



# DEFENCE GROWTH PARTNERSHIP

## Membership Model

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# 1 Introduction

The Defence Growth Partnership (DGP) is a UK Government and Industry partnership to secure a thriving UK defence industrial sector, delivering security, growth and prosperity to the UK and its partners.

Developed in a series of phases since its launch by the Prime Minister in 2012, and following the strategy refresh in March 2021, DGP has focussed its purpose on '*Delivering Export Led Growth through Improved Exportability*'.

At instigation of the DGP, an objective exercise was undertaken to establish which companies should form the industrial members of the DGP Steering Committee. The following methodology was used.

1. List of the top 10 defence companies across
  - a. MoD Spend
  - b. UK Turnover
  - c. UK employees
2. Inclusion of additional companies placed 11-15 in the MoD spend table.
3. Inclusion of Atkins due to active participation resulting in their involvement in Skills.
4. Force element check against the 16 companies to ensure appropriate coverage.

This resulted in the following DGP Steering Committee members:

- Airbus Group
- Atkins
- Babcock
- BAE Systems
- Cobham
- Finmeccanica (now Leonardo)
- General Dynamics UK Ltd
- HP Defence UK (now HPE)
- Lockheed Martin UK
- Marshall Aerospace and Defence Group
- MBDA UK
- QinetiQ
- Raytheon UK
- Rolls-Royce
- Serco
- Thales UK

Since the implementation of the DGP, HPE, Marshall Aerospace and Defence Group, Serco, Lockheed Martin and Cobham have ended their membership, leaving 11 DGP Founders and this has caused pressure on the remaining Founder Members to meet the UKDSC £3 million matched funding commitment.

These companies are regarded as the "DGP Founders". In addition to the DGP Founders, the DGP steering committee also includes representation from MoD, BEIS, DIT UKDSE, ADS and CEO of UK Defence Solutions Centre (UKDSC) and is jointly led by Industry and Government Co-chairs.

Under the guidance of the DGP Steering Committee, the DGP Export Led Growth through improved Exportability Implementation Plan was developed and underpinned by two strategic areas:

- ***Enhance International Engagement to Develop Export Campaigns and Opportunities***
- ***Exportability - Improved Toolsets and Ways of Working to Increase Export***

And two foundation areas

- ***Innovation and Collaboration***
- ***Develop Knowledge Base, including building a knowledge-based approach to Market Intelligence and Innovation and understanding the economic contribution of the UK defence sector through the Joint Economic Data Hub (JEDHub).***

This purpose builds on existing intent to achieve increased export sales through co-ordinated campaigns with whole of Government and Industry, whilst furthering the knowledge base, innovation, understanding of Defence capability requirements, sustainability, and the value of defence to the UK economy. We need this to provide a 'value proposition' that enables the UK to be more competitive in the international Defence market. With the release of the IR, Defence Command Paper and DSIS, exports and international partnerships are a key driver for the UK Defence sector and re-enforces the need for the DGP.

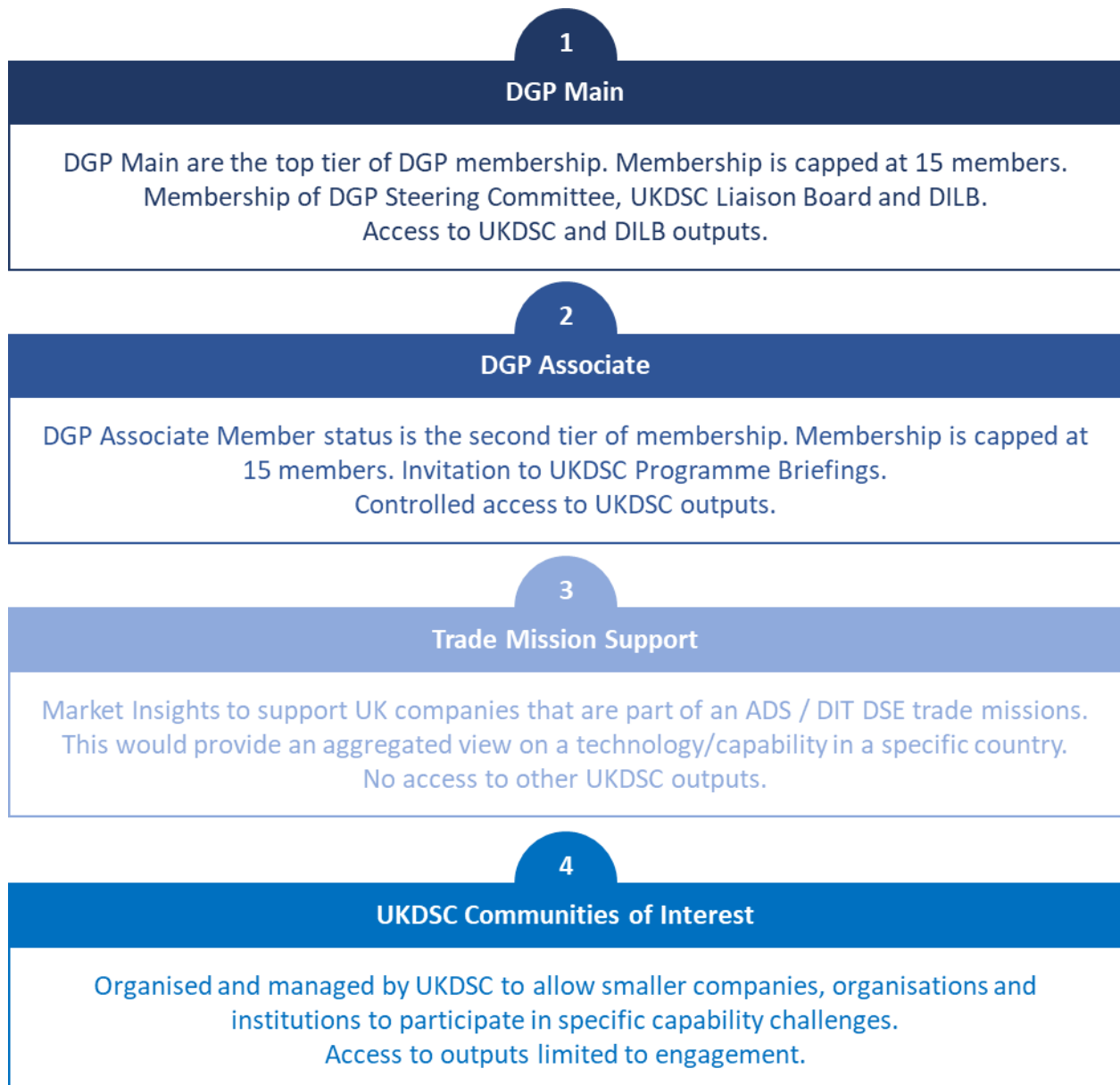
The DGP Founders, have played a vital role since 2012 in designing and building the foundations of the DGP and establishing its enduring entities (principally the UKDSC and Strengthened DIT - UKDSE). This has required a significant investment of time, resource and effort to ensure that the DGP became 'Customer Ready' in September 2015.

The DGP Steering Committee retains the right to appoint the Chairs, and members of the UKDSC Liaison Board and Defence Industry Liaison Board (DILB). All DGP industry members would have an opportunity to join the UKDSC Liaison Board over a 3-year period. The UKDSC Liaison Board industry co-chair will rotate every 3 years and 2 DGP Members would rotate every year. Similar principles are being considered for the DILB and a decision will be made shortly.

With the DGP strategy refresh now complete, a revised membership model is required to demonstrate transparency of the DGP membership criteria. With the membership opened up for the first time since the DGP was established, this will ensure delivery of the strategic objectives, the DGP remains representative of the sector and that the conditions for the granting of public money have been met (matched funding in the form of industry secondees).

## 2 DGP Membership Categories, and Engagement Principles

The diagram below describes the four tiers of DGP membership:



### a) DGP Main

DGP Main are the first tier of DGP membership. Membership is capped at 15 members to protect its impact and focus, benefits include.

- DGP Steering Committee Member
- UKDSC Liaison Board membership (3-year rotation principle in place, max 6 industry members)
- DILB Board Membership (rotation principle to be agreed)
- DILB strategic market outputs
- Full access to the outputs published on 'The Hub' and Shared Information Space
- Inputs into the UKDSC Customer Work Plan
- Invite to UKDSC Programme Briefings
- Input into shaping the JEDHub development plan
- Help inform HMG policy

- Increased skills and experience of seconded employees

DGP Main Members will be expected to provide staff as secondees across DIT-UKDSE and UKDSC in accordance with their signed 'Matched Funding Letters', under the founding principles of the DGP, recorded in the 'Industry Commitment to the Defence Growth Partnership v1.4' document, 23rd May 2014. Any changes in the level of resource commitment required will be as agreed by the DGP Steering Committee.

DGP Steering Committee Members must be a UK National with UK HMG Security clearance. Dual/Non-nationals will only be considered on an exceptional basis, with a clear business reason stated and unanimously agreed by the DGP Steering Committee Members.

DGP Main Members have agreed to the DGP Partnering Principles Charter that includes, amongst other things:

- Agreement to abide by the operating principles of the DGP
- Commitment to collaborative working within the DGP
- Commitment to make collective decisions in the best interests of the whole of the UK defence enterprise
- Commitment to contribute, including the sharing of information according to the DGP Partners agreement
- A code of conduct regarding the onward transmission or use of DGP generated information
- Commitment to provide individuals on secondment into the DGP institutions (UKDSC and DIT-UKDSE) or supporting in-country teams at a level agreed by the DGP Steering Committee.

Full details of the charter are given in Appendix A.

## **b) DGP Associate Members**

DGP Associate Member status is the second tier of membership and is capped at 15 members, benefits include.

- Invitation to DILB Country Focus Groups where applicable
- Controlled access to UKDSC outputs published on 'The Hub' and Shared Information Space
- Inputs into the UKDSC Customer Work Plan
- Invite to UKDSC Programme Briefings
- Help inform HMG policy
- Increased skills and experience of seconded employees

It is designed to be broadly accessible, in order to promote active engagement from the UK value chain, explicitly including SMEs and academia.

It is expected that Associate Members will enrich UKDSC by providing specialist involvement in the UKDSC via:

- A wider pool of experience, providing technology and capability 'push' to complement the 'pull' from market analysis
- Support to capability development road-mapping and innovation work strands in the UKDSC programme.

DGP Associates will participate in the generation, and receipt of UKDSC outputs. This may include appropriately detailed UKDSC capability and technology road maps and information about UKDSC identified capability gaps linked back to generic customer needs. Additional benefits are expected to accrue as a result of enhanced networking opportunities between DGP Associates and DGP Main.

In general, DGP Associates must demonstrate they provide value to the UK Value Chain; evidenced by attributes such as: high value jobs created; UK-based research and development; positive contribution to UK net trade.

They will also need to be able to demonstrate their ability and willingness to safeguard UKDSC generated information and insights; and prevent it leaking off-shore.

DGP Associates will be required to:

- Agree to abide by the DGP Partnering Principles Charter
- Agree to abide by the UKDSC Charter of Trust (Appendix B)
- Agree to support the UKDSC Strategy
- Agree to work in accordance with the UKDSC Operating Framework
- Commit to supporting the Customer Work Plan
- Provide dedicated and enduring high-quality resource to the UKDSC
- Sign a non-disclosure agreement; with equivalent terms to those already signed between DGP Founders / DGP Main and UKDSC

### **c) Trade Mission Support**

Market Insights to support UK companies that are part of an ADS / DIT DSE trade missions. This would provide an aggregated view on a technology/capability in a specific country.

Outputs would include a tailored country synopsis pack outlining the political, socio-economic and threat factors combined with domain or capability requirements and potential opportunities as required.

In return ADS would reduce the amount of the Grant that they retain for overheads for administering UKDSC.

### **d) UKDSC Communities of Interest**

It is accepted that many participants in the UK value chain will not be able to commit resources to UKDSC on an enduring basis. To maximise and optimise engagement, Communities of Interest (CoI) will be established, to enable a more flexible approach to engagement with the UKDSC on a tailored basis. UKDSC will ensure all CoIs have clear terms of reference so that they may be established and closed down effectively without becoming inefficient.

CoIs will be structured around MoD and DIT UKDSE capability problem statements and innovation/technology challenges that will be organised and led by the UKDSC. CoIs will be organised and managed by UKDSC to allow smaller companies, organisations and institutions to participate in accordance with their capacity, knowledge and skills.

Organisations that are accepted to join CoIs will be required to contribute to the development of the challenge themes and will not be permitted to simply observe on a long-term basis.

CoI members will be required to:

- Agree to abide by the DGP Partnering Principles Charter
- Agree to support the UKDSC Strategy
- Sign a non-disclosure agreement if the Col determines it is necessary to do so to ensure / protect confidentiality



### **3 Assessment of Applicants**

#### **DGP Main Members**

Currently, DGP Main membership is based on the remaining founding members of DGP. To ensure that the DGP Main members continue to be reflective of industry, DGP are providing the opportunity for new members to join. DGP Main membership is reserved for the top 15 companies with the largest volume of MOD business and a significant track record of exporting UK IP. Membership of DGP Main is by invitation only.

DGP membership will be reviewed annually using the following criteria and potential future DGP Main members will be presented to the DGP Alignment Group for discussion:

1. UK revenue from MOD
2. Large UK footprint with a significant investment in creating UK jobs
3. Track record and pipeline of creating UK IP, product and services
4. Track record and future plan for exporting from the UK, using UK capability

Where agreed by the DGP Alignment Group, the DGP Industry Co-Chair will write to identified future members, inviting them to join the DGP, making clear the secondee commitment. All application will be formally approved by the DGP Steering Committee.

#### **DGP Associate Members**

Given that the DGP's core mission is to secure a thriving UK defence industrial sector, delivering security, growth and prosperity to the UK and its partners, it is incumbent on the DGP to assess the likely net benefit to this mission as a result of a particular applicant wishing to join DGP as an Associate Member.

DGP and UKDSC operate in a highly collaborative, and trusted basis between its members, and will want to ensure that any new Associate admitted to DGP will contribute positively; and equitably to this collaboration; and also, that admitting such an applicant to become an Associate member of DGP will deliver the overall net benefit to the UK consistent with DGP's core mission.

Companies seeking DGP Associate status will be required to make a written application to the UKDSC CEO, on behalf of the DGP, initially and may be required to attend an interview with CEO UKDSC.

Associate Membership expressions of interest will be shared with the DGP Alignment Group in the first instance, this will provide the opportunity for members raise any questions or seek further information.

After UKDSC has performed its initial assessment of an application to join DGP as an Associate, UKDSC will notify the DGP Alignment Group of its likely recommendation in respect of the application; allowing sufficient time to consider the application, request clarification and seek further information regarding the likely recommendation. The DGP Alignment Group will make a recommendation on new applications to the DGP Steering Committee where the membership application would be formally agreed.

UKDSC's assessment will apply the following criteria as a minimum, depending on the whether the applicant is owned and domiciled in the UK, or overseas, or if unusual circumstances may apply:

**a) UK owned and domiciled Companies**

In the case of UK owned Companies, UKDSC will consider:

- How long the applicant has been established in the UK
- Its likely contribution to DGP's programme of work in terms of the company's capabilities
- Its ability to provide quality resources into UKDSC and DGP; commensurate with those provided by the DGP Main (with a broad expectation of 1 full time equivalent)
- Level of business with UK MoD (either direct to MoD, or as a subcontractor to a defence prime under contractor to MoD)
- Export track record
  - What UK-based assets (IP, products, and services) does the company have that are exportable from the UK into international defence and security markets; in such a way that they would make a positive net contribution to UK trade?
  - What track record does the applicant have of export from UK over the last five years? What are its future plans?
- Business with UK MoD
  - What volume of business has the applicant undertaken with UK MoD? (annualised turnover over last five years; either direct to MoD, or as a subcontractor to a defence prime under contract to MoD)
  - What are the most significant five projects over the last five years?

**b) non-UK owned and domiciled Companies**

In the case of Companies with foreign ownership, UKDSC will undertake a more detailed assessment of the applicant. The prime objective of this assessment as differentiated from a) above is to ensure that admitting such an applicant to become an Associate of DGP will deliver the overall net benefit to the UK consistent with UKDSC's core mission. The applicant will be required to provide the following information to UKDSC:

(i) Persistence and quality of applicant's UK footprint

- How long has the applicant had an indigenous UK footprint?
- How many UK jobs has the applicant secured and /or created – total headcount; degree+ level; skilled technician level; over the past five years (figures for each year)?
- What evidence can the applicant show to demonstrate generation of new IP, products and services, in the UK over the past five years?
- What are the applicant's future investment plans in the UK?
- How many new jobs will these create?
- What indigenous-to-UK IP, products and services will be generated?

(ii) Export track record

- What UK-based assets (IP, products, and services) does the company have that are exportable from the UK into international defence and security markets; in such a way that they would make a positive net contribution to UK trade?

- What track record does the applicant have of export from UK over the last five years? What are its future plans?

(iii) Business with UK MoD

- What volume of business has the applicant undertaken with UK MoD? (annualised turnover over last five years; either direct to MoD, or as a subcontractor to a defence prime under contract to MoD)
- What are the most significant five projects over the last five years?

(iv) Parent Company

- In the case of the applicant being a subsidiary of an overseas parent, state the domicile, total size; headcount and turnover of the parent company?
- What measures are in place in the applicant company to protect “UK Eyes Only” confidential and proprietary information that may only be seen by personnel with suitable UK security clearances?

In the case of an applicant being owned by a large overseas parent, it may reasonably be expected that the applicant should be prepared to make a larger contribution to DGP resources than a smaller UK-based applicant to be an Associate.

In the event that a company’s application for Associate status is not accepted and the company decides to appeal, the DGP Alignment Group will reconsider the application if further information that addresses identified concerns is provided.

### c) Academic Members

Applications for potential academic members will be assessed against the following criteria:

- Level of research and number of published papers within defence
- Demonstrated understanding of defence ecosystem
- Specific areas of expertise related to defence capability and aligned to the objectives of DGP

Partnerships with defence industry contractors

### Communities of Interest

Companies seeking to join UKDSC Communities of Interest will be required to complete an application form and submit an original signed copy to the UKDSC membership committee.

Comprised of UKDSC Executive lead, ED Business Operations Manager, the Col lead and a secretariat. The UKDSC membership committee will:

- Consult with appropriate authorities in order to ensure the bona fides of each applicant.
- Ensure that each applicant has a credible reason for joining those ColS that it seeks to become a part of.
- Reach a unanimous decision on each application.
- Refer to UKDSC CEO if guidance is required.

- Report the status of applications to the UKDSC executive board monthly.

If a company's application for Col status is not accepted and the company decides to appeal, the UKDSC membership committee will reconsider the application and refer to the UKDSC executive board for guidance. A final decision will be made by the UKDSC executive board.

#### **4 UKDSC Information Control**

Information in possession of the UKDSC will be controlled in accordance with the principles outlined in Appendix C. These principles will be scrutinised and audited on a regular basis to maintain the appropriate level of integrity in the control of information.

#### **5 UKDSC Personnel**

Personnel working within the UKDSC (either as a direct hire or as a secondee) must meet the following security criteria:

- Ideally a UK national, however dual nationals will be considered on a case-by-case basis with a clear business reason stated and approved by the DGP Alignment Group.
- Valid UK HMG SC security clearance with no restrictions
- Only UK Nationals with SC clearance can support work on the Defence Industry Liaison Board (DILB) strategic markets.

Staff from DGP Main and Associate members accessing UKDSC services must also meet the above criteria.

Please note this does not include individuals seconded into DIT-DSE where the requirement is for UK Nationals only.

# Appendices

## Appendix A - DGP Partnering Principles Charter

### DGP Vision

*The Defence Growth Partnership will secure a thriving UK Defence Sector delivering security, growth and prosperity for our nation.*

### DGP Mission

To deliver export led growth through improved exportability.

### DGP Strategic Outcomes

- **Grow UK Global Defence market share by 20% over the next 10 years by focussing on Exportability**
  - Improved Team UK Probability to Win (Pwin) by enabling early engagement with international partners on future capability needs strong international Defence partnerships through leadership in market Intelligence, leveraging cross sector innovation and investment in support of Global Britain and prosperity.
  - Support UK prosperity through exports, increased investment, profitability, productivity and economies of scale.
  - Sustainment/ growth in high skilled employment, cross sector innovation and investment to create more resilient Defence supply chains across the regions.
  - Improved Government and Industry alignment on international trade engagements.
- **Strengthen Market Knowledge and Recognise the Value of Defence to Maximise Investment and Increase Exports**
  - Shape investment and procurement decisions by Government and Industry to best support export campaigns.
  - Build an impartial and robust knowledge-based approach to Market Intelligence and Innovation.
  - Deliver the Joint Economic Data Hub (JEDHub) which is dedicated to understanding the economic contribution of the UK Defence sector.
  - Increased agility and pace through adoption of technology diffusion, cross sector innovation and information sharing to improve competitiveness.
  - Sustain and develop a strong and resilient UK Defence sector to underpin investment, Levelling Up and 260,000 Defence sector jobs.

### Behaviours

- Agree to abide by the operating principles of the DGP
- Observe a code of conduct regarding the onward transmission or use of DGP generated information

### Partnering and People

- Work collaboratively in a unified, inclusive and customer-focused culture in the interest of the DGP as a whole
- Value the spectrum of knowledge and expertise of our partners
- Promote a stimulating and challenging environment underpinned by continuous learning and improvement
- Value our people for their skills, knowledge and diversity, and empower them to the maximum extent
- Draw upon existing capability and respect the position of each other's organisations

- Commitment to provide individuals on secondment into the DGP institutions (UKDSC and DIT - UK DSE) or supporting in-country teams at a level agreed by the DGP Steering Committee.

### **Trust and Impartiality**

- Commitment to make collective decisions in the best interests of the whole of the UK defence enterprise
- Act professionally and ethically, and be sensitive to the needs of all our stakeholders
- Be trusted to deliver impartial, best practice solutions for our customers
- Respect all information given and received
- Honour and protect the intellectual property rights of others
- Ensure our processes and behaviours are open and visible
- Be receptive and open to the ideas of others

### **Transparency**

- Commitment to contribute equally, including the sharing of information
- Share a common set of information to achieve open and honest collaborative working
- Raise issues early to avoid surprises and challenge where it is appropriate to do so
- Share results equally across the partnership

### **Agility**

- Respond in ways which are timely and meet our customers' needs
- Embrace change and adapt to the needs of an evolving environment
- Deliver a range of flexible and responsive services to our customers

### **Innovation**

- Seek innovative solutions wherever possible, drawn from across the value chain, both within and without the defence sector.
- In developing appropriate solutions always seek to apply the most appropriate mixture of pragmatism and innovation.

### **Prosperity**

- Strengthen and grow our capabilities in the provision of an effective and efficient solution for our customers
- Build the partnership to embrace the breadth of the UK Value Chain

## Appendix B - UKDSC Charter of Trust



### CHARTER OF TRUST

#### UKDSC Vision

*The leading centre of defence expertise and industrial insights, enabling security, growth and prosperity for our nation.*

#### UKDSC Mission

To strengthen the UK defence enterprise to succeed in international markets through data driven intelligence and informed economic analysis by enabling strategic government and industry partnerships to realise export led growth.

The UKDSC is jointly funded and resourced by Government and Industry and is independent of any individual company's commercial interests.

The UKDSC has established this 'Charter of Trust' to create trust, ensure confidentiality and allow discussion to be conducted in a controlled manner which encourages discussion and sharing for the benefit of all involved.

The over-riding principle is:

***The organisation treats all information it receives as sensitive and confidential.***

Specifically:

It will only discuss, publicly or with others, its generalised findings and will not reveal specific information nor its sources.

-

The organisation(s) dealing with the UKDSC can specify their expectations around the use and confidentiality of the information discussed and/or shared.

-

The UKDSC will, where necessary, establish information barriers internally to prevent exchanges of information that could cause conflicts of interest.

-

The UKDSC Executive Board, and employees are each bound to ensure confidentiality.

-

The UKDSC's premises and systems adhere to the highest standards of security and protection.



## Appendix C - INFORMATION CONTROL

The fundamental premise of the DGP is that the broader value chain should be engaged to the maximum extent possible. On that basis UKDSC has developed an information sharing model to cater for the four-tiers of membership as identified in Figure 1. All Access will be controlled by “The Hub”.

	Country Packs	Competitor Analysis	Commissioned Market Intelligence Reports	Innovation Challenge Reports	Capability Assessments	DILB Outputs
<b>DGP Main</b>	✓	✓	✓ (Excl. sensitive reports)	✓	✓	✓
<b>DGP Associate</b> <i>(Controlled Access via The Hub)</i>	✓	✓		✓	✓	
<b>Col Member</b>				✓ Outputs from challenges involved in	✓ Outputs from assessments involved in	
<b>Trade Mission Support</b>			Trade Mission supporting material.			

Figure 1 – UKDSC Service Access

### Controlling information.

Information generated by the UKDSC will be controlled in accordance with existing Non-Disclosure Agreements. All DGP Associates will be required to sign on entry a bilateral UKDSC NDA that is entirely consistent with the measures contained in the existing UKDSC NDA that has already been put in place between the UKDSC and DGP Founders.

The UKDSC will ensure all data is held and accessed via IT infrastructure that is accredited by MOD to Official-Sensitive standards.