



SHIPBUILDING ENTERPRISE FOR GROWTH (SEG) #9 - MINUTES

11:30 – 16:00 7th October 2024

Babcock International Group, 33 Wigmore Street, London, W1U 1QX

Welcome and Opening Remarks

1. Rod Paterson welcomed members to the 9th meeting of the Shipbuilding Enterprise for Growth (SEG) hosted by Babcock International. For many it was their first SEG following a routine rotation of membership. Active participation and discussion by all present was encouraged. The full Shadow Board was welcomed with 5 members present and one online. Rod introduced Sarah Kenny in her new role as the Industry Co-Chair.
2. Sarah noted that we are entering a challenging time with a change in government, a Strategic Defence Review, as well as some of the most pressing challenges facing the sector such as decarbonisation, digitisation, and skills. However, there was a unique diversity and quality in SEG members around the table which makes her excited for what can be achieved. She stressed that the SEG is not for one way transmission from Government to Industry or vice versa, but a truly joint board to be collaborative throughout.

SEG Terms of Reference (ToR)

3. Rod Paterson introduced the discussion by noting that period of membership rotation is an ideal time to refresh knowledge of the SEG's ToR and then ran through a few select sections of the ToR. Members were encouraged to bring to the attention of the SEG obstacles to shipbuilding success and productivity, as well as any opportunities. They are to ensure that these obstacles are those that can be addressed by government and industry working in harmony; the SEG is not just a route to demanding government action alone.

Contextual Update

4. The SEG was briefed on modern shipbuilding policy development from the Sir John Parker review in 2016 to the publication of the Strategy Refresh in 2022. Looking forward, the Strategic Defence Review has closed for evidence and is due to be published in the first half of next year. The 30th October 2024 Budget is likely to then be followed by a multi-year spending review. In parallel a cross-government industrial strategy is being developed led by the Department for Business and Trade and Defence is also developing industrial strategy activity. Shipbuilding will not be a standalone item but will feed into several of the key pillars including Defence and Advanced Manufacturing.

New Member Introductions

5. The new SEG members then introduced themselves focussing on what they bring to the SEG and what particular areas of interest they have. Similarly, the Shadow Board members were then given the opportunity to introduce themselves to new SEG members. Shadow Board members explained the function of the group and their meeting schedules ahead of SEG sessions.

Shaping the Future Focus of the SEG

6. The purpose of the session was not to establish SEG priorities, but to stimulate conversation which could then be used to formulate priorities over the coming months. Members were again encouraged to think beyond their respective companies and look to represent their subsector. Members were asked a series of questions in Slido and the answers provided formed a series of word clouds which prompted open discussions.

Shipbuilding Skills Delivery Group (SSDG) Update

7. The SEG was briefed on the SSDG by its Chair, Dr Paul Sheerin. The SSDG has been formed as a small group of 13 people, representing a variety of sectors, backgrounds, and types of organisations, and all regions of the UK, to ensure it is a group of action. It was stressed that unlike its UK Shipbuilding Skills Task Force (UKSSTF) predecessors, it will not be a Task and Finish Group, instead it will be enduring.
8. There are 20 recommendations in the UKSSTF report 'A Step Change in UK Shipbuilding Skills'. Many boil down to one of narrative, making the UK Shipbuilding Sector somewhere where people want to work. It was stated that several of the recommendations are for industry to champion with Government support.
9. SSDG members have identified and proposed to the SEG five initial areas of focus:
 - Employer support for a new narrative
 - Employers drive awareness and use of UK skills systems
 - Government and Educators support flexible and modular learning
 - Drive employers to engage with skills fore-sighting
 - Employers promote inclusivity to create opportunities for everyone

Centres of Excellence T&F Grp Final Report

10. Sadly Ben Murray, Chair of the Centres of Excellence Task & Finish Group (CoE T&F Grp), was unable to attend, so Richard Powell (Deputy Chair) opened the briefing, informing new SEG members that this was a pan-industry T&F Grp that had been running for over 2 years. It was noted that there are no other countries that have invested the time to commission such a project.
11. A comprehensive brief was provided on the work of the T&F Grp which has engaged with nine SMI councils and over 80 people from different organisations to establish what constitutes a good Centre of Excellence. From that work the members identified 150 Centres of Excellence across the UK.
12. A key output of the T&F Grp is the CoE Playbook which provides clear advice and support on how to set up a CoE and how to operate it well. The Playbook is in the final stages of editing and is due to be published in the next month or so. The proposed CoE Digital Directory is intended to provide a ready resource for identifying and contacting CoEs.
13. The final report from the T&F Grp contains a series of recommendations grouped in 5 key recommendation themes:
 - a. **COE Key Recommendation 1** covers how to better organise the various CoEs around the UK. Providing Industry with a mechanism to signpost & increase visibility of CoE opportunities via an accessible, on-line curated CoE Digital Directory of Shipbuilding Enterprise COE Listings.
 - b. **COE Key Recommendation 2** looks at the UK's transition to Net Zero through coordinating and utilising all existing bodies on the national journey to the government's Net Zero ambition.

- c. **COE Key Recommendation 3** looks at Research and Innovation by coordinating innovation activity for the shipbuilding and wider industry across the full shipbuilding enterprise and full life-cycle for infrastructure.
- d. **COE Key Recommendation 4** looks at Future Platform Power & Propulsion by creating a collaborative strategy & road map to power and propulsion capabilities as a working group leveraging Net Zero / Clean Maritime & building UK capability structures and existing COEs to support acceleration of developments towards market-focused solutions.
- e. **COE Key Recommendation 5** covers Maritime Skills, utilising the newly formed Shipbuilding Skills Delivery Group to co-ordinate and drive Maritime Bodies in Skills Development.

14. The Co-Chairs thanked all those who contributed to the project. The Co-Chairs noted the enthusiasm in the room and encouraged members to be bold but ensure we have the resource, both in money and in volunteers, to make it happen. It is essential that projects are a partnership between government and industry, as neither has the capacity to spearhead it alone.

Closing Remarks

- 15. The Co-Chairs expressed a huge thanks to all who attended both in person and virtually, noting that it was a productive session.
- 16. SEG members were then joined by former industry Co-Chair, John Howie, who was very warmly thanked for his enduring commitment to the SEG since its formation and in return expressed his thanks for the engagement and support of members.

Rod Paterson
Government Co-Chair
Chief Executive Officer
National Shipbuilding Office

Sarah Kenny OBE
Industry Co-Chair
Chief Executive
BMT