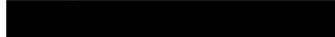


Defra Group Management Consultancy Framework: Project Engagement Letter

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



Engagement details			
Engagement ref #	61539_039		
Extension?	No	DPEL Ref.	61539_039
Business Area	GMC – Environment Programme		
Programme / Project	Middle Brook GEP		
Senior Responsible Officer	<div></div>		
Supplier	Deloitte LLP (“Deloitte”)		
Title	Middle Brook GEP		
Short description	To develop a funding strategy to support delivery of Middle Brook GEP		
Engagement start / end date	Start date 13/11/2023	End date 31/03/2024	
Consultancy Spend approval reference	[XX]		
Expected costs 23/24	£54,300 excluding VAT		
Expected costs 24/25	£0		
Expected costs 25/26	£0		
Dept. PO reference	[XX]		
Lot #	Lot 1		
Version #	1.0		



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. [REDACTED] 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
[REDACTED]	[REDACTED]	[REDACTED]

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:

[REDACTED]

Business Area contact:

[REDACTED]

1. Background

Middle Brook (GB112069064540) is classified as heavily modified due to urbanisation and water storage. The current status of the watercourse is 'Moderate' with the overall aim to achieve 'Good Ecological Potential' (GEP) by 2027. To achieve this several Reasons for Not Achieving Good (RNAGs) need to be addressed, including better nutrient management practices, better livestock management, urban diffuse pollution, intermittent sewage discharges, and addressing physical modifications, such as:

- Preserve and, where possible, restore historic aquatic habitats
- Removing obsolete structures
- Increase or restore floodplain connectivity
- re-opening of culverts
- remove or soften hard bank revetments

This will promote the restoration or enhancement of natural riverine processes and create a more multifunctional and higher quality green infrastructure asset, providing wider ecosystem services.

In 2022-23, an appraisal study was undertaken by Aecom to appraise the RNAGs, in terms of costs and benefits, feasibility and estimated project durations. Benefits were assessed against Biodiversity Net Gain (BNG) and Natural Capital criteria. The appraisal study principally focussed on addressing physical modifications, although work by partners continues in identifying and appraising options to deliver water quality related RNAGs.

The appraisal study undertook a cost/benefit analysis for the physical modifications and assumptions have been made on the costs and benefits of addressing the RNAGs related to water quality issues. These have been used to inform the development of an economic case. However, there was not time or budget to explore potential funding options to fund delivery of the options appraised. This is key to securing the funds needed to deliver the subsequent OBC, which will request the necessary approval to progress through the design stages.

The project has been supported to-date externally with in-kind contributions from Natural England, Bolton Metropolitan Borough Council, UU, Mersey Rivers Trust, Stormwater Shepherds, Dynamic Rivers, Groundwork GM, Lancashire Wildlife Trust, Greater Manchester Ecology Unit, Greater Manchester Combined Authority and Community Forest Trust.

Flood Risk Management Scheme

The Environment Agency PCM (the National Programme and Contract Management) team are currently working with their suppliers, Jacobs, on the appraisal/outline design of a Flood Risk Management Scheme for Bessy Brook, which may be required to offset its WFD (Water Framework Directive) impact through interventions on Middle Brook. The FCRM scheme will also have a BNG target of 20%, some of which may require habitat improvements on Middle Brook. Therefore, there is a need to liaise with PCM to ensure that duplication of effort is minimised and to explore the potential for funding contributions around shared outcomes such as flood risk reduction, carbon sequestration and BNG.

2. Statement of Services

Objectives and outcomes to be achieved

The intended outcome of the Engagement will be:

- 1) To understand the sources of funding that will be provided in order to fully develop an Outline Business Case (OBC) for scheme approval.

- 2) To have an OBC encompassing the physical modification measures included within the Middle Brook GEP project, and water quality improvement measures led by UU.

The objectives of the work consist of the following:

- 1) To review the 2023 Middle Brook GEP report and supporting documents produced by Aecom.
- 2) To develop a funding strategy that meets the cost requirements of financing the delivery of the physical modification measures included within the Middle Brook GEP report.
- 3) To match the financial requirements of delivering the project to a potential funding source or sources, including public, private and blended funding. This will feed into a subsequent HMT-5-case model business case within the Financial Case section.
- 4) To review the Economic Case within the HMT 5-case model business case in light of outcomes from the review of funding options and stakeholder engagement.
- 5) To develop the stakeholder engagement plan initiated during the Aecom study, focussing on developing relationships with potential funders.

The ambition is for the Environment Agency (EA) to submit a 5-case model OBC that will request funding to cover the costs of delivering designs for the physical modification measures within the Middle Brook GEP project, unless otherwise agreed with UU, in which case some EA funding may be requested for the design of water quality improvement measures.

This commission does **not** require:

- 1) Support on consultations with UU on the financing and delivery of water quality improvement measures

Scope

The Deloitte's scope of Services consists of the following activities.

Deloitte's approach requires the Middle Brook GEP project data inputs specified below where each task has been set out with indicative timelines.

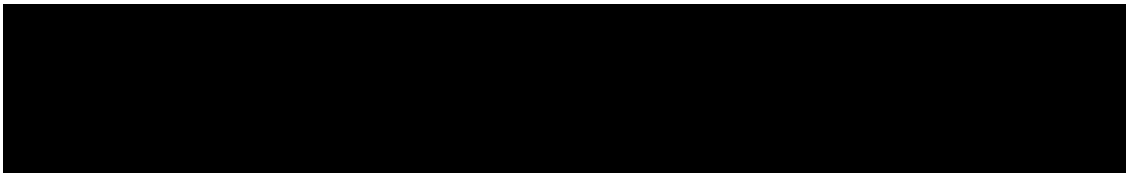
Phase	Description of activity in each phase	Timelines
Understanding Project Specification	Review of existing project data and reports to enable a detailed understanding of the project background.	24/11/23
Identification of key stakeholders and draft stakeholder engagement plan	<p>Work with Middle Brook GEP project team to identify key stakeholders, with a particular focus on unlocking funding for the delivery of the programme.</p> <p>Mapping of identified key stakeholders to reflect:</p> <ul style="list-style-type: none"> • stakeholder name • specific interests in the project • what they will want from us • how will they be engaged. • when will they be engaged. <p>Consideration to complementary strategies and policies from potential partners/funders</p>	05/12/23

	<p>Identification of statutory consultees for the proposed works at Queens Park as additional detailed work will be undertaken for key stakeholders at Queens Park</p> <p>Draft initial stakeholder engagement plan</p>	
Development of Funding Strategy Report	<p>Development of Funding Strategy Report through engaging with identified key stakeholders.</p> <p>Identification of sites within the Middle Brook GEP project and the cost associated to each of the sites.</p> <p>Identification of realistic and appropriate funding sources against each of the sites</p> <p>Allocation of cost for the sites ensuring that costs are covered by the funding identified.</p> <p>Review benefits from Biodiversity Net Gain and Natural Capital Assessments to identify potential beneficiaries.</p> <p>Mapping of benefits measure against expected benefits to be realised from potential buyers of services or appropriate funding sources.</p> <p>Documentation of key information such as:</p> <ul style="list-style-type: none"> • eligibility criteria, • funding amount, • key contacts, • funding timescales <p>Liaise with EA's Future Funding team to review known funding streams and Green Finance options.</p>	15/02/24
Finalise Stakeholder engagement plan	<p>The draft stakeholder engagement plan will be further developed based on consultations with those identified in the earlier stage and updated. The update plan will contain recommendations and stakeholder engagement requirements aligned with the funding strategy.</p> <p>Development of the final engagement plan to include:</p> <ul style="list-style-type: none"> • details of past and recommended immediate next steps for future engagement with funders, statutory regulators, and other key stakeholders throughout the study area. • explain proposed timings and methods for engagement with these parties throughout the design and delivery of the measures. • updates to the initial engagement plan developed. • Key themes • Variations to the original plan 	15/02/24

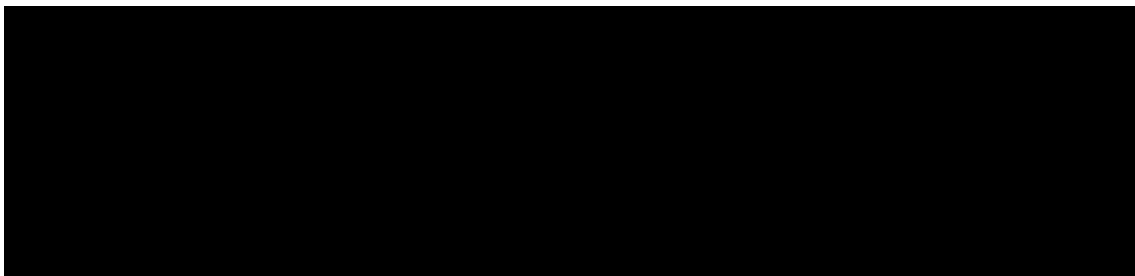
	<ul style="list-style-type: none"> • Gap analysis • Recommendations for next stage 	
Development of Economic and Financial case	<p>Development of Financial Case within the Business Case that sets out:</p> <ul style="list-style-type: none"> ○ the proposed funding streams for the costs of design and construction of the measures; and ○ align context with the findings from the Funding Strategy Report. <p>Development of the Economic Case will require:</p> <ul style="list-style-type: none"> ○ updates based on discussions with stakeholders; ○ reviews of potential funding streams; ○ potential change to project programme dates due to accommodating funding timeframes or coordinating with partner works, which may impact net present values; and ○ changes in costs due to removing options that are not strategically supported or cannot be financed may also be required. <p>Updates to the economic and financial cases within the business case with findings from the stakeholder engagement and funding strategy report</p>	29/02/24

See Annex 1 for the project timeline.

Assumptions and dependencies


<ul style="list-style-type: none"> • EA to provide Deloitte with relevant data within the first week, predominantly from Aecom's Middle Brook GEP study, but also any information the Future Funding team are able to provide on funding guides. This includes: <ul style="list-style-type: none"> • Middle Brook GEP appraisal report • Appendix F – stakeholder engagement report • Appendix G – shortlist proforma • Middle Brook policies, strategies, funding Excel document • There is a two-week break in the project over the Christmas holiday period. • By April 2024 the EA will have; <ul style="list-style-type: none"> • produced a resourcing plan for delivery of the programme

- Worked with Defra group commercial and partners to discuss arrangements for the procurement of suppliers required to deliver the design stage of the programme.



- EA will provide relevant input to the development of a Stakeholder Engagement Plan at the beginning of the project so that sufficient notice can subsequently be provided to stakeholders to participate and/or provide input into the delivery of the Middle Brook GEP project.
- EA will provide access to the relevant stakeholders necessary to develop the deliverables.
- It is expected that the work will be delivered with Deloitte resources working remotely.

Risk management

Risk	Mitigation	Owner	Residual Risk (Probability/Impact)
The budget available is not sufficient to complete the works	Engage with supplier pre-contract to discuss specification and budget. Look to descope where possible as unlikely to be able to secure further funding.	EA	L/M
Misunderstanding of project specification	Engage with supplier pre-contract to discuss specification. Regular progress meetings throughout project and at the end of each task.	EA	L/M
Difficulty engaging with external stakeholders	Review stakeholder engagement undertaken as part of Middle Brook GEP project. Undertake fresh stakeholder mapping to understand any gaps. Discuss plans with the stakeholders and identify common ground. Describe benefits in a language that makes sense	EA/Supplier	L/H





Deliverables

The Supplier shall produce the following Deliverables:

- Draft Stakeholder Engagement Plan
- Interim Funding Strategy Report and Stakeholder Engagement Plan



- Final Funding Strategy Report and Stakeholder Engagement Plan
- 5-case model Economic and Financial Cases

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Draft Stakeholder Engagement Plan	A draft stakeholder engagement plan identifying key stakeholders with a particular focus on unlocking funding. The engagement plan shall identify statutory consultees for the proposed works at Queens Park.	05/12/23	
Interim Funding Strategy Report and Stakeholder Engagement plan	A draft Funding Strategy Report and updated draft Stakeholder Engagement plan including outputs and outcomes from stakeholder engagement undertaken as part of the project will be shared with the core Middle Brook GEP project team to ensure that any issues identified are addressed timely before the final versions are completed	17/01/24	
Final Funding Strategy Report	A funding strategy report clearly identifying realistic and appropriate funding sources against each of the sites within the Middle Brook GEP project. The cost of the sites should be able to be covered by the funding identified. The strategy should also present recommendations and stakeholder engagement requirements, linked to but not replicating, the Stakeholder Engagement Plan.	15/02/24	
Final Stakeholder Engagement Plan	An updated stakeholder engagement plan including details of past and for	15/02/24	



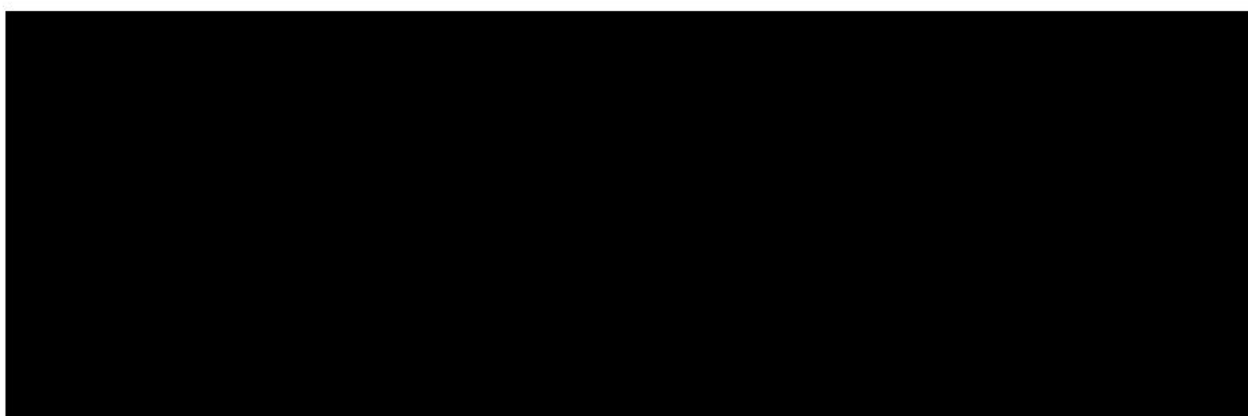
Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
	proposed future engagement with funders, statutory regulators and other key stakeholders throughout the study area but particularly at Queens Park.		
5-case model Economic and Financial Cases	Completion of the Economic and Financial Case within the 5-case model business case to the satisfaction of the EA Project Executive.	29/02/24	
Internal Capability Development Outcomes			
Shared learning on potential funding options	Workshop to internal EA staff to share learning from reviewing potential funding streams	31/03/24	EA

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.

3. Delivery team



Total resource Total days* Engagement Length**	
<small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	



Business Area's team

Outline Business Area staff allocated to support delivery team in completing the engagement including names, roles, responsibilities and any dependencies / scope they will deliver.

Business Area	Name	Role (link to stage/s resource will work on)	Responsibilities / Scope	Estimate of days
Environment Programme			<ul style="list-style-type: none"> - manages the production of required products within agreed tolerances on quality, cost and time; - takes responsibility for overall progress and use of resources, and initiates corrective action where necessary; - manages and monitors business and project risks/issues and develops contingency plans; - identifies and obtains support and advice required for the management, planning and control of the project; - responsible for project administration 	
Environment Programme			<ul style="list-style-type: none"> - Monitor and control the progress of the project; - Escalate issues and risks to the programme management if project tolerances are forecast to be exceeded; - Ensure that risks associated with the business case are identified, assessed and controlled; - Responsible for planning project assurance and ensure it is carried out; 	
Future Funding			<ul style="list-style-type: none"> - Reviews of the proposed funding streams and mechanisms; - Advice on suitability of funding options; - Providing team with updates on any learning from the EA Future Funding 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 Services detailed in this Engagement Letter will be £54,300 inclusive of expenses and excluding VAT.

Costs summarised for engagement stages.

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
Draft of stakeholder engagement plan		
B		
Funding strategy report completed. Stakeholder engagement plan completed. Economic Case completed. Financial Case completed.		
Expenses		
Not applicable		
Grand total	£54,300	

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; and
- Weekly progress update against the agreed activities and deliverables.

Key Performance Indicators



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

KPI	Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
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 meeting
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	Stakeholder and Funding Plans	See scope and key objectives for detail on required content	Once, but reviewing progress iteratively	Project team	<i>Acceptance following review of materials</i>	Completed by 29/02/24
4	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>	Completed by 29/02/24

Feedback and satisfaction

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

It is not expected that there will be a need for any additional NDAs for this project. The overarching framework include NDAs.

6. Exit management

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

It is expected that a short review will be undertaken between the Business Area's Team, Supplier and associated delivery partners nearing completion of this work to review the report / write-up of final outputs.

Following this review and agreement of final outputs a project sign-off will be given. See above for the project's KPIs.

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.

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:
[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

Annex 1: Project Timeline

