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Defra Group Management Consultancy Framework: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial at

Engagement details		
Engagement ref #	DPEL_61540_006	
Extension?	No	DPEL Ref.
Business Area	Environment Agency (EA)	
Programme / Project	Regulatory Efficiency Project	
Senior Responsible Officer	[REDACTED]	
Supplier	Service Provider: Public Group International Ltd. Supplier: McKinsey & Company, Inc. United Kingdom	
Title	Regulatory efficiency projects to explore opportunities and drive down costs	
Short description	A review of Regulatory compliance information and guidance to provide observations and recommendations for the future, development of tools (IT). Together with a focus on resource intensive sites to inform the actions taken and opportunities to streamline guidance and ways of working.	
Engagement start / end date	25/01/23	31/03/2023
Funding source	Environment Agency Grant-in-Aid (GIA)	
Expected costs 21/22	n/a	
Expected costs 22/23	£94,825, excluding VAT	
Expected costs 23/24	n/a	
Dept. PO reference	TBC	
Lot #	Lot 1 (Strategic Consultancy)	
Version #	V1.0	



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Approval of Project Engagement Letter

By signing and returning this cover note, Environment Agency Commercial Team accepts the contents of this Project Engagement Letter as being the services required and agrees for Public Group International Ltd. as subcontractor to McKinsey & Company, Inc. United Kingdom 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
6/2/2023		07.02.23
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



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1. Background

Good regulation protects people and the environment from harm; it creates a level playing field for business and drives growth and innovation. Good regulation doesn't just protect the environment but enhances it.

The Environment Agency (EA) receives some £350m per annum from our regulated charge payers and they have a legitimate expectation that we will deliver the regulatory service they pay for. We brought in a new charging scheme in 2018. In exercising this charge it is important that we can demonstrate that we are cost effective and deliver ongoing efficiency gains for both us and our customers. The revised scheme focussed on ensuring that charges cover the costs of our regulatory activity.

2. Statement of services

Objectives and outcomes to be achieved

Task 1

Carry out a rapid review of the regulatory compliance information held and being referenced by Environment Agency Local Operations Regulatory Teams. Using this information inform

1. the scale of benefits realisation needed from Reg Services Programme
2. identify opportunities for standardised tools prior to future IT development.

Objectives

- Review the process and facilitate a series of conversations to gather information from Environment Agency Local Operations Regulatory Teams to
 - Identify (type and scale) the gaps that Local Operations are already trying to fill
 - Identify the type, function and purpose of any local grey IT systems in use
- Collate & analyse feedback
- Produce a report on findings.

Task 2

A review of the process and information on our resource intensive sites held on the site CAR Forms setting out the various interventions/interactions we have undertaken to determine

- The actions taken against Operating Instructions and guidance to determine opportunities to streamline processes
- Delivery of outcomes vs resource input

Objectives

- Review the process and information held on the site CAR Forms and produce a report setting out
 - opportunities to streamline existing processes to improve efficiency/effectiveness
 - any improvements in ways of working / additional training needs
 - Identify missed opportunities / learning

Scope



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Task 1

The Environment Agency will establish a steering group that will provide oversight of this piece of work

It is envisaged that each task will be run as a sprint of a maximum of 20 days of investigation, during which time the Supplier will work collaboratively with the EA team to conduct the following tasks and activities:

Task 1 – Rapid review of the regulatory compliance information

- Desktop review of the process and discussions with an identified list of Environment Agency Local Operations Regulatory Staff to understand:
 - the gap (type and scale) between the work currently being undertaken and that required to meet the requirements of the Regulatory Services Programme requirement
 - the type, function and purpose of any local grey IT systems in use and the time taken to input data / ease of accessing data
 -
- Collate and analyse the feedback to:
- Identify the gaps between current & expected outputs
- Opportunities for improvements in efficiency/effectiveness that could be achieved through improved or standardised IT tools

Task 2 - Review of the process and information on our resource intensive sites

- Desktop review and discussions with identified list of Environment Agency Local Operations Regulatory Staff to understand the process
- Review the information held on CAR Forms for our identified resource intensive sites
- Analyse the CAR Form data to identify the
 - actions taken against Operating Instructions and guidance
 - current levels of input required / outcomes this is delivering
- Use the analysis to identify
 - opportunities to streamline existing processes to improve efficiency/effectiveness
 - any improvements in ways of working / additional training needs
 - missed opportunities / learning



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Assumptions and dependencies

- Service Provider will be responsible for managing and overseeing input from their wider delivery team
- The Service Provider, including wider delivery team, have both the required expertise and the means to resource this project within the short timescales agreed;
- The EA will ensure that the necessary resources are made available to the Service Provider in a timely manner and will provide all reasonable input and guidance as required;
- The work will be conducted remotely. If this changes and expenses to travel outside London are incurred, they will be agreed in advance where they are additional to the stated cost.

Deliverables

During the course of this DPEL, the Service Provider will provide the following Deliverables:

Phase 1

Initiation

- Agreed scope / work-plan / ways of working that is presented during regular project management calls
- Finalised key individuals list to steer & input

Task 1

Week 1 - 4

- Facilitate conversations to gather information from Environment Agency Local Operations Regulatory Staff
- Produce analysis and deliver interim findings to EA
- Produce PowerPoint Report of interim findings

Task 2

Week 7 - 11

- Carry out desktop review and facilitate conversations with identified list of Environment Agency Local Operations Regulatory Staff to understand the process
- Review & analyse information held on CAR Forms for our identified resource intensive sites Produce EA branded PowerPoint Report of findings
- Produce analysis and deliver interim findings to EA
- Produce PowerPoint Report of interim findings



Indicative work plan with key milestones and activities

Workstreams		1/23/23	1/30/23	2/6/23	2/13/23	2/20/23	2/27/23	3/6/23	3/13/23	3/20/23	3/27/23
Overarching work streams											
Project Management and Communications											
Weekly SteerCo meetings											
Weekly Internal Advisory Board meetings											
Weekly programme and risk management											
Phase 0: Kickoff											
Initial engagement with EA project team											
Brief core and extended team members on client's key requirements											
Finalise project plan and methodology											
Mobilisation and kick off meeting											
Phase 1: Discovery											
Conduct desk research											
Identify and review selected forms, tools, and processes											
Identify stakeholders within the EA Local Operations Regulatory Staff											
Organise user research sessions											
Conduct user research											
Phase 2: Analysis											
Create initial report structure and align with client											
Conduct analysis of research outputs											
Share interim analysis findings within interim report											
Prepare findings from analysis											
Phase 3: Report											
Interim report 1 & 2											
First draft of final report											
Incorporate feedback											
Develop final draft of report											
Final Report with recommendations											



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Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Kickoff Deck	<ul style="list-style-type: none"> Project scoping and ways of working 	25/01/23	Project Delivery Lead
Research and Methodology Plan	<ul style="list-style-type: none"> User-focused discovery 	30/01/23	Associate
Interim report 1	<ul style="list-style-type: none"> Project progress report and interim findings 	10/02/23	Associate / Project Delivery Lead
Interim report 2	<ul style="list-style-type: none"> Project progress report and interim findings 	03/03/23	Associate / Project Delivery Lead
First draft of final report	<ul style="list-style-type: none"> Analysis of the discovery phase in a slide deck format for client feedback 	24/03/23	Associate / Project Delivery Lead
Final Report	<ul style="list-style-type: none"> Final analysis of discovery phases incorporating client feedback 	31/03/23	Project Delivery Lead
Internal Capability Development Outcomes			
Social Value Outcomes			

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Internal Capability Development Outcomes - to be determined based on the phase 1 outcomes			
	<ul style="list-style-type: none"> 		
Social Value Outcomes			

Limitations on scope and change control



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Unless instructions to the Service Provider are later amended in writing, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Service Provider 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

This work is undertaken at an agreed fixed price of £94,825 excluding VAT.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
Sub Total					£94,825

Business Area's team

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

Business Area	Name	Role (link to stage/s resource will work on)	Responsibilities / Scope	Estimate of days
EA Steering Group		Project Executive Director	<ul style="list-style-type: none"> Oversight of work 	n/a
EA Working Group			<ul style="list-style-type: none"> 	n/a

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 £94,825, excluding VAT.

Provide costs for any particular stages to the engagement.

Grand total	£94,825	



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. Public will keep an accurate record of time spent by Public staff in providing the services and provide this information and supporting narrative, if requested.

5. Governance and reporting

Governance: Given the relatively small scale and short timeframe for completing this work, parties have established light touch governance to manage delivery. A project working group has been established which includes members of the Service Provider 'Delivery Team' and Client 'Business Area's team'. It is planned for this group to meet once a week with the purpose of reviewing progress and providing project assurance against agreed outcomes and outputs. This group will be coordinated and chaired by the Service Provider, with support from the EA project manager.

Internal reporting: The piece of work is being delivered for the EA National Office, Chief Scientist & Future Funding Directorate.

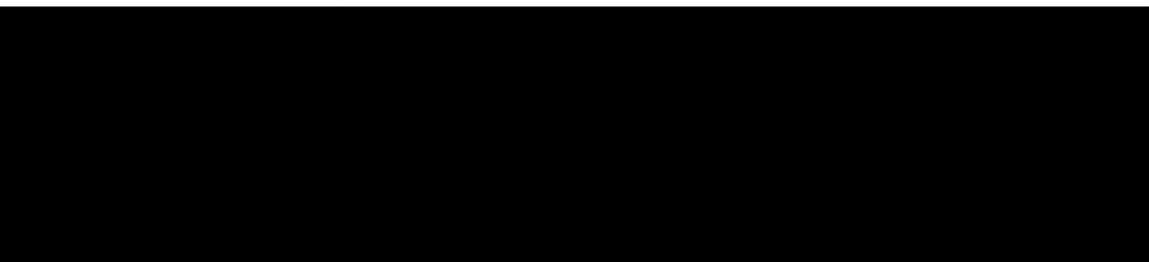
are acting as Project Executives. Overall responsibility for the scope and management of this work will be undertaken by the EA 'Business Area Team, as set out in section 3. When appropriate, support will be provided by technical and expert staff within our Future Funding / Chief Scientist Groups who will be involved in shaping and quality assuring the outputs / findings.

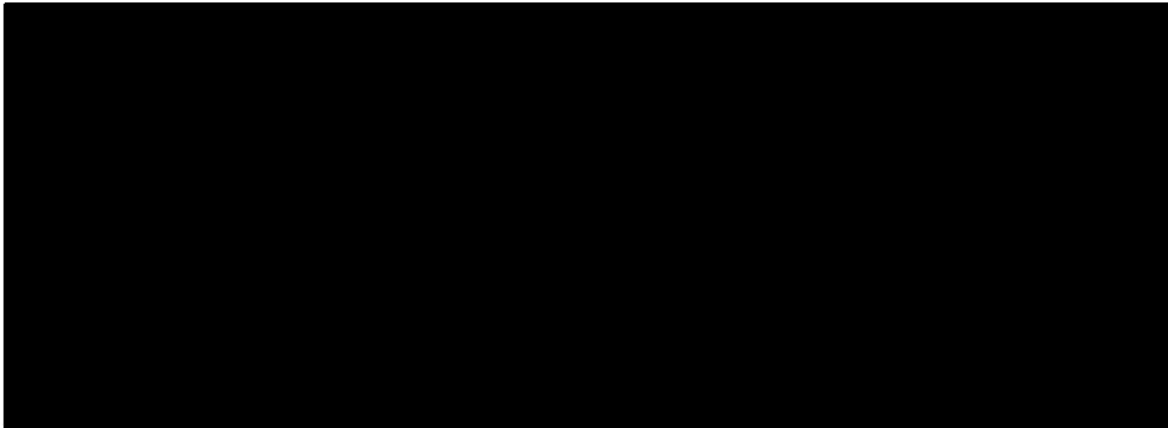
As part of the Call-Off Contract, the Service Provider and Business Area agree to provide reporting on the following:

- Completion of the time tracker on a monthly basis, to track days worked by Public's consultants;
- Weekly progress update against the agreed activities and deliverables

Key Performance Indicators

Business Area and Supplier to agree any specific key performance indicators related to this specific project engagement.





Feedback and satisfaction

A project working group has been established which includes members of the Service Provider 'Delivery Team' and client 'Business Area's team' and which is planned to meet once a week. This working group will provide the required reporting intervals to support delivery of this project and project assurance. (See section 5).

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

It is not expected that there will be a need for any additional NDA's for this project. The overarching MCF2 framework include NDAs.

6. Exit management

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

It is expected that a short review will be undertaken between the Business Area's Team, Supplier and associated delivery partners nearing completion of this work to review the report/write-up of final outputs.

Following this review and agreement of final outputs a project sign-off will be given. See above for the project's KPIs

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.



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1. Business Area identifies a potential need for delivery support, initiates a conversation with DgC, confirms which approvals are required for an engagement to occur, e.g. Consultancy Governance Board if over £100k or DgC Corporate Services Delivery Board if under £100k.
2. Request Form completed by Business Area and submitted to DgC at:
[REDACTED]
3. The form is reviewed by the DgC team around which resource route is most appropriate (e.g. Lots 1/2/3) and may request additional information/edits from the Business Area if required.
4. Lot / Supplier is selected and briefed on the request by DgC, then introduced to the requesting Business Area for further discussion and confirmation of work to be delivered
5. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed (e.g. PO) and forwarded to the DgC for review by the Consultancy Governance Board (CGB). Approval states are:

Approval state	Definition	Permissions
Full approval	<ul style="list-style-type: none"> • DPEL agreed • DPEL signed: Supplier, Dept and CO • Purchase Order number 	<ul style="list-style-type: none"> • Work can start • Supplier can invoice for work

