

Defra Group Management Consultancy Framework: Project Engagement Letter



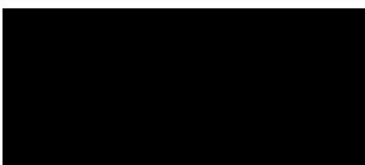






Completed forms and any queries should be directed to Defra Group Commercial at

Engagement details			
Engagement ref #	DPEL_61539_006		
Extension?	N	DPEL Ref.	Previous DPEL reference number
Business Area	Air Quality industrial emissions		
Programme / Project	Strategic review of Industrial emissions reporting		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte LLP ("Deloitte")		
Title	Strategic review of industrial emissions reporting		
Short description	<p>Strategic review of industrial emissions reporting:</p> <ol style="list-style-type: none"> To explore what the strategic purposes of industrial emissions reporting are and its effectiveness within the context of: <ol style="list-style-type: none"> the regulatory framework and wider societal interests the scope, effectiveness and efficiency of the various current reporting requirements current mechanisms and setting out options for incremental or more significant changes to the system <p>This work will inform the current activity developing the online engagement around emissions and pollution information and advice from Defra to Ministers on improving information availability and simplifying the regulatory framework.</p>		
Engagement start / end date	25/01/2022	31/03/2022	
Funding source	RDEL		
Expected costs 21/22	£99,975 excluding VAT		
Expected costs 22/23	£0		
Expected costs 23/24	£0		
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)		
Lot #	Lot 1		
Version #	0.2		



Approval of Project Engagement Letter

By signing and returning this cover note, the Business Area and Customer accepts the contents of this Project Engagement Letter as being the Services required and agrees for Deloitte to provide the Services in accordance with the provisions of the Framework Agreement for the provision of Strategic Consultancy Services (RM6008) dated 04 September 2018 and the Call Off Contract with Commencement Date 26 May 2021 between Defra Group and Deloitte LLP. (Lot 1), with Defra Group and confirms the availability of funding to support recharge for the Services. This Project Engagement Letter is issued in accordance with and incorporates the terms of the above Call Off Contract.

Signatures		
Supplier	Business Area	Defra Group Commercial
		
or and on behalf of Deloitte  Lead Engagement Partner	For and on behalf of DEFRA - AQIE    	Defra Group Commercial  Senior Commercial Officer
25th January 2022	25th January 2022	25th January 2022
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

Supplier contact:



Business Area contact:





1. Background

Strategic review of industrial emissions reporting:

1. To explore what the purpose of industrial emissions reporting is within the context of:
 - a. the regulatory framework and wider societal interests
 - b. giving a view on the scope, effectiveness and efficiency of the various current reporting requirements (Sources of data, including reporting thresholds and strategic pollutant groups)
 - c. current responsibilities and mechanisms and options for incremental or more significant changes to the system

This work will inform the current activity developing the online engagement around emissions and pollution information and advice from Defra to Ministers on improving information availability and simplifying the regulatory framework.

The statutory reporting requirements to be included in this review are:

- UK Pollutant release and transfer register (UK PRTR) and Large combustion plants (LCP) reporting
- UK registry on industrial sites (UK Registry) and IED Annex II reporting
- Sulphur content of liquid fuels (SCLF)
- VOCs in Paints
- MCP reporting
- Benzo[a]Pyrene and Nickel measures reporting (linked to Air Quality Standards regulation 2010 compliance assessment)
- Local authority annual statistical survey

The current industrial emissions reporting projects are of a fragmented nature. This strategic review will look at overall public and stakeholder data needs, and synergies between potential data flows. It will explore how they can deliver good quality, informative data to the public in a more efficient, streamlined way.

This work will inform the current activity developing the online engagement around emissions and pollution information and advice from Defra to Ministers on improving information availability and simplifying the regulatory framework.

2. Statement of Services

Objectives and outcomes to be achieved

The focus of the project will be to conduct a strategic review of current reporting requirements related to industrial emissions – which largely covers emissions to air, but also (due to PRTR Protocol) covers emissions to water, land, and waste/waste-water transfers.

The focus of this project will be to assess to what extent current overlapping reporting regulations, requirements and outputs are aligned to the objective to improve transparency on what various industrial sites and their activities are emitting, and more broadly on improving human health. This includes status quo and horizon scanning of other UK air quality websites and how these various public databases fit together, with recommendations to be provided on how information should be disseminated in the public domain in future.

The priority of this project will be to consider the purpose of the reporting of industrial emissions and the adequacy of current arrangements drawing primarily on official and external evidence of

the effectiveness of reporting requirements, including about how stakeholders use the information (e.g. the regulators, policy makers, public, industry and NGOs) so that the Supplier is able to assess user needs. This research work would include horizon scanning of future data and information needs including views from academics and other expert groups, to ascertain what the future of reporting could look like from a range of different viewpoints. Business Area will provide third-party stakeholders where deemed relevant.

As an outcome of this work, the Supplier will provide a 'current state review report' including a comprehensive overview of reporting requirements and current outputs. This would provide a clear picture of the current legal landscape including directives and regulations underpinning these requirements.

Another outcome will be the 'recommendations report' setting out options for how to streamline what information is reported, where, and under what frequency as aligned to relevant policies and exploring options for changes to the system. Options for how potential changes can be implemented through regulatory and legislative reforms will be included, based on the workshop and international case studies. In addition to recommendations for options on the overall picture of reporting, the work would consider good practices for keeping reporting requirements under review (e.g. how do other countries consider updating thresholds, pollutants covered and regulatory update mechanisms) to explore how information could be better disseminated in the future.

By doing so, this will allow the Business Area to improve policy effectiveness and ensure data is reported proportionately to its use, taking into account the burden on UK industry. Through this work it is possible that new opportunities could be created to engage with stakeholders on the reported data, improve information availability and simplify the regulatory framework.

The Customer is responsible for determining that the scope of the Services is appropriate for its needs. All implied terms and warranties are excluded. Deloitte makes no warranty as to the fitness of the Services or Deliverables for any particular purpose.

The Services are provided for the benefit of the Customer and the Business Area.

Scope

[REDACTED]

[REDACTED]

- [REDACTED]
[REDACTED]
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[REDACTED]
[REDACTED]

[illegible]



Deliverables

During the course of the Project Engagement Letter, the Supplier shall produce the following Deliverables:

- **Current state review report** summarising the current state of UK industrial emissions reporting.
 - **Workshop** with Air Quality and Industrial Emissions team and other relevant stakeholders to present the outcomes of the current state report, confirm understanding of reporting requirements, and document the identified opportunities for improvement with provisional workshop materials.
 - **Recommendations report** summarising the identified high-level options and opportunities for improvement in a report.
1. There will not be any Project Specific Intellectual Property Rights (IPR) being created as part of this project and any and all enhancements and/or modifications to the Supplier's background IPR will be retained as Supplier Background IPR.
 2. In providing the Services, the Supplier expects to discuss ideas with the Customer and to show the Customer drafts of the Deliverables which will be superseded by the final Deliverables. Therefore, in line with good industry practice, the Customer will not rely on any drafts or oral comments or advice unless its content has been finalised and confirmed with as a final Deliverable.
 3. In line with good industry practice, the Supplier's Services will be performed for the sole benefit of the Customer and the Business Area and should only be used for the purpose described in the Project Engagement Letter. Except as otherwise expressly agreed, no one other than the Customer and/or the Business Area, may rely on the Deliverables and/or information derived from them and the Supplier accepts no responsibility to anyone else to whom the Deliverables are shown or into whose hands they may come. Sharing deliverables with entities in the devolved administrations will require the Business Area and those entities, for an information-only basis, to sign a Hold Harmless letter with the Supplier, prior to sharing.
 4. The Supplier has no responsibility to update any Deliverable for events occurring after completion of this Project Engagement Letter nor to monitor its continuing relevance or suitability for the Customer's purposes.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A			
Current state review report	Documented summaries of current reporting requirements	11/02/2022	



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
We will summarise the current state of UK industrial emissions reporting and provide a streamlined review of requirements and their uses. We will include best practice examples of approaches to reporting in three other geographies where appropriate, including insight from academics and other third parties with specialist knowledge (based on existing knowledge and views gathered from the workshop). This would include a review of current regulatory context at the wider societal benefits, and the scope, efficiency and effectiveness of each of the listed policies and dissemination of information into the public domain.	and challenges identified, as well as overview of best practice examples from other geographies.		
Workshop We will prepare, organise and facilitate a virtual workshop with the Air Quality and Industrial Emissions team and other relevant stakeholders to present the outcomes of the current state report, confirm understanding of reporting requirements, and document the identified opportunities for improvement.	Prepared workshop materials summarising findings to date. Engaged attendees and clear focus for identifying opportunities for improvement.	25/02/2022	██████████
Project Stage B (additional stages can be added)			
Recommendations report We will summarise the identified high-level options and opportunities for improvement in a report. This will include high-level executive summary slides outlining what changes could be made. The recommendations report will be combined with the current state review report.	Documented options clearly related to challenges identified as part of current state review and reflecting workshop discussions. Final report to be signed off by client.	18/03/2022	██████████

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Internal Capability Development Outcomes			
Social Value Outcomes			

Limitations on scope and change control

Unless instructions to the Supplier are later amended in writing, the Services 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 and/or Customer. The Customer shall provide the Supplier with all information that is necessary for the performance of the Services and such information will be accurate, complete and not misleading. The Customer agrees that the Supplier shall not be treated as being on notice of information given to it in the course of previous engagements and so all information that is relevant to the Services must be given directly to the Supplier team even if the same information has been given to the Supplier previously in the course of a different contract or engagement. The Customer will notify the Supplier promptly if any of the information or data it has provided becomes inaccurate or if any of its requirements change or if it becomes aware of any conflict or ambiguity in respect of the agreed requirements or any circumstances or events which may affect the provision of the Services within the anticipated timescales.

The Supplier will not audit, test or verify the information provided to it in the course of the Services. The Customer agrees that the Supplier shall be entitled to rely on all information provided to it and on the Customer's decisions and approvals in connection with the Services and to assume that all such information from whatever sources is true, complete and not misleading. The Supplier will not be responsible for the consequences of any information provided to it in the course of the Services not being complete, accurate or current.

Delays caused by circumstances outside the Supplier's control will be subject to change control and will not incur any penalty or loss to the Supplier. The Customer will promptly inform the Supplier of any circumstances or events which are likely to affect the provision of the Services within the anticipated timescales.

The Supplier's performance of the Services, the timetable, the level of the Project Engagement Letter Charges and any fee estimates each depend on the accuracy and completeness of any assumptions and the performance of the Customer's obligations under the Contract and Project Engagement Letter.

The Supplier assumes that the project timeline is indicative only and will be subject to change. Any timetable will be dependent on the Parties fulfilling their respective responsibilities.

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



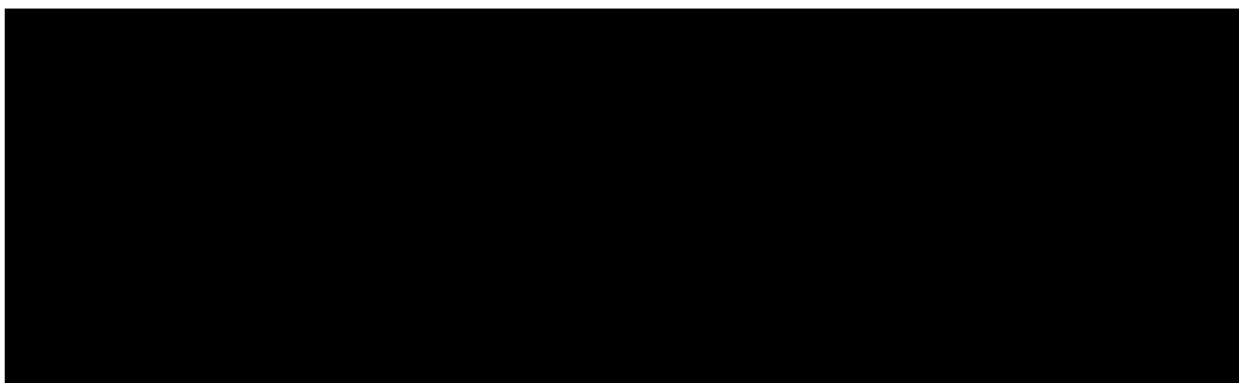
In the event that additional or follow-on support is required, this will be managed as an extension to this Project Engagement Letter and require a Variation and/or new Project Engagement Letter to be agreed between the Parties.

3. Delivery team

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
[REDACTED]	Engagement & Senior Stakeholder Lead	Director	[REDACTED]	1	[REDACTED]
[REDACTED]	Project Management	Principal Consultant	[REDACTED]	1	[REDACTED]
[REDACTED]	Business Analyst	Senior Consultant	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	Engagement partner	Partner	[REDACTED]	1	[REDACTED]
[REDACTED]	SME - Regulations	Partner	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] [REDACTED] [REDACTED]	SMEs	Managing Consultant	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	Industrial emissions SME Coordinator	Managing Consultant	[REDACTED]	[REDACTED]	[REDACTED]

Total resource Total days* Engagement Length** <small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	[REDACTED]
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Business Area's team



1. The Customer will be solely responsible for obtaining any legal or regulatory approvals relating to the Services. The Supplier will not be responsible for any delays resulting from delays in obtaining such approvals.
2. The Customer will determine the adequacy of its internal accounting controls and financial reporting systems without relying on the Services or the Supplier's Deliverables as the primary basis for making such a determination.
3. The Customer will remain solely responsible for managing all aspects of its business, and applying its independent business judgement to evaluate any advice or recommendations that the Supplier provides it. The Customer will be responsible for deciding whether the Supplier's recommendations make sense in the context of its business and whether it wishes to rely on, implement or act on them, including the actions necessary to realise any expected benefits.
4. Where needed to assist the Supplier in performing the Services, the Customer will (i) take decisions and obtain management approvals promptly; (ii) give the Supplier full and prompt access to the Customer's resources, people and premises and those of its affiliates and other advisors associated with the Services, together with all necessary administrative support; (iii) obtain any approvals, licences and security clearances promptly (including any relating to third parties, the Supplier's Personnel); and (iv) keep the Supplier promptly informed of any proposals or developments in its business relevant to the Services.

4. Fees

Defra will reimburse the Supplier for Services rendered according to the table below. The total fees for the scope of Services detailed in this Project Engagement Letter will be £99,975 inclusive of expenses and excluding VAT.

In accordance with clause 7.2 of the Call Off Contract, the Supplier's total aggregate liability in relation to any Defaults occurring under this Project Engagement Letter to the Customer and the Business Area is the sum equal to one hundred and twenty-five per cent (125%) of the total value of the fees, being £124,968.75, which shall be apportioned between the Customer and the Business Area.

Provide costs for any particular stages to the engagement. N/A

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
Current state review report and workshop	██████	11/02/2022 & 25/02/2022
B (additional stages can be added)		
Recommendations Report	██████	18/03/2022
Expenses		
We assume that no travel is required, beyond travel to the Business Area base office (see Expenses statement below)	£0	
Grand total	£99,975	

Business Area considerations:



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

Expenses statement

The Call Off Contract rates include expenses for any travel to/from any UK location defined by the Business Area as the base office for the work. For purposes of this Project Engagement Letter the base office/location will be United Kingdom. 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 will pay all sums within thirty (30) days. Defra 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 Supplier Personnel

Key Performance Indicators

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

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
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1	Kick off meeting	Supplier to arrange kick off meeting with project team to discuss all aspects of project delivery	Once, with written summary provided by supplier after meeting	Project team	<i>Review of meeting notes</i>	Within one week of contract commencing
2	Weekly progress meeting	Weekly meeting with project team to discuss progress, seek input/guidance and raise concerns/risks	Weekly	Supplier	<i>Maintaining a schedule and record of meetings</i>	Unless cancelled by project team, participation from supplier representative at all meetings. Supplier to maintain notes, actions and decisions on back of each meeting for project team to approve
3	Mid-way workshop	Workshop to review progress to date, seek input from project team, and consider next steps	Once, with written summary provided by supplier after workshop	Project team	<i>Review of workshop notes</i>	Within one week of scheduled workshop date (i.e. by 4 th March 2022) Unless cancelled by project team, participation from supplier representative
4	Current state report and subsequent workshop materials	See Scope and Key Objectives for detail on required content	Once, but starting early and reviewing progress iteratively	Project team	<i>Acceptance following review of materials</i>	By date of workshop once workshop date is confirmed.

5	Recommendation s report	See Scope and Key Objectives for detail on required content	Once, but starting early and reviewing progress iteratively	Project team	<i>Acceptance following review of materials</i>	18 th March 2022, pending further minor edits after review by project team
6	Debrief/Lessons learned	Supplier to arrange a wash up session to capture lessons learned	Once	Supplier	<i>Supplier to provide written summary of lessons learned exercise</i>	25 th March 2022

Feedback and satisfaction

Defra 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

N/A

6. Exit management

The agreed actions and Deliverables by the Supplier for when the Project Engagement Letter ends are as follows:

Not applicable

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. Where the Customer terminates this Project Engagement Letter, Charges incurred up to the date of termination of this Project Engagement Letter for any reason.

Annex 1:

Description	Details
Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation the Customer is a Controller and the Supplier is a Processor under this Project Engagement Letter.
Subject matter, nature and purpose of processing	The Supplier will be processing Personal Data in connection with the provision of the Services as more particularly described in this Project Engagement Letter.
Duration	For the duration of the Services or as otherwise required to comply with the Supplier's legal, professional or regulatory obligations.
Nature and purposes of the processing	The Supplier will be processing Personal Data in connection with the provision of the Services as more particularly described in the Project Engagement Letter.
Categories and type of Personal Data	<p>The Supplier will be processing Personal Data belonging to the Customer, its personnel, customers and other third parties supplied to the Supplier in connection with the provision of the Services as more particularly described in the Project Engagement Letter.</p> <p>Full name Workplace address Workplace Phone Number Workplace email address Names Job Title</p>
Sub-processors	A list of the Supplier's material sub-processors appointed is set out on the Deloitte website.



Guidance notes:

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:
consultancy2@defra.gov.uk
3. The form is reviewed by the 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"> ▪ 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

