

# DEFENCE SUPPLIERS FORUM MAIN MEETING

21 July 2020

## ATTENDEES

### Government

Rt Hon Ben Wallace MP – Secretary of State for Defence  
Jeremy Quin MP – Minister for Defence Procurement  
Sir Simon Bollom – DE&S CEO  
Air Mshl Richard Knighton – DCDS (Mil CAP)  
Andrew Forzani – CCO  
Huw Walters – SPO ESP Director  
Damian Parmenter – SPO DSIS Review Director  
Mark Goldsack – Director Defence and Security Organisation, Dept. for International Trade  
Keith Hodgkinson – Deputy Director Manufacturing Defence & Marine, BEIS  
John Kite – Commercial SSM TL  
Emma Baker-Webb – DSF PMO

### Industry

Charles Woodburn – CEO, BAE Systems  
Norman Bone – CEO, Leonardo UK  
Paul Everitt – CEO, ADS  
Archie Bethel – Group CEO, Babcock  
Richard Franklin – MD, Airbus Defence and Space UK  
Steve Wadey – CEO, QinetiQ  
Chris Allam – MD, MBDA UK  
Peter Ruddock – CEO, Lockheed Martin UK  
Steve Rowbotham – COO, GDUK  
Jeffrey Lewis – CEO and MD, Raytheon  
Anna Keeling – MD, Boeing Defence UK  
Jonathan Lewis – CEO, Capita  
Andrew Barrie – President Government Solutions EMEA, KBR  
Matt Wiles – CEO, Leidos UK  
Rupert Soames – Group CEO, Serco  
Alex Zino – Director Business Development and Future Programmes, Rolls Royce  
Greg Bagwell – Strategic Advisor, Cobham  
Simon Fovargue – CEO, Leidos UK and Europe  
Alex Cresswell – CEO and Chairman, Thales UK  
Simon Pryce – CEO, Ultra Electronics  
Jon White – Sales Director Europe, GE Aviation  
Tim Gibson – VP Defence and National Security, Fujitsu  
Alistair McPhee – CEO, Marshall ADG  
Nicolas Clark – VP Head of UK Corporate Affairs, Saab

Michael Ord – CEO, Chemring  
Peter Hardisty – MD, Rheinmetall Defence UK  
Jim Thompson – VP Defence UK, DXC  
Andrew Naismith – MD, CAE UK  
Nick Chaffey – CEO UK and Europe, Northrop Grumman  
Simon Gould – MD Defence and Security UK, BMT  
David Clark – Aerospace and Defence Market Director UK and Europe, Atkins  
Alan Lines – VP Industry Engagement, Atkins  
Phil Cooper – Head of Government Relations, Atlas Elektronik UK  
Andrew Thomis – CEO, Cohort  
Mark Baker – MD Government and Agencies, Sodexo  
Neil Timms – Senior VP Space Defence and Intelligence, CGI  
Graeme Mackay – VP, L3Harris UK  
Andrew Kinniburgh – Director General, NDI  
Fred Sugden – Head of Defence Programme, techUK

## **1. WELCOME AND INTRODUCTORY REMARKS**

1.1. The Secretary of State for Defence, Ben Wallace MP, welcomed representatives from across MOD and Industry. He thanked Industry for their continued support during unprecedented times. He noted that the focus must now turn to the future and the Integrated Review will play a pivotal role.

1.2. Charles Woodburn responded by thanking Government and MOD for their rapid response to COVID-19 and the clear guidance and support to the defence industry. Within Industry, thoughts are now turning to the Integrated Review. He noted that the defence sector represents an important contributor to economic recovery.

## **2. DSF EXECUTIVE GROUP FORWARD LOOK / REFLECTION**

2.1. Sir Simon Bollom noted the COVID-19 crisis bonded MOD and Industry as customers and suppliers tightly. The DSF Executive Group was used for a different purpose and its membership was expanded. By doing so the group enabled Defence to effectively respond to the crisis by exploring issues around key workers, PPE, social distancing, providing relief for cash flow issues, supply chain fragility and the continuation of Defence priorities.

2.2. The level of communication and collaboration between MOD and Industry, supported by Trade Associations, was exceptional.

2.3. The DSF are now cementing this good work back into routine operations, increasing the frequency of meetings and regularly continuing to communicate with the wider community.

### **3. OPPORTUNITIES AND CHALLENGES FOR POST-COVID UK**

3.1. The Government recognises and thanks Industry for the contribution they already make to UK prosperity, across the entire UK, which also supports the Government's commitment to levelling up. The defence sector is vital in driving innovation and competitiveness, enhancing skills, contributing to UK's export success – and in turn providing benefits to the wider UK economy.

3.2. The priority during COVID-19 has been to provide support to direct suppliers and ensuring cash is flowing down the supply chain. This has resulted in better, more frequent communications and the ability to detect early warning signs and mitigate against them. Industry's support during COVID-19, including the production of ventilators, has shown its responsiveness for which Government are grateful.

3.3. Work ongoing within MOD looking at supporting the Government's levelling up agenda, both at local level and within devolved administrations.

3.4. The Defence Prosperity Programme is working on a range of activities that aim to grow Defence's contribution to prosperity, including establishing a new Joint Economic Data Hub to improve our understanding of the contribution the defence sector makes to the UK economy; and launching a pilot project to develop, test and validate how Defence can make better use of Government investments in supply chain development initiatives across different sectors.

3.5. MOD recognises the importance of an open economy that welcomes foreign investment and associated benefits, but also the need to protect against investments that might undermine prosperity and national security interests. Government is introducing primary and secondary legislation to increase powers to screen and intervene in Foreign Direct Investment cases where proposed foreign investment transactions may carry national security risks.

3.6. MOD recognises the importance of the Defence and Security Bounce Back Plan and its key deliverables, as the UK looks to reboot its economy post COVID-19. MOD supports cross-Government efforts to create a cohesive strategy to support UK industry and build our global market share.

3.7. The MOD recognises small and medium-sized enterprises (SMEs) as a valuable source of innovation and value for money. We are committed to improving our engagement with smaller business throughout the defence supply chain. We are planning to refresh the MOD's SME Action Plan in the autumn.

### **4. DEFENCE AND SECURITY INDUSTRIAL STRATEGY**

4.1. The Defence and Security Industrial Strategy (DSIS) will set out government's strategic approach to ensure we have competitive, innovative and world-class defence and

security industry sectors capable of matching future threats and exploiting new technologies. It will feed directly into the Integrated Review.

4.2. The measures being explored will represent a step change in Defence's approach to key segments of industry, providing greater certainty, commitment and economic opportunity.

## **5. INTEGRATED REVIEW**

5.1. The Queen's Speech announced the deepest review of Britain's security, defence, development and foreign policy since the end of the Cold War.

5.2. Government are now formally recommencing the Integrated Review (IR) of security, defence, development and foreign policy. The IR will:

- Define the Government's ambition for the UK's role in the world and the long-term strategic aims for our national security and foreign policy.
- Set out the way in which the UK will be a problem-solving and burden-sharing nation.
- Set a strong direction for recovery from COVID-19, at home and overseas, so that together we can "build back better."

5.2 The Prime Minister has been clear that the IR and Spending Review (SR) should be closely coupled.

5.3 Timings for the IR and SR have not yet been agreed, but MOD are planning for both reviews to be complete in the Autumn.

## **6. CLOSE**

6.1. Charles Woodburn noted this recovery period is an opportunity to demonstrate Defence's value to the wider economy. We must carry forward this spirit of collaborative support and communication.

6.2. The Secretary of State agreed and thanked all for their participation.