



Annual Report and Accounts 2020-21

Submarine Delivery Agency

Annual Report and Accounts

2020-21

For the period 1 April 2020 to
31 March 2021

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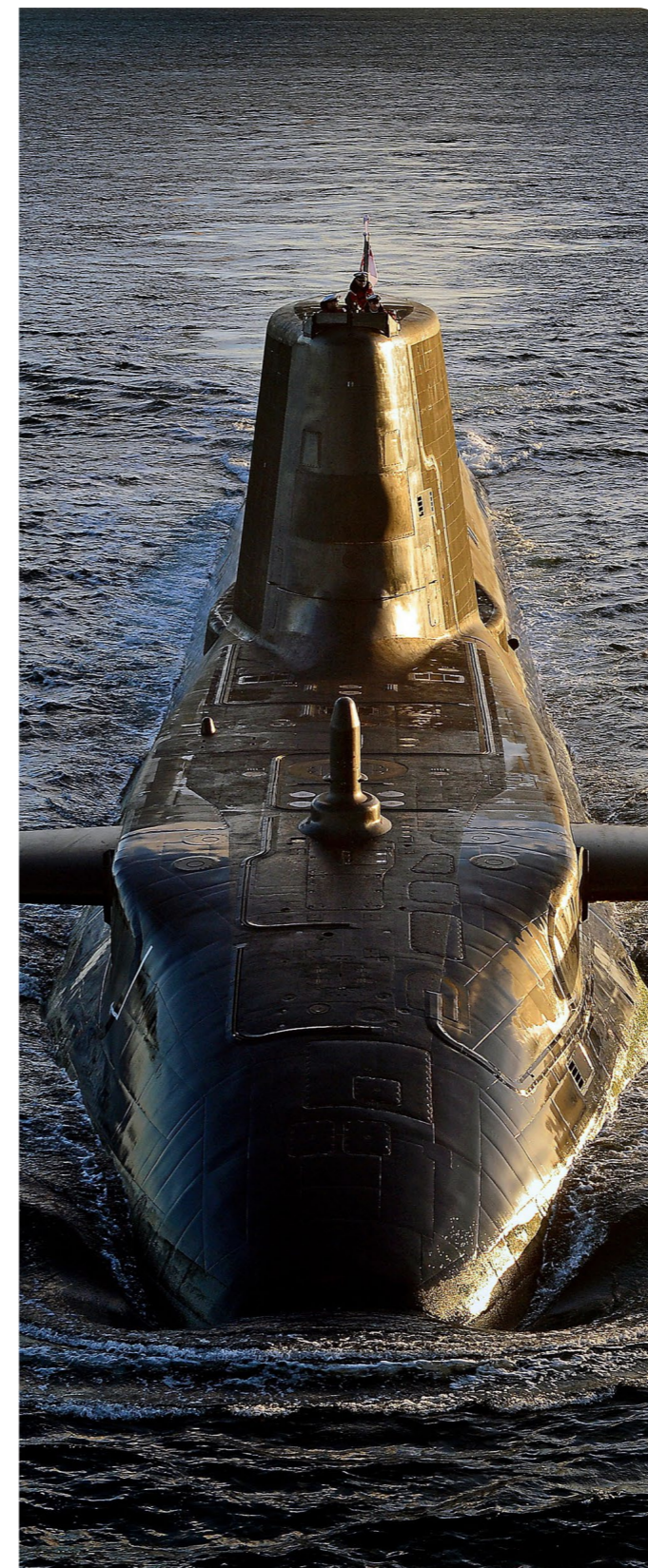
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2020-21 Highlights



In-Service Support

We sustained the availability of in-service submarines to meet the operational needs of the Royal Navy through work aimed at increasing capacity and productivity at the waterfront and initiatives to enhance reliability and contingent support.

We have maintained steady progress with our work to dispose of submarines decommissioned from Royal Navy service and have matured the arrangements for the decommissioning and disposal of further boats. A significant achievement has been our progress, which remains on track, to remove low-level waste from the third decommissioned submarine, REVENGE, with all work being conducted safely and securely during COVID-19 working restrictions.



Acquisition

The Astute submarine programme has achieved several important milestones. In April 2020, HMS AUDACIOUS left the BAE Systems (BAES) shipyard in Barrow-in-Furness for her new home at Her Majesty's Naval Base Clyde and the naming of ANSON (Boat 5), the Fifth in Class, took place on 11 December 2020.

Despite the impact of COVID-19, the Dreadnought submarine programme has continued to deliver key milestones and remains on track for the first Boat to enter service in the early 2030s. Contractual commitments have continued throughout the year to sustain the momentum on the design and build process.

The Maritime Underwater Future Capability (MUFC) programme, entered the Programme Definition and Design (PDD) phase in April 2020. Subsequent work has focused on maturing a range of potential capability delivery options and delivery arrangements, including a crewed nuclear-powered submarine (known as the Submersible Ship Nuclear (Replacement) (SSN(R)) and autonomous vehicles to inform a future capability decision.



Developing the SDA

We have worked hard to understand the impact of COVID-19 on our programmes and have been working collaboratively with colleagues in the wider Ministry of Defence (MOD) and across government to ensure we are playing our part in recovery efforts.

After swiftly adapting to the significant increase in remote working, we supported our people with virtual events, regular leadership messages and additional use of our intranet portals to sustain engagement and provide ways of working and health and wellbeing advice.



Supply Chain

We developed leading Supplier Intelligence and Supplier Management capabilities that have enabled us to improve supply chain resilience through COVID-19 and EU exit. Through our mapping activity, collaboration with our Prime Contractors (BAES, Babcock Marine and Rolls-Royce) and work with the supply chain, we have reduced risks, aligned priorities and standardised our approaches, as well as providing advice and guidance across government.

We have worked closely with MOD and cross-government colleagues to support the generation of the Defence and Security Industrial Strategy (DSIS), setting out how defence will work collaboratively across the nuclear industry to optimise the Defence Nuclear Enterprise for the future. This will ensure that the United Kingdom (UK) retains and develops its world-leading skills through a wide range of companies.

Chair's Introduction

by Jonathan Simcock, SDA Interim Chair



This Annual Report and Accounts covers the third year of operation for the Submarine Delivery Agency (SDA), following our establishment as an Executive Agency of the MOD in April 2018.

The report focuses on performance during financial year 2020-21, which was overseen by Rob Holden as Chair of the Board. I took over from Rob as SDA Interim Chair in September 2021, and as with all organisations, that twelve month period was an extraordinary year, in which we had to understand and move quickly to manage the continued impact of Coronavirus (COVID-19) across our activities to design, build and support submarines. Many office functions can be delivered remotely but not all; clearly the actual build and maintenance activities

of our industry partners must be delivered on site, sometimes in conditions that make distancing challenging. Throughout the period, our absolute priority has been the health, safety and wellbeing of the Submarine Enterprise's workforce and local community. The SDA moved immediately to set clear priorities for outputs and to ensure the Enterprise had the equipment and processes it needed to work safely, and over financial year 2020-21 we minimised impacts to the greatest extent possible.

As a result, even in the light of COVID-19 we provided available and capable submarines to maintain the United Kingdom's (UK) Continuous at Sea Deterrent (CASD) and supported the Royal Navy in delivering its vital national security role. We delivered Boat 4 of the Astute Class, HMS AUDACIOUS, to the Royal Navy allowing commencement of sea trials, and we prepared Boat 5, ANSON, for launch at the Barrow-in-Furness shipyard. We have maintained steady progress in the dismantling of decommissioned submarines, and we have made excellent progress removing low-level radioactive waste from the third decommissioned submarine, REVENGE, and we improved the delivery of Base Maintenance Programmes at Her Majesty's Naval Base Clyde, thereby ensuring Royal Navy submarines could meet their operational programmes.

We have also continued to evolve as an agency. COVID-19 has moved us on greatly in our understanding of how to work outside the office and we are combining this with strategic change workstreams to improve business effectiveness. We are focused on simplifying our ways of working, including how we manage change and, importantly

we remain committed to engaging all of our people in developing our culture. We are taking all these factors into the new hybrid working pattern we are adopting, and our efforts to ensure the agency is lean and focused as it settles into its operating model for the long term.

During this period there have been changes to the Executive team. Dr Tim Sheldon replaced Rear Admiral Paul Methven as Director Submarine Acquisition following a competition, and our Commercial Director, Ruth Todd, was deployed early in the financial year to the Vaccines Taskforce Programme in the Department for Business, Energy and Industrial Strategy. Jim Carter (our Commercial Director) worked with us in the meantime and was confirmed as Ruth's permanent replacement in September 2021. Both bring significant expertise and will further strengthen leadership of our people and our programmes.

Since Rob Holden's departure as SDA Chair at the end of August 2021, I have led the SDA Board in its strategic oversight and governance of the agency. We have reviewed the corporate performance of the SDA, the progress of programmes, held engagement sessions with industry, supported the Executive team with various reviews, provided guidance and engaged in Performance and Risk Reviews with MOD Head Office. The SDA is now well-established in delivering its core business and improving the rigour with which this is undertaken every year. In 2019 we commemorated 50

years of CASD with the Royal Navy and through management of the Vanguard and Dreadnought programmes, the SDA helps ensure the UK continues this fundamental mission. Much remains to be done – we operate in a very challenging area, delivering some of the most complex programmes in the country with inherent technical and other risks. But across the business we have dedicated and hardworking people, working closely with colleagues across the Defence Nuclear Enterprise to deliver to our customers. I remain impressed by their commitment, drive and capability, which are strong foundations for the future.

Finally, I would like to offer our sincere thanks to Rob Holden, as after over four years in post, he has stepped down as Chair of the SDA. Under his stewardship, the SDA developed from a proposal in the 2015 Strategic Defence and Security Review to a fully established delivery Agency that makes a critical contribution to the provision of the nuclear deterrent. Rob established a strong, knowledgeable, and well-respected Board during his time in role and provided important leadership and guidance to the work of the SDA. Furthermore, there is no doubt that his expertise, guidance and leadership helped to ensure that in the 2021-22 reporting period, we are on firm footing to build on another year of solid progress and continue our efforts to deliver a world-class service for defence.

Jonathan Simcock
SDA Interim Chair

SECTION ONE

Performance Report



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Performance Overview

The aim of the overview section is to provide information on our organisation: our purpose and how we have performed during financial year 2020-21.

Chief Executive Officer's Statement

by Ian Booth, Chief Executive Officer and Accounting Officer

Since 2018, when the SDA stood up as an Executive Agency of the MOD, we have worked closely with the Defence Nuclear Organisation (DNO) and Navy Command Headquarters (NCHQ) as the core of the Defence Nuclear Enterprise (DNE), to deliver the UK's strategic deterrent. In our third year of operation, we continued with our programme of work to lead a high-performing industrial enterprise to deliver the UK submarine capabilities safely, securely, more effectively and cost efficiently.

This was of course a difficult time with the ongoing COVID-19 pandemic, which undoubtedly impacted our programmes, and a priority has been to fully understand the resultant effects. We continued to deliver our core outputs throughout the year and we settled into ways of working that aligned with government guidelines to provide a safe and secure environment for our people and industrial colleagues, regardless of whether they were undertaking critical activities on site or working remotely at home. We swiftly adapted to the significant increase in remote working, with virtual events, weekly leadership messages and additional use of our intranet to support our people and keep us connected. Our focus has been to sustain delivery as much as practicable, and the SDA response, and that of our industry partners, has been well regarded. Although we did see an initial slow-down in some projects due to the reduced numbers able to work at our sites, we continued to review and assess the impact of the pandemic and identify where we needed to push hard to recover in the years ahead. Our customers are counting on us to do everything we can to deliver



our programmes at pace and already, new ways of working discovered during the lockdown periods, are being built into standard activities and industrial productivity plans.

In March 2021, the government published its [Integrated Review of Security Development and Foreign Policy](#), which made it clear that the UK will maintain and develop an independent nuclear deterrent to counter the most extreme threats to our national security and way of life. The role of the SDA, therefore, remains important in supporting the delivery of this critical aspect of our nation's defence and this report highlights how we are responsible for some of the most challenging programmes in the UK. Leading projects across

the submarine capability life-cycle, from concept to decommissioning and disposal, we are supporting 3 Classes of submarines in-service with the Royal Navy (Vanguard, Trafalgar and Astute Classes) and are preparing for the future through the Astute and Dreadnought programmes and Submersible Ship Nuclear (Replacement) (SSN(R)) programme. Overall, we have made steady progress against all areas of the business.

Financial year 2020-21 saw a number of notable achievements, including making progress with our work to improve submarine availability with greater capacity and productivity at the waterfront, and initiatives to enhance reliability and contingent support. This is to be commended recognising that, at the same time, we needed to work closely with Navy Command to ensure that our maintenance and support activities best fitted the current and future operational requirements, especially as resourcing levels and programme timescales across the Enterprise were heavily affected by COVID-19. We remain committed to working closely with industry partners to safely deliver submarine support work, including our major planned maintenance projects, and we continue to employ robust programme management techniques to deliver HMS VANGUARD's planned period of deep maintenance and refuel work. We have also successfully continued with our activity to dispose

of submarines now decommissioned from Royal Navy service and set in hand arrangements for further boats.

Within our acquisition programmes, HMS AUDACIOUS left the BAE Systems (BAES) shipyard in Barrow-in-Furness to settle into her new home at Her Majesty's Naval Base (HMNB) Clyde and the fifth of the Astute Class submarines was named ANSON before commencing preparations for her launch in April 2021. We have also worked hard, with other members of the Dreadnought Alliance (BAES and Rolls-Royce), to ensure that the Dreadnought submarine programme remains on track for the First of Class, HMS DREADNOUGHT, to enter service in the early 2030s. Furthermore, we have supported our US colleagues in working with their US and UK suppliers to ensure future missile tube deliveries continue in a timely manner to support the Dreadnought programme.

In financial year 2019-20, the National Audit Office produced a report outlining challenges around Defence Nuclear Infrastructure. Since then we have worked diligently to make improvements. We have developed a defence leading supply chain capability, mapping and managing supply chain risk and performance through both the EU Exit activities and the ongoing COVID-19 pandemic. The data produced from this work has enabled us

to create insight into areas of the business with potential risk and allowed us to proactively and collaboratively manage that risk with our Prime Suppliers. Importantly, we have produced joint strategy agreements with our Prime Contractors, vital for shared delivery of a range of performance improvement workstreams.

Feedback, through the annual SDA People Survey, our 'SDA 21' change programme and team discussions have helped us establish where additional improvements can be made to our agency. Through our change activities and our proactive approach to continuous improvement, we are maturing our culture, simplifying our ways of working, and enhancing the training we offer to our people. We also continue our efforts to ensure we are resourced appropriately for what we need to deliver. A significant positive step this year is that our activities are now supported by the SDA Code which sets out our values and behaviours.

Overall, we have made excellent progress throughout the period of this report, and I am proud that our people have adapted so well to the COVID-19 pandemic, which has changed the way we and our supply chain are working, in many cases for the better. With high levels of technical complexity across all our programmes, issues have and will continue to emerge, but events over the last financial year have shown how the SDA, together with colleagues across the DNE, can work together to respond to the challenges faced. We must remain focused on achieving our vision and supporting our people, whilst ensuring that the SDA continues to help play its part in delivering the UK's strategic deterrent.



Ian Booth
Accounting Officer
21 January 2022

Chief Finance Officer's Report

by Bruce Martin, Chief Finance Officer



which, given the backdrop and uncertainty created by the ongoing COVID-19 pandemic is a significant achievement. Organisationally we have responded well to the challenges COVID-19 has presented and through the strong collaborative efforts of ourselves, our customers and our industry partners, we have maintained delivery of our outputs. Our monthly Performance Committee has enabled us to ensure programme delivery remains aligned, providing the opportunity for regular and open review of progress with our stakeholders whilst allowing early intervention to resolve emerging issues.

Equipment plan

During the last financial year, we have focused on ensuring we optimise the use of resources across the agency, working closely with our customers to prioritise our efforts in a way that maximises delivery for Defence. This has been an essential element of both our delivery and financial success, noting the global challenges of COVID-19. We manage Operating Cost and Equipment Plan monies delegated to us by our Top Level Budget (TLB) holder, the DNO, and have maintained our forecasting accuracy.

This year our overall spend, which we manage on behalf of our customers, out-turned at £3,669m, a significant step up (11%) as the scope of our work, as part of the overall defence equipment plan has increased and we continue to maintain the momentum of the programmes to support delivery on cost and to time. The expenditure was split between our primary customers the DNO and NCHQ.

2020-21 is our third year of operation as an agency during which we have continued to build on the progress made in previous years, whilst ensuring our primary focus remains on improving delivery to our customers. Alongside this we have sustained improvement of our internal processes and controls to enable the successful delivery of our programmes, whilst ensuring we identify and exploit opportunities to improve the efficiency and effectiveness of the organisation and deliver best value for money for the taxpayer.

Overall performance against our measures of corporate performance (our key performance indicators (KPIs)) has continued to be positive

Operating costs

Our expenditure in-year was £219m, a small increase on last year, as we continue to grow the organisation to support a programme that is increasing in scale and complexity whilst also developing a resilient and appropriately skilled workforce to ensure a sustainable organisation for the future.

Linked to this has been our sustained focus on the recruitment and development of the essential skills we need, through recruiting talented and experienced individuals, and importantly, investing in graduates and apprentices alongside more junior staff to grow our capabilities for the future. During the past year we have focused on developing and managing our professional skills base (Engineering, Finance, Commercial, Project Management/ Controls, Logistics, Information Management & Technology, HR and Corporate Services), increasing our understanding of our future requirements, which will enable us to optimise our long term workforce planning and deliver the right skills, in the right place, at the right time.

The challenging recruitment landscape in the past year has necessitated the use of temporary staff, to augment our workforce and provide the additional capacity and capability needed to ensure we successfully delivered our outputs combined with Private Sector Support (PSS) for task-based requirements. However, it remains our intention to continue to reduce our use of Workforce Substitutes and PSS in the coming years, with the optimisation of our resources and processes through our change activities.

Outlook

Looking at 2021-22, our focus remains on the delivery of a growing number of complex programmes, delivering the outcomes of the Integrated Review and ensuring we make progress across all aspects of our portfolio, from submarine design and build through to disposal. This will require investment in the critical enabling activities that underpin our work areas to enable successful delivery now and in the future.

Alongside delivering the Equipment Plan, our change work will be an important focus for the coming year as we maintain our work to improve the way we support our customers and ensure the efficiency and effectiveness of the agency. Having managed the challenges of homeworking in the past year, 2021-22 provides a real opportunity to fundamentally review how we operate, where we work from, and how we exploit some of the benefits we have seen over the past year. Restrictions allowing, we will move to more hybrid working arrangements, which will provide more flexibility for our people whilst balancing the security risks that remote working potentially creates.

In addition to these key areas of focus we will be:

- continuing to manage the impact of COVID-19 working with our customers and suppliers to maintain productivity, mitigate supply chain risk and protect delivery of our programmes
- maturing and expanding our data analytics, enabling us to optimise support, and prioritise the utilisation of resources to improve submarine availability
- ensuring the outcomes of the Integrated Review and Spending Review are delivered as intended

- continuing to grow our capacity and capability, through recruitment and developing and professionalising our workforce across all specialisms, and establishing a Strategic Workforce Plan that shapes our approach for the future
- ensuring we form an inclusive agency, with an organisational culture that will enable us to attract and retain a diverse workforce where we encourage challenge, and support and reward innovation
- increasing the integration of business and finance information, through the exploitation of new systems, tools and processes, to improve both short and long-term decision making.

In our third year of operation we have seen further progress and consolidation of prior improvements, with delivery continuing to accelerate alongside the development and maturing of the agency. The increased certainty around future funding, following the recent Integrated Review and Spending Review, provides an excellent foundation on which to build and deliver for the future and, whilst the uncertainty caused by the pandemic undoubtedly adds additional complexity, the exceptional response we saw across the DNE during the past year gives me confidence we can respond equally well to challenges in the future.

About the SDA

Defence Purpose

To protect the people of the United Kingdom, prevent conflict, and be ready to fight our enemies. We are prepared for the present and fit for the future.

SDA Vision

Our vision is to lead a high-performing industrial enterprise to deliver submarine capability safely, and securely and more effectively every year.

SDA Purpose

In supporting the MOD to meet its overall purpose, the SDA has key areas of delivery. This is set out in our purpose which is to:

- maintain CASD by safely delivering available, capable and reliable in-service submarines and systems
- lead the design and construction of all new UK submarines and, working with our customers and suppliers, bring them into service as effectively and efficiently as possible
- manage the delivery of the nuclear infrastructure needed to support the submarine fleet, including maintenance operations and new construction
- safely dispose of the UK's submarines that are no longer in-service
- ensure that we retain and develop the submarine technology base such that it meets our future requirements and retains our capability advantage
- support and fulfil our roles in international partnerships

- develop a sustainable industrial base for the Submarine Enterprise that is able to support all requirements efficiently, sustainably, safely and securely.

We will deliver value for money across all our programmes through achieving an optimal balance of time, quality, safety and cost.

Who We Are and What We Do

The SDA is an Executive Agency of the MOD. We were established in April 2018 with the intent to strengthen the procurement, in-service support and disposal of the UK's nuclear submarine programmes, which are some of the most complex programmes in the world. Working together with our 2 primary customers the DNO and NCHQ ensures we deliver our common goals and meet the nation's defence and security requirements. With our customers, we form the core of the DNE, which is made up of programmes, equipment and people, within the MOD and Industry, that all work together to design, produce and maintain submarines and nuclear warheads. Additionally, they ensure the right estate, people and support are in place for the success of the enterprise, enabling it to deliver the UK's strategic deterrent.

The SDA has some of the nation's most experienced defence nuclear experts in our workforce, as well as highly professional and experienced civilian and military personnel across a range of functions such as engineering, project management, project controls, finance and commercial. We are continually growing this capability by improving and developing our skills in these areas. We deliver assured capabilities to



the Royal Navy that are essential to the delivery of CASD. Our people are at the heart of our success and we focus on creating the environment and conditions to enable them to deliver the best outcomes for defence. We also work alongside Defence Equipment & Support (DE&S), which provides some of the equipment on which submarines depend.

As a delivery organisation for defence, our focus is on operations alongside our Royal Navy customer at Her Majesty's Naval Bases (HMNB) Clyde and Devonport, and with our key suppliers BAES, Rolls-Royce and Babcock Marine across the UK. Most of our workforce is located at Bristol, from which it supports the work undertaken at other defence and industry sites. In the US we work with our colleagues in the Department of Defense.

What We Deliver

To achieve our vision and purpose, on behalf of our primary customers, the DNO and NCHQ, we undertake a range of acquisition, in-service support, infrastructure, disposal and business programmes of work. Our actions are vital to the Royal Navy's ability to meet their defence commitments. Further information on how we deliver our purpose is provided in our [Corporate Plan \(2020-2023\)](#).

Our Values

In 2020-21, we launched the SDA Code which brings together our purpose, values and behaviours. We remain committed to developing the SDA to be a high-performing organisation that is an exciting and rewarding place to work. We have immense pride in ensuring that all our people – regardless of job, grade or function – role model behaviours that support our strong diversity

and inclusion (D&I) ethos. This means that we understand our core values and aim to live these daily. These are:

- when we support
→ we are committed, inclusive and thrive on teamwork
- when we deliver
→ we are accountable, open and sincere in all that we do
- we aspire
→ we are ambitious, trustworthy and proud of what we achieve together.

The SDA Code helps our people, our industry partners, and those considering working in the SDA to understand our values and ways of working. It also ensures that our people can see how our values support and link to the Civil Service values and standard of behaviour as set out in the Civil Service Code¹.

SDA Structure

Our Corporate Framework

As an Executive Agency, the SDA is part of the of the DNO as a Top-Level Budget area of the MOD and our Chief Executive Officer (CEO) receives their delegations and operating expenditure (OpEx) from the Director General Nuclear. Director Strategy and Policy in the DNO acts as the Departmental Sponsor for the SDA and engages on our business performance.

Our programme of work is agreed and set out in Submarine Acquisition and Support Plans (SASPs), which are our formal agreements with each of our customers. These capture the equipment, support and services that we will acquire on our customers' behalf, for what budget and to what timescale, and

describe the outputs against which our teams will deliver. Our Sponsor monitors our delivery progress, and primarily measures our performance using our KPIs which underpin our purpose.

The financial statements at Section 3 have been prepared in accordance with the accounting boundary agreed with the MOD, which delineates between the SDA operating activities reported in our financial statements and equipment procurement/support activities that are reported in the MOD Resource Account. More information regarding the accounting boundary is set out in note 1.2 of the Financial Statements. The SDA prepares accounts under the Financial Reporting Manual (FRm) issued by HM Treasury and observes the standard financial processes and rules set out by the MOD Director General Finance as the Defence Authority.

Operating as an Executive Agency

As an Executive Agency of the MOD, we have a strong governance structure to manage our business in line with delegations afforded by the department, which are flowed to us through the DNO's Director General Nuclear. We have also been allocated management freedoms, including those delegated by HM Treasury and the Cabinet Office, which allow the SDA to manage all aspects of our workforce as necessary to meet our business needs within our operating cost budget.

We are overseen by the SDA Board, which operates under the provisions of a Framework Document approved by the Secretary of State for Defence. Accountability for SDA activities rests with our CEO, Ian Booth. Further information on our governance is provided in Section 2.



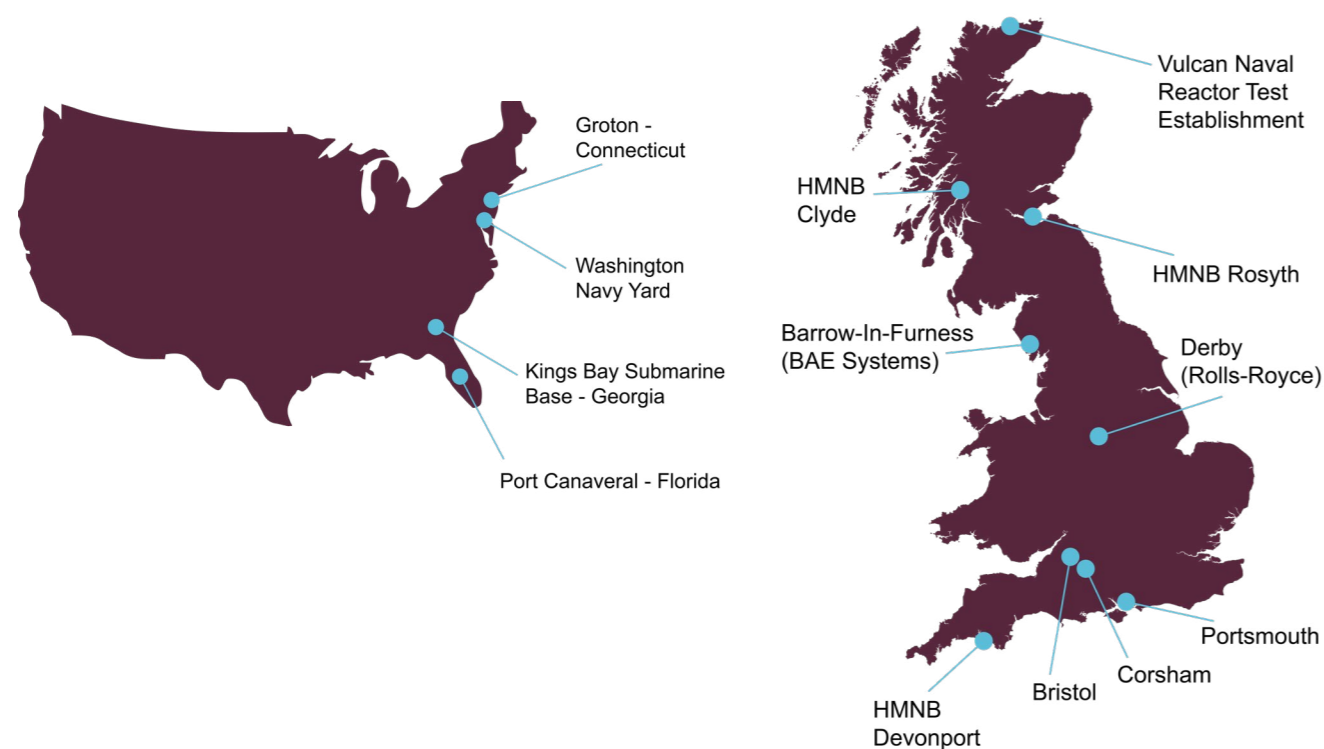
¹ The Civil Service Code can be accessed at: <https://www.gov.uk/government/publications/civil-service-code>.

How We are Organised

We are led on a day-to-day basis by the CEO and his Executive Team. As the most senior leaders of the SDA, the Executive Team manages the running of our business and leadership of our civilian and military workforce to ensure timely and cost-effective delivery of our customers' requirements. Further information on the roles and responsibilities of our Executive Team is provided in Section 2.

Our highly skilled workforce is located across the UK and with the UK's allies overseas. A strong focus on the delivery of critical defence capabilities to our customers is a central feature of our organisation. As such, most of the SDA's personnel are positioned in teams working on the acquisition or support of new and in-service submarines. These business areas focus on the outputs laid out in the SASPs with our customers.

Our enabling teams; Finance, Commercial, Corporate Operations, HR and Information, are vital in ensuring that resources and business management systems, including safety and security, operate effectively and efficiently. While employees work in delivery or enabling teams, they all have a functional 'home', for example engineering or project management, which facilitates and upholds professional standards across the SDA. This organisational set-up ensures that we are agile in our decision-making, deploying the right skilled personnel into the right business areas as required.



Our Strategy – Developing How We Deliver for Defence

The SDA operates a long-term business. Our programmes are enduring to ensure the Royal Navy gets the best support it requires over the next fifty years and beyond. Since the agency's establishment, we have worked closely with our customers to shape the Submarine Enterprise, while working on common goals to achieve the nation's submarine defence requirements. We have strengthened and invested in our organisational capabilities and focused on the effectiveness and efficiency of several programme areas (such as the Dreadnought Alliance and the availability of the in-service flotilla) to improve current and future delivery. More recently, we have evolved our Operating Model to take a leading role in the management of complex assets and infrastructure used across our programmes. The Submarine Enterprise has different levels of maturity with different mixes of roles, skills and capacity. To be truly successful in the long-term, we will need to work across this community to ensure our approaches are aligned to the national endeavour that is CASD.

We remain committed to realising the ambitions set for the SDA of becoming a high-performing Executive Agency and an employer of choice. Empowering our people in an agile environment and culture so that they can focus on what really matters will be key to our collective success.

To assist our people in delivering our purpose, we have ensured there is a clear line of sight between what we do and how we measure and communicate our performance. We now link each element of our purpose with key workstreams of activities and improvement work. Our [Corporate Plan \(2020-2023\)](#) sets out some of the important activities we will focus on to ensure that we deliver Defence's priorities and that our performance is effectively managed, measured and delivered. On the grounds of security and commercial sensitivity, we have withheld details of our programme plans, milestones and KPIs. This information is held within government and we are held responsible for our corporate and programme performance using a range of monitoring, reporting and review processes and fora.

We have also commenced several organisational-wide improvement initiatives, most notably SDA 21, which are aligned with our purpose, to enhance our ways of working, culture and behaviours across 4 key themes:

- Organisational Clarity and Integration: Making sure it's really clear who is doing what and setting up our new directorates on a strong footing for the future
- Organisational Capability: Creating the environment and conditions for our people to deliver the best possible outcomes for defence
- Ways of working: Ensuring we have the right processes and management system to operate them
- Integrated Planning and Information: Making sure that we deliver all our complex programmes effectively and have the information we need to make the right decisions.

Our strategy – Linking our purpose, what we do and how we will develop for Defence

SDA purpose link	Key work areas	SDA lead	Key performance indicator (KPI)	Improvement activities
Maintaining the Continuous at Sea Deterrent	Delivering today's capable and available submarines through in-service technical authority provision, combat systems and maintenance delivery.	Director Submarine Support	Performance against the in-service support programme provides an overview of our confidence in the programme. These KPIs provide an overview of the health of the in-service programme including associated systems.	To improve support to today's Royal Navy through capable, available submarines for Defence.
Construction of new submarines	Delivering future submarine capabilities through delivery of the Astute, Dreadnought and SSN(R) programmes.	Director Submarine Acquisition	Performance against our acquisition programmes provides an overview of our confidence in the programmes. Assessed against delivery of the strategic milestones on time and to cost, the KPIs provide an overview of the health of the acquisition system.	To deliver submarines faster and cheaper, with greater confidence and certainty.
Nuclear infrastructure	Effectively operating and maintaining facilities at Devonport, as well as the development of new facilities to meet future requirements.	Technical Director/ CSSE	These KPIs will track progress with delivering the programme work to support nuclear infrastructure requirements in support of the Submarine Programme. These KPIs provide an overview of the health of the programme to sustain submarine nuclear infrastructure both now and in the future.	To transform the status of the submarine programme's dependencies on infrastructure.
Safely disposing of the UK's submarines	Actively managing the UK submarine nuclear legacies through defuelling activities at Devonport and dismantling services at Rosyth.	Technical Director/ CSSE	Performance against the agreed programme of activities will provide confidence that we are making progress in developing our submarine disposal process in preparation for steady state disposal by 2026, including the safe defuelling and maintenance of submarines that have left service.	To utilise the best nuclear decommissioning expertise to inform and underpin our programmes.

Submarine technology and capability development	Provision of expert advice on safety, technical standards and future technology exploitation.	Technical Director/ CSSE	These KPIs will check that the SDA is embedding a culture that achieves continuous improvement in safety through a robust and consistent application of processes and development of lessons learned.	To establish a robust framework for engineering excellence, supported by a highly capable workforce.
International partnerships	Delivery of Strategic Weapons Systems, Trident programme coordination and coherence, and fulfilling our roles in the 1963 Polaris Sales Agreement and 1958 Mutual Defence Agreement.	Technical Director/ CSSE	While we are focussed on supporting and fulfilling our role in international partnerships, as our work is part of wider departmental activities, we do not have a specific KPI on this area.	To transition relationships and arrangements to support our latest and new programmes.
Submarine enterprise industrial base development	Ensuring industry delivers sustainably, safely and securely through supplier and supply chain development as well as better contracting.	Commercial Director	KPIs in this area will help us review the SDA's relationship with industry and the supply chain to effectively and cost-efficiently deliver for the SDA's customers, as well as protecting our ability to deliver underwater capabilities in the future.	To develop a sustainable industrial base for the submarine enterprise that is able to support all requirements efficiently, sustainably, safely and securely.

Enabling SDA delivery	Enabling SDA delivery through Financial and Project Controls.	Chief Financial Officer	These KPIs assess how we maintain and manage our financial and project controls. It includes measures as to whether the SDA is successfully delivering more realistic financial forecasting accuracy and stability.	To maintain and improve financial management.
	Enabling SDA delivery through governance, HR, and Resourcing, as well as Security, accommodation management, communications and engagement.	Director Corporate Operations	In assessing the SDA's management and delivery of its corporate performance, we include KPIs such as ensuring that the SDA has the right people, with the right skills in its core workforce. It also tracks that the SDA is embedding a culture that achieves continuous improvement in security, like safety, through robust and consistent application of processes and the development of lessons learned.	To enable the SDA to do its best, every day.
	Focussing on becoming a world-class delivery agent and great place to work through improving performance and enabling effectiveness.	Deputy Chief Executive Officer	In recognition of the SDA's ambition to be a high-performing Executive Agency, this KPI area will assess how we are improving our internal performance and delivering our business improvement and development initiatives.	To organise our key strategic change activities to maximise benefit.

In reviewing progress on this development journey, we draw on feedback from our people, including the annual People Survey and leadership engagement events across our sites. This provides a rich source of information about what is working well in the SDA and where we might need to focus further action; additional information can be found in the “Engaging Our People” section on page 24. We remain committed to involving colleagues across the agency in such follow-on activities and in providing regular updates to our people demonstrating that we listen, care and will work together to improve the SDA.

Making the SDA a great place to work: Diversity, Inclusion, Health and Wellbeing

We remain committed to creating a diverse and inclusive organisation and supporting the health and wellbeing (H&WB) of our people. This has never been more important than during financial year 2020-21, as we have put in place a wide range of interventions to mitigate the effects of the COVID-19 pandemic.

The SDA remains focused on creating an environment where everyone is respected and can contribute fully to our success. As well as establishing a D&I Steering Group made up of our network champions and function leads, the Executive Team and staff have produced blogs on race and diversity, and run events, workshops and discussion groups in support of national and international inclusion events. Furthermore, we have developed a bespoke SDA Respect and Dignity in the Workplace mandatory workshop, which is now being delivered across the SDA.

To underline both our immediate priorities and the importance of our long-term approach we launched our first H&WB Strategy and Action Plan in summer 2020, with a particular focus on mental health and supporting each other whilst working from home. It sets out our commitments to our people and details our expectations, principles and focus on wellbeing for future years.

Further information on our diversity, inclusion, and H&WB work can be found within the remuneration staff report sections on page 80.

Working with Industry: Our Commercial Improvements

During 2020-21 we have continued to enhance our commercial and supply chain capabilities. Our holistic approach to the management of the supply chain has been important to our response to both the EU Exit activities and COVID-19 pandemic. We have grown a defence leading capability to map, analyse and manage supply chain risk and performance. This is underpinned by a standard set of data collection processes that creates a multifaceted supply chain map. The consolidated data has been used to create insight into areas of the business which were at potential risk and allowed us to proactively and collaboratively manage that risk with our Prime Suppliers. We have developed joint strategy agreements with our Prime Contractors (BAES, Babcock Marine and Rolls-Royce) which ensures a commitment to collaborative delivery of a range of performance improvement workstreams.

We have continued working to embed a category management approach within our business, and we have been working with our colleagues across MOD, to both increase the maturity of our approach to category management and share the lessons we are learning. Our work considers both financial and non-financial benefits to ensure long-term viability of the submarine programme, including resilience of our supply chain. To do this we have established a central ‘guiding hands’ team to assist Delivery Teams. Looking forward, we will also be working closely with our main industry partners to promote a coherent approach to shared categories and to jointly share best practice.

We have also progressed improvements in contract management; in particular we are focused on reducing off-contract spend and demonstrating high levels of compliance in our use of the department's eProcurement contracting, purchasing and finance system. We have also embraced, and put into practice, new government initiatives and leveraged MOD commercial change programme initiatives, including Social Value and Commercial Terms of Trade. A good example of this is the MOD-wide implementation of the Defence Sourcing Portal, which works closely with, and benefits from, the central MOD team and is responsible for training and embedding the use of the tool into SDA delivery teams.

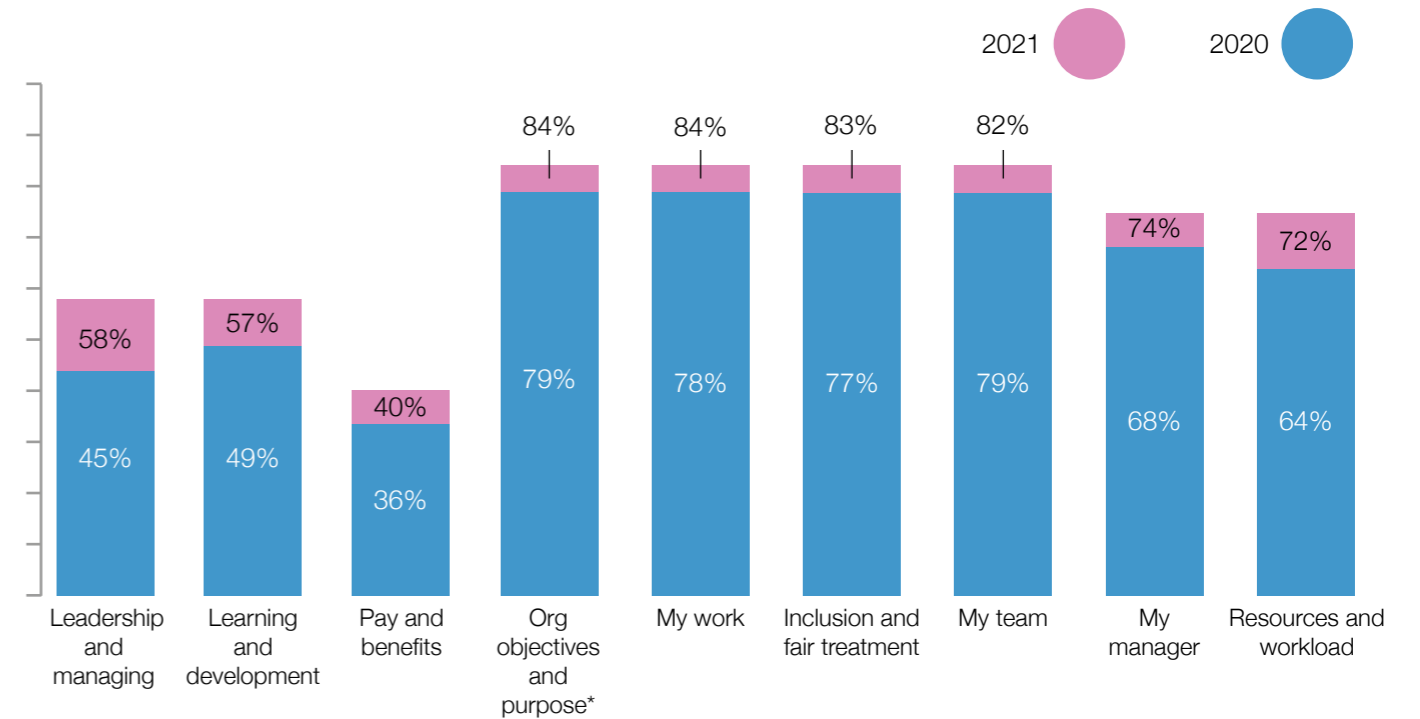


Engaging our People

The annual People Survey gives our people the opportunity to highlight where they think we are doing well and where we need to improve.

Ninety-two percent of our employees completed the October 2020 survey, matching our 2019 response rate and again one of the highest across government. Our overall engagement index score, which is calculated as the average score across 5 questions measuring pride, advocacy, attachment, inspiration and motivation, increased by 6%, to 64%. Of particular note in the engagement questions was a 14% increase in the number of our people who would recommend the SDA as a great place to work – an area closely linked to initiatives implemented during 2020-21 to help build our identity, support our people and improve our overall work experience, including the launch of our SDA Code, Employee Value Proposition and H&WB Strategy.

In addition, we also saw improved scores across all 9 survey theme areas. Our highest scoring areas continue to show the connection our people have with the purpose and objectives of the agency and their work. This was supported by the positive feedback about how we adapted to work differently throughout the COVID-19 pandemic; continuing to work successfully within our teams, delivering our objectives and supporting our people through such a challenging period.



*Organisational Objectives and purpose

While our scores remain lower in the areas of pay and benefits, learning and development, and leadership and managing change, we saw significant increases across all 3, demonstrating that our efforts in those areas are having a positive impact. Pay and benefits rose slightly by 4% (to 40%), learning and development by 8% (to 57%) and in leadership and managing change, where we evolved our approach to leadership engagement during COVID-19 through more regular communications and virtual events, our score improved by 13% (to 58%).

We recognise there is still more we can do to build on our year-on-year improvements, to reinforce our position across all 9 theme areas and to increase overall engagement. Having assessed feedback through our annual People Survey, our SDA 21 initiative and team discussions, this has helped us to identify where we need to improve. We continue to drive towards an inclusive culture and through our 4 strategic change workstreams, our business improvement activities and our proactive approach to continuous improvement, we have focused on simplifying our ways of working, including taking a revised look at how we manage change.

The 2021 annual people survey was completed during October 2021. The results have recently (December 2021) been received by the SDA and are now being reviewed by the SDA Executive Committee. These will be published by the Cabinet Office in due course.

Performance Summary Reporting on COVID-19

At the outset of the COVID-19 pandemic, the Executive Team outlined the agency's priorities. The highest of which were to:

- continue delivering the current operational programme in support of CASD and other boats at sea
- maintain the build programme and its supply chain, by closely monitoring any impacts on equipment, materials, people or finances
- maintain a duty of care for all our people and keep them safe.

In line with government direction, our people worked from home unless their role was identified as business critical or required access to specialist systems. We also considered the mental H&WB of individuals, and the benefits to them of working at one of our sites; this policy has endured throughout the COVID-19 pandemic. A rapid programme of work was undertaken to provide our people with suitable equipment at home to minimise occupational health risk exposure and support security requirements. Furthermore, and as a priority, in support of the wellbeing of our people, we facilitated alternative working arrangements for those who were vulnerable and were advised to shield, as well as colleagues with additional responsibilities – for example home-schooling and/or caring requirements.

The SDA is located across the UK as well as in the US. Throughout the pandemic, we followed central government policy and, through our Operations Network, dedicated management plans were exercised at all sites, whether overseen by the SDA or other MOD Head of Establishment or local industry site owners.

Throughout the pandemic, we've focused on sustaining delivery with our industry partners, and although we saw a slow-down across some projects due to the reduction in people working at our sites, we quickly engaged with the Heads

of Establishment or site owners to enable critical activities to continue once additional COVID-19 secure working and safety measures were in place, including onsite or at home COVID testing as required. For example, at Bristol Abbey Wood, where a large proportion of our colleagues are usually based, we implemented a training package for those who needed to come on to site to ensure they fully understood the changes made. Safety measures introduced included one-way systems, socially distanced workstations and COVID-secure collaborative working areas. Meeting room capacity was also reduced to allow secure and important meetings to continue safely where required. Where colleagues worked at other SDA or MOD locations, through regular advice and easily accessible online and onsite communications, we supported them in understanding and following the rules and guidance set out by the Head of Establishment.

The SDA Strategic Business Resilience plan contains processes for incident response, including immediate management responses such as the stand-up of the SDA Operations Cell. This is managed by the Information Security and Resilience team, supplemented by dedicated safety, HR, communications and security specialists, along with volunteers from across the SDA. The SDA Operations Cell provided a central point of contact and subject matter expertise to collate, analyse information to support the SDA COVID-19 Governance Board. Supported by a dedicated network of team focal points, the Operations Cell also managed data requests and supported communication of information across the agency.

The COVID-19 Governance Board, which included all members of the Executive Team, met daily at the peak of the pandemic and used data analysed internally from UK government and central defence sources to aid decision-making. Risks associated with COVID-19 were articulated separately from other agency risks and covered programme,

security, supply chain, people and safety matters. These risks were closely monitored and reported monthly to the Defence Nuclear Executive Board until April 2021, at which point they were transferred for local management as part of routine business processes.

As a result of the actions taken, the SDA has been able to sustain programme delivery throughout 2020-21 whilst also managing the impacts of COVID-19. Further information is contained in the Performance Analysis section of this report. In addition, following the successful implementation of new ways of working, many of these are now being

built into standard ways of working and industrial productivity plans.

In spring 2021, as the government set out its roadmap for the easing of COVID-19 restrictions, we undertook work to collate the learning from remote working practices and set out recommendations regarding how we might work in the future. Drawing on parallel work undertaken by MOD Head Office, as well as conclusions drawn in the wider private sector, we recognised that operating remotely has worked well for our business and our people and there will be significant benefits for continuing to work more

flexibly, but with additional consideration for security and safety. As we moved into financial year 2021-22, a programme of work was launched to focus on the business and cultural changes required within the SDA to adopt a more sustainable hybrid working model, where our people will work both at home and in the workplace with the balance being determined by personal preferences and information risk. Our approach remains flexible and, in line with Government guidance, we have supported our people in optimising their working practices to support business delivery.



Performance Analysis



Our programme of work is agreed with our customers and set out in SASPs on an annual basis. Our supporting approach to performance management and analysis within the SDA strives to continuously improve the decision-making capabilities across the agency, while also maximising our opportunities for successful delivery of our portfolio of activities. The performance analysis capability is delivered at all levels within the agency and feeds into a corporate level summary for review in the monthly SDA Performance Committee. These reports are then shared as part of routine departmental reporting procedures with our Board, Sponsor, customers, and other senior MOD stakeholders.

During 2020-21, we analysed and reported on corporate performance against our 20 KPIs, which are split across the SDA Purpose.

Our KPIs are endorsed by our Board and Sponsor, and subsequently agreed with the Secretary of State for Defence.

Further information is also provided in Section 2's Governance Report. For the purposes of this report, we have provided an overview of our performance against the same themes as our strategic objectives.

Maintain the Continuous at Sea Deterrent (CASD)

There are 3 SDA corporate KPIs measuring the performance of our Support Programmes. These focus on in-year delivery of the agreed NCHQ programme of work and availability of submarine platforms for undertaking operational tasking.

The Support Programme maintains the in-service submarine platforms so that they are ready for defence taskings, including CASD. The KPI to measure and analyse availability of submarine platforms for undertaking Royal Navy operational

tasking was continued from financial year 2019-20 and we have seen improvements in the timely delivery of maintenance periods. In addition, CASD and our support to wider submarine taskings was maintained throughout the year in line with Royal Navy operational requirements. We directly supported the preparations for Carrier Strike Group and other international commitments by delivering on submarine availability. As part of our ongoing work to optimise our maintenance and support programmes, we secured ongoing funding to develop and implement the SDA's in-service support strategy to improve submarine availability. This work will be undertaken across the DNE.

Construction of New Submarines

There are 5 SDA Corporate KPIs measuring the performance of SDA Acquisition Programmes. These focus on in-year delivery of the agreed DNO programme of work and long-term schedule and cost adherence across the Astute and Dreadnought Class build programmes.

Inevitably the strategic shock felt nationally and internationally throughout the on-going COVID-19 pandemic has impacted the Dreadnought programme, although as the pandemic continues, the full impact has yet to be fully quantified. However, through prioritisation, a collaborative response, flexibility and continued dedication from both Industry and MOD teams, led by the Dreadnought Alliance, the programme has achieved a return-to-scale equivalent to around 95% of pre-COVID-19 output. This has been sustained through a combination of recovering onsite activity in both industrial facilities and offices, as well as implementing long-term alternative working practices.

Construction work has continued well on the First of Class, HMS DREADNOUGHT, and she is on track to enter service in the early 2030s with the build of the Second in Class, VALIANT,

underway having commenced build in 2019-20. The Dreadnought Alliance worked collaboratively across MOD and with cross-government colleagues to secure the extension to Development Phase 2 approval in January 2021, facilitating funding to ensure supply chain commitments were made to protect the future programme. Noting that the Alliance was only established in 2018, the joint team has continued to develop well, serving as an exemplar of relationships between MOD and industry. Work, such as a routine comprehensive schedule review completed in late 2020, has helped identify schedule risk mitigation activities. Planned milestones were achieved in this year, due to considerable efforts of both the Alliance and shipyard throughout the pandemic. As expected with one of defence's largest and most complex build programmes, challenges will remain until delivery of all 4 boats.

The Astute Programme delivered the Fourth in Class boat, with HMS AUDACIOUS, leaving the shipyard in April 2020, and entering her sea trials period. HMS AUDACIOUS was formally commissioned on 23 September 2021 in a ceremony at Her Majesty's Naval Base Clyde. A momentous occasion saw the Fifth in Class, ANSON, being launched in April 2021. ANSON will later join HMS ASTUTE, HMS AMBUSH, HMS ARTFUL and HMS AUDACIOUS in operational service with the Royal Navy. The SDA remains committed to delivering all 7 Astute Class submarines from Barrow-in-Furness by the end of 2026. The impact of COVID-19 on the Astute programme is being assessed. We continue to make progress in improving the estimation and forecasting of costs associated with both Astute and Dreadnought build programmes and will continue to work closely with industry partners to support programme delivery and reporting.

The SSN(R)) programme also progressed well this year, continuing to mobilise throughout the pandemic and has developed to full operating

project capability as planned. Programme and design decisions required during this phase, which focused on maturing a range of potential capability delivery options and delivery arrangements, supported by the associated financial commitments and contracts with suppliers, have also been key achievements throughout the year.

The UK joined together to respond to the COVID-19 pandemic, and this has changed the way we are working at both defence and industry partner sites. Following the careful implementation of COVID-19 protection measures and the setting of clear priorities, critical operations continued, and we have worked closely with our partners to minimise the impact of the pandemic on our submarine programmes. Although the pandemic understandably impacted on some of our programmes due to the reduced numbers able to work at our sites, our overall response to the pandemic has been effective and has meant that we have continued to make progress on the construction of new submarines in safe and secure work environments across the UK.

Maintain Nuclear Infrastructure

There is 1 holistic corporate KPI measuring the performance of Submarine Infrastructure aligned to the timely delivery of customer agreed SASP milestones. This area remains a key area of development for the agency to support submarine maintenance activities and drive submarine availability. Delivery in this area has been sustained throughout the pandemic, though the impact of historic resourcing and financial constraints continue to have an impact and are challenges that the SDA continue to address with customers and industry partners.

Safely Disposing of the UK's Submarines:

Aligned to our work on submarine infrastructure, there is 1 corporate KPI measuring the performance

of the disposal of the UK's submarines aligned to the timely delivery of customer agreed SASP milestones. Good progress has been made in the Submarine Decommissioning and Disposals Programme with limited in-year impact from the pandemic. Key work on preparation and demonstration of dismantling solutions are examples of achievements in this area. This programme of work demonstrates the MOD's commitment to operating as a safe and responsible nuclear operator by safely dismantling and disposing of out-of-service nuclear submarines. Further information on our Submarine Dismantling Project can be found on page 40.

Following delivery of an internal change programme in April 2021, we moved our decommissioning and disposals activity alongside the Devonport Infrastructure Team, creating 1 team – Submarine Disposals and Devonport Infrastructure.

Develop Submarine Technology and Capability

This year saw a strong start to the performance of the newly established Technical Directorate, the work of which is proceeding well with the publication of the first Engineering Strategic Plan for the SDA. The corporate KPI measures the timely delivery of SASP milestones in this area. Owing to COVID-19 there were challenges and delays to equipment deliveries, however this did not impact the overall programme. Our close working relationship with the US has continued to flourish, with routine programme meetings successfully being held using virtual settings in light of COVID-19.

Develop the Submarine Enterprise Industrial Base

There are 2 corporate KPIs measuring the performance of the SDA industrial base maturity. These focus on the relationships with Tier 1

suppliers and maturity of the SDA's contract management capability.

Through a collaborative programme with our Prime Contractors (BAE Systems, Babcock Marine and Rolls-Royce) we have reduced supply chain risk, standardised our approaches and aligned priorities. This includes establishing a clear programme of initiatives for our joint work as a Submarine Enterprise. We demonstrated an improvement in our contract management capability and have targets to further raise capability next year. We have also made good progress on maturing our category management approach, and have developed a supply chain engagement vision, and associated pathfinder projects, in response to the Defence and Security Industrial Strategy (DSIS).

Enabling SDA Delivery

There are 6 corporate KPIs measuring the development of the SDA. These focus on the availability of SDA personnel and the maturity of our approach for long-term sustainability of our organisation, including our finance, safety and security management systems alongside the implementation of our internal Change Programme.

The SDA increased its resources to 91% of its in-year target, a very good performance, only slightly hindered by the temporary pause of recruitment activities at the start of the financial year in response to the COVID-19 pandemic and subsequent government restrictions. We focused recruitment efforts to fill priority posts so we could concentrate on meeting our commitments to our customers.

We also improved upon the KPIs measuring the maturity of safety and security models and maturity, achieving our targets and ensuring the SDA remains a safe and secure agency. We achieved 93% of our improvement actions in-year; as work to make

the SDA a rewarding, enjoyable and stimulating environment continues and we strive to attract and retain highly skilled workers. Our efforts remain focused on ensuring we continue to perform as a world-class delivery organisation that facilitates the best performance from both our own colleagues as well as our industry partners.

COVID-19 of course impacted our people. We provided both IT and desk-working equipment and boosted wellbeing support to our staff, establishing innovative responses to work-from-home solutions so that our business continued to operate and perform against our plans.

Performance measurement against our improvement and maturity of finance, safety and security management systems were all achieved during 2020-21 by comparing our performance against maturity models. These not only provided a benchmark of good practice but helped us to identify areas for improvement.

When all KPIs are considered, our final corporate performance outturn position was reasonable considering the impact of the pandemic on delivery. There continues to be learning points to improve timely delivery of SASP milestones, but many of the KPIs in which we performed less well are due to the challenges and issues outlined above.



Safety, Environmental Protection, Climate Change, Sustainability and Security

Safety and Environmental Protection

Introduction

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,' and, as a result of events since March 2020, the safety, security and H&WB of our people is as important now as ever and continues to remain at the core of everything that we do. Across the SDA we are championing clear leadership, management and assurance systems that engage our people, keeps our people safe, assures that products and facilities are demonstrably safe and prevents harm to the environment. The sub-sections below explain how we are doing this.

Safety Management

Our overall safety management approach is linked to the global roadmap to sustainability as laid out through the United Nations Sustainable Development Goals² (SDGs) and as embedded in the UK's own response.

Through financial year 2020-21, we completed our recruitment to our Safety and Environmental Protection (S&EP) team which further developed and strengthened our approach to SE&P management. To ensure we meet our regulatory requirements, we have, throughout the year, written and introduced new policies for Cyber Risk, Diving, and other areas pertaining to UK health and safety legislation and have continued to mature our management arrangements through the issue of new or updated processes.

Through strong leadership commitment we continue to ensure we sustain our ongoing review of safety performance. We have maintained our

² <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

momentum for improving platform and personnel safety and produced regular 'safety moments' and 'learning from experience' presentations, which are driving forward positive changes towards safety matters across both the SDA and our industry partners.

An updated set of Safety Performance Indicators (SPIs) was introduced during the year, building on best practice established in our first 3 years as an agency. By the end of March 2021, our overall position showed an overall improvement on the 2019-20 status. We have also introduced a complementary Risk Control System, which as well as meeting the DMR Regulations, will help us focus on areas that require improvement.

Safety Culture

Throughout 2020-21 we have continued to work hard to enhance our safety culture across the SDA, including sustaining our efforts to ensure our organisation is resilient and proactive when considering sustainable safety and environmental protection procedures and behaviours. Our people are our key asset to delivering success in this area and we have actively sought to engage our workforce on safety issues and we held a successful SDA-specific online safety day in October 2020. Feedback from the safety day indicated there is an appetite from SDA staff to have ongoing access to the types of sessions offered at the event. As a result, since January 2021, we have offered "Learning is From Experience (LiFE)" sessions. These frequently run gatherings have focused on a variety of safety-related topics and were delivered virtually by speakers from the SDA and other relevant organisations.

The 2020 annual safety culture survey saw a slightly reduced response rate (66% from 78%) compared to the 2019 survey, this was in part due to the ongoing COVID-19 restrictions, as the majority of

our people were working from home and could only be encouraged to participate through our internal communication channels. Despite this, 8 out of the 10 areas covered in the Hudson Parker model of safety culture showed improved scores, with the average score increasing to 4.0, which equates to 'Proactive,' as defined within the model. For 2021, which was undertaken in the next financial year 2021-22, there was a 55% return rate across the SDA. This year's results indicate that the SDA has an overall average score of 3.90. There has been evidence of 'plateauing', with only one area, 'Commitment to Improve', showing an increase on last year. We remain determined to mature our safety culture and will continue our work to address the development points identified through the surveys.

The sixth cycle of Submarine Enterprise Peer Review of safety culture started successfully in March 2020 at Rolls-Royce in Derby; however, the remainder of the cycle was interrupted due to the COVID-19 restrictions. Attempts were made to run several reviews virtually, but there was little appetite for this approach from potential reviewers, as much of the value of Peer Review is derived from people visiting locations to speak to and observe people in their normal (onsite) working environments. During autumn 2021, the cycle recommenced in line with government and site working practices.

Occupational Health and Safety

During 2020-21 we continued to make significant progress to further evolve our strategy for the production and communication of Occupational Safety, Health and Environment (OSHE) arrangements to ensure the SDA carries out its tasks safely. To support both best practice and policy implementation, as well as the development of our safety culture, we have implemented an OSHE Training Strategy, aided by a supporting package of bespoke presentations, handbooks,

leaflets and guides. Throughout the pandemic we have continued to run our monthly communication campaigns around key themes; this covered topics such as mental H&WB and display screen equipment assessments in the home environment.

Environmental Protection

The agency remains committed to using strong systems to monitor our progress in Environmental Protection (EP). The SDA's Environmental Strategy is the predominant document which sets out our approach to managing environmental and sustainability issues. This is supported by the Environmental Management Plan (EMP) issued last year and we have since progressed the development of our Environmental Management System (EMS) towards compliance against the requirements of the ISO 14001:2015 standard across a number of areas as described below.

Environmental Impact and Risk – An area of progress this year has related to our understanding of environmental impacts and risks through our Environmental Risk Management Board. This forum acts as a community of environmental practitioners across the SDA who meet to profile, identify and map risks.

Environmental Performance – Since our last report, we have enhanced our reporting through our environmental dashboard. This sets out our performance across a range of areas. In 2020-21 we set 3 environmental objectives and targets – reduction in environmental incidents, reduction in Fluorinated gases (F-Gas) losses and reduction in business travel (recognising that this was influenced by the COVID-19 pandemic). We met each of the objectives set (58%, 67% and 95% reduction respectively) and look forward to further evolving our performance management systems across the EP and sustainability areas through 2021-22.

Regulation and Assurance – During financial year 2020-21 we engaged with the Defence Maritime Regulator who conducted an environmental baseline across our organisation. Overall, the findings were positive, although there were some areas to address, which are being worked through as the SDA matures its environmental arrangements. We have established an Environmental Legislation Register to set out our compliance strategies against key pieces of legislation and during 2021-22 we will look to develop this to evaluate and set out our compliance position. In addition, we amplified our assurance activities with 3 audits across the topic areas of EMS framework, environmental optimisation and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)/restricted materials, and have established an audit tracking tool to monitor progress against finding closure.

Bio-Fouling – To present our position with regard to environmental requirements, this year we have generated Environmental Technical Assurance Papers on Ballast Water Management, Anti-Fouling and Bio-Fouling and Hull Management. For the latter, we have made positive progress and engaged with NCHQ and Plymouth Marine Laboratory to commence an ambitious survey programme on our submarines, to help us understand more about the risk of Invasive Non-Native Species to inform our risk-based approach moving forward.

Restricted Materials and Waste Management

– In the area of restricted materials management we have continued with the Restricted Materials Working Group to engage our teams in a cohesive approach for managing this issue. In addition, we have, throughout the period covered by this report, made good progress in developing our Integrated Waste Strategy. This presents the SDA's strategy for managing waste streams arising from the operation and at the end of life (EOL) of the Royal Navy's

nuclear submarines. It also ensures we have a good understanding of the wastes generated across our portfolio and that we are embedding the principles of the Circular Economy where practicable.

To complement the positive steps taken to date, we have recognised the importance of our staff and their knowledge and competency to deliver against our ambitions in the environmental space. In recognition of the specialist skillset in this growing area, we have developed an Environmental Competency Policy to set out a framework for determining competency in this area, which is aligned to training and development programmes. It will assist us in generating a baseline to establish the capacity of practitioners across the SDA. Meanwhile, through regular engagement, we have cemented our relationships with key stakeholders' sessions with NCHQ, Defence Maritime Regulator and DNO ensuring we are able to engage in an open, transparent and effective way on these topics.

In financial year 2021-22, we are looking at how we programmed our activities in the most effective way and at the time of reporting, are currently finalising a management review and EMS gap analysis against ISO 14001: 2015. This will set out the required outputs and activities for compliance to the standard for environmental performance going forward.

Climate Change and Sustainability

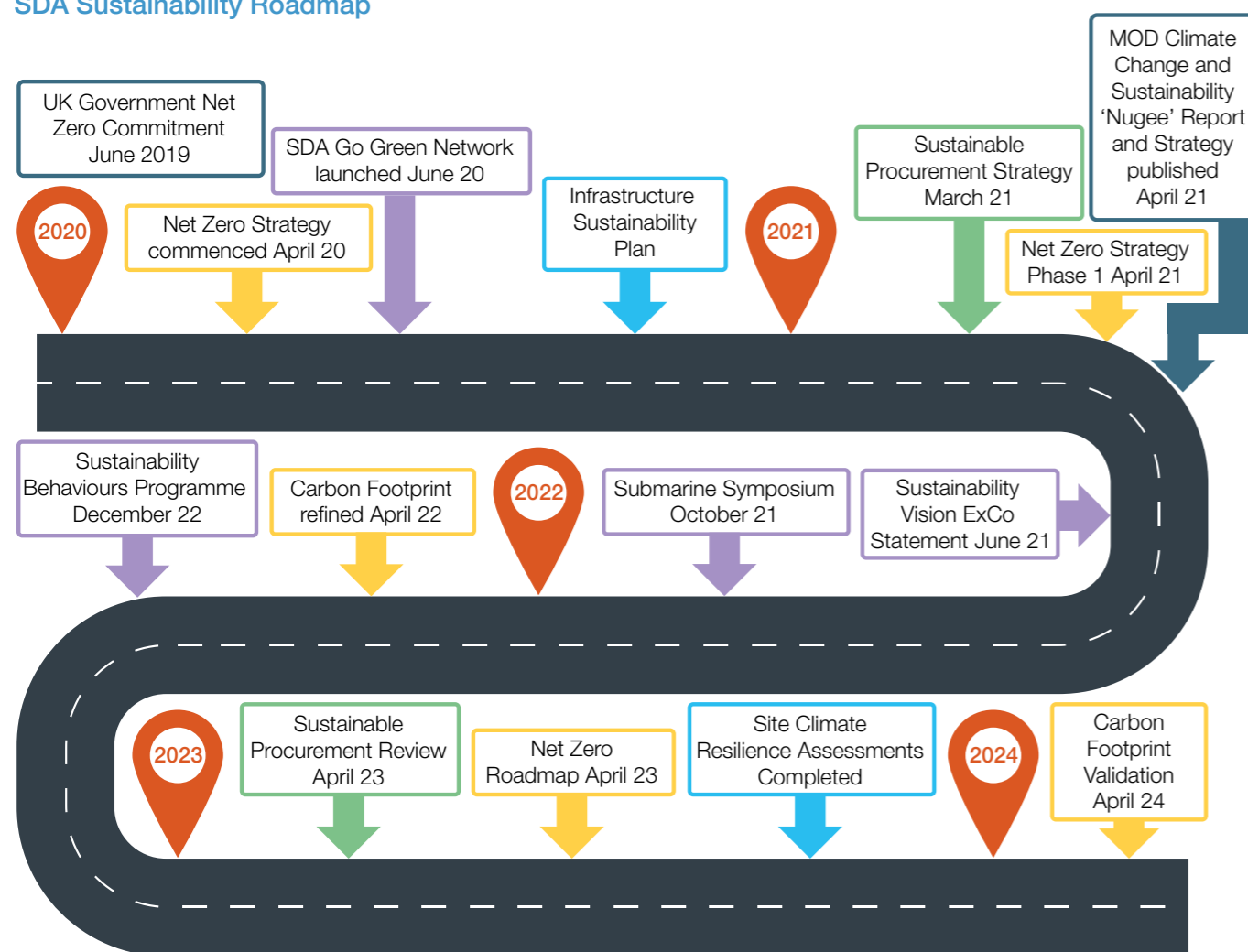
In 2021 the UK government published the Integrated Review, the most comprehensive since the end of the Cold War, where it set out the threats and challenges we face in the future. This highlighted the clear and present danger that afflicts all of us, in every region of the world, in every part of society - the threat posed by climate change. In defence we appreciate its impact and how we must all work together to address it.

In March 2021 the MOD issued the Climate Change and Sustainability (CC&S) Strategic Approach publication. This seminal piece of work sets out an ambitious and coherent forward plan for the MOD in keeping with the UK government's commitments in Net Zero and its related work on sustainability, setting out the need for urgent action and proposes a coherent framework for embedding sustainability across the department.

Following the publication of the CC&S Strategic Approach, the SDA conducted an impact assessment to ascertain the level of work required at a Submarine Enterprise level; this highlighted areas needing more attention. As a result, a CC&S Sustainability Delivery Plan was created which sets out activities across 4 key workstreams – Net Zero, Sustainable Procurement, Climate Resilience and Engagement, Behaviours and Culture.

To establish a structured forward plan, the CC&S Delivery Plan included a Climate Change and Sustainability roadmap which summarised the key milestones over a 5 year period from 2020, recognising that progress has already been made in these areas.

SDA Sustainability Roadmap



Net Zero – Work has commenced in this area with the publication of the Net Zero Strategy and supporting Net Zero Scoping Report. We have also progressed our work on our carbon footprint to ensure the SDA understands its baseline position. Our approach is based on a blend of the Greenhouse Gas protocol (for ascertaining our sites' and people's emissions) and using the Publicly Available Specification (PAS) 2080 standard for life cycle carbon emissions for our platforms. We have developed a carbon savings tool as an interactive device so our people have an awareness of what they can do to reduce their own carbon emissions. The input from this will help us better understand the SDA's carbon footprint and support the development of future actions as part of our Net Zero Strategy.

Sustainable Procurement – Progress has been made in this area with the generation of a Sustainable Procurement Strategy document supported by workstreams covering supply chain management, supply chain improvement and our commercial teams. We are also working more closely with our Tier 1 partners BAES, Babcock and Rolls-Royce in this area with a new Submarine Enterprise Supplier Sustainability Forum established. The aim of this forum is to work proactively with our Enterprise partners to embed sustainability into our wider operations. We are progressing work with our supply chain across the headings of social value, net zero and the circular economy.

Climate Resilience – In-year we also continued our work to recognise the risks posed by climate change to the facilities we use, including the HM Naval Bases (HMNB) and the dockyards and other sites owned and operated by our Industrial Partners in the Submarine Enterprise. In 2020-21, our Climate Resilience Working Group continued to raise awareness, share knowledge, provide

a standardised mechanism for climate risk assessments and action recommendations where necessary.

Engagement and Behaviours – The importance of behaviours in the delivery of the MOD CC&S strategic approach and in turn, the CC&S delivery plan, in the SDA is clear. As such, over the course of the year, we have focused on how we can engage our people in the green agenda.

On World Environment Day 2020 we launched the first Go Green Network, with over 130 members joining the group. Through the network we presented webinars on themes such as Climate Change, Biodiversity, Waste and Green Purchasing and delivered volunteering events, such as a beach clean and tree planting day, to strengthen links with our local communities.

During financial year 2021-22 we held engagement events, which included a World Environment Day, a World Oceans Day, and a submarine symposium which focused on sustainability. This was supported by WWF-UK (Worldwide Fund for Nature) and the Institute of Environmental Management and Assessment (IEMA). We also worked with our colleagues in DE&S and conducted an environmental survey to help us assess and collate our colleagues' views in this area. We are using these results to support our plans and activities being developed for the future.

Submarine Dismantling Project

We remain committed to the safe, secure, cost-effective and environmentally sound defueling and dismantling of all our decommissioned submarines. Building on the successful phases of dismantling, which we have developed over the last 5 years, we have removed 129 tonnes of mainly metallic low-level radioactive waste (LLW) from submarines

SWIFTSURE and RESOLUTION. A third submarine, REVENGE, entered the dry dock in Rosyth in late March 2020 to commence its LLW removal. The impact of COVID-19 initially caused some delays, however, the removal of all LLW has now been completed; this is an international first-of-a-kind activity. Our sustained commitment to this project demonstrates that continuous improvement in cost and quality is being realised between successive submarines. To date the Submarine Dismantling Project has completed over 600,000 hours working without a lost-time accident or environmental incident.

During the reporting year there were 3 Astute Class submarines in service with the Royal Navy (HMS ASTUTE, HMS AMBUSH and HMS ARTFUL), HMS AUDACIOUS, left the shipyard in April 2020, and, following sea trials, was formally commissioned on 23 September 2021. The remaining 3 boats (ANSON, AGAMEMNON and AGINCOURT) are at varying stages of completion at the BAES shipyard at Barrow-in-Furness. The Astute Class submarines are not included in the 27 boats in scope of the submarine dismantling project. The dismantling costs for the current 4 Astute Class boats are provided for separately. Plans for the decommissioning of Dreadnought and other future classes of submarine will be developed in the future.

Since our last report, a new team, the Submarine Disposals and Devonport Infrastructure Team has stood up. This team is the amalgamation of the original Facilities Group, Infrastructure and Submarine Disposals Team, and ensures we optimise waterfront infrastructure for our submarines; and continue to progress work to develop our approach for the safe disposal of our decommissioned nuclear submarines at Devonport and Rosyth.

HMNB Devonport Infrastructure

During the period covered by this report, we have continued to drive forward a range of critical Devonport infrastructure projects agreed with our customers as well as investigating future investments required in Devonport to support the forward Submarine Programme. Progress on the 3 approved projects is as follows:

- Submarine Waterfront Infrastructure Future (SWIF) – conversion of 10 dock and a 5 basin berth, which together will form the facilities for deep maintenance projects on Astute Class submarines. Despite COVID-19, significant progress has been made on maturing the facility designs; driving a simplified safety case (in collaboration with Babcock and Regulatory bodies) to take credit for the inherent safety design of the nuclear reactor; and completing on-site survey works to establish ground conditions and mitigate construction phase risks.
- Fleet 22 – the upgrade of 15 Dock to produce a fleet time docking facility for Astute Class submarines. Similar to SWIF, financial year 2020-21 has seen a ramp-up in project team resources, maturation of designs and the start of surveys to establish the material state of the dock and key enabling services (for example electrical supplies).
- Defuel 23 – the completion and commissioning of the nuclear defueling facility in 14 Dock to facilitate the defueling of Swiftsure and Trafalgar Class decommissioned submarines. Financial year 2020-21 has seen substantial progress on inactive commissioning of the defueling facility, and the start of dock and enabling facility surveys, to scope the supporting works necessary to commence and sustain defuel operations.

Working closely with our customers and industry partners, particularly Babcock Marine who own and operate Devonport Dockyard, the role of the SDA in these infrastructure projects is to conduct the forward planning and programme management of these facilities to ensure planning coherence across the Submarine Enterprise.

Security

Over the course of financial year 2020-21, and building on the strong foundation of work since the SDA was established, we have continued to mature our security governance and security assurance across the agency. The SDA Security Committee (see page 64 for further information) continues to oversee our progress in this area and facilitates the discussion and action around key security issues, and is supported in its work to improve our security processes by working groups involving Project Security Officers, Branch Security Officers and key industry partners.

Security Assurance has advanced, with the internal maturity model updated to include additional scrutiny to risk areas and further personnel bought in to ensure that actions and recommendations made from the 2019-20 Assurance Assessment were addressed. The results of the current Assurance Cycle were used to amend our Security KPIs for financial year 2021-22, with key improvements primarily within information asset ownership, data protection and ongoing improvements to security culture.

As a result of COVID-19, the SDA General Security Threat Brief was adapted and developed to enable delivery in the remote working environment. This well-received product continues and encourages a positive security culture across our organisation.

Discussions initiated because of the brief have actively resulted in the identification of security issues and the prevention of security incidents. Additional training and guidance materials have been made available, including the regular publication of security communications through a newly created monthly Security Summary and monthly 'Security Moment'. Each Security Moment is also considered and discussed at both the Security Committee and Executive Committee.

Recognising the lessons learned from the pandemic, structural changes were made with the Chief Information Security Officer (CISO) Team, which is now operating as the Information, Security and Resilience Team. Additional resilience capability has been afforded within the team to continue building our Business Resilience Strategy and Business Continuity plans which were developed in-year.

Overseen by our Executive Committee, Security Incident Reporting continues to be centrally tracked and monitored within the agency and this has expanded to include unauthorised connections to MODNET devices, a potential information security risk. This information continues to be scrutinised to allow for the identification of behavioural patterns and root causes which have in turn been targeted with remedial activities.

In summary, we continue to mature our approach to security governance and assurance in the SDA, with security controls and measures stringently applied and a demonstrable strengthening of a positive security culture. Our leadership team are fully informed of security risks, concerns and issues with remedial activities identified and undertaken.



Looking Forward

Looking forward beyond the period of this report, we recognised that as a relatively fledgling organisation, we will continue to develop as an agency, learn from our experiences and make improvements. Our vision, however, stands firm, and we will continue to lead the safe, secure and efficient delivery of the UK's submarine capabilities to the Royal Navy. We also continue to drive towards an inclusive culture where everyone feels welcome. Through our 4 strategic change workstreams, our business improvement activities and our proactive approach to continuous improvement, we will focus on enhancing our 'Employee Experience'. This will see us continuing to simplify our ways of working, taking a fresh look at how we manage change and continuing to engage our people in developing the agency's culture. Our Corporate Plan, which is refreshed annually, details our strategic outlook, key programmes of work and highlights some of the improvement activities on which we will focus.

Our 4 Strategic Change Initiatives



While our purpose is enduring and our programme of work spans several decades, we need to remain attentive to the challenges ahead and continue to drive delivery. The Dreadnought Class submarines will be some of the most advanced platforms and systems ever built. Additionally, we will continue building and supporting the Astute Class, supporting the Vanguard and Trafalgar Classes (and supporting systems), as well as the infrastructure on which they depend. We also need to sustain progress in dismantling and disposing of submarines that have left service. This requires excellent project and programme management skills, strong cost efficiency management, and an unerring focus on security and safety and environmental management.

We will continue to respond to the outcomes of the Integrated Review and Spending Review to ensure we are well placed to meet our customers future requirements. As part of this, with the renewed commitment to the nuclear programme and the strategic deterrent, we will carry on as planned, bringing in the skills we need to push ahead with our important programmes of work. We will of course be mindful of the pressures on public sector and defence budgets and work hard to ensure we are as efficient and effective as possible.

With our SDA Functional Teams now leading efforts to recruit and develop our people, we will pay particular attention to addressing existing and anticipated resource and skill 'pinch points'. This will enable us to reduce our current dependency on external workforce and delivery partner support, as well as provide a rewarding career framework for our people through Career Path Maps. We have also established our Learning and Development offer, which is providing comprehensive and focused development for our people. We will further mature this to ensure it provides technical and leadership development for our people, both professionally and personally, which also attracts, creates and retains the highest calibre individuals. Our holistic approach across a range of people strategies is to make the SDA a defence employer of choice.

The effective future delivery of all SDA outputs is reliant on our ability to continue to improve our performance as an Executive Agency of the MOD. Feedback through our annual People Survey, shows that although we have more to do, we are making progress. We will press on activities to look at how we can make our processes work better for us, engaging with colleagues across the agency to capture and take forward their improvement ideas. Our aim is to provide our people with greater freedom in deciding how to deliver against their objectives, as well as supporting them to make timely and quality decisions across our programmes to maintain delivery. Importantly, we will continue to focus on the agency's D&I commitments which are highly visible to our people and customers.

In summary, through the enhancement of excellent technical, programme and project management skills, working closely with our supply chain, and further progressing our people strategies and functional management capabilities, with a clear change agenda in our sights, we are building a better SDA.



Ian Booth
Accounting Officer
21 January 2022



SECTION TWO

Accountability Report

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Corporate Governance Report

The Corporate Governance Report outlines the composition and organisation of the Submarine Delivery Agency (SDA), our governance structures, and how these support our Purpose. It includes 3 sections:

- Directors' Report
- Statement of Accounting Officer's Responsibilities
- Governance Statement.

Directors' Report

Management

Details of the SDA Chair and Chief Executive Officer (CEO), and more information on the composition of the SDA Board and Executive Committee, are set out in the Governance Statement, and the Remuneration and Staff Report.

Directorships and Significant Interests

Members of the SDA Board must declare any other interests they have with current or potential customers or suppliers or, for example, other non-executive positions. A list of declarations of interest are held and Board members have the opportunity at the start of each (monthly) Board meeting to update the list below.

Name	Declarations of Interest
Rob Holden ³	<ul style="list-style-type: none"> • Nuclear Decommissioning Authority – Non-Executive Director. • Electricity North West Limited – Non-Executive Director. • North West Electricity Networks Finance PLC – Non-Executive Director. • Electricity North West Capital Finance PLC – Non-Executive Director. • Electricity North West Finance PLC – Non-Executive Director. • Nuclear New Build (SZC) Limited – Non-Executive Director. • London City Airport – Chairman. • Holden Heights Limited – Director (Personal Service Company providing consultancy). • Pension from the Shipbuilding Industries Pension Scheme (SIPS), now merged with the BAE Systems (BAES) pension scheme
Anne Baldock	<ul style="list-style-type: none"> • Electricity North West Limited – Non-Executive Director. • East West Railways Limited – Non-Executive Director. • Restoration and Renewal Authority Limited – Non-Executive Director. • Low Carbon Contracts Company Limited – Non-Executive Director⁴. • Electricity Settlements Company Limited – Non-Executive Director⁵. • Pantheon Infrastructure PLC – Non-Executive Director⁶.
Annette Hobhouse	<ul style="list-style-type: none"> • Hobhouse Consulting – Director.

³ Rob Holden served as the SDA Chair until 31 August 2021.

⁴ This Declaration of Interest was removed in July 2021.

⁵ This Declaration of Interest was removed in July 2021.

⁶ This Declaration of Interest was added in November 2021.

Sir Simon Bollom	<ul style="list-style-type: none"> DE&S CEO. Royal Academy of Engineers – Trustee. Owlstone Medical – Daughter’s employer.
Jonathan Simcock	<ul style="list-style-type: none"> Sellafield Limited – Non-Executive Director. Transport for London – Member of Independent Investment Programme Advisory Group. Strategic Advisory services through own company (Nanagon Limited).
Chris Walton	<ul style="list-style-type: none"> Kazmunaygas NC – Chairman. MOD – National Shipbuilding Strategy Client Board.
Dominic Wilson	<ul style="list-style-type: none"> None
Ian Booth	<ul style="list-style-type: none"> Deferred member of the BAES pension scheme. This is a scheme in which BAES is an employing company. Newton Europe – Son’s employer.
Bruce Martin	<ul style="list-style-type: none"> None
Keith Beckett	<ul style="list-style-type: none"> None

The SDA CEO and former Chair of the Board (Rob Holden, until August 2021) are members of pension schemes managed by BAES. BAES is a prime contractor working with the SDA. Notification of this related party has been made through all appropriate channels. There have been no other relevant reported related party transactions.

Personal Data Related Incidents

No personal data related incidents were reported to the Information Commissioner’s Office in 2020-21. Processes implemented across the agency ensure any incidents suspected of relating to personal data are reported and investigated in accordance with Ministry of Defence (MOD) policy. SDA maturity against the Data Protection Act 2018 continues to improve with regular communications with our people throughout the year providing current and policy-driven understanding to help protect personal information in line with legislative requirements.

Information Assurance

The SDA takes all data losses seriously and all security incidents are investigated. During 2020-21,

no data losses were identified.

Statement of Accounting Officer Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the SDA to prepare, for each financial year, accounts detailing the resources acquired, used, held or disposed of during the financial year, and a statement of accounts in the form, and on the basis, set out in the Accounts Direction issued by HM Treasury on 23 December 2020. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SDA and of its net resource outturn, application of resources, changes in taxpayers’ equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable

- accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government FReM, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis.

The Permanent Secretary of the MOD, as Departmental Accounting Officer, has designated the CEO of the SDA as Accounting Officer for the agency’s operating expenditure (OpEx). The responsibilities of an Accounting Officer include: responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable; keeping proper records; and safeguarding SDA assets, as set out in Managing Public Money, published by HM Treasury.

As the Accounting Officer I am required to confirm that, as far as I am aware, there is no relevant audit information of which the department or its auditors are unaware. As the Accounting Officer I have taken all the steps that I should have taken to make myself aware of any relevant audit information and to establish that the department and its auditors are aware of that information.

I take personal responsibility for this annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

By Ian Booth, Chief Executive Office and Accounting Officer

Introduction

I, Ian Booth, the CEO of the SDA, am responsible for maintaining a sound system of corporate governance and internal control to support the SDA’s Purpose and strategic objectives, while

safeguarding public funds and MOD assets for which I am personally responsible. Following reviews with the Defence Internal Audit (DIA) team, our board and our Audit and Risk Committee, I conclude that the system of internal controls in the SDA complies with the HM Treasury Code of Good Practice on Corporate Governance in Central Government Departments.

The Governance Statement represents my assurance that, as Accounting Officer, I am satisfied that this document accurately reflects the SDA’s financial status and corporate position and that it is adequately controlled through sound financial management, systems, processes and controls.

My assessment has been further reinforced by the DIA’s Annual Report for 2020-21. Overall, the DIA gave a ‘substantial assurance’ audit opinion, based on the results and weighting of the audits undertaken in year and the delivery of associated management actions.

This section of the Annual Report and Accounts will now explain the Governance Structure under which we operate, including providing details of our board, Executive Team and committee structure, and associated activities, and the SDA Risk and Control Framework.

Our Governance Structure

We are overseen by the SDA Board, which operates under the provisions of a [Framework Document](#) approved by Ministers. During financial year 2020-21, the Board was chaired by Rob Holden. Since his departure from the SDA in August 2021, the Board has been chaired by Jonathan Simcock. Accountability for SDA activities rests with me, Ian Booth, SDA CEO.

The Framework Document

The Framework Document sets out the Secretary of State’s requirements for our agency and our

board. It provides us with the authority to pursue our strategy and the freedoms to execute our business effectively. It also specifies the governance arrangements for the board and its Chair.

A comprehensive list of the roles and responsibilities of our Board can be found in the Framework Document. The principal roles of the SDA Board are to:

- endorse our strategy and ensure that this strategy is reflected in our Corporate and Business Plans and monitor and assess our performance against our Key Performance Indicators (KPIs) as agreed with the Departmental Sponsor
- provide advice and insight, challenge and support to the SDA CEO and the Executive Team and hold them to account for delivery of our strategy, the Submarine In-Service Support and Acquisition Programmes and our financial performance
- oversee the financial and operating controls in the SDA and its programmes, ensuring they follow compliance with the delegations afforded to us and the CEO.

The Board has a critical role in assuring itself that we are compliant with safety and security regulations and that we have sufficient competence and experience to conduct our nuclear-related support activities.

Departmental Sponsor

The Director Strategy and Policy within the Defence Nuclear Organisation (DNO), acts as our Departmental Sponsor and engages with the SDA Board on our overall performance. They discharge a range of oversight functions including:

- producing the Framework Document, which sets out our purpose and role, together with the governance policy, financial and human resources parameters that guide our day-to-day operations

- monitoring our performance against our Corporate KPIs including at departmental review meetings
- engaging with our Board on overall performance
- assisting us in our corporate planning process by providing information about likely policy developments or other changes that could impact performance, including assuring that senior executives' appointments in the SDA are appropriate.

The SDA sits within the DNO Top Level Budget and my CEO delegations flow from the TLB Holder, Director General Nuclear.

The SDA Executive Team and Revised Organisational Structure

The coronavirus (COVID-19) pandemic had a direct impact on the membership of the Executive Team during 2020-21, with our Commercial Director, Ruth Todd, seconded to the Department of Business, Energy and Industrial Strategy (BEIS) as part of the Vaccine Taskforce (VTF). Jim Carter was deployed from within the MOD in June 2020 to cover the SDA's Commercial Director role and was confirmed as permanent Commercial Director in September 2021.

At the end of 2019-20 we formally stood up the new role of Director Submarine Readiness (DSR), and Rear Admiral Paul Halton was appointed. As the submarine readiness and availability change programme evolved, alongside Navy Command Headquarters (NCHQ) Transformation, the principles which define what, how and where activity was conducted were refined. Whilst it was envisaged that the SDA DSR post would assume wider pan-Enterprise responsibilities for submarine readiness, it was judged that a stronger 'customer, supplier' relationship between the SDA and NCHQ was more beneficial. As a result, DSR was renamed Director Submarine Support (DSMS) in December 2020.

Following extensive discussions across the Defence Nuclear Enterprise (DNE) to look at clarity of roles and responsibilities and clear lines of governance, I, as CEO, agreed with DG Nuclear and Second Sea Lord that the separate post of Director Submarine Infrastructure and Disposals was no longer required. This work has, therefore, remained in the SDA Technical Director's portfolio and is supported by senior colleagues to head up a Devonport Infrastructure Team and a Disposals team. These teams ensured that we provide excellent waterfront infrastructure for the Royal Navy's submarines; and progress work to develop our approach to the safe disposal of our decommissioned nuclear submarines at Devonport and Rosyth.

Further information on the Executive Team is provided on page 62.

The SDA Board

The SDA Board provides the strategic leadership for the SDA in delivering our objectives. It endorses our strategy and recommends approval of the Corporate Plan, Business Priorities Document and KPIs to our Sponsor and Ministers.

The Board also monitors and assesses our performance against our KPIs and oversees the financial and operating controls across the organisation and in our programmes. It provides advice, insight, challenge and support to me and my Executive Team.

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

As set out in the Framework Document and board Terms of Reference, the Board meets monthly and includes the following members:

⁷ Rob Holden left the Board on 31 August 2021.

⁸ Annette Hobhouse left the board on 30 April 2021.

⁹ Jonathan Simcock was appointed as the Interim Chair from September 2021 following Rob Holden's departure.

¹⁰ Joined the SDA board in May 2020.

- the Chair, who is responsible for leading the Board and ensuring it is effective in its overall role
- a maximum of 3 governmental non-executive directors (NEDs)
- at least 3 independent NEDs appointed from outside government
- the SDA CEO
- the SDA Deputy CEO (DCEO) (as of May 2020)
- the SDA Chief Finance Officer (CFO)
- additional executives as deemed necessary by the Chair, subject to maintaining a majority of NEDs on the Board.

Board Membership as at March 2021

- Rob Holden, SDA Chair⁷

Non-government NEDs:

- Anne Baldock, Non-executive Director
- Annette Hobhouse, Non-executive Director⁸
- Jonathan Simcock, Non-executive Director⁹
- Chris Walton, Non-executive Director.

Government NEDs:

- Sir Simon Bollom, Non-executive Director (Defence Equipment and Support (DE&S) CEO)
- Dominic Wilson, Non-Executive Director (MOD Director General Security Policy).

Other Members

- Ian Booth, SDA CEO
- Keith Beckett, DCEO¹⁰
- Bruce Martin, SDA CFO.

SDA Board as at March 2021



SDA Board Activity as at March 2021

The SDA Board met 15 times during 2020-21, for 11 formal board Meetings, 1 Away Day and 3 supplementary sessions¹¹.

Name	Number of meeting attended
Rob Holden	15 (15)
Non-Government Non-executive Directors:	
Anne Baldock	15 (15)
Annette Hobhouse	15 (15)
Jonathan Simcock	13 (15)
Chris Walton	14 (15)
Government Non-executive Directors:	
Sir Simon Bollom	12 (15)
Dominic Wilson	12 (15)
Other Members:	
Ian Booth	14 (15)
Keith Beckett	13 (15)
Bruce Martin	15 (15)

SDA Board Processes

Processes and procedures affecting the Board are maintained and operated by the Board Support Team, which reports to the SDA Director Corporate Operations (DCO). The role includes circulating meeting papers, noting formal minutes and keeping a record of actions and decisions, which are reviewed at every Board meeting. Other information is distributed to the Board out of committee between meetings, as required, to keep Board members informed. The Board takes regular reports from me, the CFO, and the Director HR, as well as monthly updates from key programmes. Papers are prepared and presented by those with the appropriate seniority and expertise on the subject and are evidence-based, ensuring that the information is current, balanced and accurate.

¹¹ The supplementary sessions covered specific topics including KPIs and OpEx.

Board Performance

By Jonathan Simcock, SDA Interim Chair

I took on the interim role of Chair from Rob Holden in September 2021 and I have led the SDA Board to provide constructive challenge and support to the CEO and his Executive Team. With COVID-19 ongoing, our approach has naturally had to adapt in parallel to our colleagues across the DNE with us making use of virtual facilities to meet monthly as a Board.

Throughout 2020-21 and then into 2021-22, we sustained our focus on effective delivery of the SDA's programme of work and corporate performance. Although many of our tasks can be delivered remotely, much of the design, build and maintenance activities had to be sustained on sites. As such, our reviews and approach have been influenced by the impact of COVID-19 and we have prioritised the health, safety and well-being of the Enterprise's workforce and local communities alongside delivery of the SDA's programmes.

We were joined on the Board in May 2020 by Keith Beckett, in recognition of his new role of DCEO, and I have welcomed the additional experience and insight he has provided.

Our collective understanding of the agency's complex portfolio and the issues facing the Enterprise has continued to grow. Our independent NEDs have been involved in a breadth of activity above and beyond attendance at Board meetings, sharing expertise and advice in addressing both short term delivery and longer-term challenges. In addition to our engagement in Performance and Risk Reviews with MOD Head Office, Board members have also continued to be involved with key non-executive committees including the SDA's Performance, Audit and Risk, and Safety Committees.

Instead of our regular schedule of site visits, we mainly engaged with industry colleagues virtually therefore safeguarding our role as a critical friend. Our efforts went beyond regular monitoring of our partners' performance during the pandemic, to ensure a strong focus was being given to longer term stability. The Board Early Contact Committee (BEC) has also continued to be finessed and has proven to be a valuable route through which the Board can directly input into developing procurement and commercial strategies and remain informed of progress.

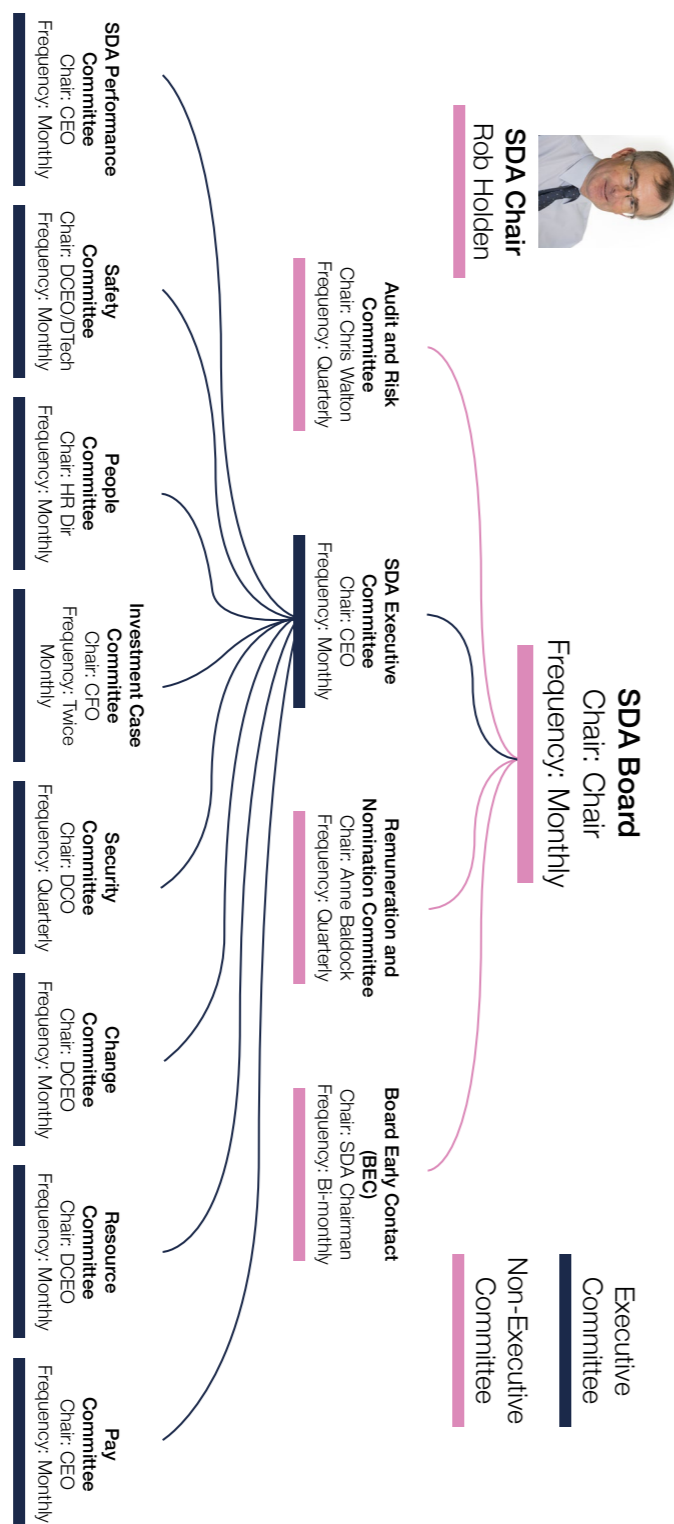
In addition, we have actively engaged with our Sponsor within the DNO to support the development of KPIs for the agency and to provide input into governance issues. This activity has not only further strengthened our ability to provide valuable challenge to the SDA, but also helped to further build relationships across the DNE.

Highlights of business discussed during 2020-21 are detailed below. Although not explicitly listed in each section, as a result of the far-reaching impact of COVID-19, our approach to business delivery and the wellbeing of our people during the pandemic remained a critical theme throughout our reviews and discussions.

Subject	Discussion	Outcomes
SDA Business Updates	Our Board received regular business updates on SDA Programmes, Safety, Security, People and Finance.	Our Board evaluated the updates and provided appropriate support and challenge to the Executive Team. Some specific programme updates were considered in the BEC meetings where the board were able to provide advice directly to Team Leaders.
Key Performance Indicator Data and Design	Our Board received monthly reports on all KPIs, highlighting corporate and programme performance data as well as progress with key milestones. The board engaged in the design of SDA KPIs for 2021-22 and held a standalone session on the topic.	Our Board considered the performance information provided, seeking clarification and challenging updates, and providing advice to the Executive Team as appropriate. The board endorsed the KPI design for 2021-22.
Risk	Our Board received quarterly updates on the SDA's Performance and Risk Reviews and the work of the Audit and Risk Committee.	Our Board noted the issues raised and provided recommendations and guidance as required.
Corporate Documentation	Our Board reviewed the Corporate Plan and Business Priorities Documents.	Our Board endorsed the documents, suggesting areas for improvements prior to final approval and publication.
SDA Committees	Our Board received reports from its sub-committees and considered the work being taken forward.	Our Board noted the work undertaken by sub-committees, providing recommendations and guidance as required.



SDA Board and Committee Framework as at March 2021



SDA Board Sub-committees

The SDA Chair and NEDs attend the following Non-Executive and Executive sub-committees in financial year 2020-21.

Name	Committee (meetings attended)
Rob Holden	Remuneration and Nomination Committee (REMCO) (7/7) Audit and Risk Committee (5/5) Board Early Contact (BEC) Committee (5/5)
Non-government non-executive directors:	
Anne Baldock	Remuneration and Nomination Committee (Chair) (7/7) Board Early Contact (BEC) Committee (5/5)
Annette Hobhouse	Safety Committee (12/12) Board Early Contact (BEC) Committee (5/5)
Jonathan Simcock	Performance Committee (7/7) Board Early Contact (BEC) Committee (5/5)
Chris Walton	Remuneration and Nomination Committee (6/7) Audit and Risk Committee (Chair) (5/5) Board Early Contact (BEC) Committee (5/5)
Government non-executive directors:	
Sir Simon Bollom	Board Early Contact (BEC) Committee (4/5)
Dominic Wilson	Remuneration and Nomination Committee (4/7) Board Early Contact (BEC) Committee (4/5)

Audit and Risk Committee

Our SDA Audit and Risk Committee supports our board and me, as the CEO SDA as Accounting Officer. The committee challenges the adequacy of internal controls and oversees the risk management assurance processes. This non-Executive Committee is chaired by a NED and takes place quarterly. The committee may be supported by observers from governmental audit agencies such as Defence Internal Audit (DIA) or the National Audit Office (NAO).

The meetings are currently chaired by Chris Walton (NED) and members include Jonathan Simcock (SDA Interim Chair) and previously Rob Holden (up to 31 August 2021). Regular attendees are Bruce Martin (SDA CFO), SDA Head of Finance, and representatives from the NAO and DIA.

The Audit and Risk Committee's programme of business during the 2020-21 period focused on the following:

- DIA: Government Furnished Equipment audit; Deep Dive of Risk Audit forward audit planning
- National Audit Office (NAO): 2019-20 Audit Completion Report; SDA Equipment Plan and Nuclear Provisions – Summary of audit findings for 2019-20 and SDA 2020-21 Audit Planning Report

- COVID-19 response including review of internal controls
- Supply Chain including the impact of COVID-19 and EU preparedness;
- SDA Equipment Plan updates
- Fraud updates
- Risk Management
- Annual Assurance Report
- Annual Committee Performance.

The SDA is a member of the MOD Fraud Board. During 2020-21, we have continued to respond to the threat of fraud and corruption to ensure that the defence and SDA Purposes can be met free from the destructive impact of fraud and corruption. Our values are supported and enforced through our policies, procedures, behaviours, and culture so that our actions are optimised for the disruption and prevention of fraud and corruption. As such, we pursue a zero-tolerance approach to fraud and corruption, this is further reinforced by the standards and behaviours enshrined in the values of the Armed Services, the Civil Service Code and the SDA Code of Business Ethics. The MOD Counter Fraud Function provides strategic coordination of our response to fraud and corruptions.

Remuneration and Nomination Committee

Our Remuneration and Nomination Committee (REMCO) is a sub-committee of our board. It is chaired by a NED, currently Anne Baldock, and comprises a minimum of 3 NEDs (1 of whom should be a nominated government NED) as well as the SDA's HR Director. The SDA Chair has a standing invitation to attend and other executives or

non-executives are invited to attend as appropriate.

The REMCO advises the SDA Board and me, as CEO on matters relating to the proper development and application of the SDA's total compensation strategy, including our pay structures. It also advises our board on the remuneration of the CEO, the civilian Executive Team and other senior staff as appropriate, where these are not set by Senior Civil Service (SCS) or departmental guidelines.

The REMCO met 7 times during 2020-21 with the discussions centred around progressing the Pay and Reward Strategy in light of the economic climate created by the COVID-19 pandemic. All elements of the remuneration package were re-examined by the committee, following discussions with colleagues in DE&S and the SDA Executive Committee sub-committee.

Board Early Contact

The Board Early Contact Committee (BEC), chaired by Rob Holden until August 2021 and then Jonathan Simcock as Interim Chair, allowed the Board to explore the SDA strategic direction for SDA Business Cases before the procurement strategy is set. In financial year 2020-21, it met 5 times and considered a wide range of business cases including investment decisions linked to Deep Maintenance Periods (DMP), Data Integration, and the Dreadnought Programme.

SDA Executive Committee

SDA Executive Committee as at 31 March 2021



My Executive Committee supports and advises me in the delivery of our duties to ensure we deliver our purpose. Formally, the Executive Committee helps discharge the delegations and responsibilities set out in my CEO's Letter of Delegation as Accounting Officer and Letter of Authority from DG Nuclear. The Executive Committee also serves as the forum where our Executive Team focuses on key issues affecting the SDA and its delivery, proposing strategies and plans to the SDA Board for endorsement where appropriate. This work is all within the context of driving delivery against the SDA Corporate Plan, and ensuring that effective working relationships are maintained between the SDA, our Sponsor, customers, suppliers and other delivery agents, including DE&S.

As Chair of the Executive Committee I was supported by the following members in 2020-21:

- Keith Beckett, Deputy CEO and Technical Director
- Bruce Martin, SDA (CFO)
- RAdm Paul Halton, SDA Director Submarine Support (DSMS)
- Rear Admiral (RAdm) Paul Methven, SDA Director Submarines Acquisition¹²
- Dr Tim Sheldon, SDA Director Submarines Acquisition (DSMA)¹³
- Rachel Baguley, SDA DCO
- Ruth Todd, SDA Commercial Director¹⁴
- Jim Carter, SDA Commercial Director¹⁵.

In addition, the following SDA people also attend the Executive Committee to support the meeting as required:

- SDA Human Resources Director
- SDA Head of Corporate Operations
- Chief of Staff to CEO
- Executive Committee Secretary.

¹² RAdm Paul Methven left this position in August 2020.

¹³ Dr Tim Sheldon was an interim ExCo member from August 2020 and substantive from March 2021.

¹⁴ From June 2020, Ruth Todd was seconded to the Department of Business, Energy and Industrial Strategy (BEIS) as part of the Vaccine Taskforce (VTF).

¹⁵ Jim Carter was deployed from within the MOD in June 2020 to take up the Commercial Director role. He was permanently appointed into the role in September 2021.



The following key business areas were discussed at the SDA Executive Committee during 2020-21:

Security	The Executive Committee reviewed a ‘Security Moment’ every month, looking at a specific security issue, which would then be shared throughout the organisation. In addition, a quarterly report from the Security Committee was provided, covering topics such as security breaches, challenges, and KPI data.
Safety	During 2020-21, the Executive Committee reviewed a ‘safety moment’ every month, looking at a specific safety issue, which would then be distributed throughout the organisation. In addition, there was regular safety reporting including Occupational Safety, Health and Environment (OSHE) and Safety Performance Indicators (SPIs), as well as the findings of the annual staff safety culture survey.
Performance	Throughout 2020-21, the Executive Committee reviewed the performance of the SDA using KPI data and other corporate and programme reports as appropriate. It was also kept informed and advised on the departmental quarterly Performance and Risk Reviews. The Executive Committee received a monthly report from our CFO on financial performance including an overview of the SDA’s OpEx.
Risk	Risk was a constant consideration, particularly in the context of the COVID-19 pandemic and its impact on SDA programmes and people. The Executive Committee held a standalone session on Strategic Risk in February 2021 and has since held monthly deep dives into specific strategic risks. Such discussions were held alongside the departmental quarterly Performance and Risk Reviews.
People	The Executive Committee reviewed People issues on a monthly basis, looking at topics including diversity and inclusion (D&I), health and wellbeing (H&WB) (including mental health), and resourcing. These topics came into particularly sharp focus during the pandemic. In addition, the Executive Committee charted progress against the recommendations from the MOD’s Wigston Review into inappropriate behaviours, commissioning staff training to focus on these topics and improve behaviours.
Change	The Change Programme was high on the agenda for the Executive Committee throughout the year, and in the latter stages of 2020-21 the Executive Committee established ‘SDA 21’ to encompass a wider focus on change as a result of the pandemic and the SDA’s expected financial settlement for 2021-22. Future ways of working, in preparation for the easing of COVID-19 restrictions, were also discussed, as were more general process improvements.
Corporate Operations	The Executive Committee reviewed in-year recognition awards, ensuring fair and effective use of budgets. It also reviewed the outcome of the People Survey and endorsed the resulting action plan. Discussions were held around the preparation of the SDA’s Corporate Plan, associated KPIs and the Business Priorities document for 2021-22.

SDA Executive Committee Sub-committees

Several sub-committees support the work of the Executive Committee; these are shown on the SDA Board and committee Framework (page 59).

- **The Performance Committee** drives delivery against our KPIs and Submarine Acquisition and Support Plans (SASPs). The Performance Committee serves as the forum where our senior leadership team (Executive Team and Team Leaders) can focus on key issues affecting delivery, prioritising activity to improve our outputs and outcomes. Our Performance Committee includes representatives from our customers, NCHQ and DNO, to facilitate an organisational view on performance and agree where wider support is required to address challenges. It is chaired by me as CEO and is attended by a NED (Jonathan Simcock).
- **The Safety Committee** provides support and advice to me, as CEO in my role as a Senior Duty Holder and acquisition and support safety lead for our organisation. The Safety Committee also has oversight of our safety and environmental performance and directs work to deliver improvements in this key area for the business. It is chaired by the Technical Director and supported by a NED. During financial year 2020-21 this was Annette Hobhouse. Ann Baldock now supports the Safety Committee.
- **The People Committee** provides direction and oversight of our people activities in accordance with our Corporate Plan. It engages and updates stakeholders on the current issues and initiatives arising from implementation of our People Strategy and developments in other people and HR matters. It is chaired by our Director HR.
- **The Investment Case Committee** provides assurance that the costs, schedule, and levels of contingency for NCHQ and Strategic Command projects or programmes are

appropriate to deliver the capability or service required. It also reviews whether the specific commercial strategy for the project is appropriate for the procurement required and that this is consistent with the overall suite of SDA strategies. It is chaired by our CFO and is attended by our Chair – up to August 2021 this was Rob Holden. Since then, the Committee has been supported by Jonathan Simcock.

- **The Security Committee** reviews our performance and provides strategic direction across all elements of our security including physical, personnel, and cyber security, as well as our business resilience. It is the formal group through which the strategic security risks of the SDA are managed. It is attended by all Team Leaders (or their Deputy) and chaired by our DCO.
- **The Resource Committee** considers how resourcing demands are being fulfilled. It reviews forward demand forecasts and supports teams in resolving resourcing conflicts based on our agreed priorities. It is chaired by our DCEO.
- **The Pay Committee** seeks to advise our Remuneration Committee on matters pertaining to pay and benefits. It is chaired by me, as CEO.
- **The Change Committee** drives delivery of change programmes to meet the SDA's Vision of being a high-performing organisation. It is chaired by our DCEO.

The Dreadnought Alliance

The Alliance, a joint management team between the SDA, BAES and Rolls-Royce, meets the government's commitment to work closely with industry partners with the shared aim of improved delivery performance across the Dreadnought Programme. The Alliance is chaired by Sir Peter Gershon, with a senior civil servant as the Managing Director.

With the First of Class, HMS DREADNOUGHT, due to enter service in the early 2030s, staged investments made during 2020-21 have allowed good progress to continue on the whole boat design and the construction process. Progress with the remaining submarines in the Class (VALIANT, WARSPITE and KING GEORGE VI) continues in line with the overall programme schedule, noting that we are in the early fabrication stages of their programmes.

SDA Risk and Control Framework**Risk Management**

Throughout 2020-21 our focus remained on the implementation of SDA Risk Management Strategy and using stakeholder feedback and learning from experience, our improved risk management governance structure was matured. This strengthened governance structure ensures all SDA strategic risks are reviewed and managed appropriately, whilst allowing prioritisation of key risks using 'deep dives' to ensure input is achieved from senior management. An improved process for escalation has been agreed in principal and work is ongoing to formalise the process to ensure there is a clear pathway, enabling risks to be escalated and timely senior management action can be considered. To support the improved governance structure, work is ongoing to evolve risk information to fully articulate and understand which factors at all levels of the organisation are driving the strategic risks and their associated mitigation actions

These actions have been designed to promote linkage of risks at all levels of the organisation, which in turn will enhance a 'bottom up' understanding of full SDA risk picture and promote a 'no surprises' and open and honest approach to risk management within the agency.

We are now implementing and actioning previous plans to further expand the hierarchical approach to risk governance, continuing to work closely with our customers to improve strategic risk management across the wider DNE. Engagement across the Enterprise has begun and plans to increase discussion, visibility and cohesion of Enterprise risks are ongoing.

Principal Strategic SDA Risks and Mitigation Action During 2019-20

The Principal Strategic SDA Risk picture remains stable and continues to focus on the causes and factors that may contribute to the SDA being unable to successfully achieve our purpose and are based around the following key areas:

- Output risks – linked to delivery of our objectives, these risks are based on the novel and complex nature of our programmes
- Supplier risks – these consider factors around which key dependencies for delivering our objectives fail
- Organisation risks – these are threats that our organisational construct, tools, processes and/or relationships are not sustainable to support our purpose
- Enabler risks – focused on challenges to achieving our purpose due to lack of resources.

Risk reduction activities during 2020-21 have been heavily influenced by the COVID-19 pandemic. Supply chain uncertainty has driven the SDA to increase, manage and monitor its supply chain resilience. Improvements have been made to help strengthen business continuity planning, including both office and remote ways of working, which is further supported by improvements to the IT infrastructure.

Update on Principal Risks Identified in 2019-20

During 2020-21, our approach to strategic risk management, and the associated individual risks,

were tested by the COVID-19 pandemic. The implementation of national restrictions, including the rapid move to remote working coupled with reduced travel, was tracked as an emerging cause within the Strategic Risks. The initial impact of such change was significantly mitigated through the deployment of sound business continuity control measures and extensive work to maintain supply chain activity. As such, the SDA continued to deliver against its purpose.

Risk exposure from our strategic risks continues to remain stable, due to their strategic nature and the organisational approach taken to mitigation. As identified above, there have been significant steps taken to mitigate the strategic risks through organisational changes and action, however the associated risk reductions continue to be a maturing process as the new organisational arrangements embed and further associated risk mitigation actions are completed. During the year, we evolved our focus on Nuclear Liabilities within the business and to support this, a specific strategic risk was identified, aiming to better highlight issues concerned with the disposal elements of our business.

Principal Internal Controls

Each year we complete an Annual Assurance Report (AAR) for the Defence Risk Assurance team in the MOD. This report assures me that the SDA risk and control management systems are working, and it draws my attention to any concerns about the operation of our governance arrangements as well as helping to identify intended future plans to sustain and improve assurance (where necessary). The report is reviewed by our senior leaders and the Audit and Risk Committee (A&RC) prior to my sign off, as the SDA Accounting Officer. This document also informs the Defence Audit and Risk Committee (DARAC) and the Permanent Secretary's reports (as Accounting Officer) to Parliament as part of the MOD's Annual Governance Statement.

Financial

At the start of the financial year (2020-21), the DNO agrees an operating cost envelope with us. As set out in our Framework Document, within this cost envelope, the SDA has the freedom to manage all aspects of its workforce as necessary to meet its business needs. We are mindful of the responsibilities of the Permanent Secretary as Principal Accounting Officer and continue to have regard to wider government pay policies, working with the Chief of Defence People to agree changes to personnel policy or practice that might have wider implications for the rest of the department.

As an Executive Agency of the MOD, we ensure that our freedoms are exercised transparently, through the agreed governance mechanisms including SDA committees and the board. We also comply with government policy to publish relevant information and provide details both to HM Treasury and the Cabinet Office for monitoring purposes.

Commercial

In 2020-21 we placed 97 new contracts with a total value of £576m. As of March 2021, the SDA's commercial portfolio was 360 contracts valued at £31.4bn, which covers both the acquisition and support of submarines. We have not been subject to any legal procurement challenges during the year and have been fully compliant with the Single Source Contract Regulations.

We continue to demonstrate high standards of commercial assurance and improvement activities despite the impact that COVID-19 has had on our ability to deliver a full contract management assurance programme. Positively, in a recent audit report (March 2021) Defence Internal Audit (DIA) concluded that the SDA demonstrated "Substantial Assurance" and that "A strong control framework is in place for the commercial management of contracts.". We have also developed and enhanced

commercial and supply chain management practices across all areas of our business. This is a core enabling capability in support of our work to design, build and support Royal Navy submarines. Consistent with other government departments, our commercial activities are subject to Cabinet Office review, which provides additional assurance for delivery and value for money approvals.

We are investing in our people to increase our commercial capability and our professionalism through formal Chartered Institute of Procurement and Supply (CIPS) training and memberships and through the Cabinet Office-led Assessment and Development Centres (A&DC) and MOD-run licensing practitioner panels. Although the target dates for existing commercial staff to attend A&DCs and practitioner panels has moved due to the pandemic, we now remain committed to ensuring that by March 2023, any commercial staff requiring a delegation will have reached a specific competence level: a commercial license, achieved through passing either the A&DC or the accreditation panel, and the appropriate level of CIPS. Commercial awareness training has been extended to Contract Managers in other functions and many of these have successfully completed the Cabinet Office's Contract Management Foundation programme.

Our People

In accordance with our People Strategy, our people continue to be developed, supported and empowered to deliver the SDA's Vision and Purpose. In 2020-21 we launched the SDA Code, which sets out the values and behaviours that drive us in the SDA. It is important as it helps us to continue to build a great team and will ultimately help us achieve our vision and deliver our purpose. Supported by the SDA Code of Business Ethics, a document which is an integral part of who we are and how we work, these principles ensure the SDA remains a positive workplace and respected organisation.

As an agency we need to continually attract and retain suitably qualified, experienced and high performing people, and thus we have improved our resourcing, recruitment and induction processes and policies. We have developed bespoke recruitment material and also stipulated the behaviours we expect in all of our people, and this work continues to ensure that we are an employer of choice.

During 2020-21 and as at 31 March 2021, we have seen the SDA team grow, this is a mixture of civil servants, military personnel, workforce substitutes (including our delivery partners), graduates and apprentices, fixed term appointments, secondments and loans. To support our new starters, the majority of whom had to work from home from their first day in the organisation, we have taken particular care with regard to their induction into the SDA. The SDA corporate induction has therefore been developed to take account of this remote working and now signposts the SDA Code and acceptable behaviours, the support available on H&WB as well as our networks supporting protected characteristics. Our delivery managers and senior staff have also received considerable support to assist with the move to remote working and leadership of their teams during the pandemic, including the on-boarding of new colleagues.

We have made significant progress on improving the function management of our people in the SDA by appointing leads for each of our functions, having created our own architecture to be able to conduct targeted function management within the agency.

We have introduced a new mentoring scheme to help build valuable relationships across the SDA and further support the growth of our staff to meet business needs, but also importantly increasing individual opportunities within the SDA and improving their 'employee experience'.

As detailed earlier in this report, as part of our COVID-19 response, we provided significant amounts of IT and office equipment to facilitate safe and secure homeworking and worked across the agency to provide enhanced wellbeing and day-to-day business partner support. We also secured flu vaccination vouchers for our civilian and military personnel as a measure to reduce the impact of seasonal illnesses amongst our people.

As part of our efforts to provide exemplar support on wellbeing as well as D&I matters, our trained Fairness and Equality Advisors (FEA), who are embedded across the agency, continued to signpost colleagues to a range of services and information. Following Cabinet Office guidelines issued in November 2021, the SDA – in line with parallel changes in DE&S – introduced Fair Treatment Ambassadors (FTAs). For the first 6 months of their operation, our 3 newly qualified FTAs will work alongside our FEAs, following which the support to staff provided by both groups will be reviewed to aid maturation and optimisation of our future approach. In addition, we have over 40 trained Mental Health First Aiders (MHFA) across the agency, providing invaluable advice and guidance to those in need. Supported by our HR team, information on the role of these volunteers and how to access such support is promoted through our established HR portal. This also includes additional resources on mental H&WB provided by both the MOD and external best-practice providers.

The effectiveness of these initiatives and the positive contribution of our staff was in part reflected in the People Survey results for 2020, which saw our engagement index improve again this year, with increases across all our themed scores (see also page 24).

Focusing on diversity and inclusivity and, building on the success of the ‘Speak Out’ training undertaken in 2019-20, we have developed a bespoke SDA Respect and Dignity in the Workplace workshop which is being delivered across the SDA. This training, which is mandated across our organisation, is focused on behaviours in the workplace and the impact these have on others. The SDA is committed to challenging all forms of discrimination and unacceptable behaviour, and this workshop is designed to educate and remind staff the impact their words, silence and behaviour can have on their colleagues and others they come into contact with. Our ambition is that the lived experience of the SDA is enhanced, everyone will be free to be their authentic selves and thus achieve their full potential.

Under COVID-19 restrictions, we designed and established our future ways of working. We worked hard to get plans in place, looking at how to make best use of the office space, tools and technologies available to us as well as the needs of our staff, particularly with regard to mental health, building new teams and collaboration. We have developed new approaches to running meetings, events and workshops to include all colleagues no matter where they are working. Behaviours remain integral with the design of our approach to ensure there is an equality of experience and an avoidance of presenteeism and presence disparity.

Safety and Security

In the safety and security environments we have continually looked to enhance our ways of working and agency culture. The impacts of COVID-19 did not deter us and for safety we completed the annual safety day online; produced the SDA Safety Handbook; ran the annual safety culture survey, which measures improvement and areas for

further focus; and we have worked to improve our peoples’ understanding of safety responsibilities. In security, as described earlier in this report, we updated the agency’s General Security Threat Brief to include remote homeworking and ensured advice, guidance and training resources were made available to all our staff through multiple communication channels. Throughout such continuous improvement activities, we have embraced the feedback and lessons learned we receive to continue to evolve our management of safety and security for the future. Further information on safety and security can be found in our Safety, Environmental Protection, Climate Change, Sustainability and Security section (pages 35-42).

Information Architecture

In 2020-21, the SDA generated and matured the lower-level design to enable early technical staging for the Future Enterprise Information Architecture; which seeks to enhance collaboration with our Tier 1 Suppliers and reduce information risk. Aligned with wider security actions, there was a continued focus on assurance and training activity across our business, ensuring our people have the requisite knowledge to manage our information securely

Quality Assurance of Analytical Models

The Submarine Portfolio Office conducted the annual review of the Quality Assurance (QA) of its Business Critical Models (BCM) for 2020-21, where 20 BCMs were reviewed. The outcome of the review found that there is substantial assurance that the quality assurance of SDA models had been conducted in a way that satisfies the requirements of the HM Treasury Aqua Book¹⁶. The review also acknowledged the implementation of the recommended steps from the review in 2019-20. We continue to implement learning from experience

in this area to ensure we are sustaining best practice within our assurance processes.

The 2021 published list of [Business Critical Models in Defence](#) including those in use in SDA is available online.

Whistleblowing and Raising a Concern

The SDA is committed to ensuring the highest standards of quality and we take responsibility for everything we do. We value the role of Whistleblowers, who, by raising their concerns, assist us in getting things right. The Whistleblowing Policy is a MOD wide policy, and the SDA fully embraces this approach. The awareness of this policy and associated reporting procedures are shared with our people through internal communications and publications. The MOD Confidential Hotline is the secure single point of contact for all – whether Service personnel, civilian staff or contractors. Management information on the nature and conduct of our whistleblowing is provided by the MOD to the Cabinet Office every 6 months.

Conclusion

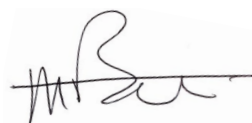
The overall governance assessment of SDA takes into account the inputs of and reviews of the DIA, our board and our Audit and Risk Committee, together with the assurance assessments made by our control leads as part of our annual review of assurance.

My Corporate Operations Team have, through regular engagement, worked closely with the MOD’s Defence Risk and Assurance (DRA) Team on our Annual Assurance Report. This Report captures our key risks and outlines how relevant controls have operated during the year. Since our last report, we have continued to strengthen

¹⁶ HM Treasury Aqua Book: Guidance on providing Quality analysis for Government, March 2015

our assurance process so that we mature our governance systems in line with best practice. Through regular reviews, we have shown we have not only sustained the substantial level of assurance achieved in 2019-20, but have also demonstrated improvement in some areas such as governance, assurance and resources.

Overall, we have demonstrated that our governance system and internal controls support our business and enable our teams to focus on providing submarine capabilities for the Royal Navy. I can confirm that the risk management and internal controls described have operated for the year under review and up to the date of the approval of these accounts. We will, of course, continue to drive improvement to further optimise our ways of working and corporate performance, delivering much of this work through our change programme.



Ian Booth
Accounting Officer
21 January 2022

Chair's Assessment

By Jonathan Simcock, SDA Chair

We have continued to sustain momentum, not just throughout financial year 2020-21 but in the months since, remaining focused on delivering our core outputs – providing available and capable submarines – thereby supporting the Royal Navy in delivering Continuous at Sea Deterrent (CASD) and its vital national security role. Our progress has been visible across our governance systems, where Rob (until his departure in August 2021) and I (since September 2021) have worked with the Executive Team, our Audit and Risk Committee, and our Sponsor, to make sure we carry on learning and improving. We have focused our activities on ensuring that we sustain a proper system of internal controls to facilitate business delivery and effective performance monitoring throughout the agency.

The support received from the Defence Internal Audit (DIA) team and its audit assessments across our risk, commercial, government furnished equipment and, security and resilience areas, has ensured our continuous improvement remains at the forefront across our strategies. The DIA Annual Assessment, again provided a substantial audit

opinion based on the results and weighting of the limited number of audits undertaken in year and the delivery of associated management actions'. These reviews have enabled us to develop as an agency and I have welcomed the feedback provided to help us target and focus our efforts.

Throughout the year, building on previous experience, and ensuring we are aligned with best practice across the public sector, our governance framework has evolved. We now have a strengthened SDA Resource Committee due to the establishment of SDA functions and the SDA Functional Leads are leading efforts to recruit and develop individuals with the skills and competencies we require, and to manage the deployment of people to deliver our priorities. The SDA Change Committee has also been relaunched to align with our fresh approach to change and is now guiding

and overseeing all change activity. Furthermore, we have used the skills of our NEDs to help support reviews across the business; their private and public sector experience has been invaluable.

The changes highlighted above are good indicators of where the SDA is continuing to learn from feedback from its stakeholders and people. Refinements are clearly demonstrating how we are developing our approach and improving how we operate as an Executive Agency. Overall, I assess that the internal controls and overall governance system has shown to be effective during 2020-21. I am confident that this foundation will enable the SDA, within its delegated budgetary responsibilities and accountabilities, to continue to comply with agreed standards in pursuit of its objectives.

* The DIA annual opinion is caveated due to the large number of planned audits that were deferred or cancelled because of the impact of COVID-19. The overall opinion is limited by the scope of our work and does not provide full coverage of all strategic risk areas in the SDA.

Remuneration and Staff Report

SDA Remuneration Policy

The following remuneration policy refers to the appointment of the SDA Directors to the SDA Board and Executive Committee.

The SDA has been granted the freedom to manage our workforce as necessary to meet its business needs in line with Annex A of the Framework Document¹⁷. This delegated authority is carried out under the provisions of the Civil Service (Management Functions) Act 1992. In exercising this authority, we must be cognisant of best practice across the wider Civil Service and government and the MOD policies on Civil Service terms and conditions.

In setting the remuneration of our civilian senior executives, we consider the advice of our Remuneration Committee (REMCO) and our military senior executives are bound by the remuneration policy for senior officers of the armed forces. The broad role and composition of the REMCO is set out earlier in Section Two of this report.

Performance and Reward

The 2020-21 Statement of Comprehensive Net Expenditure reflects payments made or due to Directors during the financial year. Salary and reward for the SDA Chief Executive Officer (CEO) was considered by our REMCO. All our people were evaluated against their objectives to determine end of year performance outcomes. Salary increases are determined based on individual performance outcome and gap to market benchmark for their role. In line with our pay arrangements, a non-consolidated performance award was paid to all staff who were awarded “Good” or better in the 2020-21 performance year. Owing to the ongoing pandemic the end of year

performance management conversations largely took place remotely.

The NED’s remuneration is set in accordance with MOD public appointments policy. NED performance is reviewed to consider the impact of individuals on the performance of the board and sub-committees, recognise the contribution of the NED, identify ways this could be improved, and to provide feedback.

Senior Manager Contracts

The Constitutional Reform and Governance Act 2010 requires appointments to the Civil Service to be made based on fair and open competition. The recruitment principles published by the Civil Service Commission specify the circumstances when appointments may otherwise be made. Unless otherwise stated, the civilian officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

The terms and conditions of our Chair and independent NEDs on our board are determined by the MOD and set out in their individual appointment letters. Independent NEDs and our Chair are appointed for a fixed term through a transparent recruitment and selection process, with appointment on merit, thus following the Office of the Commissioner of Public Appointment principles. While they are paid by the SDA, they are not SDA employees or appointed as civil servants.

A NED’s appointment may be terminated at 1 months’ notice by either party or on dissolution of the board, unless found guilty of gross misconduct when termination will be immediate.

¹⁷ SDA Framework Document

The NEDs are initially contracted to 3 years with the option to reappoint¹⁸. MOD standard practise is for all public appointments to not exceed 6 years in total. However, this can vary depending on the merits of each situation and individual. NEDs and our Chair are not involved in any discussion about their own remuneration and all payments made are non-pensionable. There are no compensation entitlements for early termination.

Remuneration and Pension Entitlements (Subject to audit)

The following pages contain details of the pay, pensions and benefits-in-kind of individuals who served as members of the SDA Board during the financial year. The disclosures cover only the periods individuals were board Members in the SDA (for example, an individual moves department during the year the disclosure covers only remuneration earned to that date).

SDA Board Senior Executive Salaries, Taxable Benefits-in-kind and Pension Benefits (Subject to audit)

SDA Board Directors ¹⁹	2020-21				
	Salary ²⁰ £000	Annual Performance Award ²¹ £000	Benefits in kind £00	Pension ²² £000	Totals to nearest £000
Ian Booth	285-290	90-95	-	-	380-385
Keith Beckett ²³	165-170 (FYE 180-185)	-	-	20-25 (FYE 25-30)	190-195 (FYE 210-215)
Bruce Martin	175-180	40-45	-	25-30	240-245
2019-20					
Ian Booth	280-285	90-95	10	-	375-380
Bruce Martin	170-175	40-45	-	25-30	240-245

¹⁸ Chris Walton and Annette Hobhouse contracts have been extended for a further 18 months from 1 January 2021 to 30 June 2022. Jonathan Simcock and Anne Baldock contracts have been extended for a further 3 years from 1 January 2021 to 30 December 2023.

¹⁹ The SDA Board Terms of Reference sets out the board structure to include the CEO, Chief Finance Officer (CFO), Deputy Chief Executive Officer (DCEO) and non-executive Directors (NEDs). This design has been agreed to ensure consistency with the structure of Defence Equipment and Support (DE&S) Board and to ensure the agency has a meaningful ratio of board Directors to NEDs.

²⁰ Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

²¹ For the 20-21 annual report SDA changed the basis for the reporting of annual performance awards from the award accrued to the award paid. The figures shown for 20-21 are the award paid in 20-21 in respect of performance in 19-20. These figures are therefore the same as those for 19-20.

²² Ian Booth is a member of a personal private pension scheme. Keith Beckett and Bruce Martin are not members of the Principal Civil Service Pension scheme and have elected to be members of the Partnership Scheme

²³ Keith Beckett began DCEO role in May 2020, this report discloses his remuneration only in respect of that role.

SDA board non-executive salaries (Subject to audit)

SDA Board Non-Executives ²⁴	2020-21 £000	2019-20 £000
Rob Holden SDA Chair ²⁵	145-150	145-150
Anne Baldock	20-25	25-30
Jonathan Simcock	25-30	25-30
Annette Hobhouse	25-30	25-30
Chris Walton ²⁶	25-30	25-30
Dominic Wilson ²⁷	-	-
Sir Simon Bollom ²⁸	-	-

Pay Multiples (Subject to audit)

The following table provides details of pay multiples – the ratio between the highest paid SDA military and civilian executives and the median remuneration of the workforce. Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest paid civilian director in 2020-21 ranged between £380k-£385k. This was 9.35 times the median remuneration of the workforce, which was £40.9k. The civilian salary range is between £16.8k-£385k (2019-20: £15.8k-£380k).

The banded remuneration of the highest paid military employee in 2020-21 ranged between £125k-£130k. This was 1.67 times the median remuneration of the workforce, which was £76k. The military employee salary range is between £20k-£130k (2019-20: £28.3k-£125k).

No employee, either military or civilian, received remuneration in excess of the highest paid director during 2020-21 (2019-20: nil).

²⁴ Board NED salaries include gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowances to the extent that it is subject to UK taxation. The remuneration stated above are based on attendance and claims for services submitted by NEDs. None of the NEDs received annual performance awards, benefits in kind, or pension benefits in relation to their role on the SDA Board.

²⁵ The Chair, Rob Holden, is remunerated for working up to 150 days per year. Independent NEDs are remunerated for working up to 24 days per year.

²⁶ Chris Walton is also listed as a NED on the National Shipbuilding Strategy Client Board. The emoluments shown for Chris Walton represent only SDA related activities.

²⁷ Dominic Wilson is a government employee and receives no remuneration from the SDA for his services.

²⁸ Sir Simon Bollom is a government employee and received no remuneration as a Non-Executive member of the SDA Board. Sir Simon Bollom's salary details are reflected in the DE&S Annual Report and Accounts.

	2020-21 £	2019-20 £
Mid-point of the £5,000 band for the annual equivalent remuneration of the highest earning military employee.	127,500	122,500
Median total remuneration of armed forces personnel	76,329	53,789
Military pay ratio	1.67	2.28
Mid-point of the £5,000 band for the annual equivalent remuneration of the highest earning civilian board member in the tables above	382,500	377,500
Median total remuneration of civilian staff	40,897	40,179
Civilian Pay Ratio	9.35	9.4

The information relates to remuneration for civilian and military personnel during 2020-21.

The increase in civilian pay ratio since 2019-20 arose because the highest paid salary went up, while the median civilian pay went down due to increased recruitment of lower paid staff.

The decrease in military pay ratio since 2019-20 arose because the FTE increase in military staff.

2. Staff Report

Staff Numbers (Subject to audit)

The number (head count) of SCS within the SDA Senior Leadership Group²⁹ (SLG), as at the end of the financial year (March 2021) is as follows:

SCS Pay Band	2020-21	2019-20
Band 1	22 ³⁰	17
Band 2	6 ³¹	4
Band 3 and above	1	1
Total	29	22
SDA military at 1* and above	4	8
Grand Total	33	30

The number of SCS reflects the implementation of the organisational design requirements for delivery and forward management of the SDA as an Executive Agency of the MOD.

Average numbers of full-time equivalent (FTE) persons employed are as follows:

²⁹ SLG also referred to as the senior civil servants (SCS).

³⁰ One SCS PB1 is a Work Force Substitute and is on loan from the Government Commercial Organisation (GCO) but for completeness has been shown within this table.

³¹ A member of the SDA Executive Committee is a work force substitute and is on loan from the Government Commercial Organisation (GCO) but for completeness has been shown within this table.

Average Staff Nos (Full Time Equivalent):	2020-21			2019-20		
	Permanent Employee Staff	Contingent Labour	Total	Permanent Employee Staff	Contingent Labour	Total
Armed Forces	178	-	178	160	-	160
Civilian	1642	95	1737	1,464	87	1,551
Total	1820	95	1915	1,624	87	1,711

To align with the total pay costs incurred during the year, the number of FTE civilian and military staff for the SDA (shown above) is based on an average for the financial year and is used to compensate for organisational and structural changes during the 12-month period.

The number of FTEs employed in the year 2020-21 increased by 196 relative to the number employed in 2019-20. This is consistent with an overall increase in staff costs. Increases in staff numbers are to address resource shortfalls across all functions. Contingent labour shows an increase of 8 FTE, reflecting the continued increase in overall numbers to support the agency's purpose. The staff turnover across the SDA is 6.3%, this is comprised of an average civilian headcount of 1642 against a total turnover of 104 FTE. Further information on the SDA's policy for using contingent labour can be found on page 84.

Staff Costs (Subject to audit) (See also note 2 to the financial statements)

The aggregate staff costs, including allowances paid were as follows:

Staff costs comprise:	2020-21			2019-20		
	Permanent Employee Staff £000	Contingent Labour £000	Total £000	Permanent Employee Staff £000	Contingent Labour £000	Total £000
Salaries and Wage Costs	91,328	16,487	107,815	78,496	13,059	91,555
Social Security Costs	9,688	-	9,688	8,619	-	8,619
Other Pension Costs	25,554	-	25,554	22,566	-	22,566
Total	126,570	16,487	143,057	109,681	13,059	122,740
Paid to:	£000	£000	£000	£000	£000	£000
Armed Forces	22,472	-	22,472	21,146	-	21,146
Civilian	104,098	16,487	120,585	88,535	13,059	101,594
Total	126,570	16,487	143,057	109,681	13,059	122,740
Adjustment for NSRS rebate of staff costs	(405)	-	(405)	(1,115)	-	(1,115)
Net staff costs	126,165	16,487	142,652	108,566	13,059	121,625

During 2020-21, the agency's recruitment increased, this led to an increase to the overall total staff cost when compared with last year.

For the year ended 31 March 2021, of the total pension contributions for SDA in the table above, £18.4m was payable in respect of the various schemes in which civilian staff were members.

For the year ended 31 March 2021, of the total pension contributions for SDA in the table above, £7.15m were payable in respect of the armed forces Pension Scheme in which military staff were members.

Where employees opened a Partnership pension account with an employer contribution, we made contributions of £277k to the relevant pension providers. Further details of pension schemes covering SDA personnel are detailed below.

Principal Civil Service Pension Scheme

The PCSPS and the Civil Service and Other Pension Scheme, known as "Alpha", are unfunded multi-employer defined benefit schemes. SDA is unable to identify its share of the underlying assets and liabilities. An actuarial valuation of the PCSPS has been completed and can be found at <https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>.

Contributions to the PCSPS in 2020-21 were calculated at 1 of 4 rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary usually reviews employer contributions every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

The contributions to the PCSPS for the 2020-21 period was aligned to those from 2019-20 and incorporate additional costs associated with the 2015 Remedy Programme also known as the McCloud Judgement, details of which can be found at <https://www.civilservicepensionscheme.org.uk/members/mccloud-judgment/>.

Employees can opt to open a partnership pension account; employer contributions are age related and range from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings. Further details about the Civil Service Pension arrangements can be found at <https://www.civilservicepensionscheme.org.uk/>. There were no contributions due to the partnership pension providers at the balance sheet date and no contributions have been prepaid.

Armed Forces Pension Scheme

The Armed Forces Pension Scheme (AFPS) is an unfunded, non-contributory, defined benefit, salary related, contracted out, occupational scheme. As such, this scheme is not consolidated in the accounts; separate accounts are prepared, details of which can be found at <https://www.gov.uk/government/publications/armed-forces-pension-board>.

Employer's contribution rates are determined by the government actuary. For 2020-21, the employer's contribution rates remained unchanged from 2019-20 at 65.5% of pensionable pay for officers and other ranks. These include a contribution towards the armed forces compensation scheme at 2% for officers and other ranks. No changes to the contribution rates are expected until 2023-24.

Scheme members are entitled to a taxable pension for life and a tax-free pension lump sum if they leave the regular armed forces at or beyond normal retirement age. Those who have at least

2 years' service and who leave before aged 55 will have their pension preserved until age 60 or 65 depending on the scheme. The scheme also includes an Early Departure Payment (EDP) scheme for those who leave before aged 55, providing they have at least 18 years' service and are at least 40 years of age. The EDP scheme pays a tax-free lump sum and income of between 50% and 75% of preserved pension between the date of the individual's departure from the armed forces and age 55.

Staff Sickness

During 2020-21 overall levels of sickness absence fell consistently from April 2020 until January 2021, with a slight rise in February and March. Short-term absence reduced by 38% in total in the rolling year to date (RYTD) and long-term absence by 19% in total over the same period. SDA absence rates compare favourably with the rest of MOD; the average number of days for sickness absence was 2.8 days per employee with the MOD average being 4.4.

Levels of absence attributed to anxiety/stress/depression have also been falling in the SDA and we exceeded our target of a 10% reduction in days lost in 2020 compared to those lost in 2019. Absence due to stress/depression/anxiety dropped by 33% in total in the RYTD.

To maintain our low levels of sickness absence, we have been promoting the importance of managers having meaningful 'return to work' conversations to ensure support is available where needed to help mitigate the risk of repeated absence. We have a comprehensive Health and Attendance policy and our HR team is supported by a dedicated casework team.

³² Some of our staff networks are shared with DE&S or the wider MOD.

As expected, during this period we have seen a significant rise in absence due to COVID-19, however, this does reflect the national picture. It is now our second biggest reported absence reason behind anxiety/stress/depression.

We have continued to develop information and guidance on the SDA H&WB portal, including promoting the Employee Assistance Programme and our Mental Health First Aider network. A monthly newsletter 'Wellbeing Corner' was launched in spring 2020 and is communicated through multiple internal channels to our people. We also created a page on the H&WB portal, show-casing the initiatives and campaigns we support along with signposting to associated learning and development opportunities. We also introduced 'Monthly Manager Wellbeing Actions' which provides our managers with activities they can carry out with their teams to raise awareness and promote better wellbeing.

3. Staff Policies

Diversity and Inclusion

We have continued our work to grow a diverse and inclusive organisation, and this has included supporting our dedicated staff networks³² which are sponsored by members of our Senior Leadership Group (SLG), as Champions and aim to cover the needs of all employees. These communities and Champions, along with our Functional Leads, fulfil a crucial role of supporting our policies and work as advocates for our continuing behavioural and cultural changes.

Both the Network Champions and Functional Leads are members of the SDA D&I Steering Group, chaired by our DCO. Newly established during 2020-21, this group supports our CEO in driving

D&I issues in the SDA through a new output-based D&I Action Plan. This plan is designed to ensure that all SDA activities are joined up and build on the Wigston Review³³ recommendations as a springboard to further progress.

As part of our commitment to creating an environment in the SDA where everyone is respected and can contribute fully to our success, during the year, we also developed a bespoke SDA Respect and Dignity in the Workplace mandatory workshop which will be delivered across the SDA in 2021-22.

Our Diversity and Inclusion Objectives

D&I remains an integral part of the SDA core values and reinforces our stance of having a zero-tolerance approach to bullying, harassment and discrimination. Alongside progress in implementing our D&I Action Plan, we continue to work to meet our Levels of Ambition targets with regard the levels of representation in specific protected groups. Together, our efforts aim to ensure that our environment and behaviours welcome and value everyone.

As part of our plans, an inclusive approach to outreach is being developed, which includes targeting schools and colleges in diverse geographic locations to better reflect our wide geographical base. To attract diverse and high-quality candidates to the agency that reflect wider society, we have adopted accessible methods of communication and inclusive language.

To achieve our D&I objectives, we will continue to:

- ✓ ensure our people understand what acceptable behaviour looks like and are confident and supported to challenge poor behaviour
- ✓ share our new D&I Action Plan and make rapid progress against it to really make a difference for all our teams
- ✓ measure progress on diversity by publishing and reporting on diversity targets
- ✓ embrace diversity and inclusivity with the support and training to do this well
- ✓ compete effectively for the best talent to recruit and retain a diverse workforce
- ✓ proactively promote national initiatives which improve the representation of diversity groups and support our people to take part
- ✓ support employee networks to be ambassadors and critical friends in the delivery of our D&I ambitions
- ✓ embrace our obligations under the Equality Act to consider and promote the interest of those with protected characteristics in all our decision making.

As noted within our D&I objectives, the SDA is dedicated to achieving a more diverse and inclusive civilian workforce and is committed to recruiting the best people for the job. We offer a guaranteed interview through the Disability Confident Scheme (DCS), whereby individuals who declare a disability will be invited to interview providing they meet the minimum requirements for the role. All SDA managers are required to complete inclusion in the Civil Service training prior to participating in any recruitment activity. In line with Civil Service policy for recruitment into the SCS, all selection panels

have an ethnic minority and/or disabled member. To attract diverse and high-quality candidates to the agency that reflect wider society, all SDA communications and training materials are designed to optimise accessibility for all colleagues and are used across a variety of communication channels.

In accordance with the Public Sector Equality Duty³⁴, the SDA has a legal obligation to eliminate discrimination and advance equality of opportunity and this includes our commitment to supporting colleagues who become disabled whilst employed by the SDA. All disabled staff are supported by Occupational Health and the external Employee Assistance Programme as well as provided with the necessary reasonable adjustments to ensure equity. A range of learning is also provided to disabled staff and their line managers.

The following tables reflect the civilian composition of the organisation by protected characteristics over the year. The information provided in *table i* relies on staff making the necessary declarations on our Human Resource Management System (HRMS) and therefore may not be representative of the whole of our workforce.

i. Staff breakdown

		31 March 2021		31 March 2020	
Protected Characteristic		Number (FTE)	%	Number (FTE)	%
Gender	Female	575	31.8%	342	22.4%
	Male	1183	68.2%	1183	77.6%
Ethnicity	Ethnic Minority	71	3.9%	60	3.9%
Disability	Disability declared	171	9.5%	143	9.4%
Sexual Orientation	Lesbian, gay, bisexual	41	2.3%	30	2.18%
Religion or belief	Non-Christian	66	3.6%	55	3.9%
	Secular	707	39.1%	572	41.5%
	Christian	598	33.1%	504	36.6%

ii. Gender breakdown at SDA Board and Executive Team level (Civilian)

		31 March 2021		31 March 2020		
		Total SDA Board and Executive Team ³⁵ = 14		Total SDA Board and Executive Team = 14		
Gender		Number (FTE)	%	Gender	Number (FTE)	%
Female		3	21%	Female	4	29%
Male		11	79%	Male	10	71%

³³ <https://www.gov.uk/government/publications/wigston-review-into-inappropriate-behaviours>

³⁴ Section 149 of the Equality Act 2010.

³⁵ Ian Booth and Bruce Martin sit on the SDA Board and SDA Executive Committee and have been counted twice to reflect this.

iii. Gender breakdown over the year at SCS level (Civilian)

31 March 2021			31 March 2020		
Total SDA SLG (SCS) = 29			Total SDA SLG (SCS) = 20		
Gender	Number (FTE)	%	Gender	Number (FTE)	%
Female	8	28%	Female	7	35%
Male	21	72%	Male	13	65%

Pay and Reward

The SDA Pay and Reward Team is responsible for ensuring our people are recognised for their efforts. There are 4 principles providing the foundation for performance and reward:

- competitive – consideration is given to the external and internal market practices when shaping our total reward package
- fair – assurance is sought that our policies and practices are properly governed, applied consistently and transparently and in the public interest
- simple – it’s important our approach is easy to understand, delivered on time, accurately and with proportionate effort
- sustainable – it must be flexible, affordable, value for money and aligned to our business strategy and performance, enabling individual growth and progression.

Recruitment

The SDA is responsible for managing all aspects of its workforce planning including the recruitment of high quality and suitably experienced/qualified personnel to deliver our business outputs. Our business model and skill requirements are similar to DE&S, and we share HR policies and procedures, therefore the majority of recruitment campaigns were shared jointly with DE&S particularly in niche and critical skill areas. This focused on pinch points

for skills, as well as working with DE&S to increase the deployment of staff to help address these pinch points.

During 2020-21 an initial Workforce Strategy was developed, underpinned by a Workforce Planning Framework. This work will be matured in 2021-22 and used to drive our approach for our recruitment and the management of critical skills.

Trade Union Relationships

In line with historical and current governance arrangements, DE&S and SDA have a joint approach to Trade Union (TU) engagement. An Employee Relations Framework Agreement was subsequently created to govern successful engagement between DE&S/SDA and the TUs, including the principles, behaviours and processes under which both parties will operate to ensure good employee relations. The agreement was signed by the Chief of Defence Materiel³⁶ and the 5 recognised TUs on 2 February 2015. The HR team within DE&S leads on TU consultation for DE&S and the SDA. Consultation with the TUs takes place in compliance with the law and to initiate engagement in the spirit of reaching agreement.

The TU (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employees to collate and

publish, on an annual basis, data on the amount and cost of facility time. DE&S and SDA currently act within the same collective bargaining unit, with TU representatives undertaking TU duties across both organisations. Consequently, facility time costs for 2020-21 are shared between DE&S and SDA and these are reflected in the annual facility time data return as a combined expenditure. This information shown below for the period 1 April 2020 to 31 March 2021:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
25	24.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	10
1-50%	15
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time (total combined cost with DE&S)	£23,291.12
Total SDA annual civilian pay bill ³⁷	£104,099,000
Percentage of total civilian pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0.00% ³⁸
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TU activities means time taken away from main role duties under section 170 (1) (b) of the 1992 TULR(C)A. These might include: attendance at branch; regional or national TU meetings or conferences; meeting with full time officers regarding issues related to the workplace; and voting in TU elections.

The above information is also published by the Cabinet Office online at: <https://www.gov.uk/government/statistical-data-sets/public-sector-trade-union-facility-time-data>.

Civil Service and other Compensation Schemes Exit Packages (Subject to audit)

There were nil payments to civilian staff early retirement and redundancy during 2020-21. This would include redundancy and other departure costs paid in accordance with the Civil Service Compensation Scheme (CSCS). Where the SDA agrees early retirements, the costs are met by the SDA and not by the Civil Service Pension Scheme. In 2020-21, there are no reported payments of this kind.

We may occasionally make use of early release schemes to reduce the number of civilian personnel who are not members of the CSCS. No such usage was made during 2020-21.

³⁶ Chief of Defence Materiel was the predecessor to the DE&S Chief Executive Officer who was appointed when DE&S became a Bespoke Trading Entity. The principles outlined in the agreement remain applicable to the SDA following its establishment as a separate agency in April 2018 and underpins the joint DE&S and SDA approach.

³⁷ The total SDA annual civilian pay bill. The sum of direct wages and salaries, pension contributions and National Insurance Contributions.

³⁸ The SDA and DE&S do not approve payment for TU officials to undertake TU activities.

Expenditure on consultancy and temporary staff

Our operating cost envelope includes the engagement of contingent labour (also known as workforce substitution) and other external support defined as Private Sector Support (PSS). Contingent labour relates to individuals who are engaged by the SDA on a demand basis to temporarily fill vacancies within the organisation. The costs of contingent labour are shown as a separate entry in the staff costs at note 2 to the accounts.

PSS is defined by the SDA as external support to supplement our capacity and capability to manage our programme of work. This includes packages of work aimed at delivering business improvements in line with our strategic objective of developing the SDA. PSS within the SDA includes consultancy assistance and other external support. PSS is also used within the SDA to address resource and skills gaps in project, logistics and commercial management capability. The analysis of the SDA PSS expenditure is at note 3.

High paid off-payroll appointments

Details of SDA's most highly paid off-payroll appointments are shown below. These represent temporary workers who are employed for limited periods of time, usually to fill short term vacancies, to deliver finite pieces of work, or to provide key skills needed to deliver the business which are not available in-house.

Government policy is that individual departments must exercise governance over such appointments where the appointees are not engaged directly on departmental payrolls. All these employees are engaged through contracting mechanisms which provide assurance that they paid the right amount of tax and national insurance contributions in 2020-21.

Temporary off-payroll worker engagements as at 31 March 2021 and paid more than £245 per day.

Submarine Delivery Agency	2020-21
Number of existing arrangements as of 31 March 2021	74
Of which...	
No. that have existed for less than 1 year at time of reporting.	44
No. that have existed for between 1 and 2 years at time of reporting.	22
No. that have existed for between 2 and 3 years at time of reporting.	8
No. that have existed for between 3 and 4 years at time of reporting.	0
No. that have existed for 4 or more years at time of reporting.	0

All temporary off-payroll workers engaged at any point during the year ended 31 March 2021 and paid more than £245 per day.

Submarine Delivery Agency	2020-21
No. of off-payroll workers engaged during the year ended 31 March 2021	161
Of which...	
No. determined as in-scope of IR35	30
No. determined as out-of-scope of IR35	131
No. of engagements reassessed for compliance or assurance purposes during the year	5
Of which: no. of engagements that saw a change to IR35 status following review	4
No. of engagements where the status was disputed under provisions in the off-payroll legislation	3
Of which: no. of engagements that saw a change to IR35 status following review	2
No. determinations changed as a result	2

The use of contingent labour principally reflects the use of external contractors recruited on a temporary basis into critical roles through the main DE&S and SDA delivery partner contracts across Project Management, Project Controls, Engineering and Commercial functions to meet demand requirements as the submarine programme of work continues to grow. Their use enables us to supplement our capability and capacity more quickly than we would be able to build a core workforce.

For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021.

Submarine Delivery Agency	2020-21
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	0



Parliamentary Accountability and Audit Report

Parliamentary Accountability Report

In 2020-21 we led responses to 12 Parliamentary Questions, meeting our departmental targets by delivering all of these on time. We dealt with Ministerial and Treat Official correspondence from Members of Parliament, Peers and members of the public and provided all responses on time. We provided briefings to support a range of Parliamentary business, including the SDA's and industry's response to new working conditions in the light of the COVID-19 pandemic. Other key subjects this year were the Dreadnought and Astute programmes and the Submarine Dismantling Project.

We have fulfilled our statutory responsibilities in responding to requests for information under the Freedom of Information Act 2000. In 2020-21 we led the handling of 12 Freedom of Information requests.

Complaints to the Parliamentary and Health Service Ombudsman

The Parliamentary and Health Service Ombudsman (PHSO) investigate complaints from individuals who feel they have been treated unfairly, improperly or have received a poor service from government departments or their agencies. In 2020-21, as in previous years, the PHSO received no complaints about the SDA.

EU Exit Disclosures

During 2019-20 the SDA played a significant role supporting the EU exit preparations predominantly on engagement work with our supply chain. In 2020-21 there were approximately 30 volunteers from the SDA standing ready to deploy on

operational work, but our people were stood down along with volunteers from the rest of the department and therefore no staff were deployed.

External Reviews

In May 2020, the Public Accounts Committee (PAC) published a report on the department's management of Defence Nuclear Infrastructure Projects which focused on 3 key defence nuclear infrastructure projects³⁹. The report followed a National Audit Office (NAO) report on the same topic, published in January 2020, and was the result of a subsequent PAC hearing with senior department officials in March 2020.

As set out in the Treasury Minutes published on 31 July 2020, the department committed to providing updates on some of the PAC recommendations by 31 December 2020. The 6 recommendations covered: the identification and management of risk in initiating infrastructure projects; use of the Single Source Contract Regulations (SSCR); the Nuclear Enterprise funding model; liaison arrangements between the Department, site owners and regulators; skills and maintaining corporate memory; and ownership arrangements for nuclear regulated sites.

The DNO, as the sponsor for the DNE, co-ordinated the response to the recommendations on behalf of the Permanent Secretary, the MOD's Principal Accounting Officer. The DNO provided an update on progress with the recommendations in the United Kingdom's Future Nuclear Deterrent: the 2020 update to Parliament published on 17 December 2020⁴⁰. The SDA continues to build upon the principles of the SSCR to effectively use contractual controls to drive performance, and sharing lessons learned prior to new contracts being placed.

³⁹ MENSA new nuclear warhead assembly and disassembly facility at the Atomic Weapons Establishment operated site in Burghfield; Core Production Capability (CPC) replacing facilities at the Rolls Royce-owned and operated site in Raynesway to produce the latest nuclear reactor core designs; Primary Build Facility at the BAE Systems-owned and operated shipyard in Barrow-in-Furness to allow a modular-build approach for the Dreadnought Class submarines.

⁴⁰ <https://www.gov.uk/government/publications/the-united-kingdoms-future-nuclear-deterrent-the-2020-update-to-parliament>

Parliamentary Accountability Disclosures

The SDA's accounts include costs relating to the OpEx of the agency. Costs relating to the Equipment Plan are accounted for in the MOD resource account

Losses and Special Payments (Subject to audit)

Losses and special payments are unpredicted, as such Parliament cannot envisage when funding is required to cover these costs. They are emergent in nature arising as a result of an unexpected incident or failure of process, as such they are subject to a higher level of scrutiny and approval than would be the case for normal business transactions.

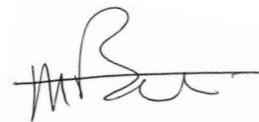
Losses during 2020-21 totalled £0.294m (2019-20: £0.143m). The SDA has no cases requiring to be reported separately by value.

Remote Contingent Liabilities (Subject to audit)

The SDA does not have any reportable remote contingent liabilities.

Regularity of Expenditure (Subject to audit)

All material expenditure and income incurred by the SDA in 2020-21 was in accordance with the requirements of HM Treasury and other government guidance.



Ian Booth
Accounting Officer
21 January 2022



The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Submarine Delivery Agency for the year ended 31 March 2021 under the Government Resources and Accounts Act 2000. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Submarine Delivery Agency's affairs as at 31 March 2021 and of the net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes

intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Submarine Delivery Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Submarine Delivery Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Submarine Delivery Agency's ability to continue as a going concern for a period of at least twelve months from

when the financial statements are authorised for issue. My responsibilities and the responsibilities of the Chief Executive as Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Submarine Delivery Agency is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Chief Executive as Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Submarine Delivery Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Chief Executive as Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Submarine Delivery Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive as Accounting Officer anticipates that the services provided by the Submarine Delivery Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. My procedures included the following:

- inquiring of management, the Submarine Delivery Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Submarine Delivery Agency's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Submarine Delivery Agency's controls relating to the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in posting of unusual journals, bias in management's estimates and significant or unusual transactions; and
- obtaining an understanding of the Submarine Delivery Agency's framework of authority as well as other legal and regulatory frameworks that the Submarine Delivery Agency operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Submarine Delivery Agency. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Supply and Appropriation (Main Estimates) Act 2020, Managing Public Money, employment law, tax legislation and Health and Safety legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- attendance at Audit and Risk Committee meetings and regular communication with management and internal audit to identify any instances of fraud, non-compliance with laws and regulations and irregular transactions.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

Date: 25 January 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

SECTION THREE

Accountability Report

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The Accounting
Information

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Notes to the Accounts



The Accounting Information

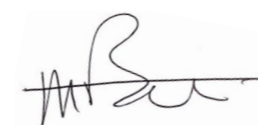
Statement of comprehensive net expenditure for the year ended 31 March 2021

	Notes	2020-21 £000	2019-20 £000
Expenditure – Programme Costs			
Direct Staff Costs	2	142,652	121,625
Private Sector Support Costs	3	44,637	45,693
Other Programme Costs	4	11,058	14,252
Total Direct Programme Costs		198,347	181,570
Net Direct Programme Expenditure		198,347	181,570
Expenditure – Non-Cash Items			
Communicated Costs from other MOD organisations	5	14,727	15,312
Non-Cash Charges DE&S Corporate Overhead	5	6,424	5,910
Auditors' Remuneration	6	100	125
Amortisation Costs		58	17
Provisions	9	(835)	(580)
Total Non-Cash Items		20,474	20,784
Net Operating Expenditure		218,821	202,354
Total Comprehensive Net Expenditure		218,821	202,354

The Notes which follow the Statement of Changes in Taxpayers' Equity form part of these accounts.

Statement of financial position as at 31 March 2021

	Notes	2020-21 £000	2019-20 £000
Non-current assets			
Intangible fixed assets		216	274
Total non-current assets		216	274
Current assets			
Trade and Other Receivables	7	454	1,219
Total Current Assets		454	1,219
Total assets		670	1,493
Non-current liabilities			
Provisions	9	0	(835)
Current liabilities			
Trade and Other Payables	8	(25,108)	(24,623)
Provisions	9	0	(325)
Total Current Liabilities		(25,108)	(24,948)
Assets Less Liabilities		(24,438)	(24,290)
Reserves			
General Fund		(24,438)	(24,290)
Total Reserves		(24,438)	(24,290)



Ian Booth
Accounting Officer
21 January 2022

The Notes which follow the Statement of Changes in Taxpayers' Equity form part of these accounts.

Statement of cash flows for the year ended 31 March 2021

	Notes	2020-21 £000	2019-20 £000
Cash flows from Operating Activities			
Net Operating Expenditure	SoCNE	(218,821)	(202,354)
Adjustments for non-cash transactions			
Communicated Costs	5	14,727	15,312
Non-Cash Charges DE&S Corporate Overhead	5	6,424	5,910
Auditor's Remuneration	6	100	125
Amortisation Intangible Assets		58	17
(Increase) in trade and other receivables	7	765	(1,052)
Increase in trade and other payables	8	485	3,907
Decrease in Provisions	9	(1,160)	(580)
Net Cash Outflow from Operating Activities		(197,422)	(178,715)
Cash Flows from Investing Activities			
Purchase of Intangible assets		-	(274)
Net Cash outflow from Investing Activities		-	(274)
Cash Flows from Financing Activities			
Net Parliamentary Funding – drawn down		197,422	178,989
Net increase/(decrease) in cash and cash equivalents in the period		-	-

The Notes which follow the Statement of Changes in Taxpayers' Equity form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2021

	Notes	General Fund £000	Total Reserves £000
Balance at 1 April 2019		(22,289)	(22,289)
Net Comprehensive Expenditure for the year	SoCNE	(202,354)	(202,354)
Non-Cash Charges Communicated Costs	5	15,312	15,312
Non-Cash Charges DE&S Corporate Overhead	5	5,910	5,910
Non-Cash Charges Auditors Remuneration	6	125	125
Net Parliamentary Funding – drawn down	SoCF	178,989	178,989
Amortisation		17	17
Balance at 31 March 2020		(24,290)	(24,290)
Balance at 1 April 2020		(24,290)	(24,290)
Net Comprehensive Expenditure for the year	SoCNE	(218,821)	(218,821)
Non-Cash Charges Communicated Costs	5	14,727	14,727
Non-Cash Charges DE&S Corporate Overhead	5	6,424	6,424
Non-Cash Charges Auditors Remuneration	6	100	100
Net Parliamentary Funding – drawn down	SoCF	197,422	197,422
Balance at 31 March 2021		(24,438)	(24,438)

The Notes which follow the Statement of Changes in Taxpayers' Equity form part of these accounts.

Notes to the Accounts

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements contained within the Annual Report and Accounts relate to the financial year 1 April 2020 to 31 March 2021 (2020-21).

The accounts have been prepared in accordance with the Accounts Direction issued by HM Treasury under Section 7 of the Government Resources and Accounts Act 2000 and International Financial Reporting Standards as adapted and interpreted for the public sector context in the FReM.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the Submarine Delivery Agency (SDA) for the purpose of giving a true and fair view has been selected. The policies adopted by the SDA are described below. They have been applied consistently in dealing with items that are considered material to the accounts. The functional and presentational currency is pounds sterling and figures are expressed in thousands of pounds unless expressly stated in a note.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified by the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in the FReM.

1.2 Basis of preparation of annual accounts – accounting boundary

The primary purpose of the SDA is to equip and support the UK's submarine flotilla for operations now and in the future by procuring new equipment, commodities and services, supporting in-service equipment through-life and managing some logistics operations. The SDA's purpose and role, together with the governance, policy, financial and human resources parameters that guide day-to-day operations are set out in the Framework Document, which is approved by Secretary of State for Defence. The Chief Executive is appointed by the Ministry of Defence (MOD) Permanent Secretary as an additional accounting officer, with responsibility for the operating costs of the agency. Delegations to run the agency are granted through the DG Nuclear. The operating cost envelope specifically encompasses staff costs, other operating costs (including travel and training), and private sector support (PSS) expenditure and any associated revenue. The financial statements also include costs incurred by other MOD organisations in support of the SDA operations as non-cash communicated costs (please see item 1.8 below and Note 5 to the financial statements).

PSS is defined as external support to supplement the SDA capacity and capability to manage our programme of work including those elements of external support that are being employed to deliver business improvement and transformation within the organisation (please see Note 3). It encompasses contracts for the employment of manpower support, consultancy assistance and specialised support activities. As such, PSS addresses resource and skills gaps in our project and logistics management capability. The SDA has developed and implemented accounting policies defining those activities that are to be treated as PSS.

Equipment Programme costs are those directly attributable to building the assets and bringing them into use; operational expenditure is the costs associated with the project and programme management to deliver the programme, (that is the non-attributable overhead). These accounts do not account for the EP, which is included in the MOD accounts.

1.3 Critical accounting judgements and key sources of estimation uncertainty

The key areas in which judgement and estimates are necessary are as follows:

Accounting boundary: The SDA has a well-established policies and governance arrangements supporting the delineation of costs between those recognised as operating costs and reported in the agency's financial statements from those equipment procurement/support activities that are reported in the MOD financial statements. The SDA documents these policies and governance arrangements in its Finance Manual, and they have been paramount in the preparation of these accounts. Decision making continues to be supported by the SDA Operating Costs Controls Steering Group (OCCSG), which is chaired by a senior finance manager, providing structured consideration of accounting boundary decisions.

Costs which cannot be in-sourced are not accounted for within SDA operating expenditure (OpEx). The SDA often procures activities to be performed by industrial contractors that match activities which the SDA would usually be responsible for, but which are integral and indivisible from the other Equipment Plan activities in the main contracts. The SDA could not in-source these integral and indivisible activities and it would therefore be inappropriate for such arrangements to be accounted for within the SDA operating costs.

DE&S Charges: DE&S charges the SDA for its share of the DE&S corporate overheads consumed by agency. Corporate Services are defined as those which collectively enable the operational day-to-day running of the agency. This enables the appropriate overheads to be included in the accounts of both the SDA and DE&S. A Business Agreement between SDA and DE&S sets out the basis for these charges. A budget transfer from DE&S to the SDA is raised at the end of the first quarter of each financial year for the SDA's share of the DE&S corporate services costs through the transfers process covering 1 year of the budget. Charging is based as a monthly apportionment of the agreed budget through a monthly journal and the charge is based on 1/12 of the budget. To ensure costs are materially accurate in the SDA and DE&S accounts DE&S reconciles costs to charges regularly, typically quarterly. If the reconciliation demonstrates that the difference between costs to charges is greater than the materiality threshold of £300K then a budget adjustment is made with a year-end true up if needed.

Communicated costs: The SDA receive several benefits driven by the activities of other MOD organisations which support our operations. There is no mechanism in place for these costs to be directly charged to the SDA, so these costs are recognised within the agency's accounts as communicated costs. These costs reflect the best estimates available and the majority are allocated based on an apportionment of costs based on staff number ratios. Note 5 provides further detail on communicated costs.

Accruals: payables and receivables: In instances where revenue/expenditure has been earned/incurred but not invoiced, an estimate is made of the amount to be accrued as a payable or receivable item. The SDA reviews annually the appropriateness of the materiality level set to ensure it continues to remain relevant. For 2020-21, a guideline recognition threshold of £5,000 has been applied in the recognition of payables and receivables.

1.4 Changes during 2020-21 which have affected preparation of these annual accounts

There have been no significant events that would affect the preparation of the SDA accounts during 2020-21.

1.5 Going concern

The SDA is funded on the same basis as other central government organisations (known as "on vote" or net parliamentary funding) and therefore receives funding allocations through the MOD. As the SDA does not operate a bank account, with liabilities being met by the MOD, the year-end net liabilities position in the Statement of Financial Position represents a timing difference that will be offset by future net parliamentary funding from the MOD. The SDA is a fundamental part of the MoD operating model; therefore, the SDA considers there is no reason to believe that future parliamentary approvals will not be forthcoming and further considers that this assumption is not impacted by coronavirus (COVID-19).

1.6 Revenue and expenditure recognition

Funding received for revenue purposes from the MOD is treated as Net Parliamentary Funding from MOD rather than operating income and is therefore credited directly to the general fund. Any revenue and expenditure generated directly from SDA activities is recognised in the SoCNE on an accruals basis, determined by when the related goods and services are provided and where an assessment of the stages of completion of revenue and expenditure generating activities can be reliably measured. The SDA has no main sources of revenue but would use IFRS15 to recognise any income. The SDA does occasionally, where agreed in contract, receive rebates for project activity. During 2020-21, a rebate has been recognised (please see Note 7).

1.7 Programme costs

The SDA expenditure is reported as programme costs in line with MOD annual accounts reporting requirements. Where the SDA civilian staff are temporarily reassigned to work in other areas of the MOD their salary costs are charged to those other areas. Similarly, where other areas of the MOD temporarily reassign their staff to support the SDA management activities, salary costs are charged to the SDA. The SDA recognition threshold for manual accruals in the agency is £5k (SDA Finance Manual, 3.3.1 and 13.2) with a line item minimum of £500 (regarding ledger adjustments).

1.8 Communicated costs

Communicated costs are indirect costs in support of the SDA operations that are incurred through activities with other MOD organisations. These costs have been included as a non-cash item in the SDA's Statement of Comprehensive Net Expenditure, to ensure that a full representation of OpEx is reported. Note 5 provides an analysis of these costs identifying the other MOD organisations involved and the key assumptions applied in determining the costs.

1.9 Value Added Tax (VAT)

Most of the operating activities of the SDA are deemed to be outside the scope of VAT as they relate to direct manpower costs. Irrecoverable VAT is charged where appropriate to other expenditure categories. Expenditure associated with recoverable VAT is treated as excluding VAT in the SDA accounts, with formal recovery administered by the MOD. The SDA is not separately registered for VAT and VAT collected, or any associated recoveries are processed centrally by the MOD.

1.10 Non-current assets

Where assets are purchased for the sole benefit of the SDA and funded through our Operating Cost Expenditure budget these are considered for capitalisation where they meet the recognised threshold of £25k and are intended for use for a period of over 12 months. The SDA holds a small number of non-current intangible assets. Given the relatively low volume and value of assets purchased specifically for the SDA use, it is not our current policy to pool assets. We re-visit this policy annually to ensure that we are not omitting any significant assets from our Non-Current Asset Register.

All Equipment Programme Non-Current Assets are held on the MOD register and managed separately to any Non-Current Assets that may meet the capitalisation threshold and are registered as agency assets.

1.11 Amortisation

All assets are amortised on a straight-line basis. The useful life of a tangible asset is based on the estimated out of service date and for intangible assets the estimated period of use. The Useful Economic Lives (UEL) of all assets are reviewed annually and revised where necessary to reflect changing circumstances.

The principal asset category along with their useful life is set out in the table below:

Main Category	Sub Category	UEL	Basis
Intangibles	Software Licences	3-5	Length of licence

1.12 Cash and cash equivalents

Cash payments and any receipts are processed on behalf of the SDA by the MOD. The SDA does not, therefore, operate its own bank accounts, nor does it have separate cash, or cash equivalent balances within the Statement of Financial Position.

1.13 Financial instruments – receivables and liabilities

IFRS9 divides all financial assets into 2 classifications - those measured at amortised cost and those measured at fair value. Goods or services provided or received by SDA but not yet invoiced are accrued at estimated fair value.

1.14 Employee benefits

A charge is made in these accounts for the value of employees' annual leave entitlements earned, but not yet taken at 31 March each year. This has been valued by reference to the SDA average staff costs, by grade, based on a 365-day year, in line with the MOD policy on recognition of untaken leave.

The value of employee performance bonuses reflected within the Statement of Comprehensive Net Expenditure reflects those earned for performance in 2020-21.

The SDA has no voluntary, or compulsory redundancies to report in 2020-21.

1.15 Funding transfers for staff movements

The movement of staff from or to other MOD organisations is subject to the agreement of funding transfers between the SDA and the other transacting party before implementation. The exporting organisation continues to record expenditure until this agreement has been reached.

1.16 IFRS 8 Segmental Reporting

The requirement for segmental reporting under IFRS 8 is not considered appropriate for the SDA, as the organisation is operated and managed as a single entity, rather than as separate operational segments. The SDA's sponsor department, Defence Nuclear Organisation (DNO), recognises the SDA as a single entity operating and managed from a single central location in Bristol.

1.17 Reserves

The General Fund reserve represents the balance of taxpayers' equity in the SDA. Specifically, the General Fund reflects the net assets held at the end of financial year 2020-21. The SDA has no other reserves.

1.18 Provisions for liabilities and charges

Provisions for liabilities and charges have been established under the criteria of IAS 37 – Provisions are based on realistic estimates of the expenditure required to settle legal or constructive obligations that exist at the Reporting Period Date. On initial recognition provisions are charged to the SoCNE (see Note 10).

1.19 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IFRS 16 Leases – This is effective for accounting periods starting from 1 April 2021 and will be effective in the SDA's 2021-22 accounts. The potential impact of IFRS 16 on the SDA will be assessed in 2021-22.

1.20 Impact of COVID-19 Pandemic

The World Health Organisation declared COVID-19 as a pandemic on 11 March 2020. The agency has considered the impact of the pandemic and the associated lockdown measures in the annual report.

2. STAFF NUMBERS AND RELATED COSTS

2.1 Staff costs comprise:

Staff costs comprise:	2020-21			2019-20		
	Permanent Employee Staff £000	Contingent Labour £000	Total £000	Permanent Employee Staff £000	Contingent Labour £000	Total £000
Salaries and Wage Costs	91,328	16,487	107,815	78,496	13,059	91,555
Social Security Costs	9,688	0	9,688	8,619	-	8,619
Other Pension Costs	25,554	0	25,554	22,566	-	22,566
Total	126,570	16,487	143,057	109,681	13,059	122,740
Paid To:	£000	£000	£000	£000	£000	£000
Armed Forces	22,472	-	22,472	21,146	-	21,146
Civilian	104,098	16,487	120,585	88,535	13,059	101,594
Total	126,570	16,487	143,057	109,681	13,059	122,740
Adjustment for NSRS rebate of staff costs	(405)	-	(405)	(1,115)	-	(1,115)
Net staff costs	126,165	16,487	142,652	108,566	13,059	121,625

NATO Submarine Rescue System (NSRS) project rebate from co-nations involved with the programme. This has been taken as a SoCNE credit against staff costs.

The SDA has increased recruitment during 2020-21 as part of the continuing roll-out of the agency's capabilities. The increase in staff numbers has resulted in various associated salary increases.

During this year there has been a continued increase in usage of contingent labour contracts through SDA/ DE&S Delivery Partners. This has resulted in an increase in the value of expenditure on contingent labour.

2.2 Average number of persons employed:

Average Staff Nos (Full Time equivalent):	2020-21			2019-20		
	Permanent Employee Staff	Contingent Labour	Total	Permanent Employee Staff	Contingent Labour	Total
Armed Forces	178	-	178	160	-	160
Civilian	1,642	95	1,737	1,464	87	1,551
Total	1,820	95	1,915	1,624	87	1,711

The SDA continued to grow and deliver the programme of benefits to MOD during 2020-21. To keep up with delivery and performance requirements, a higher level of reliance has been placed on the use of contingent labour, to mitigate the shortfall in recruitment.

3. PRIVATE SECTOR SUPPORT (PSS):

	2020-21 £000	2019-20 £000
Manpower Support	6,554	16,105
Consultancy and Specialist PSS	38,083	29,588
Total	44,637	45,693

Overall level of PSS contractor support has reduced as we have increased in-house staff and contingent labour.

4. OTHER PROGRAMME COSTS

In 2020-21 there was reduced expenditure on travel and subsistence owing to COVID-19 restrictions on travel. The COVID-19 pandemic also meant increased IT and Infrastructure costs to permit working from home as the default. Training costs fell owing to increased use of online & remote training options.

	2020-21 £000	2019-20 £000
Staff travel and subsistence costs	663	4,798
IT and telecommunications	4,656	3,543
Other infrastructure expenditure	3,367	1,900
Staff training costs	406	1,136
Rentals	935	1,426
Other costs	1,031	1,449
Total	11,058	14,252

5. COMMUNICATED COSTS AND DE&S NON-CASH CHARGES

Communicated Costs

The following costs have been incurred by other MOD organisations in support of SDA activities. These costs have been included as a non-cash item in the SDA statement of Comprehensive Net Expenditure to ensure a complete representation of OpEx is reported. There is no hard charge for these costs, which are apportioned by SDA on an equitable basis.

MOD Organisation	Description of activities	Method of apportionment	2020-21 £000	2019-20 £000
Defence Digital	Information systems and communication services	SDA staff as percentage of total MOD staff	7,209	7,863
Defence Infrastructure Organisation	Infrastructure and facilities management costs	SDA proportion of costs based on staff numbers	3,185	3,674
Strategic Command	Defence Academy training; medical services	SDA proportion of costs based on staff numbers	1,650	1,646
Defence Infrastructure Organisation	MOD Guard Service	SDA proportion of costs based on staff numbers	462	393
Defence Business Services	Personnel and payroll services	Various	1,919	1,096
Head Office and Corporate Services	Various	Various	302	640
Total			14,727	15,312

DE&S Non-cash charges

As set out in the Business Agreement between the SDA and DE&S, DE&S charges the SDA for its share of the DE&S corporate overheads. This enables the appropriate overheads to be included in the accounts of both the SDA and DE&S. The Business Agreement formalises the service provision arrangements between the 2 organisations, identifies the programme dependencies and sets out how these will be managed. The DE&S Corporate Overhead Charge for 2020-21 was £6,424k (2019-20: £5,910k).

6. AUDITORS' REMUNERATION

The SDA is audited by the Comptroller and Auditor General. The charge of £100k (2019-20: £125k) reflects the costs incurred by the auditor in respect of the audit of the SDA 2020-21 Annual Report and Accounts.

7. TRADE RECEIVABLES AND OTHER ASSETS

	2020-21 £000	2019-20 £000
Amounts falling due within 1 year:		
Other receivables	454	1,176
Prepayments	-	43
Totals	454	1,219

£405K of the Other Receivables balance relates to the NSNR rebate shown in note 2 (staff costs).

8. TRADE PAYABLES AND OTHER LIABILITIES

	2020-21 £000	2019-20 £000
Amounts falling due within 1 year:		
Private Sector Support accruals	(8,742)	(11,316)
Direct staff accrual	(14,226)	(10,150)
Trade payables	(2,140)	(2,788)
Sundry payables	-	(369)
Totals	(25,108)	(24,623)

The direct staff accrual includes the SDA's accrual for annual leave untaken as of year-end, and a non-cash adjustment of £4,144k, reflecting the SDA share of the MOD year-end timing liabilities for PAYE, NI contributions and Pension contributions.

9. PROVISIONS

SDA has no provisions at year end. The legal provision has been settled by the SDA. SDA has reversed the dilapidation provision as we have exited the lease with no further obligation. The reduction in provision of £835k has been taken as a credit to the SoCNE.

Provision Description	2020-21 £000	2019-20 £000
Legal provision	0	325
Dilapidation	0	835
Totals	0	1,160

10. COMMITMENTS UNDER LEASES

Operating Leases

Obligations under Operating Leases comprise:	2020-21 £000	2019-20 £000
Buildings:		
Liability less than 1 year	0	740
Later than 1 year but not later than 5 years	0	2,017
Later than 5 years		-
Total	0	2,757

The SDA had one operating lease which has now ceased with no further liability.

11. RELATED PARTY TRANSACTIONS

The SDA is an executive agency of the MOD. As such and for the purpose of these accounts the MOD is regarded as a related party. Funding comes in the form of Parliamentary funding with all payments and receipts relating to the SDA operations being processed by the MOD on the agency's behalf.

The MOD continues to undertake a number of transactional activities on behalf of the SDA with other government departments and other central government bodies. The most significant of which relate to the calculation and processing of taxation with HM Revenue and Customs and pension benefits for both the Armed Forces Pension Scheme and the Principal Civil Service Pension Scheme.

DE&S provides corporate services to the SDA to assist the SDA in delivering its objectives and to maintain compliance with the requirements of being part of a Department of State. Corporate Services include, but are not limited to, business support, function management, HR services, communications and infrastructure and estate. The SDA is charged by DE&S for its share of the DE&S corporate overheads, for 2020-21 this was £6,424k (2019-20: £5,910k).

Details of individuals who served as board Members during the year are listed in the Remuneration Report. No board Member or their related parties has undertaken any material transactions with the agency during the year.

12. EVENTS AFTER THE REPORTING DATE

The accounts have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's audit certificate. The agency has assessed the impact of COVID-19 on its assets and liabilities as well as key assumptions. It has also reviewed the impact on suppliers and the support the agency gives them. While there has been reduced activity and delays indicated by suppliers none of these impacts are material. There have been no other events since the reporting period that would give rise to any additional disclosures.





Submarine
Delivery Agency

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