

DE&S 2025

DELIVERING THE EDGE THROUGH
PEOPLE, TECHNOLOGY AND INNOVATION



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FOREWORD: MINISTER FOR DEFENCE PROCUREMENT



The Government's Integrated Review and the accompanying Ministry of Defence (MOD) Command Paper 'Defence in a competitive age' have set out the rapidly evolving threats facing the UK.

We need to build a modernised Defence which enables the UK's Armed Forces to outpace our adversaries and retain their adaptive edge. Our military capabilities will need to be integrated across domains, with full use made of new and emerging technologies. Defence Equipment and Support (DE&S), as the MOD's largest professional delivery organisation, will have a critical role in delivering the innovative capabilities our Armed Forces need – at a pace which allows them to stay ahead.

A modernised Defence will require a shift in thinking away from the traditional platforms of ships, tanks and aircraft to systems of sensors, effectors and deciders. Solutions must keep pace with rapid technology change – embracing new information-centric technologies, plugging into a digital backbone and being designed for the upgrades of the future. Integration across multiple military requirements and organisational boundaries will be essential. In the workplace, digital automation is becoming the norm, and artificial intelligence (AI)

is already enabling faster and more effective decision-making.

To remain at the cutting edge and introduce these new technologies at pace, our ways of working are being reformed. In the Defence and Security Industrial Strategy (DSIS) we have set out an important framework which will also ensure our supply chains are secure and resilient, and that we can produce critical systems onshore.

DSIS also sets out other key priorities. DE&S oversees a spend of £10 billion each year through the contracts it awards and manages. It is essential that this is used to best effect to generate a positive impact to the national economy, taxpayer and society through a more flexible and nuanced approach to competitions. We have a vital role to play in providing critical capabilities and supporting our economy and in doing so spreading prosperity across the whole UK and improving skills and technology.

UK capabilities achieve significant export success and we are viewed as a partner of choice. We will continue to cooperate with our allies and partners on the development of capabilities, where our needs align.

We will improve and diversify our international partnerships and enable industrial cooperation.

Leading organisations look to their people to deliver enterprise-wide change at this scale and pace. The key to DE&S' success is without doubt the dedication and professionalism of its people, supported by a strong leadership and culture. This context sets the bar even higher, and I look forward to working with DE&S to achieve it.

Jeremy Quin

Jeremy Quin MP
Minister for Defence Procurement



Wildcat integration flight trials with Sea Venom and Martlet missiles

FOREWORD: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)



The 2021 Integrated Review set out a vision in which our future Armed Forces will be more persistently engaged worldwide, requiring full-spectrum and high-tech capabilities.

Our role is to meet their needs – now and into the future. This is why we place so much emphasis on continuously improving, ensuring we have great people, great delivery and a great organisation.

Over the last five years DE&S has gone through a major transformation programme to improve delivery of equipment and support to the front-line. Since 2014 we have operated as an arm's length body with specific delegations to enable better delivery of programmes and to realise financial benefits for Defence. We have grown our specialist skills and capabilities in complex acquisition, support and contract management, bringing together professionals from the civil service, military and private sector. We have used our autonomy from central Government to adopt a bespoke delivery approach, optimised for the unique programmes we manage. As a result, we have delivered over 4,500 contract awards, with a value of more than £47 billion. This includes 80% of the UK's biggest and most complex defence programmes.

Our DE&S@21 strategy, launched in 2018, focused on developing our people, tools and processes to further improve our programme delivery capability and performance. The publication of the Integrated Review and the new investment that this brings provides an opportunity for DE&S to seize the moment and deliver a further step-change in performance in line with the new Defence Command Paper and priorities.

DE&S 2025 will address the skills gaps and remaining deficiencies in our tools and processes to deliver better outcomes to our customers. There is a demand from our military clients for greater pace and agility but not at the expense of certainty in programme delivery. We will improve the value proposition that we offer. We will be more efficient in the way we deliver outcomes and be bold in stripping out non-value adding activity, creating a more agile organisation not constrained by traditional stovepipes and able to flex resource to meet the military demand in a fast-changing world. We will also play a leading role in supporting the Government's wider priorities, from creating jobs and levelling up prosperity across the UK, to supporting exports and driving environmental change.

We have made significant progress in advancing digital solutions in the equipment and support that we deliver and in our business delivery. At the same time the pace of technological change is accelerating and the digital thread will aim for rapid exploitation and acceleration. Our Industry and international partners and our relationship with them is a critical success factor. We will work closely to deliver technologically advanced capabilities, promote UK prosperity and maintain operational independence.

Our people remain at the core of everything we do and we will continue to invest in skills and capability and embrace hybrid working to ensure that DE&S becomes an even better organisation to work in.

TAKEN TOGETHER, OUR STRATEGY TO 2025 MAKES THE COMMITMENT THAT WE WILL:

-  **grow our GREAT PEOPLE, equipping them with digitally-enabled skills**
-  **invest in our infrastructure and enable our people to operate effectively, to ensure we are a GREAT (and green) ORGANISATION**
-  **be at the forefront of GREAT DELIVERY of complex and integrated solutions to the UK's Armed Forces**

There is a demand from our military clients for greater pace and agility but not at the expense of certainty in programme delivery

This is an exciting period for DE&S with unprecedented opportunity. We have huge personal pride in our organisation – and, most importantly, our people. They have enabled us to deliver on our promises time and time again. As we look to the future we will strive to deliver the edge for the UK's Armed Forces at increasing pace through our people, technology and innovation. As an organisation we will also raise our ambitions to become recognised leaders in the delivery of military equipment solutions.

M. F. Russell
Mark Russell - DE&S Chair

Simon Bollom
Sir Simon Bollom - DE&S CEO

OUR IDENTITY

OUR MISSION

OUR MISSION IS TO EQUIP AND SUPPORT THE UK'S ARMED FORCES FOR OPERATIONS NOW AND INTO THE FUTURE.

As a professional delivery organisation, we are supported by our status as a bespoke trading entity and an arm's length body of the MOD. We have certain freedoms which help us to develop the skills we need and to deliver significant financial benefits.

We invest in our people to ensure we have the capabilities, thought leadership and professionalism demanded by our clients. Our hugely diverse mix of civil servants, such as engineers, project managers, commercial specialists and logistics experts, work alongside our military and private sector colleagues. We have clear accountabilities to drive ownership, decision-making and transparency. We are supported by a tailored governance structure with an independent board.

Above all, we are experienced professionals, able to deliver some of the most complex projects and support arrangements in the public sector – nationally, and around the globe.

Every year we deliver a programme of work worth over £10 billion.

Our 11,500 employees manage over 600 live order book items at any one time.

We deliver over 80% of the MOD's largest and most complex equipment projects.

Over five years we have awarded 4,500 contracts worth over £47 billion.

We spend over £8 billion every year on UK contracts which supports over 88,000 jobs.

OUR VALUES

We have listened to our people and to our clients to understand what is important to them and how that drives us. Using their feedback as the starting point we have created four new DE&S specific values which, in time, will be woven through everything we do. We will use these values to define the high standards to which we aspire, and the successes that we celebrate. We will place them at the forefront of our decisions and priorities – as an organisation, and as individuals.



Excellence. We constantly seek new and innovative ways to be better. We deliver on our promises.



Inclusivity. Everyone matters. We feel and offer respect, value and acceptance. We seek out diversity of thought and perspective.



Collaboration. Together we are stronger. We deliver more success through shared goals and mutual support.



Integrity. We are trusted. We hold ourselves accountable for outcomes - good and bad.

OUR CULTURE

We are proud of our culture – our focus on hitting milestones, the collaborative way we work with our partners and clients, and the professionalism and flexibility with which we deliver. As we look to the future we will continue to promote a culture that enables people with the right skills and behaviours to thrive and excel. Through embedding our values we will also create a culture which supports our future success – one that drives pace by challenging bureaucracy and delivers innovation through curiosity and diversity of thought - and directly benefits our clients.

As we look to the future, we will continue to promote a culture that enables people with the right skills and behaviours to thrive and excel

OUR JOURNEY

2018.

DE&S@21 strategy launched

We set our vision to 2021. We built on our Materiel Strategy to improve all aspects of our delivery around three themes: **great people, great delivery and a great place to work.**

2014.

Bespoke trading entity status established

We became a bespoke trading entity and an arm's length body of the MOD. We were given specific freedoms, such as how we manage and develop our people. This change enabled us to strengthen our governance, formalise our relationships with our clients and be clear on what we were responsible for delivering.

2009.

'Gray report' published

Bernard Gray's report was published which highlighted how the defence acquisition system needed to be radically overhauled.

2021.
DE&S@21 DELIVERED

2017.

DE&S transformation delivered

Following our transformation programme, we changed the way we operate and deliver. We introduced new programme management tools and a functional management model which aligned all our people to one of nine specialisms. We standardised over 11,000 job descriptions into 250 roles.

2011.

Materiel Strategy Launched

We launched our Materiel Strategy, which set out how we would address systemic weaknesses through a radical transformation programme. We introduced new tools and processes to improve delivery and upskill our organisation, particularly in project management and project controls.

OUR SUCCESSES

GREAT PEOPLE

- We modernised our people services and improved recruitment, such as training 1,500 hiring managers. We reduced the time taken to onboard new people by 25%, and cut the time spent on casework by 48%.
- We improved our engagement with our people through new performance management and internal promotion processes, and a proactive approach to inclusion and wellbeing.
- We offered our people development opportunities aligned to career paths and rolled out leadership development refresher training for 2,500 people. We provided over one million training hours per year.
- We launched an Industrial People Strategy to better support and develop our people working across industrial roles. Every year we welcomed around 400 new graduates and apprentices into our organisation.

GREAT DELIVERY

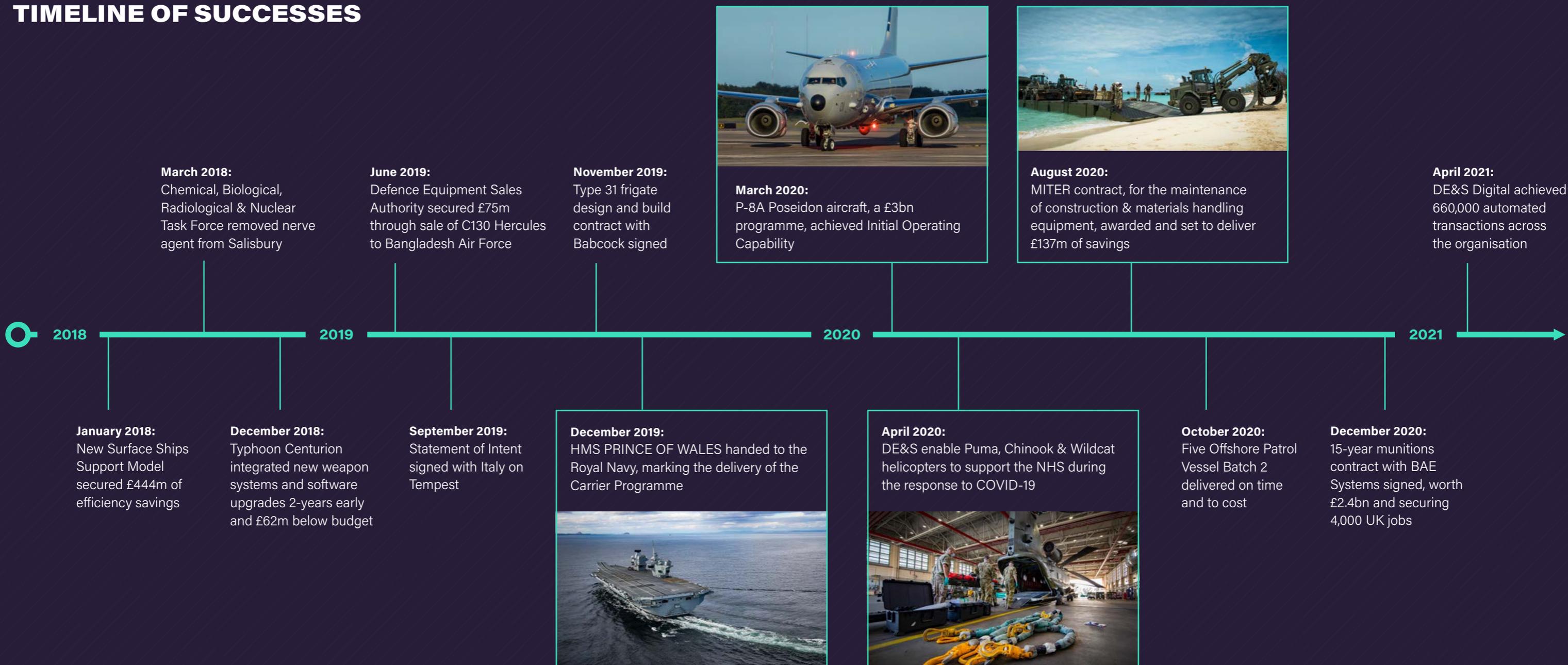
- We supported the NHS through the Covid-19 pandemic by negotiating contracts and managing the supply of over four million items of critical medical equipment. This included 6,000 ventilators.
- Between 2015 and 2020 we reduced the underlying cost of the MOD's Equipment Plan by £5.8 billion. In 2018, we hit our 10-year transformation efficiency target, achieving this six years early.
- We tested fast-track acquisitions for urgent items. For example, we delivered nano unmanned aerial vehicles for experimental trials in 16 days.
- Our aircraft carrier programme team won best engineering and construction project at the National Association of Project Managers awards for delivering the UK's largest and most complex warship programme on time.

GREAT PLACE TO WORK

- We launched Project Neptune to standardise and simplify our processes. We created a change portfolio to manage all our business change activity in one place.
- We invested in new business tools, such as globally recognised project management software to improve our ability to plan and control delivery of our projects and support arrangements.
- We trialled new digital and virtual techniques to improve support management and safety airworthiness certification.

- DE&S Digital Automation achieved 660,000 automated transactions across the organisation, reducing manual tasks and speeding up our processes.

TIMELINE OF SUCCESSES





OUR FUTURE

OUR VISION

OUR VISION FOR 2025 IS TO BE
RECOGNISED LEADERS IN THE DELIVERY
OF MILITARY EQUIPMENT SOLUTIONS
FOR THE INFORMATION AGE

We aim to deliver safe, secure and innovative solutions at greater pace, recognising the opportunities of the Information Age. We are driven by our commitment to the service men and women who place their trust in the solutions we provide. We strive to be the best at what we do as leaders in military acquisition and support.

OUR STRATEGIC PRIORITIES

1. PACE AND AGILITY FOR OUR CLIENTS.

We will maximise the availability of our operational platforms and systems and focus on delivering to agreed timescales. Working closely with our clients, we will look for opportunities to pull through new technology and software releases quicker and bring expertise and innovation to deliver the leading edge for the Armed Forces.

2. VALUE TO THE TAXPAYER AND SOCIETY.

Leveraging the benefits of being an arms length body we will be a more efficient and effective organisation, committed to making a positive impact to Defence and more widely. From helping Government “build back better” following the Covid-19 pandemic to tackling climate change, we will play an important role in supporting national priorities.

3. DELIVERY THROUGH PEOPLE.

Our people are the key element in successful delivery. We need their commitment and professionalism and we will empower our people to help us achieve our mission, nurturing the diversity of skills and experience we need to solve our toughest challenges. We will increase opportunities for learning and development, invest in our leaders and deliver our Equality, Diversity, Inclusion and Wellbeing Strategy. This will help us create and sustain a culture which will be critical to our success.

4. ACCELERATED DIGITAL SOLUTIONS.

Digital technology is central to the capabilities we deliver. While our traditional focus on large platforms remains critical, we will also embrace new ways of integrating systems and data across the battlespace.

Advanced business tools, automation and a digitally-savvy workforce will transform the way we support capabilities and operate our organisation.

5. DELIVERY THROUGH PARTNERS.

Our achievements are shared with our partners – in industry and internationally. Covid-19 and the associated challenges have strengthened our relationships with many of our suppliers and we will build on this still further to jointly address performance issues early and plan for the future. We will strengthen the resilience of our supply chains around critical capabilities, streamline the time taken to award contracts and support industry in mobilising their teams to support our clients' priorities.

“ We are driven by our commitment to the Service Personnel who place their trust in the solutions we provide ”

DELIVERING OUR STRATEGY

In this strategy we have set out 25 measurable actions, five per strategic priority, that show what we are going to do differently.

These actions will be driven by nominated leads within our business, managed through our formal change portfolio. But to truly deliver this strategy, we are dependent on our people and the support of our wider stakeholder community. We expect everyone in our organisation to understand, promote and drive these priorities in their everyday activities – so that together we are a professional delivery organisation fit for the future.

We will measure how effective we have been in delivering the strategy through our annual corporate performance reporting. This includes performance against our Objectives, Goals, Strategies and Measures approach and our corporate key performance indicators. The changes we are making in our strategy are designed to improve our overall performance across all areas, so this will become the ultimate test of whether we have successfully implemented and are realising the benefits of our four-year strategy. The key performance indicators for reporting year 2021/22 are annexed separately.



DE&S 2025



VISION:

OUR VISION FOR 2025 IS TO BE RECOGNISED LEADERS IN THE DELIVERY OF MILITARY EQUIPMENT SOLUTIONS FOR THE INFORMATION AGE



MISSION:

TO EQUIP AND SUPPORT THE UK'S ARMED FORCES FOR OPERATIONS NOW AND INTO THE FUTURE

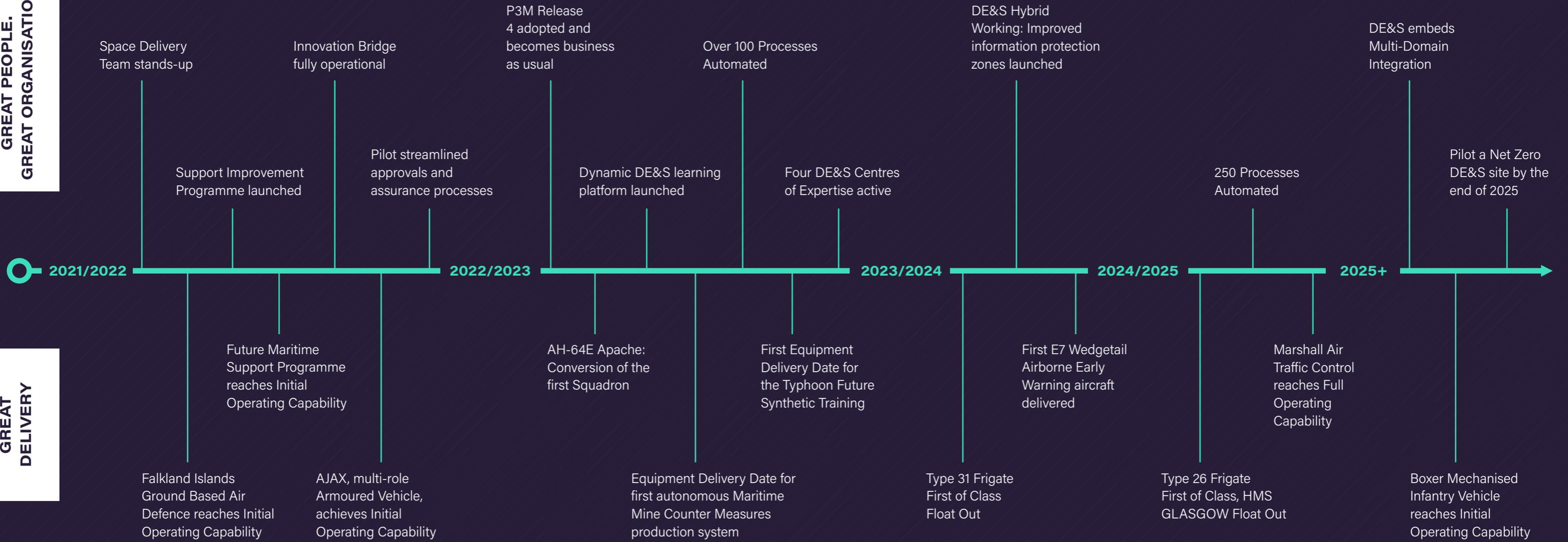


FUTURE DELIVERABLES

PLEASE NOTE: Timeline of events is based upon current plans, and the order within years is not a definite sequencing

GREAT PEOPLE.
GREAT ORGANISATION

GREAT DELIVERY





1

PACE AND AGILITY FOR OUR CLIENTS

**AIM - IMPROVE OUR ABILITY TO DELIVER
PERFORMANCE AND SOLUTIONS AT PACE**



IMPROVING PERFORMANCE

INCREASING AVAILABILITY

FOCUSING ON SAFETY

**RESPONDING TO OUR
CLIENTS' PRIORITIES**

INTEGRATING SYSTEMS



IMPROVING PERFORMANCE

It matters to us that we deliver on our promises. Our clients depend on it, and our reputation is based on it. We, as an organisation and as individuals, need to take responsibility, exercise good judgement and take tough decisions.

We will be bold and balance risk when agreeing what we can deliver. We will respond faster to emerging issues, and we will further upgrade our project management tools to enable better decision-making. We will be ambitious in our drive to improve performance – and we will learn from each other.

INCREASING AVAILABILITY

We will ensure that supportability influences design from the outset, challenging ourselves to realise greater utility, longevity and exportability. For in-service capabilities we will design and implement optimised support solutions that deliver the availability and sustainability our clients require. We will balance reliability, maintainability and cost through the appropriate incentivisation of our suppliers within a culture of asset care. Our tailored support strategies will blend state-of-the-art processes with the increased exploitation of data, modelling and AI to improve health monitoring and prognostics, enabling us to anticipate and prevent failures and maximise availability.



A Royal Marine from 45 Commando RM controlling a Black Hornet 2 Remotely Piloted Aircraft System (RPAS) on Salisbury Plain

FOCUSING ON SAFETY

Safety comes first. From ensuring the equipment and capabilities we procure and support for our Armed Forces is safe by design to ensuring we provide a safe working environment for all our people. We will be persistent and diligent in our approach to safety, with comprehensive application of safety management systems. We will resource our acquisition safety and environment roles with suitably qualified and experienced people and embed the effective management of hazardous materials using a robust records managements system. Equipment safety cases will comply with an agreed and robust standard.

RESPONDING TO OUR CLIENTS' PRIORITIES

Our ability to respond quickly and innovate to support our clients' priorities is enabled through organisational agility. In the face of rapid technological change and evolving threats, we will adapt at pace to support our clients' needs.

OUTCOMES

→ Confidence in our delivery as a partner of choice

→ Faster response to clients' priorities

We will streamline our assurance processes, consider our appetite for risk, use digital tools to improve our reporting and focus on what's important. This will help our teams flex their size depending on the tasks and become streamlined in the long term, supported by our central functional management teams. We will strengthen our balanced matrix by giving our functional teams the powers to faster deploy our people to where they are needed. New programmes will allow us to pilot rapid acquisition approaches.

INTEGRATING SYSTEMS

Future capabilities will need to be integrated across land, sea, air, space and cyber – and interoperable with our allies. We will play a leading role in this integration. We will use our position at the centre of Defence's acquisition network to seek greater alignment across Military Command requirements and programmes. We will engage with high-tempo experimentation and exercise programmes to prioritise short-term interventions and support delivery of MOD's 'Integrated operating concept 2025'.

→ Shorter acquisition cycle, with streamlined approvals processes

→ More innovative products, developed through sharing expertise across organisations



Pace and agility for our clients

	Ends	Ways	Means	Measures
1.1 Accelerating Acquisition	Increased pace of delivery.	We will support MOD acquisition reform to improve areas where there are dependencies, particularly in central approvals and assurance.	We will pilot streamlined approvals and assurance processes by 2022.	Improved approval times, with a reduction in the average time to one-three months by 2023.
1.2 Evolving to future threats	Our clients are supported in implementing the Integrated Review and Defence Command Paper.	We will help our clients through responsive and agile acquisition strategies, countering the threats posed by sub-threshold operations and in new domains.	<p>We will launch a Space Delivery team in 2021.</p> <p>We will deliver new agile force protection electronic countermeasures (ECM).</p> <p>We will provide enhanced sensors, including in land electronic warfare.</p> <p>We will grow our ability to deliver digitised battlefield capabilities using AI, automation and rapid technology integration.</p> <p>We will ensure directed energy weapons are a credible military option in the future.</p>	<p>UK Space Command supported in the development of UK owned and operated satellites, providing military and civil 'dual use' capabilities, by 2025.</p> <p>A new ECM force protection operating capability in 2024.</p> <p>An outline business case in 2022 for a new land electronic warfare and signals intelligence project.</p>
1.3 Improving Delivery	Improved cost and schedule performance, as well as increased delivery confidence.	We will continue to grow as a professional delivery organisation. We will upskill our people in their professional specialisms, and invest in leading project management processes and tools, such as P3M Release 4 to link project costs and schedules.	We will deliver new tools, including P3M Release 4, Unifier, Sub-ledger and MyHR.	Programme maturity rating of four (Managed) in the Project Maturity Model, achieved by 2025.
1.4 Increasing Availability	The correct levels of availability for platforms, equipment and commodities to meet our clients' operational needs.	We will have a professional support workforce enabled to exploit modern technologies, analytical tools and practices, including those provided by the Defence Support Organisation. This will enhance mission availability and increase our responsiveness to changing operational demands.	We will deliver our support improvement strategy to rationalise, standardise and automate our support tools and processes, and upskill our people.	<p>Enhanced mission support and stock availability, in line with our clients' requirements.</p> <p>Optimised stock demand and supply aligned to our forecasting and resource planning (F&RP).</p> <p>Reduced customer wait times and improved management of Government furnished assets.</p> <p>Optimised support solutions to improve reliability and maintainability.</p>
1.5 Resourcing Client Priorities	Rapid adaptation to resource changing priorities.	We will increase our organisational agility and focus our resource on our clients' and our business' priorities. We will give our functional teams the right tools and authorities.	We will resource our clients' top priority activities.	Top tier of our clients' priority order book items resourced to 98% within 28 days.

PATHFINDERS

DE&S AND ROYAL NAVY "ONE TEAM"

The "One Team" portfolio programme aligns DE&S's ships domain and the Royal Navy's transformation programme to work as a single collaborative entity. The two organisations work in partnership to create a highly efficient team tailored for the acquisition and support of ships, equipment and systems. As a result, processes are reduced and opportunities are more easily realised, speeding up delivery timescales.

SPACE DELIVERY TEAM

The Integrated Review highlighted the importance of space to operations and in countering UK threats. Our space delivery team will support Space Command and UK Strategic Command by providing a single interface for the delivery of new capability. Our space team brings together, for the first time, space-related projects and experts. The team includes specialists in space dynamics and orbital mechanics, space launch systems and spacecraft design. Together they will help our clients in the delivery of the UK Defence Space Strategy.





2

VALUE TO THE TAXPAYER AND SOCIETY

**AIM - MAKE OUR INVESTMENTS GO FURTHER
TO SUPPORT DEFENCE AND NATIONAL PRIORITIES**

AFFORDABLE OPERATIONS

**DELIVERING VALUE FOR
OUR CLIENTS**

**RESPONDING TO
GOVERNMENT PRIORITIES**

INCREASING SOCIAL VALUE

**NET ZERO EMISSIONS
ACROSS OUR OPERATIONS
AND INFRASTRUCTURE**

**NET ZERO EMISSIONS ACROSS
MILITARY CAPABILITIES**



Humanitarian Assistance and Disaster Relief team being put ashore by RFA MOUNTS BAY'S MEXEflote in the Caribbean

AFFORDABLE OPERATIONS

To support the implementation of the MOD's Integrated Review, we must improve how we work and maximise productivity. We are targeting a reduction in workforce costs over the next four years through more efficient and effective processes, structures and ways of working. While reducing our reliance on contingent labour, we will also sharpen our resource planning to deploy the right people in the right place, at the right time. We will standardise our processes for our core business, and tailor our approach where risk and complexity are either very low or very high. We will redouble effort on reducing non-value-adding activities, and empower our teams to perform at their best.

DELIVERING VALUE FOR OUR CLIENTS

While the environment in which we operate is changing, our mandate remains the same. We need to deliver cutting-edge capabilities to our Armed Forces while using public money in the smartest way possible.

Since becoming an arm's length body, we have made a step-change in delivering efficiency savings in the equipment programmes we deliver, allowing our clients to buy more capability with their budgets. We will continue to drive forward improvements, embedding efficiencies into our everyday activities. We will launch a programme of training and process improvements to enable our people to be proactive in finding and seizing efficiency opportunities. We will also take a tailored approach to our clients' differing needs by establishing efficiency hubs in each of our four domains. These hubs will work with our teams to help deliver our future ambitious efficiency targets.

RESPONDING TO GOVERNMENT PRIORITIES

We have a pivotal role to play in implementing the Defence and Security Industrial Strategy. It provides the framework for ensuring that the UK maintains a world-class defence sector and drives investment and prosperity across the Union. We will leverage the £10 billion we spend each year with suppliers to support the Government's aims of creating jobs, levelling up prosperity, improving the nation's skills base and contributing to research and development.

We will also continue to have expertise which can be relied upon by Government to support national priorities, similar to the role we played in securing and distributing personal protective equipment (PPE) during the Covid-19 response. We will identify opportunities for efficiencies in the acquisition of common requirements across the national security community. And we will be proactive in supporting central strategic decisions, which have an acquisition and support angle.

|| We need to deliver cutting-edge capabilities to our Armed Forces while using public money in the smartest way possible ||



Reservists from 3rd Battalion The Royal Welsh unloading PPE at Cardiff Airport



Top, Offshore Patrol Vessel HMS SPEY, the Royal Navy's greenest ship

Bottom, High G training facility at RAF Cranwell to train fighter pilots in countering the effects of G-force

INCREASING SOCIAL VALUE

We care about our impact on current and future generations, and we will create outcomes that meet the needs of our clients', communities and the environment we live in. Launched in 2020, the Government's new social value model will help us deliver economic, environmental and social benefits through the contracts we award. We will allocate a minimum of 10% of the tender evaluation weighting to social value objectives, such as tackling economic inequality, reducing waste and driving supply chain diversity. This will also help us incentivise industry to develop low carbon solutions that improve our defence capabilities and reduce support costs.

NET ZERO EMISSIONS ACROSS OUR OPERATIONS AND INFRASTRUCTURE

The planet's future will be determined by what everyone does to protect and restore the environment. Our estate and capabilities mean that we will play a pivotal role in supporting MOD's contribution to achieving the Government's target of net zero carbon emissions by 2050 – and we aim to be net zero by 2040.

We will use hybrid working to reduce overseas and domestic travel. By 2025 we will embrace smart power usage and be well on our way to replacing our heating systems with green energy solutions, and offsetting the carbon footprint of our operations. We will reduce reliance on fossil fuels through electrifying our vehicle fleet and installing charging points at our sites.

NET ZERO EMISSIONS ACROSS MILITARY CAPABILITIES

We will help the military reduce their carbon footprint without adversely impacting their operational capabilities. Working together, we will shape future requirements to favour sustainable solutions, reduce support costs and use low carbon innovations and energy trends developed for the civil markets. We will reduce the carbon in the capabilities we deliver by driving greater industry transparency on whole-life CO2 footprint. To support our clients in hitting their net zero targets, we will grow our sustainable engineering expertise.

OUTCOMES

→ Reduced delivery times

→ Access to world-leading skills in industry

→ Shared delivery expertise

→ Greater productivity

→ Increased prosperity and social value



Value to the taxpayer and society

	Ends	Ways	Means	Measures
2.1 Increasing social value	Government supported to meet their commitments to weight social value in our tenders.	We will deliver economic, prosperity, environmental and social benefits through the contracts we award.	We will adopt Government's social value model in contracts under the Defence and Security Public Contracts Regulations by June 2021.	A minimum of 10% of the tender evaluation across all new contracts allocated to social value objectives.
2.2 Optimising our operations	Headroom created to respond to the demands of MOD's Integrated Review.	We will streamline the way we operate to improve delivery and reduce workforce costs. We will adopt more efficient and effective work processes and structures while reducing our reliance on contingent labour.	In 2021, we will launch a programme to improve our operations.	Deliver DE&S workforce plans to 2025 to ensure our clients' priorities are resourced, and our organisation is lean and healthy.
2.3 Achieving net zero operations	Government supported to achieve their climate change target of net zero emissions by 2050.	We will cut carbon emissions on our estate and in our operations by reducing waste, travel and reliance on fossil fuels. We will offset our carbon footprint.	We will deliver a package of carbon reduction initiatives by 2025 to target net zero DE&S operations by 2040.	Overseas travel reduced by 50% by 2022. ¹ A net zero site piloted by 2025. Start offsetting the carbon footprint of our operations and reduce reliance on fossil fuels by completing a programme to electrify our vehicle fleet, and providing electrical charging points at all of our sites.
2.4 Delivering net zero emission capabilities	Our clients supported in reaching their net zero emissions targets.	We will drive sustainability into new requirements to support our clients in achieving their net zero targets by 2050, without hindering their performance.	We will reduce the carbon footprint of the capabilities we deliver and support by 2050.	Cadre of environmental professionals established. Use excess carbon savings from DE&S operations and infrastructure to offset targets to reduce carbon emissions from military capabilities.
2.5 Delivering efficiencies in military capability	Maximising the capability we deliver to our clients.	We will be proactive in seeking and seizing opportunities to deliver equipment programme efficiencies by improving the tools, skills and experience required.	We will scale-up our efficiency capability building programme and create four domain efficiency hubs that will provide efficiency experience where it can achieve the greatest return.	Support MOD in delivering £3 billion of efficiency savings in the 2021-2025 period.

¹Compared to 2019/20 baseline

PATHFINDERS

FUTURE COMBAT AIR SYSTEM (FCAS)

We will support the development of the future combat air system to integrate crewed and un-crewed airborne systems. Entering service from the 2030s to 2075 and beyond, at a through-life cost of around £50 billion, it will bring significant long-term benefits to the UK economy. These will include employment, export and sustaining our world-class aerospace industry. It will require a new approach to agile collaborative capability delivery.

The system approaches will be applicable to our other high-complexity projects, for example in the approach to digital acquisition, model-based systems engineering, digital twinning and a 'lean' approach to certification of safety critical systems.

TYPE 31 FRIGATE

In support of the National Shipbuilding Strategy and for the first time in the MOD, our Type 31 frigate project team included prosperity as a key consideration in their tender evaluation criteria for the £1.5 billion design and build contract. The prosperity criterion was aligned to programme outputs and considered supply chain development, exportability, skills, industrial productivity and socio-economic factors. As a result, the contract includes considerable social value benefits, including a focus on local employment, a community development fund and investments in research and development. This approach also incentivised the contractor to make a sizeable capital investment in their shipyard, thereby supporting any future work.



Tempest Future Combat Air Systems concept



3

DELIVERY THROUGH PEOPLE

**AIM - A DIVERSE AND PROFESSIONAL WORKFORCE,
EMPOWERED AND EQUIPPED TO DELIVER EXCELLENCE**

**ENABLING GROWTH
THROUGH LEARNING**

**FOCUSING ON DIVERSITY
AND INCLUSION**

VALUING OUR PEOPLE

INVESTING IN OUR LEADERSHIP

EMBEDDING OUR VALUES



From left, DE&S staff at Defence Fuels, West Moors. DE&S HQ Abbey Wood. Defence Munitions, Crombie. Manchester



ENABLING GROWTH THROUGH LEARNING

To improve our performance as an organisation, and as individuals, we must provide access to the right learning and development. We have already started this process for our commercial, finance and project professionals, and will now expand on this to help our people develop both the general and specialist skills they need for their roles – now and into the future. We will simplify our learning offer by setting out what accreditation, qualifications, experience, knowledge and skills our people require based on their specialism and seniority.

To ensure our people can access a wide range of learning opportunities, and create consistency in the way we operate, we will provide a new learning platform. This will be supported by new learning tools and methods. We will align learning to our values and help our people apply them in their daily work.

FOCUSING ON DIVERSITY AND INCLUSION

We must reflect the richness of the society we serve. Not only is there a clear and moral case for improvement, but our success is dependent on our people's diversity of thought, perspectives and experiences. An inclusive DE&S will be stronger, more diverse and resilient. We need leaders who can embed equality, diversity, inclusion and wellbeing into our culture through communication, education and action. We will support employee networks and improve outreach engagements with under-represented communities to increase the diversity of our people. We will ensure our policies embrace and promote equality and diversity, and invest in more inclusive ways of working.

VALUING OUR PEOPLE

We value the commitment and professionalism of our people. In return, we offer a unique set of benefits – from some of the most rewarding roles in the public sector through to a fair and competitive rewards package. We will future proof our organisational structures and modernise our employee and manager support services. We will invest in new technologies, infrastructure and policies for smarter working, providing our people with more autonomy and choice so that they can select the best way of working depending on their piece of work. We will support alternative working patterns and promote a hybrid model to allow a greater mix of remote and office working. This will minimise the need for geographical moves, enable a more flexible approach to resource assignments and improve recruitment, retention and career opportunities for our people.

■ An inclusive DE&S will be stronger, more diverse and resilient. We need leaders who can embed equality, diversity, inclusion and wellbeing into our culture through communication, education and action ■



INVESTING IN OUR LEADERSHIP

Our leaders, at all levels, are instrumental in shaping our culture and performance. Good leadership unlocks our ability to inspire others, take tough decisions, challenge bureaucracy, increase empowerment and foster inclusivity. We will invest in leadership development for all, and it will play a more central role in our policies, performance reporting and assignments. We will also promote greater accountability and delegation, and mandate empowerment measures for all future change proposals.

EMBEDDING OUR VALUES

Our values of excellence, inclusivity, collaboration and integrity will help our people and clients to understand what drives our decision making and what underpins our behaviours. They are the enduring principles that enable us to deliver on the priorities set out in our strategy and will shape our culture in the long-term. Over time our values will become embedded into our processes, including performance management, reward and recognition, recruitment and learning and development. We will work with our people to set out what our values mean for us, refine the definitions, showcase exemplars and ensure they become truly embedded into our daily working, in a way that works for our people and our clients.

Great leadership inspires others to take tough decisions, challenge bureaucracy, increase empowerment and foster inclusivity



Defence Munitions Crombie

OUTCOMES

- Empowered and motivated people delivering at pace
- Organizational agility and resilience to emerging challenges and opportunities
- Evidence-based people practices
- Managers and employees equipped to deliver, with the right skills and knowledge for the future
- Great ideas unlocked through innovation and diversity



Delivery through people

	Ends	Ways	Means	Measures
3.1 Valuing our people	Our people enabled to deliver.	We will finish and implement our reward review. We will also modernise the support we provide to our people.	We will deliver a future HR system and reward offering by 2022.	Employee satisfaction increased. At least £5 million per annum in savings. Manage preventable workforce attrition at 6% or below per annum.
3.2 Mobilising our workforce	Our people can give their best, wherever they are located.	We will use a hybrid working model to bring the work to our people, to improve recruitment and retention of the best talent from across the UK, regardless of geographical location.	We will launch a smarter working programme in 2021 covering technology, infrastructure and policy.	Projects able to assign resource flexibly from any pan-defence location.
3.3 Growth through learning	The skills demanded of a professional delivery organisation.	We will consolidate learning so that our people understand their function's learning requirements and can access a wide range of professional development opportunities.	We will launch a learning platform for our people to access all professional development opportunities in one place, by 2023.	Improved learning and development website launched in 2021. All employees able to access the learning opportunities they need to undertake their role, wherever they are. Improved percentage of accredited professionals in priority areas, such as commercial, finance, integrated logistics and project management.
3.4 Investing in leadership	The right culture established for the future.	We will invest in leadership development to ensure our managers lead in an inclusive, empowering and supportive way.	We will deliver a leadership capability uplift programme from 2021.	4,000 people offered a leadership uplift. By 2022 this will include: 90% of our senior leadership group; and 75% of our level 4 and level 5 community.
3.5 Focusing on equality, diversity, inclusion & wellbeing	The best people with the best ideas.	We will create a culture where inclusion and wellbeing are integrated into day-to-day practices. We will develop policies that promote equality, diversity, inclusion and wellbeing.	We will build a more inclusive workforce by driving our Equality, Diversity, Inclusion and Wellbeing Strategy.	By 2022, representation of under-represented groups in DE&S civilian staff increased to: <ul style="list-style-type: none"> • Female – 35.5% • Black, Asian and Minority Ethnic – 7.5% • Lesbian, Gay and Bisexual – 3% • Disabled – 10.5% Perceptions of bullying, harassment and discrimination halved by 2025. Parity ensured in probation and performance appraisal across and between different groups.

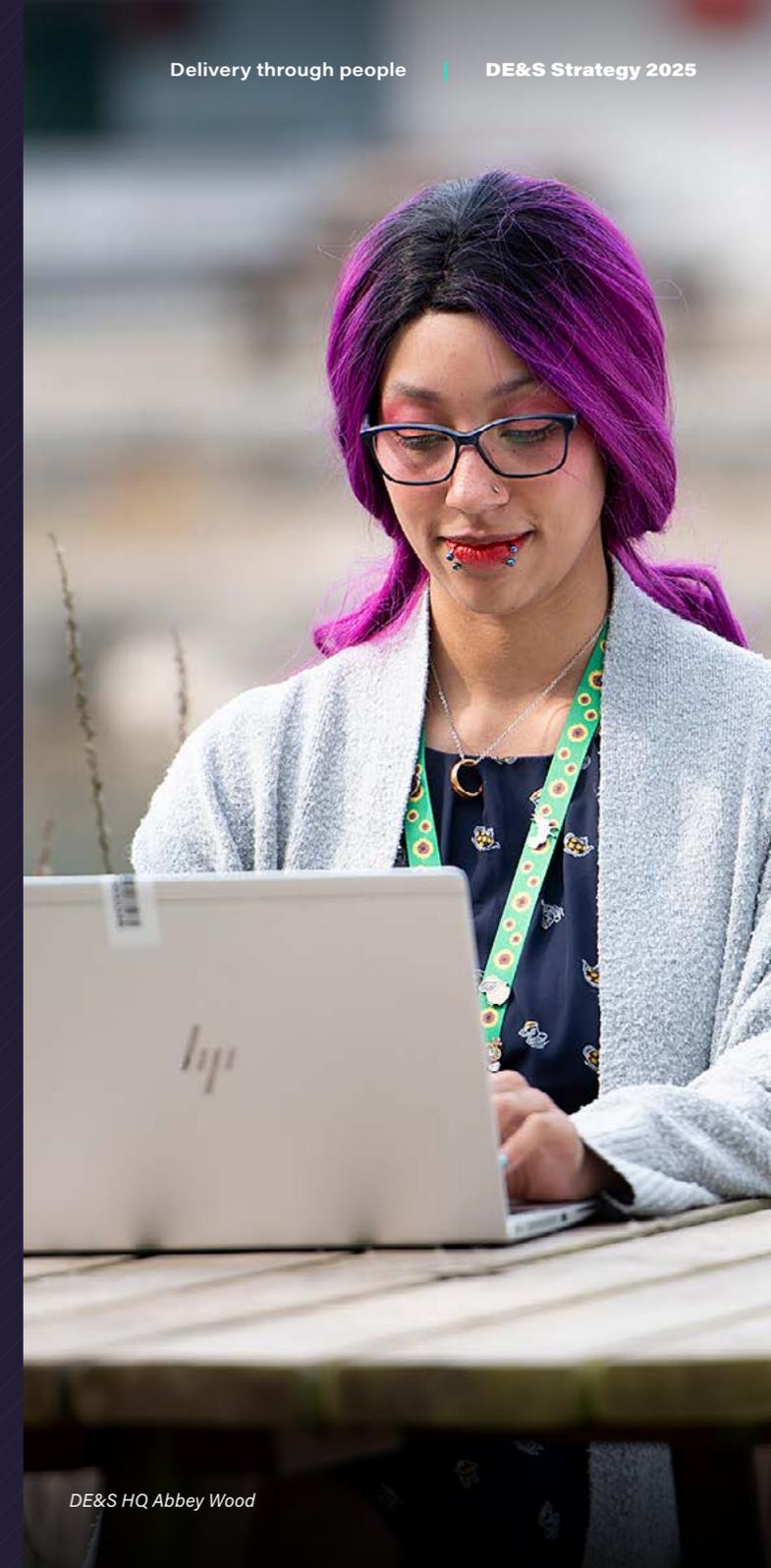
PATHFINDERS

STRATEGIC WORKFORCE PLANNING

It is essential that we foster and grow the skills we require for the future. Our aim is to think ahead of our clients' needs by taking a long-term approach to skills planning, targeting specific gaps through strategic workforce planning. This will allow us to be more responsive to strategic trends, tailor the professional development we offer and be flexible in sharing skills with fellow enabling organisations such as Defence Digital and the Submarine Delivery Agency.

FUTURE HYBRID WORKING

Hybrid working will allow us to transform our ways of working, technology and infrastructure so that it best meets the diverse needs of our people. Our people will be empowered to make decisions about when, where and how they work, in agreement with their delivery managers, to achieve the best outcomes and live balanced, healthy lives. It will also help foster innovation, professional development, collaboration, creativity and connectivity.



4

ACCELERATED DIGITAL SOLUTIONS

**AIM - DRIVE DIGITAL SOLUTIONS FOR
BUSINESS AND BATTLESPACE ADVANTAGE**

AI AND DATA SCIENCE

**CAPABILITY CENTRES
OF EXPERTISE**

FUTURE BUSINESS SOLUTIONS

COMMUNITIES OF INTEREST

AI AND DATA SCIENCE

AI will allow us to improve and accelerate how we interpret events, make decisions and take actions.

The applications are limitless. In the battlespace, we are exploring autonomous and self-optimising weapon systems. And in the business space, we will expand our process automation and data analytics programmes. We will use machine learning to continuously improve as we operate. We will also apply advanced data science tools to gather new and predictive information from rapidly expanding data sets.

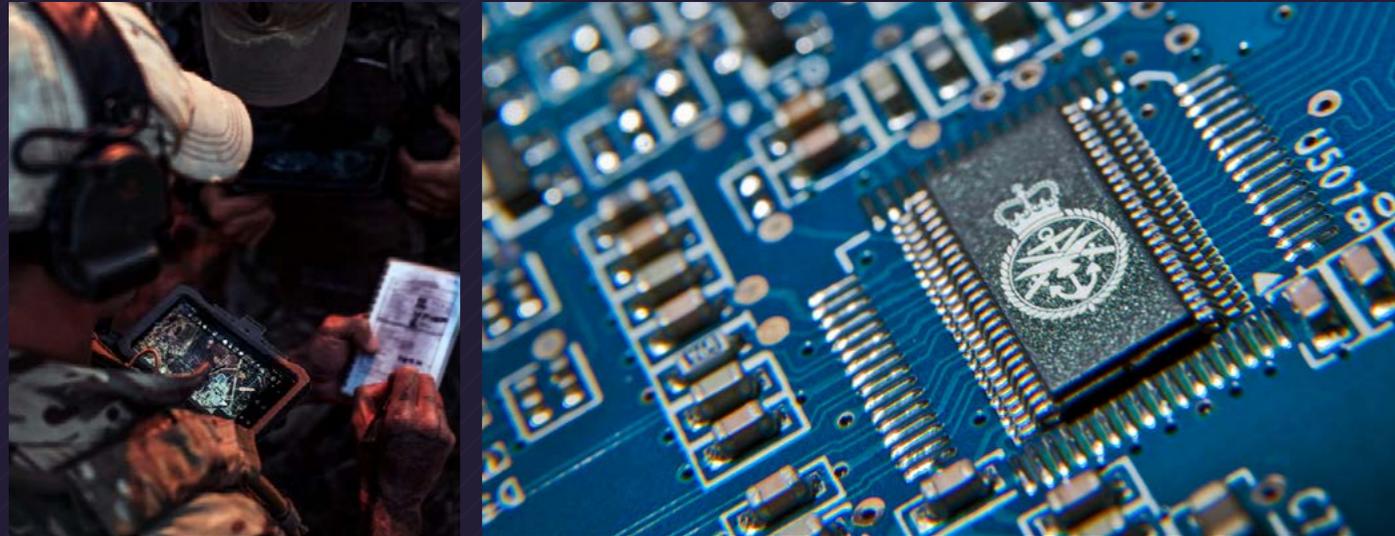
CAPABILITY CENTRES OF EXPERTISE

A modernised Defence is dependent on us harnessing specialist business and technical expertise. Working with our clients, we will bring together separate capability projects into centres of expertise, supported by multi-year funding and underpinned by goals to exploit the benefits of key technologies. They will act as pools of knowledge, drawing on industry, academia, military operators, Defence Digital and Dstl.

We will also create an 'innovation bridge' to bring these partners together. We will create a physical hub for the bridge in our headquarters in Bristol, and use advanced collaboration tools to allow participation from anywhere in the world to generate the best ideas.



An infantry soldier from the Rifles training for operations with an Expeditionary Robot in Salisbury Plain



Top left, British Army Joint Terminal Attack Controllers (JTAC) practice low level skills by day and night in Kenya.

Bottom, World leading solar powered High Altitude Pseudo Satellite (HAPS) sits on the runway at the Yuma Proving Grounds

FUTURE BUSINESS SOLUTIONS

Global trends show that organisations with a greater use of digital technology are the most effective and resilient. We will integrate our corporate tools and create better connected systems with MOD. We will plug into Defence's digital backbone, a single secure cloud-based platform through which we will exploit our data, enabling faster and improved collaboration with our clients and partners. We will promote the use of digital twin technology to conduct virtual trials and evaluation, and apply digital assurance and certification at design to reduce our delivery times. Real-world environmental digital trackers on our smart weapons will help us maximise the life of our systems. We will also introduce a product lifecycle management toolset, linked to industry partners, that puts digital data at the heart of our acquisition and support lifecycles. Taken together, this will accelerate the speed and reliability of capabilities as they reach the hands of the operators.

COMMUNITIES OF INTEREST

We will use cutting-edge solutions, setting up pan-domain communities of interest to identify in-house excellence, share good practice and drive enterprise-wide change. These communities have proved successful in electronic warfare, and we will expand them to new areas, such as robotics and autonomous systems, and data analytics. Our people will be inquisitive and innovative, taking risks to rapidly exploit ideas. Horizon scanning with Government, industry, academia and international partners will be the norm.

Our people will be inquisitive and innovative, taking risks to rapidly exploit ideas

OUTCOMES

→ Access to battle-winning technologies

→ People freed up for value-adding activity

→ Improved support solutions and availability, enabled through better data science and AI

→ Best practice shared across domains

→ Increased organisational resilience



Accelerated digital solutions

	Ends	Ways	Means	Measures
4.1 Pulling through technology	Our clients have access to cutting-edge technologies.	We will play a proactive role in defence innovation. We will connect with military operators, industry, academia, the Defence Innovation Unit, Dstl, the Defence and Security Accelerator and other Government departments and agencies to rapidly pull through new or emerging technologies. To help us meet system requirements, we will establish centres of expertise for key capabilities.	We will pilot an expeditionary robotic centre of expertise.	Innovation bridge fully operational, providing the infrastructure for collaborations by April 2022. Host four centres of expertise by 2024.
4.2 Leading business solutions	Increased efficiency and effectiveness, with our people free to focus on priority activities.	We will improve the integration of our corporate applications, automate our business processes, and improve our management information and data quality.	We will deliver a programme of digital business solutions.	By 2025: Number of apps and spreadsheets reduced by 20%. Over 200 processes automated. 6,000 trusted data sets built.
4.3 Applying and using data science and AI	Accelerated decision making.	We will apply advanced tools to improve customer supportability and remove redundancy, cost and inefficiency. We will use our rapidly-expanding data sets to improve health monitoring, prognostics and platform availability, and deliver more insightful modelling services.	We will build capability in these fast-maturing technologies and work with Defence Digital to support the creation of an AI centre.	By 2025: Sufficient skilled data science employees. AI sub-strategy delivered. New data science software tools introduced. Adoption of AI tools and techniques across delivery teams.
4.4 Adopting digital lifecycles	Accelerated delivery timescales and reduced project and support costs.	We will bring digital solutions into our design, test, assurance and through-life support activities. This includes the use of digital twin technologies for trials, big data analysis to improve support, digital environmental tracking for equipment, and the digitisation of certification and assurance evidence.	We will pilot digital test and evaluation projects to clear capabilities without the need for live trials.	Requirements for the use of digital twins and the provision of data to support product lifecycle management included in new contracts. Digital certification protocols agreed.
4.5 Establishing communities of interest	Our clients provided with access to our skills and expertise in niche capability areas.	We will bring together our people's knowledge and in-house expertise in niche technology areas, across domains, to share best practice and identify new opportunities for exploitation.	We will launch a new community of interest in robotic and autonomous systems, and AI.	Sharing expertise and best practice seamlessly is business as usual by 2023.

PATHFINDERS

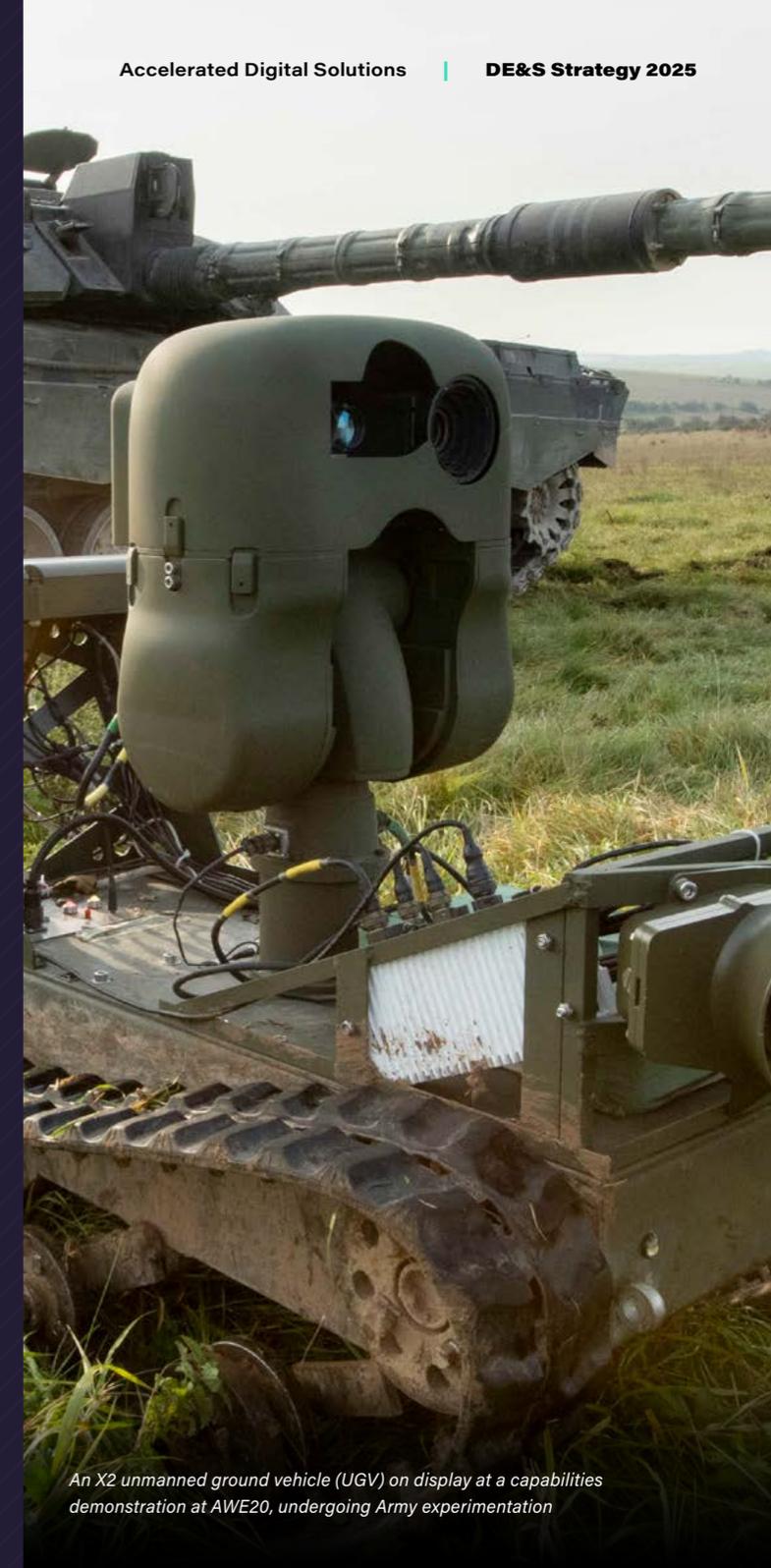
INNOVATION BRIDGE

This new collaborative space will connect our people with clients, users and partners to solve problems in real time. Teams will utilise modern digital solutions to bridge the current gap between experimentation and exploitation of emerging technology. The Innovation Bridge will create collaboration in real time, encourage greater risk appetite and accelerate the growth of our performance driven culture – all to rapidly respond to our clients' needs.

EXPEDITIONARY ROBOTICS CENTRE OF EXPERTISE

Paving the way for future delivery teams, our Future Capabilities Group will launch the expeditionary robotics centre of expertise in collaboration with the Army. It will be a focal point for unexplored, high-risk but rapidly maturing technologies to deliver operational advantage on the battlefield.

An experienced pool of staff who have specialist knowledge in this technology will work closely with operators and the wider Defence innovation network to bring together related projects and maximise advantage from this novel capability.



An X2 unmanned ground vehicle (UGV) on display at a capabilities demonstration at AWE20, undergoing Army experimentation



5

DELIVERY THROUGH PARTNERS

**AIM - ATTRACTING AND WORKING AT PACE WITH DIVERSE,
RESILIENT AND INNOVATIVE SUPPLIERS AND PARTNERS**

WORKING WITH OUR SUPPLIERS

**IMPLEMENTING THE DEFENCE
AND SECURITY INDUSTRIAL
STRATEGY**

SECURE SUPPLY CHAINS

INTERNATIONAL AND EXPORTS

PROTECTING OUR CAPABILITIES



WORKING WITH OUR SUPPLIERS

We succeed only if industry does too. Productive supplier management, built on shared information, is the keystone to open and trusted relationships. We will work together to seize opportunities, address issues, improve transparency and share common data. We will make full use of the relationships we have built through the cross-Government strategic partnering programme. We will continue to roll out standardised management information to improve delivery confidence and supplier performance. We will consider new approaches to commodity acquisition, and scale-up the application of category management to reduce the number of our contracts and improve value and delivery timescales. We will also improve portfolio planning by sharing future requirements where we can, and more widely. Changes to our internal approvals and assurance processes will accelerate the process from tender to contract award, allowing our suppliers to mobilise faster.

IMPLEMENTING THE DEFENCE AND SECURITY INDUSTRIAL STRATEGY

We will play our full role in implementing the Defence and Security Industrial Strategy. We will work closely with central MOD to take a more strategic approach to industrial capability that is critical to our strategic and operational needs, including supporting central MOD and the Military Commands in the development and delivery of segment strategies. We will adopt a more flexible approach to acquisition based on understanding the markets, the technologies, national security requirements and the prosperity opportunities.

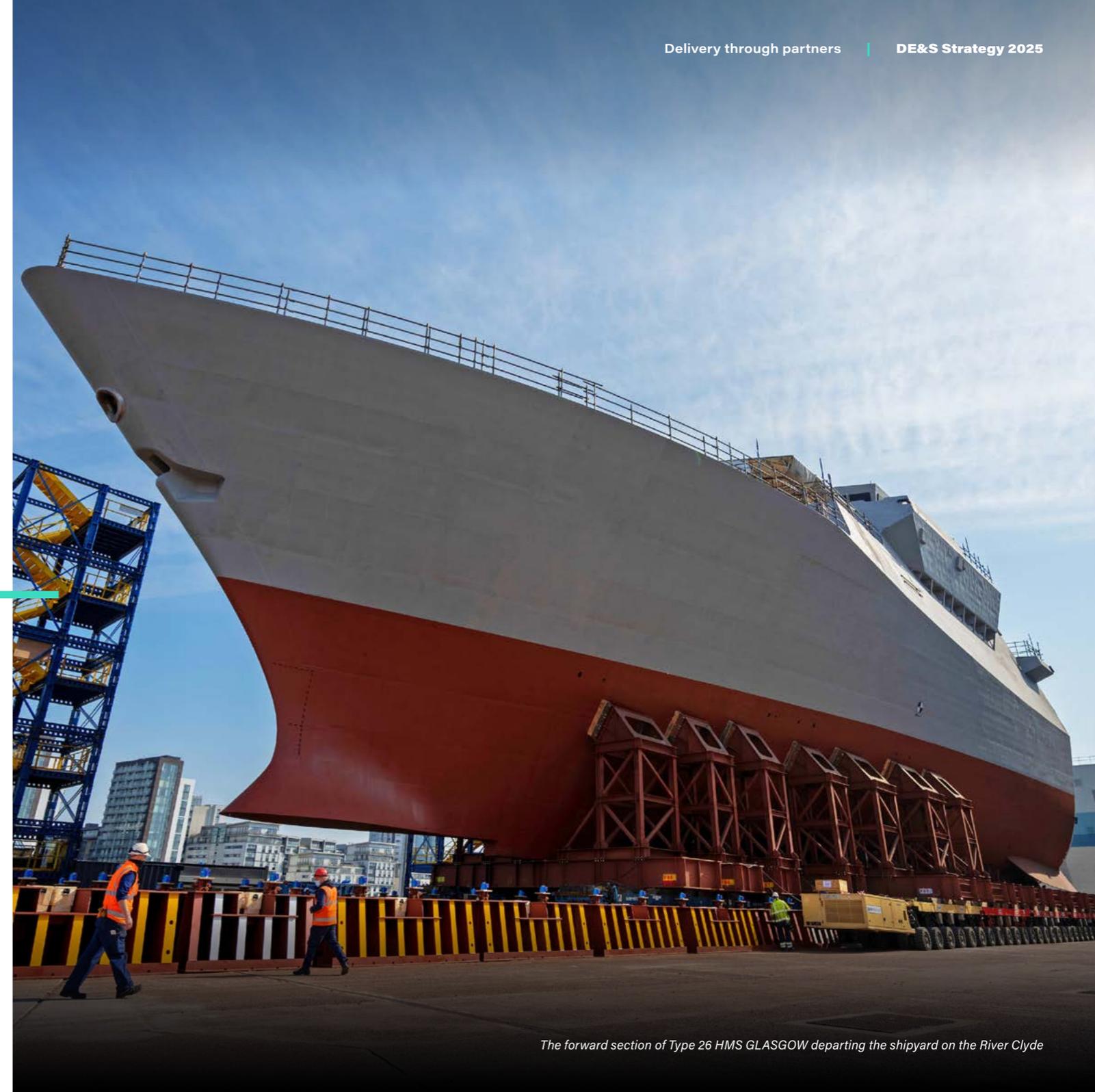
We will use our improved relationships with our strategic suppliers to optimise the flow-down of terms and conditions and to stimulate small and medium enterprise (SME) involvement. And through targeted implementation of social value policy, we will work with prime contractors to create new businesses, new jobs and new skills while increasing supply chain resilience.

SECURE SUPPLY CHAINS

Our outputs, and therefore our national security, are dependent on the resilience and competitiveness of our key suppliers. We will better understand the supply chains of our critical and priority programmes to ensure that they remain secure, mitigating fragility where needed.

Productive supplier management, built on shared information, is the keystone to open and trusted relationships and success

To retain competitive advantage in the digital age, we will also drive greater diversity into our supply chain by engaging key suppliers, SMEs and class-leaders beyond our traditional supply base. For example, for low complexity acquisition we will disaggregate requirements and launch a dynamic, cloud-based e-marketplace to help us tap into a wider number of suppliers.



The forward section of Type 26 HMS GLASGOW departing the shipyard on the River Clyde



INTERNATIONAL AND EXPORTS

Collaborative acquisition with allies, where our needs align, can help us achieve more affordable, interoperable and technologically-advanced capabilities. We will remain at the forefront of delivering state-of-the-art joint programmes with NATO partners and other allies, and increase international industrial collaboration. We will work closely with MOD to align strategic priorities, ensure collaborative opportunities are considered early and systematically, and provide international delivery expertise. We will champion the renewed focus in the Government's Defence and Security Industrial Strategy on delivering export success at every stage. We will ensure that exportability is considered in all our main acquisitions and support new Government-to-Government and cross-departmental approaches to defence sector exports.

PROTECTING OUR CAPABILITIES

Our equipment and capabilities, and the sensitive information and technology that underpin them, must be protected so that the UK can maintain its operational independence. It is a critical requirement that we share with our industry partners and applies from concept, through to operational use, through to disposal.

The threats to the resilience and security of our capabilities can come from a number of vectors including espionage, interference, coercion, sabotage, disinformation, cyber operations and intellectual property theft. It also includes the sophisticated and growing threat from hostile actors to acquire or undermine defence or dual-use technologies and the broader industrial base and the supply chains within. We will continue to improve the way we identify and manage our cyber, security and resilience risks, and those of our clients, by adopting a new holistic approach to security through the life of our projects. With the support of our clients we will increase the use of security cases to drive "secure by design" principles from the outset of new equipment projects. We will increase security awareness and education for our people and our suppliers. We will introduce a new Industry Personnel Security Assurance system to increase the maturity of personnel security governance in industry, helping to protect against insider threats beyond security vetting. We will also strengthen our plans to protect our most critical, sensitive and vulnerable assets. Building on a strong, independently assured foundation of ISO27001 certification for Information Security Management, we will also continue to invest and improve our cyber defences year on year.

OUTCOMES

→ Partnered approach to delivery

→ Improved value and efficiency of delivery

→ Market insights

→ Increase in UK exports and employment

→ Reduced barriers and improved timescales

→ Secure supply



Delivery through partners

	Ends	Ways	Means	Measures
5.1 International collaboration	Effective capabilities delivered and strategic cooperation with international partners enabled.	We will align our activity with strategic international priorities set by Ministers and MOD. This will help us improve and diversify our partnerships, maximise value, advance technology, increase export opportunities and improve interoperability.	We will create an international collaboration centre of expertise.	By 2023: Clear career pathways established to retain and develop an international cadre. Resourced forward plan for engagements with international partners and organisations, identifying collaboration and export opportunities.
5.2 Mobilising the Defence & Security Industrial Strategy	Support for the UK's operational independence.	In response to the Defence and Security Industrial Strategy, we will support MOD and Military Commands in the development of segment strategies for key capabilities, such as shipbuilding. We will adopt changes in acquisition policy to protect operational independence and promote prosperity.	We will pilot more flexible and nuanced approaches to our acquisition and support strategies.	Support MOD in the design and delivery of segment strategies from 2021.
5.3 Developing supply chain resilience	Access to the capabilities and items we need.	We will identify and address vulnerabilities in our supply chain to ensure we remain resilient, secure and diverse.	We will pilot digital supply chain mapping with suppliers for five critical capabilities by 2022.	No unexpected or unmitigated supply chain failures causing disruption to our delivery by 2025.
5.4 Strategic partnering	Productive relationships embedded with our suppliers.	We will adapt our relationships with industry to focus on the strategic needs and future priorities set out in the MOD's Integrated Review.	We will scale-up supplier relationship management for all strategic and critical suppliers.	All critical and strategic suppliers have a tailored governance framework and development roadmap by 2023.
5.5 Driving innovative commercial arrangements	The defence sector helped to do business with us.	We will take a category approach to acquisition, including low-complexity acquisition through a cloud-based eMarketplace. This will enable more agile, streamlined purchasing for clients.	We will adopt a cloud-based e-marketplace for low-complexity acquisition by 2023.	80% of low complexity acquisition conducted using the cloud-based purchasing system by 2025.

PATHFINDERS

SUPPLY CHAIN RESILIENCE TOWER

It is important that we oversee the end-to-end supply chain process for our critical capabilities, from source and manufacture through to delivery. The tower will enable a critically close and collaborative commercial relationship with our prime contractors. Threats and risk intelligence will be continuously scanned and mitigated. Analytics will allow us to predict the security of supply and adapt our approaches.

CATEGORY MANAGEMENT - GAS TURBINES

We are taking a category approach to the acquisition and support of gas turbine engines across our entire business through collaboration with industry partners. This will help deliver cost efficiencies, improved value for money and supply sustainability. It will also drive bespoke negotiation strategies, strengthening our partnerships with industry.



