



Department  
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Food & Rural Affairs

## Defra Group Management Consultancy Framework: Project Engagement Letter

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

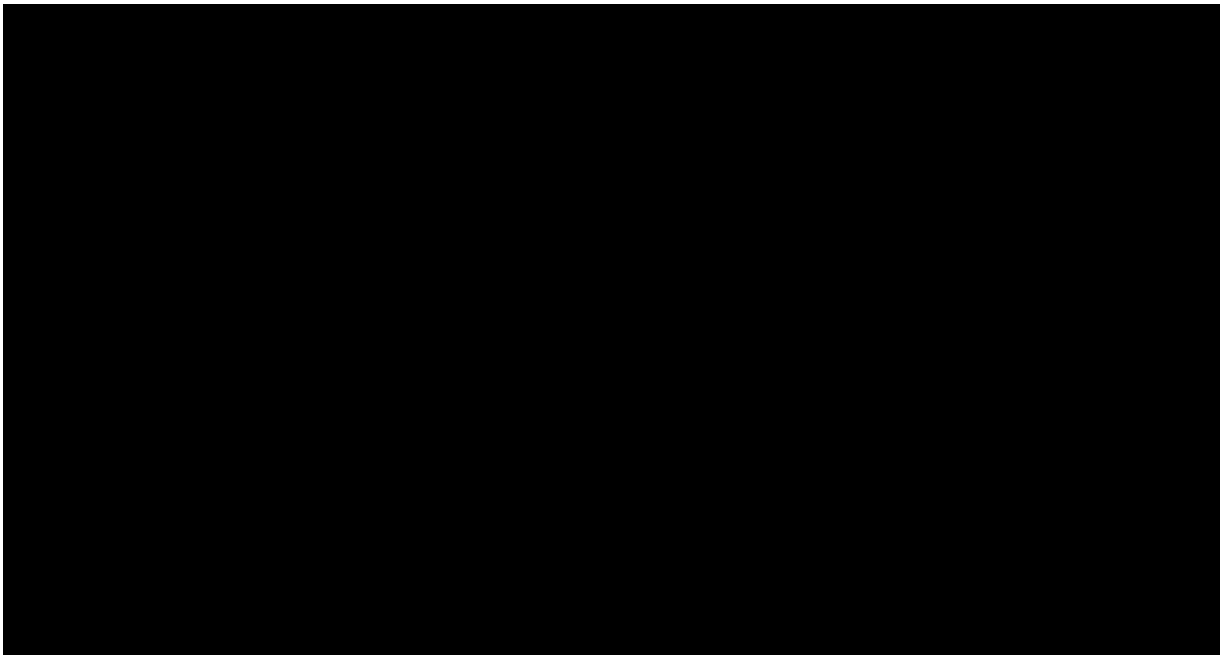
[REDACTED]

Engagement details			
Engagement ref #	DPEL_61541_051		
Extension?	N	DPEL Ref.	N/A
Business Area	Sustainable Business		
Programme / Project	Carbon Budgeting		
Senior Responsible Officer	[REDACTED]		
Supplier	Methods		
Title	Carbon Budgeting process implementation		
Short description	Project to deliver successful roll out of EA's 10-year carbon budgeting process to 14 Local Areas		
Engagement start / end date	20/10/2022	14/04/2023	
Funding source (CDEL/RDEL)	RDEL		
Consultancy Spend approval reference	[REDACTED]		
Expected costs 22/23	£86,837		
Expected costs 23/24	£0		
Expected costs 24/25	£0		
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)		
Lot #	Lot 3		
Version #	1.0		

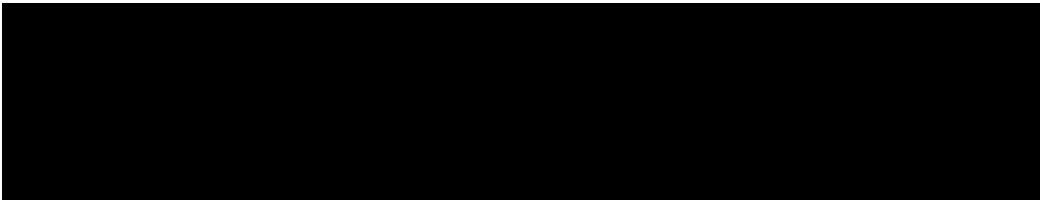


Approval of Project Engagement Letter

By signing and returning this cover note, Sustainable Business 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.



20-10-2022   16:29 BST	21-10-2022   12:48 BST	25-10-2022   10:06 BST
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





## 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 EA has a challenging emissions reduction target of 45% by 2030 across all scopes. In order to achieve this target, all areas of the business will need to deliver significant emissions cuts. The most carbon intensive activities at the EA relate to construction of assets, commuting (including our fleet), use and purchase of IT equipment and running our pumping stations.

To ensure we reduce our emissions in every area of the EA and in all parts of our business, a carbon budgeting process has been developed and needs to be implemented. This will give each of the 14 EA areas a total carbon budget that they can 'spend' over a 10 year period. The budget is split into 3 yearly periods, with a refresh planned every year, in line with financial reporting methods.

This carbon budget covers the most significant sources of carbon emissions (as stated above) and the carbon associated with other day to day activities such as the purchase of goods and materials, running our facilities and public transport use by our staff. The budgeting process will be the most comprehensive tracking of carbon emissions to date and will likely present challenges to each area and could lead to potentially difficult decisions having to be made in order to stay within their carbon budget.

The budgeting approach has been developed by the Sustainable Business team for each area. The 14 areas will be provided with their specific budgets with the expectation that these will be implemented from April 2023 in line with the start of the new financial year.

The Environment Agency Sustainable Business Team require services to implement the roll out of this work, to ensure that all stakeholders understand what is required for this process, and to manage our response to any issues that arise during the roll out.



## 2. Statement of services

### Objectives and outcomes to be achieved

#### Outcomes

The specific outcomes of this project focusing on the pilot of the Carbon Budgeting roll-out will be:

- Development and delivery of the pilot Carbon Budgeting Model roll-out plan to 4 areas in the Environment Agency
- The Environment Agency receives constructive feedback from 4 key areas on its Carbon Budgeting model roll-out to shape future development and delivery to the wider organisation
- A structured delivery plan and communications approach in the form of a Stage 2 delivery plan, based on lessons learned from the pilot, that the Environment Agency can take forward with each of the 14 key areas to commit them to their carbon operating constraints.

The successful long-term outcomes for this work will be:

- Each of the 14 EA Areas will receive and take ownership of a carbon budget that they understand and are committed to not exceeding

#### Services to be provided

The Delivery Partner will be expected to provide project management services to oversee the delivery of the Environment Agency's pilot Carbon Budgeting Model roll-out, in accordance to the finalised and agreed project plan.

The services to be delivered will cover the following activities:

- Review and utilisation of data visualisation and analytic software – i.e. Power BI, Excel, drawing conclusions and developing action plans based on an understanding of the outputs
- Delivered in the context of the EA's scope 1 to 3 carbon emissions and PAS2080.
- Development of project management artefacts and activities in accordance with relevant Project Management standards i.e. APM PMQ/PRINCE 2 with Change Management activity incorporated where appropriate
- Creation of Scope Definition Papers, Project Execution Plans, Risk Registers, Change Control, Logs and Client Stakeholder Management plans as required to support the outcomes and project management activity
- Engagement with Deputy Directors within the Environment Agency and Defra and other Government Departments, demonstrating excellent stakeholder management and communications skills



### Scope

- Review project plan for stage 1 pilot roll-out and amend and finalise as necessary. The final plan should be accepted by the Environment Agency.
- Scope the opportunity to integrate this work with wider carbon related change initiatives within FCRM and report back to the SB team with recommendations
- Project manage the stage 1 pilot Carbon Budgeting Model roll-out in line with the agreed project plan with 4 EA areas from November 2022 to January 2023
- Coordinate and lead the 2 weekly project team meeting and track progress against the programme
- Manage the Agenda, minutes, risk and issues logs and actions tracker for the carbon budgeting team's 2 weekly meetings

- Coordinate all meetings and workshops required to support each area in understanding and adopting their budget, including managing attendance, issues and actions log, follow ups
- Finalise the project communications plan (draft provided). Final plan to be accepted by the Environment Agency.
- Deliver communications and engagement in line with the stage 1 pilot project plan. EA specialists will support with content for briefing notes etc.
- Be responsible for monitoring progress on delivery, and reporting this progress back to the SB team.
- Undertake a lessons learned exercise and draft a report with recommendations
- Develop a project plan for stage 2 roll out to all EA national teams, building in any lessons learned from stage 1.

### Out of Scope

- Delivery of the implementation process for the Carbon Budgeting Model Stage 2 Project Delivery Plan to the remaining EA areas
- Supporting individual EA area teams to implement their carbon budgeting model as part of BAU
- Delivery changes or adaptations to the Carbon Budget methodology or model if identified as a need through lesson learned activities



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### Assumptions and Dependencies

- The Draft Stage 1 Project Plan is at a mature and feasible level that only minor changes are required over the 2 week review period.
  - The Environment Agency will provide access to SharePoint for access and storage of project related documents
  - The Delivery Partner will not have an Environment Agency email or log in or access to its wider IT systems
  - The Delivery Partner will have access to the Environment Agency technical delivery team for this project to carry out activities identified in the finalised project and stakeholder engagement plan, and will be able to draw on their knowledge and expertise to support delivery of the agreed outcomes
  - A draft Project Plan (MSP) exists that the Delivery Partner will be able to baseline and finalise and will be sent to the delivery partner at the start of the project
  - The Communications Strategy is implemented, continuous and successful, such that all 14 areas are fully aware of the project and the Delivery Partners role in it. **Note – the Communications Strategy makes no mention of a Delivery Partner. This will need to be corrected to ensure staff know who the Delivery Partner is and why they are involved**
  - The Environment Agency accept that there may need to be a development period to either its methodology or model after the pilot delivery, depending on the feedback from the 4 key Area teams.
  - Sustainable Business accepts its role as an escalation point for matters requiring resolution
- ☐ All project delivery work will be aligned with Defra Portfolio Office Project Management Office standards

### Risk Management

- Resources. Area teams have competing priorities and do not have capacity to implement the new Carbon Budget process. This can be mitigated by aligning the process with existing reporting mechanisms, previously embedded in the organisations
- Buy-In. The Communications Strategy fails to gain buy-in in one or more organisations and the Delivery Partner is unable to properly engage. Intervention at senior level may be required to provide assurances that the organisations engage fully with the project
- Carbon Budget. Area budgets may be incorrect requiring investigation/correction, delaying rollout in some areas. Sustainable business to provide reassurance that if this is the case, they can rapidly correct any errors

### Deliverables

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
<b>Project Stage A</b>			



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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.	27/10/22	Senior Project Manager
Finalised project delivery plan	Plan covers process of business integration, has a clearly set out programme with appropriate milestones and time risk allowance, training plans, testing and commissioning arrangements and sets out project management methods and controls. Plan accepted by the Environment Agency	03/11/22	Senior Project Manager
Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Finalised stakeholder engagement plan	Plan covers all key internal and external stakeholders for the work, sets out timeline of engagement and deliverables (such as briefing notes, presentations etc) required to support the engagement. Engagement sessions booked in and slots secured and communicated to those leading the sessions.	03/11/22	Senior Project Manager
<b>Project Stage B</b> (additional stages can be added)			
Lessons Learned Report	Delivered in time to influence development of the stage 2 plan. To cover key lessons from stage 1, and recommendations for future work.	No later than 10/03/23	Senior Project Manager



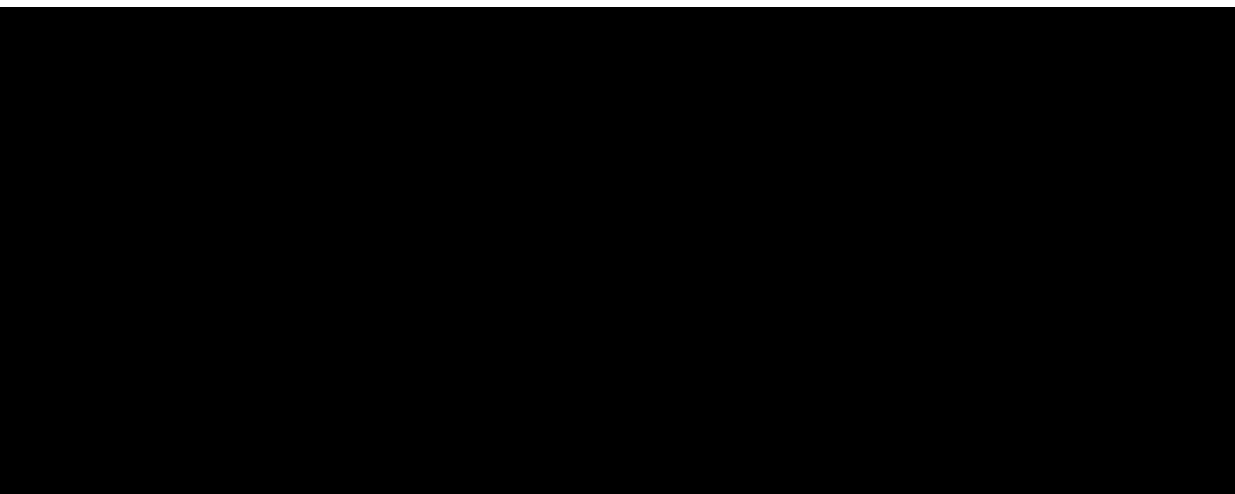
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Draft Project Delivery Plan for stage 2	Plan covers the implementation process, has a clearly set out programme with appropriate milestones and time allowance, sets out project management methods and controls and incorporates lessons learned from stage 1	No later than 05/04/23	Senior Project Manager
Project Closure Report	<p>This document provides the necessary detail to facilitate the successful closure of the project.</p> <p>It provides a breakdown and narrative for each of the required project deliverables, taken from the initial DPEL and SDD (as amended by change control letters for each phase of the programme) and provides an opportunity to explain and agree any reasonable variance.</p> <p>Where knowledge transfer to Defra staff has been undertaken, this will be described.</p>	14/04/23	Senior Project Manager

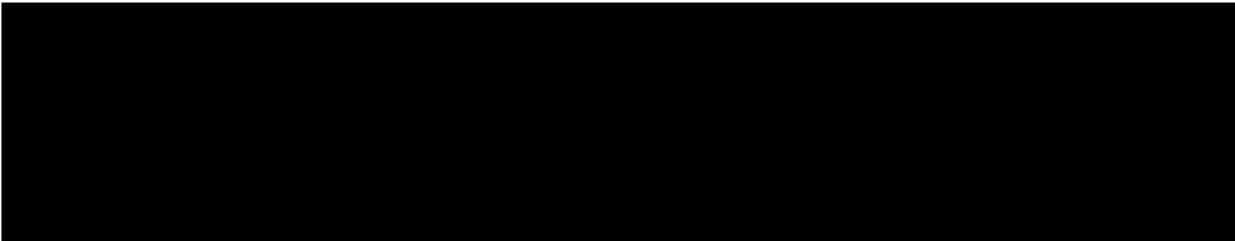
### Limitations on scope and change control

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.

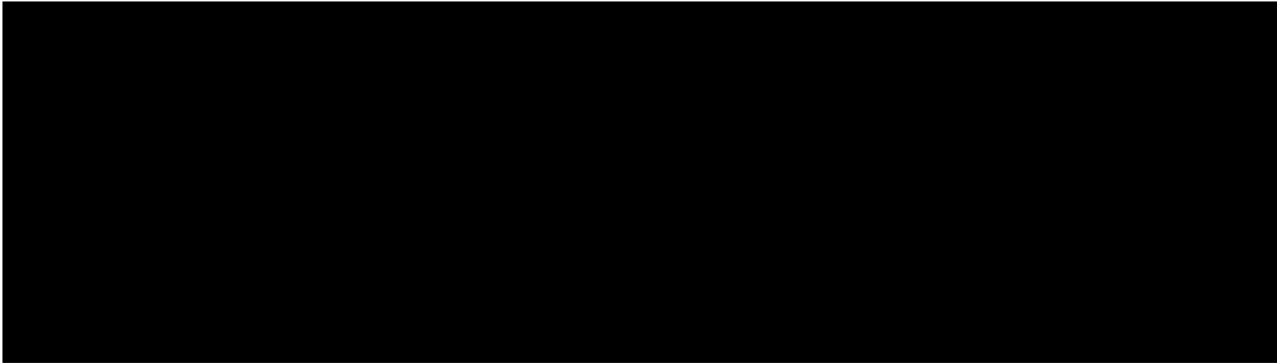
The Project Engagement Letter is the agreed contract of work between the Defra Group Business Area and the Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require approval by DgC.







**Business Area’s team**



**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 £86,837 inclusive of expenses and excluding VAT.

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Grand total	£86,837	

*Business Area considerations:*



☐ Are the costs and fees appropriate (costs linked to deliverables, rates and drive value for money)?

### **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**

The supplier lead will report into the EA Sustainable Business team PM, who will report to the SRO.

Project board meetings will be by exception and will comprise the senior supplier, Project Executive and Project Manager.

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

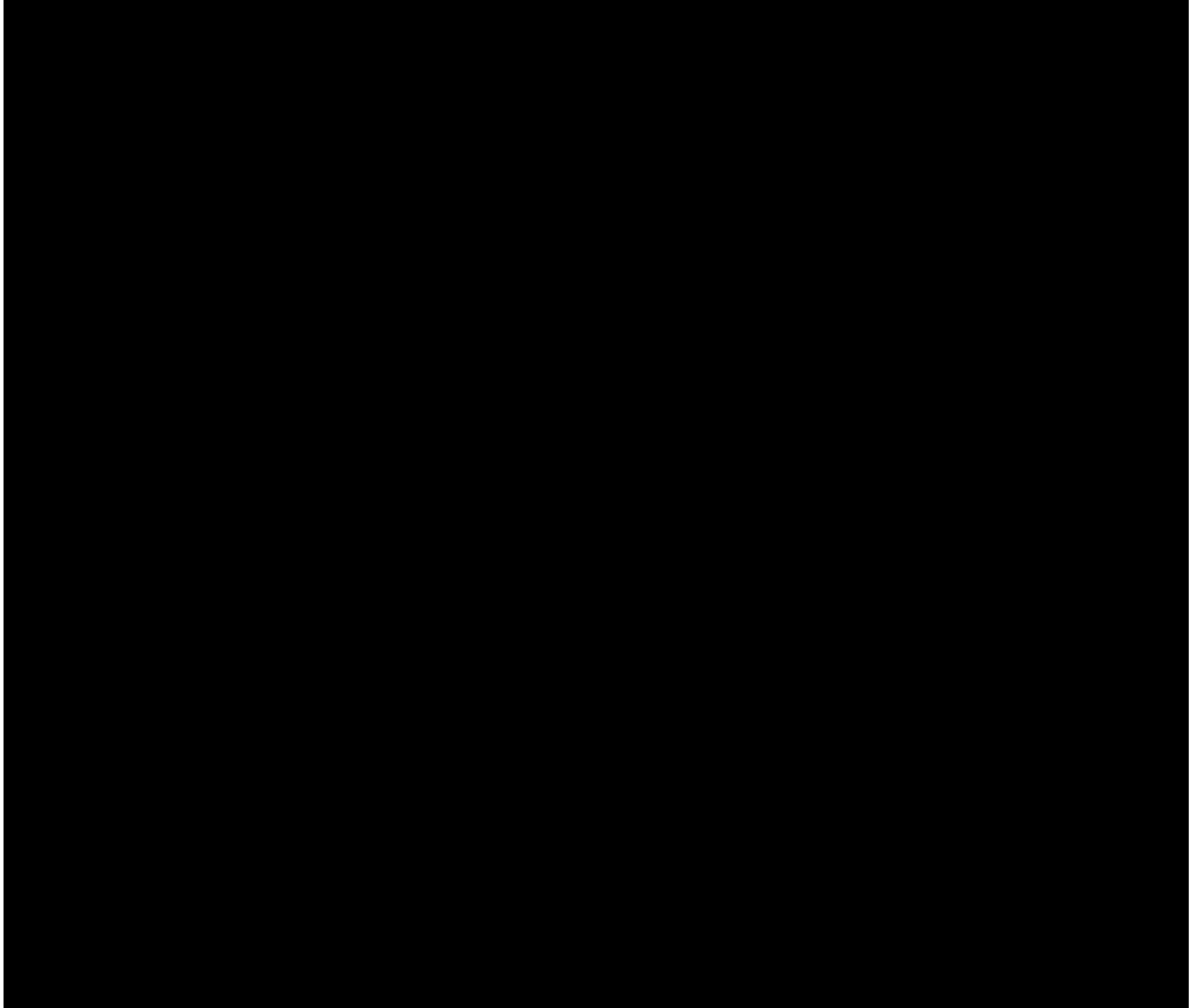
- Completion of the time tracker on a monthly basis, to track days worked by our consultants;
- Monthly reporting against client accepted programme
- Monthly highlight report



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## Key Performance Indicators

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



## Feedback and satisfaction

Project review to be held after 2 months and at the end of the contract

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.



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## 6. Exit management

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

Page

Completion of knowledge transfer to identified Sustainable Business team colleagues and completion of all defined deliverables.

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] DgC 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"> <li>▪ DPEL agreed</li> <li>▪ DPEL signed: Supplier, Dept and CO</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>





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