

# Frontline jobs, skills and investment

## Hugh Scullion puts the case for the renewal of Vanguard submarines

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Whatever the outcome of the next general election, the next government will have to make an important decision regarding the future of Britain's independent nuclear deterrent. With the coalition due to complete its "alternatives review" this summer and the Labour Party fleshing out its stance, this debate will heat up over the next year. It is right that the discussion explores questions regarding the capability of any alternatives to a renewal of the Vanguard fleet of submarines, as well as legal and diplomatic issues. Moral, ethical and strategic issues must frame the argument. However, economic factors are too often overlooked. It is essential for those seeking alternatives to explain how their proposals make a solid economic case for jobs, skills and investment in this country.

The cost for a successor class of submarines has been estimated at between £20 billion and £25 billion, and the annual running costs will amount to around £1.5 billion. This is 5 per cent of the Ministry of Defence's budget, around 0.135 per cent of Britain's gross domestic product. However, to focus on these numbers in isolation, overlooks the wider economic benefits that a renewal of the Vanguard class of submarines would bring. The money would not be wasted as opponents suggest, but instead would be invested in both large businesses and small and medium-sized enterprises (SMEs) throughout the country.

Barrow, the home of BAE Systems' submarine programme, would be the biggest beneficiary of renewal. But these benefits would be spread throughout the United Kingdom: from nuclear reactors in the East Midlands, to the maintenance base in the south-west of England, to warhead production in the south east, to shore infrastructure in Scotland.

The construction of state-of-the-art submarines also involves a domestic supply chain that covers SMEs in virtually every parliamentary constituency in Britain. We are talking about thousands of parts, creating thousands of jobs. The construction of the Astute class of submarines, for example, has relied on 450 domestic suppliers from throughout the United Kingdom in the short period since 2010.

Further, the conception, design and construction of nuclear-powered submarines necessitate state-of-the-art technology. These are trickle-down industries that create cutting edge innovations for civil sectors to harness. It also helps to foster a highly-skilled domestic labour force. BAE Systems, a model employer by any standards, encourages the training and

development of young men and women through its apprenticeship programme, arming its graduates with first-class skills and qualifications. If the next government decides not to proceed with renewal of the Vanguard class in 2016, all of this could be lost. The same applies if the next administration chooses to place nuclear-tipped cruise missiles on Astute submarines. Even if one overlooks the fact that such a platform could result in breaches of the Nuclear Nonproliferation Treaty and Comprehensive Test Ban Treaty, as well as risk escalation in times of diplomatic crisis, this could prove fatal for the ability of this country to build submarines.

Such a highly-skilled labour force cannot be switched on and off like a tap. The Nuclear Education Trust believes that a negative decision on Vanguard would cost 2,000 jobs in Barrow alone. These jobs must be retained if we want to keep these design and manufacturing capabilities, with the multitude of benefits they bring for our defence and civil industries alike.

Parliament could also decide to delay the main-gate decision beyond 2016 by extending the lifespan of the current Vanguard class submarines. However, this would leave BAE with a significant gap in production (as well as the important technical and safety lines this would breach) between the completion of the Astute programme and the start of a successor to Vanguard. This would inevitably result in an exodus of highly skilled labour from Barrow, which it would be very difficult to recover.

The Nuclear Education Trust has pointed out that this option would result in the loss of 4,000 jobs in Barrow alone. Indeed, the last time a similar situation occurred, in the 1990s, the UK was faced with a significant threat to the very existence of a sovereign capability to make submarines. We must ask ourselves whether we are willing to learn from these mistakes, or resign ourselves to making them all over again.

The Liberal Democrat previously in charge of the coalition's "alternatives review" showed disdain towards these issues when he joked that renewal could be cancelled and the people of Barrow relocated to the Bahamas as a solution. Unless they can provide robust answers to some serious questions, however, leading advocates of the alternatives are at risk of unduly elevating their personal opinion above evidence and livelihoods.

It would be ridiculous to portray renewal of the Vanguard fleet as the panacea on which we can pin all our economic hopes. Nevertheless, important jobs and skills depend on this decision, and must therefore form an important part of the debate. Advocates of the alternatives must show how their ideas will improve prospects for the jobs, skills and investment for the thousands of companies in the supply chain throughout the country, as well as in Barrow. It would be a disservice to UK plc if it was not.

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