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Welcome to the April Edition of the DGP Bulletin. Over the past month the DGP Steering Committee has been heavily focused on developing the DGP response to the government's Industrial Strategy Green Paper. I am pleased to say that with the endorsement of the Steering Committee and the Defence Industrial Council, the DGP will be leading the development of a 'Defence Sector Deal', the aim of which is to establish a mutually beneficial partnership between government and the defence industry in the UK. This will sustain and develop UK military and industrial capability through the development of onshore intellectual property rights, creating prosperity for the UK and delivering a more competitive edge in our export strategy.

Although the DGP will be leading on the development of this deal, there will be involvement and consultation across the sector and indeed pan sectors, to understand how we can best achieve the outputs which sustain industry and align with the goals and strategy of the Ministry of Defence, Department for International Trade and the Department for Business, Energy and Industrial Strategy. Since the conception of the DGP we have been focused on export-led growth and I believe this new phase of work will further consolidate our efforts as we concentrate on delivering high-value jobs, growth and prosperity across the UK.

In tandem we are also looking at how the next phase of the UK Defence Solutions Centre can help achieve the goals of the DGP. Through discussions with our partners and BEIS we are reviewing how best to operate and sustain the UKDSC so that it can continue developing the most in-depth understanding of our customers, develop UK capability and improve the value of investment. The insights of the UKDSC have already proved extremely valuable in the development of our approach to our strategic markets with DSO and also to the MOD in the development of the Defence Innovation Initiative most recently.

At this juncture I would also like to thank Marshall and in particular Steve Fitz-Gerald for their continued support to the DGP especially in the chairmanship and management of the Value Chain Competitiveness work stream. I am pleased to announce that Rolls Royce under the leadership of Chris Cholerton - President Defence Aerospace - has agreed to take on the leadership of this important work within the DGP. Chris will have overall responsibility for the work, but operationally Dr Hamid Mughal OBE, Director of Manufacturing, will be co-ordinating activities.

## Key Progress Updates

### Strengthened-DSO

At the start of this month the strengthened DSO team will be presenting their final strategies to the Industry Liaison Board for our strategic markets. This represents the most important milestone for the project to date and signifies a culmination of 18 months of work. It is the first time government and industry has developed such an approach in the defence sector and is testament to the hard work that the industry secondees here in sDSO have achieved, catering to a large and diverse range of stakeholders. We are also grateful for the extensive support we have received from DSO and wider government colleagues: without them none of this would have been possible. Following approval of the approach to these strategic markets, movement into the implementation phase will begin, requiring further resources to deliver.

We would also like to remind industry of the annual DSO Symposium in April 2017. The schedule is set to include keynote speakers that include Harriet Baldwin, Ben Wallace, Liam Fox, and Lord Prior. The symposium brings together the Defence Growth Partnership, Cyber Growth Partnership, and Security sector into a single day focussed on engaging with SMEs to help support exports for the nation. There will be presentations following the Defence, Cyber and Security themes, as well as sessions from HMG services including help with export licensing and export finance. There will also be a presentation from Amadeus on Equity Funding and Debt Funding for SMEs in Defence, Security and Cyber.

Interested in attending? To register your interest please email [ditdso-smeenquiry@trade.gsi.gov.uk](mailto:ditdso-smeenquiry@trade.gsi.gov.uk) and provide your full name, company position, name of company, postal address, company telephone number, company website, and company email. We will then get back to you with joining instructions. We hope to see you there.

### Skills

The Skills working group, made up of representatives from across the wider Defence Community held three successful scoping sessions, for the work streams identified. The first work stream met to discuss and agree how to undertake suitable and sufficient **Market Analysis to support the DGP Skills proposition**, to give confidence in the size and shape of the potential market and funding sources. The second work stream, explored the depth and type of experiences needed to create mature **Defence Export Career Paths**, with the final group focusing on outlining the approach to be adopted to deliver the experiential and academic elements of a **Defence Export Academy**. The mix of experience at the workshops from ADS, Government, Industry and Academia, ensured rich debate, with the team planning to hold a further workshop to finalise its plan for this phase of activity.



# Key Progress Updates

## UKDSC

### Focus on the Customer

Phase 3 of the market analysis work is well underway with inputs from DGP founder members and UKDSC Associates helping to inform the prioritisation of potential indigenous capabilities and provide input into the DSO engagement plans. Additionally, the outputs will allow industry and government to determine market opportunities and appropriate interventions. The Market Intelligence Cell (MIC) has now hosted 49 engagements involving 65 delegates to date; in particular in mid-March the UKDSC hosted a delegation from Japan's Acquisition, Technology & Logistics Agency (ATLA) which further developed the growing relationship between the UK and Japan and provided the Japanese delegation insight into the work the UKDSC is doing on developing capability themes that could be of mutual interest. The UKDSC also participated in an event hosted by the Confederation of Indian Industry, ADS and the High Commission of India on 'Enhancing India-UK SME Cooperation'.



### Develop UK Capability

The UKDSC has concluded a UK Capability Baseline review across 8 Capability Themes identified through Phases 1 and 2 of the Market Intelligence Work. The Capability Baseline documents that have been developed will be used to support the development of a Team UK Stand at DSEi, and collaborative work between the DSC and DSO to develop Capability propositions on a market-by-market basis. Specifically, positive progress has been made with industry and MoD to advance a Capability development intervention in the field of Persistent Surveillance.

### Improve Value of Investment

Across the last month, the UKDSC has supported a number of key events.

- Alongside MoD, the UKDSC helped to hold Force Exploration workshops between MoD and industry; the outcome of which is intended to inform SDSR 2020. This was coupled with a workshop on the alignment of horizon scanning techniques and focus areas with MoD Innovation & Research Insight Unit
- UKDSC also held key speaking slots at both the 'UK Space Industry – Exploring opportunities in the supply chain' conference and the Airborne C4ISR and Battlespace Management Conference as a key note on autonomy and big data for defence. Furthermore, UKDSC attended the DPRTE exhibition at Cardiff Motorpoint Arena, hosting a stand in the Innovation area and presenting on its capabilities.
- As part of the ongoing support for the Defence Innovation Initiative, UKDSC attended the launch event of the first innovation challenges and briefing for the Defence and Security Accelerator themed challenge "Revolutionise the Human Information Relationship for Defence". This included a DGP presentation on support to exploitation that included contributions from DUTE also.
- Finally, UKDSC held a workshop to brief DGP Partners about the evolution of the '2020 Vigilance' proposition and the potential for novel collectors. Subsequently, nine companies have expressed an interest in future participation in 2020V; to support the company internal business cases, three 'open days' were held in the MIC when companies were able to assess the underpinning market assessment; initial feedback was very complimentary.



### Value Chain Competitiveness

Over the coming month the Chairmanship of the VCC working stream will pass from Marshall on to Rolls Royce. Over the time that Steve Fitz-Gerald has sponsored this important area for the DGP, we have established burgeoning relationships with ATI, AGP, Innovate UK and Automotive Council among others and have moved defence technology into adjacent sectors (such as Aerospace, Rail and Automotive) through DUTE and matched funding. Through the DUTE program, DGP has funded 5 projects with a cumulative value of £20M through a mixture of government-industry matched funding creating 406 skilled jobs. The VCC's AMSCI co-funded projects have also involved 15 Partners: 2 Universities, 1 Prime, 1 Mid-Tier, 1 RTO and 10SME's in the development of disruptive technologies safeguarding further jobs in the supply chain.

The VCC team has participated in a number of events engaging the SME community and academia and has been active in informing SME Policy Refresh. Going forward Rolls Royce under the leadership of Chris Cholerton and Hamid Mughal will continue the mission of the VCC, ensuring that the UK has access to a world leading Defence value chain, providing market differentiation in terms of innovation, capability, cost, and market access.

## Upcoming Events

- **26<sup>th</sup> April** – UKDSC Liaison Board meeting
- **April** - DSO Symposium with DGP Theme
- **10<sup>th</sup> May** – Phase 3 market analysis decision conference
- **07 July** – Phase 3 market analysis final report
- **12<sup>th</sup> – 15<sup>th</sup> September** – Team UK Stand at DSEi

## Secondment Opportunities

**UKDSC-** (Contact [andrew.radcliffe@ukdsc.org](mailto:andrew.radcliffe@ukdsc.org) for details):

- Director Market Intelligence Cell – required for Mid-September 2017 to end August 2018 (minimum)
- Market Intelligence Leads (x3) – starting April, May and June (each assignment is for 6-12 months); excellent opportunities for those on company graduate schemes or fast-track development programmes
- Strategic Capability Lead Maritime
- Assistant Head of Engagement