



DEBATE PACK

CDP-0186 (2019) | 9 July 2019

The National Shipbuilding Strategy

Westminster Hall

Thursday 11 July 2019

1:30-4:30pm

Backbench Business Committee
debate led by Kevan Jones MP

The proceedings of this debate can be viewed on [Parliamentlive.tv](https://www.parliamentlive.tv)

Related paper:

[National Shipbuilding Strategy](#), MOD, 6 September 2017

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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1. Background

The debate will discuss the progress of plans to purchase two new ships for the Royal Navy and Royal Fleet Auxiliary: the Type 31e frigate and the Fleet Solid Support Ships (FSS). In [November 2018](#) the MOD said it expects to place the contract for the Type 31e in 2019 and the FSS in 2020.

The Government published a [National Shipbuilding Strategy](#) in September 2017, fulfilling a commitment made in the 2015 Strategic Defence and Security Review.

Type 31e programme

The Strategy completely overhauls how the Royal Navy will procure and build its new fleet of general purpose frigates. The Government has already committed to a fleet of eight Type 26 frigates, the first of which will enter service in the mid-2020s. The Shipbuilding Strategy focuses more on the five cheaper frigates, the Type 31e.

The Government remains committed to building Navy warships in the UK but the design and build will be open to competition rather than via a non-competitive single source contract with BAE Systems. Exportability will be built into the new Type 31e frigate fleet to counter the Navy's poor record in exporting new ships. Lastly the strategy sets out an aggressive timetable with the main contract to be placed in early 2019 and an in-service date of 2023 for the first in class for the Type 31e. The competition was reportedly [suspended](#) in July and [restarted](#) in August 2018

In [December 2018](#) in the MOD awarded three Competitive Design Phase contracts to consortia led by BAE Systems, Babcock and Atlas Elektronik UK, with a view to placing the Design and Build contract by the end of 2019. The MOD confirmed plans for a firm price contract of £1.25bn for all five ships, the first to be delivered in 2023 and all five delivered by the end of 2028.

FSS programme

The Government also intends to buy at least two new Fleet Solid Support Ships. These are for the Royal Fleet Auxiliary to supply ships at sea with food, ammunition and spares.

The Government is competing the contract internationally. Labour, the SNP and the shipbuilding trade unions argue the contract should be restricted to UK shipyards to support the shipbuilding industry, secure jobs and retain skills. They argue the proposed ships are 'warships' and as such, the Government can use the Article 346 exemption to exclude

the contract from EU procurement rules on national security grounds. The Government disagrees, defining warships as 'destroyers, frigates and aircraft carriers', and says all other surface vessels should be subject to open competition.

In November 2018 the Ministry of Defence announced five firms had been shortlisted to submit a tender for the competition. These were a Team UK consortia involving Babcock, BAE Systems, Cammell Laird and Rolls-Royce; Fincantieri (Italy); Navantia (Spain); Japan Marine United Corporation and Daewoo Shipbuilding and Marine Engineering (South Korea). However, the [Financial Times](#) reported in May 2019 that Fincantieri and DSME have withdrawn. The Defence Committee took evidence from trade unions and MOD Ministers and officials on the FSS for its [enquiry into procurement](#).

Related Library briefing papers:

[The National Shipbuilding Strategy](#)

[Fleet Solid Support Ships](#)

[An introduction to defence procurement](#) – also available as a [podcast](#).

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.

[Bids in for UK's Type 31e frigate competition](#)

Jane's Navy International
Richard Scott
26 June 2019

[Big shipbuilders pull out of £1bn MoD support-vessel shortlist](#)

Financial Times
Sylvia Pfeifer
19 May 2019

[Royal Navy ships must be made in Britain, say MPs](#)

Cornwall Live
Max Channon
16 May 2019

[UK MoD may have to pay more for next-generation frigates](#)

Financial Times
Sylvia Pfeifer
7 May 2019

[MoD 'to scrap cut-price frigates plan' after fears ships would not be able to protect themselves](#)

Daily Telegraph
Alan Tovey
7 May 2019

[Campaigners step-up fight for new Royal Navy support ships to be built in Britain](#)

Daily Mirror
Ben Glaze
29 April 2019

[Support vessels should be reclassified as warships to stop overseas tenders, former Navy Head says](#)

Daily Telegraph
Alan Tovey
28 April 2019

Unions call for latest Royal Navy 'warship' contract to go to UK workers

Daily Mirror
Ben Glaze
5 April 2019

Is the UK's shipbuilding strategy under water?

Financial Times
Sylvia Pfeifer
8 March 2019

MoD announces shortlist for new frigate contract

Financial Times
Sylvia Pfeifer
10 December 2018

UK shipyards: Five frigates at centre of new strategy

BBC News
6 September 2017

3. Press releases

Queen welcomes Royal Navy's largest ever ship into the fleet

Ministry of Defence

7 December 2017

The Queen spoke at a ceremony in Portsmouth's naval base this morning, attended by Her Royal Highness Princess Anne, Defence Secretary Gavin Williamson, Chancellor Philip Hammond and military chiefs.

In her role as the ship's Lady Sponsor Her Majesty addressed guests before the Ship's Commanding Officer, Captain Jerry Kyd, read the commissioning warrant. The iconic White Ensign was then raised, symbolising the commissioning of the nation's future flagship into the Royal Navy's fleet.

Defence Secretary Gavin Williamson said:

Today marks the start of a hugely significant chapter for the Royal Navy, and indeed the nation, as the future flagship is commissioned into Her Majesty's fleet. It is an honour to witness the crowning moment of an extraordinarily busy year for the Royal Navy that has seen us name the second carrier, HMS Prince of Wales, cut steel on the first Type 26 frigates and launch the National Shipbuilding Strategy.

Our new aircraft carrier is the epitome of British design and dexterity, at the core of our efforts to build an Armed Forces fit for the future. For the next half a century both carriers will advance our interests around the globe, providing the most visible symbol of our intent and commitment to protect the UK from intensifying threats, wherever they may come from.

Having successfully completed her second stage of sea trials off the south coast of England, the carrier is back alongside at her home port of Portsmouth. Over 10,000 people across the UK have contributed to the delivery of the ship under the Aircraft Carrier Alliance.

Completing final build activity and preparing for helicopter trials in the New Year, HMS Queen Elizabeth will head to the United States for initial flight trials off the coast in autumn 2018. There are currently 150 Royal Navy and RAF personnel training in the US on our 13 F-35 jets.

The UK has worked closely on both the F-35 and carrier programmes with the US, our pre-eminent partner within NATO, enabling us to fly aircraft from each other's ships. Both of the UK's new carriers will be able to operate alongside NATO and coalition allies.

Admiral Sir Philip Jones, First Sea Lord and Chief of Naval Staff, said:

In hoisting the White Ensign from HMS Queen Elizabeth today, Britain has confirmed her place among the world's great maritime powers in the most majestic and muscular terms.

The Queen Elizabeth-class carriers will sit at the heart of a modernised and emboldened Royal Navy, capable of projecting power and influence at sea, in the air, over the land and in cyberspace, and offering our nation military and political choice in an uncertain world.

But our greatest strength of all is the young sailors and marines upon whose shoulders our continued security and prosperity rests. They are starting their careers as a new chapter opens for the Royal Navy - and like all those who have gone before them, they are ready to serve their Queen and Country.

Both new aircraft carriers will be able to perform a wide range of tasks, from humanitarian and disaster relief to fighting terrorism and high-end warfighting. In what has been termed, 'the Year of the Royal Navy' the second carrier, HMS Prince of Wales, was named in Rosyth and is structurally complete.

This year the Royal Navy has also had steel cut on the first of the Type 26 frigates and Dreadnought submarines, the launch of the National Shipbuilding Strategy, provisioning for a new class of frigate, the Type 31e, float out of the fourth Astute submarine, HMS Audacious, the naming of two Offshore Patrol Vessels and the arrival of our first two MARS Tankers in the UK.

Last month the Defence Secretary visited HMS Queen Elizabeth for the first time while at sea, meeting the crew and thanking them for their work towards UK defence.

Chief of the Air Staff, Air Chief Marshal Sir Stephen Hillier, said:

Congratulations from the Royal Air Force to the Royal Navy on achieving another important milestone in the UK's Carrier Strike capability. I know the RAF and RN F-35 crews are looking forward to starting to fly from HMS Queen Elizabeth next year.

[Ambitious future for Naval Shipbuilding in the UK](#)

Ministry of Defence

6 December 2017

Sir John Parker's independent report into British naval shipbuilding proposed far-reaching recommendations to transform the UK maritime industry and boost the prosperity of regions, shipyards and maritime supply chains across the country.

Today's Strategy sees the Government accept Sir John's recommendations and step up to what he called a prospective 'renaissance' in British shipbuilding. Building on the Government's industrial strategy, it outlines an ambition to transform the procurement of naval ships, make the UK's maritime industry more competitive, grow the Royal Navy fleet by the 2030s, export British ships overseas, and boost innovation, skills, jobs, and productivity across the UK.

It announces the government's plan to procure new Type 31e General Purpose Frigates. A price cap has been set of no more than £250M each for the first batch of five frigates. In line with standing UK policy on warships they will be built in the UK. They could be built in a way which could see them shared between yards and assembled at a central hub. The first ships are set to be in service by 2023. Shipyards will be encouraged to work with global partners to ensure the vessel is competitive on the export market.

Defence Secretary Sir Michael Fallon said:

This new approach will lead to more cutting-edge ships for the growing Royal Navy that will be designed to maximise exports and be attractive to navies around the world.

Backed up by a commitment to spend billions on new ships, our plan will help boost jobs, skills, and growth in shipyards and the supply chain across the UK.

The Strategy sets out the government's commitment to work with industry to reinvigorate and maximise export success. The Type 31e will be designed to meet the needs of the Royal Navy and with the export market in mind from the beginning. This could see industry's customer become not only the Royal Navy but for the navies of Britain's allies and partners.

The MOD is committed to new ships for the Royal Navy through its rising budget and £178bn equipment plan. In July, at BAE's Govan shipyard, the Defence Secretary cut steel for the first of eight Type 26 frigates, HMS Glasgow. The £3.7 billion contract for the first three, the largest for naval ships this decade, will secure hundreds of high skilled jobs on the Clyde until 2035 and hundreds more in the supply chain across the UK.

Sir John Parker said:

I am very impressed by the courage that the Secretary of State has shown – and the Government – in adopting my recommendations, which were very extensive, and will change the shape of naval shipbuilding over the country in the future.

The next challenge is to come up with a world-leading design; one that can satisfy the needs of the Royal Navy and the export market. We have the capability to do that, the will is there and it is a tremendous opportunity

for UK shipbuilding. I see no reason why industry will not rise to that challenge. There is an incredible keenness from around the country, from Scotland to Merseyside, to the South West and over to Belfast.

The option to build the Type 31e frigates in blocks reflects how the biggest ship ever built for the Royal Navy, the 65,000-tonne HMS Queen Elizabeth, was constructed. The aircraft carrier was built in blocks by over 10,000 people in six main British cities. She was then assembled in Rosyth, before commencing sea trials in June and arriving in her home port of Portsmouth last month.

Her sister ship HMS Prince of Wales, built in the same way, is also now structurally complete and will be officially named in a ceremony on 8 September. This method has also been tried and tested on the UK's new polar research ship, RRS Sir David Attenborough, with shipyards across the country collaborating in the block build.

The Strategy is an important part of the government's broader industrial strategy that focuses on increasing economic growth across the country and investing in a more skilled workforce.

The Government will work together with industry to provide the certainty and support the need to become internationally competitive. Such a move will not only boost the British economy and jobs, but it will also help to create a more stable and well-protected world.

[First Sea Lord outlines the Royal Navy's requirements for the Type 31e frigate](#)
Ministry of Defence
7 September 2017

Speech by Admiral Sir Philip Jones, First Sea Lord:

Minister, ladies and gentlemen, it's a pleasure to speak to you today, in the midst of a hugely exciting few weeks for the Royal Navy and the UK's maritime industrial sector.

As the minister mentioned, when HMS Queen Elizabeth arrived in Portsmouth last month, I described it as a triumph of strategic ambition and a lesson for the future, and I really meant it.

Here was a project first initiated 20 years ago, in which time it outlasted 3 prime ministers, 8 defence secretaries and 7 First Sea Lords. It survived 5 general elections, 3 defence reviews and more planning rounds than I care to remember.

But despite all these twists and turns, the project endured and, in doing so proved to the world, and to ourselves, that we still have what it takes to be a great maritime industrial nation.

Now, in the National Shipbuilding Strategy, we have an opportunity to maintain the momentum.

So my reason for being here today is two-fold. Firstly, to outline the Royal Navy's requirement for the Type 31e by describing the kind of ship we're looking for and its place in our future fleet.

Secondly, to emphasise our commitment to working with you, our industry partners, to build on what we've achieved with the Queen Elizabeth class, and to bring about a stronger and more dynamic shipbuilding sector which can continue to prosper and grow in the years ahead.

Requirement

The Royal Navy's requirement for a general purpose frigate is, in the first instance, driven by the government's commitment to maintain our current force of 19 frigates and destroyers.

The 6 Type 45 destroyers are still new in service, but our 13 Type 23 frigates are already serving beyond their original design life.

They remain capable, but to extend their lives any further is no longer viable from either an economic or an operational perspective.

Eight of those Type 23s are specifically equipped for anti-submarine warfare and these will be replaced on a one-for-one basis by the new Type 26 frigate.

As such, we look to the Type 31e to replace the remaining 5 remaining general purpose variants.

This immediately gives you an idea of both the urgency with which we view this project, and how it fits within our future fleet.

In order to continue meeting our current commitments, we need the Type 31e to fulfil routine tasks to free up the more complex Type 45 destroyers and Type 26 frigates for their specialist combat roles in support of the strategic nuclear deterrent and as part of the carrier strike group.

So although capable of handling itself in a fight, the Type 31e will be geared toward maritime security and defence engagement, including the fleet ready escort role at home, our fixed tasks in the South Atlantic, the Caribbean and the Gulf, and our NATO commitments.

These missions shape our requirements.

There is more detail in your handout but, broadly speaking, the Type 31e will need a hanger and flight deck for both a small helicopter and unmanned air vehicle, accommodation to augment the ship's company with a variety of mission specialists as required, together with stowage for sea boats, disaster relief stores and other specialist equipment.

It will be operated by a core ships company of between 80-100 men and women and it needs to be sufficiently flexible to incorporate future developments in technology, including unmanned systems and novel

weaponry as they come to the fore, so open architecture and modularity are a must.

All this points towards a credible, versatile frigate, capable of independent and sustained global operations.

Now I want to be absolutely clear about what constitutes a frigate in the eyes of the Royal Navy.

In Nelson's time, a first rate ship like HMS Victory was a relative scarcity compared with smaller, more lightly armed frigates.

They wouldn't take their place in the line of battle, but they were fast, manoeuvrable and flew the White Ensign in many of the far flung corners of the world where the UK had vital interests.

More recently, the navy I joined still had general purpose frigates like the Leander, Rothesay and Tribal class and, later, the Type 21s, which picked up many of the routine patrol tasks and allowed the specialist ASW frigates to focus on their core NATO role.

It was only when defence reductions at the end of the Cold War brought difficult choices that we moved to an all high end force.

So forgive the history lesson, but the point I'm making is the advent of a mixed force of Type 31 and Type 26 frigates is not a new departure for the Royal Navy, nor is it a 'race to the bottom'; rather it marks a return to the concept of a balanced fleet.

And the Type 31e is not going to be a glorified patrol vessel or a cut price corvette. It's going to be, as it needs to be, a credible frigate that reflects the time honoured standards and traditions of the Royal Navy.

Ambition

In order to maintain our current force levels, the first Type 31e must enter service as the as the first general purpose Type 23, HMS Argyll, leaves service in 2023.

Clearly that's a demanding timescale, which means the development stage must be undertaken more quickly than for any comparable ship since the Second World War.

But while this programme may be initially focused on our requirements for the 2020s, we must also look to the 2030s and beyond.

You know how busy the Royal Navy is and I won't labour the point, suffice to say international security is becoming more challenging, threats are multiplying and demands on the navy are growing.

Added to this is that, as we leave the European Union, the UK is looking to forge new trading partnerships around the world.

Put simply, Global Britain needs a global Navy to match.

It is therefore significant that the government has stated in its manifesto, and again through the National Shipbuilding Strategy, that it views the Type 31e as a means to grow the overall size of the Royal Navy by the 2030s.

If we can deliver a larger fleet, then we can strengthen and potentially expand the Royal Navy's reach to provide the kind of long term presence upon which military and trading alliances are built.

Delivery

This is a hugely exciting prospect, but we must first master the basics.

We can all think of examples of recent projects which have begun with the right intentions, only for timescales to slip, requirements to change and costs to soar.

As Sir John Parker highlighted in his report last year, we end up with a vicious cycle where fewer, more expensive, ships enter service late, and older ships are retained well beyond their sell by date and become increasingly expensive to maintain.

So we need to develop the Type 31e differently if we're going to break out of that cycle.

We've said that the unit price must not exceed £250 million.

For the Royal Navy, this means taking a hard-headed, approach in setting our requirements to keep costs down, while maintaining a credible capability, and then having the discipline to stick to those requirements to allow the project to proceed at pace.

It also means playing our part to help win work for the UK shipbuilding sector from overseas.

So the challenge is to produce a design which is credible, affordable and exportable.

Adaptability is key, we need a design based on common standards, but which offers different customers the ability to specify different configurations and capabilities without the need for significant revisions.

So while it may be necessary to make trade offs in the name of competitiveness, export success means longer production runs, greater economies of scale and lower unit costs, and therein lies the opportunity to increase the size of the Royal Navy.

With a growing fleet it would be perfectly possible for the Royal Navy to forward deploy Type 31e frigates to places like Bahrain Singapore and the South Atlantic, just as we do with some of our smaller vessels today.

If our partners in these regions were to buy or build their own variants, then we could further reduce costs through shared support solutions and common training.

And because of the Royal Navy's own reputation as a trusted supplier of second hand warships, we could look to sell our own Type 31's at the midpoint of their lives and reinvest the savings into follow-on batches.

So by bringing the Royal Navy's requirements in line with the demands of the export market, we have the opportunity to replace the vicious circle with a virtuous one.

And beyond the Type 31e, the benefits could apply to the Royal Navy's longer term requirements, beginning with the fleet solid support ship but also including our future amphibious shipping and eventually the replacement for the Type 45 destroyers as well as other projects that may emerge.

Ultimately, the prize is a more competitive and resilient industrial capacity: one that is better able to withstand short term political and economic tides and can serve the Royal Navy's long term needs.

Conclusion

So, in drawing to a close, I believe we have a precious opportunity before us.

My father worked at the Cammell Laird shipyard for over 40 years. It was visiting him there as a schoolboy and seeing new ships and submarines taking shape that provided one of the key inspirations for me to join the Royal Navy, nearly 40 years ago.

And yet, for most of my career, the fleet has become progressively smaller while the UK shipbuilding sector contracted to such an extent that it reached the margins of sustainability.

But with the Queen Elizabeth class carriers, and the 6 yards involved in their build, we demonstrated that shipbuilding has the potential to be a great British success story once again.

Far beyond Rosyth, we've seen green shoots emerging in shipbuilding across the country, and throughout the supply chain, driven by a new entrepreneurial ambition.

Now the National Shipbuilding Strategy has charted a bold and ambitious plan to capitalise on that and reverse the decline.

And in the Type 31e, we have the chance to develop a ship that can support our national security and our economic prosperity in the decades to come.

The navy is ready and willing.

Now we look to you, our partners in industry, to bring your expertise, your innovation and your ambition to bear in this endeavour.

4. PQs

[Education: Industrial Strategy](#)

24 Jun 2019 | 798 c945

Asked by: Lord West of Spithead

My Lords, does the Minister not think that when the youngsters at these colleges look at our shipbuilding strategy—which is part of the industrial strategy—they will be surprised that the shipbuilding strategy does not involve any ships being ordered?

Answered by: Lord Agnew of Oulton

My Lords, shipbuilding is a long-standing and noble industry in this country, and we will continue to encourage it. However, we are in a globalised world, and it is a priority that we encourage skills in the areas that are growing most rapidly.

[Defence Manufacturing](#)

20 May 2019 | 660 c495

Asked by: Douglas Chapman

In recent days, we have heard of foreign shipbuilders pulling out of the bidding process for the fleet solid support ships. If the Government are being true to the national shipbuilding strategy, will the Minister accept that time is of the essence for not only the support ships but the bidding process for the Type 31 frigates? I know of a yard that has the skills, experience, talent and infrastructure to build those ships for the UK—we are good to go in Rosyth, so, for the sake of jobs and the industry, will the Minister start signing the contracts?

Answered by: Stuart Andrew | Department: Defence

The hon. Gentleman mentions the Type 31. Of course, that is a UK-only competition and we will wait for the results later this year. On the fleet solid support ships, I am pleased that a UK consortium is in there. I can confirm that Fincantieri has withdrawn from the competition, but I am not going to comment on any other entrants, because it is purely speculation at this stage.

[Defence Procurement](#)

20 May 2019 | 660 c488

Asked by: Anne-Marie Trevelyan

I welcome the Secretary of State to her place. It is a pleasure to see such an amazing woman on the Front Bench, standing up for defence.

Last Thursday, myself and colleagues from across the House on the all-party parliamentary group on shipbuilding and ship repair launched our report on the national shipbuilding strategy. We have real concerns that competition, particularly for naval shipbuilding, is based on a model that does not include the economic benefits to the UK being recycled back in

when we spend UK taxpayers' money. Can the Minister give me an assurance that the Ministry is looking at that and will work with the Treasury to change our model, so that we can get the best value and ensure that our shipbuilding pipeline lasts in the UK?

Answered by: Stuart Andrew | Department: Defence

I thank my hon. Friend for her question. She will be aware that Sir John Parker is currently doing a review of his initial report. International competition is also about encouraging UK industry and UK shipyards to be as competitive as possible, so that they can not only maximise the opportunities that UK defence offers, but take advantage of competition around the globe, too.

Type 31 Frigates: Procurement

08 Apr 2019 | 240633

Asked by: Paul Sweeney

To ask the Secretary of State for Defence, whether the outturn budget for the Type 31e programme is maintained at £1.25 billion for five ships.

Answering member: Stuart Andrew | Department: Ministry of Defence

As announced in the National Shipbuilding Strategy, we want five ships at an average price of £250 million per ship. In common with all procurement projects the overall Type 31e programme cost will be determined at the main investment decision point.

Royal Fleet Auxiliary: Procurement

02 Apr 2019 | 238288

Asked by: Kevan Jones

To ask the Secretary of State for Defence, with reference to recent naval incursions by Spanish vessels into UK territorial waters around Gibraltar, what assessment he has made of the potential merits of awarding the Fleet Solid Support Ship contract to a Spanish company.

Answering member: Stuart Andrew | Department: Ministry of Defence

The National Shipbuilding Strategy was clear that the Fleet Solid Support Ships will be subject to international competition. It makes no assumptions about where the ships will be built.

The competition that is now under way to procure the Fleet Solid Support Ships will be assessed fairly and in accordance with UK public procurement law. I am very pleased that a UK consortium is among the bidders.

Defence: Procurement
20 Feb 2019 | HL13686

Asked by: Lord West of Spithead

To ask Her Majesty's Government, further to the report for the Secretary of State for Defence, Growing the Contribution of Defence to UK Prosperity, published in July 2018, whether UK prosperity is a factor in procurement decisions.

Answering member: Earl Howe | Department: Ministry of Defence

Last March the Defence Secretary invited the right hon. Member for Ludlow (Philip Dunne) to review opportunities for "Growing the Contribution of Defence to UK Prosperity". We are currently working with UK defence industry to respond to his recommendations.

Following the creation of the national security objective to 'Promote our Prosperity' in the 2015 Strategic Defence and Security Review we have refreshed Defence Industrial Policy to help strengthen UK competitiveness, published a National Shipbuilding Strategy and launched the Future Combat Air Strategy. We also engage with global primes to create opportunities for all tiers of the UK supply chain.

Shipbuilding

19 Feb 2019 | HL13612

Asked by: Lord Taylor of Warwick

To ask Her Majesty's Government what steps they are taking to (1) protect jobs, and (2) boost productivity, in the UK shipbuilding industry.

Answering member: Lord Henley | Department for Business, Energy and Industrial Strategy

The National Shipbuilding Strategy published in 2017 set out how the Ministry of Defence would transform the way it procures naval ships. The Strategy committed the government to work with the industry to improve public procurement, increase trade and drive innovation.

An industry led Maritime Enterprise Working Group is undertaking a long-term programme of improvements for the UK shipbuilding industry. Its membership includes the major UK shipbuilders, government and universities.

The Group commissioned a Shipbuilding Market Evaluation and Competitiveness Study that is due to report shortly. The findings of the study will enable the UK shipbuilding industry to focus on specific productivity improvements based on the opportunities for the industry in terms of the domestic and international markets for commercial and naval ships, which could secure jobs for the long term.

[Warships: Procurement](#)

18 Feb 2019 | 220113

Asked by: Kevan Jones

To ask the Secretary of State for Defence, whether his Department's contract to build the planned Future Littoral Strike Ship will be subject to an international competition.

Answering member: Stuart Andrew | Department: Ministry of Defence

The procurement strategy for the Littoral Strike Ship is yet to be determined, but it will be subject to the policies articulated in the National Shipbuilding Strategy.

[Hospital Ships: Procurement](#)

29 Jan 2019 | 210730

Asked by: Luke Pollard

To ask the Secretary of State for Defence, whether a UK hospital ship would be classed as a complex warship and eligible for a restricted tender for UK shipyards for its construction.

Answering member: Stuart Andrew | Department: Ministry of Defence

In accordance with the National Shipbuilding Strategy, UK hospital ships procured by the Royal Navy are not warships.

[Minesweepers: Procurement](#)

20 Dec 2018 | HL12214

Asked by: Lord West of Spithead

To ask Her Majesty's Government whether replacing Hunt-class mine countermeasures vessels is included in their shipbuilding strategy.

Answering member: Earl Howe | Department: Ministry of Defence

Yes, the 30 Year Shipbuilding Plan published with the National Shipbuilding Strategy in September 2017 includes the Mine countermeasures and Hydrographic Capability programme. This programme will develop options to meet our future Mine countermeasures and Hydrographic requirements.

[Topical Questions](#)

26 Nov 2018 | 650 c20

Asked by: Paul Sweeney

The Secretary of State said that he recently visited the Royal Navy's flagship, HMS Albion. Why is it that the Ministry of Defence defined it

as a warship in 2009, but it is no longer defined as a warship in the 2017 national shipbuilding strategy?

Answered by: Stuart Andrew | Department: Defence

Excuse me a moment; I will try to answer the hon. Gentleman's question. As I have said before, we now have a national shipbuilding strategy that is ensuring that our shipbuilding industry knows exactly what the MOD will be building over the next 30 years so that it can plan accordingly and be competitive in the world market. Surely, we should be welcoming that.

[Shipbuilding: Warships](#)

25 Oct 2018 | 182309

Asked by: Paul Sweeney

To ask the Secretary of State for Defence, for what reason the National Shipbuilding Strategy restricts the definition of warships to frigates, destroyers and aircraft carriers.

Answering member: Stuart Andrew | Department: Ministry of Defence

The National Shipbuilding Strategy stated that warships must be built in the UK, and defined warships as frigates, destroyers and aircraft carriers. This policy decision recognises that preserving the national capability to design, integrate and build warships is critical to national security. There is no underpinning national security reason to mandate that other Royal Navy ships are constructed in UK shipyards.

[Frigates](#)

17 Sep 2018 | HL10120

Asked by: Lord West of Spithead

To ask Her Majesty's Government how many frigates will be operational in the Royal Navy in (1) 2024, (2) 2025, (3) 2026, and (4) 2027.

Answering member: Earl Howe | Department: Ministry of Defence

The National Shipbuilding Strategy envisages that the Type 31e will undertake a broad range of roles currently delivered by the Type 23 general purpose frigate, of which HMS Argyll is currently the first to leave service in 2023. We want the first Type 31e to enter service in 2023, with all five ships delivered by 2028.

The exact dates for the delivery of the Type 31e frigates are yet to be determined so it is too early to release the numbers of ships in service at any one time.

Shipbuilding: Procurement

25 Apr 2018 | 136860

Asked by: Paul Sweeney

To ask the Secretary of State for Defence, what steps his Department is taking to support SMEs to tender for contracts issued as a result of the National Shipbuilding Strategy.

Answering member: Guto Bebb | Department: Ministry of Defence

The National Shipbuilding Strategy aims to re-energise the UK's shipbuilding industry by encouraging participation from the wider UK shipbuilding enterprise, ensuring that we receive bids from the widest range of suppliers possible. This will ensure that the UK remains globally competitive, and that the Ministry of Defence procurement process is as competitive as possible.

We are committed to making it easier to do business with defence, particularly for small and medium-sized enterprises (SMEs). As part of this we are working to improve our engagement with smaller businesses; making it easier for them to find opportunities and win defence business.

Since March 2016 we have implemented a range of measures to support SMEs, including revising our policies, advertising all our contracts above £10,000 online, and requiring our prime contractors to similarly advertise subcontract opportunities. Furthermore, we have introduced a new Supplier Portal page, bringing together the key information for suppliers of all sizes.

Type 31 Frigates

25 Jan 2018 | 123285

Asked by: Kevan Jones

To ask the Secretary of State for Defence, with reference to the National Shipbuilding Strategy, what the evidential basis is for his Department's decision to set the objective of exporting 40 Type 31e frigates.

Answering member: Guto Bebb | Department: Ministry of Defence

With reference to the National Shipbuilding Strategy no Departmental objective has been set for the export of 40 Type 31e frigates. The Government has assessed that there is a potential light frigate market of around 40 ships over the next 10 years.

[Topical Questions](#)

15 Jan 2018 | 634 c607

Asked by: Kevan Jones

The national shipbuilding strategy states that overseas nations will order 40 Type 31 frigates. It is nearly 40 years since we last successfully exported any frigates, so will the Minister explain how that figure was arrived at? Is there any fact behind it, or is it just optimistic spin?

Answered by: Guto Bebb | Department: Defence

Once again, the hon. Gentleman's comments are disparaging of our ability as a nation. This country aims to deal with past failures by ensuring that we have a platform that will appeal to nations around the world. The MOD is confident that the platform that we are developing for the Type 31e will appeal around the world. It would be good if some Members who claim to represent British industry were willing to support rather than attack it.

[Warships: Shipbuilding](#)

31 Oct 2017 | 109853

Asked by: Chris Stephens

To ask the Secretary of State for Defence, how many meetings have taken place between trades union representatives and his Department on the national shipbuilding strategy; and if he will make a statement.

Answering member: Harriett Baldwin | Department: Ministry of Defence

Following on from Sir John Parker's trade union engagement prior to publishing his independent report, we have continued to keep the trade unions involved. Representatives from the Confederation of Shipbuilding and Engineering Unions (CSEU) and GMB have attended Industry stakeholder events in relation to the National Shipbuilding Strategy. We also undertook a briefing on the strategy followed by a question and answer session at the CSEU Maritime Forum on 13 February 2017. We will continue to engage with the trade unions as we implement the strategy.

[Warships: Shipbuilding](#)

09 Oct 2017 | 105036

Asked by: Kevan Jones

To ask the Secretary of State for Defence, with reference to page 9, paragraph 13 of the National Shipbuilding Strategy, how the figure of £63 billion of Government spending on procurement and support for surface ships and submarines was calculated.

Answering member: Harriett Baldwin | Department: Ministry of Defence

As outlined in the Defence Equipment Plan Report 2016 we intend to spend around £19 billion on building ships and submarines and £44

billion on supporting ships and submarines over the next 10 years, totalling £63 billion. As outlined in the report, for ships this includes the completion of the new Queen Elizabeth Aircraft Carriers, the construction of the Type 26 frigate, four new Tide Class tankers, new Offshore Patrol Vessels and the implementation of a Common Support Model. For submarines it includes support to those in service, delivery of the Astute and Dreadnought submarine programmes and the Nuclear Warhead Capability Sustainment Programme, plus procurement of new nuclear propulsion plants.

[Frigates](#)

25 Sep 2017 | HL1504

Asked by: Lord West of Spithead

To ask Her Majesty's Government, in the light of the statements in the National Shipbuilding Strategy about their intention to grow the Royal Navy fleet, what is their aspiration for the number of frigates for the Royal Navy by 2040.

Answering member: Earl Howe | Department: Ministry of Defence

As explained in the Strategic Defence and Security Review 2015 White Paper and in the National Shipbuilding Strategy, our ambition is to sustain a destroyer and frigate force and to grow this force by the 2030s. The Type 31e General Purpose Frigate, which we announced our intention to procure on 6 September 2017, will give us the opportunity to do this, although we have not yet made detailed planning assumptions for the precise number of frigates that the Royal Navy will operate in 2040.

5. Other Parliamentary material

5.1 Debates

[Royal Navy: Type 31e Frigates](#)

20 Dec 2018 | House of Lords | 794 cc1960-1972

Lords question for short debate on what progress has been made on the tendering process for building five new Type 31e frigates; and what impact this process will have on the future of the Appledore shipyard.

[Defence Industry and Shipbuilding](#)

11 Jul 2018 | House of Commons | 644 cc1027-1076

Sixteenth opposition day debate (part two). Motion that this House recognises the important contribution of the defence industry to the UK. Agreed to on question.

[Shipbuilding Strategy](#)

23 Jan 2018 | House of Commons | 635 cc76-101WH

Motion that this House has considered the National Shipbuilding Strategy. Agreed to on question.

5.2 Statements

[Review of the Implementation of the National Shipbuilding Strategy](#)

14 Jan 2019 | HCWS1246

Stuart Andrew (Parliamentary Under Secretary of State for Defence): As stated in the National Shipbuilding Strategy, Sir John Parker has agreed to review the progress that has been made on implementation. I am pleased to announce that Sir John has begun the review process and will report to the Secretary of State for Defence by the summer.

[Type 31e Frigate](#)

10 Dec 2018 | HCWS1161

Stuart Andrew (Parliamentary Under Secretary of State for Defence Procurement): I am pleased to inform the House that the Ministry of Defence (MOD) has taken a major step forward in the competition to build five Type 31e Frigates.

On 10 December 2018 the MOD awarded three contracts for the Competitive Design Phase. The contracts have been awarded to consortia led by BAE Systems, Babcock and Atlas Elektronik UK and are valued at up to £5 million each.

The Competitive Design Phase is the first stage of the design process which will allow suppliers to demonstrate how they can deliver the Royal Navy's threshold capability by the target date and within budget. These contracts will fund industry to prepare detailed proposals for the design and build of the five Type 31e Frigates.

Concurrent with the award of the Competitive Design Phase contracts, the MOD has issued to each consortium an Invitation to Negotiate for the single Design and Build contract that we intend to place by the end of 2019. Conducting the Competitive Design Phase in parallel with the Design and Build contract negotiations will allow the award of the Design and Build contract earlier than would normally be the case in a major procurement.

It remains our intention to seek a firm price contract for five ships, less an amount of Government Furnished Equipment, for £1.25 Billion, giving an average price of £250 million per ship. We want the first ship in 2023, with all five ships delivered by the end of 2028. The Government remains committed to a surface fleet of at least 19 frigates and destroyers.

This contractual milestone is a tangible and positive result of the National Shipbuilding Strategy published in September 2017. The Strategy sets out how the Government intends to work with industry to develop a strong and globally competitive UK shipbuilding and marine engineering sector. The Type 31e procurement is seeking to maximise the UK prosperity and export potential, without compromising on cost and time.

The award of the Competitive Design Phase contracts is a testament to the MOD's positive engagement with industry and the commitment to move the programme forward.

[Defence Industry and Shipbuilding - Response to a Resolution of the House - 11 July 2018](#)

15 Oct 2018 | House of Commons | HCWS999

Stuart Andrew (Under Secretary of State for Defence

Procurement): I would like to thank all hon. and right hon. Members, my predecessor, the hon. Member for Aberconwy, (Guto Bebb) and the Minister for Defence People and Veterans (the Rt Hon Tobias Ellwood) for their contribution to the Opposition Day debate on Defence Industry and Shipbuilding which took place on 11 July 2018. The passionate and constructive comments of Members clearly demonstrated this House's support for shipbuilding.

Naval shipbuilding has a particularly important place in our defence industry. As a maritime nation, our prosperity as well as our security hinges on the strength of our navy.

All Royal Navy warships, by which we mean destroyers, frigates and aircraft carriers, will have a UK-owned design, and will be built and integrated in the UK.

All other naval vessels, including Royal Fleet Auxiliaries, will be procured through international competition to secure the best designs and value for money for the UK taxpayer. This does not mean that other naval vessels cannot be built in the UK, rather, it means the UK shipbuilding

industry has an opportunity to put forward internationally competitive and innovative bids. We have actively engaged UK shipyards to take part in the Fleet Solid Support ships competition. It is in the Government's and the taxpayers' interests to have a robust competition and we anticipate receiving strong bids from UK shipyards.

We will continue to work closely with the defence industry to energise this crucial sector of our economy to achieve our strategic aim – to have a modern, innovative, internationally competitive sector capable of meeting the country's defence and security needs, both now and in the future.

National Shipbuilding Strategy

06 Sep 2017 | 628 cc176-194

Sir Michael Fallon (The Secretary of State for Defence): With permission, Mr Speaker, I wish to make a statement. This Government are committed to a strong Royal Navy and a strong economy that benefits every part of the UK. Today I am publishing the national shipbuilding strategy, the means by which we plan to bring these two strategic goals together. Copies are being placed in the Library and on the Government website. This strategy will transform the procurement of naval ships, enable the fleet to grow by the 2030s, energise the United Kingdom's maritime industry, and increase skills, exports and prosperity across our country.

In the 2015 strategic defence and security review we committed to developing a national shipbuilding strategy, because we acknowledged that previous procurement of surface ships had been problematic. Sir John Parker, a well respected expert in this sector, was appointed to produce an independent report to inform the strategy, and that report was published in full last November. Sir John analysed where previous approaches had fallen short, and identified a "renaissance" in United Kingdom shipbuilding. He made 34 recommendations in total. I am pleased to report today that we have accepted all of Sir John's recommendations for the Government, and have either implemented them already or have a plan of action to do so. I would like to place on record once again my thanks to Sir John for supporting us.

The strategy focuses on surface ships and makes clear this Government's commitment to an ambitious programme of investment in a growing Navy. In the post-Brexit world, the need for us to project our influence and to keep reaching out to friends and allies alike will be more important than ever. That is why we now propose to invest billions in the Royal Navy over the coming decade. Our future fleet will include our two mighty flagships, the Queen Elizabeth aircraft carriers; the next generation Dreadnought submarines; the Type 45 destroyers; and a phalanx of new frigates—not just Type 26 global combat ships, but a flexible and adaptable general purpose light frigate, the Type 31e—as well, of course, as the Astute class submarines and five new offshore patrol vessels.

I am pleased to announce in the House today that the Government plan to procure the new Type 31e frigates. We will order a first batch of five such vessels, with the first to be in service by 2023. The Type 31e will enable us to refocus offshore patrol vessels and other craft on their core patrol and protection roles, while the Type 31e ships will maintain and project the presence we require to deliver security in an uncertain world. In turn, that will allow the high-end capabilities of the Type 26 frigates and the Type 45 destroyers to focus on maritime task group operations—particularly carrier strike—as well as the protection of the nuclear deterrent. As its name implies, the Type 31e will be designed from the start as an exportable vessel, meeting global needs for a flexible and adaptable light frigate. We will test the concept of distributed block build during the procurement competition.

This procurement will be the first demonstration of our new strategy in practice. The new frigate will be procured competitively, providing an opportunity for any shipyard across the UK to bid for this programme of work. The strategy confirms, in the clearest statement of this policy for a decade, that all warships will have a UK-owned design and will be built and integrated inside the United Kingdom. Warship build will be by competition between United Kingdom shipyards. We will of course encourage United Kingdom yards to work with global partners, where they meet our national security requirements, to ensure that the vessel is fully competitive on the export market. We will also encourage UK yards to participate in the ongoing fleet solid support ship acquisition programme.

These several programmes will secure hundreds of highly skilled and well paid jobs on the Clyde and throughout the UK, bringing opportunities for high-wage and high-skill employment, growth and prosperity. Our research indicates that maritime industries in the UK employ about 111,000 people in nearly 7,000 companies, contributing £13 billion to our economy, of which the shipbuilding and repair element alone contributes about £2 billion.

This is a strategy for industry as much as for the Government. Delivering these new ships means that we will need a strong shipbuilding sector as part of a wider marine engineering sector. That includes the shipyards, their suppliers, those who manufacture and support the equipment for these ships, and the skilled workers who support those companies. Industry and the trade unions were involved as we developed the strategy, and I thank them for their contribution.

This programme of investment represents further opportunities for the sector to compete for and win work for the Royal Navy and for overseas customers, in turn enabling further investment, greater productivity and growth. The strategy makes it clear how the Government now intend to work with the marine engineering sector to support and enable that growth. In turn, we expect the industry to raise productivity and innovation, and to improve its competitiveness in domestic and overseas markets. That, in turn, should better insulate shipyards from the peaks and troughs of Royal Navy business, and bring more sustained growth and prosperity in the regions where those businesses are based.

The strategy makes it clear how the Ministry of Defence will grip and drive pace into ship procurement. We have already implemented a new governance structure that will ensure early and senior oversight of ship procurement programmes. Additional and expert external support will be provided to Navy Command and the Type 31e project team to ensure that they can execute their responsibilities at speed. There will also be a new structure to oversee the delivery of Type 31e and Type 26, building on the lessons learned from the carrier programme. We will reap the benefits of these changes as we build and support a modern Royal Navy that will grow in size by the 2030s. We are committed to meeting the undertakings set out in this strategy, but delivering its ambitious vision will require a joint effort between the Government and the industry. I commend this statement to the House.

6. Further reading

MOD publication:

[National Shipbuilding Strategy](#)

Ministry of Defence
6 September 2017

Library briefing papers:

[The National Shipbuilding Strategy](#)

Commons Briefing Paper CBP-8193
9 January 2018

[Fleet Solid Support Ships](#)

Commons Briefing Paper CBP-8351
6 July 2018

[An introduction to defence procurement](#)

Commons Briefing Paper CBP-8486
28 January 2019
(also available as a [podcast](#))

APPPG report:

[Inquiry into the National Shipbuilding Report](#)

All-Party Parliamentary Group for Shipbuilding and Ship Repair
16 May 2019

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