DEFENCE SUPPLIERS FORUM
SECOND MEETING 2015

1400hrs-1600hrs, Thursday 9 July 2015
5th Floor, Pepys Suite, MOD Main Building

Government

Rt Hon Michael Fallon MP	Secretary of State for Defence (Chair)
Philip Dunne MP	MOD Minister for Defence Procurement
Rt Hon Anna Soubry MP	BIS Minister for Business and Enterprise
Sir Bernard Gray	Chief of Defence Materiel, MOD
Susanna Mason	DG Commercial, MOD
Lt Gen Andrew Gregory	Chief of Defence People, MOD
Air Marshal Sir Stephen Hillier	Deputy Chief of Defence Staff MilCap, MOD
Stephen Phipson	Head of UKTI Defence and Security Organisation
Janice Munday	Director Advanced Manufacturing and Services, BIS
Conrad Bailey	Director for SDSR and Defence, Cabinet Office
Dr Paul Hollinshead	Director Science & Technology, MOD
Paul Hamilton	Head of Industrial Policy, MOD
Paul Wyatt	Head of Directorate Strategic Planning, MOD

Industry

Ian King	CE, BAE Systems PLC
Archie Bethel	DCE, Babcock International Group PLC
Paul Kahn	CE, Airbus Group UK
Sir Brian Burridge	Senior Vice President Corporate UK, Finmeccanica UK
Simon Fovargue	VP and General Manager, Hewlett-Packard
Rupert Soames	Group CEO, SERCO UK & Europe
Victor Chavez	CE, Thales UK
Steve Wadey	CEO, QinetiQ
Stephen Ball	CE, Lockheed Martin UK
Bob Stoddart	President, Customer Business Defence, Rolls-Royce
David Pitchforth	Vice President, Boeing Defence UK
Peter Davies	Head of Commercial, GDUK
Dave Armstrong	CE, MBDA

Representative from the SME Forum

Paul Everett	ADS

1. DEFENCE UPDATE

The Strategic Defence and Security Review (SDSR) 2015 builds on the 2010 review. There is a commitment to invest over £160Bn in equipment and equipment support over the next 10 years. Counter-terrorism and cyber are amongst the key areas for investment as part of that. Work continues to develop the Armed Forces to be more agile and flexible. Innovation remains central, including getting the most out of the national security workforce, not just the uniformed services, but being able to access industry know-how, promoting this as part of the prosperity agenda, and cementing international partnerships. Work to secure best value from the Defence budget also continues, including implementation of the Single Source Contracts Regulations and reform of Defence Equipment & Support. There is continued commitment to support the Defence Growth Partnership (DGP), given its work to secure a thriving defence sector in the UK, and improve international competitiveness and export-led growth.

2. SDSR 2015

Given the current threats around the world, there is a greater emphasis on homeland security and taking a more integrated approach to security and defence than in 2010. There are many different current lines of enquiry including: ensuring we have the defence and security industry for our security and prosperity; using innovation and research to maximise opportunities and ensuring we

can respond to technology driven threats; and maximising the private sector contribution to our national security. **Action 1: Following recent workshops, industry are providing written inputs. There will be further engagement with Industry, including a workshop with Min DP in Sep 15.**

3. INNOVATION

Science and Technology (S&T) – Technology and innovation are key to providing solutions to many challenges e.g. defence costs, increasingly complex and capable threats, credibility with allies and to supporting defence, security and national prosperity. Following the recent Science Capability Review, changes are underway to improve the governance of S&T, make the S&T strategy more coherent, maintain key S&T capability, strike a better balance between short term and long term S&T, and help catalyse defence innovation through R&D. We are looking at a range of innovation models but recognise that different technology areas need different approaches, adapted for the UK and its level of spend. Industry have a role to play in skills recruitment, stimulating the future supply chain, (including SMEs, academia and the international community), investing in centres of excellence, providing market intelligence, driving the development of disruptive technologies, jointly investing in MOD's accelerator and engaging in future concept development.

Capabilities – Work to date has involved re-examining the Future Force 2020 capability baseline in the light of changes that have occurred since 2010, and gathering evidence to support SDSR decisions, which we expect will include C4ISR, future combat air systems, and maritime patrol.

People and Skills – Pilots are underway to develop an Enterprise Approach to retaining key skills within Defence given the national shortage of key skills. This work is focussed on what actions are needed for attracting, developing and maintaining a skilled workforce without resorting to palliative measures. It was also noted that the Migration Advisory Committee (MAC) are carrying out an assessment on what proportion of the STEM workforce come from outside the UK.
Action 2: SDSR to consider what are the most important S&T capabilities needed in the future, and how best to incentivise industry investment.
Action 3: ADS to engage with the MAC so that the Defence Enterprise needs are fully taken into account.

4. DEFENCE GROWTH PARTNERSHIP

The Defence Solutions Centre has been established, and its links with the UKTI Defence and Security Organisation will be critical in ensuring an appropriate international and exports-focused business model for the DGP. The first global showcase of the DGP will be at DSEI in Sep 15.
Action 4: DGP to continue with Innovation challenge with the winners announced at DSEI.

5. EXPORTS

Current export campaigns focus on major platforms where global demand increasingly requires broader and supporting Government to Government arrangements. Future export success for such major campaigns would depend on bringing multiple interlinked capabilities together with appropriate Government support, and industry providing a larger offering to international customers.

6. AOB

The Manifesto pledged to cut £10 Bn of red tape as part of a plan to back UK business and boost productivity. MOD, whilst not a Regulator under the Better Regulation Executive definition, is looking at how it can contribute to this initiative. **Action 5: ADS to coordinate an Industry response on what opportunities there are for MOD to reduce bureaucratic burdens to deliver a more efficient and productive relationship with Industry, by mid Sep 15.**

Date of Next Meeting – 15 October 2015 1400-1600.