



Defence Electronics &
Components Agency

Corporate Plan 2020-2025





DEFENCE ELECTRONICS AND COMPONENTS AGENCY CORPORATE PLAN 2020-2025

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CHIEF EXECUTIVE FOREWORD



As DECA began finalisation of this year's Plan in Feb/Mar 2020, it gave me great pleasure to reflect on how the Agency has developed following five successful years. FY2019/20 conclusively demonstrated DECA's successful expansion of its strategic offering across Defence customers and in support of key MOD and UK Prosperity programmes.

DECA's blend of skills, focus on 'value' generation through repair rather than replace technologies and extensive practical knowledge of MOD components and equipment continue to position the Agency strategically and often uniquely at the very heart of UK Defence. I have been delighted with the deepening of our relationships with DE&S, the Submarine Delivery Agency and other MOD partners such as Dstl. This Plan will see DECA build on these relationships, and utilise these skills and position, to mature and widen our services to new and existing Air, Land, Maritime, Cyber and Tri-Service customers.

Just as exciting are the maturing relationships that extend beyond the MOD, such as with Welsh Government and major UK Defence Original Equipment Manufacturers as we look to develop our drive for an 'innovation' hub based at MOD Sealand. These relationships provide new and tangible opportunities for DECA to provide significant contribution to skills sustainment and generation, regional and national prosperity and a long-term future for DECA and MOD in North Wales.

As in all walks of life, there have been significant impacts to the DECA workforce and business during the first three months of FY2020/21 arising from the COVID-19 situation. I am particularly proud of the way that the DECA team has stepped up and safely managed these impacts and, by taking the lessons learned from this work, "built back better" to enable a more agile and flexible organisation going forward. In line with direction from MOD Centre, DECA's Plan reflects these lessons learned, the latest intelligence from DECA's customers, and DECA's own dynamic assessment as COVID-19 impacts endure.

DECA's COVID-19 Response and Recovery team continues to maintain essential COVID-19 safety measures and provides leadership, direction and governance to deliver:

- sustained delivery of all of DECA's critical Defence outputs
- a safe workplace for employees including those colleagues who are able to work from home effectively
- urgent deployment in support of MOD and Military Assistance to Civil Authorities.

Against the risks, challenges and opportunities this presents to DECA, our Plan sets out how we will continue to maintain our exacting standards. Just as importantly, we will continue to evolve the business in the delivery of our refreshed Transformation programme that already builds on the lessons learned from our successful response to the COVID-19

situation. This programme is fundamental in delivering extremely challenging efficiency improvements, over and above those already achieved, and to ensure an organisation match-fit for delivery for many decades to come.

Achievement of these stretching targets, delivery of our transformation vision and our future business success will only be realised by the continued excellence of our extremely dedicated workforce who have demonstrated more than ever, why our people are the heart and soul of our Agency. Through the continued implementation of our People Strategy, this Plan will continue to support our drive for improved engagement

across DECA that will create a dynamic, diverse and inclusive workplace environment suitable for our people to nurture the new skills and capabilities that will engender continued success.

Our Board, Executive Management Board and I look forward to delivering this Plan, increasing the value we provide to UK Defence as well as national and regional prosperity, and generating further successes and expansion of our services across Defence.

WHO WE ARE

We are a MOD owned Executive Agency with a highly professional team of civil servants that provide benchmark services as the principal in-house UK government organisation dedicated to maintenance, repair, overhaul, upgrade (MRO&U), procurement and managed services provision across defence electronics, components and general equipment support.

As an Executive 'Trading' Agency, DECA is run along commercial lines, being paid by our MOD and private sector customers for our services.

DECA's planned growth in volume/turnover is largely built on its growing strategic importance to MOD and continued successful expansion across Land, Maritime and Cyber domains over the life of the Plan. DECA has successfully delivered on its strategic objective to expand its support provision across these domains that accounted for 5% of the DECA order book on formation, has risen to 20% and is projected to increase to 35% over the life of this Plan. This growth has been facilitated by DECA demonstrating 'value' to Defence through innovative 'repair not replace' technologies and generation of significant through-life cost avoidance across all domains since formation in 2015.

As well as growth across Land, Maritime and Cyber, the Plan demonstrates consolidation of DECA's traditional Air activities following TORNADO going out of service and the ramp up of DECA activities in support of F-35 component MRO&U and Ground Support Equipment at our Head Office and main operating centre at MOD Sealand in North Wales, and our second operating centre at MOD Stafford.

Our significant increase in output will be delivered with a much smaller expansion of our highly skilled workforce. The remainder of the increased output will be driven through delivery of stretching targets and transformational efficiencies.

DECA has continued to develop further collaborations and strategic partnerships as directed by MOD enabling successful progress on a number of opportunities demonstrating DECA's growing contribution to National Security Objective 3 - Prosperity.

These include DECA taking a leading role in work with MOD, Welsh Government and Dstl in the proposed development of an Advanced Technology and Research Centre and 'innovation hub' at MOD Sealand. These, as well as government to government initiatives with the US Department of Defense, all take advantage of DECA's unique and valuable in-house skills.

As well as operating from our two main sites, DECA continues to maintain and grow its ability to provide global surge capability and deploy in support of operations. DECA operates at various locations strategically co-located with Front Line customers and also through wider MOD deployments in the UK and overseas in support of military operations, including critical support to Military Aid to the Civil Authorities tasking during COVID-19.

WHAT WE DO

MOD'S MRO&U DELIVERY HUB

DECA continues to provide the MOD with in-house, onshore access to electronic and component MRO&U capabilities for in-service and future Defence platforms including the principal supplier of MRO&U services to the F-35 'global' repair hub at MOD Sealand. In addition, DECA is the MOD's delivery 'hub' for Tri-Service calibration (Sealand), Test Solutions (Sealand), General Engineering (Stafford) and F-35 Ground Support Equipment (Stafford).

MOD PROVIDER OF CHOICE ACROSS DEFENCE

DECA has continued to secure and demonstrate best 'value' for MOD and the British taxpayer that has enabled significant expansion of DECA services across Defence including development of innovative solutions to technical obsolescence issues and the widening of "repair not replace" capabilities for new Land, Maritime and Cyber customers. These services have also resulted in substantial increases in availability for key equipment including the Continuous At Sea Deterrent.

REGIONAL, NATIONAL, GLOBAL CENTRE OF EXCELLENCE

Our strategic partnership with Dstl has deepened through our joint collaboration team and developing plans for an expanded Dstl presence at MOD Sealand and a joint regional 'innovation' hub. DECA has also secured a position as a key Defence contributor to the Union Strategy through development of close working links with Welsh Government that was a key factor in the choice of MOD Sealand as the location for a proposed "Advanced Technology Research Centre" to be constructed at MOD Sealand. DECA continues to support MOD's contribution and aspirations for this initiative, which will cement North Wales and the North West as a regional, national and global centre of excellence for innovation and fiscal recovery stimulus.

WORLD CLASS DEPLOYABLE AND MANAGED SERVICES

DECA's Managed Services hub at Sealand has been firmly established during FY2019/20 through work with new MOD Customers such as Land delivery teams and we will continue to capitalise and expand on the significant interest this service has now attracted across MOD. Work with the Army during FY2019/20 has also established a DECA led deployed capability in support of Unmanned Aerial Systems and we have continued to successfully expand our regional Tri-Service Cryptographic and Medical and Dental capabilities in response to requests from the MOD Customer. DECA continues to maintain the ability to provide global surge capability in support of operations following successful and continuing DECA deployments at both Main and Forward Operating Bases, in the UK and overseas.



OUR PURPOSE, AIMS AND VALUES

OUR PURPOSE

We are a trusted MOD and industry partner assuring effective delivery of electronic and components capability in support of defence.

OUR AIM

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

OUR VALUES

WE VALUE OUR PEOPLE BY:



- holding health, safety and welfare of our employees and anyone affected by our activities as our highest priority
- creating a culture where all employees are proud to be part of DECA
- engaging with individuals and Trades Unions to include their views in decision making
- offering opportunities to help employees realise their full potential and recognise achievement
- respecting the knowledge and expertise of all employees and encouraging engagement

WE PROMOTE TEAMWORK 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 characteristics, perspective and background

WE CARE FOR OUR CUSTOMERS AND STAKEHOLDERS BY COMMITTING TO:



- continuously strive to develop DECA sustainably and minimise our impact on the environment
- 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

WE 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 STRATEGIC ENVIRONMENT

STRATEGIC CONTEXT

DEFENCE POLICY LANDSCAPE

The publication of the Strategic Defence and Security Review 2015 heralded earlier procurement of new platforms and prolonged retention of key in-service platforms, balanced by early retirement of other MOD platforms. This has increased MOD's focus and reliance on cost-effective through-life support and generation of savings, as well as development of sustainable support solutions.

Through the Modernising Defence Programme, refreshed Defence Industrial Policy and roll-out of UK Government's Prosperity Agenda, the MOD continues to work jointly with industry to develop new business models to generate UK economic value, embed prosperity within future decision-making, enhance resilience and productivity in the UK supply chain, and develop further improvements in support of UK exports.

The Defence Equipment Plan 2018 identified three key themes: that our Armed Forces need to be ready and able to match the pace at which our adversaries now move; that our Armed Forces need to be a fighting force fit for the challenges of the 21st century; and we need to transform the business of Defence to deliver a robust, credible, modern and affordable force.

STRATEGIC RETENTION

Our strategic retention within MOD continues to align with delivery of these themes and provides MOD with assured, onshore, access to strategic capabilities for current and future MOD equipment. Retention also maintains access to certain MOD Intellectual Property Rights and expertise in assuring compliance and working within US International Traffic in Arms Regulations. Our unique 'trading' model further enables development of commercial arrangements with Government and Industry at all levels in support of secure and sensitive equipment and help overcome internationally and commercially sensitive issues.

The global MRO&U assignments for F-35 in 2016 and 2018 provided a 30+ year requirement for DECA capability, with our

first F-35 activities are still planned to commence in 2020. In addition, we have identified and agreed a number of wider MOD opportunities where resource has been focussed to address Agency capacity/capability alignment issues and opportunities to grow the business across Land, Maritime and Cyber domains. This will necessitate significant transformation of the DECA business to ensure delivery of these increasingly complex business opportunities.

STRATEGIC OBJECTIVES

Aligned to the Defence Policy Landscape and MOD's strategic retention rationale for DECA, the Agency continues to focus on supporting the UK's armed forces by maintaining and developing the skills needed to ensure effective and efficient delivery to our customers by developing sustainable, cost-effective, through-life support solutions that increase equipment availability and generate significant savings to Defence.

MOD'S STRATEGIC PRIORITIES

MOD has agreed four strategic priorities with DECA that provide the vision of "What good looks like" for Defence and to shape DECA's continuing transformation journey to become:

- the UK MOD's electrical, electronic, avionic and general equipment maintenance, repair, overhaul and upgrade delivery hub;
- the repair and support provider of choice for UK MOD across Air, Land, Maritime and cyber domains;
- 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 service solutions.

To ensure best practice Agency governance and business planning against these strategic priorities, MOD and DECA have agreed four strategic objectives that also form the basis for quarterly Performance and Risk Review, for monitoring and assurance by DECA's Sponsor, Director Sponsorship and Organisational Policy (DSOP).

STRATEGIC OBJECTIVE 1: CONTROL OF THE BUSINESS

Ensuring our business model does not restrict our ability to deliver MOD's strategic priorities by developing a strategy with MOD that will appropriately deliver against the recommendations of DECA's first Tailored Review, which took place in FY2019/20.

Operating efficiently and effectively as a standalone agency through effective governance and financial control, efficient delivery of the approved financial plan, and regularly reviewing our embedded health, safety, quality, risk, materials, airworthiness, environmental and security management systems to meet statutory requirements and drive continuous improvement.

Ensuring priority on the health, safety and welfare of employees and all others affected by our activities, along with the reduction of our environmental impact by maintaining Safety and Environmental Protection Management systems, fully certified to international standards.

STRATEGIC OBJECTIVE 2: CUSTOMER DELIVERY

Continuing to provide assured, timely, cost effective, onshore support for in-service and future equipment across Defence, working with DE&S to agree forward volumes and appropriately resource the business.

Continuing to appropriately invest in maximising the in-house development of value creation, cost avoidance, new capabilities and managed services.

Strengthening our strategic relationships and maintaining effective Customer feedback mechanisms.

Working with DE&S to monitor MOD customer compliance with instructions, policies and guidance regarding the use of DECA capacity and capability.

STRATEGIC OBJECTIVE 3: SUSTAINMENT AND BUSINESS GROWTH

Continuing to work with MOD and industry to create additional sovereign capacity and capability within the UK and export supply chains, and developing DECA's role in providing subject matter expertise, managed services, repair technologies and obsolescence mitigation.

Implementing Business Development sector strategies across the Air, Land, Maritime and Cyber domains and working with MOD to develop DECA's role in support to deployed operations.

Maturing strategic relationships and government-to-government arrangements, including development of appropriate partnering arrangements and 'hub' concepts, regionally, nationally and globally in support of the UK Government's Union Strategy, Government Skills and Prosperity Agendas.

STRATEGIC OBJECTIVE 4: TRANSFORMATION AND EFFICIENCY

Continuing to develop, implement and sustain our Transformation plans, to continuously improve delivery performance and Agency competitiveness.

Maintaining a commitment to deliver the stretching levels of business efficiency improvement agreed in DECA's FY2019/20 Corporate Strategic Plan by FY2023/24.

Implementing the process changes required to facilitate a simpler and more effective commercial arrangement, enabling maximised utilisation of DECA capacity and capability across all Defence domains.

Working with our Defence partners to maximise DECA value to both MOD and wider UK Prosperity and to help overcome budgetary, manpower and skills pressures within delivery teams, Front-Line Commands and Main Operating Bases.

OUR PLAN

KEY STRATEGIC DELIVERABLES

Strategy, Business Development and Commercial activity during FY2019/20 continued to focus on reinforcing and broadening DECA's brand and identity in the Defence marketplace in line with DECA's agreed strategic priorities. This included deepening strategic relationships and business engagements with national and international Defence industry partners, joint work with UK MOD Agencies such as Dstl, and developing positive and powerful relationships with other governments and devolved administrations.

We will continue to work closely with Defence Directorate of Communication, ensuring the required rigour and consistency of message behind our brand and that we remain visible and understood within the Defence marketplace. These activities will include appropriate expansion within social media and uplift of corporate presentational material, as well as the development of our intranet and external internet presence to reflect the global nature of the transforming DECA business.

Through continued development of the following plans and strategies, DECA will deliver MOD's strategic priorities and objectives for the Agency and maintain its position as MOD's provider of choice for electronic, component, general engineering and managed services across UK Defence domains and pedigree as a regional, national and global provider of market leading capability.

MOD'S MRO&U DELIVERY HUB

We are continuing to transform from a business retained to provide MRO&U services for largely legacy MOD equipment, to a business that continues to focus on assured delivery of these priorities whilst also developing support solutions across a widening Defence customer base. This is helping overcome Defence budgetary pressures and maintaining our critical role in providing support to help ensure a fighting force fit for the challenges of the 21st century.

F-35

Sealand Support Services Limited (SSSL), fully supported by the partner organisations (UK MOD, Northrop Grumman and BAE Systems) continues to lead the implementation and execution of assigned components in support of the F-35 war fighter. Initial operating capability for F-35 is scheduled for October 2020 at Sealand. The implementation and execution

of component repair services at Sealand has significant momentum, with an implementation schedule across the life of the Plan and beyond. DECA will provide increased volumes of remote and on-site repair and calibration services for a wide range of F-35 Non Air Vehicle Depot Level Repair Ground Support Equipment, in support of the growing fleet of F-35 aircraft on Queen Elizabeth-class aircraft carriers and at RAF Marham.



DECA STAFFORD

Capabilities at our Stafford site comprise a wide range of general mechanical engineering activities, including a multifunctional engineering workshop, cryogenic repair capability, specific to content container and textile workshop and pressure vessel inspection and repair facility.

In FY2019/20, we provided remote and on-site repair and calibration services for a wide range of ground support equipment over a number of platforms, and this activity is set to increase over the life of this Plan including the previously mentioned F-35 Non Air Vehicle Depot Level Repair Ground Support Equipment.

These diverse capabilities have attracted significant interest from the Defence community during FY2019/20 and in particular our design, support and manufacture and cryogenics capabilities that generated significant cost avoidance benefits for the Project Marshall and Personal Survival and Protection Delivery teams. Planned business development activity during FY2020/21 will look to further exploit DECA Stafford

capabilities and align these with the emerging needs of a widening customer base.



TEST SOLUTIONS

We are the UK MOD 'hub' and in-house subject matter experts for automatic test equipment, with our development of Test Programs Sets (TPS) for a wide range of equipment across multiple systems delivering significant savings in support costs over the life of a range of UK capabilities. We will continue to expand our obsolescence support role in this area for in-service and legacy capabilities across all domains, and will continue to look to ensure longevity in existing systems whilst working to secure new test technologies in support of MOD's strategic requirements.

Our open architecture approach to system support and test will continue to provide MOD with assured capability and interoperability of test systems, The Agency will continue to seek opportunities to exploit DECA expertise as an industry leader in implementation of IEEE standards, to create transportable TPSs for use on Automated Test Systems.



MOD PROVIDER OF CHOICE ACROSS DEFENCE

In addition to consolidating Air domain activities through F-35 assignment, DECA continues to successfully deliver against MOD's objective for the Agency to become the provider of choice across MOD domains. Since formation in 2015, DECA has expanded its share of support to Land, Maritime and Cyber domains and will continue to target further business development activities in these domains to help ensure delivery of strategic 'value' to a wider range of MOD customers.



LAND

Completion of tasks for the Land customer, during FY2020/21, has included the manufacture and installation of vehicle installation kits for vehicles, developing capability to support Tri-Service tactical communications systems and the manufacture of support equipment for Land vehicles. Success with these tasks has seen a growth in Land tasking with subsequent sustainment opportunities presented for consideration.

We will continue to explore opportunities to diversify our traditional equipment repair capability portfolio and exploit our proven operational engineering and logistics experience gained in support of UK Land operations overseas.

MARITIME

Expansion over the Maritime domain has included initial component feasibility studies across almost every major platform in the Royal Navy's surface and submarine fleet. This is driving growth, demonstrable through-life cost avoidance savings and increased platform availability via a rapidly developing technical obsolescence service.

Further planned growth will build on delivery of a more strategic arrangement between DECA/Submarine Delivery Agency to scale and scope identified Customer priority taskings.

CYBER

This diverse portfolio of DECA work covers both sensitive and non-sensitive repairs including cryptographic, secure radio communications systems, support to radar-based identification systems supporting Air, Land, Maritime, OEMs and other Arm's Length Bodies.

Following on from this success, we are continuing to develop further opportunities to provide pivotal support to critical in-service communications systems and replacement electronic countermeasures equipment.

REGIONAL, NATIONAL, GLOBAL CENTRE OF EXCELLENCE

Following DECA's collaborative role in successful UK F-35 global assignments, DECA has developed further significant strategic partnerships and relationships with key UK and allied parties across government, industry and devolved administrations. These have developed new capabilities and shared best practice to develop significant opportunities to support Global Britain and Prosperity at a regional, national and global level.

ADVANCED TECHNOLOGY AND RESEARCH CENTRE (ATRC)

Following initial engagement by DECA in 2018, a joint Welsh Government/UK Government project team has been established to take forward proposals for the ATRC (formerly AMRI2) collocated with DECA at MOD Sealand that has secured significant engagement and support within UK Defence OEMs.

Welsh Government and MOD are actively progressing the development of an Advanced Technology Research Centre at MOD Sealand with the following objectives: support of research, innovation and commercialisation around specific technologies; to develop a pipeline of high calibre skills; to encourage collaboration between global businesses, small and medium sized enterprises and Further/Higher Education partners; to support job sustainment and creation as well as

inward investment across both the civil and defence supply chain in support of UK Prosperity and potential COVID-19 economic recovery programmes for Wales and the UK.

DSTL

We will further deepen our Strategic Partnering Principles Agreement with Dstl and identify additional opportunities to create mutual benefit for both parties. We will continue to undertake more sensitive work across a wider range of Dstl products and enable employees from both organisations to take part in exchanges, apprenticeship opportunities, education, continuing professional development, 'best practice' benchmarking visits and inter-Agency networking.

We will work with Dstl and Defence Digital (formerly MOD Information Systems and Services) to grow our role and generate savings in support of Cyber, Cryptographic and the secure communications arena. This will include exploitation of our expertise in test solutions, obsolescence support and reverse engineering, as well as specialist procurement and supply chain activities on identified opportunities within Land, Maritime and Cyber domains.



UNMANNED AIR VEHICLES (UAV)

Following successful work in FY2019/20 we continue to provide on-base and deployed operational support to the Army's heavy UAV fleet, delivering engineers to maintain both UK UAV flight operations and training in support deployments. This initiative will be supported with continued joint work with our Delivery Team and Industry partners to support DECA capability development for UK and European Unmanned Aerial Systems.



WORLD CLASS DEPLOYABLE AND MANAGED SERVICES

DECA continues to maintain and grow its ability to provide global surge capability and deploy in support of operations from various locations strategically co-located with Front Line customers and also on wider MOD deployments in the UK and overseas in support of military operations, including critical support to Military Aid to the Civil Authorities tasking during COVID-19.



MANAGED SERVICES

In FY2019/20 DECA became an established Managed Services provider through capability transfer from DE&S to more effective and efficient support and management of Defence inventories across initial Air customers, successfully expanding to the Land domain. These services include warehousing and asset control, purchasing and through-life support for a wide range of Defence equipments and allow DE&S to focus on intelligent decider activities and rationalise their own sustainment overhead. DECA will expand these services and efficiencies for Defence by continuing to develop further opportunities to grow these services to a much wider portfolio of MOD customers across all domains.

SUPPORT TO OPERATIONS

DECA will continue to maintain and grow its ability to provide global surge capability and deploy in support of operations and this has been actively implemented during the COVID-19 situation for critical cryogenic activities in support of UK overseas assets (Falkland Islands) and in support of Military Aid to the Civil Authorities tasking.

DEPLOYED/REGIONAL SERVICES

Through demonstrated efficiency savings, the MOD Customer has requested further expansion of DECA's regional Medical and Dental capabilities and the establishment of a dedicated capability in the East of England. DECA will continue to develop further opportunities for both Medical and Dental and Cryptographic services which have continued to be delivered throughout the COVID-19 situation as critical MOD tasking.



TRANSFORMATION

In order that DECA delivers its key strategic deliverables and forecast growth over the life of this Plan there are a number of underpinning and increasingly complex business opportunities. These prospects necessitate a growth in our capabilities that led to the launch of our Transformation Programme in 2019, which was approved by the DECA Board and MOD Sponsor.

The Programme has already seen some early successes. These include the delivery of a Learning and Development project to ensure our leaders and managers have the right skills and maintain capability for both the near and long-term benefit of Defence.

The Transformation Programme incorporates three key work streams, supported by a pillar of work concerning our infrastructure, as detailed below. All work streams and planned process improvements across DECA business functions have been reviewed and associated activities have been prioritised to enable in-year delivery and recovery following COVID-19 impacts during early FY2020/21.

- 1. Future Workforce:** Our Human Resources & People Strategy continues to progress with continued focus on workforce engagement and business capability in order to meet the strategic challenges of the future. Activities include expansion of the DECA apprenticeship scheme, exploring ways to increase diversity and inclusion within the DECA workforce, and proactive action to increase employee capability and engagement. Throughout the duration of this Plan we will consider, and where appropriate implement, changes as a result of the Pay & Grading Review and the Organisational Design projects. We will also invest in training and HR systems, and an improved performance management system that appropriately responds to employee endeavours, and informs both talent management and succession planning.
- 2. Future Workplace:** Our Technology strategy will enhance capability whilst offering increased efficiency and value for money through new ways of working. Aligning with government strategies, the Greening

Government ICT Strategy and the Smart Working Code of Practice, it sets the direction for future networking and Enterprise Resource Planning strategies. Over the duration of this Plan, we will deliver an improved, sustainable Enterprise Resource Planning tool that supports effective business process activity more efficiently and information technology infrastructure improvements.

- 3. Future Systems:** The Process work stream is focussed on business process ownership and compliance, business performance measurement, advanced sales and operations planning and a process improvement initiative. Areas of focus for the near future include maturity of our process improvement events and best practice alignment with our customers and wider industry partners, a business performance measurement system that delivers the information needed to improve efficiency and effectiveness, and self-directed process ownership and improvement initiatives.

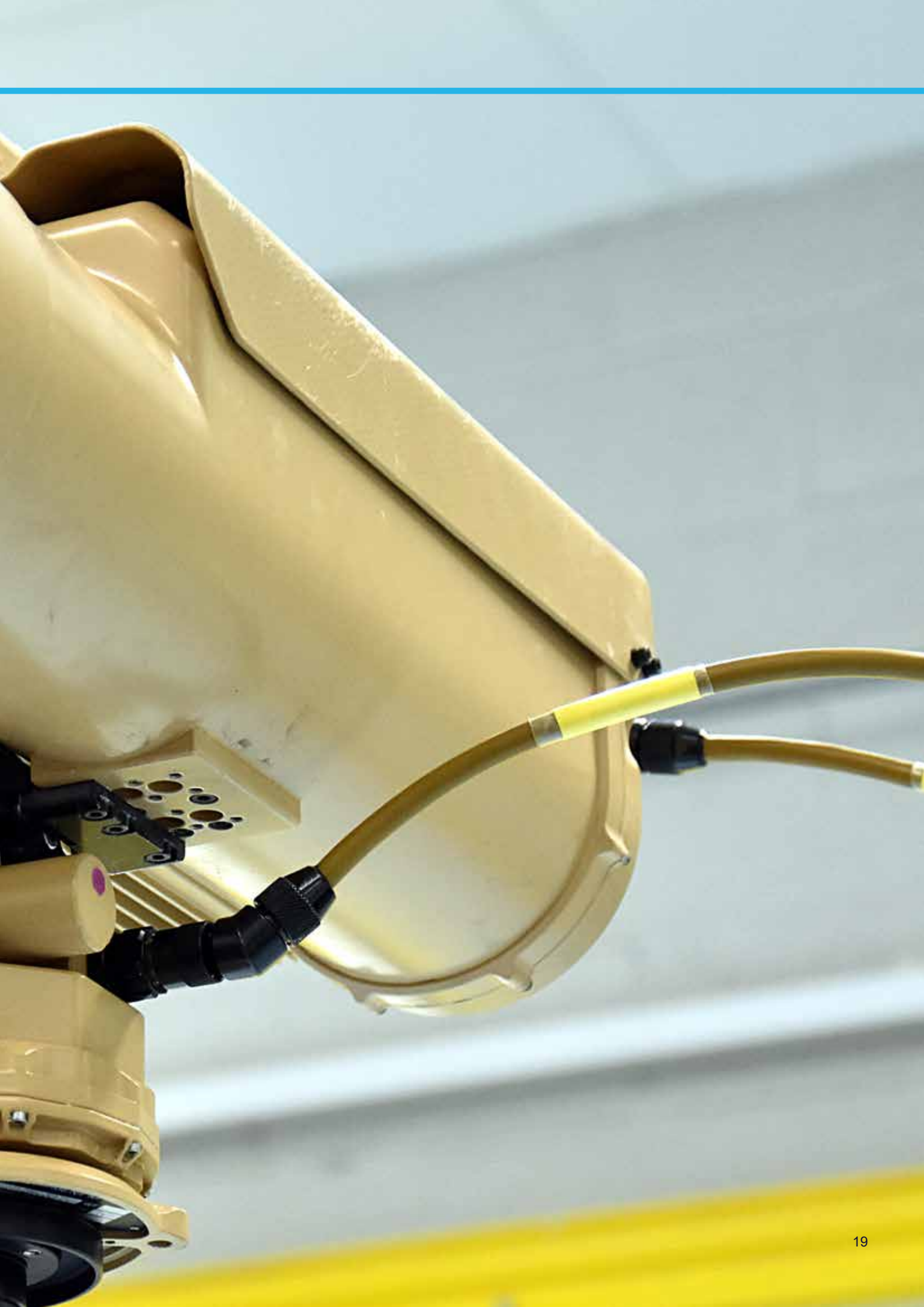
Aligning with the Modernising Defence Programme, Government Estates Strategy and ongoing agreed activities with MOD's Defence Infrastructure Organisation (DIO) through the Defence Estates Optimisation programme, options will be developed to invest in our infrastructure to ensure best utilisation of the estate as a cornerstone of transformation. Major investments generated through increased DECA efficiencies are included within this Plan in utilities and infrastructure, including the development of an improved DECA Learning & Development area.

We are continuing to look at innovative ways to upgrade existing facilities at MOD Sealand through the potential creation of an "innovation hub" with Dstl and through the progression of the ATRC project with MOD and Welsh Government.

We will continue to evaluate potential future uses of the wider MOD Sealand and MOD Stafford sites to support best value for Defence with MOD and DIO.

We have established a working group to drive the reduction of single use plastics on our sites and are committed to reducing carbon emissions across our estate, including through the reduction of energy consumption and moving to the use of ultra-low emission vehicles.





KEY PERFORMANCE INDICATORS AND TARGETS

To ensure that performance indicators and targets are aligned throughout the business, DECA operates and cascades a performance management hierarchy as shown in Figure 1 below.

This performance management hierarchy is designed to provide clear indicators and allow measurement of performance in delivery of DECA's agreed strategic priorities and objectives that have been identified as critical to DECA from a Sponsor, Customer and Agency perspective. These are developed with input from all relevant stakeholders and cascaded, with clear accountabilities, throughout all levels of the Agency. Progress towards achieving these indicators is measured regularly and reviewed at the DECA Executive Management Board, DECA Board and at MOD's Performance and Risk Review.

The Agency performance framework maintains focus on meeting its agreed strategic priorities and objectives through the measurement and delivery of Key Performance Indicators (KPIs). The KPIs are cascaded into Performance Measures with DECA Executive Directors accountable for their delivery. These Performance Measures are further cascaded through Critical Success Factors, which are cascaded as appropriate to Directorate, team and individual objectives.

DECA will engage annually with the Sponsor and Customer to ensure these performance management arrangements remain relevant and will amend and/or develop these as appropriate.

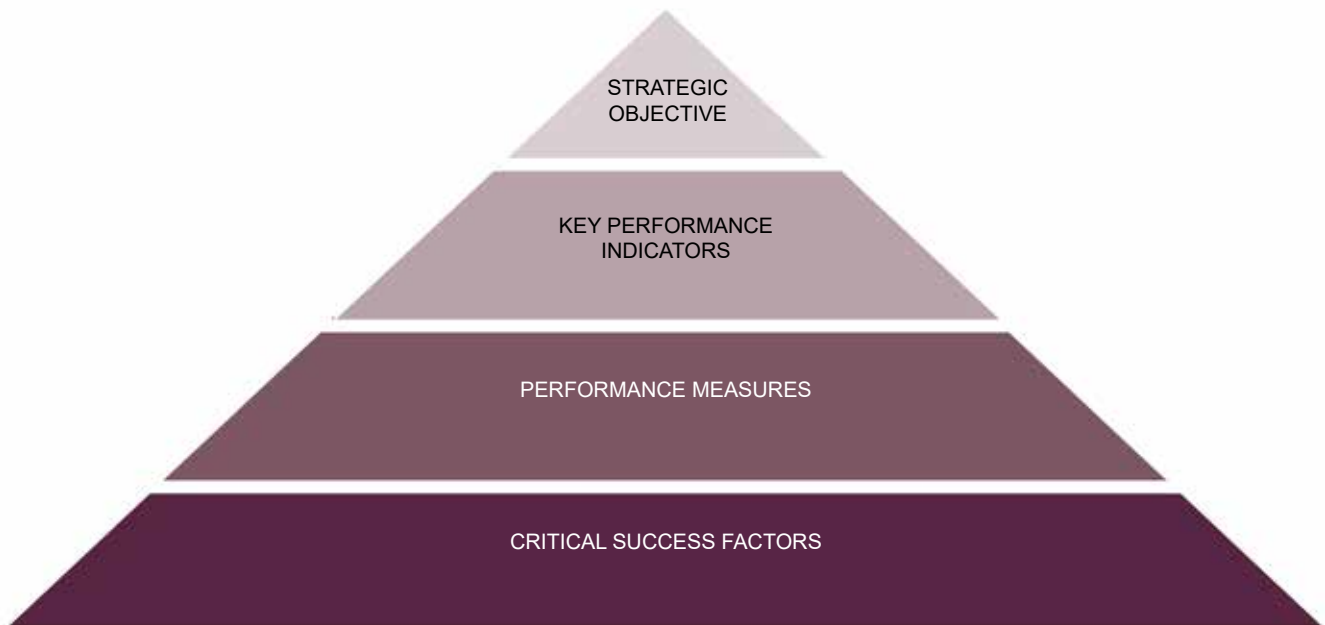


FIGURE 1: THE DECA PERFORMANCE MANAGEMENT HIERARCHY

Key Performance Indicator	Metrics for the DECA Corporate Plan
KPI 1 Control of the Business: Financial Performance	Operating efficiently and effectively by achieving: <ul style="list-style-type: none"> • a less than 2% average variation in forecast accuracy • at least the planned level of comprehensive income agreed in Year 1 of the Plan
KPI 2 Control of the Business: Health, Safety & Environmental Protection	Successfully operating the business to deliver the Plan whilst maintaining the quality of products, services and processes through: <ul style="list-style-type: none"> • independently assured Health, Safety and Environmental Protection Management Systems • an independently assured Quality Management System
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 FY2020/21 • achieving zero attributable major customer concerns in FY2020/21 • maintaining DECA quality performance against the established baseline for minor customer concerns
KPI 4 Business Development	Delivering the levels of targeted business growth agreed with the Owner by: <ul style="list-style-type: none"> • achieving >6% compound annual growth rate in man hours by the end of FY2021/22 • securing an 8 percentage point increase in share of total manhours across Land, Maritime, Cyber and Tri-Service activities by the end of FY2023/24
KPI 5 Transformation & Efficiency	Delivering the agreed levels of transformation, efficiency and cost reduction by: <ul style="list-style-type: none"> • implementing the DECA Transformation Programme in line with the agreed plan • increasing manpower efficiency across DECA through: <ul style="list-style-type: none"> • a 11% increase in direct labour utilisation by the end of FY2023/24 • a 17% increase in direct/indirect ratios by the end of FY2023/24 • continuing to demonstrate DECA 'value' across Defence by identifying and capturing a further £25M of benefits with at least £10M benefits from Land, Maritime, Cyber and Tri-Service activities



A soldier with A Company, 1st Battalion The Royal Anglian Regiment checks a map location and communicates it on his radio during a patrol in Afghanistan
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MAIN RISKS

DECA continues to sustain and develop capabilities in line with strategic direction from the Sponsor and Customer to assure delivery of the Agency's strategic priorities, objectives and agreed Plan. Risks to delivery of this plan are managed and monitored by the XMB, DECA Board and MOD's Performance and Risk Review.

The main strategic risks and issues being monitored and mitigated include failure to:

- transform the business to maintain current and develop future capabilities and assure delivery of planned commitments and business growth opportunities;
- develop strategies to overcome potential demographic and skills risks;
- mitigate MOD Head Office budgetary pressure and potential negative budgetary impacts of Integrated Review/Security Review and COVID-19.

FINANCIAL PLAN



The Air Separation Unit ready to transport to the Falkland Islands
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FINANCIAL PLAN

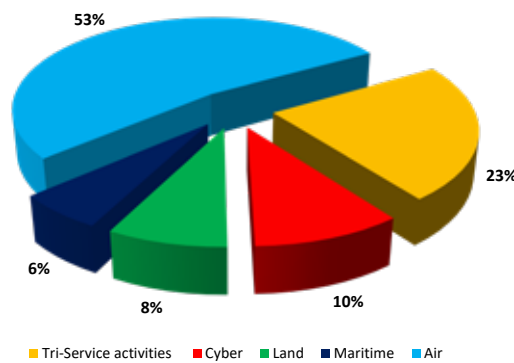
DECA complies with current HM Treasury guidance including Managing Public Money and any instructions and guidance to government departments and agencies. DECA also follows all relevant Cabinet Office instructions and guidance. In compliance with the guidance in Managing Public Money, DECA charges internal 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 at 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 this plan should circumstances change significantly during the year.

SOURCES OF INCOME FY2020/21

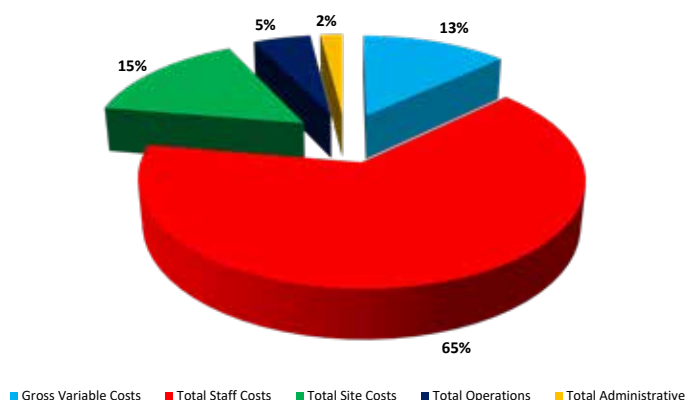


OPERATING COSTS

Almost three-quarters of DECA's operating costs relate to 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.

OPERATING COSTS BY CATEGORY FY2020/21



INVESTMENT SUMMARY

This Plan reflects forecast levels of investment in support of 'business as usual' and also capability enhancement. We will continue to position ourselves for new platforms, which will require investment particularly in the areas of people and skills, infrastructure, test equipment and new capabilities and technologies.

We will continue to have responsibility and custodianship of buildings at MOD Sealand, contributing significantly to our efficiency, safety and environmental protection performance, therefore a level of investment is planned for this ongoing maintenance. In addition, there is a significant level of investment planned to upgrade our current facilities to support the F-35 opportunities at our Sealand and Stafford sites.

We are currently undertaking a review of our key business systems and reporting solutions, the outcome of which is expected to recommend investment in order to deliver the efficiencies and savings included in this Plan.

Our Human Resources and People Strategy requires appropriate investment in our people to develop and sustain a highly skilled, professional and motivated workforce and to deliver our business succession strategy.

Our current capability is underpinned by specialised technical equipment, typically with a life of 10 years, and the Agency will continue to operate a rolling programme of production equipment renewal and upgrade. Through our Transformation programme, we will also seek opportunities to develop 'spend to save' business cases where investment in technology, including automation, delivers improved safety, efficiency, sustainability and environmental protection benefits to Defence.

We will also invest in production equipment to increase capability in areas identified to support MOD's ongoing strategic requirements. This will include necessary investment to support the development of support solutions and expansion into other complementary markets.

ANNEXES

ANNEX A: DECA BOARD & EXECUTIVE MANAGEMENT BOARD

DECA BOARD



Alec Don
Independent
Non-Executive Chairman

Michelle Pester and Katherine Carr
Departmental
Non-Executive Directors

Peter Shortt
Independent
Non-Executive Director

David Jones, OBE, DL
Independent
Non-Executive Director



Lin Longman
Finance Director

Geraint Spearing
Chief Executive

Jason Leeks
Head of Strategy



Ian Doughty
Support Services Director

Wayne Baker
Operations Director

Keith Pavett
Commercial and
Contracts Director

Ian Cole, OBE
Business Development
Director

EXECUTIVE MANAGEMENT BOARD



Royal Air Force CH-47 Chinook flying with two USMC CH-53 Sea Stallions during a twilight training sortie in Arizona.
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ANNEX B: GLOSSARY

ATRC	Advanced Technology and Research Centre
DE&S	Defence Equipment and Support
DECA	Defence Electronics and Components Agency
DIO	Defence Infrastructure Organisation
DSOP	Director Sponsorship and Organisational Policy
Dstl	Defence Science and Technology Laboratory
KPI	Key performance indicator
MOD	Ministry of Defence
MRO&U	Maintenance, repair, overhaul and upgrade
OEM	Original Equipment Manufacturer
SDA	Submarine Delivery Agency
SSSL	Sealand Support Services Limited
TPS	Test Program Sets
UAV	Unmanned Air Vehicle

