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Maritime Environment in 2010



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- context – 2005 Defence Industrial Strategy
- industrial consolidation – reduced competition
- large, expensive equipment programme
- high demand profile on existing platforms
- extreme budgetary pressures
- response
 - align MoD and industry objectives
 - seek innovative commercial solutions



Maritime Change Programme



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- MoD Maritime Change Principles
- two long term transformation contracts
 - Terms of Business Agreement – ToBA
 - separate agreements with key industrial partners
- two main MoD/industry delivery mechanisms
 - Surface Ship Support Alliance – SSSA
 - Submarine Enterprise Performance Programme – SEPP



Babcock's Terms of Business Agreement



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- runs for 15 years to 2025
- key delivery vehicle for the Maritime Change Programme objectives
- covers surface ship and submarine support activities and Naval Base services
- guaranteed savings to MoD over the contract period
- nominated roles and particular types of work assigned to Babcock
- challenges
 - key industrial capabilities – identification and protection
 - alignment of MoD budgets to maximise enterprise-wide savings
 - generation of a coherent enterprise-wide delivery programme



Surface Ship Support Alliance



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- partners – MoD, Babcock, BAES
- integrates the delivery of
 - refits
 - fleet time engineering
 - design support
 - knowledge management
 - equipment support
- based on delivery of outputs not activity-based contracts
- links performance to customer needs
- incentivises industry to increase availability and drive down costs
- proof of concept started on T22 frigates and Hunt MCMVs
- full implementation planned in 2011 for all in-service platforms
- will incorporate future platforms



Submarine Enterprise Performance Programme



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- partners – MoD, Babcock, BAES, Rolls Royce
- currently defining roles and responsibilities
- developing a common commercial construct through all platform phases
- key priorities
 - deliver improved affordability and availability
 - sustain capability
- main focus points
 - Successor SSBN programme
 - Fleet Output Management for in-service support



Summary



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- ship and submarine programmes delivered under collaboration and partnering
- Naval Base management contracts operate partnering mechanisms
- long term contracts key to the delivery of efficiency savings
- ToBA will deliver significant financial benefits to the MoD

