

Dear

As senior Trade Union Officers representing members in the Scottish shipbuilding sector we are taking the unprecedented step of writing to you and the other party leaders at Holyrood to register our concerns about the future of Scottish shipbuilding.

The announcement in late April by the Westminster Government to place the contract for the new Fleet Solid Support (FSS) vessels for the Royal Fleet Auxiliary (RFA) out for international tender was a body blow to British shipbuilding but its impact in Scotland is even more deeply felt, no more so than in Fife where hundreds of workers have already been made redundant (along with thousands of contractors who have now also left the site) at the Rosyth Dockyard with many more hundreds facing an ever more threatening future.

In November 2016 the Westminster Government published its long awaited report into a National Shipbuilding strategy by Sir John Parker, the report was supported by all the Union involved in UK shipbuilding, and the Government accepted all of the reports recommendations.

The report set out its recommendations on the socio-economic impacts of shipbuilding thus

“30. Industry and the Government should, with the TUs, support the creation and sustainment of high skilled jobs along with modern apprenticeships, and expansion of Technician and Graduate recruitment, to drive performance, particularly via digital engineering, and to address the age profile of the current workforce at the shipyards.

31. The MOD should seek to better understand the socio-economic benefit of awarding work to UK shipyards, or UK suppliers, and should give this more weight in non-warship building and all ship outfitting procurement decisions.”

The report further found that “Further extending the MOD’s initial analysis on Defence spending on shipbuilding and repairs (subject to further work, data gathering and validation), it could be estimated that if the MOD decided to spend an additional £200m p.a. on a new shipbuilding contract in the same distribution as it spent £1.4bn in 2014/15, (this was considered a Value for Money item of additional expenditure, and all other factors remained constant), this would support / sustain between approximately 2,000 and 3,000 additional direct UK jobs” and it concluded that “The value for money assessment should include all benefits and costs to the UK, including where these might offset modest increases in overall cost. But the MOD should not be additionally penalised by HM Treasury for selecting “inefficiently” modestly more expensive UK equipment”

During Prime Ministers Questions on 25th April 2018, in response to Douglas Chapman MP for Dunfermline and West Fife raising the issue of the offshoring of the FSS contract the Prime Minister responded “Through the National Shipbuilding Strategy we are increasing economic growth across the country and investing in a more skilled workforce” and she continued the strategy will “develop that shipbuilding capacity here in the UK”

The decision to place the £1billion contract out to international tender effectively means that no UK yard will bid for the work, setting up a contract bid team is expensive and experience shows that despite the new socio economic clauses in the shipbuilding strategy they are highly unlikely to win

a bid against state subsidised Korean yards, even though ships built recently for the RFA in Korea were delivered late.

Coupled with the decision to offshore the FSS build is the ongoing delay in announcing a decision to move ahead with the Type 31e Frigate project, which itself was a key deliverable in the Parker report.

Whilst work is offshored or delayed, yards across the UK, and especially at Rosyth are reducing their workforce and losing the key skills necessary to deliver a future UK defence shipbuilding strategy.

In short we believe that the decision to put the FSS contract out to international contract and the ongoing delay of the Class 31e project represents a failure of the National Shipbuilding Strategy which effectively has fallen at the first hurdle, and it is impossible to see how the decisions being taken in anyway support the Prime Minister assertion that they are increasing economic growth and growing a skilled workforce, indeed the very opposite it is the case.

We recognise that defence is a reserved matter but we also recognise the vital strategic nature of shipbuilding to the Scottish economy, and the influence that the Holyrood Parliament carries when talking about the impact of reserved decisions on Scottish workers.

We urge you to raise the matters of the FSS and Type 31 contracts with Westminster as a matter of urgency and seek a reversal of the decision to offshore the FSS build and an acceleration of the Type 31e decision, failure to do so will result in significant shrinkage of a strategic and immensely valuable economic asset.

We further urge you to seek to work in a cross party collegiate manner, hence the reason this letter has gone to the leadership of all political parties at Holyrood” as we believe that supporting Scottish shipbuilding is in the best interests of Scotland and the wider UK.

We are more than happy to meet with you to discuss this further

Kenny Jordan

Unite Scotland

Secretary CSEU Scotland

Gary Cook

GMB Scotland Organiser

Chair CSEU Scotland

Richard Hardy

National Secretary Prospect Scotland & Ireland