



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_122	
Local Client Reference		
Extension?	N	
Business Area	Portfolio Office	
Programme / Project		
Senior Responsible Officer	[REDACTED]	
Supplier	Methods Business & Digital Technology	
Title	Strategic Benefits Management – Outcomes Alignment	
Short description	To further enable maturity in benefits management, a pilot approach to map benefits to the Defra outcomes and develop an effective monitoring approach that meets evaluation, benefits, and outcomes requirements.	
Engagement start / end date	Proposed start date 14/05/2024	Proposed end date 09/08/2024
If an extension		
Expected costs 23/24	£0	
Expected costs 24/25	£48,210	
Expected costs 25/26	£0	
Base location	London	
Version #	V1	
Version Date	13/05/2024	



By signing and returning this cover note, the Portfolio Directorate 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		
Supplier	Business Area	Defra Group Commercial
<div></div>		
13-05-2024 12:27 BST	13-05-2024 14:10 BST	13-05-2024 14:12 BST



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

Defra Group continues to oversee a significant portfolio of change with a great deal of complexity and ambition. To optimise the value delivered from our investments in change across Defra Group, we must oversee a **delivery culture shift towards mature and consistent benefits management, which is led by the Defra Group Outcomes Framework**, aligned with the Government Project Delivery Function's 2025 strategy, that ensures:

- We stay aligned to strategic goals (Defra Priority Outcomes);
- We improve confidence in the delivery of planned benefits;
- We optimise the value of our delivery, and;
- We make sure change is sustained.

And moves us away from:

- Benefits management as a moment in time, box-ticking exercise;
- Thinly spread benefits and change management capability and best-practice;
- Governance and controls that fail to hold delivery teams to account for benefits realisation.

In addition to underpinning Defra Group's delivery of the Environmental Improvement Plan and Government Project Delivery Function Strategy (2025), benefits management improvements will seek to go beyond IPA and ARAC recommendations. The following strategic objectives have been drafted and testing them should form a key component of engagement activity:

- **Portfolio Decision-Making** – enable better change investment decisions and reduce portfolio risk through greater consistency of practice, reduced double-counting, and a reliable portfolio-level view of benefits.
- **Benefits-Led Change** – guide Defra through a culture change that positions benefits at the forefront of programme delivery through effective engagement and buy-in to the value of effective benefits management across the group, to optimise achievement of outcomes and benefits, delivering real-world change through its interventions.
- **Programme Decision-Making** – establish and embed benefits management practices that ensure Defra Group focuses on doing the right things to drive delivery of programme objectives (the 'why'), shifting from a focus on output delivery (the 'what').
- **Policy and Delivery Alignment** – establish closer alignment and working relationships between policy and delivery teams through shared understanding, language, and tools that leverage the combined value of Benefits Management and Evaluation practice. Create delivery environments that coalesce around a single version of the 'why' that programmes can work towards and share mechanisms that evidence success.

The CoEx team is delivering a long-term plan to mature Defra's benefits management and has made significant progress with the development and launch of a framework and the establishment of training resources to support capability growth. There is an immediate need to underpin these resources with the establishment of clear alignment between benefits, evaluation, and the Outcomes Delivery Framework to establish the strategic anchor that effective and coordinated benefits management requires. This is a necessary part of a mature Benefits Management Framework and mitigates against duplicated effort by enabling shared information and processes, and ensuring business cases are funded based on contributions towards the overarching strategic focus of the organization.



2. Statement of services

Objectives and outcomes to be achieved

To embed the Strategic Benefits Framework across Defra, there needs to be a clear link between the benefits that are identified in business case development, the strategic priorities for the organisation, and the metrics and measures used to track progress towards realising them and provide assurance on public spending.

The Defra Group Outcomes Framework is rolling out, which sets out the Defra strategy. It is establishing ownership for key goals and identifying metrics that can be used to track progress towards achieving the Outcomes.

For governance boards and Delivery Committee to be able to make effective benefits and outcomes led decisions, there needs to be a common understanding of how the data associated with benefits in business cases and other investment proposals feeds into and supports development of the outcomes monitoring and reporting. To capitalise on potential efficiencies, this data should flow through the whole lifecycle of initiatives and into BAU reporting. Without these connections established, Defra will have limited long-term insight as to how initiatives in business cases will contribute to the metrics and measures used to evaluate Defra's strategic priorities and to inform decision making that enables Defra to be responsive to insights from analysis of strategic performance reporting in the earlier stages of initiative development when changes can more effectively be incorporated.

There is therefore a need for Defra to establish architecture to integrate the Strategic Benefits Management Framework with the Defra Group Outcomes Framework. This work also aligns with Evaluation requirements; for sustainable maturity, there should be a harmonised and efficient approach to evaluation, benefits, and outcomes reporting.

The external voice and expertise Methods will provide supports Defra to identify opportunities and address challenges in this alignment at pace, enabling the creation of the proposed process and associated documentation while Defra counterparts can focus on embedding the approach simultaneously. This approach will offer insight and guidance to governance boards / Delivery Committee to support them in interpreting and utilising the benefits data to greater effect.

Objectives:

- Establish a relationship between of benefits framework with Defra's outcomes framework.
- Clarity of the customer journey and key information flows
- Identify monitoring data to support benefits management through delivery and realisation, evaluation, and the outcomes framework and propose a common approach across disciplines for effective monitoring, reporting, and assurance.
- Identify common and supporting requirements between evaluation and benefits management.

Outcomes:

- An understanding of the common processes and information between the benefits management framework and Defra evaluation requirements



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- A baseline and future state 'customer journey' to capture the full lifecycle of initiatives and decision points.
- A pilot with approx 2 projects (e.g. 1 GMPP, 1 non-GMPP) to develop and demonstrate the identification of benefits aligned to outcomes and implementation of a monitoring approach through business case development, delivery and BAU that reports across benefits management, evaluation, and strategic performance.
- Knowledge transfer through upskilling pilot project delivery team in implementing the strategic benefits framework and developing a matured monitoring and reporting approach.
- Comms and supporting material to facilitate socialisation of approach and forward plan, including a blueprint for next steps and business change activities to further develop the approach for wider adoption and incorporation of other frameworks and approaches.

Scope

The work will look holistically at the customer journey and wider processes to ensure an efficient and effective future state but select outcome / target areas should be identified for a focussed pilot to develop a proposed shared benefits / outcomes monitoring and reporting model. The journey should take into consideration relevant best practice.

A proof-of-concept application will be limited to 1-2 projects as a pilot, to be identified. Projects should nominate a [REDACTED] or below who is familiar with the delivery team to support the engagement part time to facilitate stakeholder engagement and enable ongoing knowledge transfer on both the approach and in the benefits management discipline.

There will be a review of the evaluation and benefits management requirements to identify common and supporting requirements ahead of harmonising the requirements, frameworks, and associated guidance. The harmonisation of the two frameworks is not included in this DPEL.

Assumptions and dependencies

It is assumed that there is full engagement / joint ownership of the collaboration between CoEx, Evaluation, and the Outcomes Team to create shared outputs and ensure activities are aligned to support business change activities in respective areas.

There is a dependency on Stakeholder buy-in and active engagement to inform the customer journeys. The stakeholder list would be informed from a joint stakeholder mapping activity to take place at the start of the engagement.

There is a dependency on engagement with the proposed pilot initiatives in order to develop an effective monitoring and reporting approach.

There is an assumption that the initiatives should also contribute towards the UN SDGs; if these are not already linked to the Defra Group Outcomes Framework, consideration should be given to how the pilot initiatives contribute towards them.

Risk management



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Stakeholder engagement and availability will be a risk to progressing the work. This can be mitigated from early stakeholder mapping and agreeing an appropriate engagement approach so scheduling can take place as early as possible, enabling other work to be arranged around engagement opportunities. There should be clear and consistent communications around the expectations, intended outcomes, and importance of the engagement sessions to safeguard the time in diaries. Existing forums and information requests should be taken into consideration and utilised wherever possible to ensure minimal additional burden to teams.

There is a risk that there could be conflicting time scales or competing priorities with other Defra teams which limits our ability to fully map benefits to Defra Group outcomes and metrics for the pilot initiatives. Given the time-limited engagement, this can be mitigated by considering the overarching UN SDGs as strategic objectives to enable initiatives to demonstrate strategic alignment in line with best practice, and also provide other teams with a demonstration for how benefits contribute towards a wider 'North Star' goal that can be further developed once time allows.

3. Deliverables

Service Definition & Project Delivery

Deliverable	Date	Success Criteria	Linked outcome
Service Definition Document		Approval of the following by client business area: <ul style="list-style-type: none"> • Product descriptions, • DPEL delivery governance arrangements • DPEL delivery plan. • Overview of Service for communication Document reviewed and signed off by client business area, confirming that the defined service meets projects requirements, is aligned with, and supports the DPEL outcomes. Iterated throughout assignment period as required.	
Customer Journey Mapping		There is a baselined customer journey map identifying information and process flow across multiple disciplines including: <ul style="list-style-type: none"> • Evaluation • Outcomes • CoEx 	Customer Journey Mapping
Monitoring Approach for pilot initiatives		There is an agreed approach for monitoring the pilot initiatives that meets business case requirements, enables effective delivery monitoring, meets evaluation requirements, and feeds into strategic performance reporting. Approach agreed by: <ul style="list-style-type: none"> • Initiative SRO • Evaluation Lead • Strategic Performance Team 	Pilot approach



Internal Capability Development Outcomes

Deliverable	Date	Success Criteria	Linked outcome
Knowledge transfer through close working with representatives from the pilot initiatives.		Co-authorship (with support from Methods SMEs) and ownership of documentation developed as part of the pilot.	Knowledge Transfer

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

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.

Business Area's Team

Project Delivery Centre of Expertise, Portfolio Directorate.

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 £48,210, inclusive 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
Mid-Point Review Outline details of outputs/deliverables required to initiate invoice and payment thereof		
Close Out Outline details of outputs/deliverables required to initiate invoice and payment thereof		
Expenses		
Note: Expenses to the base location as determined for each individual assignment should be included in the rates. Expenses to other locations will be paid in line with the Client Departments Travel and Subsistence policy and must be approved in advance.		£0
Grand total		£48,210

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	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
#1	Plan Review & Progress Update	Weekly	Engagement Lead	Weekly meeting – RAG rating on deliverables	Plan maintained & deliverables on target
#2	Pilot initiatives engagement	Weekly	Engagement Lead	Engagement Tracker (Methods to own)	Regular engagement with identified initiatives

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:

Full hand over of all deliverables, as set out in Service Delivery 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"> ▪ DPEL agreed ▪ DPEL signed: Supplier, Dept and DgC ▪ Purchase Order number 	<ul style="list-style-type: none"> ▪ Work can start ▪ Supplier can invoice for work