

Defra Group Management Consultancy Framework: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial at consultancy2@defra.gov.uk

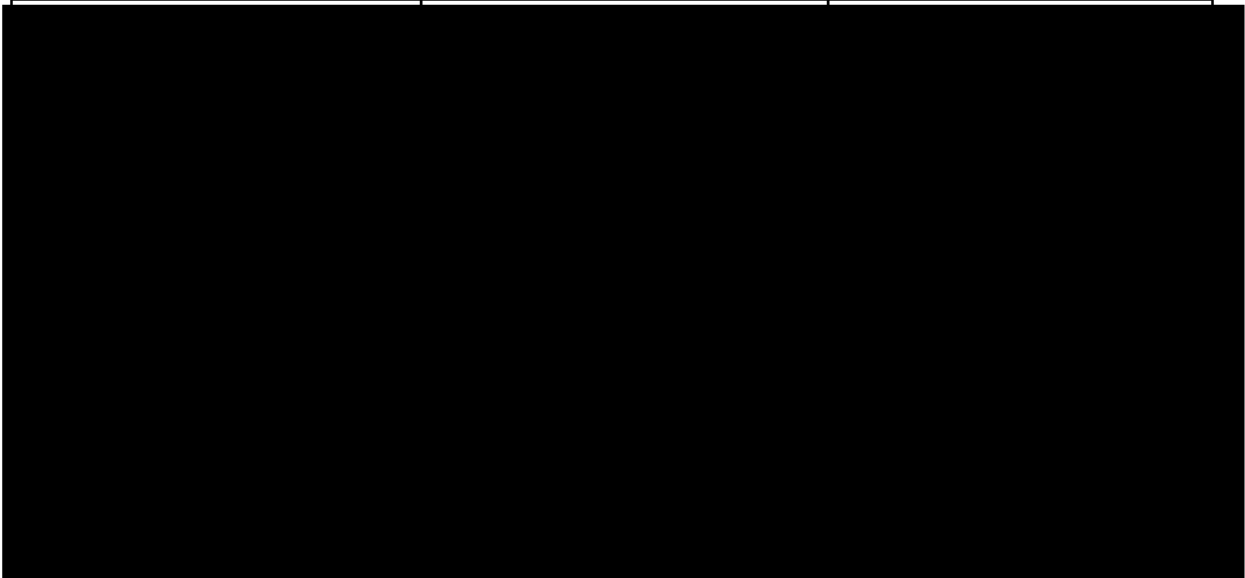
Engagement details			
Engagement ref #	DPEL_61540_004		
Extension?	No	DPEL Ref.	DPEL_61540_004
Business Area	Environment Agency (EA)		
Programme / Project	Digital Vision and Strategy		
Senior Responsible Officer	[REDACTED]		
Supplier	McKinsey & Company, Inc. United Kingdom		
Title	Workshops to support development of a Digital Vision and Strategy for EA		
Short description	<p>Support is required to design and deliver three stakeholder workshops on vision, benefits case and governance and culture, to include provision of expert insight / advice to help inform participants thinking. This DPEL supports ongoing internal work in developing a Digital Strategy for the EA, thus business outcomes supported include:</p> <ul style="list-style-type: none">• A draft vision for digital in the EA• An outline benefits case which will form the basis of the strategy• Stakeholders support the vision and benefits case and, where relevant, commit to owning key elements• An initial governance and culture roadmap is developed with broad support from stakeholders		
Engagement start / end date	01/01/23	31/3/2023	
Funding source	RDEL		
Expected costs 22/23	£80k plus VAT		
Expected costs 23/24	n/a		
Dept. PO reference	TBC		
Lot #	Lot 1 (Strategic Consultancy)		
Version #	1		

Approval of Project Engagement Letter

By signing and returning this cover note, Environment Agency Commercial Team accepts the contents of this Project Engagement Letter as being the services required and agrees for McKinsey & Company, Inc. United Kingdom to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures

Supplier	Business Area	Defra Group Commercial
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20 December 2022	20 December 2022	21 December 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

The Environment Agency (EA) are developing a corporate level digital vision and strategy. This is the first corporate level digital strategy for the EA. It will need to relate to both the current EA 2025 action plan (and future iterations of) and strategies and plans by our digital corporate partners DDTS and those of our parent Department, Defra. As such this is a business-led strategy, not technical - our Data, Digital and Technology Service provides a Defra wide view and solutions on the technology choices for the Department as a whole. It will also replace and build on two EA directorate levels strategies – Environment and Business (E&B) and Flood (FCRM).

The organisation is already on a digital transformation journey, with some parts of the organisation more advanced than others, with several major delivery programmes in train with substantial funding received through the 2021 spending review for ongoing digital transformation of external and internal services. In 2021 a new central Digital and IT team was set up to act as an intelligent client for our relationship with DDTS, lead IT technical governance and to develop and develop and implement the digital strategy. As we look forward to 2025 and beyond, when we expect further public sector cuts, the development of a digital strategy is a significant opportunity to set out not only how digital can help address our broader organisational aims, including seeking value for money in everything we do, but also how we can build on our strengths, address our weaknesses and identify and seize the key opportunities we need to harness and minimise the threats we face.

Due to recruitment difficulties, the short timescales and the nature of the work, the need that this work will meet is for provision of strategic advice to the Environment Agency and expert stakeholder facilitation to support senior stakeholders to develop the overall vision and identify key priorities and benefits that the strategy must seek to address and be measured against.

Governance of IT and culture are a special focus due to the importance of this area and current discussions on governance and organisational structures.

2. Statement of services

Objectives and outcomes to be achieved

This engagement is to deliver 3 Workshops to support the EA's development of a Digital Vision and Strategy as follows:

Workshop 1: Vision

Workshop 2: Business / Benefits Case

Workshop 3: IT Governance and Culture

Workshop formats will be agreed with the EA Digital team leading this work and may include, as relevant for each topic:

- A brief overview of relevant EA content, to be delivered by selected EA leaders
- Expert-led discussion of best practices in the area
- Facilitated discussion of EA's choices and decisions

Draft interim write-ups will be shared after each Workshop to the EA Digital team leading this work, and the final outputs will be captured in a consolidated report to be delivered approx. one week after the last workshop.

The Workshops are anticipated to last 2-3 hours each and will be completed before end March 2023.

Scope

Overall EA oversight of this work will be provided by [REDACTED]

The Supplier will work with the EA Digital team to design an approach for each Workshop and then deliver the non-EA elements of the content, facilitation and output. This includes bringing in McKinsey's global experts who will provide best practice information and expertise where needed (e.g. on digital transformation pathways and how digital services are managed in other similar sized public bodies), helping the EA Digital Strategy team anticipate possible room dynamics in the design and delivery of the Workshop, facilitating the Workshops, providing input and expertise to help navigate challenging conflicts of opinion, helping the attendees reach points of agreement that enable the Digital Vision and Strategy to make progress, documenting the Workshop outputs, and providing a summary reflection in the final report to help the EA Digital team with concrete next steps to finalise the strategy. Value will be added where necessary by McKinsey providing use of appropriate resources e.g. where relevant proprietary internal industry benchmarks, use of proprietary assets and IP, use of unique solutions unavailable elsewhere to leapfrog time to value, and industry-leading levels of governance.

The EA Digital team will be responsible for identifying, inviting and prepping the right EA attendees, including where individuals may be asked to present EA information or perspectives as a part of Workshop. It is anticipated that Workshops will be held in hybrid mode, with an on-site element and a Teams dial-in option, however this may change based on logistics and diary availability of key attendees.

Assumptions and dependencies

- Supplier will be responsible for managing and overseeing input from their delivery team
- The Supplier has the required expertise and the means to resource this project within the timescales required
- The EA will ensure that the necessary resources, data and prior deliverables are made available to the Supplier in a timely manner and will provide all reasonable input and guidance as required
- The EA is responsible for all EA and Defra content used in the planning and delivery of the Workshops
- The work will be conducted remotely or at Defra / Supplier offices in Central London. If this changes and expenses to travel outside London are incurred, they will be agreed in advance where they are additional to the stated cost

Deliverables

1. Facilitation of 3 expert-informed Workshops
2. Draft interim write-ups to be shared after each Workshop to the EA Digital team leading this work
3. Final report is a consolidated set of outputs from each Workshop and a summary reflection to help the EA Digital team with concrete next steps

Indicative work plan with key milestones and activities

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Workshop facilitation and output			
Workshop 1 Facilitation and expert input	<ul style="list-style-type: none"> Workshop completed and interim write-up delivered 	Workshop date TBC by EA between 1 st Jan and 28 Feb 2023	RC
Workshop 2 Facilitation and expert input	<ul style="list-style-type: none"> Workshop completed and interim write-up delivered 	Workshop date TBC by EA between 1 st Jan and 7th March 2023	RC
Workshop 3 Facilitation and expert input	<ul style="list-style-type: none"> Workshop completed and interim write-up delivered 	Workshop date TBC by EA between 1 st Jan and 20 th March 2023	RC
Final report consolidating output from Workshops 1-3	<ul style="list-style-type: none"> Final report delivered to EA Digital team 	Approx 1 week after the final Workshop	RC

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

Provide details of the agreed team members including their roles and responsibilities during the project.

Recognising that the approach and date for each Workshop will be determined as a part of this engagement, this work is undertaken at an agreed maximum price of £80,000 excluding VAT. The Responsible Partner for this engagement is [REDACTED]. Decisions on other required Supplier experts and facilitation support will be made as appropriate for each Workshop, and Analyst support will be deployed in the week surrounding each Workshop to support the development of materials, preparation of experts and creation of workshop outputs.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
[REDACTED]	Responsible Partner	Partner	[REDACTED]	TBC	
[REDACTED]	Expert	Senior Partner	[REDACTED]	TBC	
Various TBC	Expert / Facilitator	Associate Partner,	[REDACTED]	TBC	

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
		Partner or Senior Partner TBC			
1-2 TBC	Analysts	Associate	██████	TBC	
Sub Total					< or = £80,000

Total resource <div style="text-align: center;"> <u>Total days*</u> Engagement Length** </div> <p>*Total days worked across all resources **Total working days in engagement</p>	
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Business Area's team

Outline Business Area staff allocated 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
EA Digital team	██████ ██████ ██████ ██████	Project Executive Director	<ul style="list-style-type: none"> Oversight of work 	n/a

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 up to a maximum of £80,000 excluding VAT.

Provide costs for any particular stages to the engagement.

Staged	Indicative Cost	Due (link to milestone dates in the Deliverables Table)
Workshops 1, 2 and 3		DD/MM/YY
Workshop 1 completed	£20,000	TBC by EA Digital team, before 31 st Mar 2023
Workshop 2 completed	£20,000	
Workshop 3 completed	£20,000	
Final report submitted	£20,000	
Expenses		
No expenses expected – if any are identified these will be discussed and agreed in advance	N/A	
Grand total		

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.

5. Governance and reporting

Given the relatively small scale for completing this work, parties have established light touch governance to manage delivery. A project working group has been established which includes the Supplier's Responsible Partner and Client 'Business Area's team'. It is planned for this group to meet twice before the delivery of the Workshops with the purpose of agreeing the design and approach for each Workshop, the EA attendees, and any preparation or communication required by EA or the Supplier in advance of the Workshop. The group will also meet after each Workshop to debrief, assess the outcomes, and make any necessary adjustments to the next Workshop. This group will be coordinated and chaired by the Supplier, with support from the EA project manager.

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	Increasing stakeholder engagement with	Feedback from the EA Digital team on areas	After each workshop	Supplier	Post-workshop debrief	NA

	the EA's Digital vision and strategy	of improved stakeholder engagement				
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Feedback and satisfaction

See section on "Governance and Reporting" above.

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 NDA's for this project. The overarching MCF2 framework include NDAs.

6. Exit management

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

Several weeks after the delivery of the final report, the Supplier's Responsible Partner and the EA Lead will have a follow-up call to discuss progress since the engagement and provide feedback to the Supplier on the impact of the Workshops in helping EA progress key points of their Digital Strategy.

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:
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 	<ul style="list-style-type: none"> Work can start



Department
for Environment
Food & Rural Affairs

	<ul style="list-style-type: none">▪ DPEL signed: Supplier, Dept and CO▪ Purchase Order number	<ul style="list-style-type: none">▪ Supplier can invoice for work	
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