



# Corporate Plan

## 2019-2022

**Defence Equipment and Support**

Equipping and Supporting the UK's armed forces for operations now and in the future



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Front cover images: Apache, Oshkosh, F-35  
and Autonomous minesweeper

Inside cover images : Leidos Defence  
Fulfillment Centre in Donnington, Ajax,  
Chinook, Land Ceptor, Soldier with dog and  
HMS Queen Elizabeth



## Foreword

By Stuart Andrew MP,  
Parliamentary Under Secretary of State  
and Minister for Defence Procurement

I am delighted to introduce the 2019-22 Corporate Plan for Defence Equipment and Support (DE&S), which sets out the purpose, structure and strategic objectives for this vital part of defence. In yet another busy year and one full of challenges, it is clear that DE&S has continued to achieve a huge amount within tight timescales, delivering the complex projects and support needed by our armed forces.

The changing world we live in requires defence to be agile and forward thinking, able to adapt to new and constantly changing threats and react accordingly. Defence needs to be ahead of the game and the only way we can achieve that is through our continued work with industry as technologies advance. We need to deliver first-rate equipment in a much cleverer way, getting the kit to our front line as quickly as possible and providing the men and women who serve us the resources they need to keep them and us safe.

Looking ahead, DE&S must continue to evolve and build on the improvements delivered through transformation initiatives, not least the impressive level of efficiency savings achieved so far. I am continually reassured by DE&S' dedicated and motivated people who work to the highest standards to deliver value for money.

The DE&S@21 vision must now become a reality and I fully support DE&S on its journey to deliver its strategic objectives and commitment to the UK's armed forces and taxpayers. It is a relief to know that I am working with such expert and talented colleagues and I look forward to continuing to work with Sir Simon Bollom to deliver the outputs required, to ensure DE&S consistently delivers quality, value for money and timely capabilities. I fully endorse this Corporate Plan.

## Introduction

Paul Skinner, Chairman



In procuring essential military equipment, and supporting it through-life, DE&S continues to play a vital role in assuring the UK's national strategic and security interests, especially in an uncertain and threatening world. We continue to deliver major equipment and support programmes, alongside our transformation initiatives, which are themselves still maturing. These have helped us deliver efficiency savings of close to £5 billion, significantly ahead of the targets set for the last five years.

There is more work to be done, not least in the key role that DE&S must continue to play in supporting the UK's response to evolving threats. We must embrace innovative developments to maintain our edge and bring coherence across all areas of defence, from our interface with industry to maintaining strong working relationships with our Front-Line Commands and the wider MOD. A shortening of project timescales and further reductions in capital and cost intensity remain key objectives, as does our collaborative work to secure improved delivery performance from our industry partners.

This plan focuses on making the DE&S@21 vision a reality through our strategic objectives that capture what our organisation strives to be and the part that we must all play. It reminds us of our ongoing commitment to defence and highlights a number of project successes in each of our four Domains: Ships, Land, Air and Joint Enablers. I believe we are well on the path to achieving DE&S@21 and more. This document also gives clear expression to the significant array of equipment procurement and support projects which DE&S will undertake over the plan period.

My five year term as Chairman of DE&S concludes in May this year. It has been a privilege to play a part in an organisation that, based mainly on the professionalism and commitment of its people, has really delivered for defence. I feel confident that, under the leadership of Sir Simon Bollom, it will continue to make an important contribution. This will result from a continuing focus on delivery for customers as the prime objective and always continuing to seek new and better ways of doing its business.

## Sir Simon Bollom, CEO

It continues to be an enormous privilege to lead DE&S into the next reporting year and to work alongside the determined and skilled individuals that deliver successful programmes to our customers. I am always struck by the dedication, pride and positivity of our people and seek to build on our successes, continue to make decisive changes as a result of staff feedback, and to turn our vision of a world-class organisation into reality. This needs all of us to play our part.

We launched the DE&S@21 Vision in summer 2018 which builds on our significant achievements to date – new processes and skills and new ways of working all aimed at improving our delivery to the Front-Line customer. DE&S strategic objectives encapsulate the organisation we want to be and are underpinned by deliverables that have clear measures of success around supporting our people, delivering quality outputs to our customer and making DE&S a great place to work.

We must adopt an agile and innovative mind-set in all we do to ensure we provide the very best equipment and support to our armed forces in their task to protect our nation against the evolving threats. This requires all of us to continue to challenge ourselves and to deepen our understanding of the needs of our Front-Line commands and work with industry to deliver solutions to complex programmes. Delivery of this work must continue at pace, whilst standing ready to support BREXIT planning and to engage actively in the forthcoming Spending Review following the 2018 Modernising Defence Programme.

DE&S is fundamentally about our people and I make no apology for reiterating my pride in leading a highly skilled and dedicated workforce at every level. We have worked hard and achieved a huge amount since transformation began. We now have a solid foundation on which to build: more rigour applied to our programmes; new tools to help us optimise our data; improvements to our working environment; and improvement to our people model to ensure our people are treated fairly and feel valued. In the coming year we have the opportunity to take another significant step forward towards the DE&S@21 Vision and to realise our individual and collective potential.



# About us

## Our purpose

Our purpose is to equip and support the UK's armed forces for operations now and in the future.

## Who we are

We are a professional defence acquisition organisation which manages a range of complex programmes that provide equipment and support to the UK's armed forces.

We are part of the Ministry of Defence (MOD) but operate as an Arm's Length Body. We have a unique Bespoke Trading Entity status, which allows us to operate in a more commercial way to improve the quality of delivery to our customers.

We are headquartered in Bristol and also have people at numerous locations across the UK and overseas, including in support of operations.

## What we do

We are responsible for the safe procurement and support of a vast range of equipment – from warships, aircraft and missiles, to armoured vehicles, body armour and field kitchens. We undertake decommissioning and disposal when equipment reaches the end of its service life and we operate a range of services, including the British Forces Post Office, which delivers mail to service personnel in the UK and around the world.

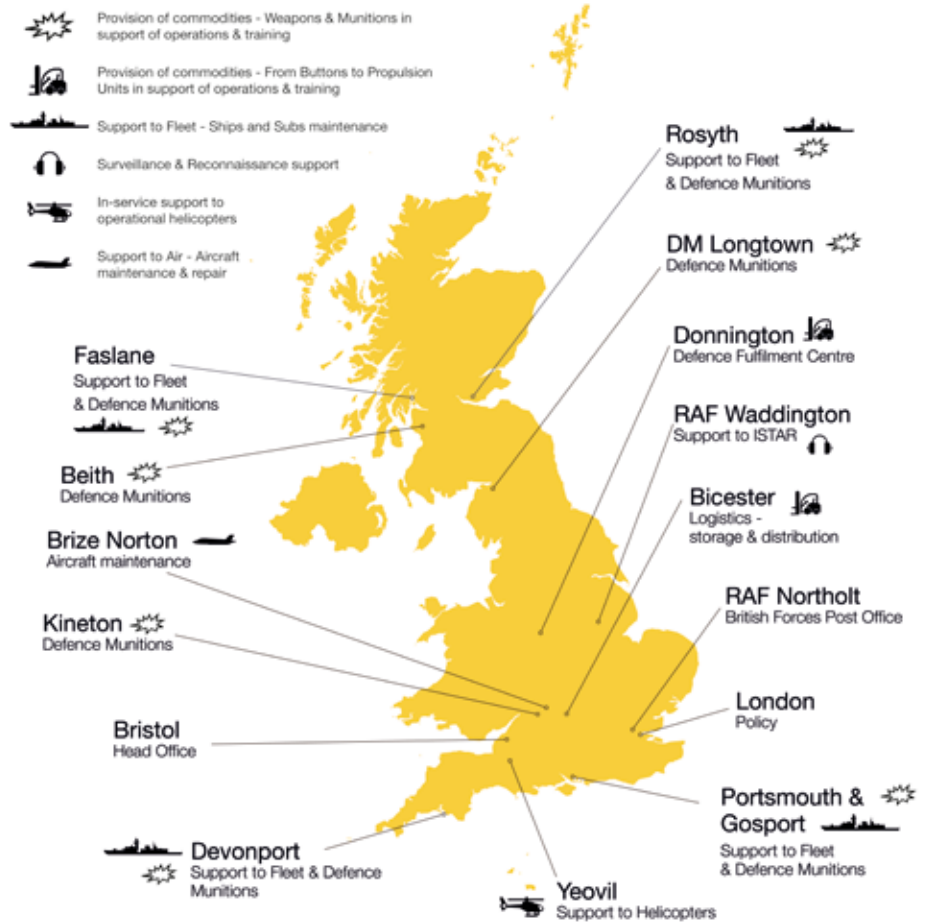
We are delivery-focussed and safety driven. We work very closely with our customers in the military commands (Royal Navy, Army, Royal Air Force and Joint Forces) as well as MOD Head Office, which includes the Defence Nuclear Organisation and Director Strategic Programmes. Submarines business is now led by the Submarine Delivery Agency, which is separate from DE&S.

## Our people

We have a workforce of around 11,400<sup>1</sup> – both civilian and military – who are passionate about providing the best possible service to our customers. Delivering our business requires a range of specialist skills and our people are organised into the following 9 professional functions:

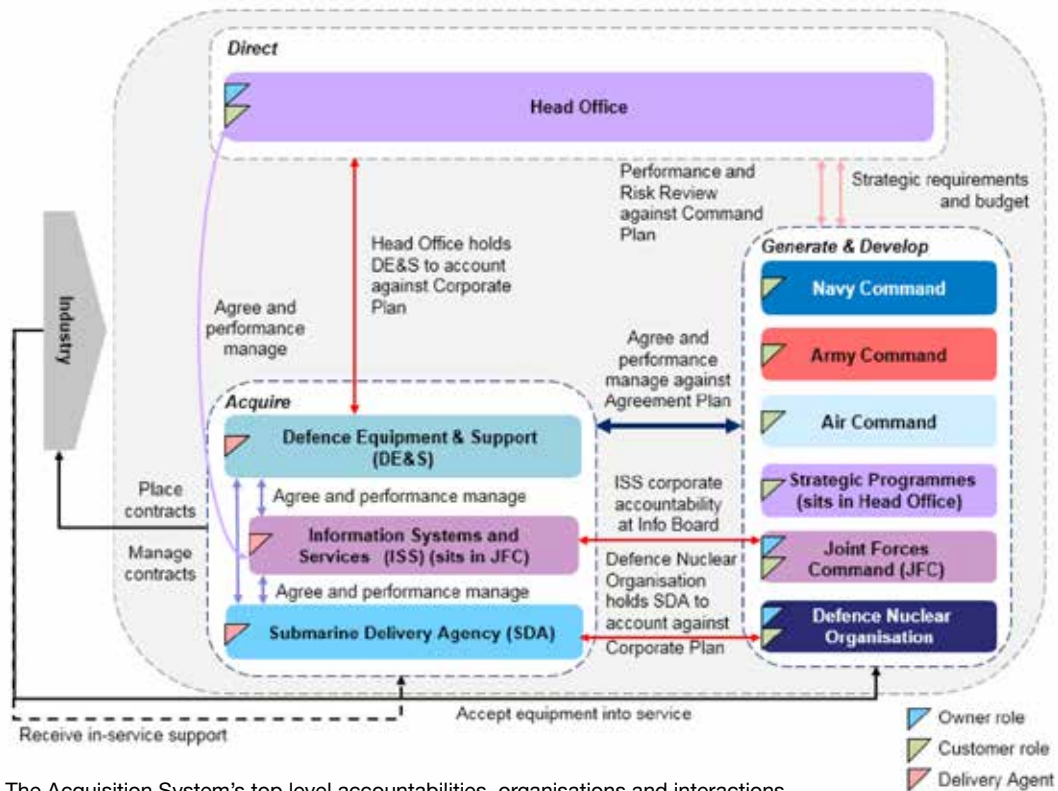
Commercial	Corporate Services Group	Engineering	Finance and Accounting	HR	IM and IT	Integrated Logistics	Project Controls	Project Management

## Some of DE&S' key locations



## How we deliver

We manage the acquisition and through-life support of equipment in service using the budget set by our customers. This gives them the flexibility to allocate funding in accordance with the requirements they consider to be most critical. MOD Head Office oversees this process, directing, delegating, empowering and holding to account the requirements and acquisition arms of the Defence Acquisition System, (as set out in the diagram below). We manage our relationship with each customer through Command Acquisition Support Plans, known as CASPs. The CASPs formally capture the agreed outputs against which our teams will deliver.



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. Our people provide the customer with a range of support including costing and deliverability advice; technical expertise; logistic and equipment support; and personnel to current operations. We also have the lead role in contract negotiation and relationships with industrial suppliers to deliver equipment, support and logistics and other services.

Our organisational structure is designed to support interaction and strong professional relationships with our customers. Under the CEO's leadership, we have the four delivery domains of Ships, Land, Air and Joint Enablers. Each domain is headed by a Chief of Materiel who is also responsible for managing the strategic relationship with one of the Front Line Command customers. The Chiefs of Materiel are accountable to the CEO for delivering their outputs to plan, and for safeguarding regularity and propriety.

## Safety

Safety is everyone's responsibility. It drives our business and we strive to ensure that we are safe in everything we do and that the equipment we provide is safe to use. How we deliver safe equipment and services sits at the very heart of DE&S and we are working to create a measurably capable safety organisation, with a strong safety culture, clear governance and clear safety assignments.

## Modernising Defence

The 2018 Modernising Defence Programme (MDP), led by the Secretary of State for Defence, the Permanent Secretary and the Chief of the Defence Staff, has built upon the foundations of both the Strategic Defence and Security Review 2015 and the National Security Capability Review, ensuring MOD's evolution in response to the evolving international security threat. The overall achievements under MDP have made defence stronger and the capability investments and policy approaches set out, with the £1.8 billion worth of defence funding, will help to deliver the right UK defence for the challenging times ahead.

A review of DE&S took place in 2018 in support of MDP and recognised our achievements to date, concluding that fundamental structural change would risk disrupting DE&S transformation. It was agreed that the freedoms that have been helpful to DE&S transformation so far will be maintained, and the

organisation will be supported by a strengthened MOD Head Office sponsorship role to promote transparency and deliver a more systematic approach to supporting DE&S' performance and continued business improvement. This includes a MOD sponsor representing Head Office as a Non-Executive Director on the DE&S Board and its sub-committees, with top level Governance of DE&S exercised through the Performance and Risk Review, which replaces the DE&S Owners Council.

There is more work to be done as defence moves towards the 2019 Spending Review and sustaining momentum is vital to realising long-term goals of increasing the lethality, reach and mass of our Armed Forces. DE&S will continue to play a pivotal role, delivering value for money, military capability, continuing to drive out inefficiencies, and sharing what we have learned so far through transformation.





## Our governance

The Secretary of State for Defence is accountable to Parliament for all aspects of our performance, including our strategy, operations, customer performance and the effectiveness of our governance arrangements. The Secretary of State delegates the ownership responsibilities for DE&S to the Minister for Defence Procurement.

The Minister for Defence Procurement is responsible for approving DE&S' strategic and financial objectives and Corporate Plan. He is supported by the MOD sponsor (currently MOD Chief Operating Officer) who advises the Minister on all corporate performance issues, sits on the DE&S Board and provides formal oversight of and guidance to the organisation on ownership issues. This role is akin to the shareholder role found elsewhere in Government.

The DE&S Board, chaired by the lead Non-Executive Director and Chair, Paul Skinner, reports to the MOD as owner and provides strategic leadership for our organisation and constructive challenge to our Chief Executive Officer (CEO) and Executive Committee on behalf of MOD along with independent, non-executive support.

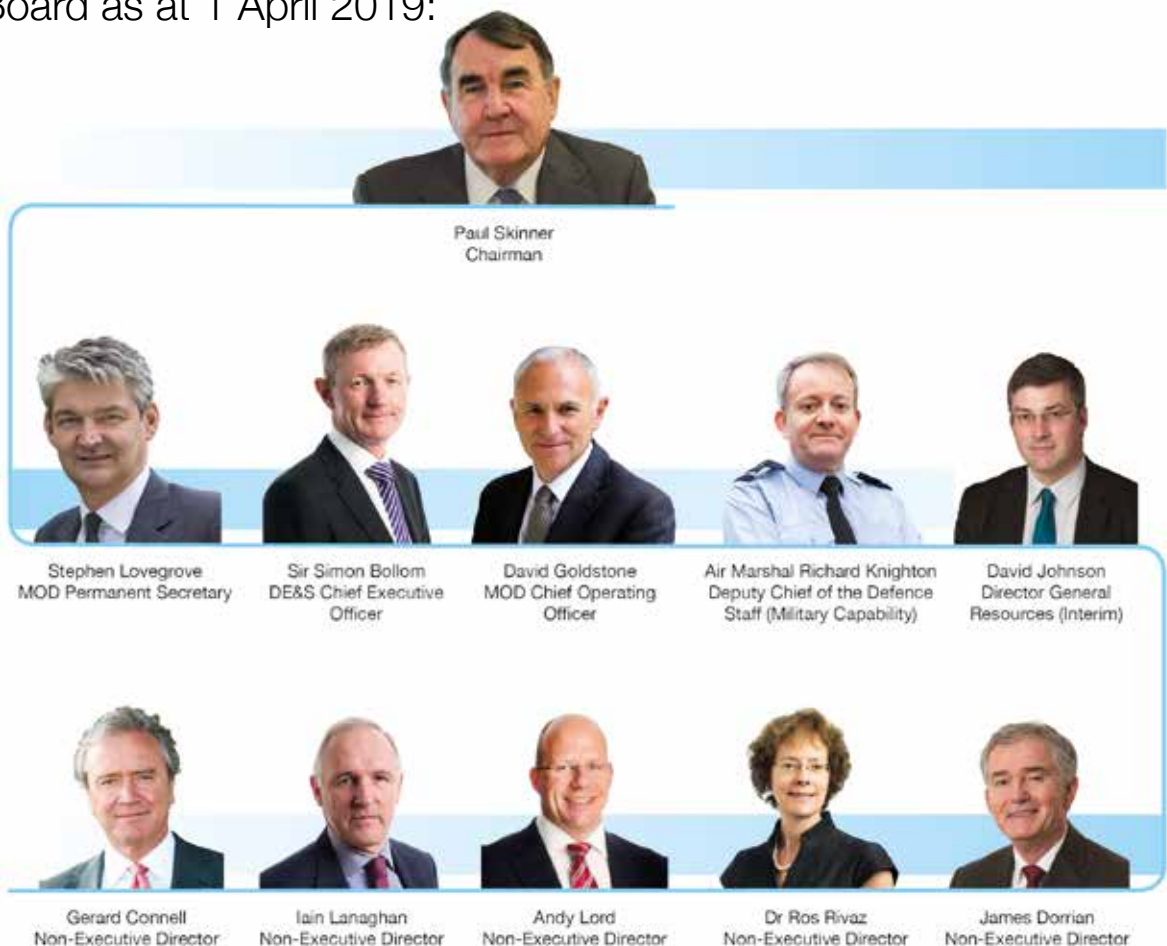


Secretary of State:  
Penny Mordaunt MP



Minister for Defence Procurement:  
Stuart Andrew MP

## DE&S Board as at 1 April 2019:



Our organisation is led on a day-to-day basis by the CEO and his Executive Committee, which includes our four Chiefs of Materiel (leading the Ships, Land, Air and Joint Enablers domains) and a number of our functional leads (Commercial, Finance, Human Resources, and Strategy and Change).

Our Executive Committee provides collective direction to, and oversight of, all DE&S activity. It is responsible for delivering the programme of work, as set out in the CASPs, within set performance, cost and time targets. The Executive Committee manages our resources – human, finance and infrastructure – in an effective, efficient and safe way to ensure delivery of our outputs. The Executive Committee also has strategic responsibility for the continuing development of our organisation.

## DE&S Executive Committee as at 1 April 2019:



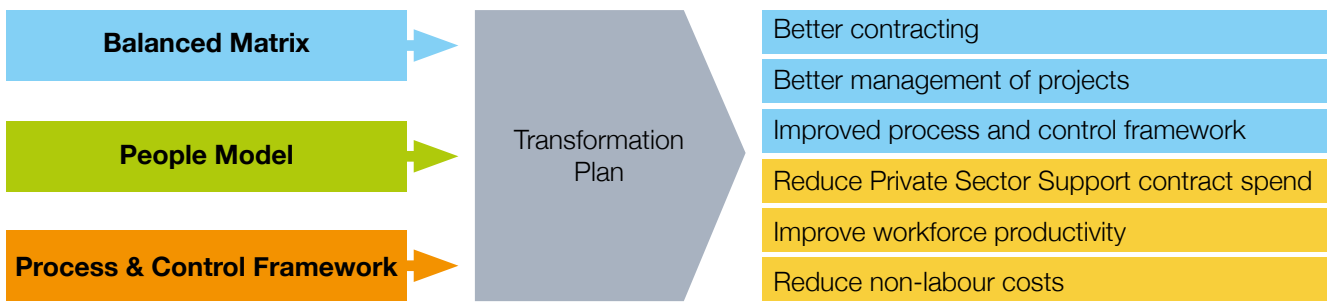


# DE&S journey so far

In April 2014, DE&S was launched as a Bespoke Trading Entity with unprecedented freedom to operate its business. Our launch marked the beginning of one of the largest change programmes in government, which was designed to address long-standing problems with defence acquisition. The DE&S transformation programme sought to put in place the mechanisms and resources for delivering successful business change and over the past five years has delivered substantial benefits in terms of financial efficiencies, business maturity and the introduction of a range of improved business processes.

DE&S was supported by the Managed Service Providers (Bechtel, CH2M Hill and PricewaterhouseCoopers), who acted as our transformation partners, working alongside DE&S to develop and deliver the plan for transformation. With an initial aim point of being match fit by 2017, the transformation programme was taken forward against the themes depicted below: Balanced Matrix, People Model and Process and Control Framework.

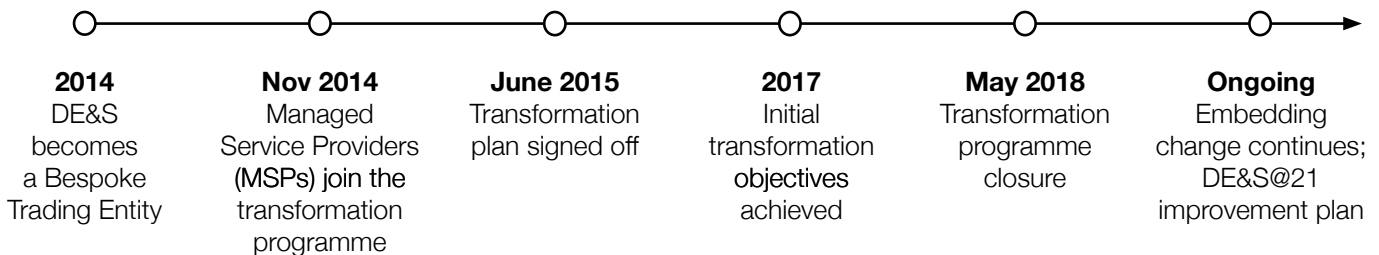
The Transformation Programme has delivered a comprehensive package of benefits and improvements.



DE&S has secured significant financial efficiency savings against targets set in 2014 at the start of transformation (and when the SDA was part of DE&S), allowing reinvestment in front line capabilities and unprecedented savings back into the defence budget.

Transformation Benefits	Target £Bn	Achieved £Bn March 2019	Overachieved £Bn
FY14/15 to 23/24 DE&S (including SDA)	3.4	4.6	1.2

Of particular note, in each of the last three years, DE&S has delivered more in efficiencies than the cost of its operation, representing significant value for defence.



# DE&S@21 Improvement Plan

## DE&S Mission Statement:

Equipping and supporting the UK's armed forces for operations now and in the future.

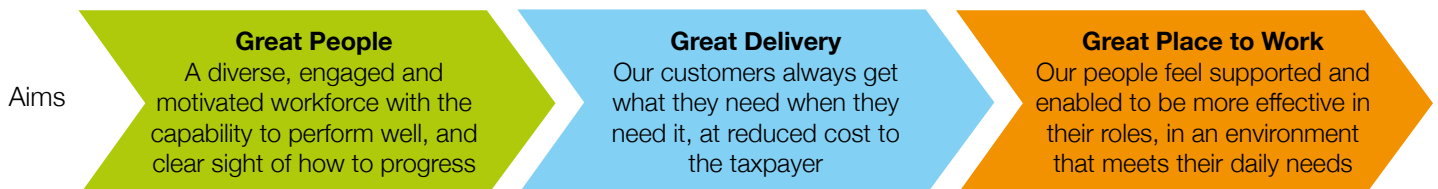
## DE&S@21 vision:

**Great People, Great Delivery, Great Place to Work.**

We formally closed the DE&S transformation programme (Materiel Strategy) last year but we continue to look to the future and how we can improve what we deliver and how we do so. DE&S is already contributing £5.1Bn to the Department's current 10 year (2019-2029) Equipment Plan (EP) efficiency target, but continues to drive for further contributions.

DE&S@21 sets out our strategic intention and it now provides the target that our improvement plan aims to achieve. The Materiel Strategy touched every facet of DE&S activity and has delivered substantial improvement. Our plan to deliver on the DE&S@21 vision is simpler and focuses on giving our people the skills and tools they need to get the job done now, and in the future.

We have developed a two-year plan, to achieve the aims of DE&S@21, built around three simple targets; Great People, Great Delivery and Great Place to Work.



The plan is business-owned to ensure that the content is owned by the whole workforce wherever they are based and is not perceived as being imposed from afar. The success measures in place will ensure we deliver what we set out to be: a performance-focussed organisation that delivers the best for our customers, through our diverse, engaged and motivated workforce.



The DE&S@21 two-year plan key activities are underpinned by a schedule of work that will be tracked and reported against at Executive level, with responsible owners held to account for delivery.

Key activities

Great People	Great Delivery	Great Place to Work
<ul style="list-style-type: none"> <li>» Working with the trade unions on an internal promotion solution</li> <li>» Improving our understanding of the development needs of our current workforce to build capability</li> <li>» Developing new career paths and training prospectuses</li> <li>» Continuing to embed strategic workforce planning and full use of the associated tools</li> <li>» Stepping up support to managers and functions, including improving deployment processes</li> <li>» Making further improvements to HR Services, including casework and how we recruit, furthering diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>» Further aligning and improving our programme and operating cost baselines (EP &amp; OPEX)</li> <li>» Applying practical changes to the way we manage delivery, including tailoring approaches based on risk and complexity, delegated decision-making and improving the quality and provision of our Management Information (MI)</li> <li>» Reviewing how we provide more cost-effective Support to the frontline in line with wider Defence Support Transformation</li> <li>» Driving innovation in what and how we deliver to the front line</li> </ul>	<ul style="list-style-type: none"> <li>» Fixing the issues associated with full use of P3M and other IT tools – establishing greater consistency and simplification of user experience across all DE&amp;S sites</li> <li>» Improving our data management and analytics</li> <li>» Introducing a range of employee support programmes to improve how we manage performance, reward and recognition and the support we provide to maintain the overall wellbeing of our staff</li> <li>» Continuing to roll out Smart Working across all sites and reinforce the supporting behaviours at every level</li> <li>» Ongoing site refurbishment programmes</li> </ul>

A number of the key milestones that will be tracked and reported against are detailed below.

DE&S@21 Aims	Milestone	Delivery date
Great People	<ul style="list-style-type: none"> <li>» Internal promotion solution developed</li> <li>» Common DE&amp;S deployment and prioritisation tools in full use</li> <li>» Recruitment improvement programme achieves full operating capability</li> </ul>	<p>June 2019 August 2019</p> <p>March 2020</p>
Great Delivery	<ul style="list-style-type: none"> <li>» Complete activity to improve integrated EP and OPEX baselines</li> <li>» Safety project achieves full operating capability</li> <li>» Five processes achieve full automation</li> <li>» ISO 9001 certification achieved</li> </ul>	<p>December 2019</p> <p>March 2020 March 2020 September 2020</p>
Great Place to Work	<ul style="list-style-type: none"> <li>» Revised performance, reward and recognition strategy published</li> <li>» SMART working infrastructure tranche 1 roll out at Abbey Wood complete</li> <li>» Attrition and new joiner retention goals achieved</li> </ul>	<p>July 2019</p> <p>March 2020</p> <p>April 2020</p>

# Objectives, Goals, Strategies and Measures (OGSM)

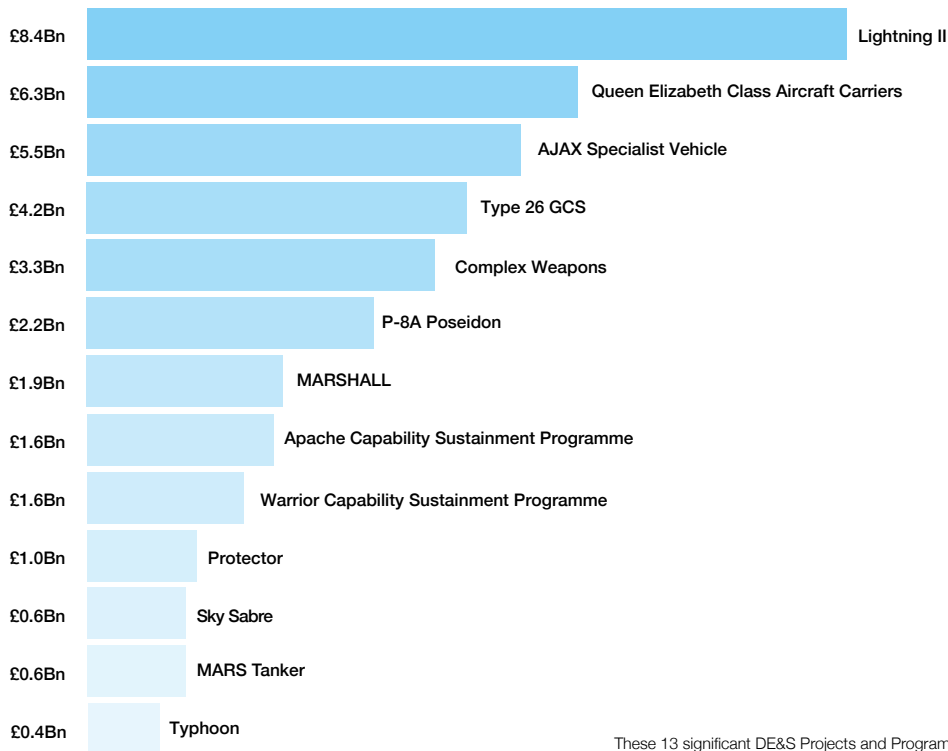
We use an OGSM (Objectives, Goals, Strategies and Measures) model to set our in-year targets, which are cascaded throughout the business. In support of our DE&S@21 Improvement Plan, we have developed the metrics to encompass both business as usual and continuous improvement activities. As such, for the next two years, our OGSM metrics will also serve as our strategic objectives, driving the business towards achieving our DE&S@21 vision.

1	Objective <b>Hitting our numbers</b>		by staying within our Operating Expenditure budget and Equipment Plan allocation, and delivering the 19/20 pooled efficiency target
2	Objective <b>Perform to plan</b>		by delivering the CASPs, we provide equipment that is safe to operate and support through its life
3	Objective <b>Delivering cost effective support to the frontline</b>		by agreeing availability, reliability and sustainability targets with our customers and providing sustainable and efficient support solutions as part of programme lifecycles
4	Objective <b>Satisfy our customers</b>		by effectively engaging with our customers, meeting their needs and playing our part in the deployment of capabilities
5	Objective <b>DE&amp;S@21: Continuously improving our performance</b>		by building our future capability, with fit-for-purpose tools and processes in place, enabling us to deliver to our customers
6	Objective <b>Enabling DE&amp;S through empowered, diverse and high-performing people</b>		by attracting and retaining diversity of talent, with the right behaviours that generate an inclusive and empowering workplace, with improved HR data integrity and accuracy

# Our programme of work

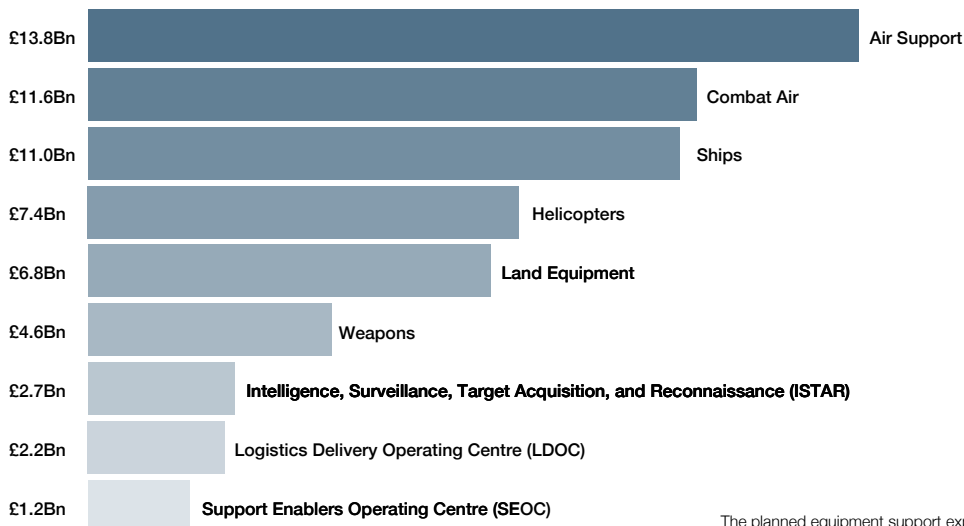
We will work with our customers to deliver a complex and varied range of projects over the next decade. Equipment procurement and in-service support are of equal importance and delivery of both aspects ensures that the armed forces have what they need, when they need it. The MOD's Equipment Plan 2018 provides an overview of the department's planned expenditure, within which DE&S delivers some of the largest procurement projects and support programmes.

## Equipment procurement



These 13 significant DE&S Projects and Programmes were published in Defence Equipment Plan 18. The figures shown here are the value of the approved Demonstration and Manufacture phases.

## Equipment support



The planned equipment support expenditure through DE&S over the next ten years, by delivery area, as published in the Defence Equipment Plan 18.





# Chief of Materiel Ships

**CoM(Ships) Vice Admiral Chris Gardner CBE** leads the Ships Domain. He is responsible for delivering Surface Ship platform and equipment acquisition programmes and in-service support to the Front-Line Commands. CoM(Ships) projects include:



**Offshore Patrol Vessels (OPVs)** - the first of class, HMS Forth, was commissioned in April 2018 and will enter service in 2019. Medway, the second vessel, conducted sea trials in November 2018. Trent - third in class, is currently being fitted out. Tamar, the fourth vessel was successfully floated in October 2018. HMS Spey is in the final stages of build. All five of these new batch 2 River Class OPVs are expected to be in service before the end of 2020.



**Tide Class Tankers** - four Royal Fleet Auxiliaries to maintain our bulk fuel Replenishment at Sea capabilities, supporting the QE Class Aircraft Carriers and Maritime Task Groups worldwide. RFA Tidespring entered service at the end of 2017, with RFA Tiderace joining her in late 2018. The final two ships of the Class (Tidesurge and Tideforce) will enter service in 2019.

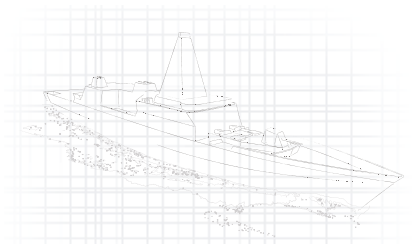
## Support Activity

**Future Maritime Support Programme (FMSP)** - the largest in-service support portfolio of its kind will deliver a suitably sized, benchmarked, world-class support enterprise enabling the Navy's delivery of the Continuous at Sea Deterrence, Maritime Task Group and wider defence outputs. FMSP will deliver greater availability and capability for RN ships and submarines. This will enable greater RN Naval Bases resilience, upskill the RN, MOD and industry and contribute directly to better RN retention, while lowering programme costs.

**Type 23** - the 13 warships of the Class deploy world-wide including one ship forward based in the Middle East. A programme of deep maintenance will extend the ships' life and install several capability improvements. Most notably, the replacement of the power and propulsion systems will achieve Initial Operating Capability in 2019; weapon systems and sensors are also being replaced.

**Type 45 Power Improvement Project (PIP)** - is a central component of the Napier Programme that will restore confidence in Type 45 Power and Propulsion by installing additional larger diesel generators across the class. 2019 will see the completion of all PIP design work, receipt of new generators, switchboards and commencement of first embodiment in HMS Dauntless. The Napier Equipment Improvement Plan will complement PIP as it continues to roll out upgrades to main propulsion drives, gas turbines and other critical propulsion equipment.

**Future In Service Support (FISS) project** - delivered a series of new contracts for 13 Royal Fleet Auxiliary and four Royal Navy Hydrographic vessels in 2018, to ensure continuous support through to 2028. These contracts further enhance already high-performing support arrangements and provide more than £100M of financial savings for the customer.



**T31e Programme** - the five Type 31e general purpose frigates will be at the heart of the Royal Navy's surface fleet. Flexible and adaptable by design, they will deter aggression and maintain security of UK's interests, be upgradable in future and attractive for export. Work is underway to compete the design and build contract, with the first expected in 2023 and all five being delivered by the end of 2028.



**Fleet Solid Support (FSS)** - the project will deliver a class of up to three vessels to provide a solid stores (food, stores and munitions) replenishment capability to support the Queen Elizabeth Class Aircraft Carriers and Maritime Task Groups. Invitations to Negotiate were issued to five bidders in late 2018, with contract award planned for 2020.



**Type 26 Global Combat Ships** - the first batch of three Type 26 Frigates is being built by BAE Systems Naval Ships in their shipyards on the Clyde. Batch two for five more will be subject to a separate approval and contract expected in early 2020s. The first ship, HMS Glasgow, is currently in build and, along with her seven sister ships, she will protect the UK's strategic interests and deliver high-end anti-submarine multi-mission warfighting capability with a truly global reach.



**Queen Elizabeth Class** - HMS Queen Elizabeth's main effort is generating capability for Carrier Strike Group 21 with continuation of flying trials during its next deployment. HMS Prince of Wales will enter the final phase of setting to work and commissioning of systems this year while at Rosyth. With a ship's company of over 400 now assembled, the target is for the ship to commence sea trials in the autumn and meet its contractual acceptance date by the end of 2019.

# Classes in Transition

By its nature, the process of shipbuilding sees classes of ship in a constant state of transition; whether from concept to design, design to build or build to in-service. At DE&S we are involved in projects at all phases: Type 31e has recently entered the Design Phase, Type 26 is in early build, and the Offshore Patrol Vessels and HMS Prince of Wales are in late build.

HMS Queen Elizabeth made the major transition into support and in-service in the last 12 months, arriving in her homeport of Portsmouth in August 2017, and following sea trials, achieved Vessel Acceptance Date in December 2017. During 2018 there have been flight trials of the F35B Lightning jet, working off the Eastern Seaboard of the USA. The next two years will see further capability insertions as she builds towards full operational capability as part of the carrier strike group in 2021.

Progress is being made to welcome HMS Prince of Wales to HM Naval Base Portsmouth in 2019. Careful joint workload and demand planning is underway to support HMS Prince of Wales after Vessel Acceptance at the end of 2019 as well as the other currently supported ships.

The first Royal Fleet Auxiliary (RFA) Tanker TIDE Class, RFA Tidespring, achieved its in-service date in 2017. The final ship of the class, RFA Tideforce, arrived in the UK in August 2018, having completed initial build in South Korea and is now in Falmouth for customisation. Trials in 2019 will ensure the vessel meets the requirements set by the Royal Navy. Throughout the programme, joint working with the RFA has been essential to prepare for the maintenance, operation and support for these ships for the next 25 years.



# Chief of Materiel Land

**CoM(Land) Lieutenant General 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. Land also provides a range of services, including storage, testing, evaluation and training, supporting the whole of defence activity. CoM(Land) projects include:



**MITER** - is a Category A project for earth-moving, engineer construction and mechanical handling capabilities and will replace three existing contracts. The Invitation to Negotiate for MITER was issued in July 2018 and the competition is currently ongoing. The two year MITER Assessment Phase will ensure best value for money for defence through competitive contract arrangements to provide an effective transition from existing contracts.



**Mechanised Infantry Vehicle (MIV)** - plans to deliver a fleet of 'off the shelf' 8x8 wheeled armoured vehicles. It will form the core of the future mechanised infantry's contribution to the Army's strike brigades. The UK has now re-joined the Boxer programme via the Organisation for Joint Armament Co-operation (OCCAR) and the next phase of procurement will explore options to equip the Army with the 8x8 troop carriers to modernise its vehicle fleet and meet the Army's MIV requirement.



**SPEAR Capability 3** - is being developed to be the primary air-to-ground armament for the Joint Combat Aircraft (F-35 Lightning) to provide the capability to defeat a wide range of targets at range, in all weathers at day and night, in complex environments under tight rules of engagement. Successful completion of the environmental testing round enables the commencement of robustness testing, a key part of the development programme.

## Support Activity

**Fuel Enterprise Strategy** - is tasked with totally revitalising the Defence Fuels Enterprise. Through dynamic, innovative and cohesive project management FES is poised to deliver a potential £200M saving over 10 years but, more importantly, it will revamp fuels procurement and bolster supply chain efficiency, giving the user community greater assurance of fuel availability and quality across the world, wherever it is required.

**Project ABEL** - is developing the acquisition strategy for the UK General Munitions supply and support solution for the Armed Forces in the 2020s and beyond. The scope covers c.500 products ranging from large calibre shells, through to small arms ammunition and flares. The project team developed an Initial Gate Business Case in 2018, which will lead to implementation of the approved acquisition strategy from 2019 onwards.

**Logistic Information Systems** - There are several major pan-defence support transformation projects in train. Business modernisation for support is a key strand of the defence support network (transformation) programme. In addition to new logistics information systems it will implement business change across the defence support network. Utilising an enterprise architecture approach, the project creates an integrated environment employing defence-wide support metrics, optimised processes and digital information services. Key to this integration is the base inventory management service; a single replacement that supersedes the three single-service systems. Joint Asset Management and Engineering Solutions (JAMES) provides engineering and capability management information for over 1.6 million pieces of equipment. Continuous improvement work has delivered JAMES

Modern (a wholly updated software version) and JAMES Deployed. These deliver the capability in an operational environment and is in use on Operation CABRIT in Eastern Europe and was deployed on Exercise SAIF SAREEA 3 in Oman.

**Supply Chain Transformation (Expansion)** aims to bring greater efficiency and effectiveness within the operation of the end to end supply chain. The first commodities are commencing transfer, realising up to 3% savings against defence's projected spend.

**Logistic Commodities and Services (Transformation)** - introduces modern logistics information systems, improved commodity procurement, refined processes and new storage infrastructure to improve outcomes for the Front-Line Commands. In partnership with Leidos, the Defence Fulfilment Centre reached FOC in Donnington, in March 2019 as planned, revolutionising the way DE&S supports Defence logistics.

# Re-invigorated LTPA

The Long Term Partnering Agreement (LTPA) is a 25-year contract with QinetiQ that provides the UK Armed Forces with a range of Test, Evaluation and Training services. It supports the majority of key MOD programmes, including the strategic deterrent, Carrier Enabled Power Protection and complex/general munitions.

In 2016, MOD and QinetiQ embarked on a two-phased programme to modernise the LTPA contract and to meet affordability constraints. The first phase sought to re-brigade investments in the Hebrides Air Ranges to lower operating costs and introduce civilian aircraft for Test Aircrew Training. The result of these improvements resulted in a £155M efficiency over the final 10 years of the contract.

The second phase was to change the core LTPA contract, to modernise the Terms and Conditions and to meet a challenging affordability constraint. To achieve this, MOD and QinetiQ focussed on:

1. Portfolio of Investments. This provides QinetiQ with freedom to put specific work packages in place to recover the ageing estate and equipment to ensure the whole capability remains current and available to the user.
2. Transfer risk to QinetiQ. This allows QinetiQ freedom in how they deliver the portfolio of

investments. Enables a much more efficient way of delivering key investments through a reduction in transactional approvals. This freedom means that the risk of delivery could be transferred to QinetiQ, reducing MOD's risk exposure.

3. Improved Governance and Performance management system. MOD and QinetiQ have implemented an improved governance structure, including better management information; a new streamlined organisational structure; and improved KPIs.
4. Conversion of the LTPA to a Qualifying Defence Contract delivers improved financial transparency which will allow MOD to confidently refocus our investment to what matters to our customers.
5. Changed Operating Model. The new contract moves away from an availability-based contract and towards an output and demand-led contract, enabling MOD to use resources more effectively and deliver significant efficiencies.

As well as the funding injection, QinetiQ and the MOD have agreed a portfolio of investments, worth £190m, to improve capability resilience and to ensure that the Test and Evaluation sites around the country remain fully operational.

Overall, the delivery of the Re-invigorated LTPA has resulted in a further £144M efficiencies being realised and ensures that MOD maintain a world leading test, evaluation and training capability which is affordable and which can make the necessary adjustments to remain responsive to emerging and evolving threats, technologies and innovations.



# Chief of Materiel Air

**CoM(Air) Air Marshal Julian Young CB OBE RAF** leads the Air Domain which includes Combat Air and Air Support Operating Centres, and is responsible for equipping and supporting Front-Line Commands for air operations now and in the future. In addition, CoM(Air) is personally responsible for oversight of technical airworthiness for all MOD aircraft. He is the RAF Chief Engineer and Air Member for Materiel on the Air Force Board. CoM(Air) also chairs the DE&S Safety, Health & Environment Committee. As CoM(Air) says, it's 'all about getting jets off the end of the runway', and his projects include:



**E-7** – the MOD has begun procurement of a replacement for the ageing E-3D Sentry. The E-7, operated by Australia, is the aircraft of choice to fulfil this critical defence capability - Airborne Battle Management & Surveillance - out to 2035 and possibly beyond.



**Shadow** - the new Shadow Long-term Sustainment contract will both support the Shadow fleet's vital operational flying through to its 2030 out-of-service date and also rapidly advance the platform capability, first through conversion to a modular-architecture Mk2 variant and then by agile system upgrade thereafter.



**A400M** - in 2018 the RAF received its 20th aircraft, and there was further capability growth including the achievement of a full aeromedical evacuation capability, successful trials of the air-dropped Container Delivery System as well as natural surface operations. Focus is now on improving reliability of the UK fleet, delivering additional capability enhancements, and a retrofit programme to bring delivered aircraft up to the final operational standard.



**Future Combat Air System Technology Initiative (FCAS TI)** - DE&S provides a range of procurement expertise to underpin the government's c.£2bn investment in an extensive portfolio of cutting edge research and development projects to keep the UK at the forefront of global Combat Air technology. Alongside open mission systems and international co-operation, DE&S and wider MOD experts are working in collaboration with UK industry as part of the RAF Rapid Capabilities Office-led 'Team Tempest' to mature key technologies and concepts. FCAS TI will maintain choice in how we deliver future capabilities and DE&S is similarly closely supporting the Combat Air Acquisition Programme (CAAP) to replace the capability offered by Typhoon as early models leave service in the late 2030s.



**Lightning F35-B** - The UK declared Initial Operating Capability (IOC) on 31 December 2018. This was the culmination of some 20 years of effort by many individuals in DE&S and other organisations. IOC with nine F35B aircraft based at RAF Marham marks a step-change in UK Combat Air capability and our first time of fielding a true fifth generation capability. As the programme moves into service, the UK is seeking to capitalise on its Level 1 Partner Status, with its track record of driving sustainment reform to influencing the Global Sustainment Solution for F-35. More UK F-35B aircraft will arrive this year for the stand up of 207 Sqn – the new Operational Conversion Unit – at RAF Marham.

## Support Activity

**F35 Support Hub** - the F-35 Lightning is supported by a Global Support Solution (GSS), designed to meet customer needs anywhere in world. DE&S is working with other areas of defence to secure opportunities for the UK to play a role in this global network. In February 2019, the UK was awarded a second major assignment by the US Department of Defense for F-35 avionics and aircraft component repair work, worth some £500M.

**TyTAN Support Contract** - the Typhoon Total Availability eNterprise (TyTAN) support contract is a far-reaching and innovative long-term enterprise solution, which further develops the partnership between BAE Systems and DE&S. Through its pay-per-flying hour mechanism, it provides focus on improved operational output; whilst its reach into the support environment is driving further efficiencies in the support model.

**DECA** - DECA is a MOD organisation that provides electronic and mechanical maintenance, repair and overhaul services to all areas of the MOD. The DECA Management Office is a joint DECA and DE&S team based at DE&S Abbey Wood, established to help all areas of DE&S task DECA.

## P-8 Poseidon

2019 signals a key period of activity for the DE&S P-8A Delivery Team with a number of significant events and deliverables ahead of the delivery into service of a new UK fixed-wing maritime patrol capability, a capability that has not existed since 2010 when Nimrod MR2 retired from service.

While the pinnacle of the year will be the delivery, in October 2019, of the first of nine P-8A Poseidon Maritime Patrol Aircraft ordered for the RAF, to initially be operated from Jacksonville, a huge amount of other work and parallel activities are underway to enable and support this. Principal amongst these are the completion and submission, in February 2019 of the Type Certification Exposition to the Military Aviation Authority which is required to achieve a Release to Service which will enable operation of the aircraft and delivery of the capability that it brings.

Being procured as a Foreign Military Sale from the US Government, the project to deliver the P-8A to the RAF has been carried out at a high tempo following the SDSR 2015 announcement and rapid

progression through the Assessment Phase to Main Gate approval in July 2016.

The pace of work continues as the first training courses for RAF air and ground-crew personnel commenced in January 2019. While initial training will be delivered using the US Navy “pipeline”, a bespoke UK training service (to be based at RAF Lossiemouth) is being developed. Also in train are preparations for UK-based support arrangements to maintain and support the aircraft beyond the initial phase. A project to deliver a bespoke strategic facility at RAF Lossiemouth (comprising squadron accommodation, three-bay hangar, training and simulation facilities, operational conversion unit and tactical operations centre) is also being managed by the DE&S Delivery Team. Good progress has been made since construction began in April 2018 with a “topping out” ceremony marking the final structural steel beam being lowered into place occurring in late November 2018. Once complete, this facility will house everyone who operates and supports the RAF P-8A fleet. While separate from the wider, Defence Infrastructure Organisation Lossiemouth Development Programme, this DE&S-led project has key dependencies on that work making collaborative working essential. Completion of the P-8A Strategic Facility is planned for mid-2020 to coincide with an Initial Operating Capability for the RAF P-8A being declared in the UK.

# Chief of Materiel Joint Enablers

**CoM (Joint Enablers) Mr Adrian Baguley** is responsible for the delivery of equipment and support relating to helicopters and ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance) equipment. He is responsible for DE&S delivering capability to the Joint Forces Command. CoM(JE) projects include:



**Wildcat Training Capital Equipment Full Operating Capability (FOC)** - over 50% of the Royal Navy's and British Army's flying syllabus is now conducted on the Wildcat Training Centre simulators, thereby saving the Front-Line Commands many valuable 'live' flying hours. All Synthetic Training Equipment is at the aircraft software standard. In August 2018, Navy Command declared achievement of FOC, a Navy Command Strategic Milestone.



**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 with Initial Operating Capability (IOC) forecast for November 2020.



**Apache Integrated Operational Support: Pricing Period 3 - (AH IOS PP3)** is the final five-year pricing period of an extant and effective long-term support contract for the Apache AH Mk1 that has been in place for some nine years, delivering a coherent range of support services to a well understood platform, unchanged in scope from the current pricing period, against a declining activity level, in advance of the out-of-service date of 31 March 2024. Contract was awarded to Leonardo Helicopters UK (LHUK) in December 2018, three months ahead of schedule, and generated significant cost savings for the British Army.



**Attack Helicopter Capability Sustainment Programme** - will extend the UK's attack helicopter capability via an obsolescence programme, taking the current AH-64 Mk1 up to the AH-64E standard. The first aircraft is due to be delivered to the UK in June 2020. The current AH-64 Mk1 has been in service with the British Army since 2001, providing an important defence capability across several operational theatres. The Attack Helicopter Capability Sustainment Programme will address obsolescence issues and will ensure that the capability is developed in line with the current US Army AH-64E model. The programme is generating significant cost savings for the British Army, based on re-use of the existing platform systems and cooperation in production with our US allies. IOC for the new standard of attack helicopter is scheduled for April 2022.



**MARSHALL** - enables military terminal air traffic management services in the UK and abroad. This is achieved through a service provision contract with Aquila, which also involves a significant update of obsolete equipment. MARSHALL combines some 70+ previous equipment and support contracts into a single service delivery contract. It provides cost and manpower savings; significant equipment upgrades and ensures compliance with the latest civil and military aviation regulatory requirements. IOC and FOC are scheduled for June 2019 and December 2024 respectively.



**Chinook Future Support Arrangement** - the Future Through Life Customer Support (F-TLCS) will provide the user with continued in-service support for the Chinook CH-47 platform through a series of pricing periods up to the forecast out of service date of 2040. The new single source F-TLCS contract with Boeing Defence UK will replace the current support contract. There are several differences in the draft F-TLCS statement of requirement driven by a change of the customer's requirements. The opportunity is being taken to optimise elements of the contract and to introduce a wider range of KPIs that more closely match the customer's performance requirements. Contract award is on track for March 2020, for a six-year period.



# MERLIN Life Sustainment Programme

Providing the Commando Helicopter Force (CHF) with a world leading, marinised platform

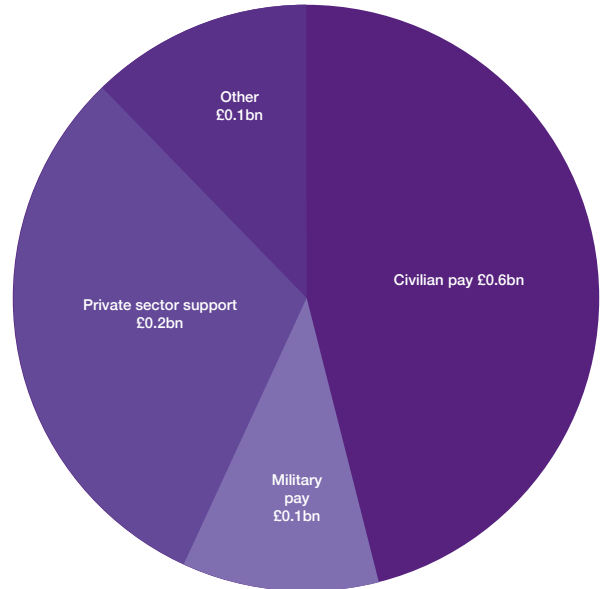
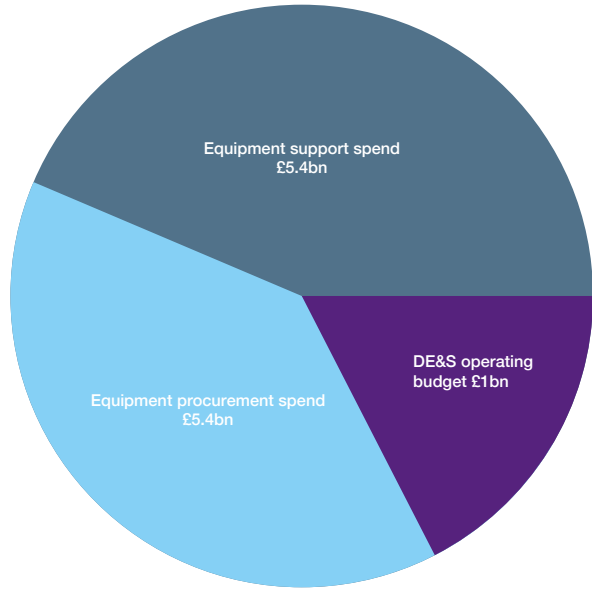
The Merlin Life Sustainment Programme (MLSP) is upgrading Merlin MK3/MK3a helicopters to take on the Littoral Manoeuvre (Lit M), Land and embarked Maritime Counter Terrorism (MCT) role previously undertaken by Sea King Mk4 helicopters, which went out of service in March 2016.

MLSP is a combined programme of life sustainment, obsolescence removal and ship optimisation of 25 Merlin Mk3/3a to a modified Merlin Mk4/4a standard. Initial operating capability (IOC) for MCT was achieved six months early in March 2016, with IOC for Lit M capability set for February 2020.

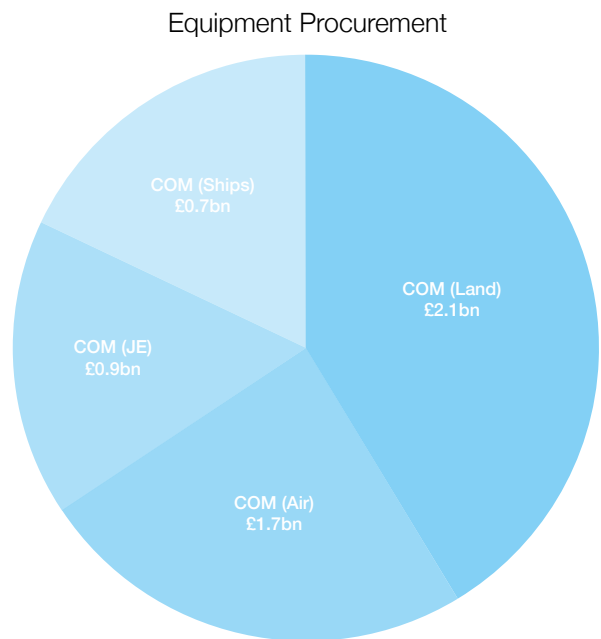
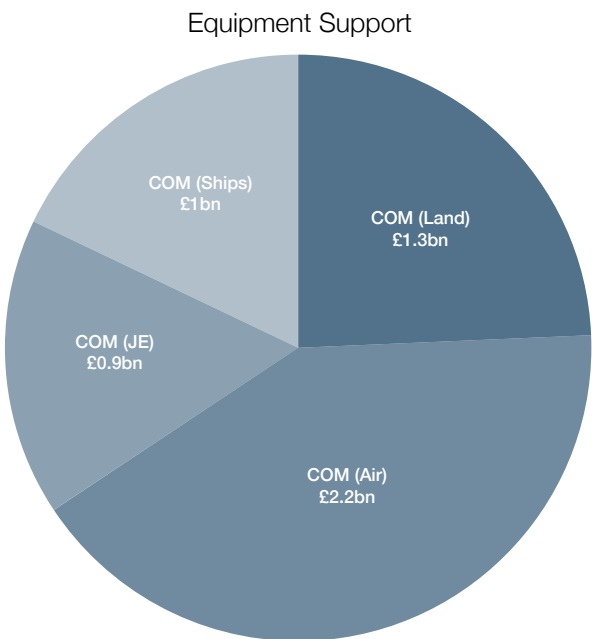
Whilst not part of the Main Gate Business Case, Navy Command requested to have three Merlin Mk4s embarked and flying from HMS Queen Elizabeth for initial fixed wing flight trials in the USA, this was achieved in autumn 2018.

# Our 2019/20 budget

The charts below show our indicative operating budget allocations for financial year 2019-20 proportionate to the programme of work that we will deliver on behalf of our customers<sup>2</sup>.



The following charts show the indicative 2019-20 budgets for Equipment Support and Equipment Procurement, broken out by DE&S Domain.



<sup>2</sup>These figures are indicative and do not include the submarine business, which is now undertaken by the Submarine Delivery Agency and is separate from DE&S.

# Our Key Performance Indicators

The following metrics are designed to measure the corporate performance of our organisation on a month by month basis.

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>1</sup> to be met.	%	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%
1.2 Procurement Projects <sup>2</sup> – Key User Requirements (KURs) For Demonstration and Manufacture phase projects, post-Main Gate and pre-ISD and as agreed in the CASP: the percentage of 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>2</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>3</sup> .	Forecast cost variance (%)	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	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 baselines agreed in the CASP <sup>3</sup> .	Forecast cost variance (%)	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%

<sup>1</sup> Each CASP includes around 20 strategic milestones that are due to be delivered in-year and which have been agreed as significant with our customers. These milestones are key to the measure of a project's success

<sup>2</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.

<sup>3</sup> CASPs are not yet agreed so the baselines are not yet finalised. It is assumed that the baselines will be the project cost and time forecasts (at 50% confidence) held in the DE&S Corporate Management Information System (CMIS) as at 1st April 2019.



# Defence Equipment and Support

KPI 1 – CASP DELIVERY PERFORMANCE	Metric	NAVY	ARMY	AIR	JOINT FORCES	Director Strategic Programmes
1.4 CASP Procurement Projects <sup>2</sup> - Time  1.4.1 For Demonstration and Manufacture phase projects, post-Main Gate and pre-Full Operating Capability and as agreed in the CASP: over the year, the forecast aggregate variance to Equipment Delivery Dates (EDD) <sup>4</sup> against the baselines agreed in the CASP <sup>3</sup> .	Average variance per EDD (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-Full Operating Capability and as agreed in the CASP: over the year, the number of Equipment Delivery Dates (EDD) forecasting excessive variance, against the baselines agreed in the CASP <sup>3</sup> .	% of EDDs forecasting excessive time variance	Green ≤15% Amber >15 <25% Red ≥25%	Green ≤15% Amber >15 <25% Red ≥25%	Green ≤15% Amber >15 <25% Red ≥25%	Green ≤15% Amber >15 <25% Red ≥25%	Green ≤15% Amber >15 <25% Red ≥25%
	Threshold for excessive time variance (months)	+2 months	+2 months	+2 months	+2 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 <sup>3</sup> .	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
1.5 CASP Equipment Support (Performance) <sup>5</sup>  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>6</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%

<sup>4</sup> In DE&S, each project team has agreed with their FLC Customer exactly when it will officially deliver the project (equipment/capability) and this is classified as the project's EDD. The EDD reflects just what DE&S is responsible for, so any changes to the delivery forecast for the EDD are the sole responsibility of DE&S.

<sup>5</sup> We work with each of our customers to determine how they define Availability, Reliability, Sustainability and Safety Process Administration and agree their own performance thresholds. Together, these four metrics provide an overview of our performance in supporting In-Service equipment. As the customers deal with very different operating environments, and as each CASP is negotiated on a bilateral basis, direct comparison of performance against different CASPs is not appropriate.

<sup>6</sup> This KPI specifically 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 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 i.e. expenditure in 2019/20 to be no greater than the budget of £988M (adjusted where necessary to reflect changes in the Programme of Work).	Variance to baseline (%)	Green ≤ budget Red > budget

KPI 3 – INVENTORY MANAGEMENT	New metrics for Inventory Management are being developed.
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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). This KPI tracks in-year forecast outturn within an agreed tolerance of the budget by each Command-facing area (subject to any budget adjustments agreed with the Customers).	Outturn below baseline (%)	Overspend: Red Underspend: Green ≤ 0% & ≥ -1.5% Amber < -1.5% & ≥ -2% Red < -2%	Overspend: Red Underspend: Green ≤ 0% & ≥ -1.5% Amber < -1.5% & ≥ -2% Red < -2%	Overspend: Red Underspend: Green ≤ 0% & ≥ -1.5% Amber < -1.5% & ≥ -2% Red < -2%	Overspend: Red Underspend: Green ≤ 0% & ≥ -1.5% Amber < -1.5% & ≥ -2% Red < -2%	Overspend: Red Underspend: Green ≤ 0% & ≥ -1.5% Amber < -1.5% & ≥ -2% Red < -2%
4.2 Forecast Stability (10 year EPP). Underlying cost of the EPP at the Programme Cost Review 2 (PCR2) of the reporting year to be the same or less than at the Quarterly Review of Programme Costs 3 (QRPC3) of 2018/19, when measured on a like-for-like basis.	Variance to baseline (%)	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%
4.3 Forecast Stability (10 year ESP). Underlying cost of the ESP at the Programme Cost Review 2 (PCR2) of the reporting year to be the same or less than at the Quarterly Review of Programme Costs 3 (QRPC3) of 2018/19, when measured on a like-for-like basis.	Variance to baseline (%)	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%	Green ≤ 0% Red > 0%

KPI 5 – CUSTOMER SATISFACTION	Metric
5.1 Aggregate scores for 2019 survey <sup>7</sup>	Green > 6.5 Amber = 6.5 Red < 6.5

KPI 6 – HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION	Metric	DE&S
6.1 Number of elements of health, safety and environmental protection management arrangements <sup>8</sup> assessed as compliant (Level 4).	Defence Safety Authority 01.2 Performance Assessment Levels	Green = All 11 HS&EP Elements at Level 4 (Compliant) or above Amber = At least one HS&EP Element at Level 3 (Minor Weakness) Red = At least one HS&EP Element at Level 2 (Significant Weakness)

<sup>7</sup> An annual score derived from numerical responses to the theme and relationship questions (against a 1 to 10 scale where 1 is the 'most negative' and 10 the 'most positive').

<sup>8</sup> There are 11 Elements assessed under DSA 01.2: 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.





Ministry  
of Defence

