



DE&S 2024-2027

CORPORATE PLAN

FOREWORD: CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)



DE&S is adapting to reflect a more volatile, dangerous world. Our adversaries are scaling up their industrial capacity. The pace of their innovation is accelerating at a startling rate. Our alliances are holding firm, but they are being tested like never before.

In today's world, it's up to us to deliver more so we can stay inside our adversaries' innovation and productivity curve, sharpen the edge for our nation's armed forces and allies, and maintain a credible, effective deterrent. To achieve this, we have refocussed DE&S' strategic objectives to be able to meet the demands of delivering the outputs our armed forces need TODAY, sharpening Defence's edge for TOMORROW and driving efficiency and competitiveness TOGETHER.

Today, DE&S has a huge portfolio. We manage more than 500 projects and programmes, including many of Defence's largest and most complex procurements. Our peoplework with allies and partners to deliver more than 2,600 contracts. Between 2024 and 2034 we will deliver over £100 billion worth of equipment and support for the UK's front line commands.

For tomorrow, we are seeking to do more and go faster so we can play our part in protecting the nation in a world that is changing faster than any of us expected. We want to speed up delivery to the front line through developing greater market insight, increase our risk appetite and open up lines of communication. To help us do that, in early 2023, DE&S began its most wide-ranging organisational and strategic redesign for a decade.

The resulting new operating model – which has been designed by our people - places agility, pace and collaboration at the heart of DE&S. It strengthens our enterprise approach, reduces friction and repetition, protects safety and security, and ensures the right equipment and support are delivered to our armed forces, at the right time and in the right way. It draws on best-practice models and first-hand insights from our people and partners across industry and the front line commands. Importantly, it docks in with the wider Defence Design and Acquisition Reform work and ensures we continue to strengthen our relationships with industry partners and international allies.

This is where 'together' comes in; it is woven throughout our strategy and our whole defence enterprise approach and is essential to our plans for the next three years. As we move forward, we'll be engaging with wider defence, allies and government partners, and continuing to build our relationship with the Defence Suppliers Forum (DSF) the UK's primary mechanism for MOD and industry engagement. In 2023, the DSF committed to a set of ambitious aims and objectives to strengthen the defence enterprise, and we are proud to be a part of that collective ambition.

Of course, we cannot achieve any of the above without our brilliant people and our new operating model places people at its heart. As we continue to evolve the organisation, we'll implement a new people management model that supports our people with rewarding careers and professional development, and which ensures we are deploying critical skills to where they are needed most.

This Corporate Plan describes our plans for the future. It outlines the new way in which we will manage performance and track progress over time, holding ourselves to account to deliver on our objectives. It also reflects our determination and commitment to delivering our part in protecting the safety and security of the UK, today, tomorrow and together.

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

WHO WE ARE

The UK and our allies face increasing threats to our security and way of life. Our armed forces protect us from these threats, but they can only do that if they have the right equipment and support to carry out their duties. That's where we come in.

OUR MISSION

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

WHO WE ARE

Defence Equipment and Support (DE&S) is part of the Ministry of Defence (MOD), with delegated management freedoms. This provides us with greater flexibility to manage our business and workforce in order to deliver optimal outputs for our front line command mission partners.

As a professional defence acquisition organisation, we work closely with the military commands and the global defence industry, as well as MOD Head Office (HO), other MOD agencies and Other Government Departments (OGDs), to deliver world class equipment and support services to the UK's armed forces.

We are one of the biggest delivery organisations for major programmes in the UK. A unique blend of military and civil service personnel, our teams bring their commercial, project management and engineering expertise to bear to meet defence requirements. Together we play a critical role in keeping our nation safe and prosperous, making sure the right kit is available at the right time.

“ Few organisations have a higher collective purpose than ours – to protect our nation, our territories and our allies. Together with our industry partners, we continue to provide essential support to global defence operations. ”

Andy Start - DE&S CEO

WHO WE ARE

WHAT WE DO

A soldier from the Queens Own Gurkha Logistic Regiment surveying ammunition stores

WHAT WE DO

We procure and support equipment to meet the full spectrum of defence needs, from bullets and boots to fighter jets, battle tanks and aircraft carriers. DE&S delivers the majority of UK defence's most complex, major programmes at the edge of technical innovation. We work closely with the Front Line Commands (FLCs), and the global defence industry in support of "One Defence", to deliver, maintain and support safe and reliable equipment to meet the needs of UK sailors, soldiers and aviators world-wide.

We also provide critical services to support operational outputs such as defence munitions sites across the UK and salvage and marine operations. We are investing more into research and development of cutting-edge solutions, such as robotic dogs and high powered laser and radio frequency weapons. Our range of support services includes the British Forces Post Office, which delivers mail to defence personnel in the UK and around the world. When equipment reaches the end of its life, we undertake equipment decommissioning, sale and disposal.

Since February 2022, and over and above delivery and support of our core equipment programme, DE&S has procured and provided lethal and non-lethal aid to Ukraine at an unprecedented scale and rate. This work has also included replenishing and building resilience of UK stockpiles. Everything we do is safety focused, working very closely with our clients as well as MOD HO and the Submarine Delivery Agency (SDA).

WORKING WITH INDUSTRY

Our defence industrial supply chain is a critical part of the defence enterprise and has a fundamental role to play in keeping our nation safe.

We work with businesses, ranging from large, established international companies to small, specialist niche providers, to help us deliver on our collective mission. We work together to ensure quality and value for money for our clients – and drive pace into delivery of military capability - making every day count.

Together we deliver a vast array of programmes and projects. We are on track to deliver £120bn of the Defence Equipment Plan over the next 10 years, including the next generation of uncrewed autonomous systems, new laser directed energy weapons, the Challenger 3 main battle tank and the Type 26 global combat ship.

DE&S INTO THE FUTURE AND BEYOND

OUR STRATEGY

In 2023 we refreshed our DE&S Strategy, with a focus on "unlocking our capacity to increase Defence's outputs." 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 delivering reliable, consistent, and repeatable outcomes for our armed forces, Industry partners and Allies. To do this, we've chosen 'operational excellence' as our 'North Star'.

This means we will be known for being easy to do business with; committing ourselves to consistency, reliability and a culture of continuous improvement that translates into good value and experiences.

To achieve this, our strategy has three strategic outcomes:

- Delivering the outputs our armed forces need TODAY.
- Sharpening Defence's edge for TOMORROW
- Driving efficiency and competitiveness TOGETHER

OUR NORTH STAR

A culture of relentless learning and improvement, consistently delivering quality outcomes throughout



OUR STRATEGY

UNLOCKING OUR CAPACITY TO INCREASE DEFENCE'S OUTPUTS

Our strategy is built upon delivering more of what matters for our armed forces and the UK. To achieve this, our strategy has three strategic outcomes, each with ambitious targets to be achieved by the end of 2025:

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.

We will measure our strategy's success through the improvements we will deliver for sailors, soldiers and aviators, and the positive engagement of our people and suppliers.

OUR STRATEGIC PRIORITIES

OUR PRIORITIES

Throughout 2023 - 2024 we have successfully driven progress in new capability areas to enhance our delivery, including establishing an Agile Centre of Excellence and upskilled our first training cohorts as well as achieving Initial Operating Capability of the DE&S Digital Exploitation for Defence (DX4D) Capability Centres¹.

2024 - 2025 will be a critical year for DE&S as we change the way we operate to meet increasing global threats, move to a better way of working for our stakeholders and our people and play our part in the Integrated Procurement Model. We have committed to three priorities for the year ahead:

- Continuing to Deliver support to Operations (Including Ukraine).
- Implementing our new Operating Model.
- Improving delivery performance (by accelerating time to contract and improving supplier delivery performance).

OUR FUTURE OPERATING MODEL

To meet the new threat landscape, DE&S and Defence procurement is changing.

In response to the emerging threat landscape, increasing requirements to support our armed forces and allies and budgetary constraints, transforming our operating model is mission critical.

By delivering our strategy and transforming our operating model we offer Defence:

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

WHAT WILL THE FUTURE DE&S LOOK LIKE?

We've started building the future DE&S – based on a design created by our people, with our clients and partners, for us all. This design outlines four new areas within DE&S – the Gateway, Core Delivery, Corporate and System Integration.

- The Gateway provides a single entry-point to DE&S for our clients, it engages and informs wider-Defence early on, provides insight and support to the Front-Line Commands to prioritise and set up projects for success from the start. This new way of working speeds up decision making and resourcing of work.
- Core Delivery then delivers the work, sustaining and operating equipment and services for our armed forces. This is the beating heart of DE&S where delivery teams focus on providing what our clients need, maximising equipment availability and safety, in a highly repeatable, standardised, optimised and automated way that makes DE&S easy to work with.

- System Integration makes sure all the platforms, systems and services we deliver can talk to each other and integrate - rather than disparate solutions that become obsolete within a decade.
- Corporate, and the services it provides, will be home to the professions who support the rest in keeping the wheels of delivery turning fast and steady, as well as the strategic planning for our long-term direction.

We'll make a positive difference for those working in DE&S and with DE&S.

THE BENEFITS OF WORKING WITH DE&S

Our clients will benefit from better insights and support in developing their requirements. Decisions will be made

|| We aim to become an operationally excellent partner who can help increase availability, productivity, and the pace of delivery; building safety, spiral development, integration and exportability into defence equipment and services, as standard, at a lower cost to the UK taxpayer. ||

Andy Start - DE&S CEO

at pace so capabilities reach the hands of the war-fighter faster, and clear prioritisation means all major projects will be properly resourced and can be expected to run more reliably, to time and cost expectations, driving up availability. Greater collaboration with industry, allies and wider-defence will enhance the solution, and spiral development will be built into projects from the start.

Our suppliers will benefit from earlier sharing of military intent and future capability needs, recognising the need to plan and prepare skilled, qualified and experienced

people and facilities. A coordinated route into DE&S, with key account managers and dedicated points of contact, to easily share potential components and solutions across the enterprise. Alignment with standard environments and technologies that better match supplier business models. A greater focus on export opportunities, dual-use technologies and international partnerships. Clearer prioritisation, to make sure resources are focused on agreed priorities to reduce the uncertainty and variability in the acquisition pipeline.

Together we will create a more effective DE&S where we can focus more on what really matters. We will do justice to our legacy by driving forwards, adding value to Defence and to each other every day.

THE BENEFITS OF WORKING FOR DE&S

By simplifying the way we work, we'll reduce waste and release skilled people to where the Defence need is greatest.

By deploying new tools across DE&S - like Agile and Lean - our skills will be enhanced to drive continuous improvement into our organisation and our culture.

Our new flexible resourcing model will broaden skills, add variety and provide career enhancing experiences, individuals will be able to work on a huge range of exciting programmes.

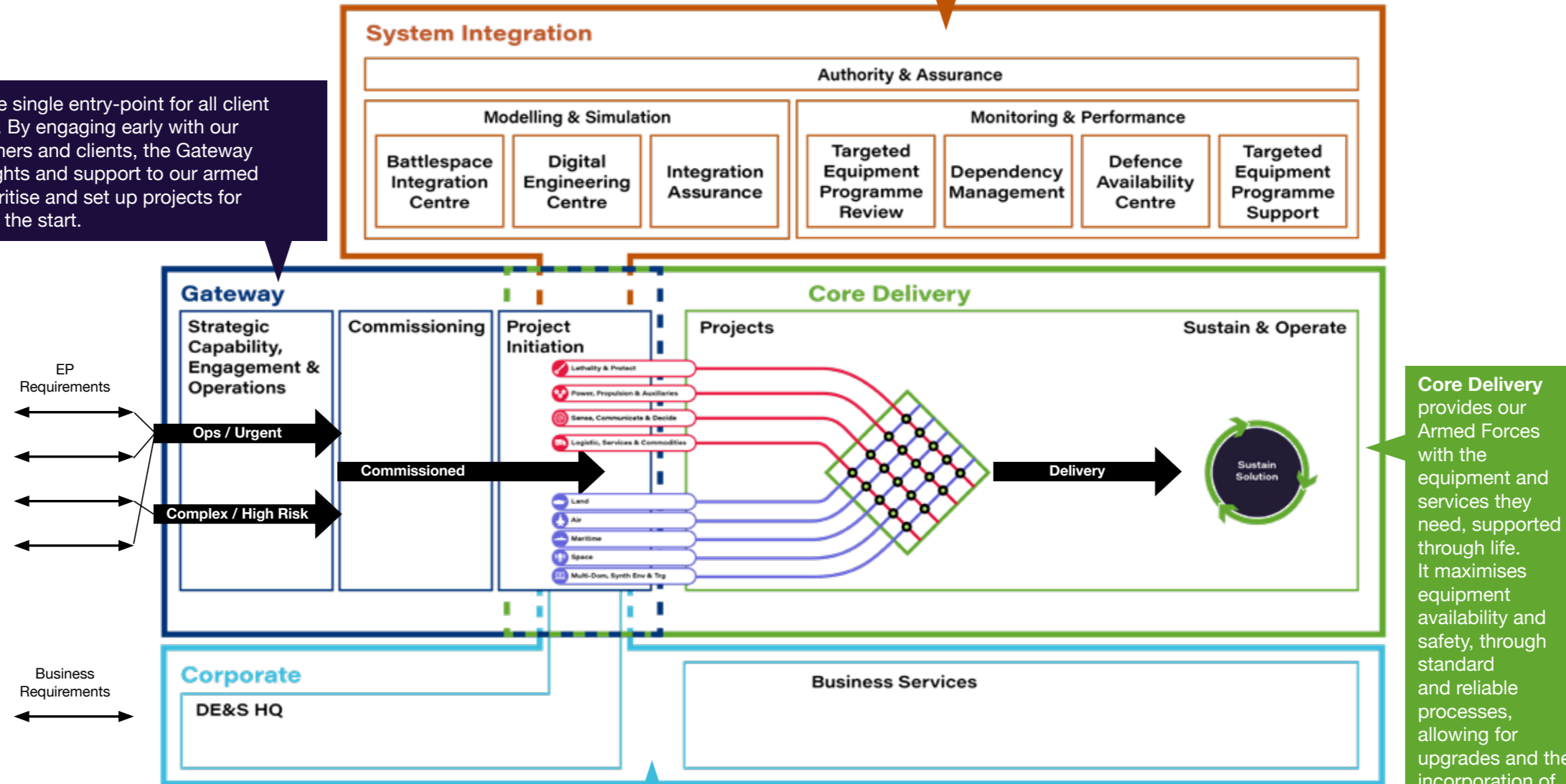
Our leaders will be just that – leaders. Making them readily available to support their teams using our new Management construct.

Our people will be nurtured, trusted and empowered to challenge norms and uncover innovative solutions.

HOW WE OPERATE

Gateway. 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.

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



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

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.

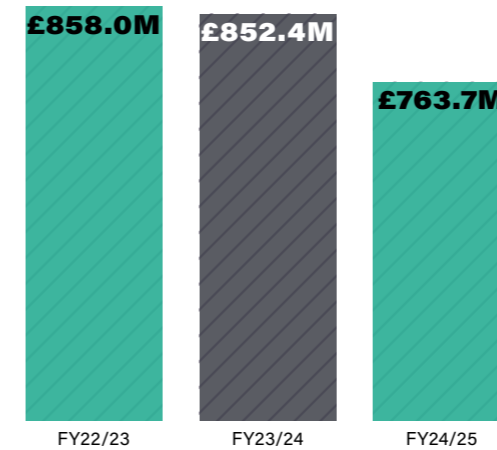


DELIVERING OUR PLAN

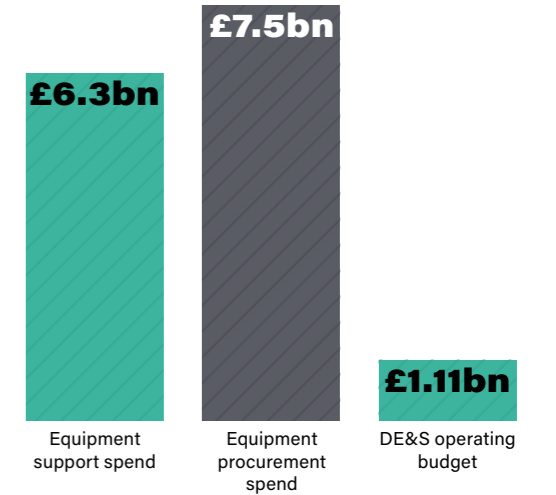
An Atlas C.1 (A400M) operated by crews from 30 Squadron, out of RAF Brize Norton, recently conducted a low-level training sortie across the United Kingdom that finished going through the Machynlleth Loop

BUDGET AND MEASURING OUR PERFORMANCE

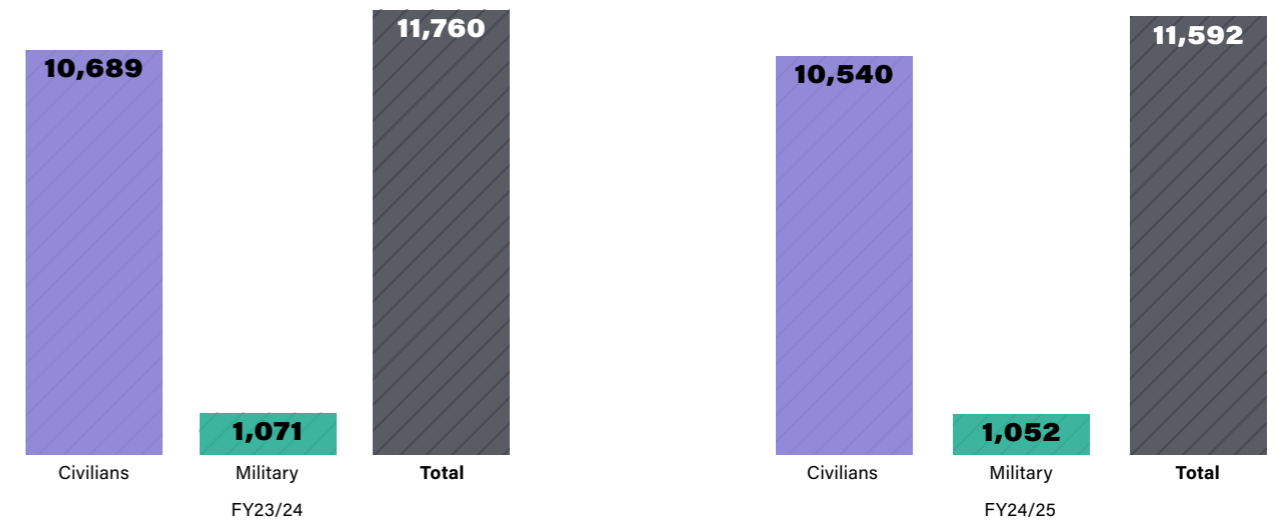
CHANGE IN DE&S WORKFORCE COST ENVELOPE¹



BUDGET FY24/25



CHANGE IN DE&S WORKFORCE FULL TIME EQUIVALENTS (FTE)²



1 Figures exclude DE&S Deca

2 Figures exclude leave of absence benches and are based on FTE not just headcount

BUDGET AND MEASURING OUR PERFORMANCE

OUR RESOURCES

The MOD delegates the bulk of the equipment and support budget to the FLCs, giving them responsibility for prioritising what is most critical. As such, DE&S does not own the budget for the equipment procurement and equipment support plans, but our responsibility is to deliver against those plans within budget.

The agreed programme of work is set out in the Command Acquisition and Support Plans (CASPs). These are individual formal agreements with our clients that capture the outputs against which our teams will deliver. The agreements set out the equipment, support and services we will acquire on our clients' behalf, within what budget, and to what timescale. MOD HO holds us to account for delivery, and measures performance through the use of Key Performance Indicators (KPIs) which underpin our objectives.

We are directly responsible for our own operating expenses, and we carry out our business activities within an operating expenditure budget, which flows from MOD HO. Our operating expenses include civil servant and military staff costs, contingent labour, other programme costs and capital additions.

For FY24/25 our resources include:

- Budget: Equipment Procurement Spend £6.3bn, Equipment Support Spend £7.5bn, DE&S Operating Expenditure £1.11bn
- Workforce Cost Envelope £850M (This figure includes DE&S Deca £86.3M)
- Current Employee Number: Civil Servants and Military 11,904 (This figure excludes contingent labour).

OUR FINANCIAL OUTLOOK

The overall DE&S operating cost budget for FY24/25 is 15% lower than the budget issued for FY23/24 and includes a significant further reduction of our Workforce Cost Envelope. DE&S will also need to operate within Civil Service headcount and recruitment restrictions and a declining External Assistance cap.

MEASURING OUR PERFORMANCE

The DE&S 24/25 Objectives Goals Strategies and Measures (OGSM) framework provides a robust mechanism which sets out what we intend to do and how we will measure progress against it over the coming financial year. It links our strategic objectives and priorities to our individual contributions – right across DE&S.

The 24/25 OGSM is structured around 5 performance areas:

1. Support to Operations
2. Delivery of the Operating Model
3. CASP Delivery
4. Project Delivery
5. People and Finance

The OGSM is underpinned by our Corporate Key Performance Indicators, which include the agreed performance targets we will report progress against over the year.

During FY24/25 DE&S will continue to support MOD, UKGI (Defence) and HM Treasury in fulfilling their roles by providing relevant information on request, including but not limited to: financial performance against plans and budgets, achievements against targets, capital expenditure and investment decisions, Board appointments and remuneration, branch network information and reports on key corporate risks.

Finally, in FY24/25 DE&S will prepare an Annual Report and Accounts (ARAc). The ARAc provides details of DE&S' business and financial performance over the previous financial year.



A Royal Artillery soldier launches the PUMA Uncrewed Aerial System

OUR NEW MANAGEMENT CONSTRUCT

In Summer 2024, DE&S will begin to move to a new management construct to support our improved Operating Model. The detail is being defined, but the key highlights include:

1. An **Executive Leadership Team** working closely with our Board which focusses on setting strategic direction, running the interface between DE&S and its key stakeholders, and supporting our teams in unblocking critical cross-cutting issues – especially those that involve other parts of Defence.
2. An **Enterprise Operations Team** which 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.

3. **Area Performance teams** will be responsible for managing the day-to-day delivery of our work. They will be supported by **Commissioned Networks**; multi-disciplinary teams formed and disbanded as required to work on commissioned issues or opportunities identified by our Enterprise Operations Team.

The backbone will be the provision of transparent and trusted Management Information, delivered by the DE&S Portfolio Office. This will be the 'single source' of information, with agreed KPI metrics and data standards.

Our aspiration is to create the right environment for operational excellence. One in which our most senior leaders are supporting our teams, our managers coach and unblock, decisions are made at the most appropriate level, and we have a mindset of peer review and continuous improvement. This requires us to think differently about our management construct, as the diagram summarises:

OUR NEW EXECUTIVE LEADERSHIP TEAM



