



Ministry
of Defence

de&s

DE&S 2025-2026

CORPORATE PLAN



An FPV Nero Drone flies over the battle zone.

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FOREWORD: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

Over the next 12 months, the UK faces significant challenges. Yet, as UK Defence enters a period of dramatic renewal, there is also significant scope for optimism.

The threats posed to the UK and our allies by state and non-state adversaries are increasing faster than our old ways of working can match. They are rapidly developing their industrial capacity and ability to exploit novel technologies. We also face escalating grey zone threats, highlighted by cyber-attacks on our national institutions and the suspected sabotage of critical North Sea underwater cables.

In the year ahead, DE&S will continue to deliver the MOD Equipment Plan priorities and equip and support our Armed forces with the operational advantage. Our support for robust European security will be steadfast and DE&S will support all government efforts to guarantee it. Within this, we remain committed to Ukraine's struggle for sovereignty and peace against Russia's illegal invasion.

Alongside this, we will support the wider changes taking place across UK Defence. New structures and systems are being developed that will enable us to out-innovate, out-perform and out-pace those who threaten the UK and our allies, even as we support ongoing UK and NATO operations, and our continuous at-sea nuclear deterrent.

The further evolution of UK Defence, including DE&S, will be guided by the outcomes of the Government's Strategic Defence Review (SDR). The SDR has considered all aspects of Defence to establish the roles, capabilities and reforms required to meet the challenges and opportunities of the 21st century. This includes the approach the MOD must take towards acquisition and support to deliver the capabilities and growth our nation needs. Our senior leaders and subject matter experts have contributed to the SDR, and our teams will support and enact the recommendations.

The ongoing work of the Defence Reform programme places us in a strong position to meet the ambitions of the SDR. Defence Reform is transforming the central structures of the MOD to focus on improved decision-making, value and integration across our Services and with our allies.

As part of the reform programme, a new National Armaments Director (NAD) position has been created to manage the effective provision and sustainment of the UK's national arsenal. With oversight of the end-to-end defence acquisition system, including DE&S, the NAD will bring together teams from across Defence to drive alignment and accelerate delivery of more innovative, more integrated, more lethal systems.



In DE&S, our new operating model reached Full Operating Capability on 28 March, with all of our people now aligned to our new ways of working. This places us in an ideal position to support the MOD's Defence Reform programme. Our new DE&S is built on operational excellence and is designed for faster and smoother project delivery and partnership, delivering more of what our armed forces need, when they need it. It is supported by a new people management model. This is helping DE&S to offer truly rewarding careers to our people, and ensures we are deploying critical skills to where they are needed most.

The operating model will materially increase productivity; reducing waste and increasing insight across our equipment portfolio to support faster requirement-setting and better focus our resources on Defence's top priorities.

Reaching Full Operating Capability is a milestone along a multi-year journey. While our performance is already good, we expect to be even better in the year to come, as we optimise our improved operating model.

The NAD has been tasked with shaping industrial strategy and, in the year ahead, we are committed to working with the NAD Group to ensure Defence remains a powerful engine for national security and national growth. A new

Defence Industrial Strategy is due in the second half of 2025, which the NAD, with support from DE&S, will be tasked with actioning.

Defence spending will increase to 2.6% of GDP from April 2027. The strategy aims to align the twin imperatives of national security and a high-growth economy by supporting industry to innovate at pace and helping the UK seize opportunities for global leadership. It will support and create good jobs in the UK, spreading prosperity and deterring our enemies.

We believe our DE&S strategy continues to set the right direction of travel, allowing us to focus on what's important for the year ahead and beyond. Our Corporate Plan will focus on our priorities for this year only, noting that we will continue to deliver the multi-year equipment plan. It also reflects our determination and commitment to play our part in keeping the UK secure at home and strong abroad.

A handwritten signature in black ink, appearing to read 'M. F. Russell'.

Mark Russell -
DE&S Chair

A handwritten signature in black ink, appearing to read 'AS'.

Andy Start -
DE&S CEO & NAD

OUR STRATEGY

MISSION STATEMENT

We equip our armed forces with the edge to protect our nation and help it prosper.

Our mission is at the centre of our thinking, all of the time. It gives us a shared sense of purpose and pride and drives the contribution that DE&S brings for Defence and the UK.

OUR STRATEGY

Our Strategy to “**unlock our capacity to increase Defence's outputs**” continues to be a valid focus for 2025. This means changing how we operate and delivering more from our supply chain, faster and more effectively for our available budget.

OPERATIONAL EXCELLENCE

In DE&S, we want to have a competitive approach and to be deliver effective, reliable, consistent, and repeatable outcomes for our armed forces. To do this, we've chosen 'operational excellence' as our '**North Star**' and primary focus. This means we will be known for trustworthy and

predictable delivery of Defence's agreed priorities and a culture of continuous improvement that translates into value for the taxpayer. **Customer Intimacy** and **Product Leadership** remain important; however it is through maximising **Operational Excellence** that we can enhance our delivery for the other two disciplines.

OUR NORTH STAR



Our strategy is built upon delivering more for our armed forces and the UK. We will focus on increasing availability and improving interoperability with our allies. To achieve this, our strategy has three strategic outcomes:

**Delivering the outputs our
armed forces need
TODAY.**

- Supporting UK Defence priorities, including operational support to Ukraine.
- Increasing the availability and resilience of in-service military platforms and systems, so they can be deployed, safely and securely, wherever and whenever they are needed.
- Increasing our capacity to more quickly meet our existing promises, including our current commitments on social value and climate change.
- Harnessing digital technology to improve our business operations and defence outputs, and accelerate and integrate capability.

**Sharpening Defence's
edge for
TOMORROW.**

- Outpacing our adversaries with rapid updates to our capabilities and advances in science and technology.
- Maximising our professional expertise to become an intelligent, market-informed supplier, better able to inform Defence's upfront decision-making.
- Modernising our business to become even more skilled in integrating military capability.
- Playing a leading role in optimising Defence's future through-life acquisition system.

**Driving efficiency
and competitiveness
TOGETHER.**

- Significantly increasing Defence's outputs by working as a true partner to industry, our armed forces, defence colleagues and our allies, as One Defence team.
- Strengthening the resilience of our industrial supply base, with a particular focus on export success and overcoming shared challenges, including high inflation, skills shortages and materials shortages.
- Collaboratively driving excellence across Defence by creating a high-trust, environment to face down the threats we can see clearly and those yet to emerge.
- Focusing on improving international collaboration and enabling secure allied integration to increase our interoperability and our combined deterrent against our adversaries.

OUR STRATEGIC PRIORITIES

OUR PRIORITIES

In recognition of Defence wide changes from the Strategic Defence Review, and our next strategy, our Corporate Plan will focus on our priorities for this year only, noting that we will continue to deliver the multi-year equipment plan.

2025/26 will be a period of significant further change for DE&S while we embed our new operating model and enable the changes required under One Defence. Our updated operating model has placed us in the best possible position to react to these changes and it will give us the adaptability and resilience we will need to help Defence deliver more. We have committed to three priorities for the year ahead noting that our greatest asset remains our people and delivery of our mission remains at the heart of what we do.

1. Support to operations (including Ukraine) and the continuous at-sea nuclear deterrent.
2. Implementing, embedding and stabilising the new DE&S and supporting wider Defence Reform and the Strategic Defence Review.
3. Delivering equipment programme priorities for our Mission Partners (driving delivery performance by accelerating time to contract, delivering on our commitments).

■ **My primary focus is and will always remain delivery of the MOD Equipment Plan priorities. Our mission partners depend on us, and I am committed to supporting them. We will continue to work at pace to procure the equipment and support solutions our armed forces need to meet operational demands and hold the battlefield edge.** ■

Simon Hamilton - DE&S Deputy CEO

OUTCOMES WE WILL ACHIEVE

Aligning our priorities with clear outcomes will ensure we stay focussed on delivering value for our Mission Partners, while delivering our longer-term strategy intent. Below are the outcomes we will deliver in 2025/26.

Counter our threats.

Having operational excellence as our North Star means DE&S will operate better, faster, and smarter, helping Defence update capabilities at greater pace than our adversaries. To maximise the UK's deterrence, our support to operations and the UK nuclear deterrent components will continue with increased equipment availability and deterrent stock holdings.

We must help to build upon the UK's collaboration and integration with our allies, particularly NATO, to improve capability integration, both operationally and digitally with our armed forces. We will work closely with industry to promote innovations that allow for a resilient future supply chain.

Deliver a balanced equipment programme.

To deliver the DE&S mission, we will be mission-focussed and resolute on increasing programme performance with our operating expenditure matched to demand. We will

improve delivery timelines for our major programmes through an integrated approach to ensure strategic alignment around outcomes, earlier expert advice including closer working with industry, and greater use and number of acquisition approaches to exploit technology and innovate. We will make difficult decisions and prioritise critical enablers, for example, balancing supply chain resilience for munitions against the shift to Artificial Intelligence, autonomous and digital capabilities to modernise our armed forces.

Do more for Defence.

Embedding and stabilising our new operating model will build our own organisational resilience and deliver more for Defence. This in-year outcome will drive maximised productivity, equipment availability and an increased focus on time dedicated to delivering for our Mission Partners. Reducing the time charged to 'indirect work' means that our efforts are concentrated on our mission and delivering equipment programme priorities to our Mission Partners. Across DE&S, we will aim to release 920,000 hours of time spent on indirect activity onto time spent working directly on programme delivery. In addition, we will take forward the recommendations from the Strategic Defence Review and support Defence Reform to enable the changes required under "One Defence".

Focus on Support.

Support lies at the very heart of the contribution made by DE&S to ensuring that Defence has the forces and equipment it needs to confront today's threats. Support provides the backbone that ensures that Defence is ready

when and where it is required, fully fit, armed, provisioned and able to be deployed (from the Strategic Base) and sustained. Support spans availability, reliability and sustainability. Support, backed by Industry, wins campaigns as is evident from Ukraine. It starts and it finishes with Support Solutions that are planned through life, resourced, delivered and resilient to ensure campaign success. It is today's challenge to DE&S, working with our Defence Support and Mission Partners, to foresee and ensure Support Solutions for tomorrow's warfighter. At some juncture that Support Solution will be called upon. It must be ready and it must be resilient. Those who design and maintain Support Solutions have a critical role in enabling warfighting. Acquiring the equipment is one half of the challenge; supporting that equipment to meet whatever challenge is presented is a dynamic and continuous process of strategic importance. We will exploit the opportunities



A Ukrainian soldier during Operation Interflex 2025.

presented by Defence Reform and the SDR to rebalance and realign governance, process and accountability within the National Armaments group for the design and delivery of through life support to achieve this.

Increased trust.

Through our new operating model we will increase the trust of our Mission Partners and industry and be trusting of each other to deliver quality outcomes and services. We will act as an expert, intelligent supplier with an ability to respond to fast moving military operations with substantial experience in delivering Defence equipment acquisition, in-service support, logistics and enabling services. We will communicate problems early and maintaining our investment into research and development of cutting-edge solutions. DE&S will act with more intention and coordination – both at a strategic and project-specific level. The success of this outcome will be measured by the results of our Mission Partner Survey, our performance against project cost and time, and the extent of the DE&S contribution to the Defence Industrial Strategy.

Ensure DE&S is a great place to work.

In order to achieve the above we recognise that DE&S, and its culture, must grow and promote a positive workplace. We are aiming to build a culture of trust and inclusion for our people, and the introduction of the People Management Model will preserve and enhance a team community.

We will continue to invest in and continually develop our people to ensure we create an exciting and enriching experience where individuals can thrive and contribute to Defence priorities.

This will drive productivity, innovative-thinking and a different working environment. Our business process framework will be completed and available to all, ensuring a coherent and unified approach of the activities that need to take place to deliver equipment and support to our armed forces.

The benefits of our Operating Model will take time to be realised but will enable us to deliver our part in protecting the safety and security of the UK. We will pay close attention to the outcome of the 2025 DE&S People Survey and act accordingly to ensure the maximum benefit is being realised from the changes to the management and deployment of our people.

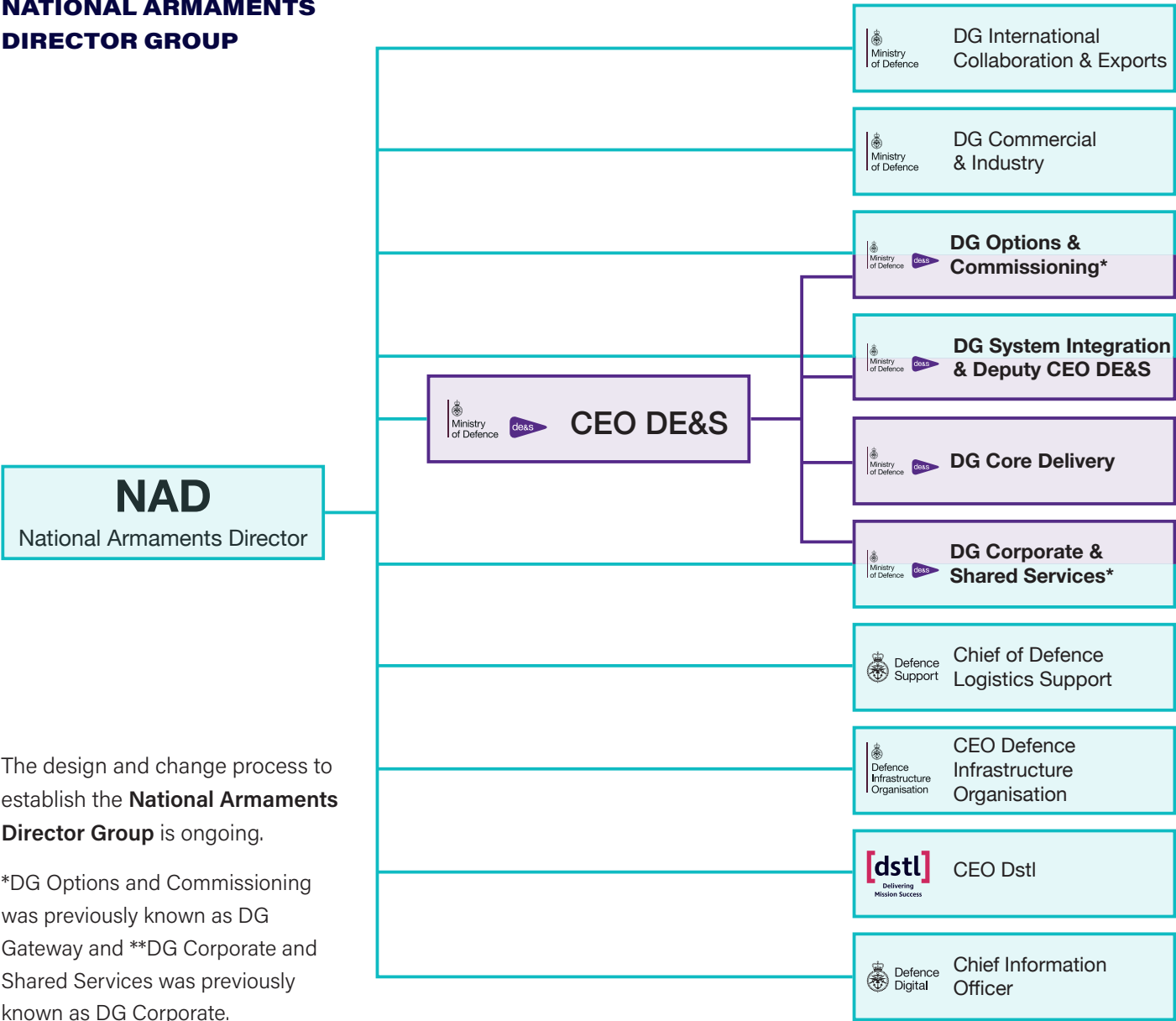
THE DE&S STRATEGY, LAUNCHED IN 2023, OFFERED DEFENCE:

- Higher availability: Providing up to 50% more availability from our existing fleets
- Higher productivity: A DE&S delivering >10% more for 20% less by 2026
- More Pace: Halving the time to contract by 2026
- More Resilience: Driving greater interoperability and less fragile supply chains.
- More Prosperity: Increasing global share of defence exports by up to 2% by 2026

These targets remain valid to 2026 following which they will be replaced by new targets with commitments arising from the Strategic Defence Review.

HOW WE OPERATE

NATIONAL ARMAMENTS DIRECTOR GROUP

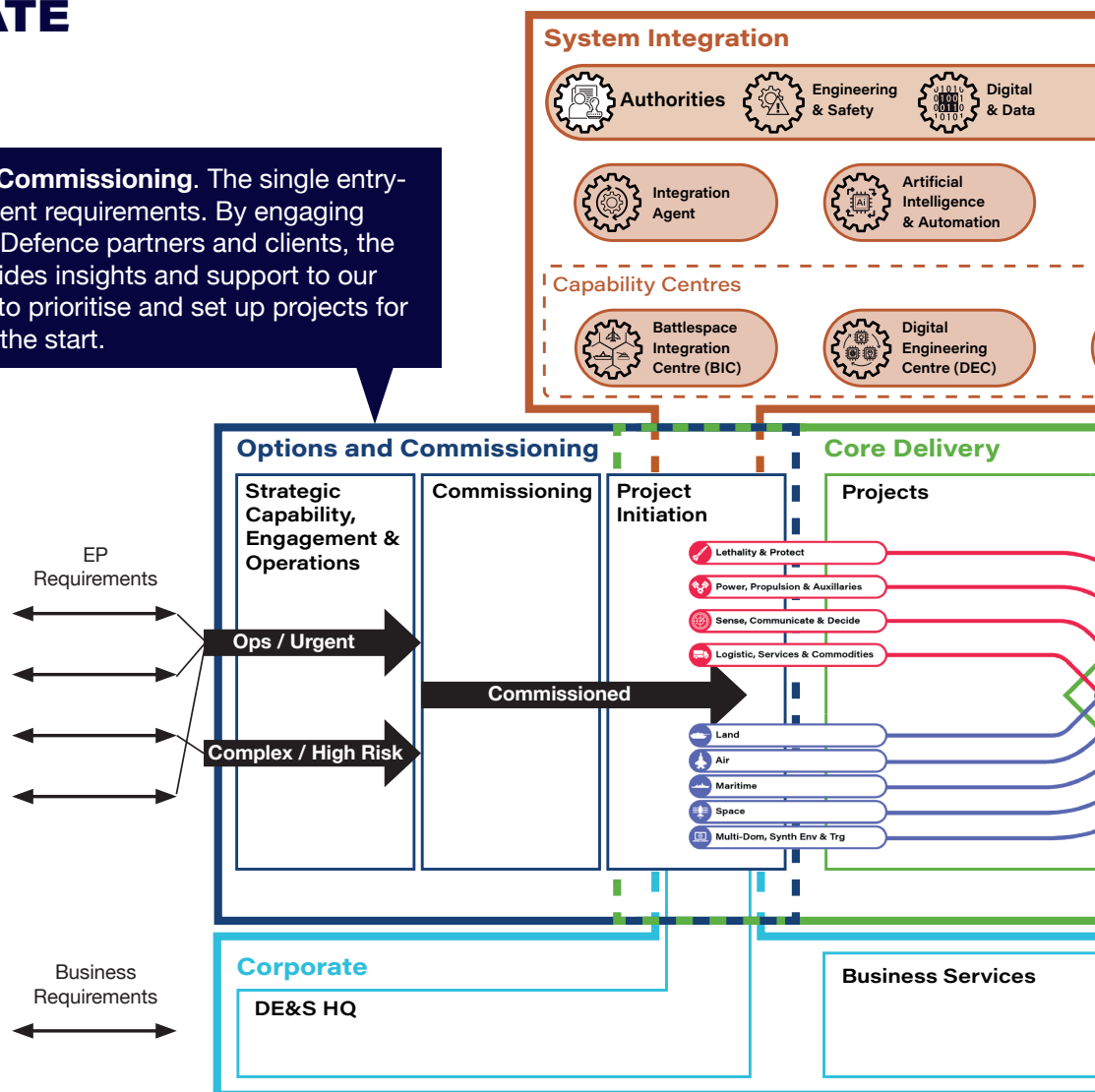


The design and change process to establish the **National Armaments Director Group** is ongoing.

*DG Options and Commissioning was previously known as DG Gateway and **DG Corporate and Shared Services was previously known as DG Corporate.

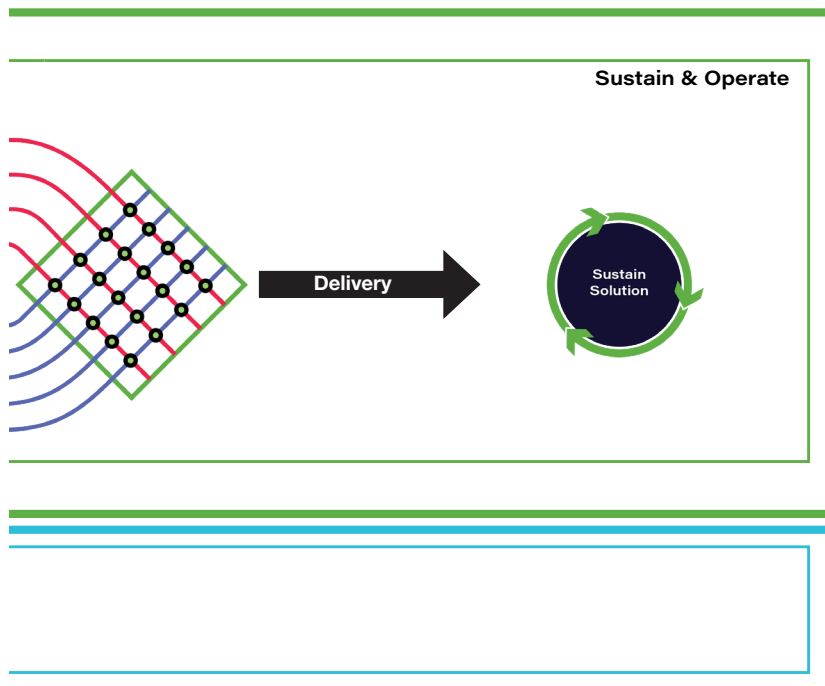
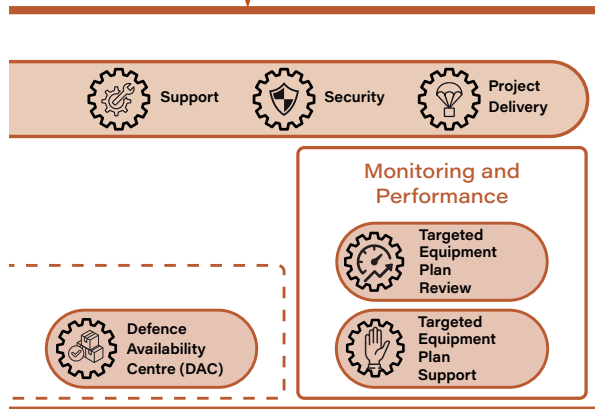
HOW WE OPERATE

Options and Commissioning. The single entry-point for all client requirements. By engaging early with our Defence partners and clients, the Gateway provides insights and support to our armed forces to prioritise and set up projects for success from the start.



Corporate provides DE&S with essential strategy, planning and governance as well as the shared business services which support delivery.

System Integration works across DE&S to make sure that equipment, systems and services fit together as a whole.



Core Delivery provides our armed forces with the equipment and services they need, supported through life. It maximises equipment availability and safety, through standard and reliable processes, allowing for upgrades and the incorporation of new technology.

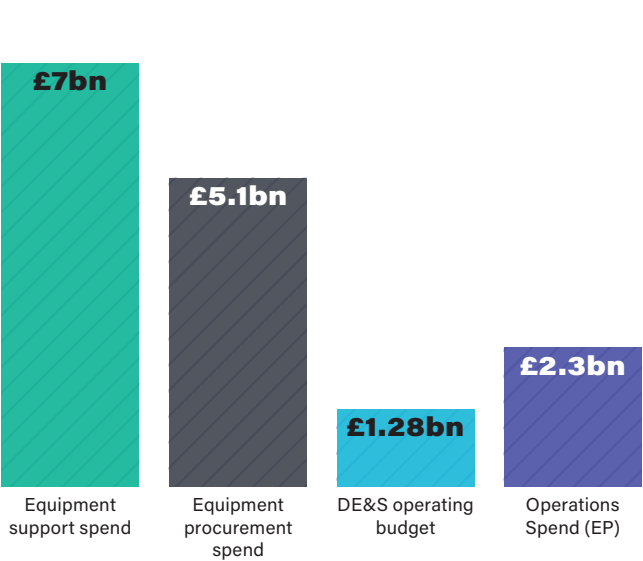
A large grey naval frigate, HMS Cardiff (F83), is being towed by a tugboat on the River Clyde. The ship is moving towards the left, passing under the Erskine Bridge. The background features a lush green hillside under a clear blue sky. The water is calm, reflecting the ship and the surrounding landscape.

DELIVERING OUR PLAN

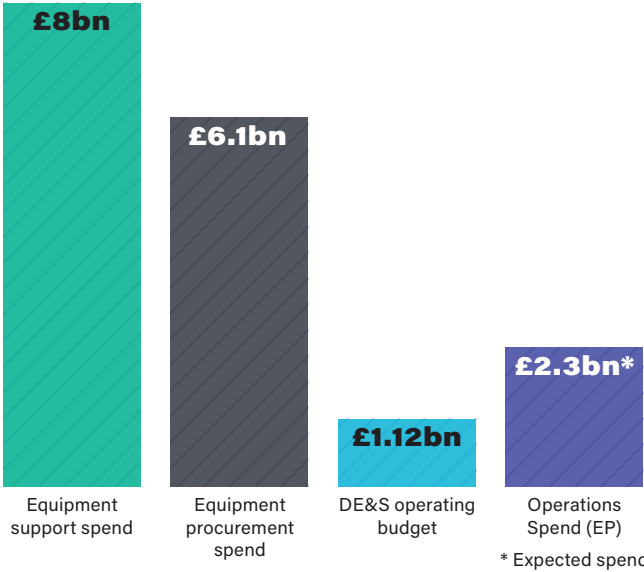
Type 26 Frigate HMS Cardiff being towed and maneuvered as she passes under the Erskine Bridge on the Clyde.

BUDGET AND MEASURING OUR PERFORMANCE

BUDGET FY24/25

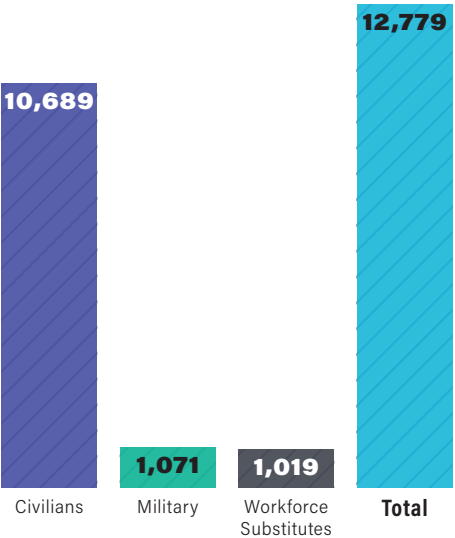


BUDGET FY25/26

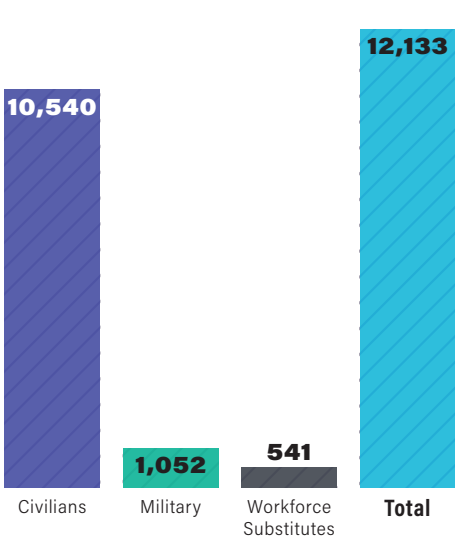


CHANGE IN DE&S WORKFORCE FULL TIME EQUIVALENTS (FTE)

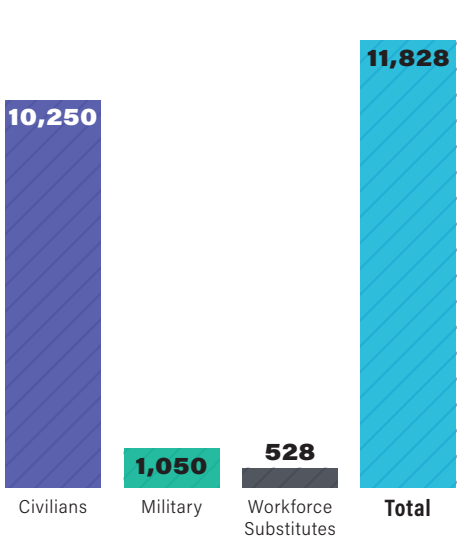
FY23/24



FY24/25



FY25/26



OUR RESOURCES

Programme funding will be delegated to DE&S in line with the single new investment budget run by the National Armaments Director.

For FY25/26 our resources include:

- Budget FY25/26: Equipment Procurement Spend £6.1bn, Equipment Support Spend £8bn, DE&S Operating Expenditure £1.12bn.
- Current Employee Number: Civil Servants and Military 11,300 (This excludes contingent labour).

OUR FINANCIAL OUTLOOK

The overall DE&S operating cost budget for FY25/26 is 13% lower than the budget issued for FY24/25 and is represented in the reduction of our Workforce Cost Envelope.

MEASURING OUR PERFORMANCE


The DE&S 25/26 Objectives Goals Strategies and Measures (OGSM) framework provides a robust mechanism to measure our performance against what we intend to do. The OGSM is aligned with the DE&S Strategy and priorities for the year. There are three objectives and five key performance indicators:

Objective	Key Performance Indicator (KPI)
Deliver equipment support	Availability
	Safety Performance
Deliver new equipment and equipment upgrades	CASP Strategic Milestones
	Project Cost & Time Performance
Achieving Operational Excellence	Benefits of DE&S Change
	People

These include performance targets agreed with the DE&S Board.

DE&S will measure strategic intent during the coming year by the implementation of Integrated Strategy Planning. This is an enterprise-wide approach to align the organisation with the DE&S Strategy and help set strategic direction, translating long term outcomes into short term activity, and improve coordination of the use of resources. Plans at the portfolio level (mainly 2* areas) will measure quarterly performance of in year targets. In the future, we expect Integrated Strategy Planning can be used to shape future DE&S strategies.

In FY25/26 the Annual Reports and Accounts (ARAc) will also be published. The ARAc provides details of DE&S's business and financial performance over the previous financial year.

A full-page background image showing the silhouettes of several Royal Marines in tactical gear on a beach at sunset. They are positioned around a Rigid Hull Inflatable Boat (RHIB). The sky is a mix of blue and orange, with the sun low on the horizon. The water is calm, reflecting the light from the sky.

“ When I look to the future of DE&S, I see immense opportunity. The changes we’re implementing now position us to be more responsive to emerging threats, more efficient with our resources, and more effective as partners to industry, our armed forces and our allies. ”

Simon Hamilton - DE&S Deputy CEO

Royal Marines from 47 Commando Raiding Group and elements of 40 Commando operate a Rigid Hull Inflatable Boat.

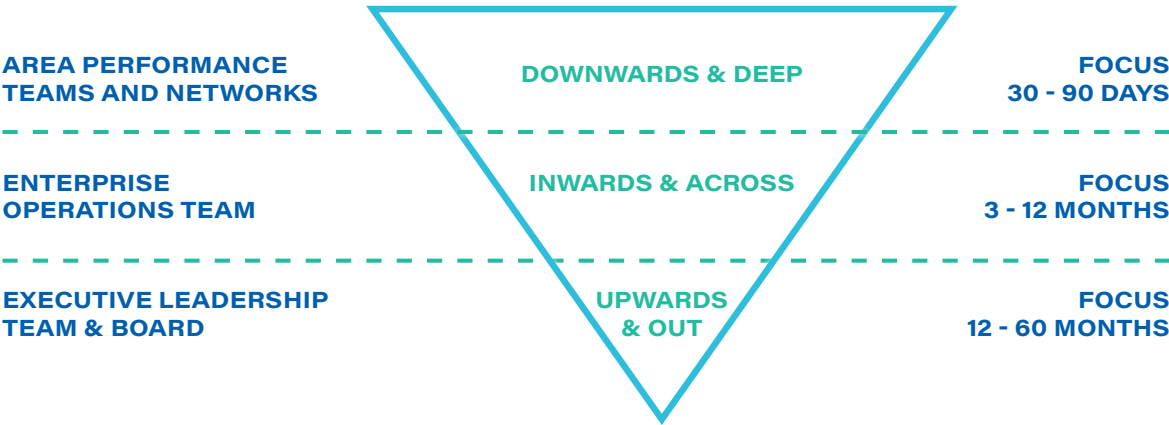
OUR MANAGEMENT CONSTRUCT

DE&S is led by our CEO and Executive Leadership Team to set the strategic direction and unblock the cross-cutting issues that arise.

- The **Executive Leadership Team** governs performance at Executive Forecast Meetings which are focused on “**upwards and out**” to create the environment for organisational success.
- The **Enterprise Operations Team** brings together the four business areas of our organisation, focused on integration of our activity and helping optimise end-to-end delivery. They will coach and guide our teams in achieving the entirety of DE&S’s performance targets, and direct interventions where required.
- **Area Performance Teams** manage the day-to-day delivery of our work and are supported by a network of teams as directed by the Enterprise Operations Team to unblock issues or exploit opportunities as they arise.

The **People Management Model** invests in the professionalisation of our people management, providing an improved approach to capacity, capability, demand management and deployment. The model has taken what we do well and built upon this to improve our approach to people management enabling our people to be their best by offering stretching, challenging and varied work; encouraged by a culture of regular feedback.

Our aspiration has been to shift our focus from an outdated vertical ‘silo’ of approval to an inwards and across focus, creating the right environment for operational excellence.



OUR EXECUTIVE LEADERSHIP TEAM



