

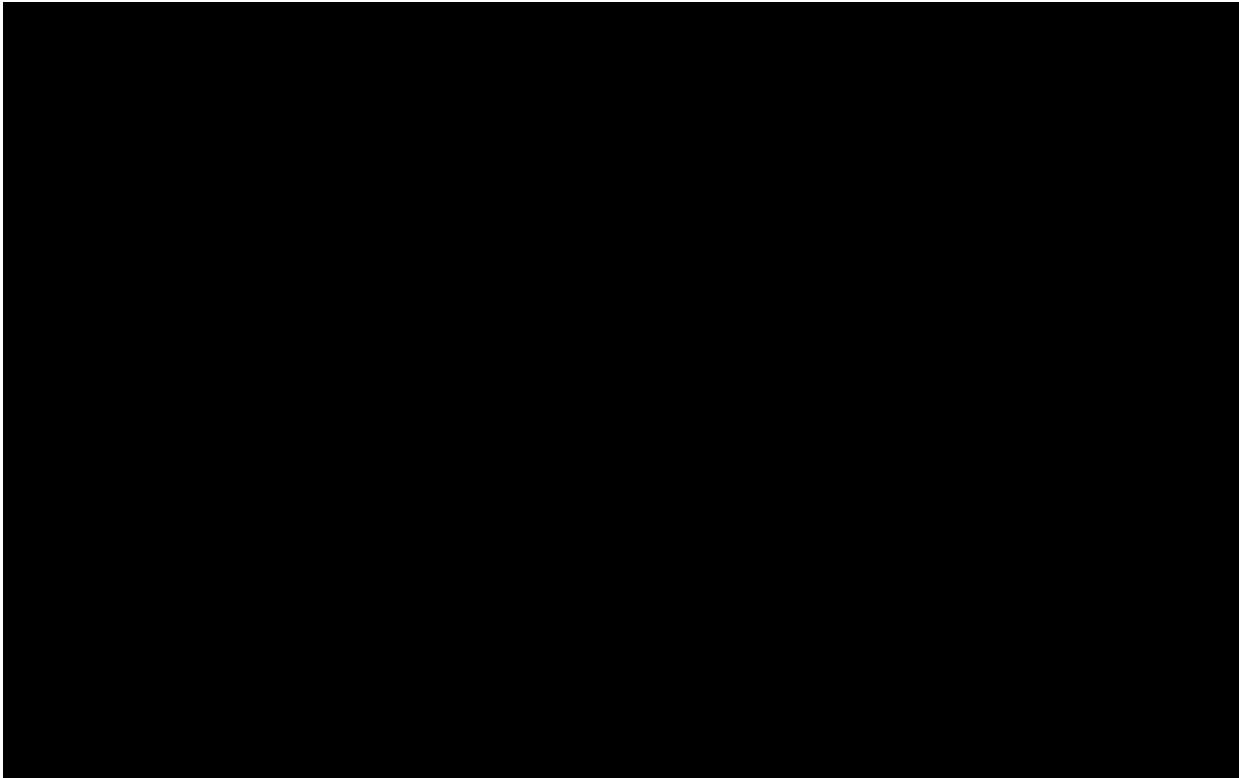
Defra Group Management Consultancy Framework: Project Engagement Letter

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

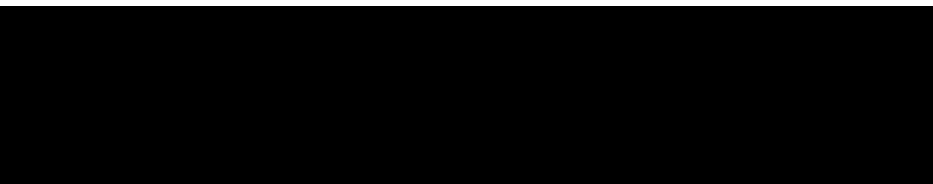
Engagement details			
Engagement ref #	DPEL_61547_012		
Extension?	No	DPEL Ref.	As above
Business Area	Environment Agency (EA)		
Programme / Project	n/a		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte LLP ("Deloitte")		
Title	E&B Accountabilities Review		
Short description	Supplier will review how E&B can become an outcome based directorate, validate the preferred operating model and further design the next level of the preferred option.		
Engagement start / end date	07/11/22		31/03/2023
Funding source (CDEL/RDEL)	RDEL		
Consultancy Spend approval reference	F/2223/0636		
Expected costs 22/23	£239,424 excluding VAT		
Expected costs 23/24	£0		
Expected costs 24/25	£0		
Dept. PO reference	TBD		
Lot #	Lot 2		
Version #	0.2		

Approval of Project Engagement Letter

By signing and returning this cover note, EA 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 agreed Supplier Proposal under the overarching contract (Lot 2 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.



3 November 2022	3 November 2022	03 November 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



1. Background

Environment & Business (E&B) Directorate has carried out a project [EBLT Accountabilities Review] to test if E&B directorate has the right operating model to fulfil its role and that directors are accountable for the right services to deliver the vision, role and strategic outcomes [of the directorate].

The project, using Arcadis, supported by a small internal project team produced:

1. a refreshed vision, purpose and strategic objectives for E&B directors
2. Service catalogue at deputy director level – 191 ‘service lines’
3. Service area groupings
4. Set of operating model options
5. Design principles for operating models [The new E&B Executive Director will refresh these]
6. Spreadsheet of supporting material.

EA now wish to examine the service areas and the ‘service-based approach’, and test the preferred ‘hybrid operating model’ [model 2a Hybrid in the Arcadis Final Report] before developing a plan to implement it.

Note that when the ‘operating model’ is referred to, this considers the following components:

- Stakeholders
- Services
- Process Capabilities
- Organisation / people / culture
- Performance Management
- Systems, infrastructure & facilities
- Supply chain and commercial

The EBLT Accountabilities Review focussed only on the first four of the above-mentioned components

The scope of Supplier’s work under this Engagement will focus only on the Organisational Design and services.

2. Statement of services

Objectives and outcomes to be achieved

The objectives of the work are two-fold, Discovery and Design.

DISCOVERY - Clarify the E&B outcomes that will be used for an ‘service based’ organisational design model (mid Nov / Dec), taking account of:

1. EA2025 (Corporate Business Plan)
2. EA Governance and Decision-Making Model (GADM)
3. E&B Strategic Outcome Plan (SOP), FCRM SOP, Organisation SOP
4. E&B Local Outcome Plan (LOP)
5. E&B strategies and plans (both across E&B and specific to a Director’s department)
6. Director’s strategic objectives from the EBLT Accountabilities Review
7. ‘What E&B is here to do’ - output from EBLT Development Day on 19 October

Outputs:

- Light touch refresh of the E&B Directorate outcomes aligned with EA corporate outcomes (EA2025 / SOPs), that has the consensus of EBLT, to be used as a basis for the revised 'service-based E&B organisational design model'
- High level view of alignment / gaps between the E&B SOP/ E&B LOP, Director's Strategic Objectives (Arcadis Final Report) and E&B led strategies / plans and recommend how this can be improved
- Recommendations for Business Strategy Team in BAU to inform their annual oversight / refresh of E&B outcomes.

DESIGN - Test and refine the preferred hybrid organisational design model for E&B (Dec-March) by testing the identified six new service areas (December) - taking account of the services led by other Directorates, the need to use similar language, the need for service lines to be a similar scale and described in a similar way.

Outputs to be included in the final deliverables:

- *Full set of revised service definitions; service areas / sub-service areas and service groups
- Revised 'spreadsheet' of supporting material for final service lines as initially provided by EA and identified to G7 level
- Revised 'overarching visual' of E&B service areas
- EBLT approval of the revised service areas

Scope

In completing the Discovery and Design work, the Supplier will complete the following interviews subject to the availability of stakeholders:

DISCOVERY

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

DESIGN

6. Carry out Six virtual workshops (at the 'sub-service' level where appropriate) in December/ January to refine each service area – Facilitated by Deloitte, Championed by EBLT lead (supported by their Business Manager) and comprising key service area stakeholders, subject to the availability of these leaders and stakeholders
7. EM Forum to be provided with regular progress updates by the Supplier
8. EBLT meeting to endorse changes

In completing the work, the Supplier will test and define the preferred organisational design for E&B - taking account of:

- how the rest of the EA is organised (interoperability)
- EA governance and decision model (GADM) – ensure alignment with portfolios and business activity groups
- the need to realign services delivered by the Director for Regulated Industry and the Director for Water, Land and Biodiversity into 'regimes' for the technical support of service

lines into Chief Operating Officer Directorate (COO) - Ops RMC and Local Operations, across water, land and air

- the need for consistent language across the Directorate
- external best practice
- use of Head of Profession – Chief Regulator and Head of Business
- equitable span of control for directors and deputy directors
- likely scale of change (number of people / roles / teams impacted and how)
- level of formal change required
- Organisational design criteria and the need for service to operate / connect across directorates

Meetings / interviews anticipated subject to the availability of the key stakeholders:

9. Head of Profession update from Chief Scientists Group [REDACTED]
 10. Workshops with key stakeholders to test / refine potential future organisational design model options (within the hybrid option i.e. different ways to achieve the same model)
 11. EBLT meeting to confirm preferred hybrid organisational design model
 12. Workshop to test the final organisational design model
- EBLT meeting to seek Approval and sign off from E&B Leadership Team

Outputs

- Refresh of E&B directorate / outcomes aligned to EA corporate outcomes
- High level view of alignment gaps and recommendations
- Recommendations for BAU strategy to inform annual oversight refresh
- Workshop outputs
- High level / drafts of:
 - Revised service definitions
 - Final service lines (G7) /
 - Revised spreadsheet
 - Revised overarching visual
 - Structure chart to G7
 - Role profiles for directors /dep dir's
 - RACI tables

Completed drafts of:

- Revised service definitions
- Final service lines (G7)
- Revised overarching visual
- Structure chart to G7
- Role profiles for directors /dep dir's
- Supporting guidance, rules and governance

- Implementation plan
- Map 'as is' to 'to be'

Assumptions and dependencies

- EA will provide copies of all materials during the mobilisation week used for and produced from the previous phase 1 work. This includes:
 - 20220211 SBF GADM Governance Model-framework v0.6.pdf - the Governance and Decision-making Model for the EA – how decisions are made at the lowest possible level in the organisation, how we escalate risk.
 - Environment & Business Strategic Outcome Plan.ppt (including FCRM & Org SOPs) – this is the '5 Year business plan' for the E&B BUSINESS and includes Operational Teams
 - EB Directorate Local Outcome Plan - this is the 'strategic' plan for the E&B DIRECTORATE and includes the contribution by E&B Directorate to the EA's three strategic plans (SOPs); E&B / FCRM / Organisation.
 - EBLT. ppt – puts faces to names for the E&B Leadership Team
 - EB Bubble structure x 2 - E&B Level of the Organisation chart to Deputy Director and G7 level
 - Outputs from EBLT 'service area testing' September 22 (EBLT on 1/9, 10/10, 19/10)
 - Information about Heads of Profession
 - EB Phase 1 Final Report_v3 0822 – this is the Arcadis final report for phase 1
- EA will complete a full on-boarding to brief the Supplier consultant
- MS Teams site to be used to support collaboration with the E&B Accountabilities Review Team
- EA will provide prompt access to Supplier senior leaders for the work
- The Supplier will provide their services remotely, using information sent to them by Defra and the EA. There will be no need to visit Defra offices.
- EA is responsible to ensure that all listed stakeholders under this DPEL are available when needed to attend interviews, meetings and workshops.

Risk management

1. There is a risk that the changing political and organisational landscape may affect the vision, aims and purpose of the redesign, meaning that the outputs and associated outcomes are not fit for purpose
2. There is a risk that organisational buy in to the change may not be sufficient to leverage the most benefits out of the change. The activity should be fronted and publicly endorsed by senior leadership rather than consultants.
3. There is a risk that officers and stakeholders will not prioritise the review, test and challenge, or workshop/interview activities highly enough, given the current pressures organisationally (industrial action threats etc) as well as politically (changing government) and will not feedback in the required timescales, meaning that delivery and costs would be impacted negatively

Deliverables

During the course of this DPEL, the Supplier will provide:

These are the outputs from Discovery above:

- Refresh of E&B directorate / outcomes aligned to EA corporate outcomes
- High-level view of alignment gaps and recommendations
- Recommendations for BAU strategy to inform annual oversight refresh
- Organisational outcome summary presentation

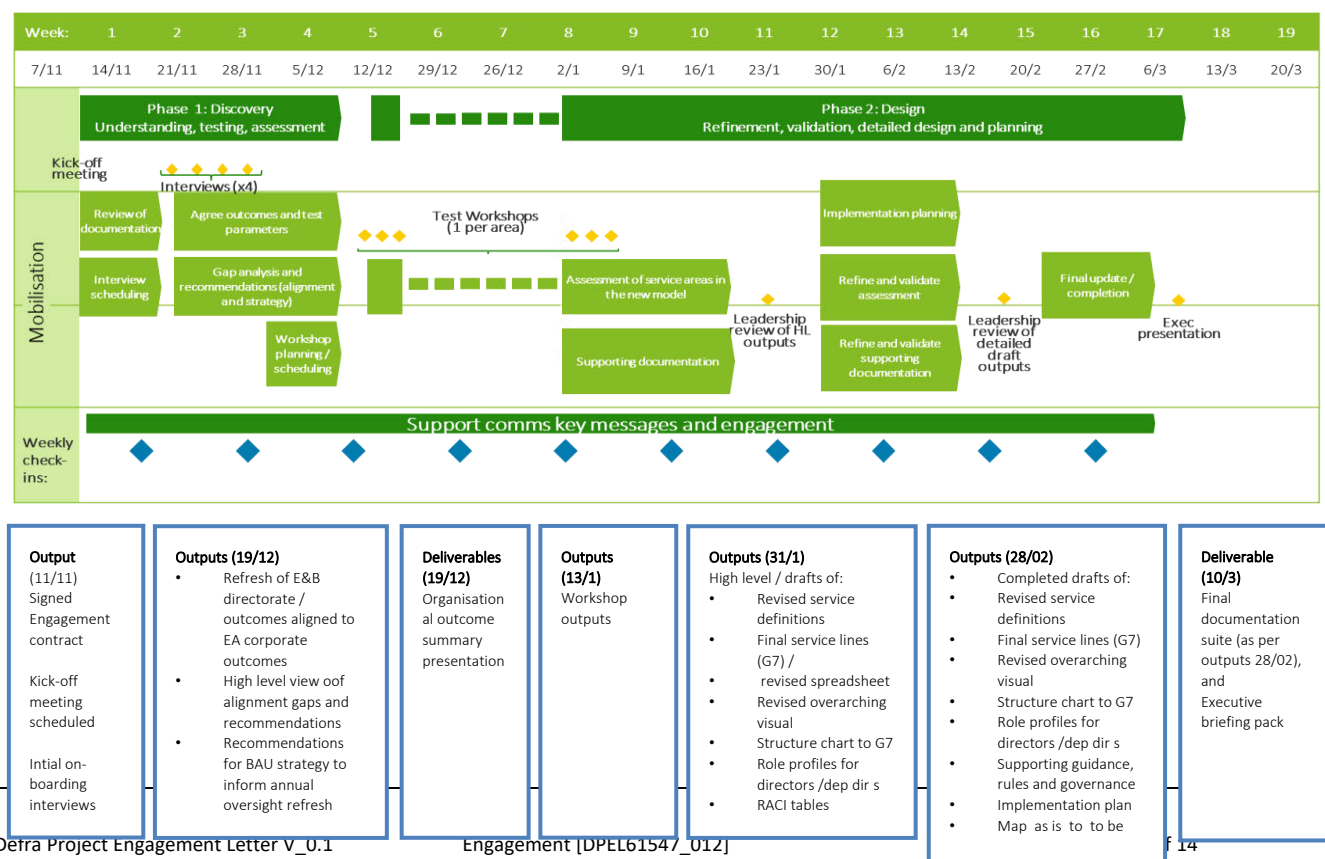
Service area workshops:

- Completed final drafts deliverables of:
 - ✓ *Revised service definitions for the final organisational design (preferred operating model)
 - ✓ Structure charts of final service lines (to G7 level)
 - ✓ **Revised overarching visual of E&B service areas for the final organisational design

Operating model:

- ✓ Role profiles for Directors / Deputy Directors
- RACI tables for executive manager roles (Directors and Deputy Directors)
- Supporting guidance, rules, and governance for the role profiles for Directors/Deputy Directors
- Implementation plan for the final organisational design model
- Final documentation suite comprising all above-mentioned final drafts and Executive briefing pack
- Draft re-alignment of staff to new roles (for 3 options within the 'hybrid model') 'as is' to 'to be' position (at G7 level unless we identify team members as part of the change assessment). This will exclude 'job matching' and any HR related activity.

The project timeline is summarised in the diagram below:



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A			
Organisational outcome summary presentation	Supplier team have identified the E&B outcomes that will be used for an 'service based' operating model	19/12/2022	[REDACTED]
Project Stage B (additional stages can be added)			
Preferred Option report consisting of the following: <ul style="list-style-type: none"> • Revised service definitions for the final organisational design • Structure charts of final service lines (to G7 level) • Revised overarching visual of E&B service areas for the final organisational design • Role profiles for Directors / Deputy Directors • RACI tables for executive manager roles (Directors and Deputy Directors) • Supporting guidance, rules, and governance for the role profiles for Directors/Deputy Directors • Implementation plan for the final organisational design model 	Supplier team have tested and refined the preferred hybrid organisational design for E&B - there are 3 options. A roadmap setting out an implementation plan	28/2/2023	[REDACTED]
Project Stage C (additional stages can be added)			
Final documentation suite comprising all above-mentioned approved versions and Executive briefing pack	Supplier team have tested the preferred hybrid organisational design model	10/03/2023	[REDACTED]

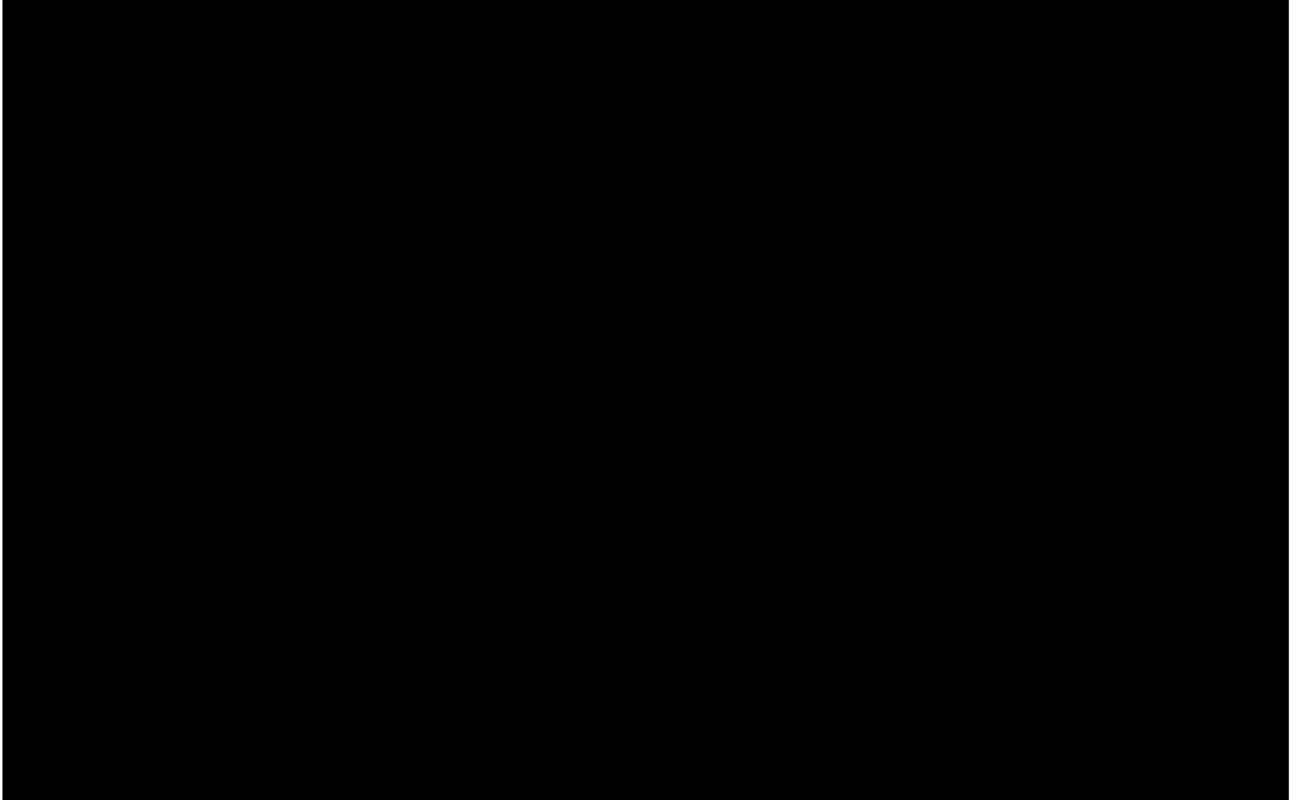
Limitations on scope and change control

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

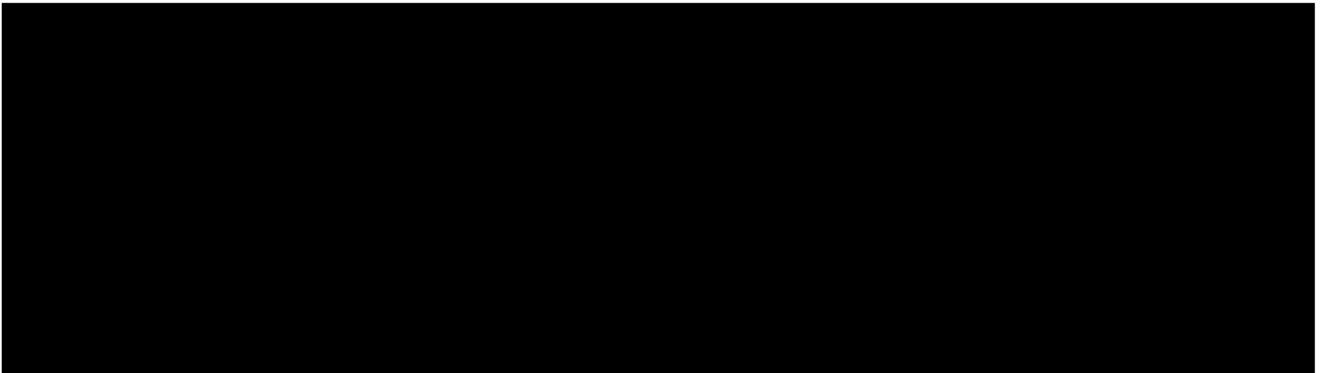


The Project Engagement Letter is the agreed contract of work between the Defra Group Business Area and the Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require approval by DgC.

3. Delivery team

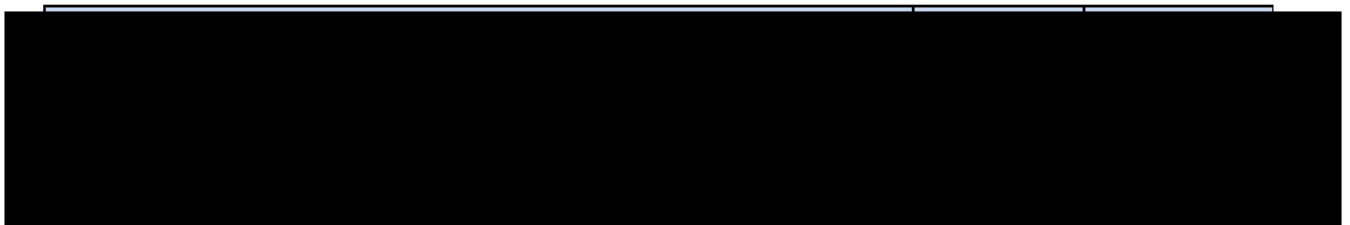


Business Area's team



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 £239,424 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 Deloitte resources.

Key Performance Indicators



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

Non-disclosure agreements

The overarching MCF2 framework includes NDAs.

6. Exit management

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

Deloitte is working as part of an embedded team adding capability to the NDCC.

As improvements are implemented to Resource Planning and MI Deloitte will work with colleagues in the NDCC to enable them to operate these changes. The exact approach to doing that will



depend on the needs of the team but could involve "2 in a box" working, writing desk instructions, training etc

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. 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

