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Defra Group Management Consultancy Call off Contract: Project Engagement Letter

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 Consultancies within and subsequent reference number.

Engagement details					
Engagement ref #	DPEL_61541_103				
Extension?	No	DPEL Ref.			
Business Area	Natural England				
Programme / Project	Natural Development Digital Services: Digital Services Improvement Programme (SDDS DSIP/ SDDS)				
Senior Responsible Officer	[REDACTED]				
Supplier	Methods Business & Digital Technology				
Title	SDDS DSIP Programme Critical Friend Review (CFR) to include successes, blockers, benefits with recommendations for a post review limited period programme support				
Short description	Provide consultancy support to undertake an independent review of the SDDS DSIP to identify why the challenges to delivery have occurred, the impact on pace, success and team wellbeing and identify realistic and achievable delivery options and delivery timescales including cost and resources. To include benefit savings (both £££ and resource) for those options and the appropriate level of resource required for those options in terms of numbers of roles and skills required. Co-create an action plan to implement this direction and inform SR24 and provide opinion on realistic completion timescales for partial or whole scope delivery.				
Engagement start / end date	Proposed start date 20/12/23	Proposed end date 08/03/24			
Consultancy Spend approval reference	N/A				
Expected costs 23/24	£56,068				
Expected costs 24/25	£				
Expected costs 25/26	N/A				
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)				
Lot #	Lot 3				
Version #	1.0				



Approval of Project Engagement Letter

By signing and returning this cover note, **Natural England** accepts the contents of this Project Engagement Letter as being the services required and agrees for **Methods** to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (**Lot 3 - [REDACTED]**), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures		
Supplier	Business Area	Defra Group Commercial
B [REDACTED] <i>Signature</i>	By: [REDACTED] <i>Signature</i>	B [REDACTED] <i>Signature</i>
[REDACTED] [REDACTED] [REDACTED]y	[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]
20-12-2023 09:23 GMT	20-12-2023 09:50 GMT	20-12-2023 09:53 GMT
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

[REDACTED]

[REDACTED]

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.

This can be deleted once DPEL is approved.



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1. Background

Sustainable Development Digital Services (SDDS): this programme aims to improve, through digital transformation, three of Natural England's (NE) statutory and non-statutory services which are critical enablers of NE's Sustainable Development (SD) and Greener Farming and Fisheries (GFF) Programmes. The objective is to rationalise and expediate NE's transactional services to free up time for staff and customers to focus on delivering tangible positive outcomes for the environment and to mobilise more and higher quality data to improve and speed up decision making and advice. SDDS is therefore a key dependency for reforms and strategic shifts in SD, including wildlife licencing reform, and planning business readiness as well as enabling us to maintain pace with central government digital change programmes.

The scope of SDDS encompasses three principle projects/services:

- Natural England Wildlife Licencing (NEWL) including Bat ER (Earned Recognition)
- Planning Advice; and
- Greener Farming and Fisheries Protected Sites (GFF PS/ PS) consents/assents

The programme began in November 2020 and is NEs most ambitious, highest value and highest risk digitisation programme. It became evident early on that the programme was under resourced from a staffing perspective within NEs delivery team. As it moved deeper into the Alpha phase it was also clear that the programme had been grossly underfunded. This is the fault of no-one; it is evidence of NEs digital immaturity and lack of experience in digitisation.

The impact of an ongoing lack of resource and budget has led to a level of pace that does not meet the business expectations. The lack of understanding of Agile project delivery more broadly across NE exacerbates frustration around the pace of delivery further.

Issues/risks:

- Resource resilience: lack of resilience at G7's level, due to legitimate absence for ill health has at times left the project without any G7 support or direction resulting in significant delays and further weakened morale. Additionally, Senior Product Owner absence puts increased pressure on our contingent labour.
- Governance: there has been a continued difficulty in terms of decision making as the team work across SD, GFF and Ops. The team has reported resource challenges to SD Programme Board on several occasions – mitigations have been short term.
- Budgets : lack of funds is a constant struggle. SDDS was under funded and under-resourced from inception due to a lack of early understanding about the requirements a project of this scale would necessitate. This has been highlighted in reporting to SD Programme Board.
- Delays: A digital project of this scale has not been carried out before by NE, meaning the team are constantly learning. The project is Agile and as such timescales can be estimated, but cannot be 100% guaranteed. It includes external dependencies such as



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ecologist user research, and on-boarding with Defra ID. Additionally, the work requires significant input from the Subject Matter Experts (SME's) within work areas. This means NEWLS have had to dedicate approximately 6 FTE in order to support digitisation of their licence types. This has been fully worked through, at length, both with NEWLS and SD Programme but no sufficient solution has been found.

- **LICENSING/BAT ER:** Existing systems being used in NEWLS were implemented as 'short term' measures more than a year ago and are not sustainable long term. Staff time is therefore spent on repairing or re-building systems which should have been replaced by SDDS. Additionally, NEWLS is under pressure to deliver a more efficient licencing service and improve customer service, both of which require effective systems delivered by SDDS.
- **GFF:** Due to pressure from the business with existing systems due to expire the project team are starting to consider how they can stand up a DDTS team to work with Protected Sites and Planning (and have bid via D2P2 for funding with strong support from David Painter)– as per the agreed road map, where the focus is still on licencing but background work starts to take shape on the next area, building upon the NEWLS system. Whilst this would involve a separate DDTS team from Licensing, and GFF are planning to use their own staff to support, there would still be a need for Sharon to split her time across both areas, which I fear spreads her even further.
- **Positioning:** SDDS feel they are siloed in Species Management and Licensing as they are not close to the business areas that they are working to (currently NEWLS), or near to any other Digital team who can support. This results in them feeling cast out on a limb despite work to increase team unity.
- **DTTS:** Defra policy of employing technical staff through Managed Services or Contingent Labour policies are creating significant risk to delivery. This is a result of high staff churn, contract expiry/renewal issues with the lead developer, solutions architect, QA testers and business analysts.

Options explored over the past 10 months:

1. Positioning – could a move into Digital Transformation or a more suitable digital team support resilience, comradery and a sense of belonging for the team – this was recently explored, and no immediate solution was found.
2. Recruiting additional members into the team – an early round of recruitment proposals were not successful at vacancy panel due to the headcount issues at the time, however, this changed in the summer when we gained permission to recruit 1 x SEO (product Owner). Like many other digital projects across NE we have been unsuccessful in managing to achieve suitable candidates. This role remains vacant and discussions are being had as to whether we should recruit via DDTS instead for speed and expertise.
3. Assessing work and capacity of the team - I have worked with Sharon and Jen Spedding (TL for SDDS) to ensure each team member is working at capacity and on the necessary areas – there have been slight tweaks made but due to multiple complexities this has now been fully explored.
4. Loaning from other areas - Can we recruit additional staff from other areas (such as Digital Transformation) – this has returned a negative result.
5. We have increased comms with NEWLS and looked how we can further support them, as well as working with SD Programme to ensure they understand the difficulty NEWLS are facing in supporting this work. There are no further suitable actions here.

[REDACTED]

[REDACTED]

[REDACTED]



2. Statement of services

Objectives and outcomes to be achieved

Services outcomes as follows:

The objective of this work is to provide a high-level SDDS Programme level review and report on all aspects of Governance, (with specific emphasis on work streams and structure), to identify areas for improvement and make recommendations for the effective delivery of the programme and its constituent work streams, namely:

- Natural England Wildlife Licencing (NEWL) including Bat ER (Earned Recognition),
- Planning Advice;
- Greener Farming and Fisheries Protected Sites (GFF PS/ PS) consents/assents

Areas for inclusion:

Programme Approach (ways of working) & Governance Review

- Review the programme design and delivery approach (all aspects, e.g., lifecycle, governance, RACI, RAID...)
- Review effectiveness of individual work streams
- Risk Management Review
- Identification of any significant blockers to effective delivery, such that mitigations can be put into place
- Review of resourcing and resource planning, identifying capability and capacity position, offering recommendations based on complexity/scale of the programme
- Challenges of attracting and retaining suitable staff in a competitive technical employment market

Technical Review

- Consideration of technical approach, if appropriate, and if this is blocking effective delivery

Report & Recommendations based on the above areas of review, for programme improvement including an outline action plan for mobilisation of a 3-month programme interim support service

- Understanding of actions that can be taken to improve programme delivery
- Recommendations in all areas to improve the delivery of digital transformation work
- Recommendations to improve programme delivery
- Support to the mobilisation of programme reset

Scope

Eight-week review of 'SDDS DSIP Programme', (all aspects, e.g., lifecycle, governance, RACI, RAID...) and provide a critical friend high level report, including lessons learnt to inform/support the implementation of a programme reset.

Review of the Programme Delivery Approach

- Document the reasoning behind the approach and methodology selected (waterfall / agile)
- Review the commercial approach and reasoning
- Review and document the benefits & challenges faced and if necessary, recommend alternative approaches to inform programme reset



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Review Programme Governance

- Review the Governance put in place including roles, responsibilities, RACI charts and governance model to determine whether they have helped or hindered the project and what should be changed if anything.
- Review and document the benefits & challenges faced by this approach and if necessary, recommend alternative approaches to inform the reset- Assess the change control processes
- Assess ways of working / culture and wellbeing

Review Programme Plan, Dependency Modelling & Critical Path

- Review the reasons for changes to time, cost, quality or scope to enable forward planning to benefit future plans
- Review how uncertainty (known unknowns, unknown unknowns) were managed & challenges faced, how resilience is embedded into planning and if necessary, recommend alternative approaches to inform the reset

Review Risk Management Processes (including technical risks)

- Review how risks, issues and assumptions were managed
- Review what tolerances were in place and what the escalation path was

Review Benefits Management Strategy & Plan

- Review how benefits were tracked and reported back to the business
- Review how benefits are measured in terms of both tangible and non-tangible benefits

Review Financial Strategy & Planning

- Review how the programme is being funded to ensure there is continuity of delivery beyond current, in-year budget

Review Communications Strategy & Plan

- Review the comms strategy and plan
- Gain feedback from all categories of stakeholders (Workshops/interviews/surveys) to review the approach and if necessary, recommend alternative approaches to inform future plans
- Review the comms plan with regards to areas of uncertainty to review how this was managed and if necessary, recommend alternative approaches to inform the programme reset

Review Change Management Strategy & Plan

- Review the change management strategy to ensure it is aligned with the outcomes of the overall programme and that it succinctly ties in with the benefit management strategy.
- Review the Change Management Plan to ensure it aligns with each projects outputs, so all necessary changes are planned and associated benefits tracked.

Produce Critical Friend Report (including lessons learnt)

Deliver a report explaining the activities undertaken, lessons documented and any recommendations of alternative approaches to assure progress for the programme.

Assumptions and dependencies

Assumptions

The following assumptions and dependencies are required to ensure that deliverables set out in this DPEL are achievable for the supplier organisation:

1. Access to key stakeholders across the programme workstreams to attend workshops and share information
2. Access to relevant supplier personnel
3. Access to programme documentation for review
4. Support to schedule meetings and workshops
5. Need to access NE SharePoint



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6. Use of Methods IT with PA support for comms and engagement

7. Tool to collaborate and track requests/dependencies work. The preferred tool will be agreed between NE and Supplier before or within the first week of engagement.

Risk management

Provide further details of any foreseen risks with this project and how they could be mitigated:

1. Access to key stakeholders/suppliers across the programme workstreams to attend workshops and share information – mitigated through comms and scheduling in advance of project kick-off
2. Reasonable access to programme documentation for review – mitigated through provision of relevant links prepared by and agreed with SDDS DSI Programme Support team.

Deliverables

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Delivery Stage A			
Workshop(s) summary and interim findings documented	Interim feedback on the output from the workshops and fact-finding missions	19/01/24	Principal Consultant Engagement
Delivery Stage B			
A detailed report containing an assessment of the programme	Deliver a high-level retrospective review on all aspects of governance for the programme with specific emphasis on workstreams and structure	02/02/24	Principal Consultant Engagement
Delivery Stage C			
Presentation at February Programme Board highlighting key findings/outcomes and recommendations for next steps	Identify areas for improvement and make recommendations for the effective delivery of future phases. Iterative delivery working with all stakeholders.	16/02/24	Managing Consultant
Final report to include recommendations in light of the critical friend review to inform the future state of the programme and key activities		23/02/24	Principal Consultant Engagement



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Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Delivery Stage D – Programme Support Service			
TBC and subject to a separate DPEL			

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.

3a. Delivery team (Critical Friend Review)

Role (link to stage/s resource will work on)	Grade	# of days	Day Rate	Cost
Sub Total				£56,068

Total Cost

Total resource <u>Total days*</u> Engagement Length**	
*Total days worked across all resources **Total working days in engagement	



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Business Area's team

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 £56,068 inclusive of expenses and excluding VAT.

Stage	Cost	Due (link to milestone dates)
		DD/MM/YY
Mid-point of engagement	£28,034	26/01/24
Completion of engagement	£28,034	08/03/24
Expenses	Where travel outside London (or agree base location) is required, further Purchase Order cover will be agreed to reimburse at the conclusion of the work, in line with Defra expense policy (to a max of 10% of overall budget).	
Grand total	£56,068	

Business Area considerations:

- Are the costs and fees appropriate (costs linked to deliverables, rates and drive value for money)?

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:



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- 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.	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	Measured against DPEL deliverables.
3	Delivery of agreed deliverables	Baselined plans detail agreed delivery dates. These will not be exceeded above agreed tolerance without agreement between all parties	Weekly	SRO or delegate, with Methods Assurance	Regular project meetings	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 of the engagement will be arranged where the Business Area rates the services provided.

Non-disclosure agreements

Insert any additional NDA requirements here.



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6. Exit management

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

Completion and hand over of the CFR and recommendations report
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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

