestone Payment #3 - Completion and handover of all deliverables.		
		Total: £79,735
A provision of up to [REDACTED] of the total value of the project resource cost has been included. This expense provision covers travel, accommodation, and subsistence to non-base locations, in line with the Client Department's Travel and Subsistence policy.  Note: Expenses to the base location as determined for each individual assignment should be included in the rates. Expenses to other locations will be paid in line with the Client Departments Travel and Subsistence policy and must be approved in advance.		
<b>Grand total</b>		<b>£79,735</b>



## 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 all operational Project and Programme documentation and data held in Project Portal. Plus, effective knowledge transfer to Defra staff including Project handover briefs – written and oral.

### 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"><li>▪ DPEL agreed</li><li>▪ DPEL signed: Supplier, Dept and DgC</li><li>▪ Purchase Order number</li></ul>	<ul style="list-style-type: none"><li>▪ Work can start</li><li>▪ Supplier can invoice for work</li></ul>