

## Defra Group Management Consultancy Call off Contract: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial (DgC) at [DgCConsultancy@defra.gov.uk](mailto:DgCConsultancy@defra.gov.uk). 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_030				
Extension?	N	DPEL Ref.	DPEL_61545_025		
Business Area	Defra core: Agri-Food Chain directorate				
Programme / Project	Monitoring of food system priority outcomes				
Senior Responsible Officer	[REDACTED]				
Supplier	PA Consulting				
Title	Baseline metrics for monitoring food system priority outcomes				
Short description	Develop and present indicators to assess progress towards Government's agri-food priorities, and baseline data against which progress can be tracked.				
Engagement start / end date	24/01/2025	18/05/2025			
Consultancy Spend approval reference	N/A				
Expected costs 24/25	£80,000				
Expected costs 25/26	£120,000				
Dept. PO reference					
Lot #	2				
Version #	0.1				

## Approval of Project Engagement Letter

By signing and returning this cover note, **Defra** 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

## 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.

## 1. Background

Briefly justify why support is required:

We lack robust data on food system outcomes. This research will further develop indicators to assess progress towards Government's agri-food outcomes, and collect baseline data against which progress can be tracked. Ongoing monitoring will inform policy development across Agri-Food Chain Directorate (AFC), and beyond.

The indicators will track progress against three outcomes, post-farmgate:

- (i) a prosperous agri-food and secure food supply
- (ii) a sustainable, nature positive food system
- (iii) trade that provides export opportunities and consumer choice

This project builds on a monitoring and evaluation scoping exercise completed in March 2023. The project will revise and refresh the existing theories of change

and logframe to strengthen the benefit statements and indicators. These revisions will also be used to help inform the developing Defra Food Strategy.

## 2. Statement of services

### Objectives and outcomes to be achieved

State and describe the aims of the engagement:

The overall question to be addressed is “What indicators should we use to assess progress against Government’s priority food outcomes and what do they currently show?”. The project will provide baseline monitoring of priority outcomes and where possible show the direction of travel, improving strategic evidence for agri-food policy making going forward.

### Scope

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

The project is split into 4 stages:

**Stage 0: Project Start up and initiation** (~1 month)

**Stage 1: Finalise key performance indicators (KPIs) to assess progress against Government’s priority food outcomes** (~4 months)

**Stage 2 : Design outputs for the monitoring programme** (~2 months)

**Stage 3 [to be completed]: Update ToCs, Collect and present baseline data against the KPIs** (~4 months)

Stages 0-2 have been completed in Phase 1. Stage 3 will be undertaken in this Phase 2.

#### **Stage 0: Project Start up and initiation**

The objective of this stage is to prepare a monitoring plan and associated project documentation to enable delivery of the project to time / quality / cost. The key activities required are:

- Project start-up meeting
- Production of **Project Initiation Document (PID)** including project structure, approach, governance, RAID log and reporting approach.

#### **Stage 1: Finalise key performance indicators (KPIs) and methods of data collection against these indicators to assess progress against Government’s priority food outcomes**

The key activities required are:

- Review monitoring and evaluation scoping exercise completed in March 2023.
- Work with teams across Defra to refresh nested theory of change models and Figure 2 in evaluation scoping exercise, focusing on additional activities in AFC and ‘EU & International Trade’ directorates. Clearly articulate the causal link between policy activity with the three priority outcomes.
- confirm existing data gathering and monitoring plans with policy teams
- Identify data gaps in our ability to monitor agri-food outcomes
- Check relevance of the proposed indicators (from March 2023 exercise) according to the new activities. Create new indicators where required.

- If possible, make a weighted and aggregated index of the indicators for each outcome to give an overview of our progress, which is understandable to a member of the public
- Update existing logframe with metrics and data sources for monitoring progress against the indicators and priority outcomes.
- Write interim report. As a minimum, this should include: methodology for weighting data; proposals for primary and secondary data to fill data gaps; and primary data collection methods. Drawing on the evaluation scoping exercise, we would like to peruse the silver level of data collection.
- Undertake initial exploration of contribution analysis to understand how changes in outcomes could be attributed to government policies and the influence of external factors.

## Stage 2: Design outputs for the monitoring programme

As detailed in the evaluation scoping exercise, there is likely to be a diverse audience of internal and external stakeholders for findings who may want to use them in different ways. Therefore, the monitoring programme is likely going to need multiple routes of dissemination. The output needs to be able to be updated each time new data is collected.

Propose options for how the data can be presented in a user friendly and easily updatable format. Undertake limited stakeholder testing of these formats. Possible output formats include:

- report (see [25 Year Environment Plan: progress reports](#), [Resources and waste strategy for England: monitoring and evaluation](#) and [Natural Flood Management Programme: evaluation report](#))
- evidence packs (see [Farming and environment evidence packs](#))
- dashboard (see [Bovine TB Interactive Dashboard](#))

We can share more examples with the successful contractor.

## Stage 3: Collect and present baseline data against the KPIs (~4 months)

The objective of this phase is to update the Theories of Change (ToCs) and logframe to reflect the latest changes this year, including those in the food system strategy, in addition to creating a baseline.

Collect baseline data from both primary and secondary data sources. Based on Phase 1, there is one indicator at outcome level requiring primary data collection. This is for the benefit statement: 'English farmers maintain production levels, whilst meeting English Agriculture, environment and net zero objectives'. This outcome level indicator should be a composite of several indicators, comparing uptake of/compliance with agri-env schemes with total production. Based on the interim report it is suggested that a metric for this indicator can be integrated into one of two existing surveys that aim to collate information from farmers:

- Farmer opinion tracker
- Farmer practices survey

Address questions posed in the baseline scoping exercise:

1. What are the main learning opportunities and barriers for delivery of the activities and making progress towards Government's agri-food outcomes?
2. How can selected KPIs, and the weighted and aggregated index of the indicators, be understood in the different contexts in which initiatives are delivered? What additional evidence should a monitoring team draw on?
3. What has Defra/other organisations done in the past to deliver similar policies? What evidence exists to show results so far against these policy outcomes?

Present baseline data, theories of change and evaluation approach according to outputs agreed in Stage 2.

Update the weighted index (by working with PA and Defra statisticians) to agree/decide:

- Whether a weighted average is needed for indicators that make up the aggregate score and defining the methodology
- Proportionality (i.e., a 1% change in one indicator, is not the same as a 5% change in another)
- Direction (ie a -10% change in one indicator is the desired direction of travel, and in another indicator is the undesired direction of travel)
- On a process or multi-person scoring to reduce impact of individual preference/bias

Update the R code so that there is an internal and external R dashboard and to include the relevant indicators in the logframe.

Write final report, including methodologies for data collection, baselining approach, theory of change.

### Assumptions and dependencies

Provide further description of the assumptions and dependencies:

- Stakeholder availability for timely review and input into deliverables
- Availability of project manager to provide ongoing support, including scheduling stakeholder meetings.
- Access to information and data regarding M&E of related policy/programme delivery
- Access to appropriate code to develop dashboards

### Risk management

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

- R1: The updated food strategy necessitates entirely new Theories of Change (ToCs), as the previous ones provide little to/no relevance.
- M1: Conduct a rapid yet thorough review of the old ToCs to identify any elements or data points that remain useful.
- R2: Availability of Defra resources and other stakeholders to develop/update ToCs in a timely manner to support tight timelines.
- M2: Within the first couple of weeks of the project we will develop a workplan, outlining the key workshop dates and sharing these as early as possible with wider stakeholders. We will also agree deadlines with fair timeframes suggested week for stakeholders to review substantive deliverables).
- R3: Availability of supporting data and information to develop new ToC is limited requiring further stakeholder engagement
- M3: The logframe will allow for data gaps to be populated over time and we will use proxy data where needed. Where several gaps exist, we can prioritise stakeholder engagement with the core Defra team.
- R4: Same stakeholders are required to support in the development of the ToCs which could result in fatigue and lack of engagement



- M4: We will work with the core Defra team involved in this scope of work, to see if there are competing deadlines/existing data that we need to be aware of. A data log will also be kept ensuring that the same information will not be asked for on various occasions
- R5: Ability to build / obtain consensus on overall monitoring and index approach
- M5: Schedule appropriate update sessions to ensure all relevant stakeholders are involved in the approach and incorporating feedback where possible.

## Deliverables

Describe what the supplier will produce:

### Phase 2

- Update logframe and theories of change (Stage 1) to reflect latest high-level policy changes
- Baseline data (Stage 3)
- Dashboards (internal and external audience)
- Finalise logframe and index
- Final report and summary

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
<b>Phase 2</b>			
Updated ToCs and logframe	Refresh of ToCs and logframe to include: <ul style="list-style-type: none"> <li>Update existing ToC's</li> <li>Developing a new ToC for food and health</li> <li>Updated logframe to reflect changes</li> </ul>	14 April 2025	PA Consulting
Final report	Redraft interim report to include: <ul style="list-style-type: none"> <li>Background</li> <li>Logframe of baseline indicators</li> <li>High level description of baseline data for the indicators according to the 4 priority outcomes</li> <li>Analysis of primary data (1 indicator weighted indices at intermediate outcome level (DOs)</li> </ul>	18 May 2025	PA Consulting
Summary final report for external use	Summarise final report to include: <ul style="list-style-type: none"> <li>Background</li> <li>High level theory of change</li> <li>Brief methodology</li> </ul>	18 May 2025	PA Consulting



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
	<ul style="list-style-type: none"> <li>Description of baseline data</li> <li>Summary analysis of primary data</li> </ul> weighted index for each intermediate outcome		
Dashboard	Creation of internal and external dashboard ready for publication by Defra.	18 April 2025	PA Consulting
Presentation	Final presentation of methodology and findings to internal stakeholders.	23 May 2025	PA Consulting
<b>Internal Capability Development Outcomes</b>			
Training and capability building of staff	Two training sessions at the end of the project for analysts and policy officers to learn the methodology and how to update the outputs	Throughout – training package developed	

### 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.

This Project will be undertaken on a fixed price milestone basis.

### 3. Delivery team

The following days are the anticipated number for each individual and may vary. As this a fixed price milestone payment model, payment will be based on agreed contractual deliverables in the table set out in Section 4.

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



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

[REDACTED]

<b>Total resource</b> <b>Total days*</b> <b>Engagement Length**</b>  <small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	[REDACTED]
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#### Business Area's team

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

## 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 up to a maximum of £280,000, inclusive of expenses and excluding VAT.

Cost of the engagement as outlined above is determined by the total time spent by each consultant across the total engagement of the project.

Phase 2	Cost	Due (link to milestone dates)
Stage 3: Updated ToCs	£80,000	21 February 2025
Stage 3: Updated logframe and baseline data	£80,000	14 April 2025



Phase 2	Cost	Due (link to milestone dates)
Stage 3: Weighted index / updated dashboard	£20,000	18 April 2025
Stage 3: Final report and summary	£20,000	18 May 2025
<b>Grand total</b>	<b>£200,000</b>	

### 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 our consultants;
- Weekly flash reports of progress and risks
- Weekly or fortnightly engagement with task and finish group

### Key Performance Indicators

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
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<b>01</b>	Timely Delivery	Deliverables delivered on time as agreed with key milestones	Fortnightly	Defra	% of project deliverables produced within agreed deadlines	<b>100%</b>
<b>02</b>	Quality of deliverables	Outputs are fit for purpose and support Programme/project outcomes with Zero spelling mistakes, clear and simple language and a coherent structure and flow	Quarterly	Defra	Qualitative feedback and assessment	<b>1 round of feedback</b>
<b>03</b>	Reporting provided on time	Reports are delivered on time, with appropriate sections completed to a good standard	Monthly	Defra	% of reports delivered on time	<b>100%</b>

### 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

N/A. The overarching MCF2 framework include relevant NDAs.

## 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:  
Upon exit, the supplier will:

- Provide a handover note setting out the location of all final deliverables
- Undertake a (minimum) 1 hour handover meeting with the Defra team
- Provide a final summary of hours worked and associated invoices



## 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>

