

# The Benefits of the Type 31 Programme

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# Introduction

- Babcock is an international defence company supporting the Armed Forces in the UK, as well as key NATO allies and beyond.
- We employ over 28,000 people in the UK and overseas.
- We have a leading naval business and provide value-add services across the UK and through our established presence in France, Canada, Australasia & South Africa. We operate in and export to other international markets.
- Northern, Central and Eastern Europe is a strategic focus for us in the broadest sense of security – defence, energy and critical national infrastructure.



## ECONOMIC IMPACT

○ Direct   ○ Indirect   ○ Induced

**£3.3bn**

Total UK GDP contribution

£1.1bn | £1.0bn | £1.2bn



**56,800**

Total UK jobs supported

22,000 | 18,100 | 16,700



**£770m**

Total UK tax revenues

£210m | £220m | £340m



## BUSINESS AREA ECONOMIC IMPACT

Naval engineering, support and systems

**£2bn** contribution to GDP

**35,200** jobs supported



Critical services: defence and civil

**£1.3bn** contribution to GDP

**21,600** jobs supported



## IMPACT IN SOUTH WEST ENGLAND AND SCOTLAND

Scotland  
**£370m** total contribution to GDP  
**6,300** jobs supported

South West England  
**£1.1bn** total contribution to GDP  
**19,400** jobs supported



## SOCIO-ECONOMIC IMPACT

**264** graduates and **985** apprentices in training schemes.

**30,000** students engaged through STEM outreach activities.

**£337m** spent with **2,220** SME suppliers.



**£290m** spent with suppliers in areas classified as a "high priority" for the government's Levelling Up Fund.

**1,660** people directly employed and **£230m** spent with **1,070** suppliers in the 20% most deprived local authority areas in the UK.



# Oxford Economics Study – Babcock's contribution to the UK economy

# Type 31 Programme

- National Shipbuilding Strategy (2017) announced initial batch of 5 general purpose frigates
- Babcock's Arrowhead 140 design selected (origin - Danish Iver Huitfeldt) - contract signed Nov 2019
- Engineered and constructed by Babcock, with new supply chain, at Rosyth
- All 5 ships to be delivered by 2028
- Steel Cut - First of Class, 2021 Second of Class, 2023
- Modular design enabling ease of construction
- Capable, adaptable, supportable and affordable – Royal Navy and NATO standards
- Export orders for Indonesia and Poland
- UK MoD measures supply chain development, innovation, skills, productivity and social value



# Type 31 Impacts

- Type 31 Frigate Programme - delivering multiple benefits on many levels
  - A highly adaptable, capable, affordable frigate for the UK Royal Navy and export customers
  - Positive industrial, economic and social impact at national and local levels
    - Investment
      - Infrastructure
      - Innovation and Technology
    - Supply chain development, including SME's
    - Benefits to society – skills, education and training
- Nurturing the “shipbuilding community”

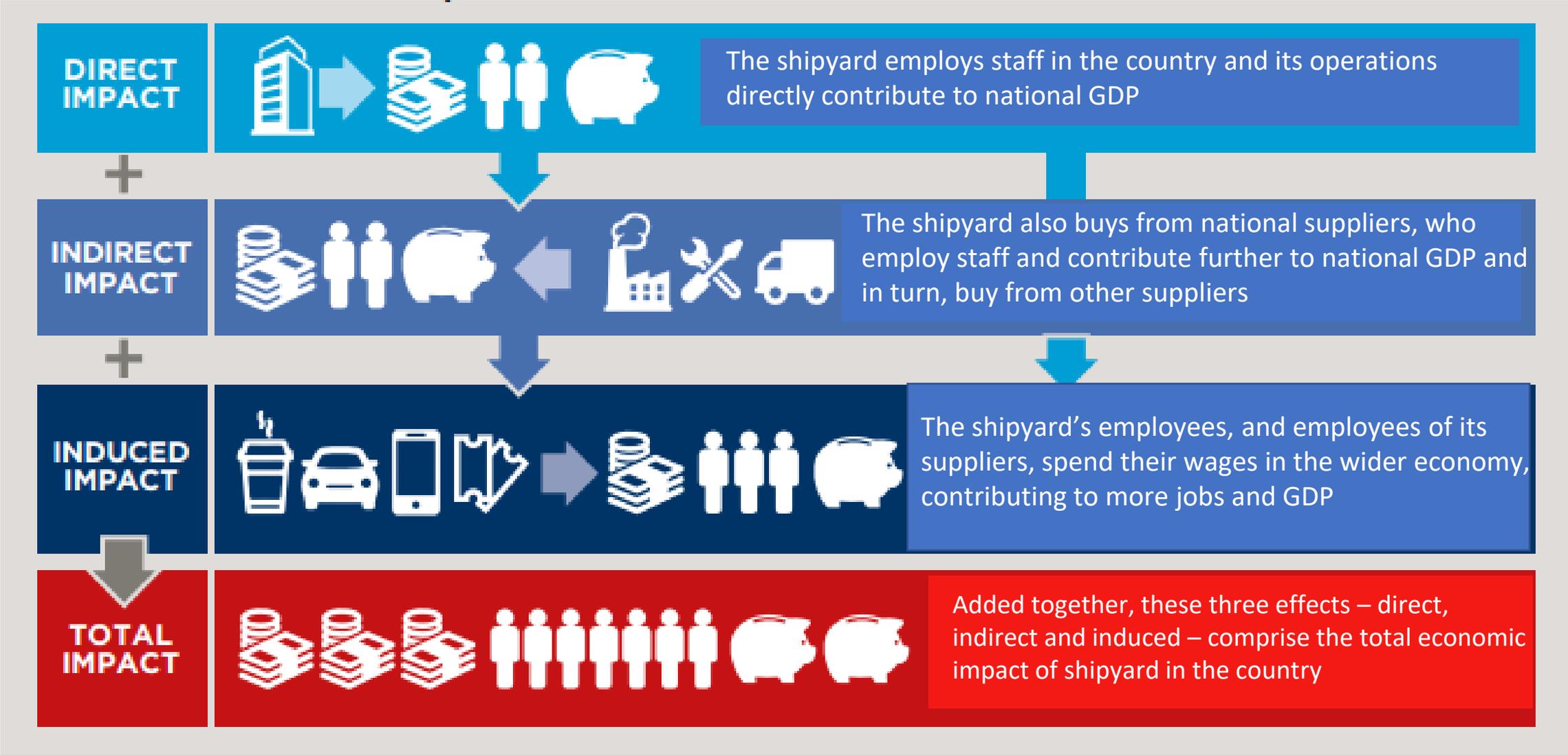


# Type 31 – shipyard modernisation

- Infrastructure and equipment
  - The Venturer building, purpose-built assembly hall accommodating two Type 31s for parallel build and outfitting
  - New Advanced Manufacturing capability - state-of-the-art engineering infrastructure and digital capability
  - Automated steel and pipe manufacturing - data direct from 3D CAD model to workstations - enables concurrent steel manufacture and early outfitting
  - Automated plasma cutting and plate edge milling for panel and beam production, unit assemblies and block construction
  - 15 innovation initiatives – physical and digital facilities
  - Progress measured by customer - Type 31 Delivery Team
- Automation benefits schedule, productivity, quality, efficiency – and therefore cost



# Type 31 – the Economic Impact



# Type 31– benefits for the local economy

- 1,250 direct jobs, 1,250 additional jobs in the supply chain
- Technical training, graduate roles, apprenticeships, and Science, Technology, Engineering and Maths (STEM) education
- Retention of suitably qualified and experienced people (SQEP) – including Continuous Professional Development (CPD)
- Skills enhancement, re-training for new roles and digital upskilling, ensuring all are “digitally literate”
- Safe and Well Employees - successful H&S focus – continuous improvement - achieving industry standards
- Local community support – funding and volunteering
- UK Shipbuilding Skills Taskforce (UKSST) - Industry, Government, RN, Universities, Trade Unions – Skills strategy for UK Shipbuilding



# PSO Recruitment Programme

Production Service Operative programme to recruit and train lower- and semi-skilled workers – including some currently not in education, employment or training “NEET” - to join the Type 31 teams at Rosyth.

- Designed to fill 250 positions
- The first cohort saw 42 applicants start work in April 2022 with four weeks of training at Fife College
- Coached and mentored by Babcock workers to enable them to take on more tasks on their own
- The scheme has long-term benefits as the programme will progress workers to more skilled positions
- Enable workers to enrol for trade apprenticeships leading to a NVQ qualifications



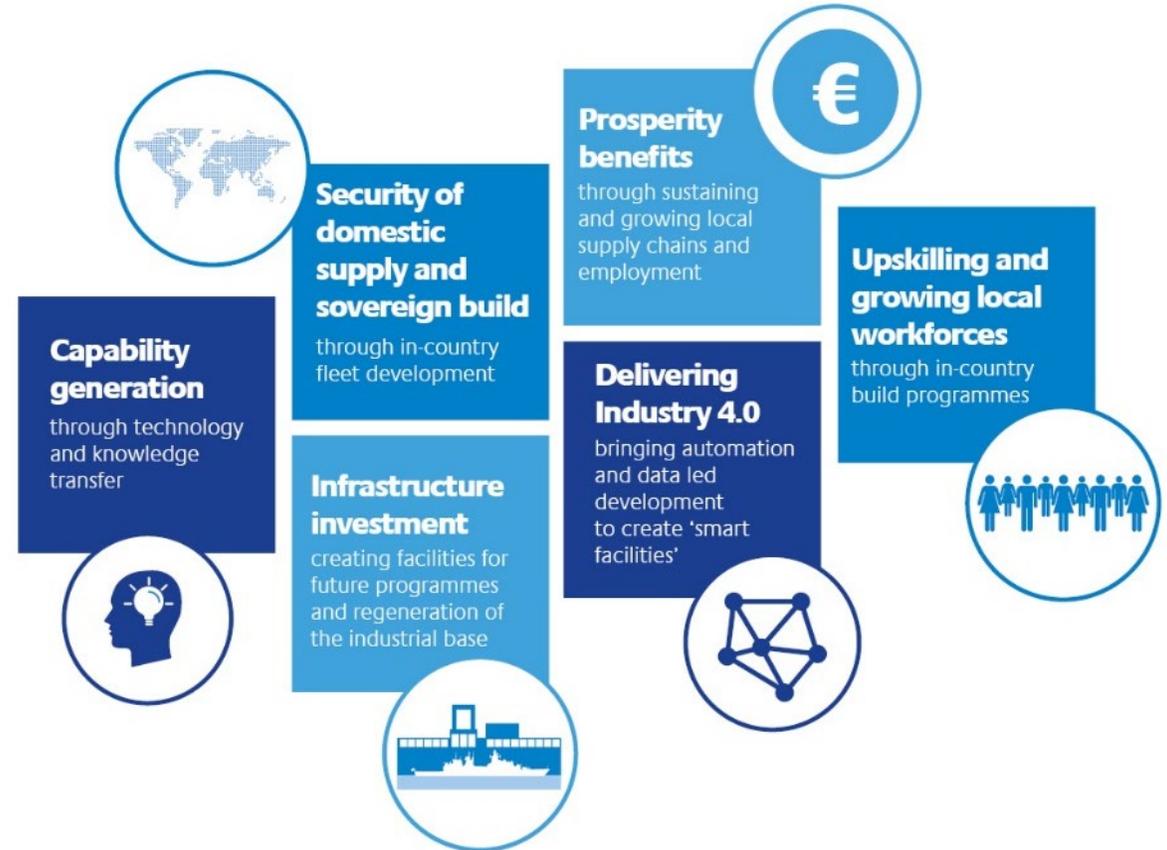
# Type 31- future benefits

- Direct employment - Babcock employs more than 3,500 workers in Scotland
- Supporting the local area - widening opportunities to work on Type 31 including those currently “NEET”
- AGIC – a large scale manufacturing Facility - collaboration between Babcock and five academic and public sector stakeholders – transforming Rosyth into a global hub for large scale advanced manufacturing.
- Firth of Forth Green Freeport - Enabling Rosyth to support Scotland’s net zero agenda through various green technologies and large scale renewable energy manufacturing.



# Arrowhead 140 – Exports

- AH140 selected for Indonesia – Sept '21; Poland March '22
- For customers requiring Babcock support for indigenous AH140 build – Arrowyard™
  - Optimising infrastructure, facilities, systems and processes from build to through-life support
  - Transfer of Knowledge & Technology (TOKAT) for design and construction in local facilities – design licence and engineering support options
  - Build strategy, supply chain packages, block hull and integration, building assistance
  - Training, including workforce, digital skills development and platform / crew
  - Through-life support management - key capabilities to sustain capability and availability whilst saving cost. Digital Twin a key enabler
- Modular build enables global partner shipyards develop potential to participate in future AH140 exports



**Thanks for your  
attention ...**



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