

# MPs' Briefing Paper

# GOING FOR GROWTH – BEYOND 2022

## A Unite strategy for the UK commercial aerospace sector

***"A 'Just Transition' for workers must be at the heart of our approach. This means workers impacted must be directly involved in leading the change to a low carbon economy."***

Unite General Secretary, Sharon Graham

Unite has over 60,000 members working across the aerospace sector. They undertake highly skilled and technologically advanced work which is at the cutting edge of the global industrial economy and are involved in every stage of production from research and development, right through design, manufacture, assembly, testing and delivery and beyond.

**Going for Growth – Beyond 2022** is their vision, setting out the steps the government must take in the immediate, medium and longer term to secure and deliver a greener, sustainable and more self-sufficient future for UK workers and the economy.

### READY FOR TAKE OFF

The aerospace sector is the jewel in the UK's economy. It has a bright future – or should have.

With an annual turnover of £33.9bn, it is the world's second largest aerospace industry, employing more than 14,000 people directly in high skilled well paid-jobs, and four times that number in the supply chain. But without a big and bold government plan, the flight path to recovery could be turbulent and falter.

The Covid-19 crisis has been catastrophic for the aerospace and shipbuilding industries. 20,000 jobs and thousands of apprenticeships were lost. Now is the time to recover, rebuild and grow. As the war in Ukraine has shown, we need to be more self-reliant, so investing in R&D, green technologies and most importantly of all UK workers is crucial if we are to fill the growing skills gap and retain our world leading status.

### A world class workforce

Our highly skilled aerospace workforce is often cited as a reason for manufacturing companies to locate or re-shore operations to the UK. Around 90 per cent of aerospace jobs are located outside London and the South East.

Yet, despite, high productivity and a world class status, the UK commercial aerospace sector is facing unprecedented worldwide competition as emerging economies such as China, Indonesia, India, South Korea, the Philippines and others seek to enter an industry seen to be prestigious, lucrative and most importantly offering tremendous opportunities for growth.

The Aerospace Technology Institute (ATI) funding announcement (29 March 2022) will increase confidence amongst Unite's aerospace members and businesses that government is moving in the right direction when it comes to green aircraft development. However, the sector still needs guarantees that ATI funding will continue well beyond the next three years. And our members and UK taxpayers need guarantees that new technologies are not just developed in the UK, but that our world class workforce is used to manufacture and maintain these new greener technologies - keeping jobs in the UK for future generations, from cradle to grave.

### UK commercial aerospace sector – the facts:

- £33.9bn annual turnover (approximately 75% civil and 25% defence) – an 19% increase since 2014.
- 95% of aerospace output is for export.
- £9.5bn (2019) in value added and £31.8bn in exports
- The UK has around 3,000 aerospace companies nationwide. Key players are Airbus, Rolls-Royce, Bombardier, GKN, Collins Aerospace, GE and Leonardo.
- There are 114,000 direct employees with four times that number indirectly employed in the supply chain.
- Average annual earnings of £43,000 a year – 42% higher than the UK average.
- 90% of aerospace jobs are located outside of London and the South East.
- Supports 4,500 apprentices.
- Supports an additional 31,000 jobs in design and engineering.



# UNITE'S 10 RECOMMENDATIONS FOR UK AEROSPACE TO THRIVE

## 1: Investing in UK aerospace –securing a sustainable and self-reliant future

Make government funding deliver – the government's 'ATI funding' comes with no strings. This means companies could take the money and then off shore operations and jobs. We recommend that public investment in company R&D be linked to the retention and creation of high skilled, well paid-jobs for UK workers in manufacturing and its supply chain. Redirecting wealth and investment back into our communities.

## 2: Cross party consensus

To build stability, sustainability and greater self-reliance in the sector - we recommend that a cross party consensus be established for the industry, combined with a long term strategic industrial strategy, partnering with industry and trade unions.

## 3: Investment is vital

Government investment in education, especially STEM (science, technology, engineering and mathematics) is vital for the growth and sustainability of the UK's highly profitable commercial aerospace sector. Without it, the UK's ability to compete in the global market will be severely impacted.

## 4: Skills gap

To help deal with the growing skills gap and retain skills in the UK, we recommend that legislation is brought forward to allow for the utilisation of the pan **business re-deployment model**. This would let workers at risk of redundancy be voluntarily seconded from one employer to another across the high technology manufacturing sectors.

## 5: Level playing field

It is essential that the government creates a level playing field for UK workers. This means ensuring UK workers have similar employment rights to EU workers to avoid a skills drain. Sector-wide collective bargaining must remain. Legislation and incentives should be introduced to expand ownership models. Industry and government must respect and support strong trade unions which are key to the sector's long-term viability.

## 6: Moving to a greener future

Unite believes trade unions must be involved to ensure a just transition to sustainable jobs and the protection of the environment. We recommend that government, industry and trade unions work together in the development of green technologies, including electrification to ensure the UK is at the forefront of the green industrial revolution. This requires financial as well as regulatory support.

## 7: High skill apprenticeships

Unite wants to see a return to quality apprenticeships with decent pay and conditions, contracts from day one and guarantees of future employment. We recommend involving trade unions in the development of apprenticeship and skills training to ensure programmes meet the genuine needs of apprentices, employers and the economy.

## 8: Training, skills and lifelong learning

Recommend a commitment from all stakeholders including government and industry to work with trade unions to invest in up -skilling, personal development and training for existing workers.

## 9: More apprenticeships

We recommend that larger companies be encouraged, with legislation if necessary, to employ at least 10 per cent of their overall workforce as apprentices.

## 10: 'Pooling of resources'

Develop and extend the 'pooling of resources' model to apprentices, so that companies in the industry's supply chain can benefit from the economies of scale in relation to training.

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## WHAT CAN MPs DO TO HELP?

- Sign the EDM. Contact Joe Bradley for details.
- Meet with Unite reps working in aerospace and shipbuilding in your constituency.
- Raise questions in parliament – ask the Secretary of State for Business, Energy and Industrial Strategy (BEIS), what steps his department will take to better support UK aerospace including around apprenticeships, training and skills.
- Contact Unite political officer, Joe Bradley at [joe.bradley@unitetheunion.org](mailto:joe.bradley@unitetheunion.org) to set up an appointment with Unite reps in your constituency and for a list of questions to ask.

