



Unite response to The Strategic Defence Review 2024-2025

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

Unite represents the concerns of tens of thousands of members working in the UK's world leading defence sector (which in 2023 added £12bn to our economy, £9.5bn in exports and employed around 164,000¹, with around 7,000 apprentices), in primes, their supply chain and in government defence. These defence organisations employ highly skilled workers and are a major source of apprenticeships / graduate training schemes.

1 Introductory comments

- 1.1 Unite welcomes this review as an opportunity to provide evidence, and like the new government see that defence, and its ongoing modernisation, is integral to the physical and economic security of Britain.
- 1.2 Similarly, Unite supports our commitment to NATO, as Britain is much stronger when we work with allies, and the UK's nuclear Continuous at Sea Deterrent (CASD), for which our highly skilled membership plays an integral role in both the manufacture and maintenance of the submarine fleet that carry Trident missiles, the missile tubes and Spearfish torpedoes.
- 1.3 The creation of a new independent Armed Forces Commissioner to improve service life and conditions is something Unite supports fully, along with the principle of One Defence, which must include MOD Civilians already working with industry as an integral partner, as the days of indulging in inter-service rivalry are over
- 1.4 In preparing this submission Unite has based its responses to the various propositions, having pertinence to our memberships, around the following themes:
 - 1.4.1 Sovereignty - the ability for the UK to design, develop and exploit its defence capabilities remains vital – rapid integration of new capabilities outside of external influence and control remains fundamental to freedom of action and modification. Underpinned by deeper diplomatic relations with key allies.
 - 1.4.2 Prosperity and value – Sovereign defence industry also makes a significant contribution to prosperity across the UK, especially social value. This comes through direct and indirect employment, export driven revenue as well as the development of intellectual property that benefits the whole of UK industry.

¹ <https://www.adsgroup.org.uk/about/sectors/defence/>

- 1.4.3 Resilience - UK industry's ability to support our Armed Forces both in transition to and during conflict is fundamental to both deterrence and warfighting. This cannot be achieved by anyone else – it will be the UK Defence industry and its workforce, our members, that form the backbone of any defence of both the UK, and UK's contribution to NATO. Resilience is particularly important for non-kinetic services, including supply chain logistics, engineering, repair, infrastructure and facilities. Resilience is also embodied in the ability to respond to a sudden change in threat. The ability to support front line forces and to deliver resources is now dangerously fragile, as demonstrated during the Ukraine war, and must be urgently reviewed.
- 1.4.4 Capability – UK industry / our members' contribution to both military capability and technical design and production capability is a core not only to our Armed Forces now, but also into the future.
- 1.4.5 Partnership (industrial / international) - UK industrial capability allows the UK to enter into international partnerships as an equal; witness how many nations approached the UK after the announcement of Tempest. We also want to see a closer partnership between industry and government to allow the UK to prosper in areas of strength such as Combat Air, Shipbuilding and Radar platforms. A new commercial model providing long term certainty to industry will allow the UK to fully utilise its industrial ecosystem from the smallest SME to the large prime contractor. This will encourage further industrial investment such as AUKUS, and BAE Systems acquisition of Malloy Aeronautics earlier this year.²
- 1.4.6 Innovation and technology – Innovation requires the ability to exploit the outcome and the industrial ecosystem present in the UK defence sector, where Primes and SMEs work closely together, allows this to occur, wherever innovation may be found. Our members play a crucial role in bringing forward innovation and technology into manufacturing.
- 1.5 These key themes and their crossover into the government's broader industrial strategy objectives around growth, investment, good unionised jobs, skills, high value advanced manufacturing (supply chain and industrial capability) and regional development are all goals strongly supported by Unite the union.

Propositions

- 2 **P1. Describe the strategic, threat, and operational context for UK Defence 2024-2050.**
- 2.1 The strategic, threat, and operational context in which our defence forces now operate is one which few of us could have foreseen until recently. From the outbreak of the global coronavirus pandemic and Russia's invasion of Ukraine, both resulting in the longest cost of living crisis in history, and now the current Middle East and Taiwan / South China Sea crises, demonstrate how rapidly things can escalate and change.

² <https://www.baesystems.com/en-uk/bae-systems-acquires-british-technology-business-malloy-aeronautics>

2.2 Such rapid change means that UK Defence must be agile, efficient and prudent, having the ability to face such strategic and changing threats at short notice. The defence manufacturing sector must also have similar agility, ensuring that it's not only able to rapidly adapt to, and meet such threats, but also is able to offer entrepreneurial / creative solutions that ensure our sovereignty, prosperity and modernisation agendas. This may be achieved for example, through expanding exports to our allies and added social value.

2.3 Social value which boosts regional economies via quality high value jobs in the communities in which they operate, situated outside of the southeast and in areas that have suffered from a lack of strategic investment in R&D, skills and infrastructure over time.

3 P2. Propose, in order of priority, the roles UK Defence must be capable of fulfilling 2024-2040.

3.1 In order for UK Defence to be capable of fulfilling its roles to 2040 Unite has consistently argued for a broad industrial strategy as well as a specific defence industrial strategy that recognises the economic importance of onshore defence manufacturing to the wider UK economy and to society as a whole, especially in areas of economic and social decline.

3.2 Such a strategy should start with a thorough assessment of the military, geopolitical and strategic role of the Armed Forces to identify the anticipated requirement for military engagement, be it defensive or in pursuit of UK domestic and foreign policy, or international aims and objectives. This assessment should then generate a list of essential equipment for each of the services and identify those technologies that amount to sovereign capabilities. These technologies must be protected onshore in the UK to ensure that the country is capable of independent military action where required.

3.3 Only complex future platforms, like Tempest, the sixth-generation fighter aircraft, and Type 31 Warships due to be manufactured by our members in the UK, can truly provide the UK government with the crucial role of 'freedom of action', the ability for it to deploy its assets wherever and whenever it wants free from intervention from others. Furthermore, UK defence companies have a proven track record in supplying cutting edge reliable equipment to our armed forces, ensuring 'operational advantage', that is, the role of providing the ability to maintain an edge over our potential adversaries.

3.4 The design and manufacture of complex weapon systems here contributes greatly to the prosperity of the UK, securing jobs for our members, returning taxes to the treasury and providing the potential for exports of goods and services. All further adding to the UK's prosperity and its capability to fulfil UK Defences many ongoing global roles.

4 P5. Propose how UK Defence's contribution to NATO should be enhanced as a driving requirement of capability and activity, including through prioritising defence export potential.

4.1 Unite supports the proposition that NATO remains the cornerstone of UK Defence, and that, as set out in the Labour Party's Manifesto, the government "will set out the path to

spending 2.5 per cent of GDP on defence.” Such a path, which enhances the UK’s contribution to the Alliance and to sustaining a “NATO first” defence policy, whilst also protecting vital UK sovereign requirements / strategic reach, must, however, receive a UK government commitment to keep UK defence spending in Britain. A commitment, that rather than purchasing off the shelf from the likes of the US, to acquiring highly capable products and services from sovereign industry, would in turn support UK workers, our highly skilled membership, and the communities in which they live and work. It would also support endeavours to export UK manufactured defence equipment by showing confidence in what we produce to our allies.

- 4.2 Defence is a complex industry with a world class supply chain, largely based onshore in the UK due to the security involved in the manufacturing process. The current UK footprint is responsible for globally recognised products and capabilities and presents a link with a proud heritage of manufacturing across the country. Iconic aircraft, ships, submarines and weapons have been produced by the UK across the decades and the country is still producing world class equipment such as the Queen Elizabeth class Carriers, Astute and soon Dreadnought submarines, Typhoon and Tempest fighters and Wildcat helicopters. Radar, sensors and land-based weapons systems are also produced here in the UK and the industry generates billions of pounds in tax and national insurance payments as well as billions in exports.
- 4.3 Unite believes there are strategic ways to deal with a ‘conspiracy of optimism’ (where major defence equipment projects have continued to cost more than initially envisioned). There needs to be a focus on the dichotomy between the resources that are available and the capability that is needed by the armed forces. In conjunction with this there also needs to be a recognition regarding the truly open-ended potential for exporting UK made defence products. Unite has never seen an analysis by any government regarding the off-setting of export income in relation to the initial cost of indigenous defence procurement. As such, in any contracting process there must be a strategic focus on how a product can pay for itself over a given time while also serving an invaluable capability purpose on the field of conflict.
- 4.4 The most important aspect of any ‘conspiracy of optimism’ is to ensure there is a clear and pragmatic Defence Industrial Strategy – there is not much point having continuous strategic reviews if the evidence gleaned does not achieve anything. The purpose of the original DIS, published by the Labour Government as a White paper in 2005, was intended to ensure that the UK Armed Forces are provided with the equipment they require, on time, and at best value for money. Whilst admirable, this statement clearly omits two key additional purposes: to ensure social value and to, as stated above, consider the off-setting of export income against the initial cost of indigenous defence procurement. There must be objective achievable goals, people who know what they are doing and get on with it, and a process of procurement which serves all the stakeholders effectively. There must also be clear direction and leadership to ensure all stakeholders have confidence in the system and ‘buy-in’ to the process.
- 4.5 Such a strategy could be the foundation stone for a broader UK Manufacturing Strategy – one where the government defends key industries like steel, energy, rail, and so on, instead of what we’ve seen in all those industries recently – too little done far too late. Unite believes that government procurement should be used as an instrument of public

policy helping to defend UK jobs and promote growth in our economy. MoD procurement contracts must consider the wider economic and social value impacts as part of their considerations.

- 4.6 It is of vital importance to the big tier 1 companies that government continues to invest in R&D and innovation, along with ensuring relevant intellectual property rights remain in the UK, which can then transfer into products for the export market and civil applications. Maintaining strong links with DSTL will encourage growth through apprenticeships in AI and Cyber. This should help to ensure the UK taxpayer substantially recoups the original investment outlay.
- 4.7 The defence manufacturing sector is a significant contributor to GDP and to UK exports. For instance, in the 2023/24 financial year, the UK spent £54.2 billion on defence³ and based on UK Defence and Security Exports estimates the UK won defence orders worth £12.0 billion in real terms in 2022⁴.
- 4.8 Further returns to the government will result from exports but, this can only happen if the government procures from UK industry in the first place. Were the UK to order an additional batch of Eurofighter Typhoon aircraft now, this would maintain vital skills at BAE Systems Warton and Rolls Royce Bristol, and in the supply chain. Additionally, it could help attract future export orders from new and existing customers. It is important to note that the other three Eurofighter partners, Germany, Italy and Spain, have all in the last year announced additional purchases of Typhoon supporting their military and domestic industries.
- 4.9 Continuing to invest in maintaining the capability of the Typhoon is also important for our military and industry, most important will be the new ECRS Mk2 radar system as well as systems upgrades to allow the Typhoon to exploit the full capability of this world leading radar system.
- 5 P9. Describe and recommend how the UK Defence homebase is made secure and resilient in confrontation, crisis and conflict, including in enabling full mobilisation and campaign endurance when needed.**
- 5.1 Developing the ‘resilience’ strategy for the defence supply chain, including logistics, engineering, repair and infrastructure servicing, is one of the most important challenges of this defence review. Unite understands the global situation to be fragile but is concerned that the UK military’s ability to respond is equally fragile. It is imperative that the government continues to move away from ‘value for money’ (i.e. lowest cost) contracting, towards improving resilience and sustainability.
- 5.2 The war in Ukraine must be a wakeup call for the government as it has exposed the UK’s inability to reliably service and deliver support for frontline forces in combat. Unite

³ <https://commonslibrary.parliament.uk/research-briefings/cbp-8175/#:~:text=How%20much%20does%20the%20UK,4.5%25%20increase%20in%20real%20terms.>

⁴ [https://commonslibrary.parliament.uk/research-briefings/cbp-8310/#:~:text=Licences%20granted%20for%20export&text=The%20total%20value%20of%20SIELs,%25\)%20for%20non%20military%20goods.](https://commonslibrary.parliament.uk/research-briefings/cbp-8310/#:~:text=Licences%20granted%20for%20export&text=The%20total%20value%20of%20SIELs,%25)%20for%20non%20military%20goods.)

members in logistics roles have experienced backlogs of up to 50,000 stock picks for the supply of vital equipment for the frontline. The pivot towards a strategy of resilience⁵ has been transformational for Unite members and must be developed further by the new government.

- 5.3 Unite notes the new Labour government's commitment to the 'biggest wave of insourcing of public services in a generation.'⁶ This has been welcomed by Unite's membership in the broader public services; however, in defence Unite believes this must be handled carefully.
- 5.4 Unite is concerned about the contradiction between wholesale insourcing of Ministry of Defence functions and the government's apparent commitment to continued austerity, which erodes the state's capability to act. Any strategy of resilience or operational effectiveness will be fatally undermined if insourcing means pay freezes, reductions of workers' terms and conditions or spending cuts.
- 5.5 Instead, as this submission and proposals demonstrates, Unite members can offer many positive and negative experiences of defence outsourcing. To be clear, neither outsourcing nor insourcing should be ideological positions. Unite's experience shows that how MOD and defence functions are managed and the impact on both the workforce and frontline personnel must be the priority, not an arbitrary policy, timeline or blanket commitment.

Lessons from outsourcing:

- 5.6 The outsourcing of critical Ministry of Defence functions has been a major concern for Unite since 2015 when a major military logistics contract was awarded to Team Leidos (Leidos Europe, Leidos Supply, Kuehne + Nagel and TVS Supply Chain Solutions). This significant 13-year contract to operate Logistics Commodities and Services and Transformation (LCST), was worth £6.7 billion⁷ and included designing, building and operating the £83 million Defence Fulfilment Centre in Donnington.⁸
- 5.7 This process included the consolidation of 11 UK-wide depots into Donnington, impacting 1250 staff. Ministerial quotes to the media at the time highlighted £0.5 billion of potential savings⁹, leading Unite to fear cost cutting was being prioritised over resilience or capability by the government of the day.
- 5.8 Positively, Unite successfully oversaw the TUPE (Transfer of Undertakings Protection of Employment rights) for these workers, protecting pay, pension, leave entitlements and working conditions.
- 5.9 Following the issues faced by these logistics' workers during the Ukraine war, the pivot by MOD towards resilience has been beneficial to the MOD supply chain, and this contract in particular. Our members at LCST report a welcome shift towards resilience

⁵ <https://www.gov.uk/government/publications/defence-supply-chain-strategy/defence-supply-chain-strategy>

⁶ <https://labour.org.uk/wp-content/uploads/2024/05/LABOURS-PLAN-TO-MAKE-WORK-PAY.pdf>

⁷ <https://www.leidos.com/sites/leidos/files/2020-10/UK-LCST-Overview.pdf>

⁸ <https://des.mod.uk/defence-fulfilment-centre-anniversary/>

⁹ <https://www.gov.uk/government/news/mod-announces-contract-to-run-military-logistics>

targets, which not only ensure the operational effectiveness of the supply chain but improves employment conditions, which demonstrates a clear social value.

- 5.10 At the time of this submission, Unite is currently in discussion with Kuehne + Nagel on an ‘accord’ to establish best practice working, following the development of positive, meaningful industrial relations which have led to successful negotiations and business transformation, most recently delivering the implementation of flexible working arrangements.

Dangers of short term and salami slicing contracts:

- 5.11 One constructive conclusion from this experience is the difference between long-term contracts with reputable employers, compared to short-term contracts which employers are incentivised to win on the basis of cost cutting the current contractor provider.
- 5.12 Contracts such as LCST are 10 to 25 years in length. This allows for a negotiated transition for the workforce and time for the relationship (including industrial relations) to develop positively to meet shared goals such as resilience.
- 5.13 In contrast, facilities contracts for services such as cleaning and catering can be two to three years in length, leading to repeated transfers and encouraging a ‘race to the bottom’ as employers routinely attempt to undercut each other.
- 5.14 This has an obvious impact on frontline armed forces. Our members report military personnel being housed in appalling conditions because simple tasks such as the regular emptying of bins has been reduced to cut costs. Similarly, MOD staff and military personnel are no longer provided with ‘Core meals’ but are instead offered franchised options such as Greggs or Starbucks – at their own financial and nutritional cost.
- 5.15 Other examples show the importance of avoiding ‘salami slicing’ contracts. In 2012 Cobham Aviation Services were awarded a £193 million contract to operate RAF Shawbury to provide helicopter training.¹⁰ Once established, our members reported positive experiences of Cobham who operated the entire facility. In 2018 Cobham lost this contract,¹¹ resulting in a ‘salami sliced’ operation divided between seven different competing contracts based on low cost.
- 5.16 Another important experience comes from Unite members at Portsmouth Naval Base working on warship support and maintenance. The introduction of the Fleet Maintenance Support Program (FMSP) replaced the previous single supplier support contract by disaggregating work across four main suppliers under the guise of cost saving. This resulted in a TUPE transfer involving 500 employees, but also redundancies, the loss of pensions and the worsening of terms and conditions. This had a serious knock-on impact on both warship maintenance work and on the city of Portsmouth. Unite members are concerned about a further wave of ‘salami slicing’ resulting from the new Naval Support Integrated Global Network (NSIGN). Experience shows that using multiple contractors creates inefficacy, with fragmentation, risking no “line of sight.” Similar examples within

¹⁰ <https://moneyweek.com/22453/cobham-wins-helicopter-contract-with-defence-ministry-120306-0916-71654>

¹¹ <https://www.shropshirestar.com/news/business/2018/02/02/up-to-80-civilian-jobs-at-risk-in-raf-shawbury-shake-up/>

naval bases has seen multiple sub-contractors providing in-house services in engineering and hard/soft FM at detriment to force generation of warship availability. A strategy of resilience must review and end such examples.

Unite proposal: contractor accreditation

- 5.17 Unite is calling for an urgent review of MOD and defence tendering which considers quality of employment, operational resilience and social value. Unite's national industrial sector committee, representing senior workplace representatives across the MOD and defence contractors is proposing a new accreditation scheme for MOD tendering.
- 5.18 Factors such as union recognition, suppression of pay, terms conditions, and commitments to the retention and development of skills must be criteria alongside proven ability to deliver operational resilience. Unite believes a scheme similar to ISO accreditation¹² will encourage a 'race to the top' in effectiveness, quality of service, employment and resilience.
- 5.19 Similarly, a review of the tendering process must consider the data provided to contractors. Unite has repeatedly seen employers winning contracts on the basis of lowest cost, only for the requirements of the contact to change and for the contractor to demand exorbitant additional payments.
- 5.20 Unite believes such a review and accreditation scheme must also consider the track record of 'bad employers' with a proven inability to deliver vital MOD functions. For example, in 2019 Capita was awarded a £600 million contract to run the Ministry of Defence's fire and rescue service pension fund, then renamed the Defence Fire and Rescue Project (DFRP) this required Capita to provide pay data to MyCSP to calculate members pension funds.
- 5.21 Unite has exposed how firefighters, both working and retired, have reported a litany of pension irregularities including: Pensions not being paid for up to eight months; widows of those dying in service or shortly after retirement not receiving pensions; working members' contributions being repeatedly miscalculated; and final salaries not being accurately noted leading to subsequent pension error.¹³
- 5.22 "This was the most stressful episode of my life," said Frank Gallacher, who worked at the Royal Navy's Clyde Nuclear Submarine Base for five decades. "I can only assume the transfer from the MOD to Capita Fire Rescue for some reason made my pension disappear."¹⁴
- 5.23 Capita had committed to a "full and thorough review" to deliver a corrective intervention, which has not materialised at the time of submission (September 2024.)
- 5.24 Considering this failure to handle a contract for 700 workers, Unite believes it is unacceptable that Capita has since been awarded a ten-year contract to administer the

¹² <https://www.iso.org/certification.html>

¹³ <https://www.unitetheunion.org/news-events/news/2024/february/unite-expresses-severe-concern-over-capita-and-civil-service-pensions#:~:text=Unite%20general%20secretary%20Sharon%20Graham,the%20civil%20service%20next%20year.>

¹⁴ <https://www.theguardian.com/business/2024/feb/11/mod-firefighters-pensions-delayed-after-capita-group-blunders>

pension scheme for 1.6 million civil servants.¹⁵ As part of the new government's manifesto commitment to a full review of outsourced activity, Unite is calling for this contract to be withdrawn.

- 5.25 Additionally, Unite is calling for a MOD commitment to ringfence specific roles which must not be contracted out, especially to employers who would not pass accreditation. Unite's membership at the Atomic Weapons Establishment wish to take this opportunity to highlight the unique and vital role of the on-site fire service. It is of paramount importance that these firefighters and officers remain direct AWE employees and are not contracted out to companies such as Capita, resulting in a potentially disastrous deterioration of conditions and safety provision.

Pay and retention

- 5.26 Unite is recognised for collective bargaining within the MOD Centre (Civil Service for Strategic Command, Land Forces, Air Command, Navy Command, MOD Guard Services, MOD Police), Defence, Equipment and Support (DE&S), Defence Electronics & Components Agency (DECA), and outsourced contractors including Kuehne + Nagel, Babcock, Capita, Serco and others. Unite is concerned that low pay grades are not keeping pace with the cost of living which is leading to a retention and manning crisis in critical roles.
- 5.27 For example, in DE&S defence munitions, workers have secured contractual benefits for flexible working including phased retirement on a 4-day week or part time working. However, as there are not enough staff in key roles to cater for this scheme, older workers are opting to leave without being replaced, leading to a skills crisis.
- 5.28 Similarly, blue collar workers in defence munition roles now have the option to buy or sell up to 5 days of holiday, a scheme previously open for white collar staff. However, the blue-collar workers now find they cannot afford the 5 days because of low pay.
- 5.29 Unite represents blue collar industrial workers across four Industrial Skill Zone Grades. A large percentage of industrial staff members, who play critical roles in defence providing a service to the military and front line in times of conflict, are now subject to government minimum wage increases. This has been further complicated as the rise in the minimum wage has led to a race to the bottom by eroding the grading structure for many members. This has meant labourers, supply workers, craft workers, skilled craftsmen, drivers and supervisors are now paid the same (the minimum legally allowed) due to their salaries being overtaken by the national minimum wage. This has severely impacted on the Ministry of Defence where experienced, dedicated staff have left the Civil Service to work in the private sector. A strategy of resilience must consider fair pay, the long-standing service of these workers and a plan for retention.

6 P10. Propose how UK Defence rapidly becomes a global pacesetter in how Digital Age technology evolves equipment, organisation and method across all aspects of capability, identifying the first major steps to be taken in each domain, how

¹⁵ <https://www.capita.com/news/capita-selected-administer-civil-service-pension-scheme>

quickly this can be achieved, and recommend what legacy capability currently in service and in the extent future plans should be modified or dropped.

- 6.1 Partnering with companies such as the UK's BAE Systems and Frances Thales, amongst others, within which Unite has a considerable UK membership, should help UK Defence become a pacesetter in how Digital Age technology evolves equipment, organisation and method.
- 6.2 Thales, for example claim to be a *global leader in advanced technologies, investing in digital and "deep tech" innovations – connectivity, big data, artificial intelligence, cybersecurity and quantum technologies – to make the world safer, greener and more inclusive. Also claiming to provide customers – businesses, organisations and governments – in the defence, aeronautics, space and digital identity and security fields, with solutions, services and products that help them fulfil their critical role.*¹⁶
- 6.3 Partnering with industry and academia in the UK should not only help to develop the evolution of relevant digital age technology here but may also help to retain intellectual property and hopefully workshare, for UK workers. This is in addition to subsequent UK taxation inflows and social benefit / value to the communities in which these technologies are developed, produced and maintained.
- 7 P11. Propose how UK Defence builds and sustains a relationship with technology providers and industry (major primes and SME) that enables the technology choices that will drive globally pace-setting modernisation and transformation.**
- 7.1 Unite believes the key to delivering technology programmes, such as the Global Combat Air Programme or GCAP (supporting 46,000 highly skilled UK jobs, with its four prime sovereign company partners; BAE Systems, Rolls-Royce, Leonardo and MBDA employing more than 21,000 of these Combat Air roles, half of which are based in the North West of England), is for Government to maintain relationships with technology providers and industry, along with a constant drumbeat of funding / work, ensuring infrastructure, skills and expertise are maintained / enhanced. This allows industry to provide continuity in our ability to design, build, and maintain capabilities, and to ensure our industry remains vibrant, sustaining UK jobs and creating and building international relations and influence.
- 7.2 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.*
- 7.3 In relation to this, *industry in the UK and Europe is run on a contracted basis. Where for example – the UK says it needs a certain number of new 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*

¹⁶ https://www.thalesgroup.com/sites/default/files/database/document/2022-06/Thales_IntegratedReport.pdf

*contract to bid on.*¹⁷ This creates two issues: a) industry is effectively stood down; and b) it consumes much time and money on bidding and reviewing, as opposed to manufacturing. Building and sustaining relationships with technology providers and industry, along with a constant drumbeat of work, would enable technology choices and minimise shortfalls or lags in production, which, once achieved, would help to drive globally pace-setting modernisation and transformation.

7.4 This has been achieved in the complex weapons world with the establishment of Team Complex Weapons and Unite would like to see this long-term partnership model set up in other critical sectors such as Uncrewed Aerial Vehicles.

7.5 The UK's F35 workshare resulted from us having developed the required technology through previous research, which enabled us to gain workshare. The important element is that the UK generated Intellectual Property, which then led to significant workshare – we call for the Government to focus on the continued development of sovereign IP to sustain the long-term future of our defence industry.

8 P12. Propose how UK Defence acquisition and support (for all classes of equipment) continues to modernise to: maintain pace with key technology, enable the transition to an integrated force, advance interoperability in NATO, and deliver agile, cost-effective acquisition and support at optimum value for money.

8.1 The Queen Elizabeth class aircraft carrier assemblages were one of the largest engineering tasks to be carried out in the UK and clearly demonstrates how UK Defence acquisition and support, and the companies delivering its project programmes, continues to modernise.

8.2 The now expired Aircraft Carrier Alliance (ACA) comprising of BAE Systems, Babcock and Thales, designed, fabricated and assembled the two largest and most complex warships the Royal Navy has ever seen.

8.3 Babcock's Rosyth controlled the assembly and over 50% of the design of these 65,000 tonne warships. At its height, the project required an Alliance workforce of around 10,000 collaboratively operating across the UK, with around 2,500 in Rosyth.

8.4 HMS Prince of Wales participation in NATO's training exercise Steadfast Defender earlier this year saw the Royal Navy aircraft carrier lead 14 other vessels in formation in the North Sea as aircraft flew past as part of the Nordic Response 24 drill. With the ability of these carriers to deploy between 24 and 36 F-35B Lightning II stealth fighters and a mix of Merlin helicopters for utility and Airborne Early Warning roles, its advanced interoperability provides NATO with the most modern technology available as it transitions to an integrated force.

8.5 The commissioning of these two UK built carriers exemplifies the UK's ability to develop agile integrated assets capable of relatively seamlessly slotting into NATO's overall efforts to maintain order Their design, modular construction, and maintenance

¹⁷ <https://news.sky.com/story/ukraine-war-latest-moscow-to-discuss-lifting-ban-on-nuclear-tests-after-putin-threat-12541713?postid=6556524#liveblog-body>

demonstrates UK Plc's vital role in helping NATO to maintain peace and should be used as a template for future acquisitions.

9 P15. Strategic command is invited to propose how individual and collective education and training across all elements of Defence delivers the character and skills required by an Integrated Force for the challenges and requirements of 2024-2040, recommending the optimum division of responsibility between all elements of UK Defence and allies/partners for delivering this and identifying how the rapid and continuous application of new technology enables this.

9.1 The following points pertain to education and training in the defence manufacturing sector, within which Unite has an extensive membership, and furthermore have general relevance to the development of the skills required by an Integrated Force. Unite would welcome engagement with Strategic Command to identify the required education and training packages available to enhance MOD Civil Servants, particularly apprentices.

9.2 High skill apprenticeships – Unite wants to see a return to quality apprenticeships with decent pay and conditions, contracts from day one and guarantees of future employment. We recommend involving trade unions in the development of apprenticeship and skills training to ensure programmes meet the genuine needs of apprentices, employers and the economy.

9.3 Pooling of resources – Develop and extend the ‘pooling of resources’ model to apprentices, so that companies in the defence industry’s supply chain can benefit from the economies of scale in relation to training. This may include partnering with primes such as BAE Systems, and their Academies of Skills and Knowledge at; Barrow (submarines), North Lincolnshire (aircraft maintenance), Samlesbury (aircraft production) and Scotstoun (shipbuilding).

9.4 Training, skills and lifelong learning – Recommend a commitment from all stakeholders including government and industry to work with trade unions to invest in up-skilling, personal development and training for existing workers.

10 P23. Propose how UK Defence can build relationships with allies, partners and alliances as a strategic strength for the UK.

10.1 Unite looks forward to the new Labour government continuing to work with international partners through existing treaty alliances and the UN. However, in doing so Unite calls on the Labour Party to back its fight for defence jobs, skills, communities, security, and the future of the UK’s defence sector. Our “Defend Our Spend” campaign’s aim has been targeted at persuading UK governments to keep UK defence spending in Britain, rather than purchasing off the shelf from the likes of the US, in turn supporting UK workers and growing our economy.

10.2 With many skilled defence jobs lost in the recent decades, and major defence contracts in the pipeline, we are calling on the Government to make the right decisions. Regardless of the level of spend, priority should be given to using defence procurement strategically.

10.3 Investment in the UK and delivery on programmes such as the Global Combat Air

Programme 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.

- 10.4 We call on the Government to make a clear and unequivocal commitment to GCAP and remove other options on the table for this requirement. Our international allies in Japan and Italy have already done this through the Treaty signed last year yet the UK continues to keep its options open, creating uncertainty in the partnership. This prevarication is unnecessary and could threaten the rapid progress already made in the GCAP work
- 10.5 The UK's commitment to the delivery of the AUKUS partnership with the US and Australia is a fantastic example of how UK Defence can build on existing relationships with allies and partners. In March last year Unite welcomed the announcement of the future SSNR-AUKUS submarines, which will be built in the UK at Barrow and Adelaide, Australia, using US technology with nuclear engines from Rolls Royce in Derby, safeguarding thousands of skilled well-paid jobs at Rolls Royce and BAE Systems, our members jobs.
- 10.6 The government must see this as a golden opportunity to invest in the future, whether that be in thousands of new highly skilled apprentices or in the technology transfer of Rolls Royce small modular reactors into civilian use to meet the challenges of net zero and our energy security.¹⁸
- 10.7 In addition to the AUKUS deal, Unite, to counter and reduce threats, would welcome commitments from a Labour government on aid and development spending. It does so in a broader context of the UK's trade and foreign policy as there are still many areas where the former UK government and companies have caused problems for the world's poorest. Therefore, building relationships with allies and partners through continual dialog to support those in most need must also be good for the overall strategic strength of the UK via the use of soft power.

11 Concluding comments:

- 11.1 The strategic principles of this government's defence strategy – responsiveness, freedom of action, sovereign capability and resilience – all rely on a government decision to support workers across the UK's domestic defence manufacturing base, and in defence infrastructure, logistics and the supply chain.
- 11.2 This defence review must put our armed forces in the best possible position to react quickly to circumstances we cannot yet anticipate. The surest way to achieve this is with a stable, long-term strategy to ensure the industry and national infrastructure which allows the armed forces to operate is in the best possible shape. That means ending

¹⁸ <https://www.unitetheunion.org/news-events/news/2023/march/unite-welcomes-submarine-announcement-which-will-safeguard-thousands-of-jobs-at-rolls-royce-and-bae-systems>

attempts at running an arms-length defence strategy on the cheap through 'off the shelf' procurement from other nations, constantly changing outsourced contracts awarded on the basis of cheapest bid, and the erosion of the pay and conditions of MOD and support workers.

- 11.3 Public value for money must be considered in terms of contribution to the physical and economic security of the country. As this submission has outlined, that means a renewed commitment to the highly skilled workforces across the domestic aerospace and ship building industries. It must also mean attention returning to the infrastructure, logistics supply chain and civil service which underpins the armed force's ability to act.
- 11.4 From procurement which considers social value to an accreditation scheme for contractors, this submission has put forward a series of proposals asking this review to support the invaluable contribution of Unite members to the defence of our nations. Taken together, Unite's primary call is for this defence review to recognise the urgent need for a coordinated defence strategy, which contributes to a larger long term industrial strategy.

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