

**DEFENCE SUPPLIERS FORUM**  
**THIRD MEETING 2013**

**RECORD OF MEETING**

**1000hrs-1200hrs, Thursday 7 November 2013**  
**5<sup>th</sup> Floor, Pepys Suite, MOD Main Building**

**Government**

Rt Hon Philip Hammond	Secretary of State	[Items 1-3]
Philip Dunne MP	Minister (DEST) (Chair)	
Rt Hon Michael Fallon MP	Minister for Business and Enterprise	
Bernard Gray	Chief of Defence Materiel	
Susanna Mason	DG Exports and Commercial Strategy	
Paul Hamilton	DECS Head Industrial Policy	
Richard Paniguan	Head of UKTI Defence & Security Organisation	
Huw Walters	Head of Aerospace, Marine, Defence, BIS	
John Taylor	Chief Information Officer	[for Item 5]
Sara Perring	DECS Industrial Policy (Secretary)	

**Industry**

Andrew White	Chief Operating Officer, SERCO UK & Europe	
Bob Keen	Head of Government Relations, BAE Systems PLC	
Alberto de Benedictis	CE, Finmeccanica UK	
Michael Stevens	CEO Cassidian, EADS UK	
Stephen Ball	CE, Lockheed Martin UK	
Alvin Wilby	VP Strategy & Technical, Thales UK	
Ian Menzies	Senior Programme Director, GDUK	
Leo Quinn	CEO, QinetiQ	
Roger Hood	Strategic Intelligence Director & Defence Advisor, Hewlett-Packard	
John Howie	Managing Director (Marine), Babcock International Group PLC	
Al Smith	President of Customer Business UK & International, Rolls-Royce	
Steve Wadey	MBDA and DGP Co-Chair	[for Item 2]
Paul Crawley	MBDA and DGP	[for Item 2]
Vic Leverett	Finmeccanica	[for Item 5]

**Representatives from the SME Forum**

Paul Everitt	A D S
David Hansell	MSI-Defence Systems Ltd

**1. DEFENCE UPDATE**

Defence Reform Bill – Min(DEST) gave a brief update on the progress being made on the legislative stages of the Bill, including Single Source Pricing and Material Strategy, where good engagement with Industry was continuing.

Reserves – Secretary of State thanked industry for their support on the Department's Reserves agenda, and spoke about the ongoing work to encourage large employers (Defence and non-Defence related) to promote to their employees the benefits of becoming Reservists.

Frequency of DSF Main – Min(DEST) proposed that the frequency of the DSF main meetings is reduced to two meetings per year.

**Action 3.1: Meetings to be held in March and October 2014.**

## **2. DEFENCE GROWTH PARTNERSHIP**

Minister for Business and Enterprise described the DGP, launched at DSEI in Sep 13, as an ambitious programme of work. Phase 1 has seen the establishment of eight working groups, with around 200 people involved from across industry, Government, SMEs and academia. Ideas will be down selected in January 2014 for development and announcement at Farnborough.

## **3. DEFENCE EXPORTS – FOREIGN MILITARY SALES (FMS) STUDY**

DG Exports six-month FMS study will address three key issues: what the US FMS system is; a comparison of the US and UK systems; and industry's view on what effects they want from the UK system. It was agreed that consideration should also be given to the views of overseas customers who would have their own experience of dealing with the US FMS or other G2G arrangements.

**Action 3.2: The final paper should be discussed at the Ministerial Exports Group.**

## **4. DEFENCE SALES – THROUGH LIFE SUPPORT**

An action plan is being developed, which might include the setting up of further defence equipment groups. A system is also being put in place to log and track TLS issues until their resolution.

## **5. DEFENCE CYBER PROTECTION PARTNERSHIP (DCPP)**

The DCPP co-chairs gave an update on the work that has taken place in 2013 and priorities for 2014. '10 Steps' assessments have been issued to companies to determine their level and adequacy of cyber protection, which is now broadening out to looking at supply chain practices, as failure at any level could impact on all. It was suggested that a formal briefing to the SME Forum would be of benefit to emphasis the risks to all and best practice.

**Action 3.3: DCPP/Cyber awareness to be an agenda item at a future SME Forum.**

## **6. SMALL AND MEDIUM-SIZED ENTERPRISE FORUM**

Minister (DEST) gave an update following the SME Forum on 5 Nov. He asked whether wider industry was being affected by three issues: ethical lending policies of banks impacting on defence industries; difficulty in foreign nationals obtaining visas to monitor export orders; and export licensing slowing down ability to respond to orders for replacement parts.

**Action 3.4: The Visa and Export licensing issues would be followed up at the Ministerial Exports Group.**

## **7. SINGLE SOURCE PRICING REVIEW**

The Third Reading of the Defence Reform Bill was due this month. Susanna Mason set out how work was now turning to the implementation of the policy, the drafting of the guidance documentation, and the appointment of the Single Source Reporting Office Chair.

**Action 3.5: Min(DEST) encouraged industry to make themselves aware of the Hansard reports of the Committee proceedings and the draft regulations themselves.**

**Action 3.6: A 'teach in' would be arranged for senior industry to explain the regulations; guidance documents would also be provided to include examples of how the regulations would be applied.**

## **8. DATE OF NEXT MEETING**

The next main DSF would take place in March 2014, date to be confirmed.

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