



Department

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_031		
Extension?	No	DPEL Ref.	DPEL_61539_031 (linked to DPEL_61539_023 and DPEL_61538_026)
Business Area	Defra Group Corporate Strategy – Group Corporate Services - Sustainability Centre of Expertise (SCoE)		
Programme / Project	Sustainability Consultancy Support (II)		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte LLP (“Deloitte”, “the Supplier”)		
Title	Sustainability Consultancy Support (II)		
Short description	<p>Consultancy support to Defra Group Corporate Strategy – Group Corporate Services - Sustainability Centre of Expertise, to assist the development and implementation of action plans for achieving Defra Group’s sustainability ambitions, as will be set out in the forthcoming Sustainability Strategy.</p> <p>Advisory services provided to the SCoE under this DPEL will focus on: supporting the SCoE undertake strategic choices regarding its near term priorities and longer term ambitions; developing a Nature Recovery and Enhancement action plan for FY23/24; and enhancing the assessment of climate adaptation risk.</p>		
Engagement start / end date	6 February 2023	31 March 2023	
Funding source	RDEL		
Consultancy Spend Approval	Approved by CGB on 06/02/2023		
Expected costs 21/22	N/A		
Expected costs 22/23	£207,900 + VAT		
Expected costs 23/24	N/A		
Dept. PO reference	TBC		
Lot #	1		
Version #	v1.0		

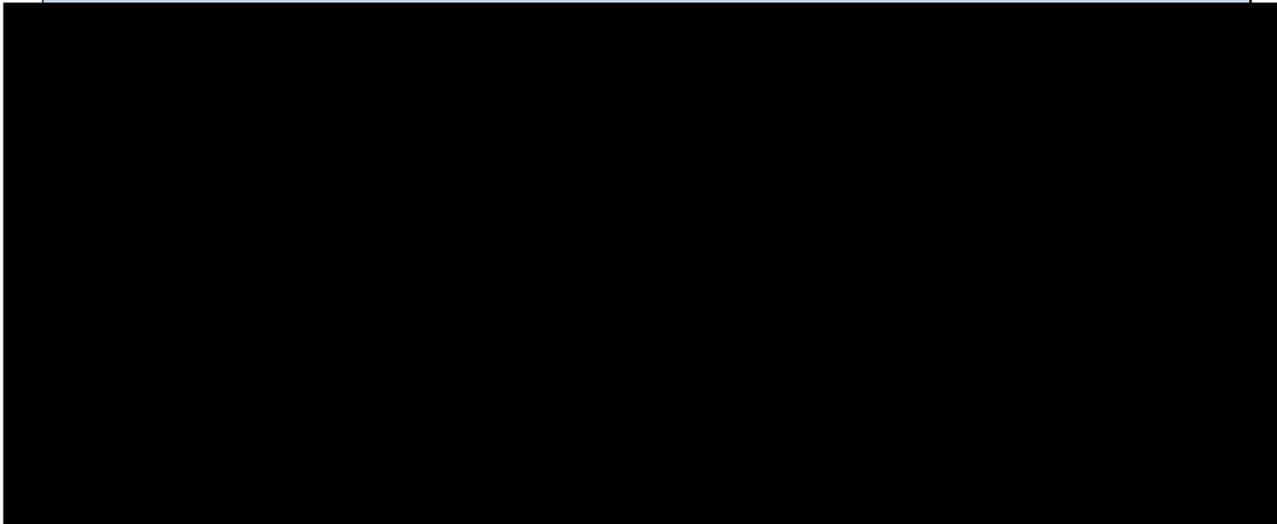


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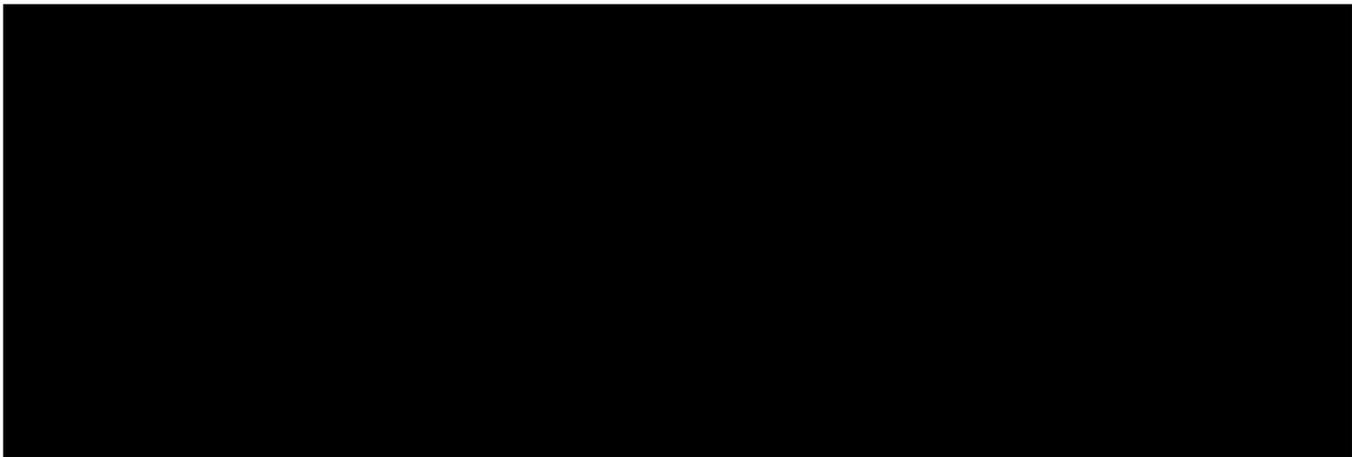
Approval of Project Engagement Letter

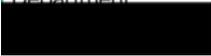
By signing and returning this cover note, Defra Group Corporate Strategy accepts the contents of this Project Engagement Letter as being the services required and agrees for Deloitte LLP to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures



Supplier 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
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1. Background

Defra Sustainability Centre of Expertise (SCoE) is currently finalising production of the Defra Group Sustainability Strategy. The Strategy (applicable to Core Defra and 32 ALBs) will establish the Group's Vision and Objectives across 4 Priority Action Areas (see figure 0-1 below).

Following adoption of the Sustainability Strategy (Q4 2022/23) SCoE will begin work on the development of Action Plans for each Priority Action Area (PAA). Each Action Plan will detail SMART targets, providing metrics by which success against the Strategy's Strategic Objectives can be measured. Initial work to develop these Action Plans was completed through DPEL_61539_023 (Nature Recovery and Enhancement) and DPEL_61539_026 (Climate Change Risk and Adaptation). The outputs from these DPELs provided an initial shortlist of climate adaptation risks for the Climate Change Risk and Adaptation PAA and target areas for the Nature Recovery and Enhancement PAA.

Under this DPEL, the SCoE requires the support of the Supplier to:

- Facilitate further development of the SCoE's strategic choices, considering the ongoing action plan work and reflecting on the implications and key success factors for the team e.g. the required capabilities and different roles SCoE could take in enabling the action plans and ALB delivery.
- Socialise, validate and refine the assessment of climate adaptation risks, to inform the Adapting to Climate Change PAA.
- Iterate on the proposed target areas for the Nature Recovery and Enhancement Action Plan, including developing an activation plan for FY23/24.

The Adapting to Climate Change and Nature Recovery and Enhancement PAAs have been chosen as significant areas of impact for Defra Group, yet are areas where there is currently poor understanding of ongoing group-wide activity and potential for improvement action. An additional driver is the Greening Government Commitments which require Defra to produce a Climate Change Adaptation Plan and a Nature Recovery Plan by 2025.

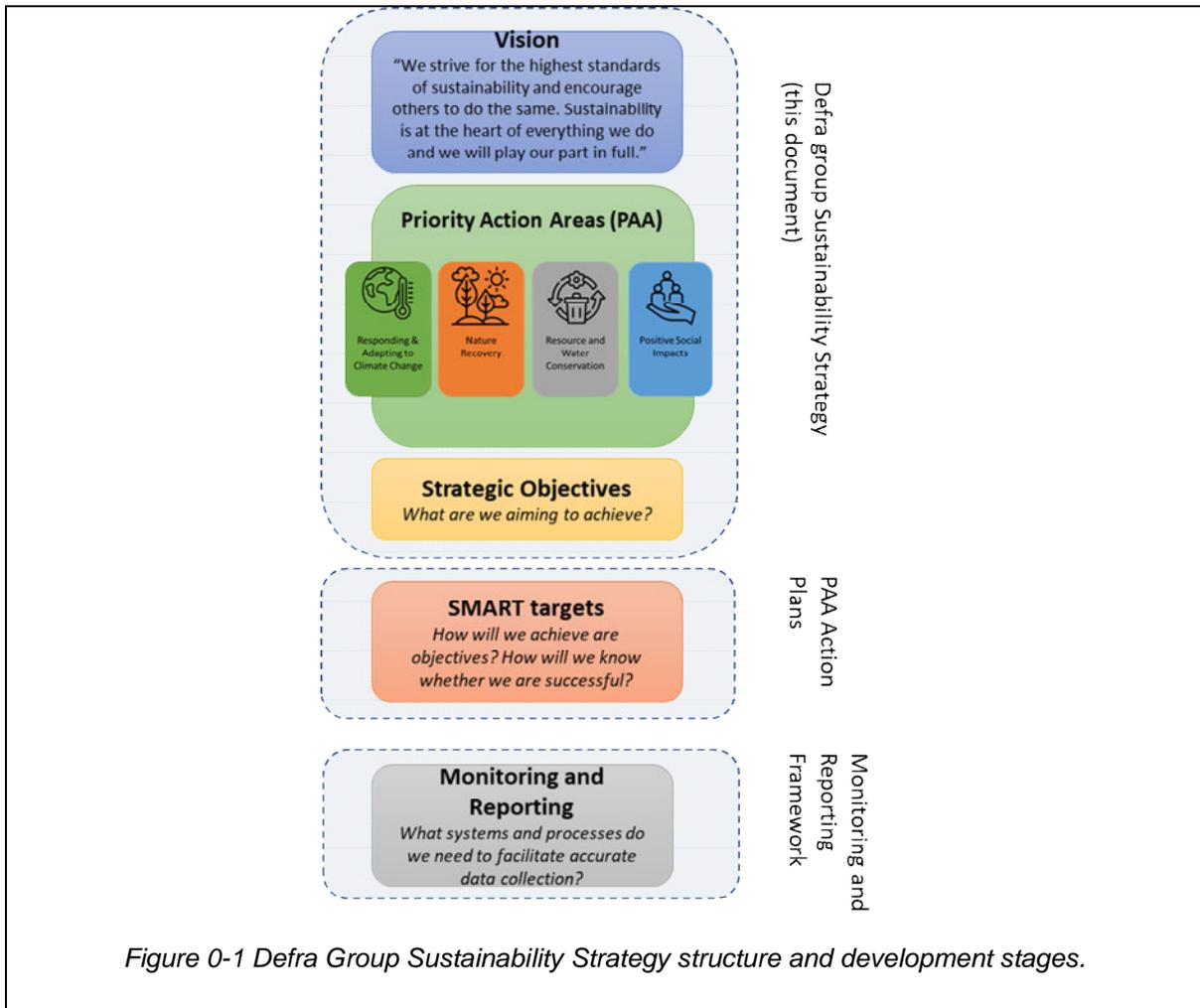


Figure 0-1 Defra Group Sustainability Strategy structure and development stages.

2. Statement of Services

Objectives and outcomes to be achieved

This Engagement comprises three workstreams. The objectives and outcomes for each workstream are summarised below.

SCoE Strategic Choices

Objective: to support the Sustainability Centre of Excellence to consider the implications of the Sustainability Strategy and Action plans as a cohesive set of strategic team choices, with a particular emphasis on the capabilities and governance structures required for the SCoE to deliver on its priorities for FY23/24.

Outcomes:

1. Capture and identify tensions or gaps with the current and inferred SCoE strategic choices at a team strategy level.
2. Facilitate the SCoE team to examine various potential strategic options for the coming Financial Year, representing different potential winning aspirations and associate team capabilities and governance structures. Facilitate alignment on the optimal set of strategic options for the SCoE for delivering against the various action plans under development.



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3. Develop a high-level Target Operating Model for the team for FY23/24 and beyond, optimised for delivering against the various action plans for each of the four PAAs.

Climate Change Adaptation

Objective: develop an enhanced understanding of the material climate adaptation risks, and a strategy to address them, for Defra Group, to inform the longer term development of a Climate Adaptation Plan. Identify priority actions for the SCoE in FY23/24 in relation to the Adapting to Climate Change PAA.

Outcomes:

4. Facilitate a common understanding of the scope of the Climate Adaptation Risk Assessment undertaken by the SCoE, and the governance/operating model for the SCoE under this PAA.
5. To provide technical support to officials within the SCoE in socialising and validating the material climate adaptation risks with stakeholders across Defra Group, in particular the technical basis for the how these risks have been identified and assessed as material;
6. Support the SCoE in refining the qualitative assessment of material climate adaptation risks and recommendations on mitigation actions associated with the material risks, to the extent this is deemed appropriate on the basis of stakeholder feedback;
7. Identify and scope cross-cutting enabling actions deemed necessary to allow for risk treatment by Defra Group to take place, and/or actions deemed necessary to develop a more detailed, longer term action plan for the Climate Adaptation PAA during the course of FY23/24.

Nature Recovery and Enhancement

Objective: identify how the SCoE can achieve the greatest impact with regards to the Nature Recovery and Enhancement PAA during FY23/24 and build a work plan for delivery on this basis.

Outcomes:

8. To provide technical support to officials within the SCoE in socialising the proposed headline targets with stakeholders across Defra Group, in particular the technical basis for the selection of headline targets and the associated indicators/actions;
9. Support the SCoE in refining and enhancing the headline targets and associated actions for inclusion within the Nature Recovery and Enhancement Action Plan, in a manner which builds on the existing content;
10. Identify and provide a specification for the actions deemed necessary to develop a more detailed, longer term action plan for the Nature Recovery and Enhancement PAA during the course of FY23/24, as will be developed in line with the GGC requirements.

The purpose and objectives of the engagement, including all activities described in the Scope below, cover Defra Group's own operations (i.e. the assets and operational capabilities of Defra Group and Arms Length Bodies). The impact Defra Group and Arms Length Bodies can have through policy is explicitly identified as being out of scope for the purpose of this engagement.



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Scope

The Engagement will be delivered through three workstreams: SCoE Strategic Choices, Climate Change Adaptation and Nature Recovery and Enhancement. A description of the activities under each workstream is included below.

Please refer to Annex 1 for a workplan summarising activities under each workstream, set to project timelines.

Description of activities

Weekly meetings – the Supplier will run weekly touchpoint meetings with the key client contacts at a time mutually agreed by the Supplier and Defra Group.

SCoE Strategic Choices

Explore strategic choices (Weeks 1-3)

- Reverse existing strategic choices into Choice Cascade format to identify tensions and gaps – interviewing selected stakeholders to test and identify divergences (Outcome 1)
- Prepare workshop materials and exercises
- Workshop strategic possibilities with SCoE team, including agreeing what factors need to be true for each possibility to be a viable option (*necessary truths*) and understanding which of these statements are we least certain about (*barriers*) (Outcome 2)
- Facilitation to agree as a group what our hypothesis for preferred choice cascade (Outcome 2)

Finalisation of strategic choice cascade (Weeks 4-5)

- Test finalised strategic choice cascade with identified senior stakeholder (to be agreed) –appropriate next steps will be discussed with the primary client contact, some of which may fall outside of this scope if necessary (Outcome 2)
- Analyse potential dependencies and external milestones

Action planning for FY23/24 (Weeks 6-8)

- Development of a roadmap for the SCoE to activate against the finalised strategic choice cascade during FY23/24. (Outcome 3)

Climate Change Adaptation

Align (Weeks 1-3)

Alignment session: the Supplier will deliver an alignment session, to support the SCoE consider:

- The function and scope of the Climate Adaptation Risk Assessment, with a particular focus on use case and how this exercise fits into other risk and adaptation processes which exist across Defra Group. (Outcome 4)



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- Any implications for the basis of assessment of risk, arising from the above considerations around function and scope of the Assessment.

Adjustment of risks: to the extent required, depending on the outcome of the above alignment session, the Supplier will consider the extent to which risk descriptions and ratings will require adjustment or refinement in order to be fit for purpose in line with SCoE's desired end state.

Socialise and refine (Weeks 4-5)

Preparation of stakeholder engagement materials – the Supplier will support the SCoE in preparing summary materials, for the purposes of allowing Defra Group stakeholders to review the proposed material risks and corresponding risk rating.

Stakeholder interviews – the Supplier will attend up to 10 hours of virtual meetings with stakeholders from Defra Group, Arm's Length Bodies (ALBs), and/or other UK government departments. Stakeholders will be mutually agreed between the Supplier and Defra Group. The purpose of the meetings is to socialise, and consult on, the proposed material risks identified under the Defra Group Climate Adaptation Risk Assessment and the corresponding risk rating. (Outcome 5)

Refined qualitative assessment of material risks – on the basis of feedback gathered during the stakeholder interviews, the Supplier will work with SCoE to determine a refined list of material climate adaptation risks. It is anticipated that the number of risks will remain broadly similar, but may, for example, be rephased or replaced as necessary. Associated qualitative assessments of risk impact and likelihood will also be revised, as appropriate. (Outcome 6)

Activate (Weeks 6-8)

Finalisation of Revised Climate Adaptation Risk Assessment and activation planning (Outcome 7) – the Supplier will summarise the finalised assessment of climate adaptation risks for Defra Group. The finalised version will include, where appropriate, updated: narrative risk descriptions; risk ratings for each risk; recommendations for improving Defra Group's understanding of material risks; high-level recommendations on mitigation actions associated with material risks; and high-level recommendations on enabling activities.

The Supplier will support the SCoE to identify and scope cross-cutting enabling actions deemed necessary allow for risk treatment by Defra Group to take place, and/or actions deemed necessary to develop a more detailed, longer term action plan for the Climate Adaptation PAA during the course of FY23/24. For each action identified as a priority for FY23/24 (up to a maximum of 10 actions), the Supplier will provide a one page activation plan, which may include:

- Action goals and how this relates to the overall objectives of the Adapting to Climate Change PAA
- Action steps with recommended timelines
- Action ownership and key stakeholders
- Indicative resource requirements
- Key dependencies and risks to implementation, with associated mitigations

Nature Recovery and Enhancement

Socialise (Weeks 1-5)

Preparation of stakeholder engagement materials – the Supplier will support the SCoE in preparing summary materials, for the purposes of allowing Defra Group stakeholders to further explore the target areas, indicators and actions.



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Stakeholder interviews – the Supplier will attend up to 15 hours of virtual meetings with stakeholders from Defra Group, Arm’s Length Bodies (ALBs), and/or other UK government departments. Stakeholders will be mutually agreed between the Supplier and Defra Group. The purpose of the meetings is to socialise, and consult on, the target areas, indicators and associated actions where SCoE could have the greatest impact. (Outcome 8)

Refine (Weeks 1-5)

Target area refinement – on the basis of feedback gathered and further desktop analysis, the Supplier will provide refined priority areas for the Nature Recovery & Enhancement PAA and identify additional and/or adapted recommended actions associated with the refined target areas. (Outcome 9)

Activate (Weeks 6-8)

Nature Recovery and Enhancement FY23/24 Activation Plan (Outcome 10) – the Supplier will develop an activation plan for the Nature Recovery and Enhancement PAA in FY23/24.

The Supplier will support the SCoE in identifying actions which are deemed a priority for the SCoE in relation to the Nature Recovery and Enhancement PAA during the course of FY23/24. For each action identified as a priority for FY23/24 (up to a maximum of 10 actions), the Supplier will provide a one page activation plan, which may include:

- Action goals and how this relates to the overall objectives of the Nature Recovery & Enhancement PAA
- Action steps with recommended timelines
- Action ownership and key stakeholders
- Indicative resource requirements
- Key dependencies and risks to implementation, with associated mitigations.

Assumptions and dependencies

- The Supplier will be responsible for managing and overseeing input from their wider delivery team including the approved Subcontractors, AECOM and Cranfield University;
- The Supplier, including wider delivery team, have both the required expertise and the means to resource this project within the timescales agreed but is limited to the particular scope of this Engagement only;
- Defra Group will ensure that the necessary resources are made available to work with the selected Supplier and partners in a timely manner and will provide all reasonable input and guidance as required. In particular, it is Defra Group’s responsibility to facilitate access to internal and external stakeholders in a manner consistent with the project timelines set out in Annex 1;
- Defra Group will provide the Supplier with access to all relevant data and artefacts, for example, asset registers and prior work from across Defra Group relating to Climate Change Risk and Adaptation, Nature Recovery and Sustainability Strategy more broadly;
- Defra Group will review and provide timely feedback on outputs throughout their development (within 5 working days of draft deliverables being issued);
- Responsibility for decisions and strategic directions chosen during the course of the project sit with Defra Group;
- For each deliverable / work product, comments from all Defra Group internal stakeholders will be shared with the Supplier in a single round of consolidated review comments. The Supplier will require a minimum of ten working days to respond to the update drafting of the report on the basis of consolidated comments;
- Unless otherwise mutually agreed at the weekly progress meetings, all work will be performed remotely;



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- The project assumptions as set out in the Customer Statement of Work will apply to the Subcontractor under this Statement of Work.

Deliverables

The Supplier shall produce the following Deliverables (in the form of Defra-branded work products) for each workstream.

SCoE Strategic Choices

- SCoE Team Strategy (Outcomes 1, 2): capturing the agreed choices against five domains - Aspiration, Where to play, How to win, Capabilities and structures, Governance and measures. For example, this Strategy will set out:
 - How the SCoE will approach action plan development
 - How the SCoE will engage with stakeholders and interact with the wider Defra Group stakeholder landscape
 - Governance arrangements for the SCoE
 - The boundaries of the SCoE's remit in relation to sustainability across Defra Group
 - An articulation of how the SCoE can add the greatest value to Defra Group's sustainability performance.
- SCoE Roadmap and priorities (Outcome 3): an initial view created through co-working of the key priorities and next steps for the next Financial Year.

Climate Risk Adaptation

- Updated qualitative risk assessment – a short written output (Excel) summarising the refined list of material climate adaptation risks, with the key changes described and rationale where appropriate.
- The Climate Adaptation Risk Assessment – a written output (either Word or PowerPoint) of the activities described in the above Scope, to provide the Sustainability Centre of Expertise with:
 - A summary of the feedback received from stakeholders during stakeholder interviews and responses to feedback (outcome 4);
 - Detail of the refined adaptation risks across Defra Group arising from climate change (outcome 5);
 - A refined qualitative assessment of the adaptation risks identified (outcome 6); and
 - Refined high-level recommendations actions for addressing the risks identified, as defined in the Scope above (outcome 6).
- Activation Plans (Outcome 7) - a written output (either Word or PowerPoint), containing:
 - Up to 10 one (A4) page activation plans for FY23/24 priority actions, as described in the above Scope.

Nature Recovery and Enhancement

- A Final Report – a written output (either Word or PowerPoint) of the activities described in the above Scope. The output will include the following:
 - An executive summary of the findings and recommendations;
 - A summary of the methodology/approach followed by the Supplier in order to deliver the work;



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- A summary of the feedback received from stakeholders during stakeholder interviews and responses to feedback (outcome 8);
 - To the extent required, updated headline targets, indicators and associated actions (outcome 9);
 - Updated recommended actions for implementation by Defra Group in relation to Nature Recovery and Enhancement (outcome 10), supported by more detailed activation plans (see below);
- Activation Plans (Outcome 10) - a written output (either Word or PowerPoint), containing:
 - Up to 10 one (A4) page activation plans for FY23/24 priority actions, as described in the above Scope.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Workstream A – SCoE Strategic Choices			
SCoE Team Strategy	Captured view of the key choices which are believed to be key success factors for SCoE	Week 8	[REDACTED]
SCoE Roadmap and priorities	Outline of the key next steps the SCoE team expect to focus on in next Financial Year	Week 8	[REDACTED]
Workstream B - Climate Adaptation			
Updated qualitative risk assessment	Delivery of the updated qualitative risk assessment as described in the Deliverables above	Week 8	[REDACTED]
The Climate Adaptation Risk Assessment	Delivery of the Climate Adaptation Risk Assessment as described under Deliverables above	Week 8	[REDACTED]
Activation Plans	Delivery of the Activation Plans as described in the Deliverables above	Week 8	[REDACTED]
Workstream C – Nature Recovery and Enhancement			
Final Report	Delivery of Final Report, including contents as described under Deliverables above	Week 8	[REDACTED]
Activation Plans	Delivery of the Activation Plans as described in the Deliverables above	Week 8	[REDACTED]
Internal Capability Development Outcomes			
N/A			



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Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Social Value Outcomes			
N/A			

Limitations on scope and change control

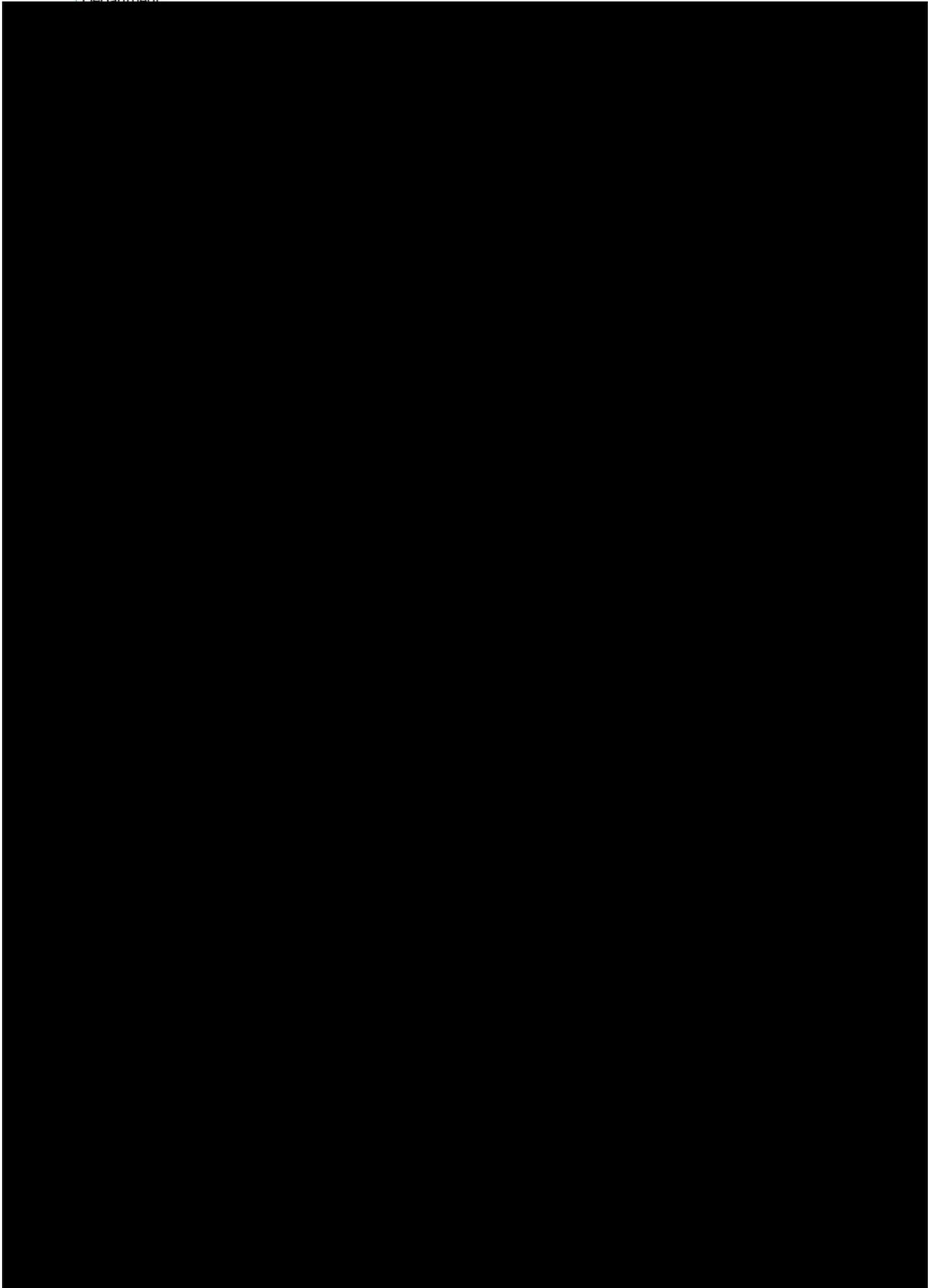
Unless instructions to the Supplier are later amended in writing, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Supplier will be acting in reliance on information provided by the Business Area.

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.





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Stage	Cost	Due (link to milestone dates)
N/A		
Grand total	£207,900 + 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 (which for the purposes of this Engagement Letter is defined as Central London). Only expenses for travel at the Business Area's request from this base can be charged. Should Defra Group and the Supplier mutually agree on in-person workshops (as described in the Scope).

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



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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 MCF2 framework include NDAs.

6. Exit management

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

The Business Area Project Manager will lead the stakeholder engagement for socialisation of the proposed material risks and be involved in processing the knowledge and input from across Defra Group. Activation Plans will be co-developed with the Business Area to ensure that it has ownership over the plans and can adjust the plan in future as required.

It is expected that at the end of the project, the Supplier will provide an executive summary as part of the Climate Adaptation Risk Assessment that can be disseminated by the Business Area. The



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Supplier may also support with an end of project briefing meeting for the Business Area stakeholders.

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:
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: Sustainability Strategy Support (II) – Work Plan

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Cross-Cutting Strategy	Explore strategic choices and decide on preferred hypothesis			Finalise strategic choice cascade		Develop FY23/24 Roadmap		
	Align on desired use case			Socialise and refine		Activation planning for FY23/24		
Climate Adaptation	Align on desired use case			Socialise and refine		Activation planning for FY23/24		
	Align on desired use case			Socialise and refine		Activation planning for FY23/24		
Nature Recovery and Enhancement	Socialisation of target area + priority actions					Activation planning and specification for FY23/24		
	Target area refinement and priority action identification					Activation planning and specification for FY23/24		



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