



DEBATE PACK

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Defence aerospace industrial strategy

Backbench Business Debate Main Chamber Thursday 16 November 2017 Debate initiated by Ruth Smeeth and Robert Courts

The proceedings of this debate can be viewed on Parliamentlive.tv

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1. Background

The Government has not published nor indicated it is intending to publish a standalone Defence Aerospace Industry Strategy.

The Ministry of Defence committed to a “refresh of our defence industrial policy” in the 2015 Strategic Defence and Security Review (SDSR). Ministers have suggested this is ‘forthcoming’.

In September 2017 the Government published the National Shipbuilding Strategy, fulfilling a separate SDSR commitment. The Shipbuilding Strategy focused primarily on the procurement of the Royal Navy’s next generation of frigates but also included a 30 year ‘masterplan’ for the replacement of the surface fleet.

In October BAE Systems [announced](#) plans to slow production on Typhoon combat aircraft and Hawk jets, resulting in a number of jobs losses.

Ruth Smeeth MP and Robert Courts MP referred to the above when calling for this debate. Ruth Smeeth [said](#) “there is a strategic gap in terms of how we move forward to get a steady drumbeat of domestic orders that ensure we retain a sovereign skill base in the UK.” Robert Courts worried about a capability gap if there is no strategy for next generation aircraft. Both members noted there is no military aircraft equivalent to the National Shipbuilding Strategy.

Developing and delivering into service combat aircraft takes decades. The current fast-jet fleet of Tornado and Typhoon were first conceived in the late 1960s and 1980s respectively. Lightning II, the new combat aircraft which will begin to replace Tornado from 2019 and fly from the Navy’s aircraft carriers from the 2020s, can trace its procurement programme back to the late 1990s.

Separately, the Government is also developing an Industrial Strategy, on which it published a Green Paper, [Building our Industrial Strategy](#), in January 2017. The Paper references plans for the defence industrial policy refresh.

The Ministry of Defence has begun exploring possible options for future combat aircraft. The 2015 SDSR announced plans to keep Typhoon aircraft in service until 2040. The MOD has worked with France on an unmanned combat air vehicle demonstrator and launched a [Future Combat Air System Technology Initiative](#) (FCAS), designed to “sustain design engineering capacity and skills as part of its planning for a future combat air capability.”

As well as the above, the Ministry of Defence is also contributing to the National Security Capability Review, which is the National Security Advisor's broader review of defence and security capabilities. This was the subject of a [debate](#) in Westminster Hall on 19 October 2017. During this debate MPs raised concerns about the UK's helicopter manufacturing industry and future helicopter capabilities.

The Defence Committee has reopened its inquiry, interrupted by the 2017 election, into [defence acquisition and procurement](#).

Background to the Defence Industry Policy refresh

The Government (2010-2015) laid out its approach to defence acquisition in a 2012 White Paper ([National security through technology](#), Cm 8278). This replaced the Labour Government's 2005 Defence Industrial Strategy. The White Paper committed to using open competition and buying off the shelf where appropriate while retaining the use of single source procurement when it judges it necessary to protecting the UK's operational advantage and freedom of action (for example submarines or warships).

The Government (2015-17) [pledged](#) in the 2015 Strategic Defence and Security Review (SDSR) to "refresh our defence industrial policy" while remaining committed to the principles set out in the 2012 White Paper.

A consultation was held last winter and the [outcome](#) was published in April 2017.

More recently, Defence Minister Tobias Ellwood referred to the "forthcoming refreshed defence industrial policy" on 8 November 2017, adding it will include and explain how the Government's approach to defence procurement "is designed to help the UK's defence and security industries grow and compete successfully." ([PQ110528](#)).

2. Press Articles

The following is a selection of press and media articles relevant to this debate.

Please note: the Library is not responsible for either the views or accuracy of external content.

Buy British to boost helicopter industry, urges Vince Cable

The Times
20 October 2017
Robert Lea

Industry needs government to think in decades

Evening Standard
16 October 2017
James Ashton

MPs scramble to rescue iconic Red Arrows' Hawk jets

Daily Telegraph
15 October 2017
Ben Farmer

BAE cuts raise questions over UK defence capacity

Financial Times
10 October 2017
Peggy Hollinger

BAE Systems to cut nearly 2,000 UK jobs

The Guardian
10 October 2017
Julia Kollewe

BAE boost as Qatar looks to buy 24 Typhoon fighter jets

Financial Times
17 September 2017
Roger Blitz and Peggy Hollinger

Invest in Britain's armed forces to boost the economy, says PwC

Daily Telegraph
Alan Tovey
25 June 2017

The Hawk trainer for a new generation: BAE reveals new version of jet for next generation fighters

Mail Online
13 June 2017
Stacy Liberatore

Refreshing Defence Industrial Policy

ADS Group
27 February 2017
Kelly Thomas

Warning future success of defence and security sector is up to government

Daily Telegraph
1 February 2017
Alan Tovey

A post-Brexit vision needs a defence industrial strategy

Prospect Union
12 October 2016

3. Gov.uk

Promoting Our Prosperity (Extract of Minister for Defence Procurement Harriett Baldwin's address to the Chatham House Security and Defence Conference 2017)
Ministry of Defence
7 March 2017

[...]

IMPLICATIONS FOR UK DEFENCE

The short answer is that, despite big changes, our priorities are staying the same.

Our three National security objectives were set out in 2015's Strategic Defence and Security Review to protect our people, project our influence, and promote our prosperity.

These objectives remain right for today – and we are backing them with growing resources.

We're one of only five NATO nations meeting the 2 per cent target, and we'll continue investing in defence equipment, using our growing budget, and £178bn ten-year equipment plan to spend on world-beating capability such as Dreadnought submarines, two new aircraft carriers, frigates and new aircraft including F35s and the P8.

Above all, we're determined to be what our Prime Minister calls, a "global Britain" working with our NATO and other allies to front up to aggression from a position of strength, while joining forces with our bilateral friends bringing the full range of our capabilities to bear on international problems.

RELEVANCE FOR DEFENCE INDUSTRY

And what of the Defence industry?

Rest assured, we're more aware of its value than ever, and the contribution that we need and expect from industrial partners.

And nowadays we're not just looking for industry to devise new game changing technologies, making the most of autonomy, cyber and big data to keep one step ahead of our competitors.

Nor are we simply expecting a focus on value for money...as the demands on our budget rise.

We're also turning to industry to enhance the UK's prosperity.

The 2015 Strategic Defence and Security Review was the first time we officially recognised promoting prosperity as a national security task.

Strategic exports are now a core activity for the Ministry of Defence so we are calling on companies to play their part in increasing defence export sales and attracting inward investment into the UK.

It's a lot to expect but the good news is we're here to help.

We are not going to retreat into a protectionist shell.

We don't believe in propping up inefficient industries

As a trading nation, we believe in the power of free trade to push our companies to export further.

So we're going out of our way to create a can-do, outward looking, pro-growth culture.

In three ways:

INNOVATION

First, we're investing in innovation. This is an area where Britain traditionally has had strength in depth.

We gave the world radar, the jump jet and the world wide web.

Today we're leading the way in wing design and intelligent systems. Tomorrow we will have produced dragonfly drones and sub-orbital engines.

But we can't rely on natural talent and serendipity to see us through.

So six months ago, we launched our innovation initiative.

It's all about pushing the boundaries, making defence more open to risk and new ideas.

We're speeding up the time it takes for suppliers to turn concepts into capabilities.

We've set up an Innovation Fund worth around £800m over ten years to pump prime investment into advanced new solutions such as laser directed energy weapons and unmanned rotary wing technologies.

And we're running a set of competitions to develop leading edge capabilities in everything from rapid and automated integration of new sensors to machine learning algorithms.

Last week we unveiled the next stage in our plan.

Professor Hugh Durrant-Whyte has become our new Chief Scientific Adviser with direct accountability for the defence research programme, which is 1.2% of Defence's annual budget.

He'll be working across defence and internationally to stimulate defence innovation, commission research, and use technology to keep our people safe.

At the same time, we've been gearing up our new Defence Innovation Advisory Panel with high-profile appointees including astronaut Major Tim Peake, outgoing director of GCHQ, Robert Hannigan and the founder and chairman of McLaren, Ron Dennis.

These inspiring individuals will challenge the Defence status quo...ensuring we become innovative by instinct.

INDUSTRIAL STRATEGY

There's a second way in which we're creating a pro-growth culture.

We're tapping into the broader currents of Whitehall's industrial strategy by strengthening clusters of defence capability around the country whether in Scotland, the South West, the North West and North Wales.

We're determined to reinforce the way in which the Defence industrial base helps to make this a country that works for everyone.

Sir John Parker's recent report suggested how we could use regional centres of expertise to improve our shipbuilding capability, embracing digital engineering and proposing the creation of a Virtual Shipbuilding industry model.

In other words, rather than a single shipyard building a ship from scratch, a vessel would be built in blocks by different sites across the UK – from the South West to Birkenhead to Tyneside. As we've done with our aircraft carriers ensuring high productivity, competitive cost and a dramatic reduction in build time.

Sir John's report will inform our shipbuilding strategy due out in the Spring.

Meanwhile, Scottish shipyards have two decades of future work.

But switch domains...from sea to air...and you can already see what stronger clusters will mean for the UK.

Over in North Wales, Government and business joined forces and last year won the F-35 avionics Maintenance, Repair and Overhaul contract award.

Their bid was so compelling it established Britain as a hub for all European F-35s sustaining, in turn, potentially thousands more high value jobs across the supply chain generating hundreds of millions...and potentially several billions of pounds of revenue supporting hundreds of jobs in Wales and extending Britain's reputation for excellence worldwide.

I'd like to thank all those who helped make it possible.

It was a truly team UK effort.

And 15% of the global programme of c.3,000 F35s are being built in the North West.

PARTNERSHIPS

But this brings me to my final point.

Creating a pro-growth culture, means strengthening partnerships between Government and industry.

So we'll be looking to you to collaborate more – sharing the risk and reward of research and development.

We want you to build exportability in as standard from the outset... placing even greater emphasis on the use of modularity and open systems.

And we'll be looking for you to increase bid opportunities for UK suppliers – large and small.

You help UK defence and prosperity and we'll help you.

That's why we're making sure our refreshed industrial strategy will continue supporting the growth and competitiveness of UK companies and UK skills.

It's why we're reaching out to imaginative industries outside defence...to import new ideas and ways of working. This time last week I was in Farringdon...chairing the Small Business Forum at a digital start-up company.

It's why we're working day and night alongside our colleagues in the Departments for Exiting the EU and Business, Energy and Industrial Strategy to address issues that affect industry after we leave the EU; whether it's Defence exemptions from EU regulations on movement of goods or access to skills and experience.

And it's why we will continue to bang the drum tirelessly for British business at home and abroad...through doubling export support...through our expanded Defence attaché network...and through speeches like this.

CONCLUSION

So despite the constancy of a changing world, exciting new possibilities are opening up.

And by working together to build winning capabilities we will do more than enhance our security, more than increase our prosperity, more than inspire a new generation of innovators.

Together we will show that the UK truly is a great global nation, open for business and a force for good in the world.

MOD partners with industry to promote UK prosperity

Ministry of Defence

26 January 2017

The MOD and Boeing are working together to build UK prosperity, growth, and exports across the country. As part of their commitment to the UK, Boeing signed the UK aerospace industry's Supply Chain Competitiveness Charter, which is designed to strengthen relationships between companies and their suppliers, so that they work together more effectively to raise UK productivity and competitiveness.

Highlights of the joint initiative so far include:

- A new commercial airline hangar to be constructed at Gatwick airport, supporting more than 100 jobs

- Collaboration on a new £100m P-8A operational support and training base at RAF Lossiemouth in Scotland, creating more than 100 new jobs
- Boeing facilitated a visit to Seattle for 37 UK suppliers to deepen their relationships with Boeing driving enhanced prosperity in the UK
- Training courses for UK suppliers on how to win additional business with the company, further enhancing the competitiveness of the UK supply chain
- Education partnerships with the Royal Academy of Engineering and the RAF Air Training Corps in Northern Ireland, which reached more than 5,000 young people in the UK last year

Minister Harriett Baldwin said:

Britain's defence industry plays a key role delivering an economy that works for everyone. Across the UK, Britain's defence companies provide highly skilled, well-paid jobs with world class manufacturing exports.

Boeing expects to increase their UK workforce by 50% by 2020. This joint initiative is a prime example of the cutting edge, high-skilled, job-creating investment that our industrial strategy seeks to harness to make Britain one of the most competitive places in the world to innovate, build businesses and deliver secure, long-term prosperity for all.

The government's Industrial Strategy will seek to make fresh choices about how the UK shapes its economy and presents an opportunity to deliver a bold, long term Industrial Strategy that builds on strengths and prepares for the years ahead. Following a period of consultation, the government intends to publish an Industrial Strategy white paper in 2017 that will set out the plan for full and long term delivery.

Marc Allen, president of Boeing International, said:

Boeing's partnership with the UK, which dates back to the 1930s, goes from strength to strength today. Boeing values the UK's aerospace and defence capabilities. In both 2015 and 2016 Boeing in the UK hired, on average, a new employee per day and our relationship with the UK supply chain today has more than doubled in value since 2011.

This growth continues in 2017 and beyond, with further significant announcements to follow in the future, building on our initiative's achievements already in place.

There is much more to come from the strategic prosperity initiative. During their meeting Minister Harriett Baldwin and Marc Allen looked ahead to the next six months of collaboration:

- Boeing will increase bid opportunities for UK suppliers and work with the government to enhance UK competitiveness. The aim is for UK companies to double their supply work with Boeing and win higher proportions of content on future Boeing aircraft.

- Boeing will make the UK its European base for training, maintenance, repair and overhaul across its defence fixed-wing and rotary platforms.
- Boeing will make the UK a base for defence exports to Europe and the Middle East, increasing UK employment and investment.

The Minister for Defence Procurement has announced the start of the Defence Industrial Policy Refresh consultation

Ministry of Defence

23 November 2016

The announcement was made at a Defence Growth Partnership Ministerial meeting which was attended by a number of key defence suppliers.

The meeting was co-chaired by Jesse Norman, Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy (BEIS) and Allan Cook Chairman of Atkins. This work is being led by the MOD but is closely aligned with the work on the National Industrial Strategy which BEIS are leading.

As part of the Strategic Defence and Security Review 2015 (SDSR15), the Government committed to develop a refreshed defence industrial policy. This will make clear that competition remains our preferred approach, delivering value for money and incentivising an innovative and productive industrial base. It will outline the further action we will take to help the UK's defence and security industries, in particular Small and Medium Sized Enterprises (SMEs), to grow and compete successfully. The development of this policy is an important contribution to the new National Security Objective to promote our prosperity and is closely linked with other work in the MOD to promote innovation, exports and skills.

Minister for Defence Procurement, Harriett Baldwin said:

I am delighted to be able to formally launch the consultation on refreshing Defence Industrial Policy Refresh. This is a milestone in meeting our SDSR15 commitment and presents a unique opportunity for our defence industry, academics and non-traditional defence suppliers to make a valuable contribution to the continuing development of our Industrial Policy.

I therefore call upon all our stakeholders, particularly SMEs, to engage in the consultation over the next 6 weeks to help us to refine our policy to not only deliver the best equipment for defence at the best value for the tax payer, but to support an innovative, prosperous and internationally competitive defence industry.

Allan Cook, Industry co-chair of the DGP said:

As co-chair of the Defence Growth Partnership - which seeks to develop the UK defence capabilities and increase defence export sales - I welcome today's launch of the industry consultation on the refresh of

defence industrial policy. I would encourage industry of all sizes, non-traditional suppliers and academia to participate in the consultation.

The refresh is an opportunity to help to deliver a vibrant, competitive and successful defence sector in the UK, contributing to the needs of our Armed Forces, allies and partners around the world as well as making a significant contribution to the UK's prosperity.

The MOD is keen to use this opportunity to reach out to all the members of our defence industry, from large defence suppliers to the smallest SME, and are interested to hear the views of non-traditional suppliers.

Our goal is to make it easier for businesses to work with defence and make defence business more attractive to a wider range of suppliers, which is why this external consultation is so important.

The consultation will run from 22nd November 2016 to January 6th 2017 and can be accessed [here](#)

4. Defence Committee

Defence Committee

Oral evidence: Work of the Department 2017, HC 439 [Extract]

Wednesday 25 Oct 2017

[...]

Ruth Smeeth: Yes. Can you update us on the progress that has been made to refresh the defence industrial strategy? In what way is that dependent on the national security capability review?

Sir Michael Fallon: Thank you. Yes. We committed to refreshing the defence industrial strategy at the 2015 review because it was older than that review—I believe it was from 2012—and overdue for refreshment. We have a very good story to tell around it in terms of developing regional skills and productivity. The national shipbuilding strategy that we launched in September fits naturally into it.

We hope to publish that refreshed defence industrial policy shortly. It will include a new approach to building economic value and international leverage through early analysis of business cases. It will say what we are doing about innovation, on which we made commitments in the 2015 review. It will discuss co-operation between defence and civil industry in terms of productivity and investment. It will look at the security of the supply chain. Finally—we have had a lot of discussion with industry about this—it will look at ways of making it easier for British industry to deal with defence, to access defence, to get into our procurement processes and to bring us its solutions. A lot of work has been done, and I hope that publication will not be far away.

Q30 Ruth Smeeth: Thank you. We look forward to seeing it. As you said, we have had the national shipbuilding strategy. Given recent announcements from BAE, which my colleagues will touch on, what are the chances of us having a defence aerospace industrial strategy?

Sir Michael Fallon: That is something that we will obviously consider now. It is a more complex area than shipbuilding, where we need to replace the Type 23 frigates. We have already decided to give the work on the anti-submarine frigates to the Clyde, but we wanted to introduce a much more competitive process for the general purpose frigates and open up that work to other shipyards across the country, as recommended by Sir John Parker's report. I think that is innovative. It is not an approach we have tried before—we are putting a fixed price on it and challenging industry to meet it—but it is relatively simple.

Aerospace is more complex. We do not need to replace Typhoon until 2040, but it is not too early to start thinking about how we would replace it. We have to ensure that that work fits with the other work we have been doing, for example with the French on future combat air systems. It is a slightly more complex picture because of the interrelationship with civil aerospace as well. Again, I am ambitious in

that area and I would like that work to lead to an aerospace strategy, but we are not quite there yet.

Ruth Smeeth: The Committee's concern is ensuring that we have the sovereign skills capability to deliver, whether that is for the sixth-generation fighter, our own version of the P-8, or whatever it may be in the future. It is about sovereign capability, but unless the work programme starts sooner rather than later, that will be undermined. We saw that in Barrow where we had to seek additional support later to do the submarines. It took eight years to get up to the full skill set that we needed there once the Astute class started. We will end up in exactly the same place, which is the concern that we all have.

Q31 **John Spellar:** Following on from Ruth's question about the widespread concern about the loss of jobs and potentially capacity incapability at BAE—that concern includes a lobby of Parliament today—what discussions have you or other Ministers had with BAE about the job losses?

Sir Michael Fallon: I called the chairman in last week, and I have subsequently written to him. We are obviously committed to continuing to work with the company, but we want to see the production lines for Typhoon and Hawk kept open should new orders materialise. You know how hard we have been working at securing those new orders. We have a statement of intent with Qatar. We continue to work hard to secure a similar statement of intent with Saudi Arabia so far as batch 2 of Typhoon is concerned. We are assisting the company in other Typhoon export campaigns in Belgium, Malaysia and Finland, and we will continue to work with the company to maximise those export opportunities. In turn, we want the company to keep the production lines open. We also need them to keep meeting the milestones to provide the new F-35 facilities at RAF Marham. We want them—I think this touches on Ruth Smeeth's point—to keep their graduate and apprenticeship programmes going so that when we are in a position to take further development decisions in relation to future combat aircraft we will have those skills available and we will not have the hiatus that we originally had at Barrow under whichever Government that was.

Q32 **John Spellar:** We won't go into delays on the programme, which might make for an interesting debate—we will leave that one. I certainly acknowledge the work that you have done with Qatar, but when the French, for example, are undertaking a sales programme, the whole of the French Government get involved. I acknowledge that the MOD is doing some work on this, but are other Government Departments weighing in as effectively and at as high a level as the French Government?

Sir Michael Fallon: Yes. This is co-ordinated across Government, and we have the right Government structure to do that. It brings together all the different Government Departments. I take responsibility for major export campaigns such as Typhoon quite separately from Liam Fox at the Department for International Trade. When it comes to Typhoon, complex weapons and F-35 support—those three particular export

campaigns—I take responsibility, and I co-ordinate the work that is done across Government by the Foreign Office, the Department for International Trade and others to see what further help is needed. As I have said, we all have a part to play in this. With very great respect, when we are pursuing the vital order from Saudi Arabia, for example, it is important that we all get behind the BAE Systems campaign and do not in any way undermine it.

Q33 John Spellar: Indeed. Those are thoughts that I am sure all the members of the Committee from all parties would thoroughly endorse. In your comments you rightly stressed—it was very welcome—the maintaining of the production lines for Hawk and Typhoon. What scope is there for new UK work on Hawk, including new aircraft for our world-renowned Red Arrows?

Sir Michael Fallon: We do not need to replace the Red Arrows until 2030, so it would be premature to start considering that now. We do not need new aircraft. We have 75 of the Hawk T1 aircraft, and 14 of those are currently available to the Red Arrows. We do not need new aircraft at the moment, and we do not need to commission new aircraft yet. The right thing to do to maintain Hawk production is for us to continue to look for those further export opportunities for Typhoon and Hawk and get the whole Government, and hopefully the whole of Parliament, behind them.

Q34 John Spellar: But given that the Red Arrows are very much a shop window for Hawk and Britain's aerospace industry, should we not be considering using T2 for that?

Sir Michael Fallon: Well, in order to rest my voice, perhaps I could bring in General Poffley to answer on T2.

Lieutenant General Mark Poffley: The T2 aircraft inevitably comes with certain characteristics. It is not currently inside our programme. Coming back to the question that Ms Smeeth raised, that option and a number of others are capabilities that we look at with the companies to see, first, how we can best support the export campaigns we have running and, secondly, how those options might fit part of our future requirement going forward. At the moment, it is not in our plans to use T2s for that.

Q35 John Spellar: But is there not the slight problem? If there is too significant a gap in orders, we may lose that capacity. Therefore, if we were going to maintain the Red Arrows, for example, we might ultimately have to buy those from, for example, the United States.

Lieutenant General Mark Poffley: I don't think that would necessarily be the case, but I recognise that is a possibility. The realities of where we are with regard to the Red Arrows is, as the Secretary of State has said, that we do not need to take that decision right now, and with regard to future capacity inside BAE Systems or any other manufacturer in the aerospace sector, we are actively engaged—as we were with the shipbuilding strategy—in confirming the requirements of industries'

ability, first, to service our sovereign capabilities and, secondly, to maintain our operational advantage.

Q36 **John Spellar:** Two final questions from me. On maintaining the workforce and skills, and looking therefore at the next generation of fighter aircraft in the UK, what steps are you taking to ensure, either separately or more likely collaboratively, that we will be maintaining the capacity, as well as looking towards building that next generation of fighter aircraft in the UK? The final question, linked to that and to whether some of the proposed cuts are a consequence of the Tornado fleet being taken out of service in 2019, has there been consideration of extending the life of that fleet?

Lieutenant General Mark Poffley: On future capability, we have an active programme, funded, that in collaboration with a number of our suppliers is looking at new technologies and new systems that might be accommodated inside a future aircraft. You would expect us to do so, I would have hoped. As regards other measures, I think the Secretary of State has been very clear about the fact that there may be, or may not be, options around a capability review across a series of capabilities, and at the moment we have taken no decisions on any of those with regard to combat aircraft.

Q37 **Chair:** Does the potential slowdown in Typhoon production have any implications for the SDSR 2015 commitment to introduce two new Typhoon squadrons?

Lieutenant General Mark Poffley: No, it does not.

Q38 **Graham P. Jones:** I am very worried about the 1,900 job losses, as I know everybody else is. Without a UK defence aerospace strategy, do you not worry about the long-term or medium-term viability of Warton and Samlesbury, two of our remaining three aircraft manufacturing sites in the UK?

Sir Michael Fallon: I am concerned about the job losses. Anybody would be concerned about the job losses. That is why we have been in touch with the company and we are continuing to talk with them and make sure they have all the assistance they need in the export campaigns that I have described. That is why, yes, I would like to work towards an aerospace strategy alongside the shipbuilding strategy that we have talked about earlier. That is my ambition, and the scale of the job losses is such, I think, that it does put an obligation on us to look at that work and see if it can be accelerated.

Q39 **Graham P. Jones:** Obviously, one of the issues is the Saudi Arabia Batch 2. I wonder if you could update the Committee in more detail as to why that Typhoon deal has not been secured so far.

Sir Michael Fallon: We have been working extremely hard on the Batch 2 deal. I travelled to Saudi Arabia back in September and discussed progress on the deal with my opposite number, the Crown Prince of Saudi Arabia, and we continue to press for signature of at least a statement of intent, as we have done with Qatar. I have to repeat, sadly, to this Committee that obviously, other criticism of Saudi

Arabia in this Parliament is not helpful; I will leave it there. But we need to do everything possible to encourage Saudi Arabia towards Batch 2. I believe they will commit to Batch 2. We continue to work away on the timing.

Q40 Graham P. Jones: Finally, when we talk about the long-term sustainability of Warton, Samlesbury and Brough and the sixth-generation fighter, and we hear about the Germans and the French, what discussions are you having with their Governments about the sixth-generation fighter or a collaborative effort for the next-generation fighter that might keep the long-term viability of these three sites going?

Sir Michael Fallon: We have work in hand with the French—the French companies—between British Aerospace and Dassault and the other companies involved, on the future combat air system. I will be reviewing that with the French Defence Minister when she visits London shortly, in preparation for the next Anglo-French summit that will review progress generally under Lancaster House to see what the next phase of that will be. Of course, we also continue to talk to the Americans about the developments of future combat air.

Lieutenant General Mark Poffley: I would only add that we hold capability dialogues with many countries, most notably in Europe with Germany and France. Of course, we all have slightly different competing priorities, and the aim is to get enough synergies to make this commercially and economically viable, and to retain a degree of sovereign choice around some of the capabilities that are on offer. The aircraft world, in particular, is a vibrant part of that discussion.

Q41 Graham P. Jones: Does Brexit have an impact on those discussions?

Sir Michael Fallon: Well, of course Brexit is happening, and it is very important for us to maintain those bilateral relationships in Europe, which we work extremely hard at. We have capability frameworks with France and Germany, and now with Poland, and strong relationships with a number of other countries. I am also very keen to ensure that our companies do not miss out on future collaborative programmes that may come forward under the new format of European defence funding. I will obviously be working to ensure that our companies have access to the European Defence Agency and some of the longer-term research that often comes before these particular development phases. So, yes, it means we have to work hard to ensure that our own industry does not lose out in any way from Brexit.

Q42 Mr Francois: Secretary of State, you have already said that new aircraft are very expensive, and we realise that. The Tornado GR4 is still, even by today's standards, a very capable aircraft, and has given extremely good service in the Middle East. Has any work been undertaken to look at the cost of mothballing a wing of those GR4s and keeping them in storage as a war reserve, bearing in mind that new aircraft are extremely expensive and also take quite a long time to

build? I realise there is a cost in doing that, but has any work been done to look at that as an option?

Sir Michael Fallon: First, I think we should pay tribute to the resilience of Tornado. It has been flying around the clock in the Middle East for three years now, and I think it has proved a lot of its doubters wrong. It has been an invaluable part of the successful campaign against Daesh in Iraq and in Syria. I haven't seen proposals on the cost of mothballing Tornado. I would be happy to write to the Committee on that.

Q43 **Chair:** Yes. That's terribly important, Secretary of State, because time and again we see relatively short or medium-term decisions to cut capabilities that then lead to expensive equipment being taken out of service before the end of its life. I think there is a general feeling on the Committee, strongly promoted by Mark in particular, that, when that happens, can we not at least keep some of the equipment in the long term in a condition so that it can be reactivated should circumstances change?

Sir Michael Fallon: I will look at that point.

Q44 **Ruth Smeeth:** I just want to go back to the Qatari contract. The statement of intent has obviously been signed, but I wonder if you can update us with where we are with the memorandum of understanding, and whether the contract for the Hawks will actually be signed before Christmas?

Sir Michael Fallon: You are right to draw a distinction between the statement of intent and the contract; the statement of intent is not the contract. Our aim is to get on to contract before the end of the calendar year. That is something we are actively pursuing with Qatar at the moment. My Minister for Defence Procurement is chasing progress on that literally week by week. It is our intention to get that signing done before Christmas.

Q45 **Ruth Smeeth:** Because the BAE redundancy announcement is contingent on getting that contract, it would be even deeper if that contract was not seen through. It would be interesting to receive an update from the Minister for Defence Procurement on exactly what is happening in terms of whether there is a taskforce and how she is ensuring that this is moving forward.

Sir Michael Fallon: I do not want to describe too much of the internal work of Government, but you are very close to it in what you just said.

Ruth Smeeth: Good.

Sir Michael Fallon: We are pursuing this. I want to get on contract. I realise the implications for BAE Systems. I do not want to see any more jobs lost than is absolutely necessary. We are driving the company very hard to see if we can get on to contract before the end of the calendar year.

[...]

5. PQs

Hawk Aircraft

01 Nov 2017 | 109555

Asked by: Ruth Smeeth

To ask the Secretary of State for Defence, for what reasons the decision to extend the out-of-service date for the Hawk T1 aircraft was made.

Answering member: Harriett Baldwin | Ministry of Defence

The Hawk T1 fleet has undergone various upgrade and life extension programmes since delivery. The out-of-service date has been calculated with regards to the usual fleet management processes in place on the large remaining fleet of Hawk T1.

Defence and Aerospace Industry: North West

31 Oct 2017 | 109935

Asked by: Mike Amesbury

To ask the Secretary of State for Defence, what progress his Department has made on its assessment of the implications for defence and aerospace manufacturing capability in the North West of the UK **leaving the EU; and what the timetable is for completion of that assessment.**

Answering member: Harriett Baldwin | Ministry of Defence

The North West of the UK has a strong defence and aerospace manufacturing capability, including for the Eurofighter Typhoon and the F-35 Lightning II. Neither programme is affected by the UK leaving the EU, as they are governed by other arrangements.

Engagements

25 Oct 2017 | 630 c302

Asked by: Mark Hendrick

In the past fortnight, we have heard the announcement of the loss of many hundreds of jobs in Lancashire at BAE Systems sites at Warton and Samlesbury, which comes as a hammer blow to workers and their families. Today, I want to raise the proposed closure of the Alstom factory on Strand Road in Preston, which will mean the loss of another 180 jobs. We keep hearing hype about the so-called northern powerhouse, so why are aerospace companies and train manufacturers in the north shedding jobs by the hundred?

Answering member: Theresa May | Prime Minister

I recognise that this is a worrying time for the workers involved. We will obviously ensure through the Department for Work and Pensions that they have the support they need to look for new jobs, and that does include the rapid response service, which gives particular support to people in these areas. However, in relation to the decision by BAE Systems, for example, I can assure the House that we will continue to promote our world-leading defence industry, and I hope that all Labour

Members will continue to promote our world-leading defence industry. I am very pleased that just last month my right hon. Friend the Secretary of State for Defence signed a statement of intent with Qatar, committing it to the purchase of 24 Typhoons and six Hawks from BAE. Last year, the Ministry of Defence spent £3.7 billion with BAE and is working with it to maximise export opportunities for Typhoons and Hawks in the future to ensure that we can retain jobs here in the United Kingdom.

BAE Systems: Redundancy

24 Oct 2017 | 107240

Asked by: Stephen Morgan

To ask the Secretary of State for Business, Energy and Industrial Strategy, on what date the Government was first made aware of plans of the latest round of job losses at BAE Systems.

Answering member: Claire Perry | Department for Business, Energy and Industrial Strategy

BAE Systems officially confirmed their plans for company restructuring and potential job reductions on 6 October 2017. The proposals remain subject to Trades Union consultation and no final decisions have yet been taken. The Government will continue to work closely with the company to understand the impact of these potential reductions, to provide support to those who might be affected, and to maximise export opportunities for the Typhoon and Hawk training aircraft.

Qatar: European Fighter Aircraft

23 Oct 2017 | 107665

Asked by: Leo Docherty

To ask the Secretary of State for Defence, if he will provide an update on progress on the potential order by Qatar of 24 Typhoon aircraft.

Answering member: Harriett Baldwin | Ministry of Defence

The discussions with Qatar over the possible purchase of 24 Typhoon and six Hawk aircraft are ongoing following the signature of a Statement of Intent by the Qatari Defence Minister and the UK Defence Secretary on 17 September 2017. Given the commercial nature of these discussions it would be inappropriate to comment further at this stage.

Topical Questions

23 Oct 2017 | 630 c18

Asked by: Mr Laurence Robertson

Do the Government plan to provide mid-life upgrades to the Typhoon and Chinook?

Answering member: Harriett Baldwin | Ministry of Defence **We will create two additional frontline squadrons from our existing fleet and extend**

Typhoon in service until 2040. The Typhoon's capabilities are constantly evolving through initiatives such as

Project Centurion. We will also upgrade our Chinook heavy-lift helicopter to extend its life into the 2040s.

Topical Questions

23 Oct 2017 | 630 c20

Asked by: Jack Lopresti

Given that Typhoon is scheduled to leave service in 2040, what steps is my hon. Friend taking to procure the next generation of fighter aircraft given the potential opportunities for export, and to preserve and maintain our sovereign defence capability?

Answered by: Harriett Baldwin | Ministry of Defence

Again, a very important question. On the support we are giving to Typhoon exports around the world, I was delighted that recently my right hon. Friend the Secretary of State was able to sign a statement of intent with Qatar. We will continue with that effort, as well as considering our options on a replacement.

Military Aircraft

23 Oct 2017 | 107787

Asked by: Diana Johnson

To ask the Secretary of State for Defence, if he will ensure that the Royal Air Force Aeronautics Team always flies in aircraft manufactured in the UK.

Answering member: Harriett Baldwin | Ministry of Defence

The Hawk T1 aircraft is due to remain in service until 2030. It is currently used by 100 Squadron and 736 Naval Air Squadron for operational training, as well as by the Red Arrows and the RAF Centre of Aviation Medicine. The UK currently has a pool of 75 T1 aircraft from which the Red Arrows and those other units are able to draw. In addition 28 Hawk T2 aircraft are used in a flying training role. Given the number of aircraft currently in service there is no pressing need to make a decision on Red Arrows replacement.

Those aircraft providing operational training are planned be replaced from 2027 by the Air Support to Defence Operational Training (ASDOT) programme which is still in the development stage. The nature of fleet management means that although some of the remaining units will incrementally drawdown earlier, sufficient Hawk T1 aircraft will be retained in the pool of available aircraft to support the requirements of the final units until replacement. Consideration will be given to replacing the Hawk T1 with the Red Arrows in due course, but a decision is unlikely to be taken until after the end of this Parliament.

Hawk Aircraft

23 Oct 2017 | 107758

Asked by: Diana Johnson

To ask the Secretary of State for Defence, what the timetable is for the Hawk TMk1 training aircraft to be taken out of service for the (a) Royal Air Force Aerobatics Team and (b) rest of the Royal Air Force.

Answering member: Harriett Baldwin | Ministry of Defence

The Hawk T1 aircraft is due to remain in service until 2030. It is currently used by 100 Squadron and 736 Naval Air Squadron for operational training, as well as by the Red Arrows and the RAF Centre of Aviation Medicine. The UK currently has a pool of 75 T1 aircraft from which the Red Arrows and those other units are able to draw. In addition 28 Hawk T2 aircraft are used in a flying training role. Given the number of aircraft currently in service there is no pressing need to make a decision on Red Arrows replacement.

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Hawk Aircraft

23 Oct 2017 | 107748

Asked by: Diana Johnson

To ask the Secretary of State for Defence, what progress his Department has made on suitability tests of Advanced Hawk 128 T2 Jet Trainers; and whether he plans to procure further Advanced Hawks for the (a) Royal Air Force Aerobatics Team and (b) rest of the Royal Air Force.

Answering member: Harriett Baldwin | Ministry of Defence

The Hawk T1 aircraft is due to remain in service until 2030. It is currently used by 100 Squadron and 736 Naval Air Squadron for operational training, as well as by the Red Arrows and the RAF Centre of Aviation Medicine. The UK currently has a pool of 75 T1 aircraft from which the Red Arrows and those other units are able to draw. In addition 28 Hawk T2 aircraft are used in a flying training role. Given the number of aircraft currently in service there is no pressing need to make a decision on Red Arrows replacement.

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replacing the Hawk T1 with the Red Arrows in due course, but a decision is unlikely to be taken until after the end of this Parliament.

Topical Questions

23 Oct 2017 | 630 c18

Asked by: Wayne David

Given the announcement of nearly 2,000 job losses at BAE Systems, will the Government bring forward their order for new Hawk aircraft for the Red Arrows to maintain industrial capacity?

Answered by: Harriett Baldwin | Ministry of Defence

May I use this opportunity to put on the record what a wonderful job the Red Arrows do for the UK around the world? I congratulate them on the successful 11-country tour from which they have just returned. The hon. Gentleman will know that the Hawk is an important training aircraft for the RAF. We have 75 of them and expect them to last until 2030. We are pursuing a range of export opportunities around the world.

European Fighter Aircraft: Saudi Arabia

20 Oct 2017 | 107302

Asked by: Leo Docherty

To ask the Secretary of State for Defence, what steps his Department is taking to support the sale of a second tranche of Typhoon aircraft to Saudi Arabia.

Answering member: Tobias Ellwood | Ministry of Defence

This Government recognises fully the potential benefits of securing future export orders for Typhoon aircraft. In respect of Saudi Arabia, Ministers and officials are in regular contact with their counterparts to discuss how the UK might help meet that nation's legitimate defence and security requirements. These discussions have included a potential second batch order for Typhoon aircraft.

Defence and Aerospace Industry: North West

19 Oct 2017 | 107966

Asked by: Mike Amesbury

To ask the Secretary of State for Defence, what assessment his Department has made of the effect on defence and aerospace manufacturing capability in the North West of the UK leaving the EU.

Answering member: Tobias Ellwood | Ministry of Defence

The Ministry of Defence is working closely with the defence industry and other Government Departments to understand the implications and opportunities presented by the UK's departure from the European Union.

The European defence sector is already closely integrated; leading companies have a presence right across Europe, and across the UK, including the North West. It is worth noting that current major

European collaborative capability projects, such as the Typhoon programme, are managed bilaterally or with groups of partners, rather than through the EU.

Through our future partnership with the European Union, we want to explore how best to ensure that our industries can continue working together to deliver the capabilities that we need to protect the UK and its allies and partners.

Business of the House

19 Oct 2017 | 629 c1022

Asked by: Diana Johnson

The trade unions from BAE Systems at Brough are visiting Parliament this week to talk to MPs about potential job losses, and 140 MPs from both sides of the House have signed a letter asking the Government to think again about the out-of-service date of the Red Arrows' Hawks, many of which were built in the 1970s. Is it therefore not time for a statement about securing those jobs and, more importantly, our sovereign capability?

Answered by: Andrea Leadsom | Leader of the House

I share the hon. Lady's enthusiasm for the Red Arrows, which are beloved in this country and do a fantastic job. To be clear, there is no requirement to replace the Red Arrows' Hawk T1. We have a large fleet of around 75 aircraft from which the Red Arrows display team can draw. There has been no reduction in Red Arrows flying hours, and it is incorrect to suggest, as some have, that numbers have been reduced at displays. The Government have helped to secure orders for Hawk aircraft from Qatar, securing production for next year, and we are pressing hard for further export deals. There is no need for an early replacement for the Red Arrows as a decision is not needed until at least the end of this Parliament.

Military Aircraft: Procurement

17 Oct 2017 | 106940

Asked by: Vernon Coaker

To ask the Secretary of State for Defence, with reference to the commitments set out in the 2015 Strategic Defence and Security Review, what the forecast value is of his Department's future orders for (a) P8 Maritime Patrol Aircraft and (b) Apache AH-64E helicopters.

Answering member: Harriett Baldwin | Ministry of Defence

The Ministry of Defence (MOD) is procuring nine P-8A Poseidon maritime patrol aircraft under a Foreign Military Sale (FMS) arrangement with the US Government. Delivery of the first aircraft is expected in 2019. The estimated total cost is \$3.2 billion. This figure includes the cost of the aircraft, and also encompasses initial support, training, sonobuoy and weapons provisioning, together with training devices.

The MOD is also purchasing 50 Apache AH-64E helicopters, also under a FMS arrangement with the US Government at an estimated cost of

\$2.3 billion. This figure includes an initial two-year support package, spares, training simulators and other supporting equipment for the helicopters.

BAE Systems: Redundancy

24 Oct 2017 | 108110

Asked by: Diana Johnson

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment he has made of the potential effect of BAE Systems job losses, announced in October 2017, on the UK's capacity to produce aircraft and aviation systems.

Answering member: Claire Perry | Department for Business, Energy and Industrial Strategy

Final decisions have not yet been taken on BAE Systems' consultation on transforming its business. However the Government remains engaged with BAE Systems to understand the impact of the potential job reductions, and to ensure that vital skills are maintained.

This Government recognises the strength and capability of the UK's aerospace sector. We have a substantial programme of work underway through the Defence Growth Partnership, which is identifying opportunities to encourage growth and competitiveness of the UK defence sector. Taken alongside the Future Combat Air Systems Technology Initiative, this will maintain and enhance the UK's position as a global leader in combat air technologies.

Military Aircraft: Procurement

16 Oct 2017 | 107113

Asked by: Luke Pollard

To ask the Secretary of State for Defence, whether the depreciation in the value of sterling has affected the projected procurement numbers of (a) F-35 fighter jets, (b) P-8 Poseidon maritime patrol aircraft and (c) Boeing Apache attack helicopters.

Answering member: Harriett Baldwin | Ministry of Defence

The Ministry of Defence (MOD) centrally manages the impact of variations in foreign exchange rates as part of the routine financial management of the defence programme. The foreign currency arrangements in place will limit the impact from the current foreign exchange position and any further considerations will be dealt with as part of the MOD's annual planning cycle.

This has not affected the projected procurement numbers of the aircraft listed.

Engagements

11 Oct 2017 | 629 c326

Asked by: Mark Menzies

Following yesterday's announcement of almost 2,000 job losses at BAE Systems, many hundreds of which are in Warton in my constituency

where very dedicated and highly skilled people work, can the Prime Minister assure me that she and her Government will continue to do everything they can to support export orders to Saudi Arabia and Qatar as well as supporting those dedicated workers in finding alternative employment and the wider Lancashire economy?

Oral questions - 1st Supplementary

Answering member: Theresa May | Prime Minister

My hon. Friend is absolutely right: this is obviously a very worrying time for workers at BAE Systems, including those at Warton in his constituency. He raises two issues. I can reassure him that the Department for Work and Pensions will ensure that people have all the support they need to look for new jobs. That will include the rapid response service, which will help with CVs, training and information about benefits. We will also continue to promote our world-leading defence industry right across the globe, so that companies like BAE Systems can secure contracts for UK-made equipment. Just last month, my right hon. Friend the Defence Secretary signed a statement of intent with Qatar, committing the country to the purchase of 24 Typhoons and six Hawks from BAE. We will continue to promote these first-class products from first-class manufacturers such as those in his constituency. We will also ensure that support is given to those who lose their jobs.

Joint Strike Fighter Aircraft

09 Oct 2017 | 10166

Asked by: Rebecca Long Bailey

To ask the Secretary of State for Defence, what steps he is taking to ensure that the UK has the capacity to manufacture (a) parts for and (b) whole manned and unmanned fighter aircraft.

Answering member: Harriett Baldwin | Ministry of Defence

The Defence Aerospace and the Combat Air sector make a strategically important contribution to securing our military operational advantage and freedom of action, developing high-end technologies and a skilled workforce, and generates revenues and international influence through exports. UK industry leads the world in a number of technology, design and manufacturing capability areas, and maintaining those capabilities is in our national interest.

In the Strategic Defence and Security Review 2015 we launched the Future Combat Air System Technology Initiative (FCAS TI) which is sustaining our design engineering capacity and skills, ensuring that the UK continues to be at the cutting edge of combat air technology. This includes our cooperation with France to design and build an Unmanned Combat Air Vehicle Demonstrator.

Our investment in the F-35 programme has secured 15% workshare (by value) of every F-35 to be built in the global programme of 3,000 aircraft, sustaining high-end manufacturing capabilities, skills and capacity as well as providing enduring economic benefit. In addition, from early 2018 North Wales will be home to a global hub, providing maintenance, repair, overhaul and upgrade services for F-35 avionic and

aircraft components. Over the lifetime of the programme, the components for hundreds of European-based F-35 aircraft will be serviced and maintained at the site. Similarly our acquisition of, and success in exporting, Typhoon aircraft has provided a considerable manufacturing workload, particularly in the North West of England.

The Ministry of Defence is considering our future combat air capability requirements and the best approach to delivering the UK's operational needs as well as maintaining our leading role in the combat air sector. This will involve detailed consideration of the industrial, prosperity, international and financial implications as well as a clear military requirement.

Business of the House **14 Sep 2017 | 628 c999**

Asked by: Marcus Fysh

The defence industry employs a great number of people in this country, not least in my constituency, where we make helicopters. I notice that the Government are blithely entering into various agreements on joint procurement and possible joint defence arrangements with the EU. May we have a debate in Government time on the relationship between defence businesses and Government procurement in the UK and the EU? I am not yet confident that the House has really decided what our strategy should be or that we have had adequate time to consider it.

Answered by: Andrea Leadsom | Leader of the House

My hon. Friend will be aware that the position paper on defence co-operation came out in the past two weeks; I urge him to take a look at it. The UK Government clearly intend to achieve a close relationship, as we have had in the past, with the EU and other allies in terms of both procurement and defence collaboration. Nevertheless, all these things are not yet decided. They will be subject to many debates in the House and, potentially, legislation, so there will be many opportunities for my hon. Friend to raise such matters.

Aircraft Carriers: Military Aircraft **12 Sep 2017 | 7159**

Asked by: Peter Dowd

To ask the Secretary of State for Defence, how many aircraft are currently in service on the Queen Elizabeth-class aircraft carrier.

Answering member: Harriett Baldwin | Ministry of Defence

HMS Queen Elizabeth is not yet in service; although Royal Navy Merlin helicopters provided support to the first phase of her sea trials.

We have taken delivery of 11 F-35B aircraft, which are currently stationed in the US for training. We will have taken delivery of 14 F-35B aircraft by the end of the year.

On current plans, following her entry to service, HMS QUEEN ELIZABETH will commence flying trials in 2018, building towards a carrier strike

capability from the end of 2020. In this role, our Queen Elizabeth Class Aircraft Carriers will have the capacity to operate F35-B Lightning II aircraft, with associated Rotary Wing force protection and support.

Ministry of Defence: Procurement

19 Jul 2017 | 4692

Asked by: Kevan Jones

To ask the Secretary of State for Defence, how many procurement contracts have been agreed between his Department and overseas suppliers for work related to the (a) Ships, (b) Submarines, (c) Land, (d) Weapons, (e) Combat Air, (f) Air Support, (g) Helicopters, (h) ISTAR and (j) Information Systems and Services Equipment Plan; and what the total value is of those contracts.

Answering member: Harriett Baldwin | Ministry of Defence

The Ministry of Defence (MOD) routinely publishes statistics on the equipment contracts it places on gov.uk at the following link: <https://www.gov.uk/government/statistics/mod-trade-industry-and-contracts-2016>. The MOD also now publishes a breakdown of expenditure with UK industry. This can also be found on gov.uk: at the following link: <https://www.gov.uk/government/statistics/mod-regional-expenditure-with-uk-industry-and-supported-employment-201516>

Defence: Procurement

26 Jan 2017 | HL4770

Asked by: Lord West of Spithead

To ask Her Majesty's Government, further to the answer by Earl Howe regarding the A159 Wildcat Helicopter on 9 January (HL Deb, col 1728), whether they believe that there is a strategic requirement for the UK to design, develop and build (1) complex surface warships, (2) nuclear submarines, (3) military fast jets, and (4) military helicopters, and whether this subject has been considered by the National Security Council.

Answering member: Earl Howe | Ministry of Defence

The National Security through Technology White Paper 2012 explained that, while meeting defence requirements through open competition delivers the best value for money, the Ministry of Defence would take action to protect our freedom of action and operational advantage on national security grounds. For example complex warships and nuclear submarines are built in the UK. We are principally concerned with how we access the skills and technologies which underpin our critical capabilities. The 2015 Strategic Defence and Security Review (SDSR) committed us to take a more vigilant and systematic approach to the most sensitive components. It also committed to refresh Defence industrial policy and outline the further action we will take to help UK industry to grow and compete successfully. SDSR implementation is kept under review by a Ministerial sub-committee of the National Security Council.

Wildcat Helicopters**18 Jan 2017 | HL4527****Asked by: Lord Touhig**

To ask Her Majesty's Government whether the £271 million Wildcat Helicopter support deal with Leonardo Helicopters, announced on 9 January, is the same agreement that was announced in 2012.

Answering member: Earl Howe | Ministry of Defence

In 2012, the Wildcat contract only agreed a price for the initial five years.

The announcement of 9 January confirms a continuing need for Leonardo's support and provides confidence for the company and its workforce for the coming five years. This Government is committed to supporting the capabilities that are provided by Leonardo Helicopters in Yeovil.

A159 Wildcat Helicopter**09 Jan 2017 | 777 cc1727-1729****Asked by Lord Ashdown of Norton-sub-Hamdon**

To ask Her Majesty's Government whether they intend to retain the Government-owned tooling and jigs for the A159 Wildcat helicopter within the United Kingdom; and if so, whether these will be installed in the main Leonardo site.

Answered by: Earl Howe | Ministry of Defence

My Lords, the Government fully recognise the capabilities of the UK aviation industry and the contribution that companies such as Leonardo make to our country. Wildcat airframe production for the UK Armed Forces has now drawn to an end and no decision has yet been taken on retention of the tooling and jigs. However, we are working closely with the company on this issue.

Asked by: Lord Ashdown of Norton-sub-Hamdon

My Lords, I wish—in a spirit even of the fag end of good will—to say thank you for the Answer that the Minister has given, but I find it difficult to do so. We are asking for a very simple thing here. The Government own the tooling and jigs which support the job. Leonardo wants to ship those jobs out to Poland. The Government have the leverage to insist that, before that happens, there is a proper, competitive study on the comparative production costs between the two. That is not asking very much. I remind the Minister that the Government seriously damaged the future of Britain's only stand-alone helicopter facility by handing out orders to the United States in the early years of this Government, without any competitive study whatever. If they commit that mistake again, we are bound to assume that their promise to do everything they can to preserve jobs in Britain are merely empty words. This will be seen as an insult to the technicians and engineers who spent 100 years providing our armed services with world-beating helicopters in the last period.

Answered by: Earl Howe | Ministry of Defence

My Lords, I am sure the noble Lord will recognise that decisions on aircraft procurement, as indeed procurement across the defence piece, have to represent best value for the UK taxpayer. On the Wildcat issue, I think the noble Lord will accept that there is no requirement or pressing need for the Government to make a decision yet because no export orders have been received by Leonardo helicopters. However, we clearly have an interest in this. We are working with the company to ensure that UK work content is maintained, and I hope enhanced, for any export orders. The decision on whether to allow the jigs and tools to be relocated offshore will be based on a balanced assessment focused on what is best for UK prosperity.

Asked by: Lord West of Spithead

My Lords, does the Minister believe there is a strategic requirement for our nation to have the ability to develop, design and build complex fast jets, and to do exactly the same for helicopters and warships, or is there no strategic requirement for this? Has this issue been considered by the National Security Council?

Answered by: Earl Howe | Ministry of Defence

My Lords, the Government are committed to keeping the UK as a leading aerospace nation. We are fully engaged with Leonardo on future helicopter work in that region. For example, we have signed a 10-year strategic partnership agreement with Leonardo, which of course is key to maintaining cost effectiveness, driving exports and innovation. The Aerospace Growth Partnership, which is being managed by my colleagues in BEIS, will undoubtedly be of benefit in the long term to the UK aerospace industry.

Asked by: Lord Robathan

My Lords, on this important matter for our aerospace industry, what optimism does my noble friend have that we may be able to export Wildcats? Is there any real prospect of that? If so, is that not a good thing?

Answered by: Earl Howe | Ministry of Defence

My noble friend is right. The drive to ensure that Wildcat secures export orders is central to the work that the company and my ministerial colleagues in BEIS are doing. We are working closely with the company to that end.

Asked by: Lord Touhig

My Lords, in an uncertain world, Britain needs our Armed Forces to be well equipped, and they need the support of the men and women employed in our defence industries. If the noble Earl agrees with that, will he say what the Government are doing to ensure the highly skilled workforce at GKN is not lost to Britain's defence? He and I both know we will need them in the years ahead.

Answered by: Earl Howe | Ministry of Defence

The noble Lord is right about the need to maintain high-end skills in this country if we are to maintain our position as a leading player in the aerospace market. The Defence Growth Partnership is one element of this. We have a substantial programme of work already under way to

encourage the growth and competitiveness of UK industry. Defence is playing an active part in the cross-government work on the national industrial strategy, which we aim to publish during the next few weeks. It makes sense to allow those programmes to deliver before taking a view on whether any further defence-specific work is needed.

Asked by: Lord Soley

Are the Government aware of the talk among several European Union aircraft manufacturers of both civil and military helicopters and jets that they have a real opportunity to take over production from the UK when it exits Europe? Real discussions are going on in Europe about how production can be transferred from the UK to the European Union. How much thought have the Government given to this?

Answered by: Earl Howe | Ministry of Defence

Naturally, that is being looked at in the context of the Government's wider industrial strategy, but the 10-year industrial strategic partnership arrangement we have with Leonardo will act as a driver and influence to ensure that that company focuses on using the skills and expertise available in this country over the medium to long term.

Asked by: Lord Berkley

My Lords, when the Government published a statement last week saying that the new aircraft carrier to be launched this year would dramatically increase Britain's firepower in the defence of the world, did they understand whether there would be any planes to fly on this aircraft carrier, or are they relying on helicopters, machine guns or whatever?

Answered by: Earl Howe | Ministry of Defence

We have already taken delivery of seven F35E aircraft for the "Queen Elizabeth" aircraft carrier. There are more to come. Indeed, we accelerated the procurement programme when we announced the results of the SDSR in 2015. The "Queen Elizabeth" aircraft carrier will be fully manned and fully equipped when she is ready to sail.

Helicopters

28 Nov 2016 | 53861

Asked by: Kevan Jones

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps he is taking to support the UK civil and military helicopter sector.

Answering member: Jesse Norman | Department for Business, Energy and Industrial Strategy

The Government seeks to keep the UK a leading aerospace nation by continuing to work closely with the sector, including with the West of England Aerospace Forum (WEAF), to tackle barriers to growth, boost exports and grow high value jobs, through the Government's Industrial Strategy.

Through the Aerospace Growth Partnership (AGP), Government and industry have committed £3.9 billion for aerospace research; and

through the Defence Growth Partnership (DGP), Government is supporting the UK defence sector to remove the barriers to export-led growth. While the global helicopter market currently faces challenges, civil aircraft programmes are thriving, with record order books for Rolls-Royce, Airbus and their UK supply chains, which includes GKN.

Procurement Programmes: Supply Chain
07 Nov 2016 | 616 c1236

Asked by: Marcus Fysh

SMEs make up a large part of the helicopter manufacturing industry in my constituency and they are worried that the potential local closure of GKN foreshadows an erosion of that. What support can my hon. Friend provide to keep a full helicopter manufacturing capability in the Yeovil area?

Answered by: Harriett Baldwin | Ministry of Defence

I pay tribute to my hon. Friend's fantastic work representing his constituents in Yeovil and the magnificent work that they do. We took delivery of the most recent Wildcat helicopter just in the last month. We look forward to working with Leonardo in Yeovil as part of a major strategic partnership agreement. It is important that my hon. Friend puts such issues about helicopter manufacturing forward as part of the industrial Green Paper that the Department for Business, Energy and Industrial Strategy will produce later this year.

Apache AH-64 Helicopter
13 Oct 2016 | HL2032

Asked by: Lord Moonie

To ask Her Majesty's Government, in the light of their decision to buy Apache AH-64E helicopters through a foreign military sale with the United States government, how many UK companies are part of the AH-64E global supply chain; and by value, what proportion of the total cost of an AH-64E their goods and services represent.

Answering member: Earl Howe | Ministry of Defence

The UK's Apache AH-64E helicopters are being bought from the US Government through their Foreign Military Sales (FMS) programme. As such, the UK Government does not have a direct contractual relationship with the Apache AH-64E supply chain. It is understood, however, that at least five UK companies have been successful in securing sub-contracts from Boeing, the helicopter manufacturer and lead system integrator, on the Apache programme. Together, these contracts represent about 5 per cent by value of Boeing's contribution to the global Apache programme.

6. Other Parliamentary material

6.1 Urgent Questions

BAE Systems Military Air & Information Sites: Job Losses
10 October 2017 | 629 cc167-179

6.2 Early Day Motions

Job losses at BAE Systems
Early Day Motion 407 (session 2017-19)
16 October 2017
David Morris

That this House applauds all cross-party initiatives to safeguard employment at BAE Systems; and notes that Saudi Arabia, which accounts for some 20 per cent of BAE Systems' overall sales, has bought more than 70 Typhoons but is now prevaricating about buying another 40.

Job losses at BAE
Early Day Motion 383 (session 2017-19)
11 October 2017
Emma Hardy

That this House notes the October 2017 announcement of job losses at BAE Systems sites in northern England, such as Brough and Warton; further notes that one reason given for this was the reduction in the level of production of the Hawk aircraft; believes that this will be devastating to local communities and the families of those who have lost their job; further believes that the Government could have saved those jobs by ordering nine new Hawk aircraft for the Red Arrows; further notes the loss of high skilled jobs in other industries such as steel; believes that creating and maintaining secure, well-paid and productive jobs should be the centre of the Government's industrial strategy; and calls on the Government to act to bring more well-paid, high skilled jobs to northern England and to help to retrain those who will lose their job.

7. Further reading

Relevant Library Briefing Papers

The aerospace industry: statistics and policy (SN00928) analyses key statistics and presents details of how Government policy supports the wider aerospace industry.

The defence capability review: equipment (CBP8112) provides an introduction to the major front-line equipment of the armed forces.

The UK's F35 Lightning II Joint Strike Fighter (SN06278). Please be aware this paper was published in February 2015 and therefore does not contain the latest information on the Lightning programme. However it does provide a short history of the programme from the late 1990s to 2015.

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