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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 ▇▇▇▇▇▇▇▇▇▇▇▇▇▇ 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_ 61539_043		
Extension?	FOLLOW ON	**DPEL Ref.**	DPEL 61539_015 DPEL 61539_027 DPEL 61539_028 DPEL 61539_040
Business Area	Defra Core		
Programme / Project	Strategy Group		
Senior Responsible Officer	▇▇▇▇▇▇▇▇		
Supplier	Deloitte		
Title	Setting up group-wide change for long-term success		
Short description	Support, building on previous work, in delivering our vision for Future Defra through enabling programmes and organisational design.		
Engagement start/end date	Proposed start date 18 December 2023	Proposed end date 31 March 2024	
Consultancy Spend approval reference			
Expected costs 23/24	Up to £750,000 excl. VAT		
Expected costs 24/25	£0		
Expected costs 25/26	£0		
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)		
Lot #	Lot 1		
Version #	1.0		

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Approval of Project Engagement Letter

By signing and returning this cover note, Strategic Change Projects accepts the contents of this Project Engagement Letter as being the services required and agrees for Deloitte to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 - ███████ 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: ███████████

Business Area contact: ███████████

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1. Background

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Briefly justify why support is required:

Defra recognises the need to build a Future Defra that (a) prioritises delivery of an improved environment, more resilient world and great services; (b) makes it easier to get our jobs done, with greater flexibility and seamless working across the group; and (c) is a destination organisation, investing in our people so that they can enjoy their jobs and feel valued.

Following the recent changes to Defra's DG structures, and the agreement of an approach to deliver a small number of 'enabling programmes' that cut across Defra group at the Future Defra Summit held in September 2023, further support is required from Deloitte that will allow them to partner with Defra group and drive forward the next phase of work to ensure that our long-term strategic change ambitions are set up for success.

This engagement builds upon the foundation that has been laid for group-wide change and will further advance work on our enabling programmes, a group-wide Target Operating Model and organisational design whilst ensuring that a line of sight from the Future Defra mission to the day-to-day work of the group is maintained through the close integration of ongoing work on the Defra outcomes framework.

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2. Statement of services

Objectives and outcomes to be achieved

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Specialist time-limited support, building on previous work, is required to:

1. Take forward the work supporting Defra's outcomes programme. In the next phase, this work is likely to focus on: a) creation and support for delivery of the detailed implementation plan for the Defra group outcomes framework, b) designing the capability required across the organisation in driving adoption and progress against outcomes and key metrics, and c) supporting the existing Defra team in building delivery pathways for remaining goals that sit outside of the EIP. Given that this work is currently 'in-flight' as part of PID3 under DPEL 61539_040, the next phase of work will be documented in PID3a. (The owner of this work will be ▮▮▮▮▮▮▮▮).

2. Initiate support on Defra's Target Operating Model in order to help Defra think through a plan to deliver the TOM in more detail. This work will build on Defra's Digital and Data Strategy and use that thinking as a foundation. This work will be documented in detail in PID4. (The owner of this work will be ▮▮▮▮▮▮▮).

3. Take forward the work supporting Defra's enabling programmes. In the next phase, this work is likely to focus on customer, geospatial and grants. Given that this work is currently 'in-flight' as part of PID5 under DPEL 61539_040, the next phase of work will be documented in PID5a. (The owner of this work will be ▮▮▮▮▮▮▮).

4. Initiate support for organisational design/change in DG Strategy and DG Portfolio Delivery. The context in both DGs is different. DG Strategy is reflecting on its role and remit following, for example, the transformation review and the set up of DG Portfolio Delivery. DG Portfolio Delivery is a new DG, established following the transformation review. Both DGs would like support to reflect on their organisation designs and implementation plans for any changes agreed. This work will be documented in detail in PID6. (The owner of this work will be ▮▮▮▮▮▮▮▮▮)

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Finally, depending on budget headroom, there may be a need for support on PMO and Change / Communications – further detail is provided below.

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Scope

The scope of this DPEL is, broadly, to support taking forward the recommendations of the Transformation Review. Detailed scope will be outlined in each PID, following further discussions with each DG owner and their respective teams. The budget envelope for the DPEL also gives flexibility around the nature and scope of each PID created under the DPEL. However, at a high-level, the scope of each PID is likely to be as follows:

- PID3a will cover activities to roll out Phase 1 of the outcomes framework approved by Defra leaders in 2023, with co-design and close working with the existing team to add the implementation approach and plan to the Outcomes Framework Roadmap and implement the first wave of outcomes to be managed in Phase 1. The likely focus will be in three areas:
  - o Work package 1: Creation and support for delivery of the detailed implementation plan for Phase 1 of the Outcomes Framework Roadmap.
  - o Work Package 2: Support the existing Defra team in building delivery pathways for the remaining goals that sit outside of the EIP.
  - o Work Package 3: Creation of a set of culture and performance interventions that will help embed the Framework in a sustainable way across Defra group. This will include Exco level behaviours and alignment to drive the success of the Framework top down and a Defra specific approach to driving improved capabilities and behaviours for understanding and improving performance using the framework at an operational level.

- PID4 will cover all of Defra group, as the aim of the operating model work will be to describe the operating model changes required 'group wide' to implement Defra's Digital and Data strategy. The work will include articulating high-level statements to describe Defra's desired 'directional', long-run operating model at a conceptual level (potentially using 2030 as an anchor point) and a more detailed operating model for 'IOM1', i.e. Defra's operating model at the next significant transition point (likely to be 2025). The scope will include working up more detailed plans to support implementation activity through to 'IOM1' and beyond.

- PID5a will cover support to deliver the enabling programmes, flexible to the specific needs of the SROs. This will include specific SME and delivery support across the enabling programmes working with ALBs, alongside co-ordination and leadership support in DG Portfolio Delivery. The work will also include alignment with the Defra outcomes framework and operating model work. The scope of this PID is also likely to include work on Customer Measures, as part of the Customer enabling programme. The scope of this work will be focused on progressing implementation of customer measures across key services to enable a data led approach to improving customer experience and satisfaction.

- PID6 scope will include the organisation design (at 'Tier 2' and below) of DG Strategy and DG Portfolio Delivery. Depending on budget and resource availability, the scope is likely to include roles and responsibilities, high-level organisation charts, FTE analysis and implementation planning. There is also a requirement to assess the need for and potential role/composition of the Strategic Design Authority going forward.

There is also a need for additional support for 'PMO' and Change Management / Communications. Again, further detail will be in the relevant PID, however:

- 'PMO support' is likely to consist of support to identify and proactively manage interdependencies across each of the PIDs outlined above, as well as advice on the

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architecture of governance/processes/work required to deliver transformational change needed to deliver Defra's agreed outcomes and 'Future Defra' aspirations; and

- Change Management / Communications support is likely to include support to review Defra's current communication and engagement approach and strategy and recommendations on how best to 'join-up' and improve communications and engagement support across the breadth of the work in the PIDs described above with other ongoing change management activity.

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Assumptions and dependencies

Deloitte are expected initially to:

- Work with the Defra group Framework Steering Group to ensure that all PIDs progressed under this DPEL align with the transformational goals related to both the outcomes framework and the enabling programmes as defined by the Defra group Framework diagram.

- Work with the Defra group Framework Steering Group to ensure that work related to the development of a TOM builds upon existing data and proposals/ options that were worked up under the former Transformation Programme as well as the recent 'change mapping' exercise that has been undertaken by the Strategic Change Projects Directorate.

Future work packages may have additional dependencies, for example with ▮▮▮▮▮▮▮▮▮▮ for work related to group structures, and these will be outlined in PIDs accordingly.

Risk management

- Risks will be managed through the steering group using a RAID log maintained by the Strategic Change Projects Directorate

Deliverables

Please note that individual PIDs (format agreed with commercial colleagues) will be created for each individual piece of work. These PIDs will contain further detail regarding specific deliverables. These will be approved by ▮▮▮▮▮▮▮, shared with relevant commercial colleagues, and monitored by Strategic Change Projects. A summary of the initial deliverables for the first set of PIDs is listed below.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
PID3a – Outcomes Framework support			
Work Package 1: Outcomes Framework Phase 1 Detailed Implementation plan	▮▮▮▮▮	▮▮▮	
Work Package 2: Documenting remaining non EIP apex metrics, potential underlying metrics, and how the goals will be delivered	▮▮▮▮▮	▮▮▮▮	
Work Package 3: A performance culture change roadmap focused on defining, building, and embedding performance culture and behaviours across the department.			
PID4 – Operating Model support	▮▮▮▮▮	▮▮▮	
Design principles for Defra's long-run 'directional' operating model			
High-level articulation of Defra's 'directional' operating model (for 2030)			
Refined implementation plans to get to 'IOM1' (date tbc, but likely to be 2025)			
PID5a – Enabling Programmes support			
Inputs for delivery phase for each Enabling Programme (as appropriate), which might include user research, short-term outcomes, problem statement definition, stakeholder plans, roadmaps, funding requirements etc. Recognising that each enabling programme is in a different place.	▮▮▮▮▮	▮▮▮	

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Integrating enabling Programmes into wider thinking on Defra Group Outcomes, Operating Model and Governance	███████████	██████	
PID6 – Organisation Design support			
'As-is analysis' of 'in scope' DGs (tbd with Nicola Bettesworth, but likely to include DG Strategy and DG Portfolio Delivery)	████████	█████	
Options analysis, recommended 'to-be' high-level designs and implementation plans	████████	█████	

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3. Delivery team

The contract is based on a time and materials approach, with specific work packages being agreed via a PID based upon the rates outlined within the table below. There will be a ceiling cost of £750,000 excl. VAT. Each PID will include a completed version of the table below, clearly setting out the number of days and rates for each package of work to ensure comprehensive tracking and compliance with the overall budget envelope.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
			Totals		Total value of all call-off's not to exceed £750,000

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Total resource	
Total days* **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 completed. The total fees for the scope of work detailed in this Engagement Letter and in subsequent PIDs will be no more than £750,000, inclusive of expenses and excluding VAT.

The use of PIDs to define the deliverables for each targeted package of support will ensure that value for money is achieved.

The Strategic Change Projects PMO team will collate the deliverables, costs and timescales from each PID to ensure that the specialist support provided is aligned to the approved scope, that total expenditure remains within the overall envelope, and that milestone delivery dates are met.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
No specific stages defined for this DPEL – to be managed through PIDs which will be aligned with key milestones		
Expenses		
None expected and only in accordance with expenses statement below		
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.

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5. Governance and reporting

- ██████████████████████████████████

- Risks will be managed through the steering group using a RAID log maintained by the Strategic Change Projects Directorate. 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
	See Deliverables section					

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.

The parties agree that this DPEL is governed by the ███████████ Call Off Order Form entered into by the Customer and the Supplier dated 17th May 2021 for the provision of Defra Group Management Consultancy Support Arrangements.

Subject to Clause 37.1 (Unlimited Liability), the Supplier's total aggregate liability, in respect of all other Losses incurred by the Customer under or in connection with this DPEL as a result of Defaults by the Supplier shall in no event exceed a sum equal to one hundred and twenty-five per cent of the Call Off Contract Charges payable in connection with this DPEL.

Non-disclosure agreements

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

None

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6. Exit management

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

See Objectives and Deliverables section.

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:

   █████████████████

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	• DPEL agreed • DPEL signed: Supplier, Dept and CO • Purchase Order number	• Work can start • Supplier can invoice for work

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