

DEFENCE SUPPLIERS FORUM
FIRST MEETING 2015

1400hrs-1600hrs, Thursday 5 March 2015
5th Floor, Pepys Suite, MOD Main Building

Government

Rt Hon Michael Fallon MP	Secretary of State for Defence (Chair)	
Philip Dunne MP	Minister (DEST)	
Susanna Mason	DG Commercial	
Paul Hamilton	Head of Industrial Policy	
Stephen Phipson	Head of UKTI Defence and Security Organisation	
Huw Walters	Head of Aerospace, Marine, Defence, BIS	
Mike Stone	Chief Information Officer	[Agenda Item 3]
David Williams	Director General Finance	[Agenda Item 4]
Paul Hollinshead	Defence Science and Technology Director	[Agenda Item 4]
Will Jessett	Director Strategic Planning	[Agenda Item 6]

Industry

Ian King	CE, BAE Systems PLC	
Paul Kahn	CE, Airbus Group UK	
Peter Rogers	CE, Babcock International Group PLC	
Sir Brian Burridge	Acting CE, Finmeccanica UK	
Steve Rowbotham	COO, GDUK	
Simon Fovargue	Vice President and General Manager, Hewlett-Packard	
Steve Wadey	MBDA and DGP Co-Chair	
David Mellors	Acting CEO, QinetiQ	
Rupert Soames	CEO, SERCO UK & Europe	
Victor Chavez	CE, Thales UK	
Vic Leverett	Finmeccanica	[Agenda Item 3]
Paul Crawley	MBDA and DGP Project Manager	[Agenda Item 5]

Representatives from the SME Forum

Christopher McHugh	Society of Maritime Industries
Will Searle	Axillium Research

1. DEFENCE UPDATE

Procurement – Progress has been made with: the Equipment Plan published for the third consecutive year in January 2015; a positive NAO Major Projects report finding the top 11 defence projects under budget; the Single Source Regulations Office now in operation; and a number of key investment decisions (Typhoon sustainment, military air traffic control services, Type 26, Chinook through life support, Spearfish Torpedoes) and the sale of the Defence Support Group.

Small and Medium Enterprises (SMEs) – the Government has achieved its aspiration of 25 percent of procurement spend with SMEs, with MOD registering 19.4 percent direct and indirect spend against an original aspiration of 15 percent. Min(DEST) updated on the recent SME Forum held at Niteworks which the nine Defence and Security Industrial Engagement Policy (DSIEP) members attended, where he had encouraged those DSIEP members who had not already done so, to work with UKTI DSO to hold a UK supply chain event. Min(DEST) also encouraged UK Primes at the DSF Main to consider this opportunity.

Action 1.1 UKTI Defence and Security Organisation to identify supply chain events for DSIEP members to participate in.

Exports – The Defence Secretary reaffirmed that supporting British exports remains a key priority for this Government, and for him personally.

Reserves – Reserves remain a high priority for MOD and work has been done to improve the way it engages with and supports those companies that employ Reservists. A new organisation – the Defence Relationship Management team – has been set up to manage MOD links with employers across the full range of Defence Personnel issues, and will be fully operational from 1 April 2015.

2. DEFENCE CYBER PROTECTION PARTNERSHIP (DCPP)

The DCPP has seen a productive and collaborative relationship built between MOD and industry members to improve the protection of defence information. Efforts have focussed on three workstrands: information sharing; measurements and standards; and supply chain awareness. Building on the existing HMG Cyber Essentials Scheme measurements and standards has seen the development of a cyber security model, which includes a risk assessment process, a set of cyber profiles and a supplier assurance questionnaire to assess risk, specify required controls, and evaluate supplier status throughout the supply chain.

Action 1.2 DCPP to identify those defence suppliers yet to sign up to CiSP to encourage best practice throughout the community.

3. INNOVATION IN DEFENCE

Small Business Research Initiative (SBRI) - DG Finance explained that for MOD, SBRI was about going to the market with output challenges, with the Centre for Defence Enterprise acting as the main mechanism of delivery to date. To build SBRI momentum, a one-off competition is running looking at three areas: non-destructive testing; enhanced personal protection; and cost of fuel and operational energy. Science and Technology Priorities – with a drawdown in operations, the focus would shift increasingly to disruptive technologies. Min(DEST) stated that this focus on novel innovation was also well aligned with the approach being taken by key allies.

Action 1.3 Steve Wadey to meet DG Finance to update on DGP thinking about how to meet future innovation challenges in defence.

4. DEFENCE GROWTH PARTNERSHIP (DGP)

The DGP Implementation Plan is now 50 percent complete. The Defence Solutions Centre will be opened on 23 March to provide a collaborative environment to meet customer needs. Its CEO and executive team have been appointed. Work to strengthen UKTI Defence and Security Organisation (DSO) is ongoing with industry secondees expected in post in April 2015, frameworks under development, and a UKTI DSO Industry Liaison Board now established. DGP had its first international presence at IDEX, Abu Dhabi in February. Work has continued on strengthening industry's capabilities through the skills and value chain (including dual use technology exploitation) working groups. As a result of accelerator workshops in February 2015, four strategic projects have been identified as growth opportunities, and business cases will now be developed.

Action 1.4 DGP to have a presence at DSEi in September 2015.

5. STRATEGIC DEFENCE AND SECURITY REVIEW (SDSR)

It was agreed that once work on the SDSR commenced following the General Election, the DSF Main would provide an appropriate forum for engagement with industry as this work develops.

6. AOB

The inaugural meeting of the DSF Mid-Tier Group has been held, with its purpose being for MOD to engage with its key mid-tier companies and feedback on the topics discussed at the DSF Main.

The next main DSF will take place in Autumn 2015 (date to be confirmed).