

Unite response to the Defence Committee inquiry into future aviation capabilities.

This response is submitted by Unite the Union, Britain, and Ireland's largest trade union with over 1.3 million members across all sectors of the economy.

Unite represents the concerns of tens of thousands of members working in the UK's defence sector in both the primes and their supply chain. These defence companies employ highly skilled workers and are a major source of apprenticeships / graduate training schemes.

1 Introductory comments

- 1.1 Unite, as the major trade union representing workers in the defence industry, focusses here on the industrial questions around future defence aviation capabilities, including the preservation / development of our members' jobs and putting communities first.
- 1.2 Unite welcomes this inquiry as an opportunity to provide evidence, primarily here on the Global Combat Air Programme (GCAP), on how defence aviation capability policy can directly impact the companies, employees, and our members, involved in the safety, security, and defence of the UK citizens. It is vital that their voices are heard, such that policy not only ensures the UK remains secure, but also safeguards its critical defence aviation sector, so that its workers and the communities in which they live are sustained. Therefore, for Unite it's all about secure well-paid jobs and sustaining communities.

Topics

Global Combat Air Programme (GCAP):

- 2 **T1. What will be the key challenges in delivering GCAP's aim to deliver a 6th generation combat aircraft by 2035, and what should the MoD be doing now to address them?**
 - 2.1 The Combat Air sector in the UK is a vital national asset with the UK industry – from the prime contractors through to the smallest supplier – playing a critical role in delivering national security. The UK has been a world leader in the sector for over 100 years and has delivered many major technological inventions. It underpins the ability of the military to deter or overcome threats, also providing broad industrial, economic, and political benefits.
 - 2.2 The Combat Air strategy of 2018 alongside the launch of Team Tempest heralded a new dawn for the sector acknowledging the strategic nature of the sector and the wide benefits it brings. Unite welcomed the Strategy when it was launched in 2018 and was pleased to play a role in developing its content. The Strategy provided a huge boost to the sector through emphasising its importance and delivering a long-term vision, allowing the UK to catch up with other major nations who operate in this sector, such

as the US and France, who will always favour sovereign industrial options.

- 2.3 Importantly, internationally we have seen many nations want to work with the UK, reflecting the esteem in which the UK sector is held. Additionally, this esteem for the sector is reflected domestically by the fact that there has been a surge in recruitment and applications to work in the sector.
 - 2.4 Fundamentally, the key challenge Unite see's in delivering GCAP's aim to deliver a 6th generation combat aircraft by 2035, is that the Government has to spend money (maintaining a constant drumbeat of funding) on ensuring the military can do the tasks asked of it – we believe it would be a national disgrace if this spending is not prioritised on national solutions, providing UK sovereignty / security and sustainable well paid UK jobs. Investment needs to continue to allow industry to plan for the long-term future and give confidence to our international partners that the UK is serious about GCAP.
 - 2.5 Investment in the UK and delivery on GCAP allows the UK to retain control of its own destiny and crucially maintain freedom of action and freedom of modification. To not do so would mean that the UK would become the only P5 United Nations member without the sovereign capability of designing and producing its own defence aircraft. Maintaining this ability also drives export potential which sustains UK jobs and creates and builds international relations and influence with foreign countries / allies.
 - 2.6 We understand that the two options for the Typhoon replacement are either Tempest or more F35s. We absolutely recognise the benefit of F35 in terms of supporting jobs in the UK, but it is not an option that will sustain the sector for the long term. Operationally nor will the F35, as its primary role is a stealth bomber, and is therefore not capable of fulfilling what Tempest is being designed to do, which is providing air superiority and dominance. A combination of both aircraft would be the ideal fit for both our national defence and economic security.
 - 2.7 The UK got its significant role on the F35 programme through taxpayer investment and through the skills and knowledge of UK industry, which brought capabilities into the programme that didn't exist in the US or elsewhere. For the UK to have a long-term future in the sector, aligned with the objectives of the Combat Air Strategy, needs the UK to be a prime partner in the development of a new future combat air system. This is why we welcomed the formation of Team Tempest and the huge investment from industry and Government in developing Tempest.
 - 2.8 Key now is to make sure the principles of the strategy are implemented – not just in respect to GCAP, but also in wider procurement decisions around Combat Air. This includes continuing to invest in Typhoon up until it leaves service to ensure it meets the military need while also maintaining valuable skills in the workforce, which will then be exploited on Tempest.
- 3 T2. What lessons can be learnt from previous large multilateral defence programmes such as Typhoon?**

- 3.1 Many elements of the combat air sector have significant spill over benefits for adjacent sectors / industries (e.g., power and propulsion) so investing in combat air not only directly benefits defence but creates economic, employment, skills, and supply chain growth throughout the wider industry / economy, as exemplified by the fact that the Typhoon programme alone has over 3,000 companies in its supply chain.
- 3.2 Failure to further back a GCAP, based upon Typhoon figures, could see an impact of far in excess of £28bn to UK Government returns over the programme's lifetime with the potential loss of >10,000 jobs.

4 T3. How can the MoD ensure that GCAP attracts and retains political and public support over the next decade?

- 4.1 It can do this by spreading the benefits of the programme far and wide. These including the fact that the sector is also a major employer of both apprentices and graduates, which have increased significantly in recent years. That alone it employs well in excess of 18,000 highly skilled jobs across the whole of the UK with many more jobs dependent on the sector in the supply chain, and that the Combat Air sector in the UK has a turnover in excess of £6bn a year and is a huge contributor to exports.
- 4.2 There is a huge opportunity for the MoD and other governmental departments to work with business and trade unions to support and develop a wider national apprentice programme for GCAP, AUKUS and beyond. Create a UCAS style apprentice clearing system and 'apprenticeship passport' so that all defence (and civil) manufacturing benefits and shares the pool of young talent. Unite believes this would be extremely popular as it would counter the ongoing skills shortage which left unchecked will become a crisis and potentially endanger the ability to deliver on defence programmes. It would also be popular with the public as families would welcome their children / young adults having the opportunity to gain stable, well paid, skilled jobs as an alternative to the University degree model with its expensive fees and student debt.
- 4.3 This should be made easier in the knowledge that the publication of the Strategy and launch of Team Tempest was seen domestically and internationally and received a wide positive response.
- 4.4 We are in an incredibly strong position and can't let short term political problems jeopardise the future of a sector that delivers billions of pounds every year to the UK. The alternative is to put our faith once again in buying a US built product, which will destroy the ability of the UK to ever design and develop a combat aircraft in the future.
- 4.5 As we have seen in the land sector, which faced the same choice a decade ago, choosing a non-sovereign solution leads to disaster as we have seen with Ajax. This led to the ending of the ability of the UK to design and develop armoured vehicles hence the Government having no choice now in how it acquires future capability.
- 4.6 The UK needs to stop being blinkered when making major choices in defence procurement – promises made by overseas suppliers are almost never kept. Even with the F35 programme where the UK was promised 15% workshare, analysis suggests that this is closer to 12% and declining.

4.7 Acquiring from the UK provides control for the Government of the time and of the future – both in terms of the military capability being developed, and also controlling through life costs. Most importantly, all of this delivers highly skilled jobs across the UK – it's thus a simple decision.

5 T4. With full-scale production of the new aircraft not expected to be underway until the 2030s, how can the MoD and industry ensure that an appropriately skilled workforce is retained in the interim?

5.1 Key to this is a steady stream of funding to develop and mature the new technology needed for GCAP / Tempest and to continue to invest in Typhoon.

Munitions:

6 T8. What is your assessment of the MoD's vision, strategy and planning of future airborne weapons systems across the combat fleet?

6.1 Sky News' recent (9/10/23) piece '*Europe has a weapons problem – here's why*' Unite believes sums up the UK's current situation well in saying '*Europe's weapons stockpile situation is very different to that of the US, which is currently able to and has maintained a virtually constant supply of weapons since the Ukraine war began.*

6.2 Your report published in March, said that "*it is clear that the UK and its NATO allies have allowed ammunition stockpiles to dwindle to dangerously low levels, noting that the manner in which Western governments procure what armaments they do have is not fit for purpose, due to: A lack of preparedness; High rates of consumption on the battlefield; and Slow reactions.*

6.3 In relation to the first point, *industry in the UK and Europe is run on a contracted basis. Where for example – the UK says it needs 50 Storm Shadow missiles. Contractor's bid, offering differing timelines and prices, one is selected, builds a factory, and then delivers the weapons. At that stage, the factory is shut down and the industry waits for the next contract to bid on.* This creates two issues: a) industry is effectively stood down; and b) it consumes much time and money on smart weapon such as high spec missiles, when in Ukraine the war is has been dominated by small arms, other dumb weapons, etc.¹

Defence industrial strategy:

7 T10. How can the MoD ensure that these procurements best contribute to a sustainable and thriving defence industrial base, by building and maintaining appropriately skilled, effective, and active defence manufacturing teams?

7.1 Unite consistently argues for a defence industrial strategy that recognises the importance of onshore defence manufacturing. This strategy should concentrate on the industrial capability required to achieve its military capability to defend against identified

¹ <https://news.sky.com/story/ukraine-war-latest-moscow-to-discuss-lifting-ban-on-nuclear-tests-after-putin-threat-12541713?postid=6556524#liveblog-body>

/ potential threats and what further capability we need. This should generate a list of equipment areas, identifying technologies that amount to sovereign capabilities. These technologies must be secured onshore to ensure the UK is capable of freedom of action (FoA *being able to act in the UK's interests without intervention from other nation states*) and operational advantage (OA *ability to have the edge over potential adversaries*)².

- 7.2 It is essential for the MoD to work closely with BEIS and the Treasury to agree a holistic approach to procurement, ensuring the contribution made by UK industry to UK prosperity is the first consideration. Value for money', is frequently used as an argument to buy equipment overseas. However, put simply, off the shelf procurement from abroad contributes nothing to UK PLC.
- 7.3 Sovereign capabilities (SC *defence capabilities that should be built solely in the UK to protect the UK's FoA and OA*³) are important to Unite members, include the design, manufacture, and maintenance of manned combat aircraft; complex weapons; cyber systems; and through life support for defence aviation equipment.
- 7.4 Unite believes there are good political and economic reasons for supporting these technologies and companies that produce them here. Every pound spent manufacturing these goods in the UK results in at least 36% being returned directly to government through tax and NI payments. Additionally, wages paid to UK based workers are overwhelmingly spent here, creating a multiplier effect for local communities.⁴ Unite believes the MoD and wider government should use procurement as a broader tool to spend UK taxpayers' money in a way which creates multiple UK benefits.
- 7.5 Unite is concerned that interpretations of industrial strategy differ across government. It is therefore crucial to end this uncertainty. It must be made clear that the government is willing to provide long-term, strategic support for engineering / manufacturing, and is willing to intervene using the government's entire industrial toolkit.
- 7.6 Unite is clear about what our members need and the areas where their interests align with industry. Having consulted with our members, academics, and industry, we know businesses want a long-term approach from government which is concerned with stability, not minor fluctuations in stock markets. Stability which helps protect and grow skilled jobs, apprenticeships, innovation, company turnover and exports.

8 T11. How should exportability be built into these programmes from the outset, and what should the MoD, and the Government more broadly, be doing to maximise their export potential?

- 8.1 Firstly, it should be noted that the Combat Air sector in the UK has a turnover of more than £6bn a year and is a huge contributor to exports.
- 8.2 In terms of what the MoD, and the Government more broadly, should be doing to maximise export potential, it's straightforward. They should be continually liaising with

² <https://www.adsgroup.org.uk/blog/defence-procurement-sovereign-capability-explained/>

³ Ibid

⁴ <https://rusi.org/publication/briefing-papers/destination-defence-pound>

allies to determine what their future aviation capability requirements are likely to be, such that any equipment designed and produced in the UK for our use, also has the capacity to meet such requirements, either upfront or as part of a platform that enables foreign buys to in effect plug and play with their own or other technologies they purchase.

- 8.3 Most importantly, our MoD must purchase these technologies to clearly demonstrate to potential foreign buys the confidence we have in our own products and indigenous capabilities.

9 Conclusion

- 9.1 Up and down the country, communities depend on the defence industry for their jobs, for a future for young people, for economic security and in some cases, survival.
- 9.2 Unite will never allow any of that to be put at risk, thus it calls on the MoD to support, through a defence industrial strategy, procurement that locks in our future aviation capabilities, supporting a UK defence industry that allows us to design, build and maintain our future aviation capabilities.
- 9.3 ‘Value for money’, is often used as an argument to buy equipment overseas. Spending taxpayers’ money, buying UK-built equipment, isn’t just good for UK companies / jobs, it’s also good for Treasury and economy as UK workers spend money here.
- 9.4 Recent indications that government is doubling the defence pounds spent in the USA (from 12% to possibly 25%), needs addressing. Overseas spend is continually undermining the jobs of those skilled Unite members working in the sector, along with its skills base and communities in which they work. A potential made worse by noting that for every job lost, approximately 3.7 are at risk in the supply chain / wider economy. Additionally, it could seriously impact the UK’s defence sovereignty.
- 9.5 Various statements by civil servants / ministers suggest UK prosperity is becoming an important criterion in procurement, however, as things stand, Unite has yet to see this evidenced, along with the identified key SC / policies needed to defend manufacturing that delivers and grows capabilities and good secure jobs.
- 9.6 Unite will fight – without reservation / equivocation / hesitation – to defend every last member’s job in the defence aviation sector. It is a clear message to politicians that this union will never support any policy which sees members jobs and their communities thrown on the scrapheap.

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