



DEFENCE SUPPLIERS FORUM MAIN – 15th November 2023

Attendees:

Name	Position
Government	
Rt Hon Grant Shapps MP	Secretary of State for Defence
Andy Start	Chief Executive Officer, DE&S
Andrew Forzani	Director General Commercial
Julie Brettell	Defence Commercial Supply Chain Director
Joanne Osburn-Hughes	Chief Operating Officer Land
Caroline Bellamy	Director Chief Data Officer
Rear Admiral Paul Murphy	Director Major Programmes, Defence Support
Emily Wood	Defence Suppliers Forum Team Lead
Jack Holden	Defence Suppliers Forum PMO
Hannah Weir	Defence Suppliers Forum PMO
Industry	
Dr Charles Woodburn	Chief Executive Officer, BAE Systems
John Howie MBE	Chief Corporate Affairs Officer, Babcock
Alex Cresswell	Chief Executive Officer, Thales
Paul Livingston	Chief Executive Officer, Lockheed Martin
Alex Zino	Executive Vice President, Rolls Royce
Patrick Wood	Senior Vice President Space Systems UK, Airbus

Dr Llyr Jones	Group Strategy and Corporate Development Director, Chemring
Terry Inns	Director, Jacobs
James Crowley	Business Development Director, 4GD
Dr Sam Healy	Director Environmental Social Governance, QinetiQ
Ali Macdonald	Chief Executive Officer, Resilient Nutrition
Christopher Walkinshaw	Director External Relations & Communications, Marshall
Samira Braund	Director Defence, ADS
Andrew Kinniburgh	Director General, Make UK Defence
Fred Sugden	Associate Director, Defence & National Security, techUK

Welcome and Opening Remarks

Rt Hon Grant Shapps MP, Secretary of State (SofS) Defence, welcomed representatives from across MOD and Industry to the Defence Suppliers Forum (DSF) Main meeting. SofS reiterated the importance of strengthening the UK's industrial base to maintain national security and the continued supply of cutting-edge equipment to British Armed Forces and allies. He emphasised his steadfast commitment to supporting Ukraine, noting he had already met with the new Foreign Secretary to discuss both the immediate and longer-term support required in response to Russia's illegal invasion.

The Defence Secretary made clear he would always champion British industry, particularly in the face of concerns around Environmental, Social, and Governance (ESG) investing misconceptions, ensuring manufacturers and other suppliers have the financing needed to keep the country safe. He also highlighted the importance of boosting exports and backing business as global champions for Britain, noting his recent visit to Derby to see UK advanced tech companies gearing up factories to build AUKUS nuclear submarines, as well as his meetings in Tokyo to discuss how GCAP is creating the great gigafactories of tomorrow to help power the UK suppliers manufacturing sixth generation jets.

SofS commended the DSF Executive Group's recent commitment to improving the availability of defence assets and services by 50%, and reducing the time taken pre-contract by 50% by 2025. SofS noted he will be holding the MOD to account to avoid unnecessary delays and costs, while committing to improve MOD's processes and approach to managing supply chains. In return, industry partners will be expected to deliver programmes on time and on budget.

DSF Introduction

Charles Woodburn provided a brief overview of the DSF, noting its status as the MOD's primary engagement forum with Industry. Industry considers the DSF an important forum, which came into its own during the pandemic and continues to drive collaboration on key strategic topics.

The DSF Main is the primary collaborative forum for the Defence Secretary to engage with a range of senior leaders from across the UK defence sector on strategic issues of mutual interest. Key aims of the DSF include:

- Creating a new and closer strategic alliance between the MOD and industry, delivering the ambitions set out in the recent Defence Command Paper Refresh.
- Delivering more agile, secure, sustainable, and resilient supply chains by improving visibility of fragility and maximising opportunities for all suppliers, including SMEs.
- Forging closer working on defence exports to champion British manufacturers on the global stage.

Industry View

Charles Woodburn introduced several key themes of current focus for the UK Defence industry:

- UK capability and exports
- International collaboration, including boosting the role of SMEs
- Procurement reform
- NATO industrial capacity

Charles Woodburn then outlined notable challenges and opportunities for collaboration, including skills, resilience, championing SMEs, social value and ESG. He also welcomed the improving inflation figures and the government's renewed commitment in the King's Speech to continue tackling inflation.

Several industry representatives shared their perspectives on the skills challenge, noting that like most sectors and markets, the defence industry must compete for the best people and offer rewarding careers to maintain its talented workforce. Paul Livingston explained that he had recently briefed No.10 on utilising UCAS as a platform to manage apprenticeship applications. Work is also

underway to ensure the Defence Enterprise can increasingly recruit from sectors and communities who may not have previously considered a career in defence. SofS drew parallels with progress made in the transport sector, for example with hiring HGV drivers, and encouraged DSF members to consider additional measures which could help to address the skills challenge.

Charles Woodburn noted that additional civil service resource may also be of benefit to ensure global strategic programmes including AUKUS and GCAP meet their full potential and are delivered on time.

Exports was a significant point of discussion and Industry representatives commented that ensuring exports are embedded early in the lifecycle would alleviate later pressures. SMEs in particular need clearer guidance and support around exports to ensure the UK remains competitive. In response, SofS committed to exploring how export support could be improved and streamlined.

The procurement reforms led by DE&S CEO were welcomed by Industry and SofS was encouraged to continue to champion this agenda. Industry also noted that the increasing pace of technological change means that traditional procurement practices need to be reimaged to ensure the nation's security and prosperity. All agreed on the need for suppliers – especially SMEs – to be better placed to attract investment from Venture Capital, which typically has different risk tolerances and investment horizons.

Andy Start added that many of the points of note reflect work already taking place across the DSF:

- The Defence Command Paper Refresh committed to new relationships with Industry and this work has begun with early market engagement and Industry Study Days led by Alex Cresswell and Lt Gen Rob Magowan.
- Andrew Forzani's team are reviewing new Commercial Pathways which will allow us to shorten pre-contract timescales and get kit to theatre quicker.
- Avril Joliffe's team are leading work on Export Pathways, recognising that export considerations should be embedded in contracts early in the procurement lifecycle.

Closing Comments

SofS thanked everyone for their valuable input and reiterated his commitment to back defence suppliers against those seeking to immorally defund British defence. SofS also highlighted the importance of both boosting exports and backing businesses as global champions for Britain, and for all parties to commit to delivering vital programmes on time and on budget.