

# **Written evidence submitted by Babcock International Group (DIS0008)**

## **BABCOCK INTERNATIONAL GROUP SUBMISSION TO HOUSE OF COMMONS SCOTTISH AFFAIRS SELECT COMMITTEE DEFENCE IN SCOTLAND INQUIRY**

### Introduction:

Babcock is a FTSE250 listed international aerospace, defence and security company, headquartered in London. We specialise in providing critical, complex engineering services across defence, emergency services and civil nuclear markets, both in the UK and internationally. Babcock is the second largest supplier to the Ministry of Defence, and we are proud that our Marine business is currently preparing to build the Royal Navy's next generation Type 31 frigate at our facility in Rosyth.

This response addresses question 1 only and due to the nature of the other sites Babcock operate in Scotland, this submission only refers to the work done at the Rosyth facility.

### Summary:

- Babcock is investing to make Scottish shipbuilding more productive and has invested over £70m in facilities, software and skills at Rosyth to deliver an efficient design and build of the Type 31 Frigate for the Royal Navy.
- The Type 31 Programme will see 2500 people employed across the UK by Babcock and in the supply chain. It will also see 150 new technical apprenticeships provided at Rosyth.
- As a major employer in Scotland, Babcock supports a range of social and charitable causes and is committed to making a positive impact on the communities in which it operates.

### **1. What impacts are the UK's changing defence priorities having on investment, employment and communities in Scotland?**

#### **Investment**

- Since the award of the £1.25bn Type 31 frigate contract, Babcock has invested over £70m at Rosyth to create a "digital dockyard", the most technologically advanced shipyard in the country.
- As well as the technological advancement, Babcock have invested in a (147m long x 62m wide x 42m high) assembly hall which allows the construction of two frigates side-by-side, creating efficiencies in the manufacturing process and speeding up the build schedule.
- The Type 31 Programme will see five ships delivered by 2028, however, the considerable investment made for Type 31 will also enable the production of future classes of naval vessel at Rosyth.

## **Employment**

- Maximising Scottish and UK prosperity has been a clear focus of the Type 31 Programme.
- To date, 90% of contracts are placed, and of those, 75% are with UK based suppliers.
- Babcock has already secured a first export contract for an Arrowhead 140 (Type 31 export variant) design licence to Indonesia. This and future exports will continue to support Babcock as a UK ship builder, but also the supply chain, by offering export opportunities access, support and consultation on utilising the incumbent supply chain.
- Currently around 500 skilled people are already working directly on the programme which will increase to around 1,250 people at its peak with a further 1,250 employed in the supply chain.
- Babcock will deliver around 150 new technical apprenticeships as part of this programme, which will help to support the next generation of engineers, naval architects, and project managers.

## **Communities**

- The Type 31 contract is the result of strong collaboration between a number of stakeholder groups including Trade Unions, the Ministry of Defence, the Royal Navy, industry partners, suppliers and most importantly, Babcock staff.
- Babcock work in partnership with Skills Development Scotland to support target groups such as NEETS (Not in Employment, Education or Training) and have committed to support these groups throughout the duration of the Type 31 Programme.
- To date, Babcock have supported approximately 916 days of volunteering since the start of the programme. The most recent event saw the Babcock Wheelers (cycling team) and Babcock HR team participating in the Sir Chris Hoy and Social Bite event where they challenged the nation to help “Break the Cycle” of homelessness. The campaign aims to raise £1 million to help build two new Social Bite Villages for people to escape a life of homelessness.
- In total, Babcock have committed over £20,000 this year alone in sponsorship and donations to a variety of individuals and local community groups in and around Rosyth.
- Babcock have also supported the local community by volunteering to deliver over 250 hrs of STEM activities within local Primary and Secondary Schools to raise awareness of future careers in industry.

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