



Department  
for Environment  
Food & Rural Affairs

# Defra Group Management Consultancy Call off Contract: Defra Project Engagement Letter (DPEL)

## Project Delivery Partner (Lot 3)

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

[REDACTED] Please do not complete this form until you have liaised with DgC, and they have allocated you a lot to access consultancy services including a DPEL reference number.

Engagement details		
DPEL Reference Number	DPEL_61541_148	
Local Client Reference	n/a	
Extension?	N	
Business Area	Natural England	
Programme / Project	Natural England Target Operating Model (TOM) Project	
Senior Responsible Officer for Programme/ Project Business Area	[REDACTED]	
Senior Responsible Officer for DPEL	[REDACTED]	
Supplier	Methods Business & Digital Technology	
Title	Business Change: Phase 1 TOM detailed design	
Short description	Phase 1 Target Operating Model (TOM) Detailed Design Support for Natural England, with supporting underpinning workstream expertise and guidance.	
Applicable only if CCN: Summary of changes:	N/A	
Engagement start / end date	Start date 18/06/2025	End date 31/10/2025
Expected costs 25/26	£249,565	
Expected costs 26/27	£0	
Base location	Remote (with occasional attendance as required at face-to-face meetings and/or workshops)	
Version #	V1.0	
Version Date	03/06/2025	



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

## Signatures

### ***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.

The Engagement will be a fully contracted out service therefore the off-payroll legislation will not apply. A true service will have the following characteristics:

- Delivery is fully outsourced to the supplier, who will have full responsibility for delivering the outcome and the risk of non-delivery sits with the supplier.
- The team is not embedded within your organisation but is engaged, directed, and controlled entirely by the supplier.

It is your responsibility to determine whether your Engagement represents a supply of an outsourced managed service or a supply of resource. The reality of working arrangements should be considered and not just contractual terms.



## 1. Background

Natural England is undertaking a strategic transformation initiative to align its operations with a new organisational strategy and delivery framework. Central to this transformation is the development of a Target Operating Model (TOM), which will serve as a blueprint for improved collaboration, organisational agility, and effectiveness. The TOM project team has been tasked with delivering a Detailed Design of Phase 1 of the TOM by October 2025, in alignment with strategic business planning timelines.

The TOM is intended to create a blueprint for how Natural England will operate to better deliver its vision, alongside addressing systemic issues including lack of focus on high-value activities, inconsistent delivery approaches, a missing delivery framework, and siloed working.

This consultancy engagement will provide critical expertise to the TOM team across business change organisational design, business architecture, service design, business analysis and implementation planning to enable delivery of a robust Phase 1 TOM detailed design and supporting implementation plan.

## 2. Statement of services

### Objectives and outcomes to be achieved, with each objective linked to the Deliverables section

Outcome	Objective
Map of current state organisational business model & capabilities	<p>Collaboratively develop a current state picture of NE's operating model that <u>could</u> include:</p> <ul style="list-style-type: none"> <li>a service taxonomy that captures current services, users, delivery partners and value proposition, linking findings to the current state business map (Utilise pre-existing work)</li> <li>a current state map of capabilities, team collaboration, structure and governance using recognised business architecture and business analysis methodologies, linking findings with the service taxonomy (Utilise pre-existing work)</li> <li>assessment of all the above which would include strengths, pain-points and gaps</li> </ul>
Detailed Design TOM Options proposals	<p>Using the information gathered above, collaboratively design effective and sustainable TOM options (more detail in the outcomes and objectives in the below rows), which <u>could</u> include:</p> <ul style="list-style-type: none"> <li>an analysis of change impact vs likelihood to achieve ambition review</li> <li>identification of key structural, role and responsibility changes required to address any current fragmentation and support joined-up delivery (please see rows below).</li> <li>mapping of options to the strategy which is in development</li> <li>visuals to support engagement &amp; decision-making</li> <li>a high-level implementation plan which considers pace, business &amp; change readiness and impact, and risks as per the wider context of this work</li> </ul>
Detailed Design for Phase 1 Target Operating Model – services	<ul style="list-style-type: none"> <li>Working collaboratively with NE, produce a detailed design (potentially using the business model canvas approach) for each future state service. This would include but may not be limited to the users, people, collaborations (between</li> </ul>

	NE teams and internal and external partners) and capabilities required to deliver each 'to be' service
Detailed Design for Phase 1 Target Operating Model – governance	<ul style="list-style-type: none"> <li>Working collaboratively with NE, produce a proposal for the changes required to the portfolios (i.e. change in portfolio make ups, numbers, scopes, etc.) to reflect the detailed design of future state services</li> </ul>
Detailed Design for Phase 1 Target Operating Model – organisation structures	<ul style="list-style-type: none"> <li>Working collaboratively with NE, produce a proposal for the changes required to the NE organisational structure (i.e. changes required to the number and make up of CO Groups and teams) that result from the changes from the current state to future state services</li> </ul>
Implementation plan for Phase 1 TOM Detailed Design	<ul style="list-style-type: none"> <li>Working collaboratively with NE, produce: <ul style="list-style-type: none"> <li>A high level plan setting out the Phase 1 implementation proposal (potentially with options) and a recommended approach to transition from the current state services to the future state services</li> <li>A roadmap providing options (with an analysis of advantages and disadvantages) for future phases of the TOM design and implementation beyond Phase 1 design</li> </ul> </li> </ul>
Detailed Design for Phase 1 Target Operating Model	<ul style="list-style-type: none"> <li>Support NE in collaboratively producing a complete and coherent detailed design pack for decision by NExCo</li> </ul>
Coaching and Upskilling	<ul style="list-style-type: none"> <li>Facilitate coaching and practical support to upskill the TOM team's internal capabilities in service and org design, alongside language, theory and implementation considerations to ensure organisational resilience</li> </ul>

### Scope of Services to be provided:

<b>In scope:</b>	<p><b>Service Design</b></p> <ul style="list-style-type: none"> <li>Lead co-design workshops with NE to define a service taxonomy aligned to the new strategy.</li> <li>Validate and refine the list of current and future services.</li> <li>Develop service design blueprints (including user journeys, channels, partners, touchpoints, and value propositions).</li> <li>Ensure services reflect user needs, improve internal collaboration, and support organisational agility.</li> <li>Collaborate with digital systems review lead to align with digital service developments.</li> </ul> <p><b>Business Architecture</b></p> <ul style="list-style-type: none"> <li>Develop a high-level Business Architecture model for NE to support TOM implementation.</li> <li>Map services to capabilities, organisational functions, and strategic outcomes.</li> <li>Conduct a Business Impact Assessment to assess implications for portfolios, capabilities, and delivery models.</li> <li>Align the architectural model with ongoing strategy and portfolio governance constraints.</li> </ul> <p><b>Organisational Design</b></p> <ul style="list-style-type: none"> <li>Design to-be organisational structures that align with the detailed service design and strategy.</li> <li>Assess people, capabilities, and collaboration needs required to deliver new services.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Identify organisational pain points and siloed behaviours that need to be addressed.</li> <li>- Develop alternative structural options and rationale for recommendation.</li> <li>- Support TOM visualisation (incorporating simple visual or diagrammatic representations).</li> </ul> <p><b>Business Analysis</b></p> <ul style="list-style-type: none"> <li>- Conduct light-touch discovery and requirements elicitation to inform the Detailed Design.</li> <li>- Map key business functions, teams, and high-level interdependencies across NE.</li> <li>- Support capability mapping and gap analysis aligned to proposed services.</li> <li>- Work with NE representatives to prioritise service-led interventions.</li> </ul> <p><b>Change Management and Capability Coaching</b></p> <ul style="list-style-type: none"> <li>- Provide light-touch objective discipline area coaching to NE TOM team members, including the five group representatives. (e.g., TOM theory, service definition, business architecture concepts).</li> <li>- Advise on TOM-related engagement with the wider organisation.</li> </ul> <p><b>Implementation Planning</b></p> <ul style="list-style-type: none"> <li>- Develop a high-level implementation plan for the Phase 1 TOM Detailed Design, including a roll out strategy across NE, high level tasks and timescales</li> <li>- Develop a road map for designing and implementing future phases of the TOM</li> </ul>
<b>Out of scope:</b>	<p>The following services are out of scope of this DPEL and would require a Change Control Notice (CCN) or follow on DPEL to provide:</p> <ul style="list-style-type: none"> <li>- Detailed process mapping or service redesign beyond high-level design.</li> <li>- Granular implementation planning or delivery beyond recommendations and high-level roadmap.</li> <li>- HR-specific intervention planning or personnel management.</li> <li>- Organisation-wide training provision.</li> <li>- Technology selection or delivery.</li> <li>- Changes to NE's top-level portfolio governance approach. Note that the scope of the work may however propose changes to the number and make up of portfolios.</li> </ul>

## Assumptions and dependencies

<b>Assumptions and dependencies:</b>	<ul style="list-style-type: none"> <li>- The strategy team will provide to Methods a strategic framework by October 2025 and will permit information sharing exercises with TOM design team.</li> <li>- NE will provide named points of contact, access to documentation, and a core delivery team for joint working.</li> <li>- Consultancy support will be co-located with NE TOM team (physically or virtually) for effective collaboration.</li> <li>- NE will prioritise stakeholder time and input, including senior leaders, to validate emerging outputs.</li> <li>- Any material changes to scope, strategy, or organisational constraints (including any significant resourcing/input constraints experienced by the NE TOM Team) will be communicated promptly and planned for collaboratively.</li> <li>- Access to relevant pre-existing service lists and previous work (e.g., PwC service list, digital transformation outputs, as-is TOM analysis/documentation in a suitable level of detail) will be granted.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Methods and Natural England will work collaboratively to understand the existing stakeholder landscape (including any stakeholder mapping already in place) to make use of in maturing and using in project work.</li> <li>- Methods staff will have access to all required data sources to conduct desk-based reviews within the required time so not to impact Method's delivery windows.</li> <li>- Access to the organisation's design authority will be available to the consultancy, in order to validate and engage with the work.</li> <li>- The NE Strategy Team will make available necessary strategic intent and documentation on strategic direction/intent to fully inform the establishment of a suitable Phase 1 TOM and associated outputs.</li> <li>-</li> </ul>
Further detail on assumptions and dependencies will be included in the Service Delivery Document (SDD) & updated throughout engagement.	

## 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 team and communicated to the named Point of Contact either through 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 Project Manager. Mitigations will be jointly developed.

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

Risks identified at this point to be included:

- There is a risk regarding the completeness and agreement on services and strategic outcomes (as-is and to-be) currently understood and agreed upon by NE, which if not agreed at a strategic level early in the process, could impact the quality of the detailed design TOM options
- There is a risk that there could be challenges with stakeholder availability and/or engagement that could impact timeframes.
- There is a risk that wider changes on direction could impact the requirements on the DPEL which could impact value of agreed outcomes and deliverables
- There is a risk that delays to ongoing strategy development work may impede the ability of the consultancy team to provide TOM design recommendations into the organisation.

## 3. Deliverables

### Service Definition

Unique ID	Deliverable	Date	Success Criteria
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1	TOM Detailed Design – Services canvases (people, collaborations, capabilities)	Deliverable dates to be defined within deliverable 7 (all deliverables to be provided within DPEL timeframe),	<ul style="list-style-type: none"> <li>Complete a detailed design for each future state (to be) service focusing on the supporting requirements of people, collaboration (team interactions) and capabilities</li> </ul>
2	TOM Detailed Design – governance implications		<ul style="list-style-type: none"> <li>Taking the completed detailed design for each service, this deliverable would: <ul style="list-style-type: none"> <li>Assess the impact of the changes from the current state (as is) services to future state (to be) services on the portfolio model of governance at Natural England</li> <li>Propose changes to the number and make up of portfolios that result from the impact assessment of current state and future state services</li> </ul> </li> </ul>
3	TOM Detailed Design – structures		<ul style="list-style-type: none"> <li>Taking the completed detailed design for each service, this deliverable would: <ul style="list-style-type: none"> <li>Assess the impact of the changes from the current state (as is) services to future state (to be) services on the organisational structure of Natural England</li> <li>Propose changes to the structure of Chief Officer Groups at NE that result from the impact assessment of current state and future state services</li> </ul> </li> </ul>
4	Outline Implementation Plan		<ul style="list-style-type: none"> <li>A high-level implementation plan including recommendations</li> <li>Detail of any proposed transition states</li> <li>Considers pace, business &amp; change readiness and impact, and risks</li> <li>A roadmap for designing and implementing future phases of the TOM</li> </ul>
5	Phase 1 TOM Detailed Design pack		<ul style="list-style-type: none"> <li>A coherent and comprehensive pack to support NExCo in approving the Phase 1 TOM Detailed Design and implementation plan</li> </ul>
6	Coaching and Upskilling	Throughout assignment timeline as required.	<ul style="list-style-type: none"> <li>Upskilling sessions delivered on TOM language &amp; theory, implementation &amp; change as required across the NE team.</li> <li>Demonstrated uplift in knowledge and understanding of TOM development and delivery mechanisms.</li> </ul>

## Project Delivery

Unique ID	Deliverable	Date	Success Criteria
7	Service delivery document (SDD) and ongoing reporting		Methods regular highlight reports covering ongoing progress against all deliverables as detailed in the SDD, outlining any upskilling provided & highlighting any blockers, new risks/issues/dependencies for resolution.



## Internal Capability Development Outcomes

Unique ID	Deliverable	Date	Success Criteria
8	Coaching and knowledge transfer log		Log demonstrates structured knowledge transfer through shadowing, workshops, and co-working. Agreed by client counterpart as sufficient to enable continuity post-contract.

## 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 consultation with DgC and subsequent relevant approvals.

## 4. Delivery management

### Supplier Delivery Team

Methods will work collaboratively with Natural England to deliver shared outcomes, operating as a mixed design team, and will collaborate widely as appropriate across the Target Operating Model teams, the Strategy Team, and the wider stakeholder landscape. The engagement will be structured around joint working, with both Methods and Natural England team members contributing to the design and delivery phases. Methods will maintain a flexible approach, adapting working methods as required to meet Natural England's evolving priorities and ways of working. From the outset, regular weekly catch-ups will be held to ensure ongoing alignment, and the Methods team will participate fully in Natural England's existing TOM delivery governance including agile sprint planning sessions, retrospectives, and daily stand-ups as required. This approach is intended to ensure effective collaboration and coordinated progress throughout the engagement.

The outcomes-based nature of consultancy services provided through Lot 3 (Ref 28595) dictates that the Supplier retains responsibility and authority to provide the delivery team required to meet the contracted outcomes. The Business Area team should manage any performance concerns directly with the Supplier Team in the first instance with escalation, where necessary, through Defra Group Commercial.

The actual resources used in the delivery may be greater or less than that on which the price is based as the work is undertaken at the Supplier's risk. Should factors materialise that impact successful delivery, through factors outside the Supplier's control that warrant an alteration to time or cost, a change control will be made to this document as well as to the Service Definition Document (SDD).

The SDD is the first standard deliverable used to manage the project and provides the delivery team structure alongside more detail on governance, plan and success criteria.

## 5. 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 £249,565 exclusive of expenses and excluding VAT.





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This total represents the agreed fixed price of the Supplier for the successful delivery of the contracted outcomes. The fees are based on the expected delivery team using the set framework rates. DgC review the resources and rates as part of commercial due diligence and sign-off.

Stage	Due (link to milestone dates)	Cost
<b>Checkpoint 1</b> Criteria met to trigger payment: Service delivery document (SDD) delivered setting out full delivery detail planning. Project delivery on track in line with all outcomes and deliverables stated in this DPEL document.		
<b>Checkpoint 2</b> Criteria met to trigger payment: Project delivery on track in line with all outcomes and deliverables stated in this DPEL document.  Clear and demonstrable progress with TOM knowledge transfer and upskilling.		
<b>Project Close</b> All outcomes set out in this DPEL document delivered. Knowledge transfer through upskilling and coaching complete with demonstrable knowledge growth.  All outcomes achieved. All agreed deliverables handed over.		
<b>Grand Total</b>		£249,565
<b>Expenses</b>		
Note: Expenses to the base location as determined for each individual assignment should be included in the rates.		

## Payment

The Supplier should invoice at project stage milestones set out in section 4. Defra Group will reimburse fees on confirmation of approval of work delivered, by the Business Area.

## 6. Governance and reporting

Business Area to outline governance and report requirements relevant to the Engagement through Key Performance Indicators below:

### Key Performance Indicators



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

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
1.	Availability of Methods	A named delivery contact or delegate will be available to the client for discussions within and outside of DPEL content during working hours.	Ongoing for duration of DPEL	SRO or delegate, with Methods Assurance	Escalation from client team if expected behaviour is not demonstrated	Measured against DPEL & Methods Lot3 agreement.
2.	Regular checkpoints provided by Methods	Weekly reporting to ascertain delivery progress, key risks/concerns	Weekly	SRO with Methods Assurance	Regular project meetings or telecons	Measured against DPEL deliverables.
3	Delivery of agreed deliverables	These will not be exceeded above agreed tolerance without agreement between all parties	Weekly	SRO or delegate, with Methods Assurance	Regular project meetings or telecons	Measured against DPEL deliverables.



## 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 must be completed as part of the Engagement sign-off. DgC will contact the Business Area to arrange this and share the feedback with the supplier on a bi-monthly basis.

## Non-disclosure agreements

The overarching MCF2 framework includes NDAs.

## 7. Exit management

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

Upon exiting the project engagement, the Supplier will provide all final deliverables alongside supporting handover documents. The exit terms are as detailed in the call off contract framework document.

## Notice period

The nature of these engagements requires 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.

## Supplier Engagement Process

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 £120k or DgC Corporate Services Delivery Board if under £120k.
2. If over £120k the Spend Control Form must be completed by Business Area and submitted to DgC at: [REDACTED]
3. 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.
4. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and support from DgC and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed. 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 DgC</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>