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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_61545_031				
Extension?	N	DPEL Ref.			
Business Area	Agri-Food Chain Directorate				
Programme / Project	Agri-Food Chain Directorate TOM				
Senior Responsible Officer	[REDACTED]				
Supplier	PA Consulting				
Title	Agri-Food Chain Directorate TOM				
Short description	Develop a portfolio-based structure for organizational design and develop a comprehensive plan for successful implementation and long term sustainability of the design.				
Engagement start / end date	Proposed start date 01/4/2025	Proposed end date 30/6/2025			
Consultancy Spend approval reference	CGB reference for Core Defra only - £100k + (RDEL)				
Expected costs 23/24	£0				
Expected costs 24/25	£0				
Expected costs 25/26	£50,000				
Dept. PO reference	Dept. PO reference (to allow for Defra Group recharge)				
Lot #	Lot 2				
Version #	0.3				

## Approval of Project Engagement Letter

By signing and returning this cover note, Agri-Food Chain Directorate accepts the contents of this Project Engagement Letter as being the services required and agrees for PA Consulting to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 2- Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

## Signatures



Supplier	Business Area	Defra Group Commercial
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: [REDACTED]

Business Area contact: [REDACTED]

## 1. Background

Briefly justify why support is required:

The AFC 2025 project aims to establish a new operating model for the Agri-Food Chain Directorate (AFC) under a reduced headcount with a need to increase efficiency and workforce efficiency. This transformation is driven by an obligation to define our core functions under a new Government, align staffing to budget targets, and implement changes sensitively to support our people and business needs.

We need to reduce the size of AFC whilst increasing our agility allowing us the flexibility to respond to changing priorities and consistently high levels of demand.

Due to the limited capacity and capability of the AFC 2025 team, we require consultancy support and expertise to develop a Target Operating Model (TOM) which brings together work on the structural design, governance and ways of working.

## 2. Statement of services

### Objectives and outcomes to be achieved

State and describe the aims of the engagement:

PA Consulting will take the developed portfolio-based structure for organisational design and develop a comprehensive plan for successful implementation and long term sustainability of the design.

Specific outcomes from this exercise are to:

#### **Phase A: articulate the prioritisation framework and how we manage our workforce to respond**

The immediate priority is to ensure that you can secure approval for the principles of a portfolio approach that will underpin flexible ways of working in early April. Help prepare presentation for 9<sup>th</sup> April to support both optional structural models. This means having enough detail on:

1. **Prioritisation.** There needs to be a demonstrated process for long term workflow management and prioritisation. This is likely to including a 'clearing house' approach to incoming work. This should be done in collaboration with our PMO Business Partner.
2. **Workforce management.** This will demonstrate how resourcing will operate to address the need for ongoing flexibility and responsiveness of AFC

#### **Phase B: Develop a high-level TOM that shows ways of working and governance**

3. Develop and test a high-level **Target Operating Model** that sets out how the prioritisation framework will be delivered, which will include:
  - a. how people are organised to deliver the priorities, based on understanding the skills of staff that the new Directorate model will need - to be able to put any skills development in place;
  - b. a one-page **rich picture** used to engage with staff and unions, in collaboration with OD&D colleagues. This will include setting out the new structure and TOM in a clear, engaging and easily understandable way for use in communicating plans;
  - c. Identify **governance** needed – to ensure that the new directorate model, when established, is disciplined in the activities it agrees to; manages the work effectively; and can adapt to the inevitable changes in priorities that will occur, working in the responsive and flexible way that is needed going forward to balance staff resource with priorities and demands.

*If needed:*

4. Review of current timescales, making recommendations as needed to adapt it to maximise the chance of successful outcome

#### **Phase C: TOM implementation approach**

5. Provide advice and set out a clear plan for how the new model will be **implemented** to successfully work in practice to address the problems the project is seeking to resolve. This should include critical success factors.

## Scope

Define the scope of the services (*SMART*):

We require PA Consulting to deliver a short, focused input to support the development and implementation of a new Target Operating Model for AFC.

The key activities required are:

- To work within the existing agreed design principles that will translate our vision into tangible outputs that will act as the guardrails of the Target Operating Model.
- To build on the already developed portfolio based option for a new AFC structure with a focus on practical implementation. Out of scope – developing a new directorate structure.
- Provide best practice and case studies from other industries and within government to demonstrate implementation options, challenges and enable lessons to be learnt
- Recommendation of areas to focus in process improvement to identify where savings may be made by introducing necessary rationalisation/ simplification including RPA and AI
- Bring a target operating model methodology, test this and adjust based on feedback, repeating the cycle until a finalised robust product that delivers the outcomes exists.

## Assumptions and dependencies

Provide further description of the assumptions and dependencies:

- Defra will make available all required material, and access to relevant staff, to provide specialist knowledge of Defra and its objectives in the transformation, as well as to provide critical feedback and review of deliverables.
- PA Consulting will provide the same resources through the period of work – subject to any unforeseen circumstances.
- PA Consulting must work in collaboration with Defra OD&D colleagues (who are assumed to deliver the organisation design), PMO Business Partner, and AFC25 team.

## Risk management

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

- Risk - There is a risk that external factors in Defra outside of AFC control affect the parameters of the project if they change unexpectedly
- Mitigation – Develop the proposed approach based on current knowns but allow flexibility to amend in later iterations.

## Deliverables

Describe what the supplier will produce:

**Phase A: Articulate the prioritisation framework and how we manage our workforce to respond**

- A high-level executive paper that can be taken the Defra decision board. This will articulate the principles of the prioritisation framework and how the workforce will be aligned to that, in enough detail to enable the board to decide if the approach is feasible and there is value in proceeding



### Phase B: design Target Operating Model

This phase will deliver:

- High level target operating model setting out ways of working to deliver the new prioritisation based on analysis of the skills people have (e.g. those that can be deployed on multiple projects versus experts who can only work on a narrower set of projects). These will be mapped to the type of projects that they work on, and includes identifying the professions and skills needed for the future
- A proposed governance structure that will enforce the robust delivery of the prioritisation
- Support to OD&D colleagues to produce products for engagement with staff and unions

### Phase C: implementation plan for Target Operating Model

- Test, review and finalise implementation of ways of working (we assume that Defra OD colleagues will perform the detailed organisation design)

***Project Stages B and C will be confirmed once SMG has taken a final decision on the new structure for AFC. If this decision is not for a portfolio structure then Stages B and C will need to be adapted.***

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
<b>Project Stage A</b>			
Articulate the prioritisation framework and how we manage our workforce to respond	Defra decision board approve paper and approve continuation of the project	9 April 2025	██████████ ██████████ ██████████ ██████████
<b>Project Stage B</b>			
design Target Operating Model	Internal agreement of the proposed high-level operating model and governance	16 <sup>th</sup> May	██████████ ██████████ ██████████ ██████████
<b>Project Stage C</b>			
implementation plan for Target Operating Model	Clear way forward on how to implement the proposed operating model with clear accountability	30 <sup>th</sup> May	██████████ ██████████ ██████████ ██████████
<b>Internal Capability Development Outcomes</b>			
<b>Social Value Outcomes</b>			

### Limitations on scope and change control





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

The Project Engagement Letter is the agreed contract of work between the Defra Group Business Area and the Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require approval by DgC.

### 3. Delivery team

Proposed PA Consulting delivery team is based on a fixed price basis of £50,000 to complete the work, split between phase A+B and phase C.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost

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

### Business Area's team

Outline Business Area staff allocated to support delivery team in completing the engagement including names, roles, responsibilities and any dependencies / scope they will deliver.

### 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 £50,000, inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
A+B		DD/MM/YY

Stage	Cost	Due (link to milestone dates)
Preparation of paper to Executive and high-level view of TOM	£25,000	16/5/2025
<b>B</b> (additional stages can be added)		
Outline details of outputs/deliverables required to initiate invoice and payment thereof	£25,000	30/5/2025
<b>Expenses</b>		
(Brief details of expenses)	£-	
<b>Grand total</b>	£50,000	

*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:

- Completion of the time tracker on a monthly basis, to track days worked by our consultants;
- [Other Business Area reporting requirements to be agreed]

### 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

### 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:

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



