



Submarine
Delivery Agency

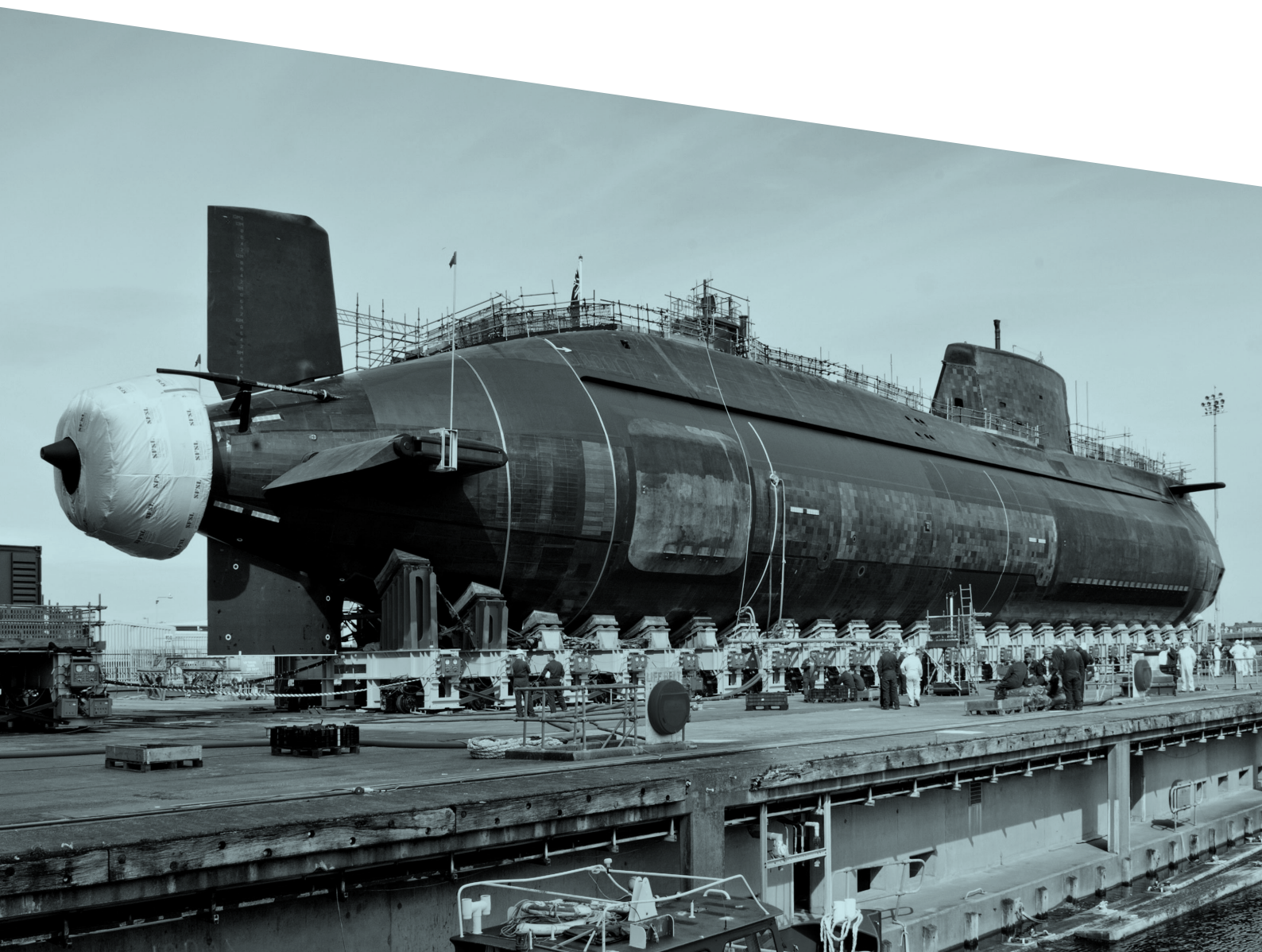
Submarine Delivery Agency
Corporate Plan
2018-2019



April 2018

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1. Foreword

by the Secretary of State for Defence



The 2015 Strategic Defence and Security Review (SDSR) set out the intention to strengthen the procurement and in-service support of nuclear submarines by establishing a new delivery organisation to manage the UK's submarine programmes. Following careful work, the Government has realised this commitment by the establishment of the Submarine Delivery Agency (SDA) as an Executive Agency of the Ministry of Defence (MOD) from 1 April 2018.

The nuclear submarine enterprise is a major national endeavour and the construction of new submarines is among the largest and most complex procurement undertaken by MOD or UK Industry. The Dreadnought programme is estimated to cost £31Bn, a larger investment than Crossrail and while comparable to High Speed 2 a significantly more complex programme. Building on best practice across government and the private sector, the Agency will have the authority and freedom to recruit and retain the best people to deliver the in-service support, procurement and disposal of the UK's submarine fleet, and the tools to help them do the job. The SDA will focus directly on the needs of its customers, the Royal Navy and the Defence Nuclear Organisation, working closely with them to maintain Continuous At Sea Deterrence (CASD), the cornerstone of our security.

This is the first Corporate Plan for the SDA. It covers the 2018/19 financial year and outlines the structure, purpose and strategic objectives for the SDA in its first year of operation. It sets out the intent for developing these, and how we will measure and improve performance in our outputs.

With significant new build work underway as well ensuring the safe operation of the Royal Navy's operational fleet at sea, this is the one of the most exciting times to work in the Submarine Enterprise.

I fully endorse this plan and am absolutely committed to supporting the SDA in its delivery.

Rt Hon Gavin Williamson CBE MP

2. Introduction

by the Chairman and CEO

The creation of the Submarine Delivery Agency is an important moment in the delivery of the nation's nuclear submarine programme. It marks a determination to bring clear drive and focus to the procurement and support of this vital capability, delivering the outputs on which the men and women of the Royal Navy rely and the value-for-money and cost efficiency that taxpayers demand.

We are tremendously proud to lead the SDA at its establishment as an Executive Agency. It already has strong roots, with a workforce of dedicated and passionate people who are extremely knowledgeable and hardworking, with a bedrock of transformation begun by Defence Equipment and Support. We and the SDA Board will work with our people to embed the new tools and ways of working, to bring all the benefits to bear on achieving a step change in the delivery of submarine programmes. We will enhance this by bringing in additional capabilities to the organisation, exercising our freedoms and working closely with MOD to ensure that both the submarine programme and the SDA are resourced to deliver their aims.

This will involve great challenges. The programmes delivered by the SDA are some of the most difficult in the country. The SDA must develop itself at the same time as delivering an extensive and demanding portfolio on which today's security depends, as well as tomorrow's. This will require innovation and resilience and an unerring eye on all the ways to improve the efficiency and effectiveness of our organisation. We will also play our part in the wider Defence picture, contributing to the Modernising Defence Programme in all its areas as well as the Prosperity agenda, the MOD's initiatives on Diversity and Inclusion and DE&S Transformation.

Already highly motivated, we need to become high performing and lead our industry counterparts to become the same.



**Rob Holden,
SDA
Chairman**



**Ian Booth,
SDA CEO**

We look forward to the steps that we will take in this first year of Agency status to embrace those challenges, to become the SDA that the nation requires and our people deserve.

3. Introducing the Submarine Delivery Agency

The SDA is a new Executive Agency of the Ministry of Defence established solely for the procurement, in-service support and disposal of submarines. It operates alongside Defence Equipment and Support to deliver capabilities to the Royal Navy that are essential for our Defence.

Today the SDA numbers some 1300 people, both civilian and military, in professional acquisition functions such as Project Management, Project Controls, Finance, Commercial and Engineering. Our main footprint is in Bristol but we also operate alongside our Royal Navy customer at the waterfront and alongside our key suppliers BAE Systems, Rolls-Royce and Babcock Marine, and in the US working with Department of Defense and US Navy colleagues.

The SDA already has considerable skills and experience in its workforce. Some of the nation's most experienced nuclear experts are among our number, as well as highly experienced project managers. Our people are at the heart of our success, and the SDA will focus on creating the environment and conditions for them to deliver the best possible outcomes for Defence.

As we enter 2018-19 the SDA will strengthen its Executive team to work with Ian Booth to lead the Agency and target its investment in organisational capability to increase its expertise still further, particularly in programme and commercial control. The SDA will build on the DE&S transformation programme to embed best practice and recognised industry standards in organisational and programme management.

The SDA works very closely with its two primary customers, the Defence Nuclear Organisation and Navy Command, in recognition that we are a joint enterprise and we succeed together. All three organisations will work together in 2018-19 to identify how to develop our common goals so we achieve the nation's requirements at best value to the taxpayer.

The SDA is responsible for the procurement and support of some of the most complex equipment in the world. Consequently, safety and security are fundamental to everything we do, ranging from providing equipment and support to the submarine fleet through to the environment in which we operate.



4. Our Vision and Purpose

Our Vision

The United Kingdom's submarine capability is the critical arm of the nation's defence. Our vision is to lead a high-performing, industrial enterprise to deliver this capability safely and securely, and more effectively and cost-efficiently every year.

Our Purpose

The purpose of the SDA is to:

- Programme and support the safety, availability, reliability and security of UK submarines that are in-service in order to maintain the UK submarine capability, including Continuous At Sea Deterrence (CASD);
- Procure and programme the construction of all new UK submarines and, working with the Defence Nuclear Organisation and Navy Command, bring them into service as effectively and efficiently as possible to fulfil their role in maintaining the UK submarine capability;
- Dispose safely of the UK's submarines that are no longer in-service;
- Inform its customers' evaluation of acquisition and support options and deliver the agreed acquisition, support and disposal programmes of its customers as cost-efficiently as possible and within affordability constraints;
- Lead the supply chain: work with industrial and public sector partners to preserve the UK's technology advantage and skills-base, and to ensure submarine manufacturing and maintenance capability is sufficient to support the UK's submarine requirements long term; and,
- Support and fulfil the relevant roles in international partnerships, including the 1958 Mutual Defence Agreement and the Polaris Sales Agreement.



5. Our Strategic Objectives

To realise our vision and purpose the SDA has the following strategic objectives in the areas of acquisition, in-service support, supply chain and transforming our organisation. As we go through 2018-19 these will be developed further into a strategy that will set the future direction and development of the SDA.

Acquisition

We will deliver new platforms and products into service on time, within budget and affordability constraints while improving cost-efficiency, as agreed in our customers' programmes. We will achieve this by:

- Exploiting the SDA's dedicated focus on the submarine enterprise to drive week in-week out delivery on schedule and achieving the target metrics and KPIs agreed with our customers;
- Agreeing a stable, affordable and credible long-term programme;
- Get more effective and efficient year on year through improved decision making and better understanding our customers and suppliers;
- Becoming a more effective supplier to our prime contractors where we are responsible for the provision of Government Furnished Information and Equipment; and
- Incorporating other best practice from the private sector in cost efficient management of logistics, maintenance, and life extension of the asset base.

In-Service Support

We will maintain in-service platforms such that availability is sufficiently high and reliable to meet operational demands. We will ensure the SDA supports Continuous At Sea Deterrence and the required SSN availability to meet Defence Plan requirements. We will achieve this by:

- Working alongside Navy Command to deliver the Continuous At Sea Deterrent (CASD) on patrol;
- Focussing on agreeing funding for and delivering the Submarine Availability Improvement Campaign;
- Reviewing with our customers and improving the accuracy, quality and efficacy of the information we exchange with them to support decision-making and oversight of programmes; and
- Identifying where our customers' confidence in programme forecasts and analysis of options can be improved, developing proposals to improve their dependability.

Supply Chain

We will promote development of industry and the supply chain to maximum effect in achieving cost-efficient delivery for the SDA's customers. We will achieve this by:

- Understanding the supplier base, market capabilities, fragilities and supplier business models to obtain better efficiency from suppliers in their delivery;
- Leading on mapping the supply chain and promoting joint planning amongst our Tier 1 suppliers and implementing shared incentives where this drives value for money;
- Identifying and importing fresh talent and best practice in supply chain management from recent major projects that have been successfully delivered by the UK public sector and by the private sector; and
- Investing in capabilities through robust commercial agreements with industry and agreeing simplified and standardised processes and contracts.

Developing the SDA

We will develop the SDA as a high performing Executive Agency that is an exciting and rewarding place to work. We will have a motivated workforce equipped to do their job, assigned to the right roles in a world class delivery organisation, able to manage all activities safely and securely and improve performance. We will achieve this by:

- Understanding the SDA's core values and living them daily;
- Focussing on capability and outcomes, empowering our people and operating a balanced matrix based on function management;
- Embedding a culture that achieves continuous improvement in safety and security through a robust and consistent application of processes and development of lessons learned;
- Strengthening project and commercial controls, using best practice Project, Programme and Portfolio (P3M) tools and techniques and sustaining these across all areas of the organisation;
- Ensuring delegations and authorities are established rapidly and clearly to enable prompt decision-making in response to programme issues; and
- Identifying skills gaps and prioritising effectively, using the SDA's authority and freedom to recruit and retain the best people to enhance the organisation's competences and capability.
- Develop a coherent long-term strategy for managing the submarine enterprise decommissioning requirements.



6. How We Are Governed

The SDA is governed by the SDA Board chaired by Rob Holden, which operates under the provisions of a Framework Document approved by Ministers. Accountability for SDA activities rests with Ian Booth, SDA CEO.

The SDA Board

Under the provisions of the Framework Document, the Board has the following membership:

- The Chair, who is responsible for leading the Board and ensuring it effectively discharges its role;
- A maximum of three Government non-executive directors (NEDs);
- At least three independent NEDs appointed from outside Government;
- The SDA Chief Executive and CFO;
- Additional executives as deemed necessary by the Chair, subject to maintaining a majority of NEDs on the Board.

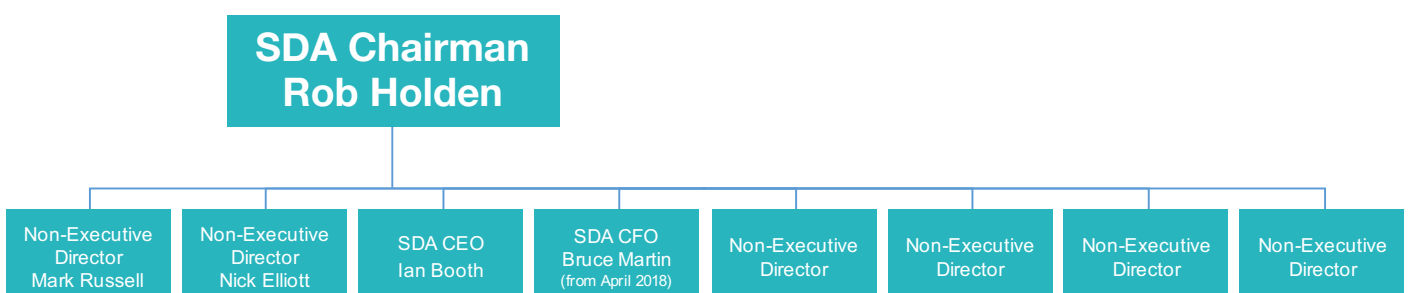
The Framework Document

The Framework Document sets out the Defence Secretary's requirements from the SDA and its Board. It provides the SDA with authority to pursue its strategy as articulated in this Corporate Plan and the freedoms to execute its business effectively. It also specifies the governance arrangements for the Board and its Chair.

The principal roles of the SDA Board are to:

- Endorse the SDA strategy and ensure that strategy is reflected in the SDA's Corporate and Business Plans;
- Monitor and assess the SDA's performance against its KPIs as agreed with the Departmental Sponsor;
- Provide advice and insight, challenge and support to the SDA Chief Executive and the senior executive team and hold them to account for delivery of the SDA strategy, the submarine in-service support and acquisition programmes and the SDA's financial performance; and
- Oversee the financial and operating controls in the SDA and its programmes, ensuring they are in compliance with the delegations afforded to the SDA and its Chief Executive.

The Board has a critical role in assuring itself that the SDA is compliant with safety and security regulations and that the SDA has sufficient competence and experience to conduct its nuclear-related support activities.



Departmental Sponsor

The Director Resources and Policy, Nuclear, acts as the Departmental Sponsor for the SDA. In that role they discharge the following oversight functions:

- Produces the SDA Framework Document, which sets out what the Defence Secretary requires from the SDA and its Board in terms of governance and focus, and provides the SDA and its Board with the freedoms to achieve these requirements;
- Monitors the performance of the SDA against its Corporate Key Performance Indicators (KPIs) including at the SDA Sponsor Review Meeting;
- Engages with the SDA Board on overall SDA performance; and
- Assists the SDA in its corporate planning process by providing information about likely policy developments or other changes that could impact on the SDA.

As the SDA is brigaded under the Defence Nuclear Organisation Top Level Budget area of the Ministry of Defence, the CEO receives his delegations and Operating Expenditure budget from Director General Nuclear.

The SDA Senior Leadership Team

The SDA is led by Ian Booth, as SDA Chief Executive Officer. He is supported in programme delivery by Rear Admiral Paul Methven, as Director Submarines Acquisition (DSMA), and Rear Admiral Keith Beckett, as Director Submarines Support (DSMS) and Chief Strategic Systems Executive (CSSE).

Director Submarines Acquisition is responsible for the delivery and future in-service support of the Dreadnought SSBN Submarine Programme, the Astute Class SSN Programme and the Maritime Underwater Future Capability (MUFC). He also leads the relationship with BAE Systems Submarines.

Director Submarines Support/CSSE is responsible for in-service submarines, including ensuring delivery of the ballistic missile submarines (SSBNs) in support of Continuous At Sea Deterrence on an enduring basis, and delivery of Attack submarines. He leads the relationships with Babcock for the Maritime Support Delivery Framework (MSDF) and submarine support, and Rolls-Royce Submarines for nuclear propulsion.

CSSE is the UK Project Officer under the Polaris Sales Agreement between the UK and the US.

During 2018, the Senior Leadership Team will be expanded to incorporate additional key roles which are required in support of the SDA as an Executive Agency.

7. How We Deliver

Working with Our Customers

The SDA works closely with its customers, the Defence Nuclear Organisation and Navy Command, to deliver their materiel requirements. These are laid out in Submarine Acquisition and Support Plans (SASPs) which will formally be agreed at the start of each financial year. Once in place, the Chief Executive will be accountable to the SDA's customers for the delivery of outputs in the SASPs. In turn, the Defence Nuclear Organisation and Navy Command will ensure that they provide the funding and resources and undertake the activities specified in the SASPs to ensure that the outputs can be delivered.

The SDA's principal priority with Navy Command is the maintenance of the UK's submarine capability, including Continuous At Sea Deterrence.

Our Workforce

The SDA comprises a highly-skilled workforce of approximately 1,300 people, both military personnel and civilians, working in a variety of locations across the UK and with the UK's allies overseas.

As well as professional acquisition skills, our workforce contains highly specialised engineers and maritime experienced professionals. We have a significant proportion of the Department's Nuclear skilled professionals, and we work closely with Royal Navy colleagues and partners across Government and industry to sustain this vital expertise and experience.



Defence Nuclear
Organisation





Working with Industry

The SDSR committed to:

“intensify efforts, with our industrial partners, to improve performance, including through sustained investment in skills and infrastructure”¹.

We work with industry and the supply chain to ensure that this is achieved, operating collaboratively with SDA suppliers - both our Tier One suppliers and small and medium enterprises (SMEs) - to deliver value for money for the taxpayer and deepen the capability base within the UK. This will support longer-term SDA activities and the maintenance of the UK’s critical sovereign capability.

In particular, we will build on the Submarine Enterprise Performance Programme and continue our work with suppliers to design effective systems to measure

project performance and progress and to improve cost efficiency and productivity. The SDA will continue programmes to make more of the opportunities offered by emerging technologies. It will adopt more of the innovation and development seen in other sectors to reduce cost in response to recent inflationary pressures and to maximise the useful life of operating assets while maintaining safe and efficient operation.

¹ “National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous UK”, November 2015, P36.

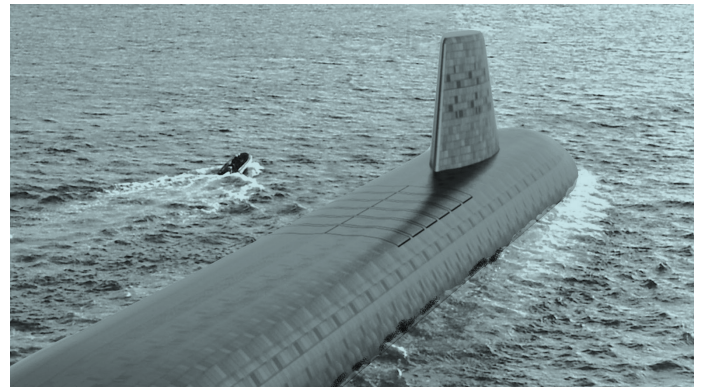
8. What we deliver

The SDA is responsible for the procurement and in-service support of all Royal Navy submarines, including support to the critical strategic mission of Continuous At Sea Deterrence. Building future capability and the continued support of the in-service Trafalgar, Astute and Vanguard-classes of submarine is vital to the ability of the Royal Navy to meet its Defence commitments.

Acquisition Activity

Acquisition is a growing business. As the Dreadnought Class has entered build, the UK is now manufacturing two classes of submarine simultaneously for the first time since the 1990s. Major SDA projects include:

- Astute - The Astute-class are the largest, most advanced and most powerful attack submarines ever operated by the Royal Navy, combining world leading sensors, design and weaponry in a versatile vessel. The Astute class submarines are being built for the Royal Navy by BAE Systems at Barrow-in-Furness, and are currently replacing the Trafalgar Class submarines. Navy Command² has accepted the first three³ vessels in this class, with the fourth AUDACIOUS launched on 28th April 2017. The remaining vessels⁴ are under various stages construction.
- Dreadnought - In March 2007, Parliament voted to renew the UK's strategic nuclear deterrent, replacing the four Vanguard Class ballistic missile submarines. The first of the four new SSBNs, which will carry our Trident nuclear missiles, is due to be delivered into service in the early 2030s through improved collaborative working arrangements between the MOD and the three Tier 1 industry partners in particular: BAE Systems and Rolls-Royce. Manufacture of the first of class boat began in 2016 and with Her Majesty the Queen's consent, will carry the name DREADNOUGHT. An update to Parliament was given in 2017 detailing the progress made on the Dreadnought submarine programme⁵. The Dreadnought programme has an estimated cost (inclusive of inflation and excluding contingency) of £31Bn over the life of the programme, with the first of class expected to enter service in the early 2030s.
- Next Generation Nuclear Propulsion Plant (NGNPP) – Manufacture of the Nuclear Steam Raising Plant (PWR3) for Dreadnought has commenced. The PWR3 reactor will deliver improvements in terms of safety, integrity and availability, while at the same time reducing the through-life costs.



² Navy Command is responsible for operating all Royal Navy vessels.

³ HMS ASTUTE (the first of class), HMS AMBUSH, and HMS ARTFUL.

⁴ HMS ANSON and HMS AGAMEMNON and the seventh, as yet un-named boat

⁵ The United Kingdom's Future Nuclear Deterrent: The Dreadnought Programme 2017 Update to Parliament

In-Service Support Activity

In parallel to the acquisition of future capability the SDA provides support to submarines in-service with the Royal Navy. We provide engineering support to the platforms which ensures that the submarines remain safe to operate and, ultimately, around the dismantling and disposal of submarines. Key highlights include:

- In 2017, HMS TRENCHANT returned to sea following a complex and lengthy maintenance period.
- HMS VANGUARD is undergoing a comprehensive overhaul and refit due for completion in 2019. The contract, managed and delivered by Babcock International, is worth around £200M and the largest single submarine refit package ever carried out in the UK.
- A Submarine Availability Improvement (SAI) programme has been developed to improve our support to achieve highly capable submarines at readiness. It will define and implement a balanced programme of acceleration that meets availability requirements, with an optimum, sustainable mix of MOD and Industry skills.
- A Combat Systems Group provides a range of support delivered by BAE Systems and Babcock International to provide an affordable, common and sustainable submarine combat system – minimising whole life cost across the enterprise while meeting availability and capability targets and safety responsibilities.
- The Nuclear Propulsion Project Team works collaboratively with our Industry Partners: Rolls-Royce Submarines, Wood and Babcock Marine, to support the Naval Reactor Plant (NRP) throughout its life cycle from design to the decommissioning of prototype test facilities.



Annex A – Key Performance Indicators

a. Corporate Performance:

Assessing the SDA's management and delivery of its Corporate Performance. Sub-metrics within this KPI will include ensuring the SDA has the right people with the right skills and focusses on the SDA successfully delivering a more realistic financial forecasting accuracy and stability.

b. Acquisition Programme Performance:

Performance against the acquisition programme to give an overview of our confidence in the programme. Assessed against delivery of strategic milestones, on time and to cost. This KPI will provide an overview of the health of the acquisition system.

c. In Service Support:

Performance against the in-service support programme to give an overview of our confidence in the programme. This KPI will provide an overview of the health of the in-service programme.

d. Industrial Relations and Supply Chain:

Reviewing the SDA's relationship with industry and the supply chain to achieve cost-efficient delivery for the SDA's customers, as well as protecting our ability to deliver underwater capability in the future.

e. Safety and Security:

To check that the SDA is embedding a culture that achieves continuous improvement in safety and security through a robust and consistent application of processes and development of lessons learned.

Annex B – Glossary of Terms

Acronym

Definition

DE&S	Defence Equipment & Support
DG Nuclear	Director General Nuclear
MOD	Ministry of Defence
DNO	Defence Nuclear Organisation
CEO	Chief Executive Officer
SASPs	Submarine Acquisition Support Plans
CASD	Continuous At Sea Deterrence
SMEs	Small And Medium Sized Enterprises
CADMID	Concept Assessment Development Manufacturing In-Service Disposal
US	United States
KPIs	Key Performance Indicators
UK	United Kingdom
CFO	Chief Financial Officer
NEDs	Non-Executive Directors
DSMA	Director Submarine Acquisition
DSMS	Director Submarine Support
CSSE	Chief Strategic Systems Executive
BAES	BAE Systems Submarines
SSBNs	Ship Submersible Ballistic Nuclear (Trident Submarines)
SSNs	Ship Submersible Nuclear (Attack Submarines)
MSDF	Maritime Support Delivery Framework
PSS	Private Sector Support

