



Defra Group Management Consultancy Framework: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial at



Engagement details			
Engagement ref #	DPEL_61541_058		
Extension?	N	DPEL Ref.	
Business Area	CSAO		
Programme / Project	Natural Capital and Ecosystem Assessment Programme (tNCEA – Terrestrial)		
Senior Responsible Officer			
Supplier	Methods Business & Technology Ltd (Methods)		
Title	Programme Maturity Development.		
Short description	<p>This DPEL will provide the tNCEA programme with support for areas identified as needing assistance to build capacity, ongoing capability improvements and sustainability. Transfer of knowledge/expertise will migrate responsibility for the various PMO and Delivery activities to Defra resources so that the programme can maintain delivery cadence against baselined plans and overall requirements.</p> <p>Activity is sought at PMO and Programme level including leadership and focused delivery management. and support. This wider approach will support Programme/PMO functions in areas such as reporting, Finance, Planning, Project Management and Delivery.</p> <p>The outcomes and resource profile for this DPEL have been developed and agreed with the support of senior Defra tNCEA staff. It follows the completion of DPEL DPEL_61541_056 covering the period 17/10/22 - 04/11/22</p>		
Engagement start / end date	Proposed start date 07/11/22	Proposed end date 31/03/23	
Funding source (CDEL/RDEL)	tNCEA budget (CDEL)		
Consultancy Spend approval reference			
Expected costs 21/22	£0		
Expected costs 22/23	£375,690		

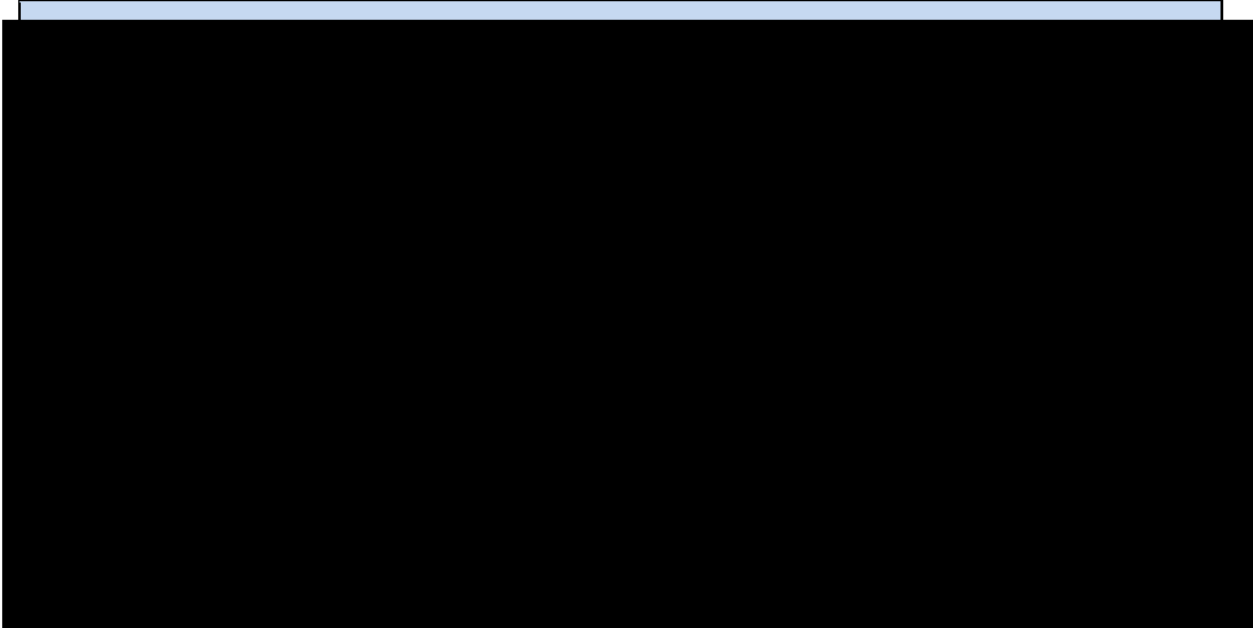
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Expected costs 23/24	£0
Dept. PO reference	
Lot #	Lot 3
Version #	V1.0

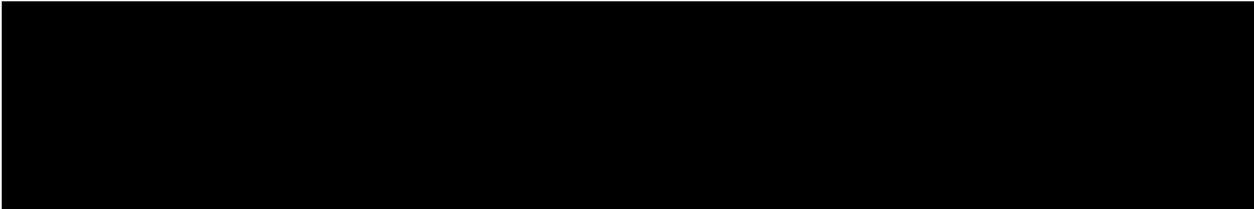
Approval of Project Engagement Letter

By signing and returning this cover note, **Defra and tNCEA** accepts the contents of this Project Engagement Letter as being the services required and agrees for **Methods** 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.



Supplier engages with Business Area to complete. Once agreed, Supplier signs front page and sends to Business Area	Business Area signs front page and sends to DgC	On approval, DgC signs and returns copy to Business Area and Supplier
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GMT



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.

1. Background

The tNCEA programme started in July 2020 when HMT awarded DEFRA £5Mn for 20/21 to start the Terrestrial pilot of the ‘Natural Capital and Ecosystem Assessment Programme’ as part of DEFRA’s Project Speed commitment to the Prime Minister.



Support has been provided to develop a PMO to underpin delivery of the tNCEA Programme focused on project controls, risk and issue management, reporting and financial management as priority considerations. Support has also been provided to develop user research and data planning capability.

The Methods service has developed and delivered PMO mechanisms whilst simultaneously planning and executing transition of PMO services to Defra. A tailored mentoring & coaching programme upskilled DEFRA staff to support a phased transition from Methods leads to Defra, resulting in a self-sustaining capability to support future requirements.

Given the delivery of the above outcomes, this DPEL sets out the high-level delivery objectives during the next phase of the engagement, providing foundations for the tNCEA programme. Outcomes and a proposed resource profile have been developed and agreed in conjunction with senior Defra staff.

2. Statement of services

Objectives and outcomes to be achieved

1. The objectives and outcomes for this work are separated into four key areas: **WDP Project Management Support**
Support the WDP delivery environment, providing outline project management, aiding Programme interaction across ALBs, including best practice SOPs to ensure a proportionate and sustainable interface between project delivery and Programme reporting.
2. **Repeatable Delivery of Core PMO Services**
Focused activity of support on the areas defined within the DPEL. For each of the defined services/process, ensuring that the necessary controls, cadences etc. are in place and being followed to ensure repeatability and transfer of ownership to Defra staff
RAID/Reporting and Benefits Mgt will be supported at a higher level, working closely with Defra staff to upskill and provide assistance.
3. **Programme Leadership Management and Support to the SRO.**
Provide leadership support to the SRO to create better linkages between PMO and Delivery, supporting each other and driving programme delivery forward. Providing a layer of leadership to the programme to reduce the demand on the SRO in terms of managing the programme.

Ensuring that the SRO and Board receive the information flows and escalations that are required to support a focus on strategic issues and informed decision making.
4. **Foundational support to the PMO to facilitate service operation.**
Coaching and mentoring support, providing the PMO with the ability to operate as a necessary and value add service to the tNCEA programme.



Scope

The scope of this work is limited to the activities agreed for tNCEA within this DPEL as outlined below unless modified through formal change control processes.

Service Definition Document (SDD)

Working document developed and agreed between the Business Area and Methods once initial data and stakeholder mapping is complete, detailing product descriptions with quality criteria, plan and project governance. This is subject to regular review through checkpoint meetings as part of ensuring delivery progress is in line with agreed DPEL requirements and outcomes. Also contains service description for client communication to wider stakeholders. See template in appendix a.

WDP Project Management Support and sustainable delivery environment

- Supporting effective and robust day to day project management, collaborating with the PMO where necessary.
- Clear monitoring of progress against plans and cross-working between projects to manage known interdependencies.
- Established and improved routine project support processes to enable strengthened project delivery oversight.
- Prioritised project support effectively to meet the needs of tNCEA Delivery
- Ensuring that the delivery environment and PMO processes above can be sustained following the knowledge and responsibility transfer activity

Repeatable Delivery of PMO Service

Planning, Finance & Benefits Mgt.

- PMO function support
- Robust and consistent delivery of the function in line with Defra standards □
Reporting embedded into routine programme governance.
- Review process documentation and supporting artefacts in line with Defra standards.
- Ensure function can be transferred to Defra/Contingent labour with agreed handover and completed knowledge transfer activity by agreed date
- For each of the defined services, ensuring that the necessary controls and cadences etc. are in place and being followed to ensure repeatability

In addition, for Benefits Mgt.

- Provide additional support to tNCEA leadership to aid activity and approach on interface to Transformation work.

Programme Leadership Management and Support to the SRO.

- Senior management support to the SRO as required for the programme.
- Aligning across the programme to support delivery of high-level programme objectives and benefits.
- Providing clear direction on senior governance expectations and requirements to increase the confidence of the SRO and the Programme Board.

Foundational support to the PMO to facilitate service operation.



- Through workshops, team activities and critical friend support; building understanding and ownership of the overall PMO service with Defra PMO colleagues.
- Targeted coaching and mentoring to support areas as directed by Programme / PMO leadership, increasing maturity and value add service of the PMO.
- Following the transfer of knowledge and responsibilities, supporting the PMO to operate efficiently without any external support within the parameters defined in the PMO TOM.

Handover activity will occur to any incoming contingent labour resource, rather than specific knowledge transfer activity and/or ongoing training.

Contingent labour resources are responsible for further knowledge transfer / handover / training to Defra staff

Assumptions and dependencies

Assumptions

- That Methods staff will have access to key stakeholders who will engage meaningfully and promptly to provide information to support the outcomes.
- That Methods staff will have access to all key data sources as may be required to support the development of the deliverables and assess progress against the outcomes
- That clear guidance on required formats for product delivery will be provided to Methods staff.
- Methods staff will be given appropriate access to IT systems as may be required for the purposes of extracting relevant information, storing, and managing working documents and for any other legitimate purpose as may be necessary for the length of the contract.
- That 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 the Methods team for this purpose.
- Recruitment of permanent/contingent labour into key positions, in particular the PMO Lead and Benefits Management roles, progress to agreed plan and with level of capability expected and, in any event, secures staff in post by end of December 2022.
- That there are named individuals within the PMO Team who, having taken on PMO roles and responsibilities, either at the start of the engagement or arriving soon thereafter, are running the standard PMO processes as defined so that self-sufficiency can easily be confirmed
- That there will be a formal review of the DPEL at the half-way point to determine which of the PMO functions and Delivery capabilities have been successfully transferred to the PMO and Delivery teams and which services need to continue as determined by joint Defra and Methods Assurance, either as defined or on a reduced scale

Dependencies

- Transfer of responsibility (for PMO services) is dependent on there being DEFRA staff in place, with the capabilities to own their particular service and with sufficient time throughout the length of the engagement
- Strong leadership of the PMO function to ensure capacity and capability is built and staff are receptive to Methods knowledge transfer, coaching and able to undertake PMO activities as required for their role.
- Contingent labour is recruited as per the tNCEA PMO resource plan.



- ☐ Leadership across the programme is aligned in approach and thinking, works in a constructive manner to support the programme as a whole.

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 PMO. Mitigations will be jointly developed

Key risks to the service delivery already identified include:

- Risk of insufficient ALB (Arm's Length Body) engagement and access to relevant people and data
- Risk of failure of Defra to recruit or otherwise resource personnel to receive knowledge transfer and development to achieve this deliverable results in changes required to the DPEL agreed objectives and outcomes.
- Risk of a lack of agreement, leadership and ownership across the programme between PMO and Delivery functions causes inconsistent approaches which can delay and/or hamper the ability to deliver the DPEL objectives and outcomes.
- Risk of insufficient collaboration between the WDP, TDP and PMO teams which can hamper the ability to deliver both the DPEL and the wider objectives and outcomes.
- Risk of Methods' recommendations regarding documentation, processes, meeting cadence etc. not being accepted by the programme which means there is a limited ability to ensure a productive project delivery environment.

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

Deliverables

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Production of Work Package Management Documentation			
Service Definition Document (SDD)	Document reviewed and signed off by SRO (or delegate), confirming that the defined service meets projects requirements, is aligned with and supports the DPEL outcomes.	14/11/22	Delivery Manager Assurance Lead
Outcome 1			

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WDP Project Management Support and sustainable	Support provided to the WDP team has built an improved understanding of how to report and manage risks at a project level, leading to an improved standard of	Activity throughout delivery period.	Project Support Officer
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Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
delivery environment	<p>risk identification, management and escalation.</p> <p>Delivery bodies are more effective, accurate and streamlined in their reporting and risk management at individual project level.</p>	End of December midpoint review.	
Outcome 2			



<p>Repeatable Delivery of Core PMO Services</p> <p>Defined PMO function support</p>	<p>Defined and resourced process is built and can demonstrate repeatable future use by the receiving client team.</p> <p>Programme and project level planning is in place, and planning responsibilities are beginning to be handed over to Defra delivery teams.</p> <p>Provision of a benefits management service that iterates benefits artefacts collaboratively with Defra core (science policy and delivery) colleagues and ALBs (as delivery partners and customers of the programme's outputs). Benefits activities include:</p> <ul style="list-style-type: none"> • Iteration of benefits definition and mapping • further prioritisation of the programme's outcomes and benefits according to stakeholders from policy/delivery/ALB perspectives • realisation planning • metric identification against priority outcomes/benefits • establishing and maintaining benefits baselining and tracking mechanisms • regular reporting into governance functions i.e. DCB • provision of deltas in benefits artefacts and detail for the Business Case. <p>Advice on and exploration of, utilising benefits activity and artefacts to build</p>	<p>Activity throughout delivery period.</p> <p>End of December midpoint review.</p>	<p>Planning Consultant Benefits Management Benefits Support.</p>
Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
	influence on wider departmental initiatives.		
Outcome 3			



<p>Programme Leadership Management and Support to the SRO.</p> <p>Programme Leadership</p>	<p>Improve current Programme management oversight and controlling operational elements of the Programme to provide oversight and linkage between delivery teams and the PMO.</p> <p>Structured, ordered, and managed financial processes, providing repeatable operations to deliver accurate financial MI, reduced current known financial monitoring issues.</p> <p>Increased SRO confidence in Programme operations, providing acceptable service to support senior decision making.</p>	<p>Activity throughout delivery period.</p> <p>End of December midpoint review.</p>	<p>Programme Leadership</p>
Outcome 4			
<p>Foundational support to the PMO to facilitate service operation.</p>	<p>Demonstrable improvement of the PMO function in terms of understanding of their role and function as a unit.</p> <p>Individual and group objectives to be achieved through coaching to be identified and reported on. Progress against these objectives will be demonstrated to the SRO at the end of the delivery period, with SRO acknowledgement of improvements used to measure a successful outcome.</p>	<p>Activity throughout delivery period.</p> <p>End of December midpoint review.</p>	<p>Delivery Manager Assurance Lead</p>

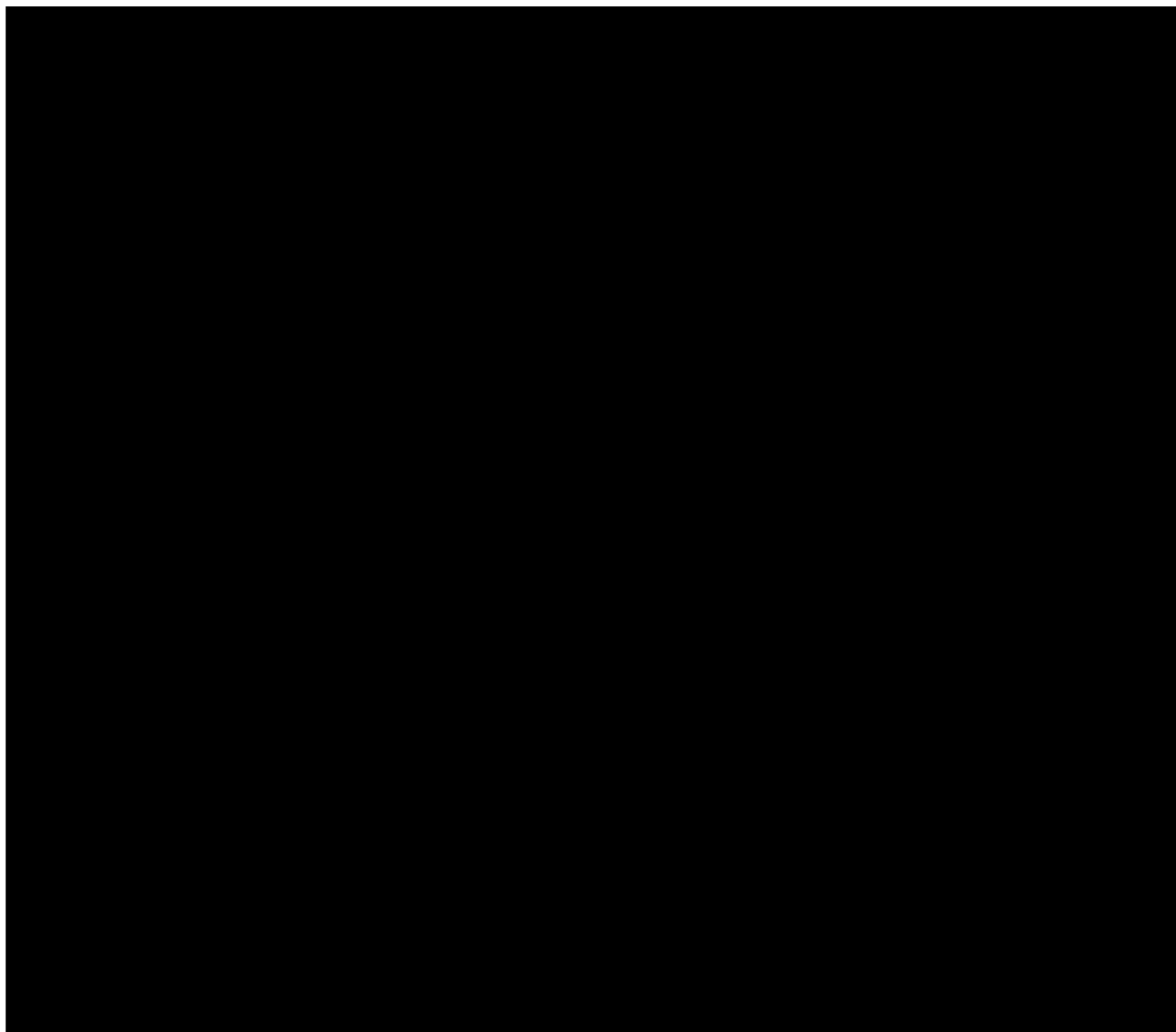
Limitations on scope and change control

Unless instructions to the Supplier are later amended in writing and approved by change control, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Supplier will be reliant 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 approval by DgC.

3. Delivery team

The SDD will provide further detail of each of the services to be provided.



Business Area's team

Methods will be working with the established Defra tNCEA programme team, delivery partner leads, Defra Portfolio Directorate and governance primarily the Partnership Working Group, Delivery Group and Steering Group.

4. 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 £375,690, inclusive of expenses and excluding VAT.

Expenses statement

Defra Group overarching contract rates include expenses for any travel to/from any UK location defined by the Business Area as the base office for the work. Only expenses for travel at the Business Area's request from this base can be charged. If appropriate, define permissible expenses to be charged.

Payment

The Supplier should invoice fees monthly in arrears. Defra Group will reimburse fees monthly on confirmation of approval of work delivered by the Business Area. The Supplier will keep an accurate record of time spent by staff in providing the services and provide this information and supporting narrative, if requested.

5. Governance and reporting

As part of the Call-Off Contract, the Supplier and Business Area agree to provide reporting on the following:

- Completion of the time tracker on a monthly basis, to track days worked by our consultants;
- The business area, through the principal contact, will work closely and will require a minimum weekly progress report. All new risks to delivery should be reported immediately or as soon practicable

Key Performance Indicators

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



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 of the engagement will be arranged where the Business Area rates the services provided.

Non-disclosure agreements

The overarching MCF2 framework include NDAs.

It is expected that this work will be undertaken under the NDA as part of the Defra Consulting Framework. Any additional NDA agreements will need to be assessed and agreed separately.

6. Exit management

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

Knowledge Transfer:



Specific transfer outcomes will be tracked through regular reporting and evaluated through a review of completed knowledge transfer logs and reports, including sign off from individual knowledge recipients

The skills and expertise transferred back to the internal Defra team will help improve efficiency and effectiveness, and provide a framework to deliver future strategic projects

The supplier will provide: All documents, reports, excel files, presentations

The supplier will delete: any commercially information that is not required to be kept The supplier will prepare a handover note of any outstanding issues

Notice period

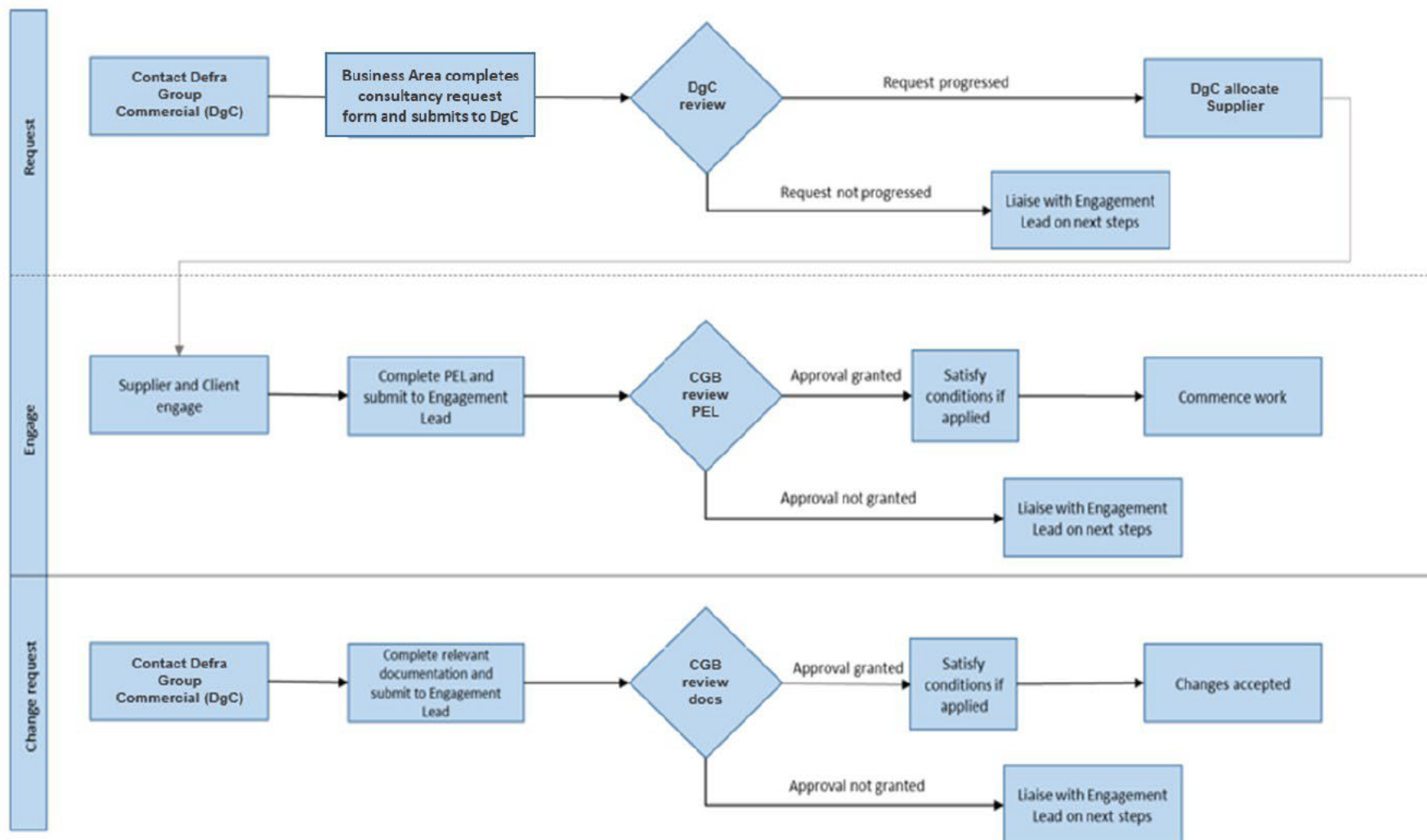
The nature of these engagements require that Defra Group have the ability to terminate an engagement with notice. Defra Group's termination rights for this engagement are marked below.

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

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 £100k or DgC Corporate Services Delivery Board if under £100k.
2. Request Form completed by Business Area and submitted to DgC at:
[REDACTED]
3. [REDACTED] team around which resource route is most appropriate (e.g. Lots 1/2/3) and may request additional information/edits from the Business Area if required.
4. 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
5. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed (e.g. PO) and forwarded to the DgC for review by the Consultancy Governance Board (CGB). Approval states are:

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

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Appendix A

[Project Title]

Service Delivery Document

[Date]

Version:

Status:

Author:

**Version History**

Version	Date Issued	Summary of Issue	Author

Approvals

Name	Title	Approval Date	Version

Distribution

Name	Title	Issue Date	Version



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3. **Appendices** Error! Bookmark not defined. **3.1 Product Descriptions (Work Packages)** Error! Bookmark not defined.

4. **Approval** Error! Bookmark not defined.

Document Purpose

The purpose of this document is to provide a definition of the Methods managed service for the [insert project name]. The content is aligned with the contracted statement of work [insert DPEL ref] but provides more detail on the deliverables as well as describing the agreed governance for managing the service. It will serve as the key reference point for delivery of the service to ensure that expectations are aligned as to scope and composition of outputs in support of agreed outcomes. It is not the intention for this document to supersede the DPEL, but rather act as a live document that will be iterated as further details emerge with regards to the service Methods is to provide to the client.



Introduction

This section summarises the key content as defined in the associated DPEL for this piece of work, providing the background and context for this project, in addition to detailing the intended outcomes and scope of this service.

Project Background

Content for this section will be taken from the associated DPEL and adapted to accommodate different audience requirements.

Outcomes

Content for this section will be taken from the associated DPEL and adapted to accommodate different audience requirements.

Scope

Content for this section will be taken from the associated DPEL and adapted to accommodate different audience requirements.

Service Delivery Approach & Plan

This section provides a detailed overview of how Methods intends to manage the service to the client. Methods are committed to using best practice P3M principles in delivering our services to DEFRA, which are outlined in this section below in addition to defining the key roles and responsibilities assigned to the project team and providing an overview of its guiding principles of work.

Principles of Work

- **Ethical:** Methods practice ethical consultancy, by which we mean, we must add value and avoid creating client dependency. We take decisions to prioritise the best interests of the clients over our revenue opportunities.
- **Transparent:** We are transparent in the how we work, share information, decisions and outcomes.
- **Inclusive:** We work in an inclusive way and are aware and mindful of our ways of working, communication and how it may impact others.
- **Respect:** We treat everyone who works and communicates with us, with respect, empathy and are open and honest.
- **Collaborative:** We are collaborative in our approach and use a knowledge transfer mechanism to ensure we empower client teams, to take forward our work in a sustainable way.



Project Plan

Provide a high-level overview of work packages, associated project activities, and deadlines.

Governance

Meetings/Collaboration

State meeting cadence between Methods and the client, in addition to the meeting agenda(s).

Documentation

State what documentation will be produced to support the delivery of this service, and how frequently will this be communicated (e.g. Highlight Reports).

Methods Deliverables

Deliverable	Delivery Milestone	Owner
Service		
Service Delivery Document	[Date]	[Name]
Project Closure Report	[Date]	[Name]
Work package 1		
[Title]	[Date]	[Name]

Risk Management

Methods will record and manage all risks within their control, keeping Defra up to date on any developments which may lead to issues.

Reporting will be as follows:

- Medium risks will be logged and discussed in the Project Working Group meetings.
- High risks will be escalated immediately to [name], and discussed at the next Governance Group.
- Emergency risks will be immediately flagged with [name, Methods] and [name, Client] for further discussion and action.
- Defra can request to see the full RAID log at any point.

Service Delivery Control

Change Control

Any changes to the service provided by Methods in regards to timescales, scope and costs will require approval by both DEFRA Commercial and Methods.



Escalations

All issues linked to the service delivery by Methods to the client should be raised in the first instance to the Methods Principal P3M Consultant for investigation and resolution. For any issues that requires escalation above the Service Lead, you can contact [name, Methods] or [name, Client].

Quality Assurance

Methods will review and assure main outputs from deliverables via the Methods Assurance Lead until they are acceptable and fit for purpose before handing them to the client.



Programme/Project Team

Insert org chart for Methods project team.

Roles & Responsibilities

The Methods team will hold the following roles and responsibilities:

The Defra client team will hold the following roles and responsibilities:

Role	Name	Responsibilities

The Defra client team will hold the following roles and responsibilities:

Role	Name	Responsibilities

How We Help and Support

Methods will help DEFRA internal staff in increasing its internal capacity and capability to reduce the need for external resources in the future. As a recognised delivery partner, Methods is committed to supporting DEFRA to build project, programme and portfolio delivery capability and builds knowledge and skills transfer into each delivery assignment.

Our Knowledge Transfer Framework is underpinned by a set of core principles:

- **Continuous** – Start early and iterate.
- **Contextual** – Appropriately tailored using a suite of knowledge transfer tools and techniques
- **Equitable** – aimed at everyone, not just those with time or who appear more engaged
- **Varied** – multiple strategies to engage different styles and maintain interest
- **Regularly reviewed** – structured reviews on a monthly basis
- **Two-way** – always collaborative, taking account of feedback and adjusting approaches □
- **Recorded** – KT logs should be transparent and accessible.



From development of initial knowledge transfer requirements through to assignment and knowledge transfer completion, and beyond, the knowledge transfer process is aligned with the delivery lifecycle. The lifecycle is expressed in the stages set out below:





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Appendices

Product Descriptions (Work Packages)

Product Name		Product Ref.	
Purpose			
Description			
Composition (if multiple elements)	Element	Acceptance Criteria	
Risk to delivery (if any)			
Outcomes			
Milestone Date			
Product Producer		Product Reviewer	
		Product Approver	



Approval

The Project Senior Responsible Officer is required to sign off the Project Initiation Document.

Senior Responsible Officer	
Signature	
Date	

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