



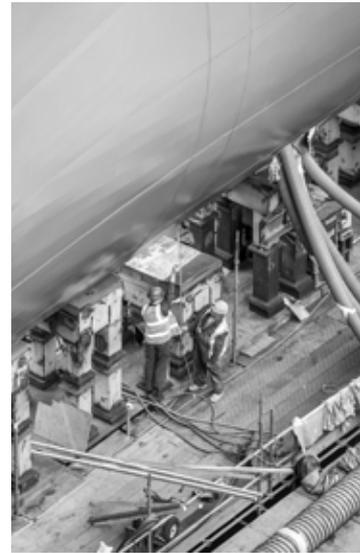
Ministry  
of Defence



Defence Equipment and Support  
**Corporate Plan**  
**2017-2020**



Proud to equip and support the UK's Armed Forces  
for operations now and in the future



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# Foreword

By Harriett Baldwin MP, Minister for Defence Procurement

It is a pleasure to introduce the 2017-20 Defence Equipment and Support (DE&S) Corporate Plan.

Defence is planning to spend £178Bn on our equipment and support over the next decade to meet the NATO 2% target on defence spending and to ensure our Armed Forces have the cutting-edge equipment they need.

The 2015 Strategic Defence and Security Review (SDSR) highlights include: two additional Typhoon squadrons and an additional squadron of F-35 Lightning II combat aircraft to operate from our two new Queen Elizabeth class aircraft carriers. We will buy nine new Maritime Patrol Aircraft, based in Scotland, to protect our nuclear deterrent. DE&S will also deliver much of the equipment and support tools to our military personnel as we transition from Future Force 2020 to Joint Force 2025. We are creating two new Strike Brigades, forces of up to 5,000 personnel fully equipped to deploy rapidly and sustain themselves

in the field. By 2025, we will have a highly capable expeditionary force of around 50,000. We will double our investment in our Special Forces' equipment. We will maintain our ultimate insurance policy as a nation - our Continuous at Sea Deterrent. In the longer term we will also increase the size of the Royal Navy's frigate fleet and DE&S will be foremost in delivering our National Shipbuilding Strategy.

This Corporate Plan sets out the strategic direction for DE&S over the next three years as the organisation continues its evolution as a modern, agile delivery organisation. It also includes an overview of how DE&S is currently performing and DE&S resources.



The Plan provides a summary of the DE&S transformation so far, outlining how DE&S manages its people and how the organisation delivers exceptional equipment and support for the UK's Armed Forces. As Owner, I fully endorse this plan and am absolutely committed to supporting DE&S in its delivery.<sup>1</sup>

<sup>1</sup> The DE&S Owner's Council, chaired by Minister Defence Procurement as Owner, has formal oversight of DE&S and its performance. The organisation is led on a day to day basis by our CEO, Tony Douglas, and his Executive Committee. The Executive Committee is accountable to the DE&S Board, led by our Chairman, Paul Skinner, and including five other independent Non-Executive Directors. More information on our governance arrangements is available at [www.gov.uk/government/organisations/defence-equipment-and-support](http://www.gov.uk/government/organisations/defence-equipment-and-support).

# Introduction

By Paul Skinner and Tony Douglas

We'd like to thank the people of DE&S for their hard work and commitment during the last year, when the pace of organisational change has increased dramatically. This Corporate Plan looks ahead across the next period of DE&S' evolution, our journey to continuously improve and embed as a modern, agile delivery organisation.

Since becoming an Arm's Length Body of the MOD in April 2014, DE&S has focused on implementing the changes required to transform into an organisation that is better able to support the Armed Forces and deliver improved value for money on an enduring basis. We continue to make excellent progress in delivering the best equipment and support to Her Majesty's Armed Forces. Our people – both civil servants and military colleagues – have worked hard to continue providing equipment and support safely for our Customers, all while implementing our new ways of working. Continually improving the way we manage the business and our people will allow us to ensure our organisation is as efficient, effective and successful as it can be.

“The fundamental building blocks are now in place. The focus now is to accelerate the realisation of DE&S transformation benefits as we embed these changes and establish an environment of continuous improvement taking the organisation to the next stage on its journey to become a modern, agile delivery organisation driving innovation and ingenuity in acquisition.” CEO



Above: CEO Tony Douglas



Above: Chairman Paul Skinner

Our outputs support the delivery of the key themes of the SDSR 2015; innovation, capability delivery at the strategic and tactical levels; working with key allies and international partners, contributing to International by Design and the Prosperity agenda while strengthening our organisation's capabilities.

Our next phase of transformation will enable the organisation to continually improve and become a more agile, technology enabled and performance-driven place to work. 2017-18 will see Transformation take effect throughout the business as we continue to change. We're removing duplication, improving and introducing new systems, and simplifying our processes. This year will see us: implementing our improved reward package, deploying people flexibly with the function based balanced matrix; using tighter project controls and making our acquisition processes more agile. It will be a year of transferring, consolidating and embedding these new ways of working into business as usual. This will ensure delivery of enduring change and accelerate the realisation of the benefits.

“In particular we are taking steps to strengthen our human capital base with a market- responsive remuneration system which will enable us to attract the talent we need, offer a better value proposition to existing staff, and reduce our dependency on contracted and consultancy services.” Chairman

We look forward to the period ahead, with our people committed to driving success through continuous improvement and innovation to deliver an improved service for our military and better value for the taxpayer.

Handwritten signatures in blue ink. The top signature is 'Paul Skinner' and the bottom signature is 'A. Douglas'.

# All about Us

## Who are we?

We are a professional Defence acquisition organisation providing equipment and support for Her Majesty's Armed Forces. We are headquartered in Bristol and have our people at numerous locations across the UK and overseas, including on operations. We have a workforce of around 12,000; a mixture of talented civilian and military people who are passionate about providing the best possible service to our Customers.<sup>2</sup>

Becoming the best demands agility; pride, passion and extraordinary skills. Staying the best demands much more: inspiration, curiosity and an unrelenting focus on the Customer, the team, the task and a willingness to embrace constant change.

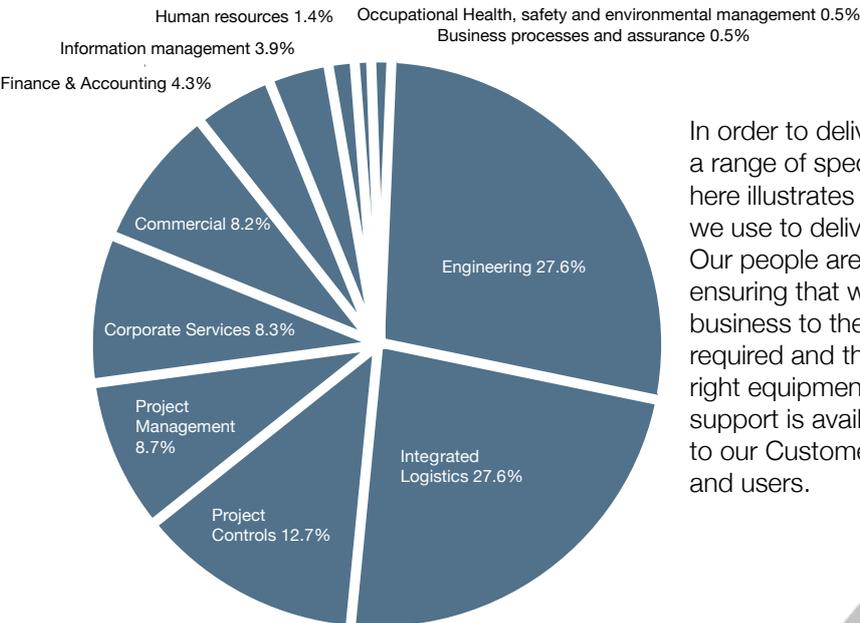
Our people are our most valuable resource. We are using our freedoms to pursue greater agility in how we manage our people. We offer our people a rewarding package and the opportunity to work on an interesting and varied range of business. Employing and developing a diverse range of people with specialist skills in our organisation is key for driving an ethos of excellence; continuous improvement for our organisation and value for money for the taxpayer.



## What do we do?

We deliver battle winning capability for our Customers. Safety is at the heart of everything that we do in DE&S.

Our programme of work ranges from warships, aircraft and missiles, through to armoured vehicles, utility trucks, body armour and field kitchens.

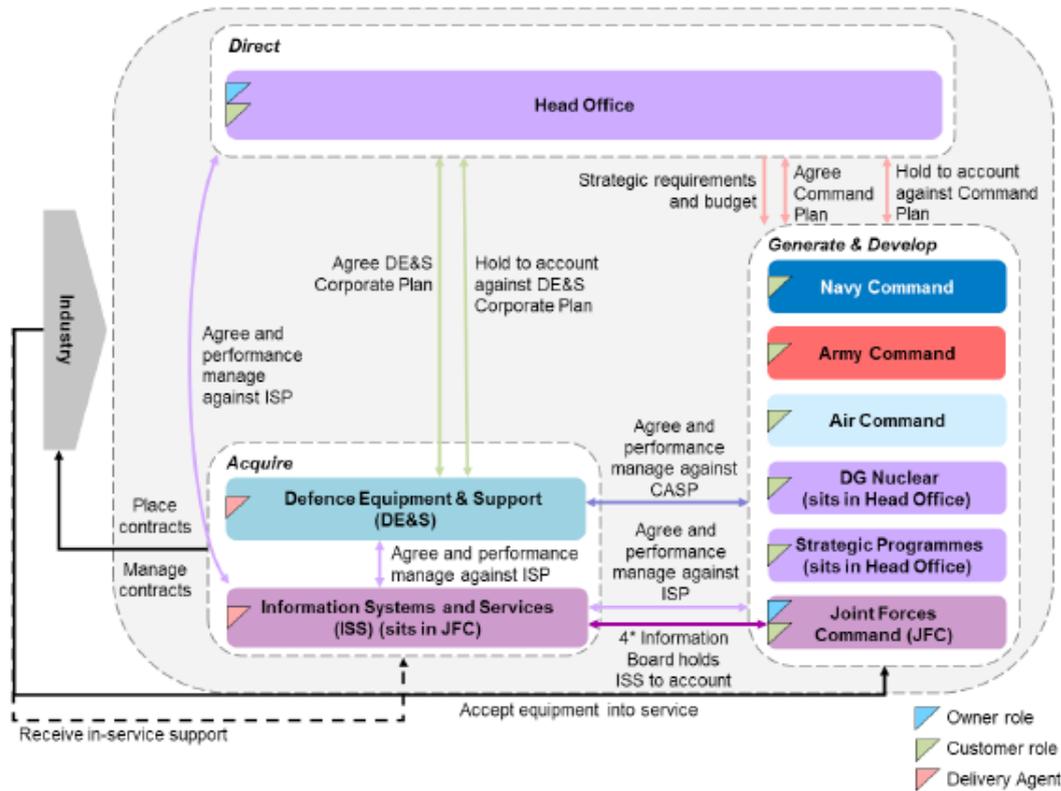


In order to deliver our business we require a range of specialist skills. The graphic here illustrates the range of skills we use to deliver our business. Our people are focused on ensuring that we deliver our business to the standard required and that the right equipment and support is available to our Customers and users.

<sup>2</sup> Front Line Commands, Director Strategic Programmes and Director General Nuclear

## How we deliver

As part of the MOD we deliver a service to our Customers which is illustrated in the Acquisition System graphic below. MOD Head Office directs, delegates, empowers and holds to account whilst requirements and budgets are set by our Customers in the Front Line Commands, Director Strategic Programmes and Director General Nuclear. This gives them the flexibility to allocate funding in accordance with the requirements they consider to be most critical. We manage our relationship with each Customer through bespoke Command Acquisition Support Plans (CASPs).



The Acquisition System's top level accountabilities, organisations and interactions

## Working with our Customers

We work closely with our Customers to provide the materiel required by the Armed Forces. At a senior level, our CEO leads the delivery of DE&S outputs to our Customers, engaging with the Minister for Defence Procurement, senior officials and military commanders throughout the wider MOD and across Government. Our CEO will sign off the CASPs with each Customer, with each CASP formally capturing the agreed outputs against which our teams deliver.

Our staff provide the Customer with a range of costing advice, technical expertise, logistic and equipment support, and personnel to current operations. We also have a lead role in contract negotiation and relationships with industrial suppliers to deliver equipment, support and logistics and other services. We manage our relationships through an organisational structure which interacts with our Customers under

the CEO's leadership, with our delivery domains of Ships, Land, Air and Joint Enablers. From April 2017, to reflect the planned changes to the organisation, the submarines business will operate as a distinct organisation, the Submarine Delivery Agency, alongside our other delivery domains.

Each of our domains is headed by a 3\* Chief of Materiel (CoM) who is: responsible for managing relationships with our Customers, accountable to the CEO for delivering their outputs to plan, and for safeguarding regularity and propriety. The CoMs oversee a number of industry facing businesses, led at Director level, which contain the project and support teams. Delivery of our business is enabled by five cross cutting skilled functions: Commercial, Resources, Human Resources, General Programmes and Corporate Operations Team. More detail on the CoMs is included in this Plan.



## Priorities for our Customers

Delivering the SDSR 2015 through the 2016 Equipment Plan is crucial for Defence and we provide a key enabling role in delivering work in support of Defence and Security priorities. The SDSR highlighted Innovation and International by Design as being of vital importance for Defence moving forward. The Equipment Plan 2016 also outlined in broad terms efficiencies that our Customers will need to deliver in the period out to 2025/26. We recognise that we have a crucial part in supporting our Customers to deliver against and record their respective efficiencies derived from the equipment and support projects we are delivering. We will reflect our Customers' priorities in all that we do.

## International By Design

International By Design is an area of increasing importance to the Department. As the 2015 SDSR highlighted, Defence must become international by design in a changing global environment. Our Secretary of State highlighted that the way the UK MOD makes policy, plans and trains must increasingly reflect the reality of how Defence operates. In a world with global problems, multi-national solutions are required.

The UK has a proud history of international co-operation. Defence is involved in 27 joint operations in 31 countries and the UK plays a major role in NATO defending our Baltic neighbours from Russian aggression. The UK is in a role second only to the US in the coalition against Daesh, and works with European partners on areas of mutual interest.

We know our involvement in multi-lateral effort – especially NATO – is a force multiplier of national influence. Maintaining high-end capabilities required for the contemporary military environment in sufficient mass is achieved in co-operation with Allies and partners. Defence is doing more to make the most of our global partnerships. This ranges from more training, force generating and operating in multi-national coalitions in pursuit of shared goals – especially in NATO – the cornerstone of UK Defence policy.

We work across a span of complex areas with a range of international allies, partners and multinational institutions to develop and deliver effect in supporting the delivery of the Role of State National Armament Director business and Procurement and Support programmes. Work can span from the development of acquisition and support policy and sharing best practice to developing concepts, projects and equipment or support together. We also enable our key allies and partners to gain better capability and value for the UK taxpayer once the UK need for the equipment has ceased.

### Innovation

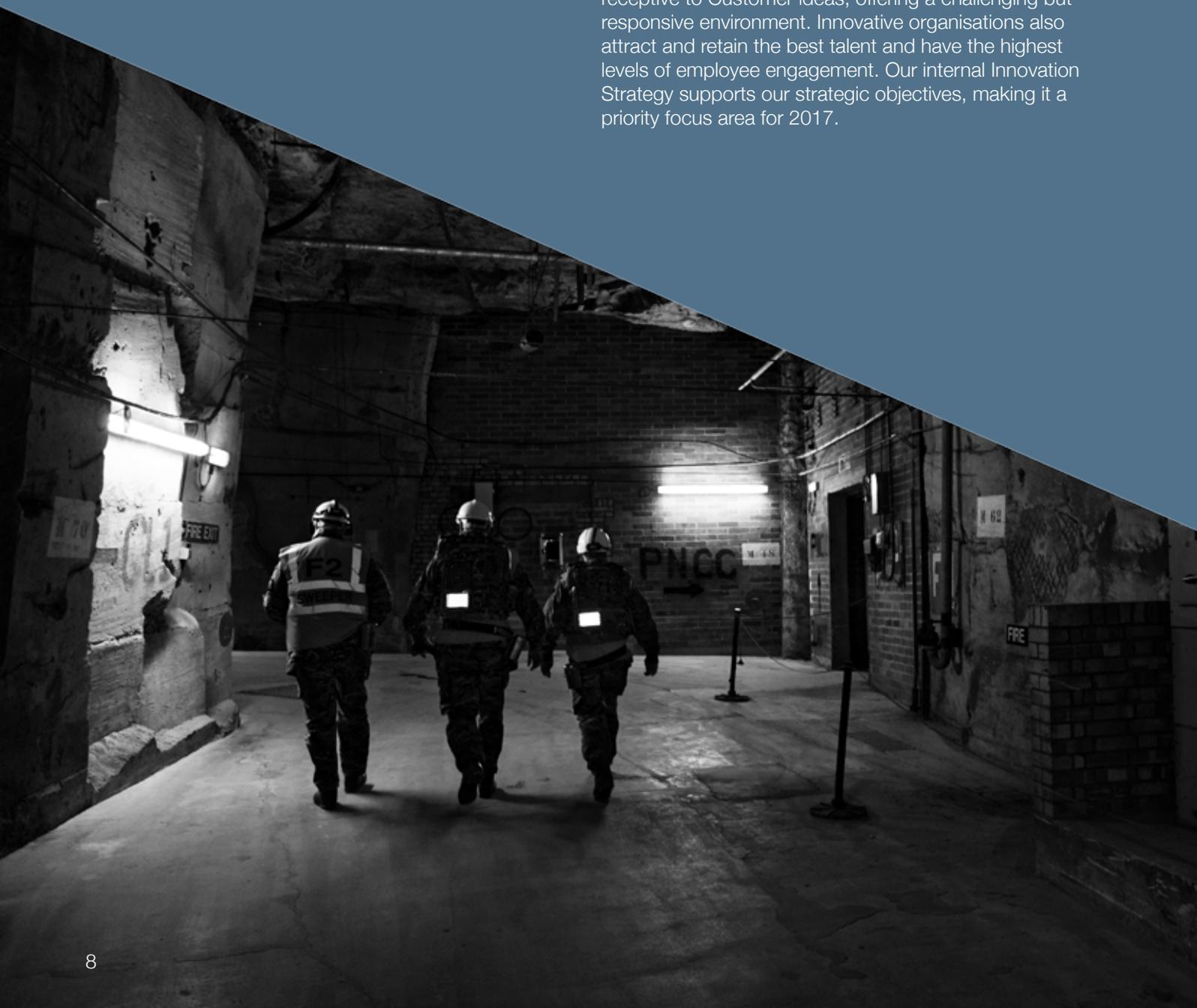
Our Customers have put innovation high on their agenda and we expect this to be reflected in their future requirements. SDSR 2015 identified innovation as a central theme reflecting the changing global security and technology landscape.

Technology is creating both threats to and opportunities for the United Kingdom's security and prosperity and innovation is vital to maintaining our military advantage into the future, as well as to doing so affordably.

We recognise that technologies alone don't deliver innovation. Innovation in military capability is an enterprise endeavour; success often requires deliberate and coordinated planning and execution across the

activities of our Customers, suppliers, the science and technology community and regulators, as well as across the range of our internal specialists. We are central to the enterprise between the Customers and their industry suppliers, shaping the future of military capability while ensuring its safety and sustainability. It is essential therefore that we develop a culture that is 'innovative by instinct' and adopt the type of approach that will enable us to become more entrepreneurial and agile in the ways we think, the ways we develop capability, and how we operate.

Building on the momentum of our Transformation, we are driving innovation throughout our internal processes; behaviours and skills and close working across our strategic interfaces to allow us to intelligently inform and deliver the right projects for the Customer, and to get better at delivering them. We remain receptive to Customer ideas, offering a challenging but responsive environment. Innovative organisations also attract and retain the best talent and have the highest levels of employee engagement. Our internal Innovation Strategy supports our strategic objectives, making it a priority focus area for 2017.



# Transforming DE&S

## Our Journey so far

Over the past three years, our Transformation Programme used our freedoms to change the way that we work, how we are organised, and how we manage our people. We have established a bespoke Human Resources function through our People Model designed to help us attract, develop and retain talent as we move our people functionally and flexibly to task in line with our Customers' requirements using the balanced matrix structure.

We are now working to a Process and Controls Framework, which is about improving the tools we use to deliver and having a clear policy framework which promotes consistent ways of working and information management. This includes the introduction of Project, Programme and Portfolio Management (P3M) to add further rigour to our delivery of programmes on a value for money basis.

These standardised ways of working will improve our efficiency, helping staff to maximise their time and minimise wasted effort. Our new tools and methods, deployed through a balanced matrix management structure designed to ensure the right person is in the right job at the right time, will build our skills as we look to continuously improve our delivery and support the professionalisation of our people.

Using our freedoms to drive our organisation forward as a more focussed and efficient one has required significant investment, not least bringing in expertise from the Managed Service Providers to help

develop our skills and improve our ways of working. This investment has supported us to achieve our Transformation milestones; we are on a path to drive significant savings out of our business.

2017-18 will see Transformation take effect throughout the business as we continue to cascade the changes – transferring, consolidating and embedding the new ways of working into business as usual. This will ensure delivery of enduring change and accelerate the realisation of the benefits.

## What Next

Our next phase of transformation will enable the organisation to continually improve and become a more agile, technology enabled and performance-driven place to work. We will increase efficiency by reducing waste of resources including time, and, removing unnecessary bureaucracy. We will use expert tools and techniques to improve performance and performance measurement. We will attract and employ a high performing sustainable workforce from across society. DE&S will be highly responsive, commercially minded Customer and supplier focussed - an outstanding procurement and support organisation delivering increased value for money for the taxpayer for the benefit of Her Majesty's Armed Forces.

# Our Strategic Objectives:

## We will continuously improve our DELIVERY

- Be outstanding in the procurement of equipment and support
- Be commercially agile
- Think internationally
- Apply an innovative approach
- Be motivated by UK economic prosperity in all that we do

## We will focus on our CUSTOMERS

- Meet our Customers' requirements
- Be trusted to deliver
- Work together for Defence

## We will understand our SUPPLY CHAIN

- Develop our supply chain capability strategically and operationally
- Maximise opportunities for routes to market
- Have the supply chain we need

**Safe to operate**  
**Operating safely**

## We will support our PEOPLE

- Attract a high performing workforce from across society to meet our business needs
- Balance recruitment and retention to deliver a sustainable workforce

## We will continue to TRANSFORM

- Complete the next phase of our transformation
- Realise the financial benefits of transformation
- Build our organisational capabilities
- Have the management information we need

Linked to our strategic objectives is a set of detailed Key Performance Indicators (KPIs) designed to measure the corporate performance of DE&S on a month by month basis. Our KPIs are summarised on pages 26-28.

Our in-year delivery focus is detailed in our 2017-18 Objectives, Goals, Strategies, Measures (OGSM) on the next page.

# 2017-18 Objectives, Goals, Strategies and Measures

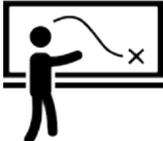
For 2017-18 our focus is on:

**1** Objective  
**Hitting our numbers**



Delivering our elements of the Equipment Procurement Plan (EPP) and the Equipment Support Plan (ESP) operating within our Operating Expenditure budget

**2** Objective  
**Perform to plan**



Delivering our equipment and support safely, on time and on budget

**3** Objective  
**More “S” in DE&S**



Improving support performance for our Customers

**4** Objective  
**Satisfy our Customers**



Delivering to our Customers as required in the Defence Plan and wider Government agenda; achieving Customer satisfaction across all Domains and optimising processes and our organisation to enhance Customer satisfaction

**5** Objective  
**Transformation delivers benefit**



Deliver the plan and communicate change effectively, to secure benefits

**6** Objective  
**Develop our people & improve our processes**

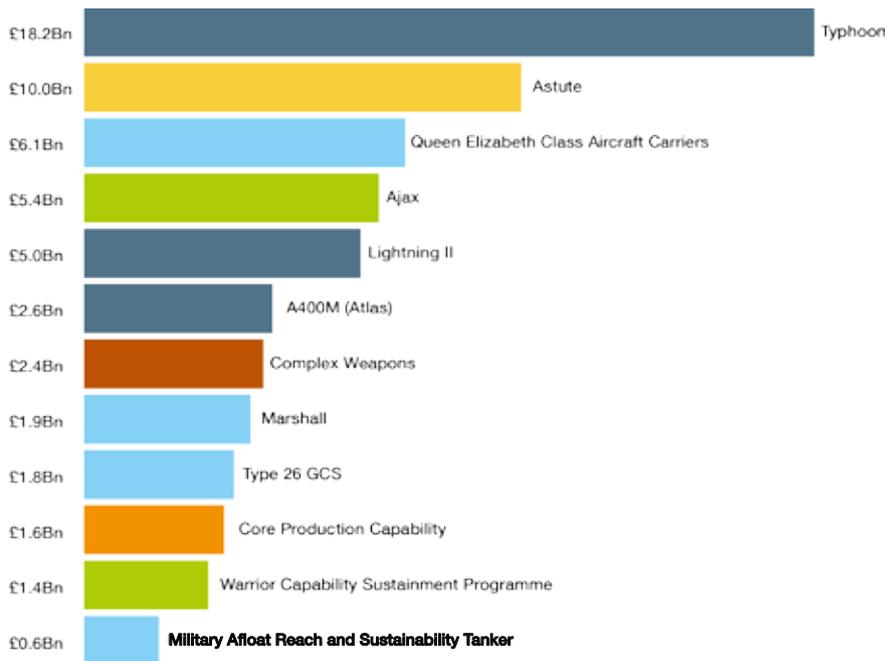


By driving a high performance culture deploying the balanced matrix and improving employee engagement

# Programme of Work

We will support our Customers by delivering a complex and varied range of projects over the next decade in line with SDSR 2015 commitments and in support of delivering our contribution to the detail in the published Departmental Equipment Plan 2016. The following graphics provide an illustrative overview of expenditure across the DE&S programme of work, taken as a snapshot in time.

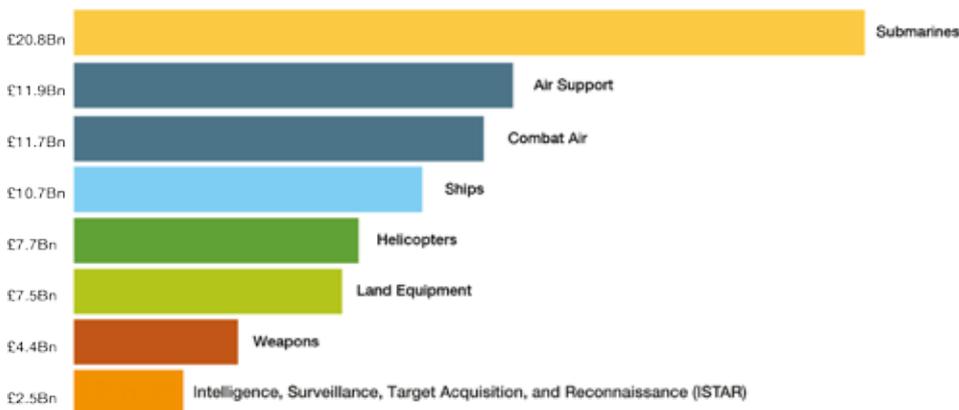
## Equipment procurement



The 12 largest equipment projects by value where MOD has taken the decision to invest, as published in the Defence Equipment Plan 2016.

## Equipment support

Support is an equally important part of our business in DE&S. The Department will be investing £23.4Bn<sup>3</sup> on support arrangements for new equipment and £67.2Bn<sup>4</sup> on in-service equipment over the financial period 2015-2025/26. DE&S is responsible for delivering in excess of £77Bn of this total over this time period, which is broken down by delivery area in the graphic below.



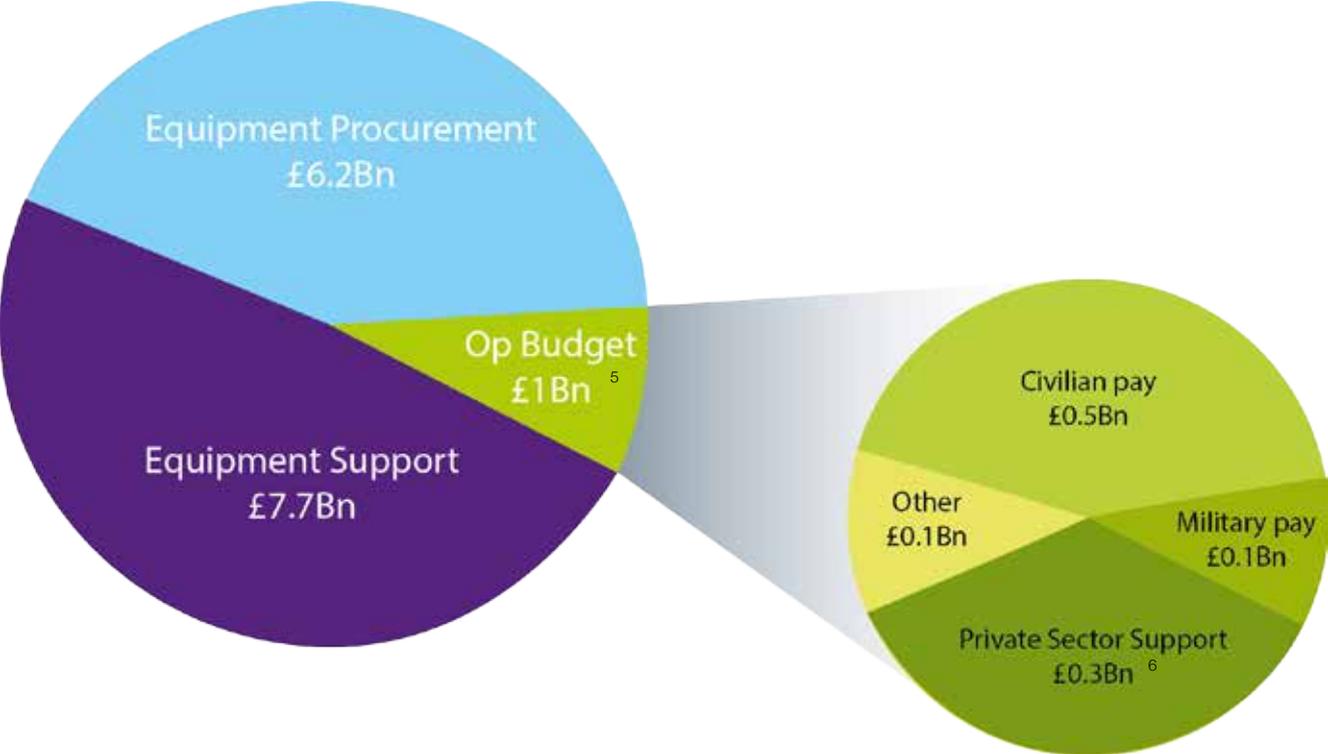
Largest planned equipment support expenditure provided through DE&S over the next 10 years, as published in the Defence Equipment Plan 2016.

<sup>3</sup> This represents an increase of 28% on last year's budget.

<sup>4</sup> An increase of over 2% on last year's arrangements.

# Our 2017-18 Budget

The chart shows our indicative operating budget allocations for financial year 2017/18 proportionate to the Programme of Work that we will deliver on behalf of our Customers.



<sup>5</sup> Budget figures for 2017/18 are indicative only and include planned submarine spend.

<sup>6</sup> Includes Managed Service Providers costs.

# Exemplar Projects

During the period of this Corporate Plan the rollout of Earned Value Management and Project P3M tools and techniques will be key to improving performance and delivery of projects for our Customers. We have selected a number of projects and a project team to serve as Exemplars.

Those Exemplar areas – set out below – will benefit from being the first projects to use these methods over the coming years. The benefits include: driving continuous improvement by up-skilling our people, modernising our tools and techniques, ensuring that our industry partners are delivering effectively, and, measuring project delivery in a way which drives value for money for the taxpayer.

## Subs & Ships

- Astute
- Type 26
- Dreadnought
- Next Generation Nuclear Propulsion

## Land

- Spearfish Upgrade
- MITER
- Artillery Systems Land Ceptor
- Babcock DSG

## Air

- Centurion
- Hawk T1&T2
- MMA
- Mode 5
- HIOS (C130J)

## Joint Enablers

- GBAD
- PUMA FSA
- Merlin Crowsnest



# Our Leidos partnership

## - bringing a better service to our Armed Forces

Leidos Europe Ltd was selected as our preferred Delivery Partner for logistic services and commodities in August 2015 following the Logistic Commodities and Services (Transformation) project. Since then there have been notable successes in our delivery of support to the Armed Forces, with improvements in the provision of key commodities including:

**Waterproof socks** were introduced as an Urgent Operational Requirement to support deployed personnel on Operation HERRICK. The item was sourced from a single supplier using old technology which did not allow for the latest innovation. Consequently the item was costly and slow to produce making surge requirements difficult to fulfil. Although other options existed on the market the detailed specification provided a barrier to entry to other firms.

Under the new partnership, a revised performance specification was agreed to meet the users' requirement which opened up the opportunity to procure other options. This led to an increased level of competition – resulting in a 40% cost reduction from the previous price, an enhanced performance improvement using the latest technology and reduced time to produce from 16 weeks to two weeks.

**Safety Footwear** has customarily been supported by a small number of providers in a traditional, static supply chain. This increasing specialism became a barrier to entry to other suitable and capable suppliers and meant that footwear could only be sourced competitively from one supplier. The new approach involved extensive market research and engagement in order to maximise competition and ensure the removal of entry barriers. This resulted in an increased competition, improved availability of items, and a 24% reduction in costs.

We are looking at opportunities to further exploit this contract and this exciting work has the potential to deliver significant benefits to DE&S and wider Defence.



# Creation of the Submarine Delivery Agency

The nuclear submarine enterprise is a major national endeavour, and the construction of new submarines is among the largest and most complex procurement undertaken by MOD or UK Industry. The Dreadnought programme will cost over £30Bn, equivalent in scale to Crossrail or High Speed 2. In light of the scale and significance of submarine programmes, the 2015 SDSR set out the Government's intention to:

“ Strengthen our arrangements for the procurement and in-service support of nuclear submarines, establishing a new delivery body with the authority and freedom to recruit and retain the best people to manage the submarine enterprise.<sup>7</sup> ”

In December 2016, the Secretary of State informed Parliament that, subject to formal approval, the Department would establish the new body as an Executive Agency alongside DE&S.

The Submarine Delivery Agency will be created in phases:

- The body will be established under a new post, Chief of Materiel Submarines, on 3rd April 2017. At this point the majority of personnel working in the Submarine Operating Centre, including its senior leadership team, will be re-badged to the new organisation. The leadership team will report on activities and KPIs to a new Board, as well as to DE&S. New governance arrangements will be operated as far as possible between the body and DG Nuclear and Navy Command. CEO DE&S will retain accountability for all submarine procurement and support programmes for this period.
- The body will take on responsibility and accountability for the programmes when a CEO has been appointed and fully inducted, all necessary safety and regulatory approvals have been obtained, and service provision agreements with DE&S and other parties are in place.
- The body will be formally established as an Executive Agency no later than 1st April 2018 once its separated operating budget from DE&S is confirmed and fully funded from an alternative source and the accounts can be separated whilst maintaining the integrity of financial statements.

Creating the new body will enable targeted investment to enhance our performance on procurement, building on work already taken forward under DE&S Transformation. The Submarines business will continue to embed DE&S Transformation as the bedrock of its future success. It will operate strong project controls, introduce the balanced matrix supported by new reward and performance management processes, and develop business processes and information sources to support new ways of working.

Further information on the development of the Submarine Delivery Agency including performance indicators will be published in the Submarine Delivery Agency Corporate Plan which will be available in due course.

<sup>7</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/555607/2015\\_Strategic\\_Defence\\_and\\_Security\\_Review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/555607/2015_Strategic_Defence_and_Security_Review.pdf) (Chapter 4, p35)

# Chief Of Materiel Submarines

**CoM(Submarines) Vice Admiral Simon Lister CB OBE** leads delivery of the Submarines business, the Submarines Delivery Agency, including the two programme areas of Director Submarines Acquisition and Director Submarines Support. His organisation is responsible for the procurement and in-service support of all Royal Navy submarines, including the critical strategic mission of Continuous At Sea Deterrence, which Parliament voted overwhelmingly in favour of retaining in 2016. He is the Chief Naval Engineering Officer and through the Director Submarines Support role, his area includes the Chief Strategic Systems Executive post (Project Officer for the Polaris Sales Agreement). Building future submarine capability and the continued support of the in-service Trafalgar, Astute and Vanguard-classes of submarine is vital to the ability of the Royal Navy to meet its Defence commitments. CoM(Submarines) projects include:



**Astute** -The Astute-class are the largest, most advanced and most powerful attack submarines ever operated by the Royal Navy, combining world leading sensors, design and weaponry in a versatile vessel. Seven Astute class submarines are being built for the Royal Navy, by BAE Systems at Barrow-in-Furness, to replace the Trafalgar Class submarines. Navy Command<sup>8</sup> has accepted the first three<sup>9</sup> vessels in this class, with the fourth HMS AUDACIOUS due to be launched spring 2017. The remaining vessels<sup>10</sup> are under construction.

**Dreadnought** - Work has begun to design and build a future ballistic missile submarine (SSBN) fleet to replace the current Vanguard-class. The four new SSBNs, which will carry our Trident nuclear missiles, will be delivered through collaborative working between the MOD and the three Tier 1 industry partners: BAE Systems, Babcock International and Rolls-Royce. Production of first of class 17,200-tonne boat is underway and, with Her Majesty the Queen's consent, will carry the name DREADNOUGHT.

**Next Generation Nuclear Propulsion Plant (NGNPP)** - Build of the new propulsion plant design (PWR3) for Dreadnought has begun. The PWR3 reactor has been developed as part of the Dreadnought programme to replace the existing Vanguard-class of submarine. PWR3 will deliver huge improvement in terms of safety, integrity and availability, while at the same time reducing the through-life costs.

## Support Activity

- The CoM(Submarines) area provides engineering support to the platforms, ensuring that the submarines remain safe to operate through maintenance of the design intent and ultimately, for the submarine disposal programme.
- During 2017 HMS TRENCHANT will return to sea following complex and lengthy maintenance period.
- HMS VANGUARD is undergoing a comprehensive overhaul and refit due for completion in 2019. The contract managed and delivered by Babcock International is worth around £200M and the largest<sup>11</sup> single submarine refit package ever carried out in the UK.
- Combat Systems Group (CSG) provides a range of support delivered by BAE Systems and Babcock International. The CSG supports an affordable, common and sustainable submarine combat system- minimising whole life cost across the enterprise- while meeting availability and capability targets and safety responsibilities.
- The Nuclear Propulsion Project Team (NP PT) works collaboratively with our Industry Partner, Rolls-Royce to support the Naval Reactor Plant (NRP) throughout its life cycle from the design to the decommissioning of prototype test facilities. The NRP meets the Front Line Command's availability requirements through its equipment and infrastructure projects: optimising upkeep and maintenance, managing equipment, NRP spares and minimising NRP operating constraints.

<sup>8</sup> Navy Command is responsible for operating all of the Royal Navy's vessels.

<sup>9</sup> HMS ASTUTE (the first of class), HMS AMBUSH, and HMS ARTFUL.

<sup>10</sup> HMS ANSON and HMS AGAMEMNON.

<sup>11</sup> HMS VANGUARD overhaul and refit will involve an estimated 2,000 personnel at Devonport.

# Chief of Materiel Ships

**CoM(Ships) Sir Simon Bollom KBE CB** leads the Ships Domain. CoM(Ships) is responsible for delivering Surface Ship platform and equipment acquisition programmes and in-service support to the Front Line Commands. We are working on a range of projects including our contributions to delivering SDSR 2015, Equipment Plan 2016 and the National Shipbuilding Strategy. We will be delivering: the Royal Navy's new aircraft carriers to enable initial carrier strike operating capability, the Type 26 Global Combat Ship which specialises in Anti-Submarine Warfare, a more capable Offshore Patrol Vessel fleet and work on the future general purpose frigate, Type 31e. CoM(Ships) projects include:



**Queen Elizabeth Class Aircraft Carriers** – HMS Queen Elizabeth and HMS Prince of Wales – are the most capable and powerful surface warships ever constructed in the UK and will be the future flagships of our nation.



**Type 26 Global Combat Ships** - Eight ships will form the backbone of the Royal Navy's future fleet providing anti-submarine warfare protection to the Queen Elizabeth Class aircraft carriers, strategic deterrent and wider surface fleet. The Type 26 will be a multi-mission anti-submarine warship capable of carrying out a variety of roles from high intensity warfare, to counter-piracy or providing humanitarian aid.



**Off-shore Patrol Vessels (OPVs)** - Five OPVs are being built in partnership with BAE Systems on the Clyde. These vessels will provide valuable capability to the Royal Navy whilst also securing the key industrial skills and demonstrating new production processes vital to the build of the upcoming Type 26s.

## Support Activity

Support is a major endeavour encompassing: Project Napier, Maritime supply chain improvement featured on the next page and other key projects below.

Common Support Model – sustainable long-term support solutions across the wider enterprise: complex Warships and Future In-Service Support (FISS) for Commercially Supported Shipping.

Warship Support – Strategic Class authorities and engineers in partnership with industry to manage support for the Royal Navy fleet.

Commercially Supported Shipping – vital through-life capability management to deliver and support: safe, capable Maritime assets for global defence; aid military data-gathering in support of our deterrent and operations, and, with other craft support Maritime training which maintains the security of UK Territorial Waters at home and overseas.

Type 23 life extension refits – including the installation of new capabilities such as the Sea Ceptor missile to maintain the Royal Navy's Frigate force.

Project SALUS – improve safety information underpinning our risk-to-life safety arguments to achieve substantial assurance of our safety management regime.



**Type 45 Power Improvement Programme (Project Napier)** – HMS DEFENDER will be completing deep maintenance only undertaken every six years and fitting a large number of additions and alterations which will ensure she remains current and capable. These include modifications to her power and propulsion plan under Project Napier's Equipment Improvement Plan and the fitting of additional and improved sensors that will mean she is one of the most up to date warships in the Fleet.



**MARS Tankers** – A total of four TIDE Class tankers will provide global reach by keeping Royal Navy vessels supplied with fuel and fresh water. They will also provide a flexible capability to undertake a wide range of maritime operations, such as constabulary and humanitarian relief. A contract was awarded to DSME of Korea in 2012 to build them, and a separate contract was awarded to A&P Falmouth for UK customisation, trials and support in 2014. The first of the four TIDE Class tankers, RFA TIDESPRING, is due to begin customisation this spring. All four ships are expected to be in-service by the end of 2018.

# Maritime Supply Chain Improvement Programme

The Maritime Supply Chain Improvement Programme (MSCIP) is creating sustainable improvements to supply chain processes in order to increase equipment availability across the Fleet and enhance the 'lived experience' of our Navy colleagues out at sea.

The Ships Operating Centre inventory, technical and commercial teams have worked collaboratively with supply chain logisticians in the Fleet to get more of the stores the Fleet needs across the gangway on time. Improvements so far include:

- Reducing the number of undelivered stores required by Ships and Submarines (Demands Passed Required Delivery Date) by at least 6% for the second year running and improving materiel availability for both T23s and T45s (the workhorses of the Fleet) by 20% in the last year.
- Improving the quality of data entered on our two support applications, known as MJDI and CRISP, to improve the quality of the demand signal from the Fleet into DE&S. In tandem we have introduced monthly validation exercises to refine the demand signal. This validation activity has cancelled 27,000 demands and achieved a total cost avoidance of £130M.
- A Forecast & Requirements Planning capability is now delivering targeted demand plans and enhanced requirements forecasting into the Maritime Domain, enabling accurate supply plans to be developed and improve the medium to long term supply of materiel to the Fleet. This will ensure that there is more of the right stock on the shelf for when it is required.
- We are improving the integrity of our inventory management data, which will make the system more efficient. This is a priority for the year ahead.
- We are reviewing the £500M unserviceable maritime stock held at LEIDOS Donnington. So far we have reviewed over 9250 items, valued at £53M, and returned 900 items to serviceable stock, valued at £6.2M. In 2017/18 we anticipate bringing a further £6M of stock into service, disposing of £10M of stock, and making £40M of repairs.

Further work this financial year is likely to reduce Demands Passed Required Delivery Date by 10% and improve first-day stores availability for maintenance periods to at least 80% for Ships and 90% for Submarines.

# Chief of Materiel Land

**CoM(Land) Lt Gen Paul Jaques CBE** is responsible for the Land Domain which buys and supports ground combat and support equipment, all munitions (including Complex Weapons), logistic information systems, and a range of commodities for all three Armed Services, and stores and distributes them. Land is developing and delivering capability such as the Mechanised Infantry Vehicle to support the development of the STRIKE brigade arising from the SDSR and delivers Test and Evaluation services to Defence through the Long Term Partnering Agreement with QinetiQ. CoM(Land) projects include:



### Multi Role Vehicle-Protected (MRV-P)

– Two packages of vehicles providing improved protection over the current fleet. Package 1 will deliver general purpose vehicles in command & control, liaison and logistics variants, and Package 2 will provide troop carrying and Future Protected Battlefield Ambulance vehicles.



**Paveway IV** – The Paveway family of weapons are a vital capability on current operations. Support continues to provide high reliability to the RAF and significant rapid Paveway IV replenishment work is supporting enduring and contingent requirements for this key weapon system.



### JAMES Contingency Operations –

delivering a package of new and existing mobile computer equipment to operational environments to allow JAMES to operate in theatre without the need for rear-link communications. This is in support of Army HQ's VANGUARD commitment. Includes new software to allow units to re-organise their deployment data and provide better visibility of assets in theatre.



**Deployable Food Programme** – A programme worth £214.6M over five years to supply and deliver fresh, frozen, chilled and ambient food to the Armed Forces on exercise and deployment world-wide. A first for the MOD, the programme utilises the DEFRA Balanced Scorecard as part of the assessment and evaluation process for the tenders it receives. Alongside assessing nutrition, food quality and safety, the DEFRA Scorecard encourages bids to consider how they will address environmental, seasonality and traceability matters.

### Support Activity

- Leading the improvement of support chain capability, driving the application of consistent support chain processes, overseeing elements of regulatory compliance and sustaining competitive advantage through the exploitation of support information.
- Sustainment of business process and logistics information services architecture based on emerging process architecture known as Defence Support Chain Operations Reference Model.
- In-house consultancy capability – accredited by the Chartered Management Institute – as the only premier consulting practice in the public sector.
- Shared services such as codification, access to the NATO Logistics Stock Exchange as well as advanced inventory modelling services that incorporate logistics and engineering mastery of the data.
- The Surveillance and Target Acquisition Support (STAS) solution rationalises the support for 53 equipment types (comprising 190,000 items) from 20 contracts to a single support contract placed with Qioptiq Ltd, based in Wales, in November 2016. This has resulted in a 37% (£48M) efficiency by re-negotiating current contracts and using competition to drive further savings. The new contract term is initially six years (including a transition year).

# QinetiQ Long Term Partnering Agreement

On 1 December 2016, DE&S signed a £1.12Bn deal with QinetiQ to modernise the MOD's test and evaluation services, and develop and secure their world-class facilities, as part of the Long Term Partnering Agreement (LTPA). The LTPA is a 25-year contract with QinetiQ which came into effect in April 2003, with a total estimated cost of £5.6Bn. The deal will see critical investments made in two key areas; the Empire Test Pilot School and Air Range Modernisation. It will also deliver nearly £300M in efficiencies over ten years, through two major interventions.

The world-leading Empire Test Pilot School, based at Boscombe Down in Wiltshire, has provided Test Aircrew Training for both UK and overseas test pilots since just after World War 2, including astronaut Major Tim Peake. The 2016 deal with QinetiQ will see the ageing fleet of military test planes retired and replaced with state-of-the-art civilian aircraft (see Pilatus PC-21 below). A new and greatly improved engineering model will also be introduced which will ensure more efficient ways of working. The introduction of these two elements significantly reduces the cost per test pilot and will make Boscombe Down more attractive to third parties.

The Air Range Modernisation intervention will permit modernisation of the major test and evaluation ranges at The Hebrides and Aberporth, ensuring that these essential capabilities are able to meet the needs of our Front Line for the foreseeable future. This will be achieved by replacing much of the ageing equipment, in particular the radars which are essential parts of missile testing. The ageing and poor accommodation at the Hebrides range will be developed and modernised to better reflect current usage, and to ensure that it can withstand the Highland weather conditions.

## Pilatus PC-21

The Pilatus PC-21 is a high performance training aircraft capable of high speeds that give 'jet like' handling qualities. It is fitted with advanced systems and simulation capabilities to provide test pilot students with a complex evaluation challenge as they progress through the more advanced elements of the Test Pilot course.

QinetiQ signed a subcontract with Pilatus Aircraft in December 2016 for the purchase of two of these aircraft for Test Aircrew Training at the Empire Test Pilot School.

# Chief of Materiel Air

**CoM(Air) Air Marshal Julian Young CB OBE RAF** leads the Combat Air, Air Support and Safety & Environment, Quality and Technology Operating Centres, and is responsible for equipping and supporting Front Line Commands for air operations now and in the future. CoM(Air) provides corporate technology service support across DE&S and is also responsible for oversight of technical airworthiness. He is the RAF Chief Engineer and Air Member for Materiel on the Air Force Board. CoM(Air) also chairs the DE&S Safety Committee. We are working on a range of projects, including with our international partners, to deliver major contributions to SDSR 2015 strategic air capability commitments, some of which are featured here. CoM(Air) projects include:



**Lightning** – The F-35 Lightning II is a fifth generation, multi-role stealth aircraft containing cutting-edge technologies. It will deliver an affordable, sustainable, expeditionary airpower capability for the UK, and will be jointly manned by the Royal Navy and Royal Air Force. The UK aircraft delivered to date are engaged in operational test and training alongside our US partners.



**Poseidon P-8A** – The Poseidon P-8A Maritime Patrol Aircraft will provide the UK with persistent anti-submarine and surface ship warfare capabilities and contribute to maritime counter terrorism, joint personnel recovery and long-range search and rescue operations. Deployable worldwide, the UK is procuring nine aircraft together with initial training and support through a Foreign Military Sale from the US Government.



**Sentinel Support To Operations** – Sentinel has provided an over-land surveillance capability throughout operations in Afghanistan, numerous discrete national tasks and its current commitment is to operations against Daesh in the Middle East. The original 10 year support contract with Raytheon UK expired in September 2016, and has now been replaced by the Integrated Sentinel Support Solution.



**Protector - Remotely Piloted Air System** – A UK-led programme to deliver cutting-edge unmanned aerial vehicles for use by the Royal Air Force. Capable of being able to fly in un-segregated airspace, it will provide deep and persistent armed intelligence, surveillance, target acquisition and reconnaissance against defined surface targets, replacing the current REAPER capability. It is planned to enter service at the start of the next decade.



**Tornado - Operation SHADER** – Tornado aircraft continue to support the Operation SHADER air campaign. Based at RAF Akrotiri in Cyprus, via its normal home at RAF Marham in Norfolk, it employs Paveway IV GPS and laser-guided bombs, Brimstone missiles and the 27mm Mauser cannon. The Tornado can also be tasked to attack targets using the Storm Shadow stand-off missile. Approaching its out-of-service date in 2019, the aircraft remains a potent and extremely capable combat air platform.

## Support Activity

- Overhauled Typhoon support in a new 10 year deal. TyTAN (Typhoon Total Availability eNterprise) brings together operational support into a single comprehensive arrangement with BAE Systems. More information on TyTAN is detailed in the case study opposite.
- Air domain logistics strategy/Inventory Management development
- Royal Air Force single-Service lead within DE&S
- Improvement of DE&S/QinetiQ Air Division relationship
- Closer relationship with Defence Electronic Components Agency

# Typhoon – the heart of the UK's combat air force

DE&S, the Royal Air Force and BAE Systems have completely overhauled Typhoon support in a new 10 year deal called TyTAN (Typhoon Total Availability eNterprise). The innovative deal, signed in 2016, will give full operational support to the Royal Air Force Typhoon fleet with cost savings re-invested in developing Typhoon capability.

TyTAN brings together operational support into a single comprehensive arrangement with BAE Systems – which will cost 38% less overall compared to the previous collection of UK and European services. These savings will be reinvested in developing Typhoon's leading edge capabilities. TyTAN is a joint endeavour, bringing a stronger and deeper partnership between DE&S, the Royal Air Force and industry partners. A new Joint Avionics Solution sees BAE Systems and Leonardo working as one team to deliver avionic support services.

At the heart of the new support system is a pay-per-flying-hour mechanism. This aligns MOD and industry objectives on achieving operational output and driving down costs through a substantial change in the way support is provided. TyTAN is already producing benefits, with the pay-per-flying-hour approach bringing a sharper focus on delivering the flying programme. Most importantly, support to Typhoon operations in the UK and on deployed operations has been maintained during the transition.

TyTAN ensures Typhoon plays its part in supporting UK defence objectives around the world.



# Chief of Materiel Joint Enablers

**CoM(Joint Enablers) Mr Pete Worrall CB OBE** is responsible for the delivery of equipment and support relating to helicopters and ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance) equipment. As a Joint Forces Command Executive Committee member he is responsible for DE&S delivery capability to the Joint Forces. CoM(JE) projects include:



**Ground Based Air Defence (GBAD)** – To provide a networked GBAD capability comprising Land Ceptor missile systems and Giraffe Agile Multi-Beam radars which are integrated into a Battlespace Management Command, Control, Communications, Computers and Information system. The demonstration and manufacture contract was awarded in January 2017.



**Force Protection Electronic Counter Measures** – To provide protection for UK troops and vehicles against Radio Controlled Improvised Explosive Devices (RCIEDs).



**Chinook Capability Sustainment Programme** – Currently in assessment phase, the programme seeks to address both capability and equipment obsolescence. It will explore the through-life financial and capability benefits of and how best to drive towards convergence and alignment with the US Army configuration.



**Crowsnest** – The Merlin Crowsnest project, with initial operating capability from spring 2020, will act as the Royal Navy's eyes and ears for its next generation carriers, giving long range air, maritime and land detection, as well as the capability to track potential threats. Crowsnest will also be able to support wider fleet and land operations, replacing the Sea King Mk7 helicopters' airborne surveillance and control capability. The demonstration and manufacture contract was awarded in November 2016.



**Wildcat Integrated Support and Training Pricing Period 2** – This is a contract amendment for the Wildcat Army and Maritime Attack helicopters, providing in-service support to the MOD Wildcat Fleet from April 2017 to March 2022. It builds on the experience gained from the earlier Pricing Period, enabling the delivery of enhanced availability, training service and value for money. The support and training contract was awarded in December 2016.

## Support Activity

- Wildcat Integrated Support & Training Pricing Period 2 will deliver a range of support and training services for the UK's entire fleet of 62 AW159 Wildcat helicopters, currently in-service with the Royal Navy and Army Air Corps.
- The Apache Training Service contract includes the provision of a training service for ground crew, aircrew and maintainers as well as providing, managing and supporting the necessary infrastructure to deliver this service.

# Innovation in practice

## Ground Based Air Defence Test and Reference Facility

Ground Based Air Defence involves the complex integration of Ground Based Radar; the LandCeptor Weapon System; and, through recent competition, a Battlespace Management Command, Control, Computers, Communication and Information (BMC4I) system.

When faced with the challenge of how best to integrate the Radars and Weapon System with the new BMC4I, the Joint Sensor and Engagement Networks Project Team used the innovative approach of running each industry competitors' BMC4I bid individually through a software based Test and Reference Facility, created for the purpose. This resulted in a unique opportunity for both the MOD and industry to 'test drive' each BMC4I product. This pioneering process exposed any potential integration issues early in the process; provided a better understanding of the Customer requirements; reduced contract prices; and accelerated delivery dates and reduced risk.



# Our Key Performance Indicators

KPI 1 – CASP DELIVERY PERFORMANCE	Metric	NAVY	ARMY	AIR	JOINT FORCES	Director Strategic Programmes
1.1 Achievement of CASP Milestones Over the year, percentage of strategic Command Acquisition Support Plan (CASP) milestones <sup>12</sup> to be met.	%	Green ≥90% Amber ≥80% <90% Red < 80%				
1.2 Procurement Projects <sup>13</sup> – KURs For Demonstration and Manufacture phase projects, post Main Gate and pre-ISD and as agreed in the CASP: The percentage of Key User Requirements (KURs) that are forecast to be achieved at completion of the project.	%	Green ≥ 97% Amber ≥ 96% < 97% Red < 96%	Green ≥ 97% Amber ≥ 96% < 97% Red < 96%	Green ≥ 97% Amber ≥ 96% < 97% Red < 96%	Green ≥ 97% Amber ≥ 96% < 97% Red < 96%	Green ≥ 97% Amber ≥ 96% < 97% Red < 96%
1.3 Procurement Projects <sup>13</sup> - Cost 1.3.1 For Demonstration and Manufacture phase projects, post Main Gate and pre-ISD and as agreed in the CASP: Over the year, the forecast aggregate cost variance against the baselines agreed in the CASP <sup>14</sup> .	Forecast cost variance (%)	Green ≤ 0% Red > 0%				
1.3.2 For Assessment phase projects, post Initial Gate and pre Main Gate and as agreed in the CASP: Over the year, the forecast aggregate variance in the approved Assessment phase cost, against the baselines agreed in the CASP.	Forecast cost variance (%)	Green ≤ 0% Red > 0%				
1.4 CASP Procurement Projects <sup>13</sup> - Time 1.4.1 For Demonstration and Manufacture phase projects, post Main Gate and pre-ISD and as agreed in the CASP: Over the year, the forecast aggregate variance to ISD <sup>15</sup> , against the baselines agreed in the CASP	Average variance per project (months)	Green ≤ 0.6 months Amber >0.6 months ≤ 0.8 months Red > 0.8 months	Green ≤ 0.6 months Amber >0.6 months ≤ 0.8 months Red > 0.8 months	Green ≤ 0.6 months Amber >0.6 months ≤ 0.8 months Red > 0.8 months	Green ≤ 0.6 months Amber >0.6 months ≤ 0.8 months Red > 0.8 months	Green ≤ 0.6 months Amber >0.6 months ≤ 0.8 months Red > 0.8 months
1.4.2 For Demonstration and Manufacture phase projects, post Main Gate and pre-ISD and as agreed in the CASP: Over the year, the number of projects forecasting excessive variance to ISD, against the baselines agreed in the CASP.	% of projects forecasting excessive time variance	Green ≤15% Amber >15 <25% Red ≥25%				
	Threshold for excessive time variance (months)	+2 months				
1.4.3 For Assessment phase projects, post Initial Gate and pre Main Gate and as agreed in the CASP: Over the year, the forecast aggregate variance to the approved AP duration, against the baselines agreed in the CASP.	Average time variance per project (month)	Green ≤ 2 months Amber > 2 months ≤ 3 months Red > 3 months	Green ≤ 2 months Amber > 2 months ≤ 3 months Red > 3 months	Green ≤ 2 months Amber > 2 months ≤ 3 months Red > 3 months	Green ≤ 2 months Amber > 2 months ≤ 3 months Red > 3 months	Green ≤ 2 months Amber > 2 months ≤ 3 months Red > 3 months

<sup>12</sup> Each CASP will define up to 12 strategic milestones that are jointly agreed between the Customers and DE&S to be met in-year and to criteria agreed in the CASP.

<sup>13</sup> Approved Cat A-C procurement projects. May also include a limited number of specific approved Cat D projects where these are critical to delivery of the Command Plan and are identified and agreed in the CASP.

KPI 1 – CASP DELIVERY PERFORMANCE	Metric	NAVY	ARMY	AIR	JOINT FORCES	Director Strategic Programmes
1.5 CASP Equipment Support (Performance) 1.5.1 Availability. % of ESP outputs agreed in the CASP for which DE&S is wholly responsible that are scored as Green or Yellow.	%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%
1.5.2 Reliability. % of ESP outputs agreed in the CASP for which DE&S is wholly responsible that are scored as Green or Yellow.	%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%
1.5.3 Sustainability. % of ESP outputs agreed in the CASP for which DE&S is wholly responsible that are scored as Green or Yellow.	%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%	Green ≥ 80% Amber ≥70% < 80% Red < 70%
1.5.4 Safety Process Administration <sup>16</sup> . % of ESP outputs agreed in the CASP for which DE&S is wholly responsible that are scored as Green.	%	Green ≥ 90% Amber ≥80% < 90% Red < 80%	Green ≥ 90% Amber ≥80% < 90% Red < 80%	Green ≥ 90% Amber ≥80% < 90% Red < 80%	Green ≥ 90% Amber ≥80% < 90% Red < 80%	Green ≥ 90% Amber ≥80% < 90% Red < 80%

KPI 2 – OPERATING EXPENDITURE EFFICIENCY	Metric	DE&S
2. Reduce the total DE&S operating expenditure in line with agreed resource profile in the DE&S Corporate Plan. ie expenditure in 2017/18 to be no greater than the budget of £XM TBC (adjusted where necessary to reflect changes in the Programme of Work).	Variance to baseline (%)	Green ≤ budget Red > budget

KPI 3 – INVENTORY MANAGEMENT	Metric	DE&S
3.1 Reduce inventory holdings by end of 2017/18 to be no greater than £XBn.	£	Green ≤ £[TBC]Bn Amber > £[TBC] Bn ≤ £[TBC]Bn Red > £[TBC]Bn
3.2 Spend on Inventory Purchases (RMC, excluding fuel) during 2017/18 to be no greater than £1.0Bn	£	Green ≤ £1.0Bn Amber > £1.0Bn ≤ £1.025Bn Red > £1.025Bn

<sup>14</sup> CASPs are not yet agreed so the baselines are not yet finalised. It is assumed that the baselines agreed in the CASP will be the project KUR, cost and time forecasts (at 50% confidence) held in the DE&S Corporate Management Information System (CMIS) as at 1-Apr-17.

<sup>15</sup> Investigations into the viability of Equipment Delivery Date (EDD) as an alternative measure of project duration for DE&S delivery, as opposed to In-Service Date will be reported in 2017 and, if achievable, incorporated into CASP 18.

<sup>16</sup> This KPI measures the proportion of the CASP Annexes containing a safety metric reporting 'green'. Specifically, it measures the percentage of in-service equipment/facilities/systems where the Safety Case Report/Safety Assessment is within its review period and signed off by the appropriately delegated DE&S person. It does not measure the direct management of safety (which is a joint DE&S and Command responsibility).

KPI 4 – COST FORECAST ACCURACY & STABILITY	Metric	NAVY	ARMY	AIR	JOINT FORCES	Director Strategic Programmes
4.1 Forecast Accuracy (In-year). In respect of expenditure on the DE&S agreed Programme of Work (EPP and ESP) by each Command-facing area, to achieve an in-year outturn within the agreed tolerance below the baseline (subject to any budget adjustments agreed between the Customers and DE&S).	Outturn below baseline (%)	Red > 0% Green ≥ 0% ≤ -1.5% Amber > -1.5% ≤ -2% Red > -2%	Red > 0% Green ≥ 0% ≤ -1.5% Amber > -1.5% ≤ -2% Red > -2%	Red > 0% Green ≥ 0% ≤ -1.5% Amber > -1.5% ≤ -2% Red > -2%	Red > 0% Green ≥ 0% ≤ -1.5% Amber > -1.5% ≤ -2% Red > -2%	Red > 0% Green ≥ 0% ≤ -1.5% Amber > -1.5% ≤ -2% Red > -2%
4.2 Forecast Stability (10 year EPP). Underlying cost of the EPP at the Quarterly Review of Programme Costs 3 (QRPC3) of the reporting year to be the same or less than at the QRPC 3 of the prior year, when measured on a like-for-like basis.	Variance to baseline (%)	Green ≤ 0% Red > 0%				
4.3 Forecast Stability (10 year ESP). Underlying cost of the ESP at the Quarterly Review of Programme Costs 3 (QRPC3) of the reporting year to be the same or less than at the QRPC 3 of the prior year, when measured on a like-for-like basis.	Variance to baseline (%)	Green ≤ 0% Red > 0%				

KPI 5 – CUSTOMER SATISFACTION	Metric	NAVY	ARMY	AIR	JOINT FORCES	Director Strategic Programmes
5.1 A year-on-year increase in the customer satisfaction score by each Command <sup>17</sup> .	Customer Satisfaction Score	Green > 6.5 Amber = 6.5 Red < 6.5	Green > 6.3 Amber = 6.3 Red < 6.3	Green > 6.4 Amber = 6.4 Red < 6.4	Green > 6.6 Amber = 6.6 Red < 6.6	Green > 6.1 Amber = 6.1 Red < 5.4

KPI 6 – HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HS&EP)	Metric	DE&S				
6.1 Number of elements of health, safety and environmental protection management arrangements assessed as compliant (Level 4) <sup>18</sup>	JSP 815 HS&E Performance Assessment Levels <sup>19</sup>	Green = 11 at Level 4 or above (Compliant) Amber = ≥1 at Level 3 (Minor Weakness) Red = ≥1 at Level 2 (Significant Weakness)				

<sup>17</sup> The target for 2017/18 was established on the basis of the scores collected during 2016/17.

<sup>18</sup> There are 11 Elements of HS&E Management Arrangements in JSP 815: Applicable legislation, defence regulations, policy & guidance; Information Management; Organisational leadership, culture, capability & change management; Personnel competence & training; Risk assessments & safety cases; Equipment/materiel & infrastructure design & manufacture; Equipment/materiel & infrastructure maintenance; Supervision & control of activities; Incident management & learning from experience; Emergency Arrangements; Self-assurance.

<sup>19</sup> JSP 815 is due to be superseded by DSA 0.12. The 11 assessment elements will remain unchanged.

## Glossary

The following abbreviations and acronyms appear in the DE&S Corporate Plan

AP	Accounting Period	MOD	Ministry of Defence
BMC4I	Battlespace Management Command, Control, Computers, Communication and Information	MRV-P	Multi Role Vehicle-Protected
CASP	Command Acquisition Support Plan	MSCIP	Maritime Supply Chain Improvement Programme
CB	Companion of the Most Honourable Order of the Bath	MSP	Managed Service Provider
CBE	Commander of the Most Excellent Order of the British Empire	NATO	North Atlantic Treaty Organisation
CEO	Chief Executive Officer	NGNPP	Next Generation Nuclear Propulsion
CMIS	Corporate Management Information System	NRP	Naval Reactor Plant
CoM	Chief of Materiel	OBE	Officer of the Most Excellent Order of the British Empire
CRISP	Comprehensive RN Inventory Systems Project	OGSM	Objectives, Goals, Strategies and Measures
CSG	Combat Systems Group	OPV	Offshore Patrol Vessel
DE&S	Defence Equipment and Support	P3M	Project, Programme and Portfolio Management
DG	Director General	PUMA FSA	PUMA Future Support Arrangements
DSG	Defence Support Group	PWR3	Pressurised Water Reactor 3
EPP	Equipment Procurement Plan	RAF	Royal Air Force
ESP	Equipment Support Plan	RCIEDs	Radio Controlled Improvised Explosive Devices
EDD	Equipment Delivery Date	RMC	Raw Materials and Consumables
FISS	Future In-Service Support	RN	Royal Navy
FY	Financial Year	TyTAN	Typhoon Total Availability enterprise
GBAD	Ground Based Air Defence	RFA	Royal Fleet Auxiliary
GPS	Global Positioning System	SDA	Submarine Delivery Agency
HIOS (C130J)	Hercules Integrated Operational Support (C130J)	SDSR	Strategic Defence and Security Review
HMS	Her Majesty's Ship		
ISD	In Service Date		
ISS	Information Systems and Services		
ISTAR	Intelligence, Surveillance, Target Acquisition and Reconnaissance		
JAMES	Joint Asset Management and Engineering Solutions		
JFC	Joint Forces Command		
KBE	Knight Commander of the Most Excellent Order of the British Empire		
KPI	Key Performance Indicator		
KUR	Key User Requirements		
Land Ceptor	Land variant of Common Air Modular Missile		
LTPA	Long Term Partnering Agreement		
MARS	Military Afloat Reach and Sustainability		
Min(DP)	Minister for Defence Procurement		
MITER	Land Service provision arrangement for military engineering and logistical mechanical handling equipment.		
MJDI	Management of Joint Deployed Inventory		
Mk	Mark		
MMA	Multi-Mission Aircraft		

