



Defence Electronics &
Components Agency

Defence Electronics & Components Agency

Corporate Plan
2017 - 2022



Trusted MOD and industry partner assuring efficient delivery of electronic and component capability in support of Defence

FY 2016/17 BUSINESS HIGHLIGHTS

As a trusted partner to MOD and industry, our primary purpose continues to focus on supporting the UK's armed forces by delivering an assured capability and developing and growing the DECA skills and capabilities necessary to discharge this both now and in the future.

Building on DECA's successful first year of trading, FY2016/17 continued to see DECA maintain critical outputs to customers and increase levels of delivery performance (which have remained above contracted targets) with no major quality concerns during the year. These achievements are all the more impressive set against strict cost control measures which successfully delivered the financial plan whilst realising a greater than 5% reduction in operating costs.

F-35 AVIONIC COMPONENT MAINTENANCE, REPAIR, OVERHAUL AND UPGRADE ASSIGNMENT

Undoubtedly the highlight of DECA's second year, following a joint MOD/DECA and industry proposal submission, the US Department of Defense, Joint Programme Office (JPO) confirmed that the UK bid to secure a substantial number of assignments under the Tier 1 F-35 Lightning II Component Maintenance Repair Overhaul and Upgrade (MRO&U) competition was successful. DECA on behalf of the UK MOD have entered into a Joint Venture arrangement (incorporated as Sealand Support Services Limited) with our two industry partners (Northrop Grumman and BAE Systems) to provide global Maintenance, Repair, Overhaul, Upgrade and Sustainment Services for the range of F-35 components assigned from a European Hub located at DECA Sealand.

In parallel, DECA has also been successful in securing a contract from Lockheed Martin to provide the National solution for F-35 MRO&U and Sustainment Services for a substantial range of Non Air Vehicle components and equipment across the DECA Sealand and Stafford sites.

MANAGED SERVICES

During FY2016/17, significant progress was made with MOD to scope the potential benefits of establishing DECA as a strategic managed service provider in support of wider MOD Transformation. DECA continues to work with MOD to implement these services over the life of this plan to enable delivery that provides labour savings, efficiencies, and improved inventory performance. DECA's integration into the MOD supply chain and materiel governance structure has also been further developed by the re-establishment of strategic supply chain support to MOD such as Project Hercules team where DECA has facilitated disposals of items valued at approximately £50m.

INNOVATIVE SUPPORT SOLUTIONS

Throughout FY2016/17, DECA has continued to deepen capabilities to repair and develop innovative solutions for a wide range of Typhoon electrical and fibre-optic cables, calibration support and consultancy activities. These capabilities continue to be developed and broadened across MOD platforms to provide invaluable support to front line operations and new equipment coming into service. DECA's innovative capability to recover discarded components through test and repair or replacement of sub-components has also identified substantial savings and efficiencies over the life of in-service platforms. This will build on work during FY2016/17 that saw identification of potential Typhoon cost avoidance savings of over £20m.

LAND, MARITIME AND DEPLOYED SUPPORT

DECA has continued to make significant progress in extending its capabilities across the Land and Maritime domains including development of repair schemes for secure communications and Reduce to Produce programmes on equipment including surveillance cameras that have delivered results in excess of customer expectations.

DECA's support to overseas deployments continued throughout the year and has included deploying DECA staff to the United States of America, Canada, Cyprus, Falkland Islands and Germany as well as our teams and Field Service Representatives already deployed across the United Kingdom. These teams have continued to provide support to a range of MOD customers and Original Equipment Manufacturers. Activities have included calibration and support to UK and overseas platforms such as Typhoon, Apache and F-16.

Additionally, DECA's mobile Cryptographic Team have delivered critical support to MOD around the UK and in operational theatres as well as having the privilege of working on the UK's new Queen Elizabeth Class aircraft carrier and the 5 new Offshore Patrol Vessels.

STAFFORD

DECA Stafford has also continued to grow its capabilities and improve efficiency. Stafford's ability to repair and recertify bottle breathing valves rather than purchasing new has resulted in savings of approximately £5m for the Aircraft Escape Systems DT with DECA Stafford now recognised as the end to end service provider for Short Term Air Supply equipment. Investment in the rationalisation of the DECA Stafford footprint and infrastructure continues to deliver business improvement and efficiencies.

TEST SOLUTIONS

DECA has also cemented its position as MOD's subject matter experts in the Automatic Test Systems engineering environment, through a series of conferences, feasibility studies and capability demonstrations. This has led to DECA taking the lead role for MOD in developing the Institute of Electrical Engineers Standards Associations standard for Test Programme Set transportability and further work with the US Department of Defense on developing solutions for avionics test programmes.



DECA's mobile Cryptographic Team have delivered critical support to MOD around the UK and in operational theatres as well as having the privilege of working on the UK's new Queen Elizabeth Class aircraft carrier



DEFENCE ELECTRONICS AND COMPONENTS AGENCY CORPORATE PLAN 2017/18 to 2021/22

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FOREWORD



HARRIETT BALDWIN MP
MINISTER FOR DEFENCE
PROCUREMENT

BY HARRIETT BALDWIN MP
MINISTER FOR DEFENCE PROCUREMENT

*"It is a pleasure to introduce the 2017-22 Defence Electronics
and Components Agency Corporate Plan"*

FY2016/17 was a landmark year for the Agency following DECA's leading role in helping secure the successful UK assignment as the global F-35 component maintenance, repair, overhaul and upgrade hub with our industry partners, BAE Systems and Northrop Grumman.

This assignment, by the US Department of Defense's F-35 Joint Project Office, and our subsequent announcement of DECA's role in delivery of the UK's Industrial Strategy were highlights of a second successful year.

These successes strengthen DECA's position as a sovereign capability for decades to come and thoroughly justify the Department's decision to retain DECA as a strategic UK asset.

In this 5-year plan, we have revised DECA's business priorities and strategic objectives to reflect this position and set out the vision for transformation of the business. This will ensure continued business efficiency, whilst preparing DECA for the strategic challenges that lie ahead providing a mandate for DECA to develop further opportunities in support of UK Defence, exports and the government's Prosperity Agenda.

Delivery of this plan will also ensure the Agency continues to align with wider-departmental initiatives and Defence Security Objectives as well as meeting our continuing desire for DECA to grow its capabilities to provide value for money support solutions for current and future platforms across Air, Land, Maritime and Joint Enabler environments.

HARRIETT BALDWIN MP

INTRODUCTION

BY GERAINT SPEARING

DECA CHIEF EXECUTIVE



Geraint Spearing
DECA Chief Executive

"I have been extremely proud to reflect on the tremendous successes of our second year of trading."

We have continued to maintain high levels of quality and operational delivery to all our customers, achieving the key priorities and opportunities identified in last year's plan. These successes and, in particular, assignment through competition and clarity of our role as the global F-35 component maintenance, repair, overhaul and upgrade hub have provided the perfect platform from which to set out our vision for the next five years.

This plan reflects DECA's increasing importance in delivering critical support to both MOD and industry, recognising the value and benefits that DECA brings as a UK government Agency. This includes further development of DECA's purpose, aim and objectives to recognise our contribution to the UK's Industrial Strategy and the Prosperity agenda

By maintaining DECA's freedom of action to pursue a business strategy that strikes the right balance between MOD operational advantage and effective trading, delivery of this plan will ensure that the Agency continues to evolve and improve through development and implementation of the DECA Enterprise Transformation Programme. Over the life of the plan,

this programme will deliver significant levels of cost savings and efficiency, increase new capabilities as well as assuring DECA's commitments in the delivery of the F-35 avionics component hub.

DECA's most valuable asset continues to be our workforce and through our Human Resources and People Strategy we will further embed DECA values at our core to ensure we develop a modern workplace for our employees. This will sustain DECA's skills and capability for Defence and allow development of further innovative support solutions with MOD and industry partners.

The DECA Executive Management Board and I are looking forward to delivering the priorities captured within this plan, and increasing the value DECA provides to UK Defence.

A blue ink handwritten signature of Geraint Spearing, consisting of a stylized 'G' followed by a series of loops and a final horizontal stroke.

Geraint Spearing
Chief Executive



Defence Electronics &
Components Agency

OUR PURPOSE

To be a trusted MOD and Industry partner, assuring efficient delivery of electronics and components capability in support of Defence.

OUR AIMS

We aim to be a highly professional team driving efficiency and delivering benchmark support services to our customers.



OUR VALUES

VALUE OUR PEOPLE BY:

- ▶ Creating an environment where all employees are proud to be part of DECA
- ▶ engaging with individuals and Trades Unions to include their views in decision making
- ▶ offering development opportunities to help realise full potential and recognise achievement
- ▶ respecting the knowledge and expertise of all employees and encouraging engagement

PROMOTE TEAMWORK AND CO-OPERATION BY:

- ▶ providing inspired leadership, encouraging empowerment and accountability
- ▶ working together with each other to achieve our purpose and aims
- ▶ prioritising work to increase diversity of talent, experience, personal characteristic, perspective and background

CARE FOR OUR CUSTOMERS AND STAKEHOLDERS BY COMMITTING TO:

- ▶ understanding our customers' needs through the development of stronger relationships
- ▶ developing new capabilities in line with customer requirements
- ▶ delivering high quality products and reliable services
- ▶ responding with urgency and developing agile and forward thinking solutions
- ▶ working to nationally and internationally recognised standards and accreditations
- ▶ fostering a positive presence in our local community

DELIVER BEST VALUE FOR DEFENCE AND CONTINUOUSLY IMPROVE BY:

- ▶ striving for excellence in every aspect of our business
- ▶ further developing our responsiveness, flexibility and resilience
- ▶ being open to change and prepared to manage risk
- ▶ developing sovereign capabilities to support international collaboration, job sustainment, skills retention and meet changing defence requirements
- ▶ delivering enterprise savings and generating positive regional and national economic impacts

OUR ROLE, PURPOSE, AIM AND VALUES

DECA was established on 1 April 2015 as an Executive Agency providing through-life deployable, electronics and component maintenance, repair, overhaul, upgrade and procurement services for a diverse range of Defence equipment.

DECA's enterprise value to the Department continues to be demonstrated through significant cost avoidance and savings to MOD programmes and, most significantly, through our assignment under competition, as a global hub for F-35 avionic component maintenance, repair, overhaul and upgrade.

As a result, the Agency has demonstrated its unique ability in providing competitively priced services into the Defence marketplace and has begun to evolve from a business providing assured services for largely legacy MOD equipment, to a business that continues to focus on assuring delivery of these services whilst also developing more holistic, global, support solutions and managed services with MOD and industry.

DECA's Purpose, Aim and Values were developed and agreed with senior managers, employees and Trades Unions and have been reviewed during FY2016/2017 to ensure alignment with Defence objectives, MOD's developing strategic requirements for DECA and to further embed our values within the Agency.



DECA assigned under competition as a global hub for F-35 avionic component maintenance, repair, overhaul and upgrade

STRATEGIC CONTEXT

The publication of the 2015 National Security Strategy and Strategic Defence and Security Review (SDSR 2015) provided clarity on equipment programmes and increases in defence spending.

SDSR 2015 announced the procurement of new capabilities, the earlier procurement of planned platforms and extension of in-service platforms, increasing MOD's reliance on cost effective equipment support programmes. This has reaffirmed the strategic requirement for assured onshore access to through-life maintenance, repair, overhaul and upgrade support for in-service and future equipment across Defence.

There continues to be a reduction in levels of traditional maintenance, repair and overhaul work and a continuing trend of maintaining equipment in-service longer. This, in turn, sees the need for the development of affordable, holistic, support solutions, managed services and obsolescence management across Defence.

The promotion of prosperity was a key theme of SDSR 2015; it was, for the first time, included as a national security objective in its own right. The third National Security Objective directs the MOD to grow UK defence resilience and security industries including support to exports and through investment in skills.

Our plan has exports and prosperity at its heart; reflecting how the MOD is now required to target resources towards UK Industrial Strategy in support of significant opportunities in the UK export supply chain. As such, DECA has been directed to maximise its support of internationalisation, industrial collaboration and the prosperity agenda.

Global F-35 avionic component maintenance, repair, overhaul and upgrade assignment in November 2016, has re-emphasised the strategic importance of DECA. As a result, MOD has a medium to long-term requirement for sustainment and growth of DECA's government owned, low cost capacity and capability within the business organically and through complementary partnering arrangements as appropriate.

There are significant opportunities for DECA to work in partnership with MOD delivery teams and industry. This will enable the development of flexible, scalable, all-inclusive, repair capabilities and managed services to add value, improve repair turn-around times and increase equipment availability.

DECA's strategic footprint on F-35, and our growing relationships with industry are offering significant opportunities for the Agency's value to be demonstrated across a much wider portfolio. DECA will continue to extend the longevity of cost-effective, specialist support on in-service and future platforms and grow capability in support of wider enterprise efficiencies across Air, Land, Maritime and Joint Enabler environments. In addition the Agency will work with overseas partners and partner nations that have a continued requirement for support solutions beyond UK out of service dates to explore potential synergies and opportunities for delivering more effective and efficient regional support.

"DECA's strategic footprint on F-35, and our growing relationships with industry are offering significant opportunities for the Agency's value to be demonstrated across a much wider portfolio."



DECA Stafford ground support equipment capability that secured a contract from Lockheed Martin providing a national solution for F-35 MRO&U and sustained services for non-air vehicle components and equipment

STRATEGIC OBJECTIVES

Our strategic objectives set out the vision for transforming the business to meet the strategic challenges ahead, ensuring continued efficiency and providing further opportunities for the business to develop.

CONTROL OF THE BUSINESS

Operating efficiently and effectively as a UK government owned stand-alone agency by maintaining control of the business to ensure/assure:

- effective governance and financial control
- efficient delivery of the endorsed financial plan
- enduring, 'best value for defence' capabilities
- compliance, quality, safety, environmental and airworthiness standards

CUSTOMER DELIVERY

Delivering the agreed DECA customer programme, associated support and services to customers to assure:

- timely customer outputs to agreed performance and quality standards
- retained on-shore specialist capabilities in support of in-service and future platforms across Air, Land, Maritime and Joint Enabler environments
- the global hub for F-35 avionic and aircraft components maintenance, repair, overhaul and upgrade
- alignment of the DECA business model to wider MOD planning and development of options to embed DECA enterprise value across Defence

TRANSFORMATION AND EFFICIENCY

Developing and implementing a DECA Enterprise Transformation Programme to deliver efficiencies, drive customer focus and support wider MOD, government and industry transformation programmes to:

- ensure a business capable of responding to ever changing customer requirements
- shape the business in line with current and future MOD requirements and priorities
- maintain competitiveness and deliver planned levels of efficiency and value
- provide alignment and support to MOD, government, partner nation and industry transformation programmes

SUSTAINMENT AND BUSINESS GROWTH

Creating greater value for Defence by sustaining and growing the DECA business to:

- create and demonstrate the enterprise value of DECA in collaboration with DE&S and wider-MOD
- continue to identify and develop strategies for wider holistic support solutions and managed services
- leverage DECA's status to position the business as the trusted MOD/industry partner for electronic and component support
- help assure value for money and cost effectiveness within Typhoon support
- develop and deepen strategic relationships with industry partners
- actively pursue further opportunities in complementary and military export markets

DECA's innovative support solutions have identified potential Typhoon cost avoidance savings of over £20m during FY 2016/17

BUSINESS STRATEGY

Our business strategy continues to evolve to meet the changing needs of Defence and reflect MOD's ongoing requirements with a focus on delivery and growth.

This strategy will enable DECA to transform the business so that, over the life of the plan, the Agency will meet the MOD's aspiration for DECA to become:

- the UK MOD's electrical, electronic, avionic and general equipment Maintenance, Repair, Overhaul and Upgrade (MRO&U) delivery hub
- the repair and support provider of choice for UK MOD across Air, Land, Maritime and Joint Enabler environments
- an assured effective and efficient regional, national and global centre of excellence working in collaboration with strategic partners, UK devolved administrations as well as European, US and other allies
- an internationally recognised provider of world class deployable services and managed solutions

CONTROL OF THE BUSINESS

DECA's governance structure is outlined in DECA's Framework Document (that can be found at www.gov.uk/deca), has been agreed with the Owner, HM Treasury and Cabinet Office and follows established best practice. DECA is governed through its Agency Board and sub-committees, and has in place an agreed formal programme of internal and external audit, to provide required levels of assurance.

CUSTOMER DELIVERY

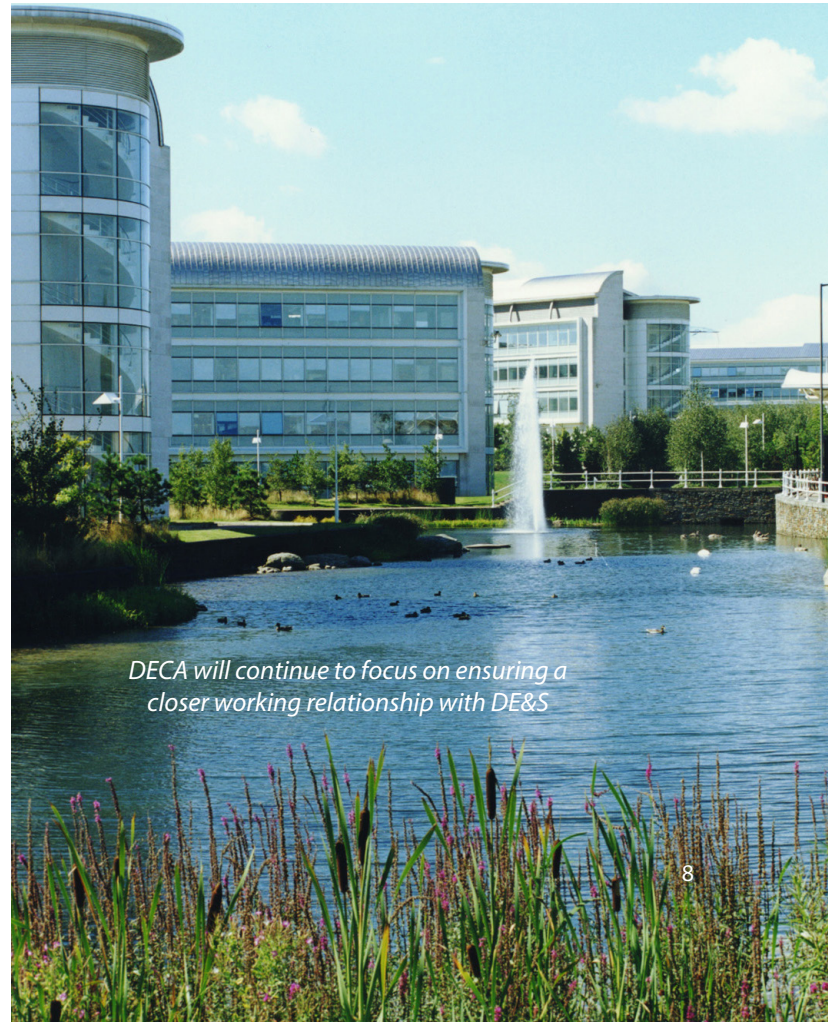
DECA will continue to provide MOD with assured, timely, cost effective, onshore and deployable through-life maintenance, repair, overhaul and upgrade support from its Sealand and Stafford sites and deployed locations around the UK including:

- targeted avionic repair and obsolescence avoidance
- UK/European 'hub' and Centre of Excellence development
- test and filter bench capabilities
- repair not replace solutions for current and future platforms
- cryptographic and other specialist equipment
- tri-service calibration
- Automated Test Equipment solutions
- Ground Support Equipment
- managed services
- development, support and manufacture capabilities

DECA will work with MOD to ensure the Agency maintains capability aligned to MOD's requirements and assure, with our industry partners, that key capabilities are retained and developed for F-35. DECA will continue to provide the leading role for MOD elements of work to prosecute future campaign activity for remaining F-35 components.

On behalf of UK MOD, DECA have entered into a Joint Venture (JV) with BAE Systems and Northrop Grumman Corporation. The JV, incorporated as Sealand Support Services Limited will provide global maintenance, repair, overhaul, upgrade and sustainment services for the range or components assigned from the hub at DECA Sealand.

In line with DECA's re-affirmed status and the Defence Equipment and Support (DE&S) Corporate Plan, work sponsored by Chief of Materiel Air will continue to focus on ensuring a closer working relationship between DECA and DE&S. This will both generate enterprise efficiency and help ensure that MOD maximises fully the utility of retained DECA capability to deliver major contributions to SDSR 2015 commitments.



DECA will continue to focus on ensuring a closer working relationship with DE&S

TRANSFORMATION AND EFFICIENCY

DECA will continue to develop and transform the business to improve delivery performance, increase capability and ensure the Agency remains a competitive, efficient government owned organisation that is 'match fit' for F-35 delivery through the DECA Enterprise Transformation Programme (See page 11).

Through this programme, the Agency will deliver a 20% cumulative efficiency improvement across the life of this plan. This will be achieved through reduction in support costs, improved productivity and increased competitiveness through optimised use of DECA's capacity and capability.

SUSTAINMENT AND BUSINESS GROWTH

DECA will continue to develop relationships with MOD and industry to embed enterprise value and seek to create additional sovereign capability within support and obsolescence solutions for former and in-service UK equipment within the UK export supply chain in support of Defence.

To support the generation of DECA enterprise value, the Agency will further develop its role in assuring provision of subject matter expertise, through-life advisory services, repair not replace technologies, test solutions, reverse engineering, specialist procurement and supply chain activities as well as obsolescence management and mitigation solutions on new and life-extended equipment across Defence.

This will include work to develop and deepen coherent strategies with industry and other government agencies, to grow DECA's role and generate enterprise savings in support of Cyber, Cryptographics and the secure communication arena.

Further work will be undertaken in Year 1 of this plan to ensure DECA keeps pace with emerging technologies

and maintains its strategic position in the electronic testing and repair market. DECA and MOD will continue to look to secure investment in new capabilities and test technology in support of MOD's agreed strategic requirements. This will help ensure DECA's 'open architecture' approach continues to provide MOD with assured capability and interoperability of test systems, regardless of supplier.

Given the internationally and commercially sensitive nature of current and future MOD platforms and equipment, DECA will also work with MOD and to take best advantage of the Agency's government owned status. This will help ensure best utility of DECA to maximise business winning opportunities, increase commercial leverage, provide a value for money comparator and avoid potential third-party constraints and issues.

As a trusted service supplier, DECA will continue to deepen strategic relationships, government-to-government arrangements with MOD customers and partner nations as well as appropriate partnering arrangements with industry.

Following UK government's recent announcement of the UK's Industrial Strategy, DECA will work with MOD to develop sovereign capability and ensure DECA's freedom of action to pursue a strategy that strikes the right balance between MOD operational advantage and effective trading.

Joint work will be taken forward in 2017 to ensure this is aligned appropriately within developing Defence policy to help assure job creation and sustainment, skills retention and further develop positive regional and national economic impacts in support of the government's Prosperity Agenda.



DECA's Test Solution 'open architecture' approach continues to provide MOD with assured capability and interoperability of test systems, regardless of supplier

ENTERPRISE TRANSFORMATION

MOD has declared that it will manage its personnel as a strategic resource to ensure MOD has the right mix of capable and motivated people, now and in the future, to deliver required defence outputs.

In support of this, MOD has agreed that DECA should continue to mature and implement an Enterprise Transformation Programme and vision (see graphic below) that drives business efficiencies and develops the Agency's capabilities and workforce to meet strategic challenges and opportunities to ensure a match fit organisation for F-35 delivery.

This programme includes activity to ensure capability development aligns to MOD's future requirements and DECA's strategic objectives to ensure a more agile business, capable of responding to ever changing customer requirements with project activities focussed on:

- improved performance, efficiency, processes and governance
- greater agility and responsiveness
- capability/managed service development and insertion
- diversity and inclusion
- learning and development
- employee engagement
- Trades Unions and management working together

As part of these activities, DECA's Human Resources and People, Technology and Estate Strategies are being reviewed and up-issued to ensure alignment with the Enterprise Transformation Programme. This will include:

- a continued commitment and expansion of the DECA apprenticeship scheme
- exploring ways to increase diversity and inclusion within the DECA workforce as well as proactive action to increase employee engagement
- setting the direction for the future networking and Enterprise Resource Planning
- Cyber security, business continuity planning and strategies
- best potential future use of the Sealand and Stafford sites and DECA's globally deployable capabilities including support to operations



DECA Enterprise Transformation 'Vision'

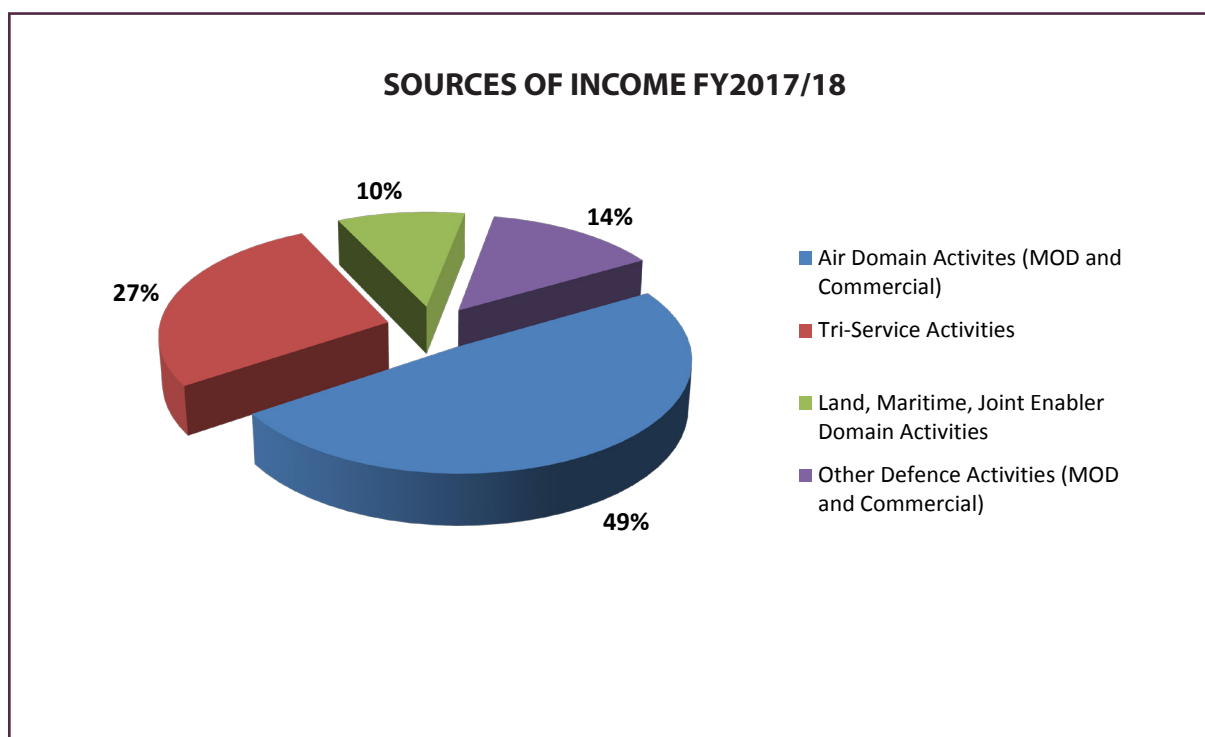
FINANCIAL PLAN

DECA complies with current HM Treasury guidance including Managing Public Money and any instructions and guidance to government departments and agencies. DECA also follows all relevant Cabinet Office instructions and guidance. In compliance with the guidance in Managing Public Money, DECA charges internal MOD customers the full cost of each service it provides. Any fees charged for services provided to external, private sector customers will be set at full cost.

Further details on DECA's finance and control framework can be found on www.gov.uk/deca

INCOME

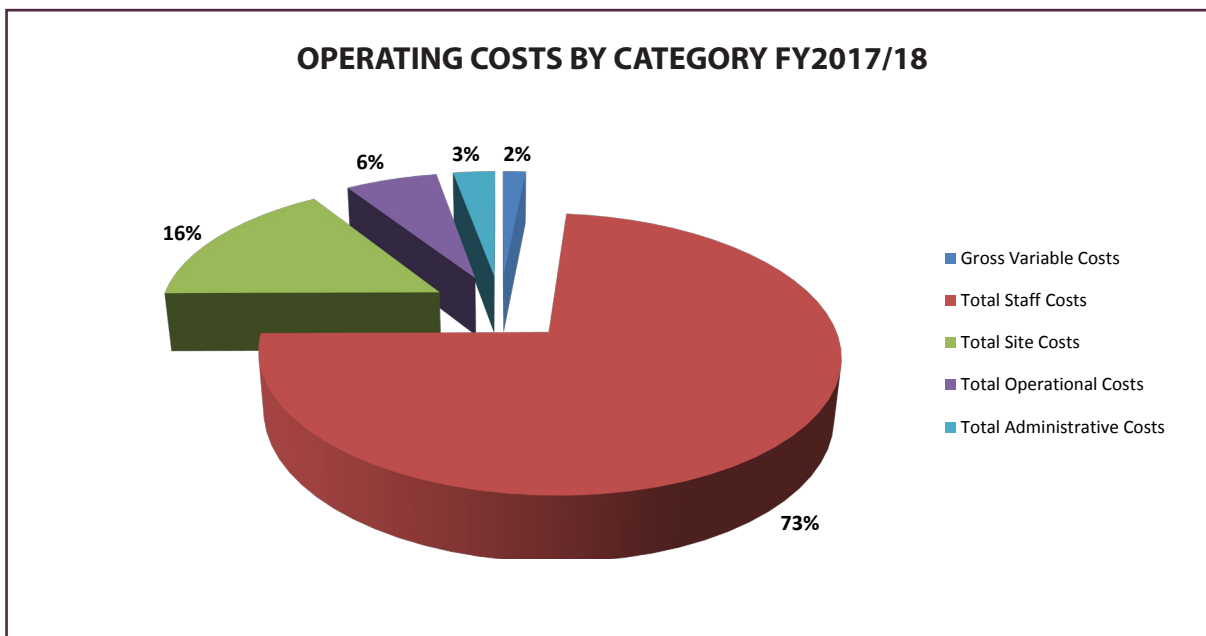
As an MOD Agency, DECA's activities are funded entirely by the payment for delivery of services provided to its MOD customers, and contracts between DECA and private sector customers. DECA's income arises from fees for its services with all sums received paid into, and all expenditure incurred paid out of the Agency. DECA delivers outputs to a wide-range of customers across MOD and industry and the financial plan has used the best information available during the development of this plan. DECA and MOD will review and review this plan should circumstances change significantly during the year.



OPERATING COSTS

Almost three-quarters of DECA’s operating costs relate our people. Since the formation of DECA, we have been successful in managing the short-term fluctuation in mix and volume of workload by increasing the flexibility of our employees. DECA is looking to drive increased capability, future productivity and efficiency through its Enterprise Transformation Programme. Recognising DECA remains a volume driven business, the efficiency is very much dependent on the level of workload.

In order to meet future capacity requirements to deliver the planned business growth and to address any natural workforce attrition, DECA will expand its apprenticeship schemes, consider the use of agency workers where appropriate and up-skill our employees to achieve a 20% increase in efficiency over the life of the plan.



INVESTMENT

As part of on-going business activities, and in support of capability growth, DECA will work alongside the MOD Customer and industry partners to ensure it invests appropriately in its people, processes and infrastructure. This will ensure continued efficiency of operations, facilitate business and delivery improvements and maintain a viable business with the appropriate capacity and capability to meet the medium and long-term requirements of DECA's MOD and commercial customers.

The plan reflects forecast levels of investment in support of business as usual and also capability enhancement. It is recognised that DECA will need to position itself for new opportunities, including F-35, which will require investment particularly in the areas of people, skills, training, infrastructure, equipment and new capabilities/technologies.

People/Skills/Training

DECA's developing Human Resources and People Strategy will require appropriate investment in its people to recruit, develop and sustain a highly skilled, professional and motivated workforce.

Infrastructure

In addition to investment for ongoing maintenance for buildings in custodianship of DECA at the Sealand site, there is a significant level of investment planned to upgrade facilities in FY2017/18 and FY2018/19 at both the Sealand and Stafford sites.

Equipment

DECA's current capability is underpinned by specialised technical equipment which typically has a life of 10 years and the Agency will continue to operate a rolling programme of production equipment renewal and upgrade. Through the agency's Transformation Programme, DECA will also seek opportunities to develop 'spend to save' business cases where investment in technology and, in particular automation, delivers enterprise efficiency to Defence.

New Capabilities and Technologies

DECA will also invest in production equipment to increase capability in areas identified to support MOD's ongoing strategic requirements including necessary investment to support the development of more holistic support solutions and expansion across Defence.

RISK MANAGEMENT

DECA operate a strong risk management governance structure and processes with particular focus on Project Risk Management in support of business development bids and proposals.

Management and control of risk is based on established government best practice including MOD's Joint Services Publication 892 – Risk Management.

Through reviews and deep dives on the Corporate and Functional Risk Registers, the DECA Board, Executive Management Board and Audit and Risk Assurance Committee, has demonstrated its tolerance of different categories of risk. These governing bodies have also provided guidance on management and mitigation of risks to functional Risk Co-ordinators. Similar decisions have been made in respect of new business, key projects and business plans with decisions on risk levels communicated to those responsible for managing those risks.

OUR KEY PERFORMANCE INDICATORS

MEASURING THE PERFORMANCE OF THE BUSINESS

To ensure alignment with MOD's strategic requirements of DECA, the Agency has a hierarchy of performance management that cascades from its strategic objectives to provide clear indicators and allow measurement of performance in areas which are critical to both MOD and DECA.

DECA Strategic Objective	Key Performance Indicator	Metrics for Year 1 of the DECA Corporate Plan FY 2017 -2022
Control of the business	KPI 1 Financial Performance	Operating efficiently and effectively as a stand-alone MOD Agency by: <ul style="list-style-type: none"> • achieving a less than 2% variation in forecast accuracy • achieving at least the planned level of profit agreed in Year 1 of the plan
	KPI 2 Quality	Successfully operating the business to deliver the plan whilst maintaining the quality of products, services and processes by: <ul style="list-style-type: none"> • achieving zero attributable 'major customer concerns' in FY2017/18 • reviewing, developing and agreeing a revised 'minor attributable customer concerns' measure aligned to customer volume
Customer delivery	KPI 3 Customer Satisfaction	Delivering the agreed DECA customer programmes, associated support and services by: <ul style="list-style-type: none"> • achieving delivery of at least 96% of agreed DECA customer programmes in FY2017/18
Transformation and efficiency	KPI 4 Transformation and Efficiency	Delivering the levels of transformation and efficiency and cost reduction agreed with the Owner by; <ul style="list-style-type: none"> • delivering 4% increase in Direct Labour Utilisation against the FY2016/17 baseline • achieving at least a 1% reduction in operating costs in Year 1 of the plan • developing and agreeing a DECA Enterprise Transformation strategy
Sustainment and business growth	KPI 5 Business Development	Sustaining the Agency and achieving the planned levels of business growth agreed with the Owner and Customer by; <ul style="list-style-type: none"> • continuing to develop the business development strategy to achieve the planned levels of business growth in Year 1 of the plan



Defence Electronics and Components Agency

Welsh Road

Sealand

Deeside

Flintshire

CH5 2LS

www.gov.uk/deca