



Defra Group Management Consultancy Framework: Project Engagement Letter

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

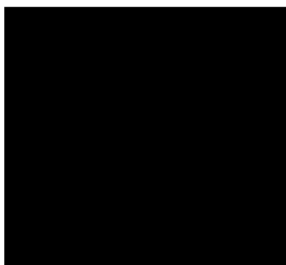
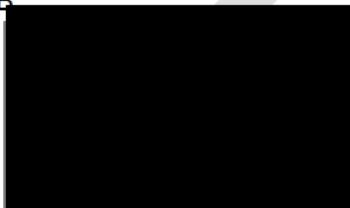




[REDACTED]

Engagement details					
Engagement ref #	DgC to provide when initial Request Form received				
Extension?	N	DPEL Ref.	DPEL_61541_006		
Business Area	Environment Strategy / CSA				
Programme / Project	Natural Capital and Ecosystem Assessment Programme (NCEA – Terrestrial)				
Senior Responsible Officer	[REDACTED]				
Supplier	Methods Consulting				
Title	PPM delivery management				
Short description	Provision of PPM managed service to the NCEA programme				
Engagement start / end date	Proposed start date 01/10/21	Proposed end date 31/03/22			
Funding source	NCEA budget				
Expected costs 21/22	£324,729 [REDACTED]				
Expected costs 22/23	£N/A				
Expected costs 23/24	£N/A				
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)				
Lot #	Lot 3				
Version #	0.4				



Approval of Project Engagement Letter

By signing and returning this cover note, the Environment Strategy Directorate accepts the contents of this Project Engagement Letter as being the services required and agrees for Methods Business and Digital Technology Ltd. to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 / 2 / 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
By:  <i>Signature</i>	By:  <i>Signature</i>	By:  <i>Signature</i>
For and on behalf of Methods  Head of Change Delivery	For and on behalf of Environment Strategy Directorate  Head of Science EAU & Joint Head of NCEA Programme	Defra Group Commercial  Commercial Manager, Professional Services
[Insert date]	[Insert date] 30/09/2021	01/10/21
Supplier engages with Business Area to complete. Once agreed, Supplier signs front page and sends to Business Area	Business Area signs front page and sends to DgC	On approval, DgC signs and returns copy to Business Area and Supplier

Supplier contact: 

Business Area contact: 



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.

1. Background

The NCEA programme started in July 2020 when HMT awarded Defra £5m for 20/21 to start the pilot of the 'Natural Capital and Ecosystem Assessment Programme' as part of Defra's Project Speed commitment to the Prime Minister. A further one-year funding settlement as part of SR20 was provided to continue pilot work in 21/22 with a budget of £17M.

The size of the implementation programme is not yet confirmed. An SR21 bid of c£100M is being submitted though this may be supplemented with funding via policy / customer areas depending upon priorities.

The Programme has made substantive changes this year in agreement with Investment Committee on 1st September. One is to change how this year's pilot is delivered, and the other is to develop the future implementation programme as a separate project, using external advice. As outlined to Investment Committee, significant challenges and issues have necessitated a change in approach for the delivery of the 21/22 pilot and to how the implementation programme is set up:

- 21/22 pilot: Operate with much greater subsidiarity of delivery responsibility to ALBs using the accounting officers (Chief Executives) of the four partners combined with some mitigations to maintain basic programme integration.
- Run a separate project to agree, define and set up the implementation vehicle for the future programme to address the fundamental challenges and governing and managing a cross Defra and ALB programme, it will no longer simply be developed / carried forward from the current pilot approach which has been recognised is not sustainable.

This request is aligned to both of those, amending the support needed to run the 21/22 pilot, and providing support to link with the design and set-up of the future programme.

2. Statement of services

Objectives and outcomes to be achieved

The delivery roles consist of a Programme lead ensuring robust future programme management and leadership supported by PMO resources encompassing key programme support activities for:

- Communications and Engagement across the Defra programme and our delivery partners to ensure alignment of messaging and objectives
- Portfolio Analysis and management to ensure robust pipeline analysis and management of delivery projects and;
- PMO support to coordinate programme controls including RAID management, governance support, reporting, financial and audit.

Scope

This work supports the NCEA Terrestrial programme only. There may be joint working e.g. shared approaches with the Marine NCEA programme but joint governance / management is not currently planned.

The scope of the engagement is to provide programme leadership and direction and essential PMO support to complete the 21/22 pilot phase and to establish the full programme for the next phase in line with SR21 funding and agreed delivery model.

Delivery of the 21/22 pilot is via delivery partners (primarily ALBs with some central projects via the Defra team) under the agreed subsidiarity approach.

Assumptions and dependencies

SR21 outcome is in line with current bid at £100M+ over three years. If the settlement is much reduced the associated level of support may need to be reduced or stopped if the programme is cancelled.

Accountability and management of delivery projects remains with delivery partners.

The current approach to setting up the implementation programme as a separate workstream and projects are transitioned from the pilot when ready remains the overall strategy.

Work can start on critical path projects to ensure plans and approvals are in place for delivery in 22/23 whilst more detailed work on the programme and approvals e.g. business case is progressed in parallel.

Data and citizen science discovery projects (route TBC) and programme set up and definition support via Lot 2 is approved and put in place. If this is not the case, the objectives and timescales for setting up implementation programme will need to be amended.

Required capacity and capability can be committed by stakeholders and delivery partners to engage with setting up the implementation programme – pace and ability to proceed may be impacted.

The splitting of programme functions between EAU (Customer) and CSA (Science and delivery) and recruitment of permanent Director who is SRO for the programme will not have a detrimental impact on the required programme of work

Defra are able to recruit the required resources to set up an internal PMO function and enable the knowledge transfer, transition and then exit of this support.

Risk management

The programme is the flagship science programme for Defra with ministerial priority and has the potential to cause ministerial embarrassment if its objectives are not met.

This is a high-risk programme, this is being confirmed with Defra Portfolio Directorate and associated assurance plan being agreed. Addressing systemic issues encountered during the 21/22 pilot phase and the change in approach and improvement in capability required across all partners whilst ensuring momentum and mobilisation and delivery of critical path projects is a significant challenge.

We are working with Investment Committee, Defra Portfolio Directorate and Organisation Design and Development to manage associated risks and escalate where necessary.

Deliverables

The work is to be divided into two work packages:

1. Complete the 21/22 pilot phase:
 - Overall management of the 21/22 pilot programme and execution of the areas of work to time / cost / quality
 - Migration of 21/22 pilot projects / WPs to future programme arrangements and close 21/22 pilot
 - Provision of reporting, RAID management, financial and contract management, programme integration and governance support to the programme
 - Manage and deliver communications and stakeholder management for the NCEA programme.
 - Knowledge transfer and transition to steady state internal team.
2. Establish the full programme for the next phase in line with SR21 funding and agreed delivery model.
 - Work with NCEA Leadership and Governance and Defra functions including Portfolio Directorate to define and agree the route map, plan and costs for setting up the future programme
 - Planning and overall management of the definition and implementation of the future programme
 - Introduce and embed further appropriate PPM and governance best practice to scale the programme for implementation in subsequent years (once SR settlement is known, with upstream no-regrets work where possible)
 - Provision of reporting, RAID management, financial and contract management, programme integration and governance support to the programme
 - Management of pipeline of ideas, proposals and live projects through the programme pipeline and approval process.



- Ensuring a clear line of sight from policy customers and users to programme products and deliverables.
- Manage the development of programme blueprint, organisation design, programme controls, audit and process model and interfaces / hierarchy of other designs.
- Contribute to development of the programme Business case.
- Manage and deliver communications and stakeholder management for the NCEA programme.
- Knowledge transfer and transition to steady state internal team.

The following part of establishing the full programme are to be scoped and will be added to the work package when agreed:

- Define, manage and deliver specific WPs to define, set up and build components / WPs of future programme including but not limited to:
 - Programme blueprint components and operating model
 - Data architecture / discovery, strategy / planning for operations, laboratory testing, citizen science
 - Business analysis: Cost models, portfolio planning, defining and mobilising implementation projects / WPs

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
21/22 pilot			
Project Stage A – PMO operation			
Overall management of the 21/22 pilot programme and execution of the areas of work to time / cost / quality	<ul style="list-style-type: none"> ▪ Provision of advice guidance to Defra Programme Leads ▪ Escalations and impacts ▪ Delivery of 21/22 pilot to TCQ 	Monthly	Prog M
Provision of reporting, RAID management, financial and contract management, programme integration and governance	<ul style="list-style-type: none"> ▪ Provision of reports / deliverables to TCQ ▪ Maintain portfolio trackers and update in line with any changes ▪ Advice and guidance on progress. Escalations and impacts ▪ Administer PwG and Delivery Group (schedule / agenda / actions & decisions / escalations 	Monthly	PMO



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
CEH contract management	<ul style="list-style-type: none"> CEH contract process administered – pipeline, review requests and approvals Completion of year end process: Receipt of deliverables and approval of supplier invoices 	Monthly Mar 22	Project Manager
Manage and deliver communications and stakeholder management for the 21/22 pilot.	<ul style="list-style-type: none"> Development, agreement and refresh of comms plan Delivery of agreed comms plan 	Nov 21 Dec 21 / Mar 22	Comms Lead
Project Stage B – Close pilot			
Transition projects to implementation programme	<ul style="list-style-type: none"> Overall migration approach agreed and migration plans for Phase 1 critical path projects agreed Migration plans agreed for subsequent phases non- critical path projects 	Dec 21 Mar 22	Prog M
Close down 21/22 pilot	<ul style="list-style-type: none"> Costs / budget position confirmed Deliverables captured Lessons learned completed 	Mar 22	PMO
Internal Capability Development Outcomes			
PPM knowledge transfer to the Defra programme internal PPM team (PPM professionals) as part of hand-over Ongoing capability building in the wider Defra programme team on PPM ways of working (for non-PPM professionals)	<ul style="list-style-type: none"> Completion of agreed transition plan Completion of agreed KS activities 	Mar 22	PMO
Social Value Outcomes			



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Implementation programme			
Project Stage A – Approach, plans and programme support			
Work with NCEA Leadership and Governance and Defra functions including Portfolio Directorate to define and agree the route map, plan and costs for setting up the future programme	<ul style="list-style-type: none"> Agreed approach and route map 	Nov 21	Prog M
Planning and overall management of the definition and implementation of the future programme	<ul style="list-style-type: none"> Plan agreed Delivery of agreed plan, plan maintained and updated Provision of advice guidance to Defra Programme Leads Escalations and impacts Delivery to TCQ 	Nov 21 Monthly	Prog M
Provision of reporting, RAID management, financial and contract management, programme integration and governance support to the programme	<ul style="list-style-type: none"> Provision of reports / deliverables to TCQ Advice and guidance on progress. Escalations and impacts 	Monthly	PMO
Project Stage B – Communications and engagement			
Manage and deliver communications and stakeholder management for the implementation programme.	<ul style="list-style-type: none"> Development, agreement and refresh of comms plan Delivery of agreed comms plan 	Nov 21 Dec 21 Mar 22	Comms Lead
Project Stage C – Phase 1			
Manage procurement of additional support for programme set up (Lot 2) and discovery projects	<ul style="list-style-type: none"> Submission of approval requests Contracts in place 	Nov 21	Prog M
Contribute to development of the programme Business case	<ul style="list-style-type: none"> Delivery of required components to agreed TCQ – 1st iteration 	Dec 21	Prog M



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Governance and programme management approach, standards, processes and arrangements	<ul style="list-style-type: none"> High level designs agreed and implemented 	Dec 21	Prog M
Manage the development of programme designs e.g. blueprint	<ul style="list-style-type: none"> Development of required high level designs to agreed TCQ 	Dec 21	Prog M
Project dossier and mobilisation approach	<ul style="list-style-type: none"> Programme project dossier agreed Mobilisation plan for Trace 1 projects agreed 	Dec 21	Prog M
Project Stage D – Phase 2			
Contribute to development of the programme Business case	<ul style="list-style-type: none"> Delivery of required components to agreed TCQ – 2nd iteration 	Mar 22	Prog M
Governance and programme management approach, standards, processes and arrangements	<ul style="list-style-type: none"> Detailed designs agreed and implemented 	Mar 22	Proj. M
Manage the development of programme designs e.g. blueprint	<ul style="list-style-type: none"> Development of required high level or detailed designs to agreed TCQ 	Mar 22	Prog M
Project dossier and mobilisation approach	<ul style="list-style-type: none"> Mobilisation of tranche 1 projects Mobilisation plan for Trace 2 projects agreed 	Mar 22	Proj. M
Internal Capability Development Outcomes			
Knowledge transfer and transition to steady state internal team.	<ul style="list-style-type: none"> PPMs capability building in ALBs to improve their programme teams Contributing to developing new approaches for programme and partnership working between Defra and ALBs 	Mar 22	Prog M
Social Value Outcomes			

Limitations on scope and change control

Business Area / Supplier to supplement with any additional areas, as deemed appropriate.



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.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
	Programme strategy, governance	Director/ SCS	■	■	■
	Comms and engagement	Senior Consultant/ SEO	■	■	■
	Portfolio and approvals, risk, project management	Managing Consultant/ G6	■	■	■
	Project support, secretariat	Junior Consultant/ EO	■	■	■
	Programme Assurance	Managing Consultant/ G6	■	■	■
	Project Support	Consultant/ HEO	■	■	■
					■

Total resource Total days* Engagement Length** <small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	■
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Business Area's team

We will be working with the established Defra NCEA programme team, delivery partner leads, Defra Portfolio Directorate and governance primarily Partnership working Group, Delivery Group and Steering Group.

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 £324,729, inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
Project Stage A - Approach plans and programme support		DD/MM/YY
Define and agree the route map, plan and costs for setting up the future programme; management of the definition and implementation of the future programme; reporting, RAID management, financial and contract management, programme integration and governance		Oct 21- Nov 21 & Monthly mgt.
Project Stage B – Communications and engagement		
Manage and deliver communications and stakeholder management for the implementation programme.		Oct 21 – Mar 22
Project Stage C – Phase 1		
Procurement of additional support for programme set up; business case support, governance and programme management; development of programme designs; project dossier and mobilisation		Oct – Dec 21
Project Stage D – Phase 2		
Contribute to development of the programme Business case; Governance and programme management approach; development of programme designs; project dossier and mobilisation		Jan - Mar 22
Expenses		
Not applicable unless travel outside London is required	£	
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. 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

Business Area to outline governance and report requirements.

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;

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.	Delivery Review	Progress review against deliverables	Monthly	SRO with Methods Assurance	Report	Measured against PEL

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 of the engagement will be arranged where the Business Area rates the services provided.

Non-disclosure agreements

The overarching MCF2 framework include NDAs. Insert any additional NDA requirements here.

6. Exit management

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

Describe what the supplier will produce upon existing the project engagement:

- Agreed route map, plan and costs for setting up the future programme;
- Programme documentation to support the definition and implementation of the future programme;
- Programme support documentation and controls including reporting, RAID management, financial and contract management, programme integration and governance;
- Communications and stakeholder management documentation for the implementation programme;
- Documentation for business case support, governance and programme management; programme designs; project dossier and mobilisation across the delivery stages

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:
[REDACTED]
3. The form is reviewed by the DgC team around which resource route is most appropriate (e.g. Lots 1/2/3) and may request additional information/edits from the Business Area if required.
4. Lot / Supplier is selected and briefed on the request by DgC, then introduced to the requesting Business Area for further discussion and confirmation of work to be delivered
5. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed (e.g. PO) and forwarded to the DgC for review by the Consultancy Governance Board (CGB). Approval states are:

Approval state	Definition	Permissions
Full approval	<ul style="list-style-type: none"> ▪ DPEL agreed ▪ DPEL signed: Supplier, Dept and CO ▪ Purchase Order number 	<ul style="list-style-type: none"> ▪ Work can start ▪ Supplier can invoice for work

