



Defence Electronics &
Components Agency



Corporate Plan

2021/2026

DEFENCE ELECTRONICS AND COMPONENTS AGENCY

CORPORATE PLAN 2021-2026

- 3. Chairman's foreword
- 4. Chief Executive's foreword
- 5. Who we are
- 6. Our purpose, aims and values

Our Strategic Environment

- 7. Strategic priorities
- 10. Business strategy

Our Plan

- 15 Transformation
- 17 Key Performance Indicators and targets
- 20 Main assumptions and risks
- 22 Financial plan
- 23 Investment summary
- 24 Annexes
- 24 Annex A: Deca Board and Executive Management Board
- 26 Annex B: Glossary

CHAIRMAN'S FOREWORD



In 2020 DECA repaired, calibrated, tested and manufactured over 70,000 individual items. These components and systems are mounted on an ever widening range of Defence platforms, including not only our aircraft, but now also our submarines, ships, tanks and vehicles. None of these platforms would be able to operate and serve the mission of defending our country without the work that DECA and our superb workforce carry out day after day, even in a year when normal operations have been so under pressure due to the COVID pandemic.

Our work adds value in two important ways. First, with volume we successfully provide greater value to our customers through growth of DECA workload reducing the cost of output through increased efficiency of delivery over the life of this Plan.

Over the five-year plan period we are proposing to deliver a 36% increase in volume at a cost that will reduce by 14% per unit. Second, as a consequence of DECA's capacity to deliver on the promise of "Repair not Replace" technologies for Defence equipment, the Agency has demonstrated cost

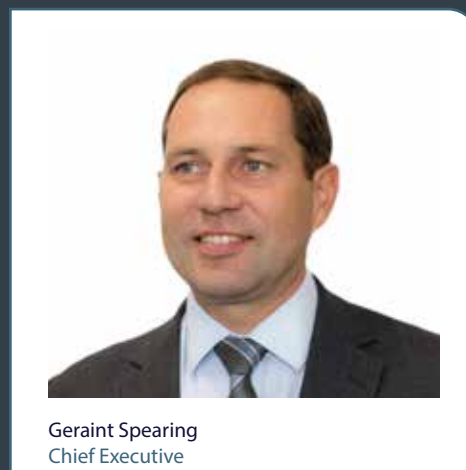
avoidance and savings in excess of £135m over and above reduced costs in the first six years of operation.

Overall, the 70,000 items passing through DECA's hands represents only a small proportion of the totality of the Defence equipment currently in service and opportunities for MOD to expand DECA's value adding capabilities across Defence are at the heart of our aspirations to grow the Agency over the life of the Plan.

Not only do DECA's high skill staff deliver enormous value, but they play an indispensable role in keeping our Country safe. Thank you to all our staff for the incredibly hard work over the past year and the contribution made towards building a strong future for DECA and its staff and families.

This Corporate Plan constitutes a statement of ambition to continue on that journey, contributing to our nation's prosperity and security for years to come.

CHIEF EXECUTIVE FOREWORD



The global effect of the COVID-19 pandemic over the past 12 months, on all areas of society, has meant that we have all had to adapt our way of life. This is no different to the way that DECA has had to adapt as a business. I am proud of the way that every area of the Agency has reacted with purpose to ensure we have maintained our critical Defence outputs and additionally provided support to MOD's efforts in support of Civilian Authorities.

As we plan for 2021 and beyond, many of the lessons learnt throughout this challenging period will be harnessed to help develop a more agile and efficient business. Through accelerated digital transformation, we now have greater ability to deliver a blended workplace approach. This will offer far greater flexibility for our colleagues, and we will aim to capitalise on this to implement plans for a more diverse and inclusive workplace. Agile is the new norm, and we must continually adapt to ensure we develop more flexible and greater value offerings for our customers, stakeholders and employees.

In addition, we have maintained our drive to develop new business opportunities beyond our traditional Air domain, expanding our "repair-not-replace" capabilities to a much wider customer base in line with recommendations from the UK Government Investments Tailored Review of DECA, which was approved by MOD in early 2021. Our aim will be to continue to expand the value we offer to an ever greater number of Defence customers, in support of key MOD and UK Prosperity programmes, and to our closest Global allies and partners.

I am delighted with the strong relationships we have developed with our MOD customers and partners including Dstl, the Submarine Delivery Agency (SDA) and, in particular, with our lead customer, Defence Equipment and Support (DE&S), supporting continued development of strategic opportunities and wider Government agendas. Industry relationships continue to expand, and our work with Sealand Support Services Ltd (SSSL) to launch our F-35 European Hub is reaching maturity. Work also continues in support of Welsh Government, with MOD and Dstl, alongside major UK Defence Original Equipment Manufacturers, as we look to support development and growth of 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 across all areas of the UK.

COVID-19 had a significant impact on our operations during 2020 and 2021, and we expect there will be ongoing impacts as our customers continue to deal with and recover from the associated disruption. This, combined with the resultant National economic impacts, will mean that 2021 and beyond will be ever more challenging. As ever, I am confident that our skilled and dedicated workforces continued drive for transformation, coupled with the unique value we offer at the heart of MOD and beyond, will position us well for recovery and growth. 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 an 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.

Our services, procured by MOD and private sector customers, generate an annual turnover of £29m with a forecast ~10% increase to £32m in the next five years. These increases build on DECA's growing strategic importance to MOD and a focus on supporting delivery of Defence Task 12 (DT12) . These increases also see DECA's support provision grow across Land, Maritime and Strategic Enabler domains from 5% in 2015 to 20% of the order book, despite the negative impacts of COVID-19, and set to increase to 31% over the life of this Plan.

DECA growth is driven by providing added 'value' to Defence through innovative 'repair not replace' technologies, technical obsolescence mitigation, increased platform/equipment availability and generation of >£135m in savings and potential through-life cost avoidance across all domains since formation in 2015.

Planned growth and transformation will drive DECA's ambition to improve Diversity and Inclusion as well as ensuring an increasingly engaged and motivated workforce, in line with Defence Task 11 (DT11) . Our increase in output will be delivered with only a small expansion of our highly skilled workforce over the same period with the remainder driven through delivery of the stretching targets for transformational efficiencies in this plan.

Successful development of collaborative and strategic partnerships has enabled DECA to progress a number of opportunities that significantly contribute to 'National Security Objective 3 – Prosperity' and Defence Task 19 . These include supporting the development of proposals for the Welsh Government's Advanced Technology Research Centre and 'innovation hub' at MOD Sealand with MOD and Dstl, as well as government to government initiatives, such as Project Atlantic Eagle, with our US partners.

DECA continues to maintain and grow its ability to provide global surge capability and deploy in support of operations. DECA operate from co-located facilities alongside our Front Line customers and also through wider MOD deployments in the UK and overseas in support of military operations and critical support to Military Aid.

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

DEFENCE POLICY LANDSCAPE

Whilst DECA's Strategy has been developed against the backdrop of the Strategic Defence and Security Review 2015, which heralded earlier procurement of new platforms and prolonged retention of key in-service platforms, work continues with MOD Centre, Defence Equipment and Support (DE&S) and Defence Support to ensure continuing alignment with the Integrated Review.

Early indications are that outcomes of the Integrated and Spending Reviews will increase MOD's focus and reliance on cost-effective, through-life support and generation of savings, as well as development of sustainable support solutions, with the potential for opportunities for DECA to increase.

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.

The key area of focus for DECA from Defence planning is to support integrated military capability that is strategically prepared, responsive, operationally effective and maximises the benefits of international co-operation. DECA will also support delivery of skills-based, agile, diverse, inclusive, motivated and efficient Whole Force and Defence Task 19 that will also include HMG policy priorities including the Union, Places for Growth, Prosperity and NetZero50.

MOD has an enduring requirement for DECA to deliver strategic support capability from MOD Sealand for decades to come. Underutilised MOD real-estate, and a unique position in a devolved nation, have formed the basis of a number of potential opportunities for increased site utilisation at MOD Sealand in support of UK government "Levelling Up" and "Places for Growth" initiatives. Further development of these will aim at driving UK Prosperity, efficiency and increased value through increased Defence/Civil Service activities centred at MOD Sealand.

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. Crown ownership also maintains access to certain MOD Intellectual Property Rights (IPR) and technical expertise, which when coupled with DECA's IPR neutrality across industrial partners, allows the generation of innovative partnerships and support solutions for MOD

This access and neutrality helps to maintain and assure required airworthiness and compliance standards that allow further opportunities to be developed working within and adhering to 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 helps overcome internationally and commercially sensitive issues.

DECA's first Tailored Review, which took place during 2019/2020, found that, "there continue to be clear and strong public policy reasons why DECA should remain in public ownership within the MOD." UK Government Investments, who carried out the review, recommended "that DECA continues to operate as an Executive Agency of MOD and works with MOD to ensure it is utilised strategically by MOD in line with its strategic retention rationale.

The global MRO&U assignments for F-35 in 2016 and 2018 provided a 30+ year requirement for DECA capability delivered from MOD Sealand. In addition, working with MOD and Industry customers, DECA has identified and agreed an increasing number of wider MOD opportunities where resource has been focussed to better align Agency capacity/capability with opportunities to grow the business across Land, Maritime and Strategic Enabler domains.

PLAN DEVELOPMENT

FY21/22 presented unanticipated and unprecedented challenges due to the COVID-19 pandemic, although implementation of best practice safety measures and introduction of an accelerated blended workplace provided some mitigation against these impacts. The Agency also saw a significant shortfall in anticipated workload, with recovery of this shortfall even more challenging, due to COVID-19 restrictions, which prevented DECA from carrying out mitigating business winning activity.

Notable successes included end to end Managed Services for new customers, generation of an initial operating capability in Additive Manufacture with Defence Support, commencement of feasibility studies and repairs for the Battle of Britain Memorial Flight and expansion of Typhoon calibration.

This Plan reflects a continuation of this challenging environment for years 1-2 of the Plan with realistic levels of growth. Business development opportunities are forecast to recover to pre-COVID levels in years 3-5 of the Plan, driving accelerated growth as re-profiled opportunities from earlier years and newly identified programmes are delivered across all MOD domains.

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 required to ensure effective and efficient delivery to our customers. This is delivered through development of sustainable, cost-effective, through-life support solutions that increase equipment availability and generate significant value through savings, commercial leverage and potential cost avoidance for Defence.



HMS Queen Elizabeth berthed at a jetty in Augusta, Sicily during the Carrier Strike Group Deployment 2021
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STRATEGIC PRIORITIES

MOD agreed four strategic priorities with DECA on formation that have been annually reviewed and agreed through the corporate planning process and will be reviewed and agreed with MOD during FY21/22 to align with work, led by DECA's Sponsor, to develop MOD's strategy and future vision for DECA. These priorities provide the vision of "What good looks like" for Defence and 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 Strategic Enabler 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.



RAF Chinook helicopter over Afghanistan
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BUSINESS STRATEGY

Through continued development of the following key strategic deliverables and enabling activities, DECA will deliver MOD's strategic priorities and objectives for the Agency and continue its journey towards becoming MOD's provider of choice for electronic, component, general engineering and managed services across UK Defence and continuing its pedigree as a regional, national and global provider of market leading capability.

STRATEGIC PRIORITY 1 - MOD'S MRO&U DELIVERY HUB

DECA continues to provide 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 these services to the F-35 'global' repair hub based 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).

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 HUB

Sealand Support Services Ltd. (SSSL) is a Joint Venture between MOD, BAE Systems and Northrop Grumman, focussed on maintenance and repair activity supporting the growing fleet of F-35 aircraft on Queen Elizabeth-class aircraft carriers and at RAF Marham.

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 FY20/21, 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.

Stafford's diverse capabilities attracted significant interest from the Defence community during FY20/21, and in particular, our Specific To Content Container design, support, manufacture and cryogenics capabilities that generated significant cost avoidance for MOD. Planned business development activity during FY21/22 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, regardless of OEM.

STRATEGIC PRIORITY 2 - 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 and resulted in substantial cost avoidance, savings and increases in availability for key equipment. Since formation in 2015, DECA has expanded its share of support to Land, Maritime and Strategic Enabler domains from 5% to circa 20% in FY20/21 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

Successful completion of tasks for the Army customer during FY20/21 has seen further growth in opportunities to expand across the Land domain. 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.



SUBMARINE DELIVERY AGENCY

Re-engagement with the Submarine Delivery Agency (SDA) Board and Her Majesty's Naval Base Clyde will build on already identified opportunities for expansion of DECA support across the Subsurface fleets and explore the potential to develop and deliver a longer-term, more strategic arrangement between DECA/SDA that scales and scopes the following priority taskings.



MARITIME

Expansion over the Maritime (Ships and Submarines) domain has increased with targeted growth seeing this continue to rise over the life of the Plan. Initial component feasibility studies across almost every major platform in the Royal Navy's surface and submarine fleets is driving this growth through demonstrable through-life cost avoidance savings and increased platform availability via a rapidly developing technical obsolescence service.



STRATEGIC ENABLERS

This diverse portfolio of DECA work covers both sensitive and non-sensitive repairs supporting military equipment across Air, Maritime and Land, as well as in direct support of OEMs and other Arms' Length Bodies. In FY20/21, we continued to develop further opportunities to provide pivotal support to critical in-service communications systems and we will look to expand further into this area through the life of this Plan.

STRATEGIC PRIORITY 3 - REGIONAL, NATIONAL, GLOBAL CENTRE OF EXCELLENCE

DECA has developed significant strategic 'partnerships' and relationships with key UK and allied parties across government, industry and devolved administrations. These have generated 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)

The ATRC is seen as a post-COVID 19, cross-border, fiscal recovery project. MOD, Dstl and DECA continue to support the development of this project that, if successful, will deliver a state of the art facility collocated with DECA at MOD Sealand by the end of 2024. This will cement North Wales and the North West as a regional, national and global centre of excellence for innovation and will be a key contributor to UK Prosperity. The ATRC has secured significant support within UK Defence OEMs and has the following objectives: support of research, innovation and commercialisation around specific technologies; development of a pipeline of high calibre skills; collaboration between global businesses, small and medium sized enterprises and Further/Higher Education partners; job sustainment and creation as well as inward investment across both the civil and Defence supply chain. DECA will continue to support Welsh Government and MOD in the development of this landmark facility and look to exploit further opportunities for DECA to participate and generate additional capability and workload in support of next generation technologies.



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 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. DECA aims to help Dstl by providing ongoing support for existing technologies, freeing up Dstl capacity to focus on their key strategic capabilities, i.e. generation of new technologies.

DEFENCE SUPPORT

DECA has commenced activity to support development of greater utility of the Agency's capabilities across Defence. Work, supported by Defence Support Champions, to increase knowledge of DECA capability and value to support solutions commenced in 2020 and will be built upon during 2021.

In addition, highly successful work with Defence Support's Concepts and Force Development Team has initiated an initial operating capability in Additive Manufacture within DECA. This work capitalises on DECA's already well-regarded technical and engineering capabilities in Technical Obsolescence Management and Reverse Engineering. Following this proof of concept work at MOD Sealand it is hoped to incorporate this technology widely across DECA and deliver benefits back to MOD. Further work and funding is planned to develop this successful methodology across other emerging technologies including Cold Metal Spray techniques, Power Grid Arrays and Robotics during 2021 and 2022.

STRATEGIC PRIORITY 4 - WORLD-CLASS DEPLOYABLE AND MANAGED SERVICES

MANAGED SERVICES

Following MOD direction and work with DE&S Customers, DECA continued to grow its range of services beyond the traditional MRO&U capability by expanding its role as a Managed Services provider during FY20/21. Working with our customers, DECA recognised and developed the specialist skills necessary to deliver the 'intelligent provider' role for DE&S, resulting in the provision of an 'end to end' sustainment and through-life asset management service for a range of defence capabilities deployed globally. This enhancement to DECA capability has successfully secured long-term agreements with DE&S customers for DECA services.

DECA will expand these services and value adding activities by growing these services to a much wider portfolio of MOD and industry customers across all domains.

SUPPORT TO OPERATIONS

DECA continues to support UK Strategic Commands Support to Operations (S2O) scheme administered by Permanent Joint Headquarters (PJHQ), which provides a dedicated end-to-end process for the generation, deployment and recovery of civilian Defence personnel in support of global joint operations. DECA maintain the ability to provide global surge capability and deploy in support of operations, most recently exercised during the COVID-19 pandemic, deploying DECA personnel to the Falkland Islands to service and maintain essential cryogenic capabilities in support of an MOD MACA tasking.

DEPLOYED/REGIONAL SERVICES

DECA's regional and deployed capabilities, including Medical and Dental, Cryptographic Repair, Mobile Calibration and

Field Service Support form an increasingly important feature of DECA's capability and offering.

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 deliver this new capability during FY21/22 and continue to develop further opportunities for both Medical and Dental and Cryptographic services, which have continued to be delivered throughout the COVID-19 situation.





45167356 An RAF Chinook Helicopter arriving at Knook Camp, Salisbury Plain, where French Paratroopers from 2e Régiment Etranger de Parachutistes wait to carry out training on the aircraft.
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TRANSFORMATION

To ensure delivery of its key strategic priorities and forecast growth over the life of the Plan, the DECA Transformation Programme (DTP) was launched in 2019 to focus on development of an efficient organisation fit for the challenges of the future.

COVID-19 has demonstrated that DECA needs to be increasingly agile and efficient and reinvigoration of the DTP is already underway. Delivery of the programme's three key pillars of People, Technologies and Process has continued, with the completion of our Pay & Grading review and a sustained leadership and management development project. Implementation of our Smarter Working environment continues, and an increased number of self-directed process ownership and improvement initiatives are increasing value within business procedures.

The DTP is informed through the MOD Deputy Head of Profession Network to ensure alignment with wider MOD transformation programmes including across Business and Behavioural Change, Digital & Information Technology, Front-line Capability Support and People. We will continue to mature the Programme within this dynamic environment and wider MOD engagement with the Defence Project Delivery Hub and roll out of a new Project Delivery Functional Strategy within DECA. This has enabled best practice methodology to be embedded within our Programme & Project Management Office in pursuit of a DECA Project Delivery Centre of Excellence.

DEFENCE ENERGY & EMISSIONS GROUP

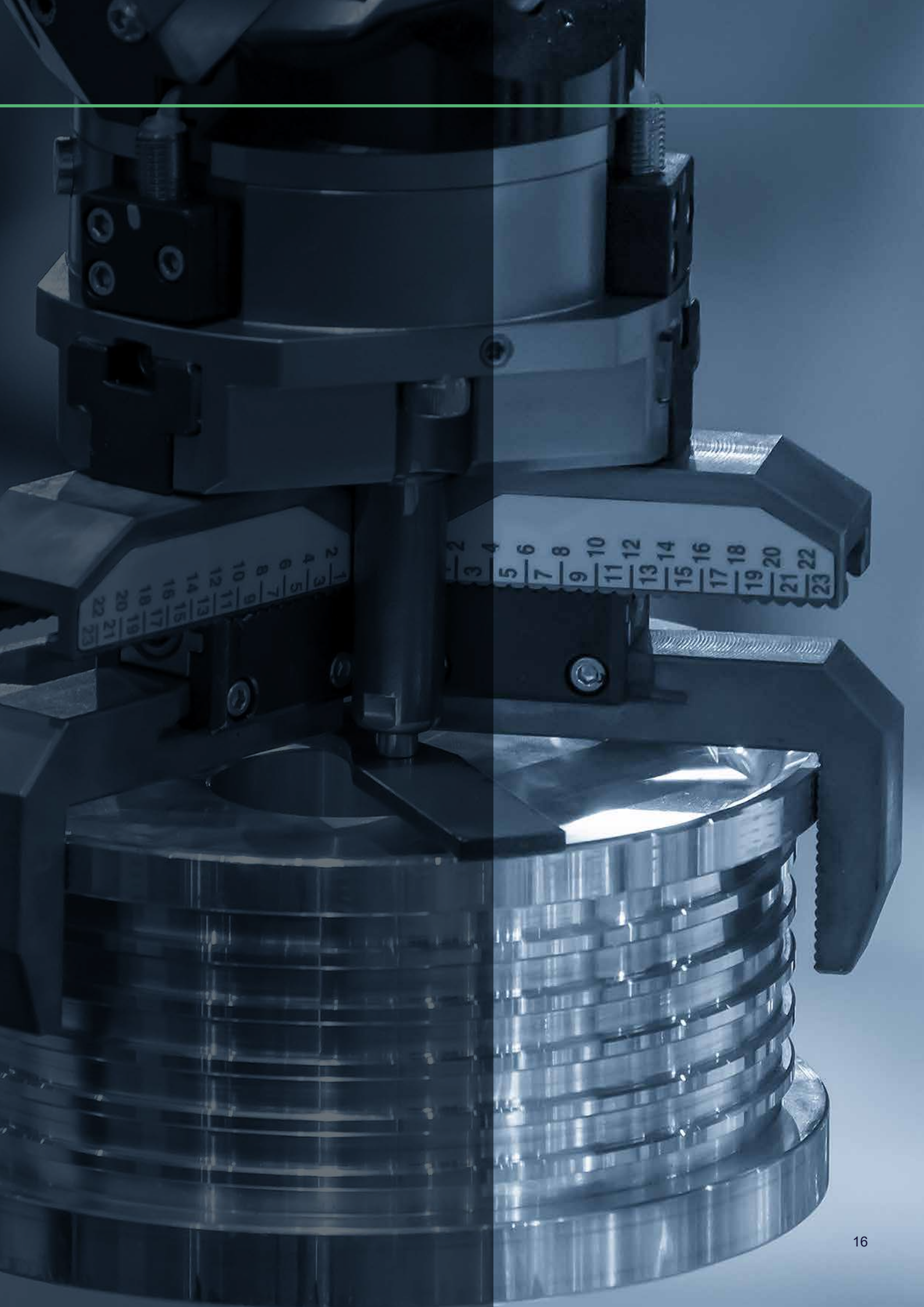
DECA is working with the Defence Energy & Emissions Group, who are leading on cutting carbon emissions in line with Net Zero 2050 targets. A number of recommendations have been made as part of this group, including making all MOD buildings and vehicle fleets zero carbon. DECA has produced a draft De-carbonisation Plan, which includes opportunities including air source heat pumps, LED lighting, insulation and electric vehicle charging points. In addition, DECA were successful in obtaining funding from Salix, a government funded body set up to improve energy efficiency and reduce carbon emissions, for heating and double glazing projects across MOD Sealand, which will

see a significant reduction in both energy costs and carbon emissions.

INFRASTRUCTURE

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 furtherance of the ATRC project with MOD and Welsh Government. During 2020, DECA entered into an agreement with MOD's Security Services Group (SSG) to provide accommodation at Sealand. These works will allow for the relocation of employees from SSG at Warrington to Sealand where the provision of MODnet networks will be made available to offer further potential MOD consolidation opportunities for higher classification activities.



STRATEGIC OBJECTIVES AND KPIs

DECA operates as performance management hierarchy as shown in Figure 3 below.

Under this performance hierarchy, delivery of DECA's agreed Business Strategy and DECA's progress towards its agreed Strategic Priorities is assured through regular monitoring and reporting against four Strategic Objectives:

STRATEGIC OBJECTIVE 1: CONTROL OF THE BUSINESS

Maintaining and assuring a business model and systems that do not restrict DECA's ability to deliver MOD's Strategic Priorities and developing a DECA Business Strategy that maintains focus on the Agency's key strategic deliverables.

STRATEGIC OBJECTIVE 2: CUSTOMER DELIVERY

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

STRATEGIC OBJECTIVE 3: SUSTAINMENT AND BUSINESS GROWTH

Continuing to work with MOD and industry to create sovereign capacity and capability within the UK and export supply chains and developing DECA's role in providing subject matter expertise, managed services, repair not replace technologies and obsolescence mitigation.

STRATEGIC OBJECTIVE 4: TRANSFORMATION AND EFFICIENCY

Implementing the DECA Transformation Program to ensure alignment with wider-MOD transformation and continuously improve DECA value; delivery, competitiveness whilst developing an ever more agile, diverse, inclusive and engaged workforce.

Each of these Strategic Objectives has an underlying set of Key Performance Indicators (KPIs) that are developed annually with MOD, approved by the DECA Executive Management Board and endorsed by the DECA Board and Customer through the Corporate Plan.

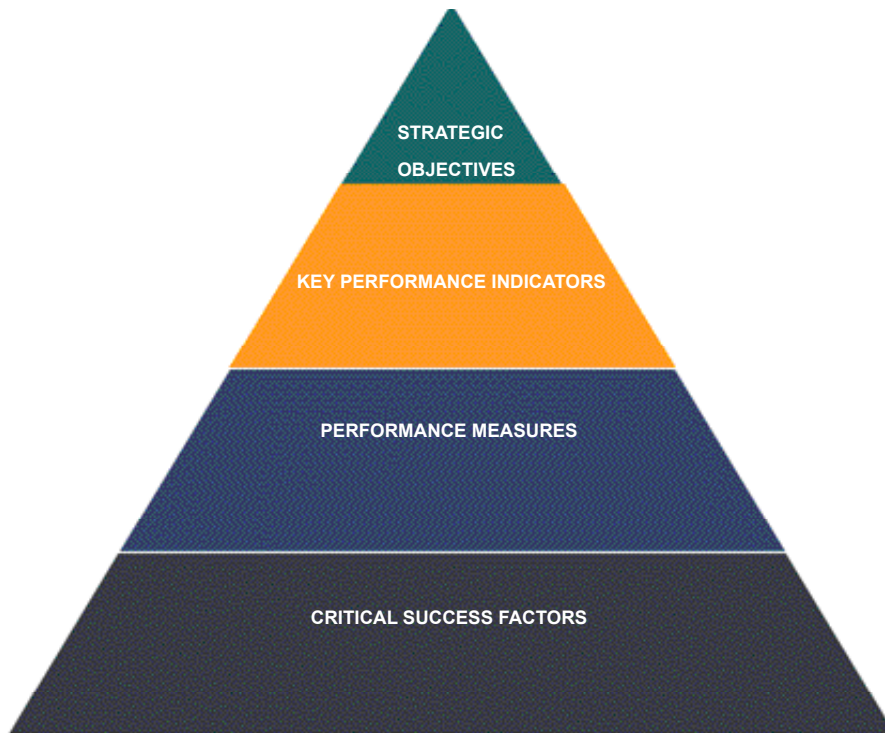


FIGURE 3: THE DECA PERFORMANCE MANAGEMENT HIERARCHY

PERFORMANCE MEASURES	
KEY PERFORMANCE INDICATOR	STRATEGIC OBJECTIVE 1 : CONTROL OF THE BUSINESS
KPI 1 - To maintain control of the business through efficient and effective delivery of the Plan	KPI 1a - <2% average variation in forecast accuracy KPI 1b - achieving £484k of profit in Year 1 of the Plan KPI 1c - maintaining independently assured Health, Safety and Environmental Protection Management Systems KPI 1d - maintaining an independently assured Quality Management System
STRATEGIC OBJECTIVE 2: CUSTOMER DELIVERY	
KPI 2 - To deliver the agreed Customer Programmes and outputs whilst maintaining appropriate quality standards	KPI 2a - >96% of agreed DECA Customer Programmes in FY2021/22 KPI 2b - zero attributable major customer concerns in FY2021/22 KPI 2c - less than 5 attributable minor customer concerns KPI 2d - >70 customer confidence index
STRATEGIC OBJECTIVE 3: SUSTAINMENT AND BUSINESS GROWTH	
KPI 3 - To deliver the agreed levels of targeted business growth in the Plan	KPI 3a - >5% compound annual growth rate in labour hours by the end of FY2023/24 KPI 3b - 8 percentage point increase in share of total labour hours across Land, Maritime, Strategic Enabler and Tri-Service activities by the end of FY2023/24
STRATEGIC OBJECTIVE 4: TRANSFORMATION AND EFFICIENCY	
KPI 4 - To deliver the DECA Transformation Programme to ensure a more agile, efficient and effective business that is fit for the future	KPI 4a - implementing the DECA Transformation Programme in line with the agreed plan KPI 4b - increase protected characteristics disclosure rates by 20% KPI 4c - 11% increase in direct labour utilisation by the end of FY2024/25 KPI 4d - 15% increase in direct/indirect ratios by the end of FY2024/25 KPI 4e - generating >£25M of benefits

FIGURE 4: DECA KEY PERFORMANCE INDICATORS

Progress towards achieving these KPIs is regularly reviewed by the DECA Executive Management Board, DECA Board and at MOD's Performance and Risk Review. The KPIs and Performance Measures are cascaded into the business through a series of Critical Success Factors.



The Red Arrows fly over London city for the VE Day 75 celebrations.
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MAIN RISKS

DECA continues to sustain and develop capabilities in line with strategic direction from the MOD 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 to ensure there are no negative impacts on delivery of the Plan arising from an inability 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;
- sustain funding and viability of the F-35 component Maintenance, Repair, Overhaul and Upgrade business case and Joint Venture;

FINANCIAL PLAN



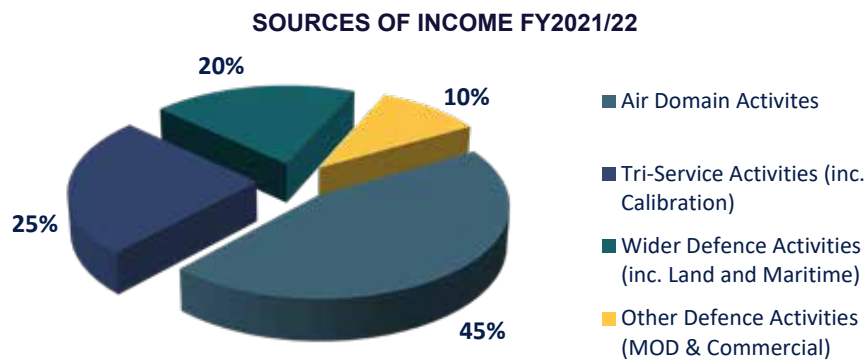
British Army Joint Terminal Attack Controllers (JTAC) Practice low level skills by day and night, pictured here in Kenya.
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FINANCIAL PLAN

DECA complies with all relevant Cabinet Office and 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

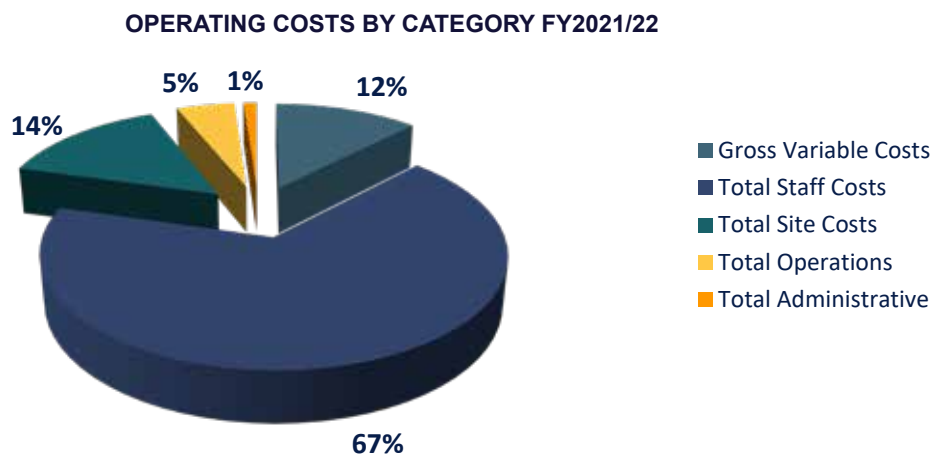
As an MOD Agency, DECA's activities are funded entirely by the payment for delivery of services provided to its MOD customers, and contracts between DECA and private sector customers. DECA's income arises from fees for its services with all sums received paid into, and all expenditure incurred paid out of the Agency. DECA delivers outputs to a wide-range of customers across MOD and industry



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 and through business growth taking advantage of DECA's volume driven business model

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 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.

The following table depicts the capital and revenue investments currently envisaged for the five years of the Plan. Each individual item will be subject to an appropriate business case and supporting investment appraisal, and will be approved in accordance within our delegation framework, ensuring we obtain best value for the taxpayer from all investment expenditure. Project evaluations will be carried out on all major investments.

Capital investment £m	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Buildings and infrastructure	0.24	0.08	0.07	0.10	0.00
Information systems	0.81	2.02	3.13	0.30	0.00
Total	1.05	2.10	3.20	0.40	0.00

SUMMARISED INVESTMENT PLAN

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 ongoing maintenance. Additional MOD investment will be required to maintain buildings and infrastructure for an enduring capability for at least the next thirty years. Potential options to mitigate lack of available disaggregated funding for critical investments are being investigated with the Defence Infrastructure Organisation.

We are currently undertaking a review of our key business systems and reporting solutions that remain critical to the delivery of the efficiencies and savings included in this Plan.

Our Human Resources and People Strategy assures appropriate investment in our people to develop and sustain a highly skilled, professional and motivated workforce and to address an ageing business demographic.

Our current capability is underpinned by specialised technical equipment 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 where MOD identified there is a strategic need for DECA to deliver support. This will include necessary investment in the development of more sustainable support solutions and expansion into other complimentary 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



45168534 Pictured is Royal Navy Merlin from 846 RNAS dropping food supplies to HMS Prince of Wales off the coast of England. © Crown copyright

ANNEX B: GLOSSARY

ABC	Annual Business Cycle
ATRC	Advanced Technology and Research Centre
CADMID	Concept, Assessment, Demonstration, Manufacture, In-Service, Disposal
DE&S	Defence Equipment and Support
DECA	Defence Electronics and Components Agency
DIO	Defence Infrastructure Organisation
Dstl	Defence Science and Technology Laboratory
EOS	Enabling Organisation Sponsorship
HMG	Her Majesty's Government
ISTAR	Intelligence, Surveillance, Tactical Awareness and Reconnaissance
KPI	Key Performance Indicator
MOD	Ministry of Defence
MRO&U	Maintenance, repair, overhaul and upgrade
OEM	Original Equipment Manufacturer
SCE	Support Centre Europe
SDA	Submarine Delivery Agency
SMA	Strategic Market Assessment
SSG	Security Services Group
SSSL	Sealand Support Services Limited
TPS	Test Program Sets
UAV	Unmanned Air Vehicle

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