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Welcome to the first DGP update of 2017. Since our last bulletin in November 2016, we have participated in a number of key workshops and meetings on topics of national significance. The launch of the Industrial Strategy Green Paper has provided the DGP with the impetus to review its future strategy and the big opportunities and challenges for the defence sector in the UK. The 10 pillars of the “Modern Industrial Strategy” identify strongly with the underlying values and needs of the defence industry and we will be responding positively once all members have been consulted. I was also pleased to welcome Lord Prior of Brampton as the new Co-Chair for the DGP as he takes on his new role as Parliamentary under Secretary of State in the Department for Business, Energy and Industrial Strategy (BEIS). Ed Frankland and I met with Lord Prior in January and we found him to be well informed, enthusiastic and very keen to engage with us to ensure that we participate fully in the development of the government’s Industrial Strategy. We have agreed with Lord Prior to arrange a roundtable discussion with all DGP founder members on the Industrial Strategy in the next 2 months. Inputs for the Strategy are requested by the end of April 2017.

During December and January the DGP has been working with MoD and BEIS to harmonise the industry response to Sir John Parker’s report on a National Shipbuilding Strategy. We facilitated two workshops, looking at all recommendations and specifically a ‘UK competitiveness plan’; work now continues with key industry players, government and the end customer to develop a realistic action plan which will address the positive potential of our ship building capabilities in the UK.

I am also delighted to announce that the DGP will be bringing together a ‘Team UK’ stand space at DSEI in September this year. Government and industry will be actively demonstrating to visiting delegations the new levels of cooperation they can come to expect on leading UK capabilities. I would like to thank all members for their active support so far. Detailed planning is underway and this will be further developed in the coming months.

A great “Team UK” success was seen in Turkey this week with the announcement by our Prime Minister of the contract on the Turkish Fighter Programme. Congratulations to the teams that have worked so hard to make that happen. This could be a ground-breaking way of doing business in the international markets that has great potential for nations and the UK supply chain.

Overall, an active start to the year and I anticipate that 2017 will continue to be exciting and productive for the Defence Growth Partnership and the wider UK industrial base.

Key Progress Updates

Strengthened-DSO

The work on our strategic markets continues to gather pace and momentum as the team of industry secondees get to grips with the challenge that lies ahead. The provisional strategies for our strategic markets were reviewed by senior government and industry stakeholders in January and the feedback was overwhelmingly positive. A big thanks to all the DGP members who engaged with us to help us understand the challenges and shape the strategies. As we look ahead to our next milestone in April, we embark on a series of activities designed to test and validate the strategies, especially with HMG stakeholders, in order to ensure they can be effectively delivered. This will inform the development of a detailed implementation plan which aims to establish enduring cross government and industry governance mechanisms to oversee and co-ordinate this activity.

We also continue to develop the enablers required to deliver this through two key activities. The first is to continue development of the DGP Collaborative Framework which will provide a guidance framework on how government and industry, and industry working together, can collaborate to increase win rate in UK defence exports. Secondly it involves the establishment of a Collaborative Work Space (CWS) that can be used by government and industry stakeholders to co-ordinate and share information related to export activity.

We would also like to remind industry of two key events for the diary (i) DPRTE in Cardiff on the 28th March 2017 (see <http://www.dprte.co.uk/> for more details and how to book tickets) and (ii) the annual DSO Symposium in April 2017; the theme of which is “support to defence and security exports”, and “what the DGP is doing for SMEs”. We hope to see you there.

Team UK

We were extremely pleased to see the first Team UK success recently with Ian King from BAE Systems in Ankara with Theresa May signing a heads of agreement to collaborate on the initial phase of the country’s first home-built fighter jet, TFX, with Turkish Aerospace Industries. This represents a significant win for the UK, and a platform to build deeper relationships over the long term. This is an excellent example of a Team UK approach in action and hopefully we can provide further detail in next month’s newsletter.

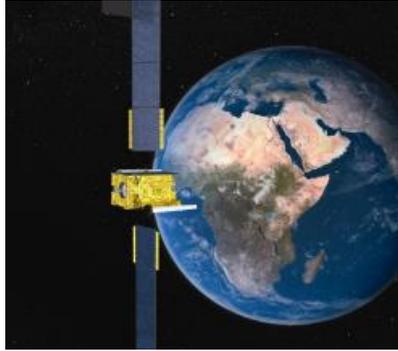


Key Progress Updates

UKDSC

Focus on the Customer

The Market Intelligence Cell (MIC) has completed the second phase of the core markets analysis, submitting its report on eight further priority countries. Phase 3 will be launched 1st February. The MIC also delivered its market intelligence assessment on Persistent Surveillance which will form the basis for a strategy on how the UK can develop a new generation of Intelligence Surveillance and Reconnaissance (ISR) capability that supports export growth.



Develop UK Capability

The UKDSC is now undertaking a UK Capability baselining review to understand indigenous capability across the themes of Strategic Situational Awareness, C4, Cyber, Maritime, Electronic Warfare & Counter EW, Precision Guided Weapons, Layered Air Defence and Synthetic Training & Simulation. These were identified as highly exportable capabilities by the MIC. The Communities of Interest (COI) continue to support these capability areas; with the Persistent Surveillance Col in particular progressing towards agreement on an intervention to support capability development. Mark Turvey on secondment from Ultra now leads the Interoperable Communications Col whilst Mike Spain from Atkins, leads on Cyber. As Operations Director of the Cyber Growth Partnership, he is helping to drive synergies between the two growth partnerships.

Improve Value of Investment

UKDSC has been tasked by both the DSF-Exec Group and the DGP Steering Committee to catalyse industry to bring forward a portfolio of proposals in response to the new £800m Defence Innovation Initiative. UKDSC has agreed with MoD the underlying principle for a co-investment framework, and has already developed its first Innovation portfolio of 18 candidate projects. It continues to work directly and collaboratively with MoD to contribute material for DII challenges, the first of which were launched on 30th January. UKDSC is also building a Defence Innovation Network which is open to participation by all DGP members.

Skills

Following a successful DGP Skills workshop in November last year, a Skills kick-off event is now planned for 6th February. Hosted by Dave Armstrong, (MD of MBDA UK) this event will bring together the nominated representatives of the DGP steering Committee and wider defence community to further develop and discuss the four key proposition areas identified previously as enablers to deliver export growth through skills. These key areas of focus to deliver benefit were identified as:

- 1) Gaining a better understanding of our export markets and developing our cultural awareness of those customers
- 2) Build on broad-skilled person model, to provide our industry with individuals better equipped to support the breadth and credibility of skills to support defence export needs
- 3) Develop engineers with the confidence, skills sets and capability to innovate
- 4) Better optimise UK procurement and design to support export opportunities

Value Chain Competitiveness

The Dual-Use Technology Exploitation (DUTE) Innovation Cluster was created in 2015 to help boost UK economic growth by linking manufacturers from the civil and defence sectors - enabling them to benefit and grow from technology emerging in adjacent sectors such as Rail, Aviation, Aerospace and Automotive. It is supported by both Government and Industry, and is an output of the DGP Value Chain Competitiveness Group. In 2017 the DGP are looking to grow and expand the cluster through supporting its activities which include:

- Harnessing a UK community of innovative SMEs, Universities and leading UK Industry partners
- Identifying the best technologies from adjacent defence and civil sectors and ensuring they are put to dual-use through the DUTE community
- Supporting and growing this community to ensure it is capable of fully exploiting business growth opportunities from dual-use technology in adjacent sectors
- Bringing together public and private investors seeking to draw on the very best emerging technologies from both sectors



If you are interested in hearing more about DUTE or in learning about partner, funding or investment opportunities please contact us for more information <http://www.dute.co.uk/contact-us/>.

Upcoming Events

- **1st February** – Launch of Phase 3 core market analysis
- **6th February** – DGP Skills Kick Off Workshop
- **23rd February** - Defence and Security Accelerator Network Event
- **28th March** - DPRTE with DGP Presentation
- **31st March** – Annual UKDSC Industrial Investment Report published
- **April** - DSO Symposium with DGP Theme
- **12th – 15th September** – Team UK Stand at DSEi

Secondment Opportunities

UKDSC (Contact Andrew Radcliffe for details: andrew.radcliffe@ukdsc.org):

- The UKDSC is reviewing its requirements and by end February it will highlight new opportunities.

DIT – sDSO: (Contact Andrew Page for details: andrew.page@trade.gsi.gov.uk)

- Country Strategy Lead: Interview process ongoing.