

Defra Group Management Consultancy Framework: Project Engagement Letter

pEPR – Delivery Partner

Completed forms and any queries should be directed to Defra Group Commercial at DgCConsultancy@defra.gov.uk

Engagement details			
Engagement ref #	DPEL_61547_013		
Extension?	No	DPEL Ref.	DPEL_61547_013
Business Area	Resources and Waste		
Programme / Project	Collection and Packaging Reforms – Extended Producer Responsibility		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte LLP		
Title	Delivery Partner		
Short description	Delivery Partner support for pEPR Programme – Business Case		
Engagement start / end date	Proposed start date 10/11/2022	Proposed end date 17/02/2023	
Funding source	Budget allocation in Resources and Waste		
Expected costs 21/22	£0		
Expected costs 22/23	£ 848,500		
Expected costs 23/24	£		
Dept. PO reference	TBC once letter agreed		
Lot #	Lot 2		
Version #	Start at 0.1, 1.0 when approved, increment from 1.0 for Change requests		



Approval of Project Engagement Letter

By signing and returning this cover note, Resources and Waste 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 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures		
Supplier	Business Area	Defra Group Commercial
<p>By: _____</p> <p>Supplier Signature</p>	<p>By: _____</p> <p>Signature</p>	<p>By: _____</p> <p>Buyer Signature</p>
<p>or and on behalf of Deloitte LLP</p>	<p>For and on behalf of Resources and Waste</p> <p>_____</p> <p>SRO – Collection & Packaging Reform</p>	<p>Defra Group Commercial</p> <p>_____</p> <p>Commercial Lead</p>
<p>11/11/2022</p>	<p>11/11/2022</p>	<p>11/11/2022</p>
<p>Supplier engages with Business Area to complete. Once agreed, Supplier signs front page and sends to Business Area</p>	<p>Business Area signs front page and sends to DgC</p>	<p>On approval, DgC signs and returns copy to Business Area and Supplier</p>

Supplier contact: _____

Business Area contact: _____

1. Background

In December 2018, the UK Government published the Resources and Waste Strategy, setting out how we will preserve our stock of material resources by minimising waste, promoting resource efficiency, and moving towards a more circular economy. In the Strategy, the UK Government committed to several actions, including the Collection and Packaging Reforms. The Collection and Packaging Reforms comprise three interlinked projects:

- A UK-wide Extended Producer Responsibility Scheme for Packaging (“EPR”).
- A Deposit Return Scheme for drinks containers in England, Wales, and Northern Ireland (“DRS”).
- Consistency in Household and Business Recycling Collections across England (“Consistency”).

The powers to implement the above reforms are provided by the Environment Act 2021.

This procurement relates to Packaging EPR only

EPR will place new requirements on producers including the payment of waste management costs for the packaging they place on the market that is disposed of by households. Producers will also have to meet packaging waste recycling obligations (as under the current producer responsibility system) and in due course obligations in relation to the use of re-usable and refillable packaging. The IT system for producer registration is being developed in house by Defra.

The obligations of the producers, to register, provide details of the materials placed on the market, and make payments to the Scheme Administrator (SA) will be regulated by the Environment Agency and its counterparts in the devolved administrations. The Scheme Administrator will then be responsible for facilitating payments on behalf of producers to local authorities for the costs of providing waste management services for packaging waste that is generated by households.

EPR in its aspirations is so much more than ‘getting money in and paying it out’ – it is about achieving demanding targets, changing producer and consumer behaviour, and encouraging innovation to achieve environmental aims.

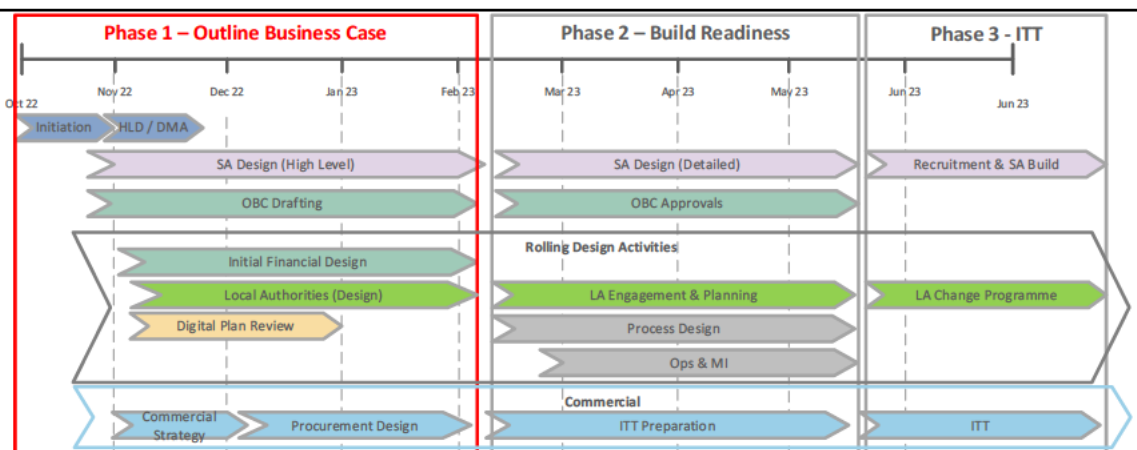
Due to the requirement to establish EPR (including all implementation activities and testing) by 2024 urgent work is needed to drive the implementation of the programme across a wide range of workstreams and activities. Although payments to local authorities will not be made until 2024 there are various activities that need to be undertaken by the Scheme Administrator prior to this date which will be critical in ensuring the success of the scheme, hence the urgency in designing and building this critical organisation.

2. Statement of services

Objectives and outcomes to be achieved

Approval has been received from Secretary of State (8 November 2022) to appoint a Delivery Partner to provide resources and expertise to support the ongoing delivery of the CPR programme. This DPEL forms the first in a series of work packages against that approval.

It is envisaged that there will be a series of DPELs to further define the support required from the Supplier over the course of the programme (see diagram below) however this DPEL specifically focuses on Phase 1 of Delivery Partner support to deliver an Outline Business Case (OBC) ready for submission for internal and external approval processes.



In relation to the Scheme Administrator function within a public sector organisation, the Supplier is requested to work with the Collection and Packaging team to support the overall delivery of the programme and implementation of the Scheme Administrator organisation. To this end the Supplier will provide a range of resources and deliverables to support the overall delivery of the pEPR programme.

This DPEL specifically covers the initial requirements to support the redrafting of the Outline Business Case (OBC) and the associated work required to evolve key strategic elements of the programme such that they can be included in the business case appropriately for approval.

The key outcome for this DPEL will be the completion of the OBC, signed off by the programme and ready for presentation to internal and external stakeholders for approvals. The Supplier will undertake the following key design activities to provide the clarity required for the business case and will additionally incorporate these into the OBC to bring this up to date and incorporate latest thinking within the appropriate cases.

In order to achieve this outcome this DPEL will focus on Phase 1 of the diagram above. Specifically, the following activities will be delivered by the Supplier as part of this DPEL:

1. Initiation Planning Exercise

The Supplier will, within 7 days of commencement of this engagement, refine and agree the work plan outlined in this DPEL with the pEPR team for the activities contained within this DPEL with a clear delivery plan of the key activity areas reflected below, how the OBC will be updated and refined to incorporate the outcomes of these activities and prepared ready for submission to approval bodies.

2. SA Design

The Supplier will refine the High Level design for the SA incorporating new proposed delivery models into the design. In addition the Supplier will re-run the Delivery Model Assessment (DMA) activity incorporating these new delivery models and create a set of outcomes for incorporation into the OBC strategic and commercial cases.

Furthermore the Supplier will update the existing analysis on org design to refresh and realign this as a result of evolution in overall strategy, refining the roles and organisational boundaries between the SA and the public sector host. Finally the Supplier will update the projected cost profiles for the SA such that these can be incorporated into the OBC financial and economic cases.

3. Commercial

The Supplier will work with the existing Defra commercial resources to further develop the prime outsource commercial strategy and reflect this into the overall TOM. In addition the Supplier will create a procurement strategy document and approach which will contain the key elements required to understand the potential market for the prime outsource service and the proposed sourcing strategy.

4. Rolling Design Activities

The Supplier will undertake further design in three areas to create sufficient clarity of costs, delivery risks and benefits to enable the OBC to be completed and progressed. Specifically these areas will be:

Financial Flows - The Supplier will work with the existing Defra Finance team to identify the overall flow of finances across the scheme and SA, working capital and cashflow considerations, debt management implications and risks and overall financial governance and management issues at the SA, host public sector body and overall government levels.

Local Authorities – The programme team have already carried out extensive engagement and consultation with producers which is continuing. As such the Supplier will not focus further effort on producer engagement as part of this DPEL but will focus on expanding thinking around Local Authorities impacts and involvement in the scheme. The Supplier will work with the existing Defra Programme team to identify key change activities associated with the implementation of the pEPR scheme on Local Authorities (LAs). The Supplier will produce a report outlining key costs, benefits, change impacts and risks associated with LAs such that costs, programme activities and risks can be articulated and included in the OBC. The Supplier will also work with the Consistency programme team to develop a joint approach to LA engagement between pEPR and Consistency going forwards.

Digital Delivery Plan - The Supplier will support the pEPR programme team in assessing the IT systems and services proposed and built by the Defra team and any third-party suppliers to check that they are consistent and aligned with the overall aims and operational requirements of the scheme and that key risks or integration challenges are identified and reflected in overall approach, designs and delivery plans for the programme. This will focus on coverage of digital requirements and integration with the overall plan rather than the technical design of the solutions. Specifically the Supplier will also provide support for collating requirements from environment agencies across the four nations with regards to regulatory reporting on material facilities sampling processes.

5. Business Case

The Supplier will incorporate outcomes from the above work areas into the next draft of the OBC, building upon existing OBC cases and updating to reflect revised positions, updated costs and proposed commercial and management approaches for SA implementation.

Scope

1. Initiation Planning Exercise

The Supplier will work with the Defra programme team to hold a kick off meeting in the first week of engagement that will:

- Agree the plan for delivery of this DPEL
- Identify key stakeholders and initial workshops that need to be diarised
- Agree target dates for key documents and associated review points
- Agree ongoing delivery progress reporting template and review sessions

2. SA Design

The Supplier will lead the ongoing development of the TOM and update materials to reflect emerging thinking on commercial operating model, insource vs outsource decisions and interfaces with public sector body teams to define the boundaries between the SA and the host and make sure they are well understood.

Any additional updates to the Delivery Model Assessment will also be delivered to incorporate any revised strategy for inclusion in the OBC.

Specifically the Supplier will evolve the existing SA TOM documentation including updates to the following components of the TOM:

- Updated capability and function diagrams and definitions
- Updated insource / outsource allocations (including associated DMA outcomes)
- Updated organisational structures with indicative numbers of heads and indicative grade structures based on similar organisations as per the existing TOM design
- Updated cost benchmarking for the SA based on the original TOM costings and comparisons with revised DMA options
- Refined organisational boundaries outlining split in responsibilities and roles between the SA and the host public body
- Updated governance model based on initial TOM design to reflect any changes or additions based on revised strategy

The Supplier teams will also work with the programme leadership team, key stakeholders across the programme, Defra and devolved authorities, to draft the overall organisational vision, objectives and values for the SA. The Supplier will work with existing Defra HR and people teams to align the SA with overall core values of the host organisation and wider public sector. The Supplier will evolve the existing organisational structure designs in the current TOM to show the indicative scale, team structures, grade mix and sizing of the SA organisation.

NB No further activity will be undertaken by the Supplier under the scope of this DPEL on IT, Process or Location layers of the TOM. Further support to expand these layers of the TOM will be undertaken in a later phase of work.

3. Commercial

The Supplier will work with the existing Defra commercial resources to create an overarching commercial strategy for the SA based on the DMA. This will outline the strategic approach

being taken from a commercial perspective to enable this to be described effectively in the commercial case of the OBC.

In addition the Supplier will create a procurement strategy document and approach for the proposed outsourced services which will contain:

- Market assessment of potential suppliers,
- Sourcing approach and routes to market,
- Initial Market engagement plan and materials,
- Pricing strategy; and
- Supplier performance metrics and service levels.

The Supplier will support the Defra programme, commercial and policy teams to carry out Market Engagement activities with potential suppliers to gather feedback and gauge interest in the potential for a Prime outsource contract. The Supplier will work closely with the Defra commercial team to create;

- Market briefing materials outlining the SA, potential outsource opportunity and key commercial considerations,
- A Market engagement event which will be held virtually via Teams to enable interested parties to hear about the outsource opportunity and raise queries or concerns,
- A Market engagement questionnaire that will enable potentially interested bidders to respond to key aspects of the procurement strategy that the programme wishes to test with the market,
- A Market engagement report based on the feedback in questionnaire and from market engagement events outlining key market issues and level of potential market interest in the outsource opportunity.

The outputs from this market engagement activity will be reflected in the procurement strategy and also the commercial case of the OBC.

NB No detailed ITT documents will be created by the Supplier under this DPEL. Specific documentation relating to ITT activities will be created as part of a separate scope of work. The Supplier will not provide any legal services in respect to procurements or contracts and will assume that Defra will provide this or lean upon existing government legal services and model contracts.

4. **Rolling Design Activities.**

Financial Flows - The Supplier will provide skilled financial experts to support the analysing of financial flows associated with the pEPR scheme. This will include analysis of the impact on the SA, host organisation and broader public sector purse as well as the practical challenges of implementation.

Analysis of risks and impacts on parties across the scheme will be included such that these can be considered and modelled in the overarching business case and included in approval submissions.

The Supplier will support the Defra team in engaging with wider finance functions and Treasury as required to articulate these risks and agree approaches for handling them that can be included in broader implementation planning.

The outputs of this design activity will be:

- A report outlining the key financial considerations and risks across the pEPR scheme incorporating impacts on Producers, LA's the public host body and broader government departments (e.g. HMT),

- Key financial considerations to be input to the financial and economic models of the OBC.

Local Authority Impacts – The programme team have already carried out extensive engagement and consultation with producers which is continuing. As such the Supplier will not focus further effort on producer engagement as part of this DPEL but will focus on expanding thinking around Local Authorities impacts and involvement in the scheme. The Supplier will work with existing Defra programme teams to identify the challenges associated with changes in practice and payment for LAs. This will look across the whole pEPR lifecycle from the perspective of LAs to understand key challenges, risks, cost burdens and commercial and financial considerations associated with the following activities for LAs;

- Data entry activities and consistency for SA required information,
- Evidential requirements for LA waste collection and processing costs,
- Impacts and restrictions caused by LA commercial and contractual relationships impacted by pEPR requirements,
- Financial considerations regarding timing and value of payments,
- Change impacts, risks and costs associated with pEPR requirements for LA's and the CPR programme.

The Supplier will produce a LA impact report as a result of this analysis which will contain;

- Findings and conclusions based on the above considerations,
- Key risks, assumptions and dependencies with regard to the LA implementation of pEPR,

Furthermore the Supplier will engage with the programme team working on the Consistency project to identify how the engagement with LA's as a key stakeholder will be managed in a joined up way between pEPR and the Consistency programme. The Supplier will produce a report for pEPR specifically highlighting:

- High level change journey and key implementation activities required by the programme to engage LAs and drive the delivery of policy associated with pEPR,
- LA engagement proposal with key actions to progress key risks and actions identified within the report.
- Proposed joint working approach between pEPR and Consistency programmes to engaging the LA's going forwards.

Digital Delivery Plan - The Supplier recognises that the DDAT teams within Defra are leading on the design and delivery of key systems and the integration of those systems into the overall plan. The Supplier will undertake stakeholder interviews to gather a view of the end to end IT service layers and the level of maturity and completeness of programme plans to deliver these. Specifically this will include an assessment of what the programme requires rather than an assessment of the technical approach to solutions. The IT service layers to be considered will be:

- Front end customer interfaces and systems
- Operational user applications
- Operational user desktop services
- Integration and data storage layers
- Network layer
- Hardware layer
- IT service management including contact centres

The Supplier will provide expert project management resource to support regulators in each of the four nations and other public actors as applicable to clarify their IT requirements for

the scheme, specifically this will include requirements from the environment agencies in the four nations with regard to material facilities sampling processes.

The Supplier will produce the following deliverables;

- High Level requirements from Environment Agencies outlining required IT service for reporting material sampling processes,
- Summary report looking across end to end IT service layers and outlining existing coverage of digital solutions, key risks and areas that need to be matured further,
- Assessment of alignment between digital delivery and overall programme plans,
- Costs and risks for inclusion in the OBC.

5. **Business Case**

The Supplier team will work with the existing Defra business case leads to evolve the draft and finalise the OBC to reflect best practice Treasury Green Book advice and incorporate any changes required based on the design outputs identified from the activities outlined above.

NB The Supplier will not create a financial model but will utilise the financial model already created by the Defra team and contained within the existing OBC draft. The Supplier will produce summary communication materials to support the socialisation and approvals process.

Proposed Delivery Activities

The Supplier understands that the plans for the SA implementation are evolving and there may be changes required to the detail and sequence of proposed activities. An initial plan is outlined below with the proposed sequence and duration of activities.

This plan, and any revisions, will be tested and agreed as part of the Initial Planning Exercise.



ID	Task Name	Start	Finish	Duration	Timeline													
					Nov 2022			Dec 2022				Jan 2023				Feb 2023		
					20/11	27/11	4/12	11/12	18/12	25/12	1/1	8/1	15/1	22/1	29/1	5/2	12/2	
1	Initial Planning Exercise	10/11/2022	10/11/2022	0d														
2	Kick Off Workshop	10/11/2022	10/11/2022	0d														
3	Plan agreed	10/11/2022	10/11/2022	0d														
4	SA Design	14/11/2022	03/02/2023	60d	<div></div>													
5	Re-draft TOM	14/11/2022	09/12/2022	20d	<div></div>													
6	Re-run DMA	14/11/2022	09/12/2022	20d	<div></div>													
7	Revised TOM design	12/12/2022	23/12/2022	10d	<div></div>													
8	Revised TOM available	26/12/2022	26/12/2022	0d	<div></div>													
9	Refine Org Structure & Vision	26/12/2022	03/02/2023	30d	<div></div>													
10	Updated Cost Benchmarking	26/12/2022	03/02/2023	30d	<div></div>													
11	Business Case	14/11/2022	23/01/2023	50d	<div></div>													
12	Re-draft OBC	14/11/2022	23/12/2022	30d	<div></div>													
13	Initial Draft available	26/12/2022	26/12/2022	0d	<div></div>													
14	Initial Draft review	26/12/2022	06/01/2023	10d	<div></div>													
15	Finalise OBC draft	09/01/2023	20/01/2023	10d	<div></div>													
16	Final draft available	23/01/2023	23/01/2023	0d	<div></div>													
17	Commercial	14/11/2022	23/01/2023	50d	<div></div>													
18	Commercial Strategy draft	14/11/2022	25/11/2022	10d	<div></div>													
19	Commercial Strategy available	28/11/2022	28/11/2022	0d	<div></div>													
20	Draft Procurement Strategy	28/11/2022	06/01/2023	30d	<div></div>													
21	Procurement Strategy available	09/01/2023	09/01/2023	0d	<div></div>													
22	Prepare Market Engagement	12/12/2022	23/12/2022	10d	<div></div>													
23	Carry out Market Engagement	26/12/2022	13/01/2023	15d	<div></div>													
24	Complete Market Engagement report	16/01/2023	20/01/2023	5d	<div></div>													
25	Market Engagement report available	23/01/2023	23/01/2023	0d	<div></div>													
26	Rolling Design Activities	07/11/2022	06/02/2023	65d	<div></div>													
27	Financial Flows	14/11/2022	06/01/2023	40d	<div></div>													
28	Carry out financial flow analysis	14/11/2022	16/12/2022	25d	<div></div>													
29	Financial Flow impact report available	19/12/2022	19/12/2022	0d	<div></div>													
30	Draft Financial flow impacts into OBC	19/12/2022	06/01/2023	15d	<div></div>													
31	LA Impacts	14/11/2022	06/02/2023	60d	<div></div>													
32	Carry out LA impact analysis	14/11/2022	06/01/2023	40d	<div></div>													
33	LA impact report available	09/01/2023	09/01/2023	0d	<div></div>													
34	Draft LA engagement action plan	09/01/2023	03/02/2023	20d	<div></div>													
35	LA engagement action plan available	06/02/2023	06/02/2023	0d	<div></div>													
36	Digital Delivery Plan	07/11/2022	26/12/2022	35d	<div></div>													
37	Collect Material Sampling Requirements from 4 nations environment agencies	14/11/2022	09/12/2022	20d	<div></div>													
38	Requirements review and write up	12/12/2022	23/12/2022	10d	<div></div>													
39	Materials requirements available	26/12/2022	26/12/2022	0d	<div></div>													
40	Carry out IT Service Layer Assessment	07/11/2022	02/12/2022	20d	<div></div>													
41	Review findings with Defra teams	05/12/2022	09/12/2022	5d	<div></div>													
42	Finalise IT Service Layer Report	12/12/2022	23/12/2022	10d	<div></div>													
43	ITService Layer Report available	26/12/2022	26/12/2022	0d	<div></div>													

If changes are required to the sequence and detail of these activities the Supplier will work with the Defra delivery team to revise the proposed plan, costs and deliverables before commencing work to ensure activities remain appropriate.

Any revisions will be captured in a revised version of this DPEL to be agreed by all parties prior to commencement of activities.

Knowledge Transfer

The Supplier will provide specific value add knowledge transfer activity as part of this engagement. This will take the form of sharing the findings from the Circularity Gap Report for the UK that we have invested in as part of our ongoing commitment to furthering sustainability efforts. We will provide a series of workshops offered to key Defra personnel and additional knowledge share events offered to wider senior leadership teams across Defra on the content and conclusions of this report.

Social Value

We will use the scope of this engagement to include one of our Bright Start apprentices on the programme, giving key opportunities to train and develop school leavers.

Assumptions and dependencies

The following assumptions or dependencies have been identified to enable the delivery of this engagement by the Supplier:

Assumptions:

- Work will be undertaken remotely and travel to Defra sites will be limited to key workshops
- Defra team will lead engagement with Local Authorities to provide necessary data and communicate actions that will be provided by them to support the scheme. (and Producers if required)
- The Defra SA implementation programme director and PMO resource will continue to be responsible for overall delivery and management of the programme, Deloitte resources will act in an advisory capacity to this team.
- The Defra team will continue to own the Financial Model within the business case and Deloitte will not be responsible for any rework required to this aspect of the case.
- The Defra team will continue to be responsible for drafting and agreeing policy with regard to CPR and the SA.
- The scheme administrator function will be within an existing public body (not a new public body).
- The existing Defra DDAT teams will retain responsibility for the design and delivery of IT services for the SA. Deloitte will review the end to end IT service layers and planning for these activities but will not take on a delivery or integration role under this DPEL.
- The scope of this engagement letter relates specifically to the pEPR programme within the CPR scope. Other activities associated with other projects within the portfolio will be subject to additional engagement letters.

Dependencies:

- Defra commercial team will provide 2-3 resources to work alongside the Deloitte team in the commercial workstream.

- Defra finance team will provide 2 resources to work alongside the Deloitte team in the Finance workstream.
- The Defra teams delivering DDAT and the Fees & Payments Calculator will provide access to systems designs and plans to enable Deloitte teams to assess the overall risks and issues of the proposed approach.
- The Defra teams will provide access to key documentation and systems as required to carry out the activities outlined in the scope section.
- The Defra teams will provide timely access to diaries and facilitate access to key stakeholders to support activities in line with the agreed plan.
- The Defra teams will provide timely feedback on documentation produced by Deloitte providing they have been given reasonable notice of this requirement.

Deliverables

1. Initial Planning Exercise

- Agreed plan for delivery of this DPEL

2. SA Design

Updated TOM document including:

- Updated capability and function diagrams and definitions
- Updated insource / outsource allocations (including associated DMA outcomes)
- Updated organisational structures with indicative numbers of heads and indicative grade structures based on similar organisations as per the existing TOM design
- Updated cost benchmarking for the SA based on the original TOM costings and comparisons with revised DMA options
- Refined organisational boundaries outlining split in responsibilities and roles between the SA and the host public body.
- SA Vision statement aligned with Defra core values

NB No further activity will be undertaken by the Supplier under the scope of this DPEL on IT, Process, Governance or Location layers of the TOM. Further support to expand these layers of the TOM will be undertaken in a later phase of work.

3. Commercial

- Commercial Strategy
- Delivery Model Assessment
- Procurement strategy document and approach for the proposed outsource contract which will contain:
 - Market assessment of potential suppliers,
 - Sourcing approach and routes to market,
 - Initial Market engagement plan and materials,
 - Pricing strategy; and
 - Supplier performance metrics and service levels.
- Market briefing materials outlining the SA, potential outsource opportunity and key commercial considerations,
- A Market engagement event which will be held virtually via Teams to enable interested parties to hear about the outsource opportunity and raise queries or concerns,
- A Market engagement questionnaire that will enable potentially interested bidders to respond to key aspects of the procurement strategy that the programme wishes to test with the market,

- A Market engagement report based on the feedback in questionnaire and from market engagement events outlining key market issues and level of potential market interest in the Prime outsource opportunity.

NB No detailed ITT documents will be created by the Supplier under this DPEL. Specific documentation relating to ITT activities will be created as part of a separate scope of work. The Supplier will not provide any legal services in respect to procurements or contracts and will assume that Defra will provide this or lean upon existing government legal services and model contracts.

4. Rolling Design Activities.

Financial Flows -

The outputs of this design activity will be:

- A report outlining the key financial considerations and risks across the pEPR scheme incorporating impacts on Producers, LA's the public host body and broader government departments (e.g. HMT),
- Key financial considerations to be input to the financial and economic models of the OBC.

Local Authority Impacts –

The Supplier will produce a LA impact report which will contain;

- Findings and conclusions based on the above considerations,
- Key risks, assumptions and dependencies with regard to the LA implementation of pEPR,
- High level change journey and key implementation activities required by the CPR programme to engage LAs and drive the delivery of policy associated with pEPR,
- LA engagement proposal with key actions to progress key risks and actions identified within the report.

Digital Delivery Plan -.

The Supplier will produce the following;

- High Level requirements from Environment Agencies outlining required IT service for reporting material sampling processes,
- Summary report looking across end to end IT service layers and outlining existing coverage of digital solutions, key risks and areas that need to be matured further,
- Assessment of alignment between digital delivery and overall programme plans,
- Costs and risks for inclusion in the OBC.

5. Business Case

- Draft OBC
- Final Draft OBC

NB The Supplier will not create a financial model but will utilise the financial model already created by the Defra team and contained within the existing OBC draft. The Supplier will produce summary communication materials to support the socialisation and approvals process.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
A - Initial Design Activities			
Revised TOM	Sign off by Programme Director	5/12/2022	██████
Commercial Strategy	Sign off by Programme Director and Commercial Lead	21/11/2022	██████ ██████
Financial Flow impact report	Sign off by Programme Director and Finance lead	5/12/2022	██████ ██████
B - First Draft OBC			
Refined Org Structure & Vision	Sign off by Programme Director	13/01/2023	██████ ██████
Updated cost benchmark	Sign off by Programme Director	13/01/2023	██████ ██████
Procurement Strategy	Sign off by Programme Director and Commercial Lead	02/01/2023	██████ ██████
LA Impact Report	Sign off by Programme Director and Policy Lead	02/01/2023	██████ ██████
End to End IT service layers Report	Sign off by Programme Director and Digital Lead	23/12/ 2023	██████
Material Sampling Requirements	Sign off by Programme Director and Digital Lead	23/12/2023	██████
Market Engagement Plan	Sign off by Programme Director and Commercial Lead	23/12/2023	██████ ██████
First Draft OBC	Sign off by Programme Director and Case Leads	13/01/2023	██████ ██████
C - Final Deliverable Set			
Market Engagement Report	Sign off by Programme Director and Commercial Lead	23/01/2023	██████ ██████
LA Engagement Action Plan	Sign off by Programme Director and Policy Lead	30/01/2023	██████ ██████
Final Draft OBC	Sign off by SRO, Programme Director and Case Leads	30/01/2023	██████ ██████

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

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 (excl. VAT)	# of days	Cost (excl. VAT)
	Engagement Partner	Partner		1	
	Engagement Director Programme Delivery	Director		1	
	Lead Commercial, Finance, Bus Case – HLD,			1	
	Commercial, HLD			1	
	Finance, Bus Case			1	
	Commercial, Finance, Bus Case			1	
	SA Design, Delivery support			1	
	SA Design Support			1	
	Lead Org Design, LA Impacts			1	
	Org Design & LA Impacts			1	
	Org Design & LA Impacts			1	
	Org Design & LA Impacts			1	
	Lead Digital Delivery Plan			1	
	Digital Delivery Plan			1	
	Materials Sampling Reporting IT Requirements			1	



Name	Role (link to stage/s resource will work on)	Grade	Daily rate (excl. VAT)	# of days	Cost (excl. VAT)
Total					£848,500

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

Name	Role	Contact details
██████████	SRO	████████████████████
██████████	DgC Commercial	████████████████████

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 capped at ██████████ inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
A - Initial Design Activities		DD/MM/YY
Initial set of deliverables identified in Stage A	██████████	05/12/2022
B – First Draft OBC		
Set of deliverables identified in Stage B	██████████	13/01/2023
C – Final Deliverable Set		
Set of deliverables identified in Stage C	██████████	30/01/2023
Expenses		
No additional expenses are anticipated	£0	
Grand total	£848,500	

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

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 the Suppliers consultants;
- The Supplier to notify the EPR team if any of conflict of interest emerges and explain how this will be managed

Key Performance Indicators

No additional KPIs required.

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target

Feedback and satisfaction

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

No additional NDAs required.

6. Exit management

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

Completion of milestone – agreement between Defra and Deloitte.

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:
consultancy2@defra.gov.uk
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

