



# Welsh Affairs Committee

## Oral evidence: Defence industry in Wales, HC 1259

Wednesday 25 October 2023

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Members present: Stephen Crabb (Chair); Ruth Jones; Ben Lake; Robin Millar; Mr Rob Roberts.

Questions 1 – 47

### Witnesses

**I:** Professor Trevor Taylor, Director of the Defence, Industries and Society Programme, Royal United Services Institute.

**II:** John Whalley, Chief Executive, Aerospace Wales Forum Ltd; Kevin Craven, Chief Executive, ADS; and Sue Ferns, Deputy General Secretary, Prospect.

Written evidence from witnesses:

- [Royal United Services Institute](#)
- [Aerospace Wales Forum Ltd](#)
- [ADS](#)

### Examination of witness

Witness: Professor Trevor Taylor.

Q1 **Chair:** Good morning. Welcome to this session of the Welsh Affairs Committee, where we are holding our first evidence session at the start of our inquiry into the defence industry in Wales. I am delighted that, for the first panel of this session, we are joined by Professor Trevor Taylor, who is the director of the defence, industries and society programme at the Royal United Services Institute. He is also emeritus professor at Cranfield University at the Defence Academy in Shrivenham. Welcome, Professor Taylor, and thank you very much for giving us your time.

Can we open the discussion by asking you to give a general sense of where Wales features in the overall defence industry of the United Kingdom and what the particular strengths are that exist in Wales?



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**Professor Taylor:** A key feature is that, first of all, we struggle with really good data about where defence sits in the economy, as I have made clear in the paper. Wales has perhaps not such a large defence presence, but the ones that are there are really quite significant. I must apologise that there is one that I would add to my written evidence, which is the Defence Electronics and Components Agency, to which I will add a paragraph, if I may. That is a very unusual body in that it remains Government-owned and largely Government-operated. It is rather sensitive, because it now has a contract for F-35 components, where the US regime is very strict about security.

What is in Wales is small, significant and not necessarily perfectly formed, but we can discuss, as you like, the individual places. Wales does not get much in terms of defence spending per head. With the best numbers that we have, it is quite low alongside particularly Northern Ireland and the north-east, which are in that position, but it has some significant enterprises, some of which have problems that will unfold in the future and be dealt with.

Q2 **Chair:** That is very helpful. It is true, is it not, that some of the sites where the defence industry is based in Wales go back many decades to the second world war? How much of the defence industrial capability that is in Wales at the moment is almost an accident of history, and how much is there by design, with companies choosing to invest in Wales currently?

**Professor Taylor:** First of all, the oldest site, which is not an accident of history but a position of geography, is the ammunition plant at Glascoed. It is growing because Ukraine has emphasised its importance. Ammunition manufacture takes a large area—preferably out of the way of German bombers, so that is why it is there. Once you set it up, you either give that activity up or you keep that site. You do not move it somewhere else. It is not a very mobile sector. That is very old.

The contrast with General Dynamics is that General Dynamics opted for those locations relatively recently, first to deliver the contract for Bowman, which, as you know, is located just outside Newport, and then most recently with Ajax, which was a function of a discussion about how many jobs would be associated with the purchase of what was then called the Scout programme. When the MOD agreed that it would give GD a contract for the support of the vehicles, it agreed to establish a factory that would assemble them, and chose the factory near Merthyr Tydfil as a site that fitted, if you like, the economically disadvantaged. It was a factory that was already there in the infrastructure, so that is a relatively recent development.

Airbus in Newport is not technically too much to do with defence, but it does crypto and cyber, which has a defence flavour. You are testing my memory now, but that was originally an individual British entrepreneur, who spotted and established a crypto business there, which has continued to grow and was taken over by Airbus.

Q3 **Chair:** Why do you say that it is not technically defence? The



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cybersecurity capability that Airbus has in Newport is very much geared towards defence and security, is it not?

**Professor Taylor:** Yes, it is geared towards security.

**Chair:** You make a distinction.

**Professor Taylor:** It is very important for defence to have secure communications and security of information, so cyber and cryptography are very important. In fact, I remember back in the 1980s crypto being identified by Michael Heseltine as one of the areas that the UK had to have capability in, because nobody would sell you their best crypto, for obvious reasons. These days, it has much wider applications and the market is much bigger. I do not know Airbus's market structure there in terms of customers.

I do know something about BAE Systems Applied Intelligence. It used to be called Applied Intelligence, but is now called Digital Intelligence. That serves the police, the intelligence agencies, private sector bodies overseas and Government bodies overseas, and has some defence roles. My belief is that the piece in Newport would probably be mostly security of governmental and private bodies, but will have defence business.

Q4 **Chair:** Thanks for that clarification. Just to wrap up my introductory questions, when you look at and survey the nature of the defence industry in Wales, what would you pick out as the points of excellence where there are real strengths of capability?

**Professor Taylor:** That is tricky, because Airbus is in a competitive market and succeeds in it, with a large number of employees. The GD factories are having not a difficult time, but it is not straightforward there, as some of the Committee will already know. The Ajax vehicle is, essentially, assembled and integrated near Merthyr Tydfil, but it is not manufactured from scratch. The hulls and the engines come in, and everybody is pretty familiar with the noise and vibration issues that there have been.

I hear that the trials that are currently under way on that are going well, and it now looks pretty favourable that that vehicle will be bought in the numbers that were originally recommended. I am not sure when production is due to end, but there is a question, as there always is with defence manufacturing businesses, around what comes next. There will be support work on the vehicles, but there is a question about what comes next and about the capability of the company there to design, develop and integrate future vehicles. This is all tied up with the land industrial strategy for the UK. With the General Dynamics Mission Systems business, there are other problems.

**Chair:** Sorry to cut across, Professor, but I am just conscious of time. What I was trying to get a feel for was across different sectors within the defence industry in Wales. For example, there is aerospace. We talked a bit about cyber. You talked about munitions as well. There is clearly a variety to the defence infrastructure that we have.



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**Q5 Ruth Jones:** Thank you, Professor Taylor, for your time today. You alluded earlier to the fact that maybe Wales and Northern Ireland are a bit lower down in the pecking order in terms of defence spending. We know that, in 2021-22, the MOD spent £744 million in Wales, supporting 4,500 jobs. Do companies in Wales get a fair proportion of the MOD procurement contracts?

**Professor Taylor:** Until very recently, the regional distribution of defence spending was not a consideration in defence acquisition decisions, certainly not formally. There were exceptions where you could sometimes see the political impact, but it was not formally part of it.

Since 2015, we have had a policy direction that defence should contribute to the prosperity agenda, and that has then been widened out to say that defence should be involved in levelling up and supporting the Union—a much wider set of values.

When you say “a fair share”, it does not have a strong historical industrial base like parts of the north-west do for defence equipment. The GD decisions in particular favoured it. We have a helicopter competition, which is not formally launched yet, but the Army in particular will need a future medium helicopter. Airbus is bidding for that and offering work in north Wales if that comes off. It is a bit difficult to say what is fair, because the Government have never sought to distribute it on that basis. We do not have a system like the US.

**Q6 Ruth Jones:** I understand what you are saying, but we are talking about per head of population spending and things like that, and the new rules are more about levelling up and making sure that prosperity comes to all areas. Per head of population in Wales, what is the spending?

**Professor Taylor:** It is lower. I am not carrying any numbers in my head, but I can easily give them to you. It is much lower in Wales. It is in the tens of pounds per head in Wales, whereas it is much higher in Scotland, and particularly in the south-west, because of all the naval installations.

**Ruth Jones:** That would be helpful, if you could.

**Professor Taylor:** Yes, I will happily do that. I will just qualify that. When we look for the numbers, which a Government industry body called JEDHub tries to produce, they are not absolutely reliable.

**Q7 Ruth Jones:** We will take them with a pinch of salt. As a final question, we have a bigger proportion of SMEs as opposed to big companies in Wales. How effective is the MOD in reaching out to those SMEs in the supply chains within Wales in order to bring them into the supply chain for the defence industry?

**Professor Taylor:** This is a big question about the extent to which SMEs find it easy or difficult to get into the defence sector. There are arguments that say that defence is difficult for them to access. There are aspects of defence procurement practices that make it difficult for SMEs. The sorts of questions that procurement people like to ask of a bidder are



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things like, "How much experience do you have?" and the SME says, "Not very much". They ask, "How much financial backing do you have in case this contract goes wrong?" and they say, "Not very much". That makes it harder for SMEs.

DASA, which is a body that particularly tries to give grants to SMEs for innovative technology, has a representative for everybody in every region in the UK and has a representative for Wales. Defence is not an easy market to enter, because of the security regulations and because innovations that may seem quite simple and dramatic often have to be integrated into bigger systems that are very sensitive, which costs money. The MOD talks the talk but finds it difficult to deliver.

**Q8 Robin Millar:** Welcome, Professor Taylor. It is good to meet you. As a member of the Armed Forces Parliamentary Scheme, I have come across the work of RUSI in particular and the UK's role in geopolitics, and the tensions, unfortunately, in the middle east recently, so it is good to meet you.

On this point about procurement, I was looking at the figures. The MOD spent £744 million directly with the defence industry based in Wales, supporting about 4,500 jobs. As a proud north Wales MP, we have Airbus, as you mentioned, as well as Qioptiq with its sites and the technologies there.

I am interested, though, in this point about how we have a sovereign defence capacity within the UK that is spread through all parts of the UK. There is a history and tradition of all parts of the UK contributing to that. Do the UK Government have in place the right policies to effectively support that defence industrial activity across the whole of the UK?

**Professor Taylor:** Policies are different to practices.

**Robin Millar:** Indeed they are.

**Professor Taylor:** There is not an equal benefit, but the policies that everybody should contribute and that levelling up should be part of the defence contribution are pretty clear. The extent to which they are implemented with particular decisions on particular projects is a bit more ambiguous, because a particular choice might sometimes involve greater risk or greater cost.

**Q9 Robin Millar:** I liked your characterisation in your first responses of a small but impactful contribution to the UK's defence capability; forgive me if I paraphrase. I was also intrigued by your reference to geographic precedence for things. Is that an area to which Wales could contribute more? Does it have geographic qualities that would lend it to a stronger contribution to the defence industry capability?

**Professor Taylor:** There is a range that is operated by QinetiQ. It is not a huge employer, but I would anticipate that the use of that range will expand, because, eventually, the UK will start to do something about procuring uncrewed air systems. That is going to be quite a significant



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asset, but the asset there is because it is remote and you can have things flying around without the great risk of damage.

Glascoed is advantageous, because, again, it is a safe place to do a dangerous activity and is remote. I do not think that there are big geographic pressures for Wales, but the levelling up piece has certainly been and is going to be relevant.

- Q10 **Robin Millar:** It perhaps points more to opportunities than pressures. Keeping with air systems, you mentioned Airbus and its interest in producing the new medium helicopter to replace the Puma. Skills gaps in the UK have been identified in a range of areas, one of which is cyber, which we have touched on. In terms of something like the development or procurement of a helicopter, with the facility that Airbus offers in north Wales, say, and the skills available there, would you say that these are opportunities to invest further in the defence industry capability in Wales, or north Wales, even?

**Professor Taylor:** The helicopter position is a tricky one, because it is, basically, a continental helicopter being offered that will be adapted for military use. It is a civil helicopter, and so is what is being offered by Leonardo. Lockheed Martin is offering the Black Hawk. Building up industrial capability is easiest when you think about assembly. The next thing is when you can do not just maintenance, if you like, but maintenance and support, so you can modify a system.

When you go back to being able to generate a system from scratch—so to design and arrange the development and the safety arrangements—that is a time-consuming process, and that is why the incumbents are so strong. It has the disadvantage from a governmental point of view that such a company tends to have a large labour force that it needs to keep in being, and it lays them off if it does not have work. Getting back industrial capability of that sort is very difficult, and so what Airbus can offer in north Wales will take time to build up.

- Q11 **Robin Millar:** There are, of course, as you say, other offers, one of which is Leonardo in Yeovil. I am keen to understand whether, from your perspective, the UK has made progress on these ambitions for a more strategic development of its defence capability—for example, supply chain mapping by the MOD. Are you seeing evidence of progress with those?

**Professor Taylor:** Yes. The MOD is taking much more notice of supply chains and understanding the vulnerabilities. It used to do so for nuclear submarines, because they were really important, and then said, “Leave it to the companies” for pretty much everything else. It was too difficult for the MOD to do.

Over the last five or six years, there has been an awakening of the relevance and importance of understanding supply chains in sensitive areas first, where we are very dependent on a particular company, but it is widening out now. There is a greater effort, but it is a very complicated mapping process. BAE Systems will tell you how many suppliers it has for



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Typhoon. I do not carry the exact number, but it is about 800. Quite a bit of the GD work in Merthyr Tydfil is imported, and quite a bit of the GD work outside Newport with the Bowman communication system is imported kit.

- Q12 **Robin Millar:** I was very struck during the pandemic to learn that the vaccine that was fabricated or brought together in Wrexham had something like 247 different components. I may be misquoting that figure slightly, but it was a huge number and they were drawn from all over the world. I think that you are describing something similar with defence. Do you see opportunity, then, for the smallest businesses? Let us face it: as a nation, some 95% of employment in Wales comes through businesses with fewer than 10 employees. Is there opportunity there for those smaller manufacturers and businesses to contribute to the supply chain?

**Professor Taylor:** There always are, but it is not an easy process. There are security arrangements. There are cyber essentials and qualifications to do. You have to get your people cleared. If SMEs are interested in defence, the best thing is not so much to look to the MOD to buy things from them, but to look to build relationships with the key integrators. The big companies use a huge number of suppliers, and they are the ones that have the challenge of integrating new pieces of kit into complicated platforms.

- Q13 **Ben Lake:** Thank you, Professor Taylor, for coming to see us today. What impact is the war in Ukraine having on the UK defence industry? Specifically, what are the ramifications for the industry in Wales?

**Professor Taylor:** As I have said in a little publication, this is a problem that can only be managed; it cannot be solved. Until Ukraine, our industrial capability size was determined by what the armed forces needed for training, and then a little bit in case there was a war or, for example, a counterinsurgency operation. Suddenly, we are looking at a situation where we do not want—and we want to deter—a future war. Deterring a future war is going to involve a capacity to be able to operate for a long period, so that anybody thinking about attacking us is not going to have a quick win.

The capacity to surge production and to have an increased capability for production is, as I said, a complicated question that can only be managed. If you build up production so that it meets Ukraine's needs, and the Ukraine conflict ends and you go back to a situation of peace, what do you do with the people who were working on the enhanced production? It is expensive to have them make things that you do not need. It is demoralising and expensive to have them going to work but not doing anything, if you like, so we have to find a sweet spot.

The kinds of contracts that Glascoed has to build up capacity there will mean that it is largely equipment-based and will not mean so many jobs. You can run a machine 24 hours a day, seven days a week—or nearly that—but you cannot run a person 24 hours a day, seven days a week. If you have a small number of people who can expand production—and this is the case with munitions—that is the biggest single impact.



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Greater emphasis on land welfare and armoured vehicles is raising a lot of questions. It is making us think that we have to spend more on defence, which affects the industry. The MOD spends about 60% of its money with the private sector. I also have to say that it is too soon to tell, but the need for surge production of things that get used in large numbers, like munitions, is clearly there.

**Q14 Mr Roberts:** Good morning, professor. In a recent blog on the defence industry in Northern Ireland, you said that the “ambition that the whole of the UK should benefit from defence activity is clearly not being met”. Does Wales benefit from defence activity to the extent that it should?

**Professor Taylor:** That goes back to your colleague’s question about what is fair. The media and your colleagues on the Defence Committee and on the Public Accounts Committee really let the Ministry of Defence know if they think that things are not being delivered when they should be for the price. It would be better and would be helpful to seize every opportunity to increase the spend, because it looks unhealthy politically to have the distribution that it has, but it takes time to build up.

We have seen that with the Ajax programme, where the company took on capacity to modify the existing platform and build it, and it is had a lot of problems, but it does take time to build up. If we are going to change it, you must expect it to be done relatively slowly. If you use more SMEs, and SMEs get involved, that is helpful, but, if you are thinking of big-picture things, it does take time to build up industrial capability in this sector.

**Q15 Mr Roberts:** Are you getting a sense that there is a plan from UK Government and something coherent to promote this industrial base in places like Wales?

**Professor Taylor:** There is a prosperity and levelling up section in the Ministry of Defence, with which I converse fairly regularly, and they are taking their role very seriously. You have policy, and that policy does or does not have an impact on procurement decisions. If you do not run a competition but choose a preferred supplier, you have to get Treasury approval to do that, because there is still a heavy preference for competitive tendering. You have to fix a range of competitions, so that whoever you choose as the winner can be justified in terms of the invitation to tender that has been issued and the evaluation scheme that goes with it.

The Ministry of Defence is strapped for cash, as everybody knows. If you opt for a riskier and perhaps more expensive solution that benefits a remote area, some people in the Ministry of Defence would say, “That should not really be our responsibility. We are here to protect the country”. It is a problem to get that kind of choice through.

To very quickly change the tone a little bit, you mentioned skills very early on. One of the things to look for is the capacity and enthusiasm of educational establishments in Wales for turning out STEM-qualified students. If you can recruit from a university and have a flow of the right





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sort of people coming out, that is very appealing, because many of them will be happy to stay in the region where they have studied. If your universities are not turning out the STEM people, defence businesses look to those areas that do.

With our experience in Northern Ireland, one of the big claims there is that their universities are churning out lots of good STEM and cyber-qualified people, which is helping businesses to set up. If that is not happening in Wales, that is something to think about.

**Q16 Mr Roberts:** Finally, you said to Ruth Jones earlier on that it is not an easy market to enter, because of the various security implications. You mentioned to Robin that there are opportunities, but it is not an easy process. Appreciating that there are very complicated issues, do we have the right balance between making sure that the security aspects are properly covered and allowing more organisations into the market? You have mentioned SMEs a few times. It is hard for them to get in. Do we make it too hard for them to get in?

**Professor Taylor:** SMEs are often very short of resource. Some of the attributes of getting qualified for defence work are not that difficult, but, for a small company with 10 or 12 employees, it is quite a daunting business to discover all the forms for a List X facility, for instance. If you get defence work and are receiving classified information, you have to have the capacity to demonstrate that that information is being stored securely. That has implications for locks, buildings and all that kind of thing.

It is not a huge hurdle to leap over, but it is something that SMEs probably do not necessarily think of immediately. Clearance of staff costs money. Developed vetting is expensive, and it takes months to get someone through. Lower levels of clearance are not so much of a problem, but it is all that kind of picture, as well as understanding all the conditions for your technology.

Lastly, if you have money to spend, as the Ministry of Defence does, you almost invariably have people coming to you saying, "I have this wonderful piece of stuff. Would you like to use it?" Probably 70% of that stuff is not very interesting at all, so the MOD sometimes needs a filter process to say which offerings have potential and which ones do not. It has a question of bulk to deal with.

**Q17 Chair:** Thank you very much. We are slightly running over, but can I finish the session by asking a couple of quick follow-up questions? You remarked that there had been a switch in policy on the part of the MOD to focus more on, initially, the prosperity agenda, which was widened out to the levelling up agenda. Are the aspirations behind that backed up by any targets or metrics, as far as you are aware?

**Professor Taylor:** When they run a competition, they have to put those things into assessment schemes.

**Chair:** Are they scored?



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**Professor Taylor:** Yes. My memory is that levelling up has to have at least 10%, and prosperity can have another 10%.

**Chair:** Of what—the value of the bid?

**Professor Taylor:** Of the marks that can be given. If there are 100 marks, you give so much for technology and so much for cost, but you have to give 10% or 20% for levelling up and prosperity.

**Chair:** These are not just vague aspirations. There is a bit of thinking behind it.

**Professor Taylor:** The Government have a Green Book that governs public procurement. I am not sure that that has yet been modified to reflect these.

**Chair:** There is a potential incompatibility between the Green Book and the current procurement aspirations of the MOD.

**Professor Taylor:** I have not looked into it in depth, but I suspect that there is.

Q18 **Chair:** You also mentioned that there is a team within the MOD focused on prosperity and levelling up, which you speak to. Am I allowed to ask how big that team is?

**Professor Taylor:** I am not sure.

**Chair:** Is it a handful of people, dozens, two?

**Professor Taylor:** It has one and two-star heads, which is the easiest way to think of it. It is dozens—it is not a small enterprise—and they wrestle with these questions.

**Chair:** Are you aware of whether they speak regularly to Welsh Government about industrial policy in Wales?

**Professor Taylor:** You would have to ask them. This issue of regional distribution is very much on their agenda.

**Chair:** That is very helpful. Thank you, Professor. We have really enjoyed having you in front of us. We will move seamlessly over to our second panel now. Just bear in mind that the cameras are still running and the microphones are on, so we will move as elegantly as we can.

### Examination of witnesses

Witnesses: John Whalley, Kevin Craven and Sue Ferns.

**Chair:** Good morning and welcome to the second panel of our introductory session looking at the defence industry in Wales. I am delighted that we are joined by Kevin Craven, the chief executive of ADS, which is the trade association representing companies in the aerospace, defence, security and space sectors. Alongside Kevin is Sue Ferns, deputy general secretary of the Prospect trade union, which represents a wide



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range of professions in a range of industries, including defence and security. We are also joined for this panel by John Whalley, the chief executive of the Aerospace Wales Forum. I am delighted that you could all make it to this session. Robin Millar has to head out shortly, so I am going to ask him to begin the questioning.

**Q19 Robin Millar:** Good morning, all. The previous speaker, Professor Taylor, referenced that the contribution of Wales to the defence capacity of the UK is small but impactful, if that is a fair characterisation of what was said. Would you like to elaborate on that at all? Is there anything that you could add to that?

**John Whalley:** You probably have to lump aerospace and defence together, because there is a certain crossover between the two. We always boast, although it varies from year to year, that we have between five and nine out of the top 10 aerospace and defence companies in Wales, so there is a strong presence. We have heard of GD, for example, and of BAE Systems and Airbus. One that has not been mentioned is Raytheon, or RTX as the group is now called. It has a very significant presence in north Wales as well, and perhaps we should talk more about that.

We have mentioned the testing facility on the west coast of Wales, but we have not mentioned RAF Valley, which has a very significant industry participation because it contractorises between 400 and 500 people from a variety of companies operating there.

One of the exciting things for me is that, if you look at the way in which the nature of warfare is changing—and it is changing very rapidly, as we have seen in Ukraine—there are a number of smaller companies starting to come through, such as SNC Mission Systems UK based at Bro Tathan, the former St Athan airfield. There is a mix.

We also have areas like cybersecurity, as already mentioned, as well as compound semiconductors and optoelectronics. These are broad technology capabilities across many sectors that have a particular relevance to defence. We perhaps do not punch quite up to our weight, but we are not far off. With a bit more of a push, we could start to punch our weight in Wales.

**Kevin Craven:** Let me give you some figures. The defence industry in Wales employs 6,500 people and has a turnover of about £1 billion. Distinct from that, the security industry has approximately 3,250 employees and a turnover of around £500 million. I would then add in space, which is at £79 million.

I would echo the point that John makes that you should think about these sectors as having quite a bit of crossover. We typically estimate defence and security to have around 40% crossover at a component level. It is an important industry in terms of size and shape compared with the rest of the UK. As you know, it is about the fifth largest in terms of the MOD's spend per head figures. That does not tell the whole picture, because



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there are both export and components for use in other areas, which might not be included in those numbers.

**Q20 Robin Millar:** Thank you, both. That adds some real colour to what Professor Taylor said, in particular given the distinction with the figures I quoted earlier. You now mention 6,500 jobs but I quoted 4,500. You mentioned £1 billion and I quoted £744 million. I was quoting MOD figures. To your point about this broadening of the understanding of what defence is, and to Professor Taylor's point about SMEs seeking to work with integrators rather than the MOD directly, this is a really helpful picture that is emerging. Ms Ferns, would you like to add anything to that?

**Sue Ferns:** The Advanced Technology and Research Centre that has now been established at Sealand as a joint venture between Welsh Government and Dstl is really something to watch in terms of its ability to join up that expertise and to create high-calibre employment in the future, which should have a greater impact.

I also wanted to mention something that has not been talked about so far in terms of supply chain, and that is the steel industry in Wales, which is a very significant source of employment. The move to electric arc furnaces only, which is the current proposal, will have a severe detriment on the ability at both Port Talbot and Trostre to produce the high-quality steel that we need in the manufacture of, for example, munitions and the Ajax contract. There is a real issue there.

**Q21 Robin Millar:** I do not think that there is a proposal, though, that the UK only recycles steel. There are sovereign high-quality production capacities elsewhere within the UK.

**Sue Ferns:** There are, but you were talking specifically about Wales, and I am very conscious about the importance of steel employment in Wales.

**Q22 Robin Millar:** I am interested in Wales's contribution to the operational independence of the UK armed forces. Do any of you have any comments on that?

**John Whalley:** I am not sure that I understand your question fully. Perhaps you would care to elaborate.

**Q23 Robin Millar:** I am interested in our sovereign capacity. That is crucial, especially when it comes to the independence, protection and security of the supply chain. When it comes to the capabilities that we have within Wales, are there any things that we do in Wales that are unique across the whole of the UK?

**John Whalley:** We have particular strengths in some of those underpinning technologies. Compound semiconductors are a particular point of discussion at the moment in a broader sense, because of the security aspects of Newport Wafer Fab, for example.

The other thing to remember about Wales is that we are very closely linked with the adjacent English regions. Cardiff and Newport are not a



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million miles away from Bristol, which is a major centre of defence activity, so there is a lot of crossover there as well. If I look at the north-west of England, which is the centre for military aircraft production, we are already starting to see Welsh companies permeate that future supply chain, because future air is also going to be very different from current air. It is going to be far more about integrated systems, both in the air itself and in terms of the industrial systems that support it.

For example, Electroimpact is a major leader in the provision of automated factory systems. It provides much of what is at the Airbus plant at Broughton, but it is now moving into Samlesbury, the plant near Blackburn, which is potentially where the future combat aircraft will be produced.

**Kevin Craven:** Very briefly, operational training at Sennybridge and the Brecon Beacons are really important. I would also mention the electronic warfare centre at Cawdor Barracks. RAF Valley is also an obvious one.

Q24 **Mr Roberts:** I just wanted to pick up very briefly on the question that I asked Professor Taylor in the previous panel. He mentioned that it was not an easy market to enter, and that, while there are opportunities, it is not an easy process. Does anyone here think that we are making it too difficult for people to enter these markets, or do we have the right balance between security and market access?

**Kevin Craven:** I am going to say, no, that we are not making it too difficult, because it is important. The reality is that the state actor threats that we face, particularly around cyber-attacks and so on make it incredibly important that we do get these things. Providing the right standards of both physical and electronic security is desperately important, but is a barrier to entry for smaller organisations. Maybe some more support in that area would be helpful but without lowering the standards.

**John Whalley:** I agree with Kevin on security, but I would say that the MOD, which has been trying very hard for decades, is still a heavily bureaucratic organisation. It is a very difficult organisation to deal with, as many big companies are, for SMEs, but there is help available through ADS, the Aerospace Wales Forum and Welsh Government to support that activity.

What is encouraging is the emergence of things like the Rapid Capabilities Office that the RAF operates. It has had people go down to small companies in south Wales, for example, to see the technology that they are developing, and this is a potential route to accelerate the involvement of SMEs in the defence supply chain.

We have also talked about Dstl and DASA, the defence accelerator. We have a dedicated DASA person in Wales, Tom Adamson, who works with us and with Welsh Government to interact with SMEs and to help them get their technology into the sights of the MOD. There are things that are



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being done to help improve the situation, but do not underestimate the difficulty of dealing with what is a very cumbersome customer.

**Sue Ferns:** This is a slight side issue to your question, but, in terms of MOD and the public sector, we are constantly hearing about successful job applicants not taking up that employment because the security clearance is taking so long, and they move away and get other jobs. There is a process issue there for individuals.

Q25 **Mr Roberts:** That is super interesting. Professor Taylor mentioned that it took months and months. Does it need to take that long or are we doing too much in that sector?

**Kevin Craven:** It could be considerably shortened. We process a number of security vetting applications ourselves, preparing them for a decision by the MOD. As everyone has mentioned, there is a process improvement part of that that would make a hell of a difference. If an applicant for a job is accepted by the company, but their security vetting process takes a long time, they might very well go and join some other company that does not have a security vetting process while they are waiting to be employed, because the company cannot afford to hold them while that is in train.

**Sue Ferns:** Typically, you are looking at applicants who have choices because of the range of skills that they have.

**Mr Roberts:** That is a super interesting point. Appreciating that we do not have a huge amount of time this morning, could you send a supplement to your written evidence just to say where those efficiencies could be found and how we could streamline that? That would be super helpful.

Q26 **Ben Lake:** I am very interested to hear your thoughts on what sort of role the defence industry can play in helping to increase prosperity and achieve levelling up in Wales.

**Kevin Craven:** I would like to start with the 20% of the evaluation marks that Trevor referred to. That is the weight that the MOD places on social value in its procurements. There is a range of three or four indicators within that that it looks at, one of which would be local economy and the community, and so on. That process of applying that in tenders has taken quite a long time to bed down, and it still means that cost is a very important factor in terms of the process.

The MOD has a part to play in that prosperity question. It has recognised that and is doing something about it. It could go more quickly. In terms of Wales, you have mentioned £744 million. The south-west has some £3 billion in terms of spend.

**John Whalley:** We must remind ourselves that there is a strong overlap between the civil and the military side. The range on the west coast of Wales, 20 years ago, was being downgraded, leading to redundancies. It was opened up to civilian use, and we know that both Llanbedr and Aberporth see regular civilian use of uncrewed air systems.



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We are also seeing new military-type activity. For example, at Aberporth, we have the Watchkeeper programme, which has been long established. A couple of months ago, Tekever—a Portuguese company with a base in Southampton—decided to open up production and is looking to Aberporth as a potential site for that. That is a military application that has come off the back of the civilianisation of the former military asset, so it has gone full circle. There is a relationship between the two.

I would also like to pick up on Sue's point about how important the Advanced Technology Research Centre at Sealand is for defence electronics, radio frequency radar, software, and so on. That is potentially a very strong catalyst for the growth of industry on the defence side around that part of north-east Wales. It has taken forever for the negotiations between Welsh Government and MOD to agree the land transfer. It is almost there, but any help that anyone can give to speed that process up with Welsh Government and the UK Government would be very much appreciated.

**Sue Ferns:** Just to build on Mr Craven's point, I agree that the social value principles are not working terribly well at the moment. That is because the pressure is on cost, and there is a long history of outsourcing of contracts. We produced a report last year on effective defence procurement, and our argument is that social value should focus very much on the promotion and protection of sovereign capability in the UK.

I do not think that that is an outlier argument, because, if you look at a whole range of other countries, such as France, Canada, India, Australia or Spain, they all have regulations that allow them to be much more proactive about promoting their own defence industry. A case in point is the fleet solid support contract, which went to Navantia, and 40% of that will not be produced in the UK. There will be some work, but that is largely assembly work, which is not promoting and sustaining the defence and sovereign capability that we need. We have argued specifically for an amendment to the defence and security public contracts regulations to give priority to the promotion and protection of sovereign capability.

Q27 **Ben Lake:** Would that not only go to address the point that you made there that there is still an overemphasis or a greater weighting given to cost in some of these procurements, but also help advance that ambition of levelling up different parts the industry?

**Sue Ferns:** It absolutely would. If you look at the average salary in the defence sector, it would bring good, high-quality, well-paid employment to areas that really need that. We believe that that is an important industrial and strategic objective.

Q28 **Ben Lake:** Mr Whalley, you mentioned the co-location of civil and military establishments or developments. With levelling up in mind, not just in Wales but across the UK, is it still the case that there are former military bases and establishments that could be utilised quite quickly and be developed for the purposes of this new partnership approach that you mentioned?



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**John Whalley:** Yes. What has happened at Aberporth and Llanbedr is a classic example of that. There is both civil and military activity taking place side by side. Both airfields are now notionally civil. We have mentioned the Thales Watchkeeper programme. There are all sorts of things going on in Wales that I am not going to talk about at the moment, because of the background of the war in Ukraine, but those facilities are very much coming into their own.

Q29 **Chair:** Mr Whalley, can I come back to the remark that you made a few moments ago about the long-running negotiation between UK and Welsh Government? I am not going to ask you to comment on where the share of the blame lies or anything like that, but I am interested in exploring this theme of two Governments at work in the industrial space. You talked about the overlap of civilian and defence, and the blurring effect. The same goes for the Governments, does it not? There is an economic development duty on Welsh Government. UK Government defence procurement is a reserved policy area. Are you able to give us a sense of how the two Governments work together generally in the sector?

**John Whalley:** I have been watching them for over 20 years and there has always been tension, even when we had the same party in power in Westminster as we did in Cardiff. It has become a lot more difficult in the last couple of years. This is outside the scope of this debate, but there has been a generic threat to the future of the union because of the stance taken by the UK Government, but let us set that to one side.

I do not want to overstate the difficulties between the MOD and Welsh Government. They are making progress, but there is this slight issue that, while defence is not devolved, the defence industry is. What I would say is that they are making progress. Collaboration between companies and Governments is always difficult. It is a real challenge and we just have to work very hard at it. It is not working as well as it should, but it is probably working better than it might do.

Q30 **Chair:** I was in the Wales Office and was a Minister at the time when we were doing some of the work around the Ajax programme. My recollection is that Carwyn Jones, as First Minister, leant very positively into this and there was a lot of good co-operation. That was in the run-up to the NATO convention in south Wales. We have talked a bit about UK Government. How would you describe the current posture of Welsh Government towards the defence sector?

**John Whalley:** My observation of Welsh Government is that Mark Drakeford is very much consensus-driven. He chairs the Cabinet. He has his own views, but he listens to views around the table, and they are not unanimous in terms of their views on defence. There is a degree of ambivalence, but the bottom line is that Mark Drakeford supports the development of the defence industry in Wales. He has put his money where his mouth is in terms of supporting certain activities. The Economy Minister, Vaughan Gething, is very committed to supporting our sector.





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**Kevin Craven:** John has captured most of that perfectly, to be honest, but I would point to one further area where there is a real opportunity for collaboration and something that would benefit the economic prosperity of Wales, which is in the skills area. That area is devolved, but, in our sectors of advanced manufacturing, there are massive opportunities for very well-paid jobs that have higher average wages than the national norm.

There are some real exemplars in Wales that are worth looking at. The effort that the Welsh Government have put into female STEM apprenticeships is bearing fruit, with a 15% increase in the number of applicants since that happened. That is a very clear area where the defence and political considerations do not play a part. The incubator effect of Wales, for example, working with large companies like Thales, Airbus, BAE and Raytheon, and so on, is considerable, so there is a real opportunity in that space.

Q31 **Mr Roberts:** Over the last five or six years, we have seen a decline in MOD spending with industry in Wales. Is this due to short-term factors alone, or is there a longer-term and structural problem here?

**Sue Ferns:** There has been a squeeze generally on MOD spending. I know that an increased budget was provided, partly for munitions and partly to meet the recommendations of the Armed Forces' Pay Review Body, which will, inevitably, impact on the availability of the capital budget. There are some long-term pressures there that need to be considered.

The other issue is capability within the MOD and the run-down of its procurement expertise, where we have seen the MOD having a shortage of skills for the roles that it needs to provide and, in agencies like DECA, a turnover of 10% or more, which will have made those pressures worse. It is partly the pressure on funding, but it is also linked to the resource and the expertise within the MOD.

**Kevin Craven:** The right way to look at MOD expenditure would be to take a five-year average, because of the lumpiness of the MOD's spend. With a programme like Ajax, the MOD's response on that shortfall or decrease is credible and is reasonably typical in terms of those things. Delay is probably unhelpful, particularly for Wales, because of the location, but, over a five-year average, spend in regions has stayed roughly the same. That is probably to be expected, because we have seen the national level of share of GDP expenditure in defence staying roughly the same. It is a hard job to reallocate those things in a hurry.

Q32 **Mr Roberts:** I am a numbers guy, and so, from an accounting point of view, you are saying that, long term, there has not really been a decline in MOD spending, apart from a couple of exceptional items that have been unusual projects.

**Kevin Craven:** It absolutely is a real decline, from £1.06 billion in 2016 to £744 million, which are the numbers that we have been quoted. If you



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took a five-year average and compared it, that would be probably a more realistic way of looking at it than looking at a year-on-year comparison.

**John Whalley:** The thing is that the big players can make a very significant change on the annual figures, and we know that there has been a blip with GD. There has also been a bit of a blip with RAF Valley in terms of flying training, which has seen some of that revenue decline.

I would also highlight that there have been lost opportunities. For example, we mentioned Raytheon earlier on. It took the Sentinel ASTOR aircraft out of service. They were eventually bought by Raytheon and shipped back to the States. There was an opportunity to develop those for export with our allies. I know that Raytheon has its own plans and is now moving those forwards, but that was potentially a lost opportunity to increase the amount earned by the defence industry in Wales.

Q33 **Mr Roberts:** Bearing in mind that spending has gone down from £1.06 billion to £744 million, we have already mentioned skills and all of those other elements. Is there anything else that needs to happen to reverse this decline in funding? Indeed, has the decline been appropriate or has it been excessive?

**Kevin Craven:** No, I do not think that it is an appropriate decline. What has to happen is for suppliers in Wales to win some of the larger programmes that become available. The medium helicopter competition has been mentioned, and that is a very closely fought competition between two British firms, one in the south-west and one in Wales.

The interesting thing is that the competition is for 44 or 45 helicopters. The global opportunities for those helicopters, depending on which supplier you are looking at, is around 150 to 300 or 400 helicopters, and assembling those in the UK would provide massive export opportunities for the UK. That exportability is a really interesting question that is underplayed by the Government and could be a factor in terms of driving forward domestic prosperity.

Q34 **Mr Roberts:** We have had some recent increases to MOD budgets. Are there any prospects that Wales is likely to benefit from this?

**John Whalley:** There are some short-term benefits. Glascoed is enjoying a bit of an upturn at the moment, for obvious reasons. We have also talked about the new disruptive technologies that are starting to emerge. As well as the big things like the helicopter programme, some of the smaller companies could benefit from doing defence in a different way—for example, greater use of uncrewed air systems.

It is interesting that we have not talked about space, but I know that you, Chair, were with us at DSEI just a few weeks ago and talking to Space Forge and SmallSpark. Those companies are very much focused on civil space but talking to the MOD about potential military applications. There are a number of emerging technologies like that, which offer potential growth.



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**Kevin Craven:** I agree. Cyber Wales accounts for 4% of total UK cybersecurity jobs, so there is headroom for that. Interestingly, you mentioned Airbus in Newport. Its capacity has increased by 100% year on year in terms of jobs. There are definitely opportunities, and demand is strong in that area.

Q35 **Mr Roberts:** Moving on to a slightly different topic, does the presence of armed forces bases in Wales, and DECA as an MOD agency, help support the Welsh defence industry or does it not make a huge amount of difference?

**John Whalley:** It is an interesting question. DECA certainly makes a difference, because it is an industrial element. The MOD sold off most of its repair capability, but kept that because of the sensitivity of the nature of the work that it does. That is a key factor in supporting a lot of local companies. There is potential for further growth at the Advanced Technology Research Centre, which has already been mentioned.

The presence of the armed forces is an interesting one. I have had a very good relationship with Air Officer Wales, Air Commodore Adrian Williams, who is about to stand down. He is responsible for the RAF liaison, if you like, within Wales. He has been very helpful in setting up a number of meetings and workshops with people like Space Command and the RAF, which have a beneficial impact on the supply chain.

Q36 **Mr Roberts:** Are you in any way concerned about the impact of the merger between DECA and DE&S on Welsh operations specifically or the associated industry in Wales?

**John Whalley:** I am monitoring it very closely. I have regular dialogue with people in the loop. The feedback that I get is that it is too early to say at the moment. Like all of these things, the merger has been announced, but it is going to take quite a while to shake it out. One of the objectives is to increase business for DECA by working together and, if that happens, it has to be a positive thing.

**Mr Roberts:** Do you think that it will?

**John Whalley:** It probably will, or it could. It is going to depend on how it is managed.

Q37 **Ruth Jones:** Thank you, panel, for your time this morning. I am interested in the innovation and R&D aspects of the defence industry in Wales. In 2018, our colleague Philip Dunne produced a review and recommended that innovation within defence can be hindered by rigid procurement processes with aversion to risk and a culture that does not encourage innovation. Does the MOD have the right approach to encouraging and supporting innovation in R&D in areas like Wales?

**John Whalley:** It is a bit two-sided, really. A lot of traditional procurement probably still does all the things that it should not in terms of innovation. I mentioned the Rapid Capabilities Office, DASA, the defence accelerator, and ATRC, so there are things being put in place that could help to improve that innovation.



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I also see examples of companies like SNC Mission Systems UK down in Bro Tathan, which is developing swarming drone systems and high-altitude balloon systems, which were very much in the public eye a few months ago. There are signs that the MOD can get it right, but it needs a different approach and has recognised that.

**Q38 Ruth Jones:** In terms of innovation and R&D and links with universities in Wales, for instance, do you have any thoughts on how they could do that better?

**Kevin Craven:** DESA, Dstl and the recently announced programme around defence supply chain improvement are all good things and do help. There is no question about that. The connections with academia are very strong, particularly with the larger primes, which rely very heavily on it, and I know all of them. BAE has three Welsh education providers and Airbus has a number of those as well, so they are pretty close.

In terms of MOD links with those academia, they are via those agencies, so whether there is more effort that could be done at a co-ordinated level is perhaps worth looking at.

**John Whalley:** It is worth mentioning three companies. Airbus through its Endeavr programme, GD and Thales all have programmes that are focused on engaging with SMEs, in both the civil and the defence field.

**Q39 Ruth Jones:** Ms Ferns, do you have anything else that you would like to add in terms of linking with universities and the R&D aspects?

**Sue Ferns:** I would just make the point again about the need to invest in MOD procurement capacity, because it has lost a lot of skilled people. Clearly, the defence sector is changing. It needs to make sure that it has the people to act as the intelligent customer and to act in that proactive kind of way, and there is still a big job to be done there.

**Q40 Ruth Jones:** If we drill down a little bit further into, say, skills in terms of STEM subjects, Professor Taylor mentioned skills in the first session and how universities and schools need to provide people with skills, if you like. What are the main challenges for the defence industry in Wales getting these skills into the workforce compared to the rest of the UK?

**Sue Ferns:** The defence industry has a lot of the same challenges as other STEM-based industries, and there is huge competition across the UK for the same kinds of skills. Graduate schemes and graduate apprenticeships are important, but there is still a great underrepresentation of women and other groups in the defence industry.

Perhaps one area that has had less attention is how you reach people who are mid-career and who may or may not be in the defence industries at the moment. There is a lot of attention on graduates and apprenticeships, but a lot of the future workforce is probably already at work but not necessarily in those kinds of roles. There may be scope to do more there.



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Also, in terms of the levelling up agenda, more needs to be done to engage with people not currently in education, training or employment. Clearly, they are not going to take the very highly skilled roles, but not every role in the defence sector requires that level of skill. In terms of representativeness and inclusion, there is perhaps something to be looked at there as well, but particularly in terms of mid-career professionals.

**Q41 Ruth Jones:** That is an interesting point. Thank you for that. Mr Craven, are there the right links between universities and the defence industry at the moment in order to make sure that the future workforce is there?

**Kevin Craven:** It is probably appropriate for the amount of work that happens in Wales at the moment. If you build the skills base within Wales further, it will attract more contracts and work. There is no question about that. On a national basis, we are tracking 10,000 vacancies in our sectors. I do not know what the Welsh proportion of that is, but I can perhaps check. There are significant vacancies, and that has been consistent for the last three or four years, so there is the demand.

What can be done better is perhaps the link between schools and the STEM subjects, and then the entry into those technical subjects in university, as well as something around inspiring youngsters into the technical subject areas. We run the UK rocketry competition. There are some eight schools in Wales that contribute to that. That is a tiny number; we should try to get more.

**Ruth Jones:** I am not aware of that, so I need to go away and find out. That is interesting.

**Kevin Craven:** I am happy to send you some information.

**John Whalley:** We are discussing it, Kevin, with your people.

**Kevin Craven:** Good. I am keen to grow our Welsh component.

**John Whalley:** Just as an observation, we could be here all day and all week, and we would never solve the skills issue, but you will know that, in Wales, we have some particular challenges. Cardiff is a very prosperous city where financial services is booming, but, if you go to certain parts of Cardiff, they are among the most deprived areas in the UK. How do we tap into that? I know that Cardiff and Vale College is working on that, but that is something that we really have to work on. There is an untapped resource.

**Q42 Chair:** Just picking up this theme about skills development and promoting the industry to young people in Wales, Wales is one part of the UK where, in recent years, there has been a measure of political controversy around armed forces going into schools, for example, to recruit. There has been some political resistance to that. Do you pick up any similar concerns around the promotion of careers in the defence industries in relation to schools?



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**Kevin Craven:** The short answer is yes. The perception of defence and the place that it has in our society is something that could be improved. I am working very closely with the Treasury on ESG trends in investing, for example, which is one of those things that have a societal effect. While we do not want to go to the American version of “thank you for your service” and letting armed forces go first in the queue for the plane, there is something in that where we could do more in terms of respect for the armed forces and the defence industry that supports them.

Q43 **Chair:** Ms Ferns, you made the point very well that careers in the defence industry will pay better than average. There is often a measure of security, unlike in other sectors. Is enough being done in Wales to celebrate and promote careers in the defence industries to young people?

**Sue Ferns:** I do not think that you should assume that people know that. I also do not think that you should assume that people know what kinds of careers in defence are available to them, because it is not just the armed forces. We have talked about skills like cyber, which can be used in other arenas. Do people think about how they apply that in the defence industry?

It is a bit like the nuclear industry, where people have a set but not very well-informed vision of what that industry is. I do not think that enough is done to promote it. The Women in Defence organisation is doing a good job, but there is a much bigger arena out there to tackle.

Q44 **Chair:** Mr Whalley, do you pick up any concerns, resistance or dragging of feet when it comes to the promotion of defence industries in Wales?

**John Whalley:** We mentioned the political situation. Mark Drakeford’s Government are pragmatic in their approach to defence. They recognised the importance of defence to the security of the nation, as well as its economic prosperity. That does not mean that there are not some forthright discussions, I suspect, going on behind the scenes.

I have wrestled with this all my career. It is a difficult one. Our industry, dare I say, is about finding better ways to kill people, albeit as a deterrent. That is something that we all have to wrestle with. What I have seen is a shift in the needle over the last few months, because of the Ukraine war. One imagines that it was very different in world war two. It is now different because people can see the impact of a hostile nation carrying out an illegal invasion of a sovereign nation, so there has been a shift in opinion. It varies across Wales—we talked about the defence estate—depending upon the presence of either the defence industry or the armed forces.

Q45 **Chair:** Mr Craven, is your membership in Wales growing? Are you getting more companies from within Wales joining the trade association?

**Kevin Craven:** We are. We have 35 member companies that are headquartered in Wales. That is not the number of sites, because there are the likes of Airbus and Thales, and so on, which are headquartered elsewhere. Our membership is broadly growing—we are up some 200



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companies over the last couple of years—and we are seeing that same trend in Wales, due partially to the growth in defence budgets and partially to the attractive nature of the sector.

**Q46 Chair:** When you look across the sectors that your members in Wales represent and are active in, where would you say that you have concerns about emerging vulnerabilities, if there are any at all?

**Kevin Craven:** As for the big programmes that drive the economic activity, SMEs in Wales are getting roughly 2% of the MOD's spend, so that is a possible area of attention. There is acute vulnerability to the large programmes like Ajax or the medium helicopter, and so it is important that Wales gets its share of those programmes going forward, because it will impact directly on the smaller supply chain members.

**Chair:** Ms Ferns or Mr Whalley, would you like to add anything about the vulnerabilities of the sector in Wales?

**Sue Ferns:** There is nothing more from me, thank you.

**John Whalley:** I would just echo Kevin's points. It would be good to win some of the big projects. That would make a big difference. Without being accused of lobbying, the helicopter one is one that we would really like to win.

**Q47 Mr Roberts:** I have a very quick final question to finish on a slightly lighter note. Whenever I speak to my parents' generation, they all talk about a lack of discipline in society. You have mentioned difficulties in recruiting people and getting people into these things. Slightly flippantly, but potentially not, is there any argument in any way for national service or some variation of it to be used to drive people into understanding more about the armed forces and potentially wanting to work in this sector?

**Kevin Craven:** I did my national service 40 years ago in Zimbabwe, so you would expect me to be in favour, and I genuinely am. Given the different nature of our societies now, and the different tracks within national service, like medical, construction or support roles, it genuinely is an avenue to explore. It perhaps is difficult culturally and societally at the moment, but I do not think that it does anyone any harm.

**John Whalley:** This is a very broad topic and, again, we would be here forever. I am not particularly in favour of reintroducing national service. I did not do it.

**Chair:** Just for clarity, our inquiry will not cover this.

**John Whalley:** What I would say is that, coming back to social deprivation, there is a lot that we can do as Government and industry to help provide the sort of environment, whether it is Saturday engineering clubs or whatever, that gives young people some focus, particularly from those deprived areas. Most of the young people I know are fantastic, so I do not think that there is a real issue there, quite frankly.



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**Sue Ferns:** I would agree with that. You do not attract people into the industry by forcing them to do national service, basically. There are other ways of going about it.

**Chair:** On that note, we have had a very good discussion. We really appreciate you giving us your time and your insight. It has been very helpful. To those of you who have contributed written evidence as well, that is also extremely helpful. Kevin Craven, John Whalley and Sue Ferns, thank you very much. We will bring the meeting to an end.