

DEFENCE SUPPLIERS FORUM
SME FORUM held at Niteworks, Farnborough
Record of Meeting – 26 February 2015

Government

Philip Dunne MP – Minister for Defence Equipment, Support and Technology [Chair]
Heather Goldstraw – Head of TECH TD (DE&S Niteworks Sponsor)
David Morgan – Asst Head Supplier Relations Team, Def Comrcl
Andy Sams – Asst Head Industrial Policy
David Lines – Asst Dir Business Support (UKTI DSO)
David Foskett – Asst Head of Aerospace Marine and Defence (BIS)
Mark Butler – Asst Head International Relations Group (DE&S)
Fabrizio Harley – International Relations Group -2e (DE&S)
Tom Burden – PS to Minister (DEST)
Alyson Rees - Industrial Policy-2 [Secretary]

Hosts

Simon Jewell – Managing Director Niteworks
Rick Bounsall – Delivery Director Niteworks
Samantha Page – Head of Commercial & Partnering, Niteworks
Jessie-May Brown – Communications Manager, Niteworks

Industry Trade Bodies

Clive Davenport – Federation of Small Businesses (FSB)
Mike Maiden – NDI
Jeegar Kakkad – ADS
James Murphy – techUK
Ed Bates – Aish Technologies Ltd representing SMI/BNEA

Trade Association Invited SMEs

Andrew Kerr – Englands Specialist Safety Equipment Ltd (FSB)
Vince Middleton – MD Newburgh Engineering Co. Ltd (NDI)
Chris Melrose – Pace Equity (ADS)
Graham Booth – 2ic Ltd (techUK)

Niteworks SMEs

Dave Starling – Actica Consulting Ltd
Malcolm McGeoch – C3IA Solutions Ltd
Tanya Price – Drumgrange Ltd
Kevin Middleton – SVGC Limited

Guests

Chris Owen – Marshalls Aerospace (DGP Rep)
Irene Graham – BBA
Will Eaton – BBA
Dave Perrett – SAAB (DSIEP Member)
Tim Wheeler – Boeing (DSIEP Members)
Alistair Hamer-Philip – L3 Communications (DSIEP Member)
David Morgan – Raytheon (DSIEP Member)
Paul Hough – Rheinmetall (DSIEP Member)
Dean Jordan – Rockwell Collins (DSIEP Member)
Robin Taylor-Hunt – Safran SA (DSIEP Member)

Welcome and Introductions

Min(DEST) welcomed attendees to the first DSF SME Forum of 2015 and thanked Simon Jewell, Niteworks Managing Director, and his team for hosting the forum.

He summarised the key developments since the last SME Forum on 21 October 2014 and informed the group that the Government had met its 25% spend aspiration with SMEs for this Parliament with MOD making a significant contribution to this achievement – he was pleased to announce that provisional figures showed that MOD combined direct and indirect spend with SMEs totalled 19.4% in 2013-14.

Banking Update

ADS and BBA provided an update to the Forum. Progress included arranging an export control seminar which provided an opportunity for the finance community to understand the UK's export licensing process; publication of generic guidance on how to open a bank account (details can be found at: <http://www.betterbusinessfinance.co.uk/>); and the development of draft terms of reference for a group between the two sectors to discuss matters of interest. The Minister was grateful for the update and welcomed the progress that had been made.

Action: ADS to provide Min(DEST) with a copy of the TORs for the group.

Defence and Security Industrial Engagement Policy (DSIEP): Opportunities for SMEs

The DSIEP establishes relationships with overseas prime contractors to encourage them to use UK SMEs in delivering a defence and security capability to UK and global customers. Nine global companies have now signed up to DSIEP¹. DSIEP has received positive feedback from its signatories and the International Relations Group is currently reviewing DSIEP to build on its effectiveness.

Dave Parrett of Saab welcomed Min(DEST)'s endorsement of DSIEP and the opportunity DSIEP affords companies to engage with the UK supply chain. Saab is committed to DSIEP and fully supports this approach towards engaging with SMEs. SMEs can engage with Saab through a number of mechanisms including by contacting Saab directly; through their separate business units; or using their online portal.

In the Forum, there was a discussion on whether any lessons could be identified through the annual DSIEP reports on best practice in supply-chain engagement, which could be shared more widely.

Action: DES IRG to consider whether they can share examples of good practice in supply-chain engagement to SME Forum members, following review of the annual reports.

How Niteworks Works with SMEs

Simon Jewell and Heather Goldstraw gave a presentation on Niteworks and how it works with SMEs. Niteworks is a partnership between the MOD (including Dstl), Industry and

¹ Current members include Airbus Military, Boeing Defence, L3 Communications, Raytheon, Rheinmetall, Rockwell Collins, RUAG, Saab, and Safran SA.

Academia. It currently has 150 members ranging from SMEs to large international companies. 63 companies were classified as SMEs upon joining (42%). Niteworks plays an important role in assisting MOD capability planning, responding to specific MOD questions by bringing together expertise and advice from across the partnership.

Niteworks is free to join and there is no preconception of the optimum size for the partnership. There is no joining fee or annual membership charge – equally there is no workshare or guarantee of participation in the Niteworks core or on projects; roles are won on a best athlete basis.

Niteworks SMEs were present at the Forum and met with the Minister over the lunchtime to discuss their displays and their involvement with the projects. Trade Associations were encouraged to promote membership of Niteworks to their membership.

Action: Trade Associations to continue to encourage their members to consider joining the Niteworks partnership.

Any Other Business

The Minister informed the group that following the General Election a Comprehensive Spending Review and a Strategic Defence & Security Review will take place. These reviews and their implications for defence SMEs will be considered at future Forum meetings.

Date of Next Meeting

The next SME Forum is expected to take place on Thursday 9 July 2015 (10:00 to 11:30) in MOD Main Building.

Secretary's Note: The next DSF Main (chaired by SofS along with Minister(DEST)) took place on 5 March, and Chris McHugh of Society of Maritime Industries represented the SME Forum.

Alyson Rees

DSF SME Forum Secretariat