



Unite response to the Department for Business, Innovation and Skills Consultation on the Funding and Management of UK Civil Space Activities

Unite is the UK's largest trade union with almost 2 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, automotive, aerospace, financial services, print, media, construction, transport and the public sector.

Executive summary

- Government must acknowledge how important the Space sector is to wider manufacturing and the UK economy. The sector has one of the highest productivity ratios in the UK.
- There are a number of key issues around the current governance arrangements for the Space sector in the UK. Unite believes that due to the current model of managing Space in the UK by spreading it around a number of government departments, this has led to a loss of national strategic focus.
- Unite supports the idea of a consolidation within the sector to a single UK Space Agency, under the auspices of someone who has a clear passion for the sector.
- Unite believes the economies of scale which could result from the formation of this agency could result in substantial savings, which could then be re-directed into further investment in the sector.
- The current lack of a cohesive and focussed structure in the sector means the UK Space sector has a very low profile in Europe and the global Space arena. Unite believes this would be rectified if there was a single Space Agency in the UK.

- It is of vital importance that for the future prosperity and growth of the sector there is a highly educated and highly skilled workforce to carry out the research and development and the technological challenges that the sector demands.
- Education policy in the UK must be structured to actively encourage and support students to take up careers in space, science and engineering, via bursaries, financial inducements, the re-direction of education funding and progressive marketing of the sector.
- Unite believes it is incredibly important that government commits to investing in key capabilities; for example the rolling out of Digital Britain, there must be a much stronger linkage between government policy, academic research institutions and industry.

1. Introduction

1.1 The Space industry in the UK currently has 16,000 workers directly employed in the sector and supports up to a further 70,000 jobs in the supply chain¹. The sector contributes almost £7 billion² to the UK economy and is one of the highest value added sectors in the UK today. Unite represents over 100,000 workers in the combined Aerospace and Shipbuilding sector.

1.2 The leading employer in the sector is Astrium; part of the European company EADS. The Space sector offers a diverse range of expertise including the manufacture of satellites, scientific instrumentation, battery technologies, software development and data analysis systems.

1.3 There are two key strategic industrial areas within the sector, 'upstream', representing the manufacture and provision of space technology and 'downstream' representing space applications and services. Unite believes it is vital that the linkage between the two is strengthened, in particular through targeted infrastructure procurement and investment.

1.4 To continue the programme of research and development and scientific innovation, it is vital that the workers within the sector are of the highest technical and educational calibre. Two thirds of the direct workforce holds at least one academic degree. However, the sector is bedevilled by a shortage of specific key skills, which range from engineering disciplines to physics degrees.

1.5 Unite is clear that the overall sector in the UK is currently very fragmented and has concerns that this is adversely affecting government investment, strategic industrial focus and the best use of limited resources. A combined agency would offer a far more pragmatic approach for the sector and Unite believes could greatly enhance the work that is currently being done in the sector.

¹ The British Council – Space Industry in the UK.

² *ibid*

2. Delivering a successful Space programme

2.1 There are a number of key issues around the current governance arrangements for the Space sector in the UK. Unite believes that due to the current model of managing Space in the UK by spreading it around a number of government departments, this has led to a loss of national strategic focus. As a consequence, this federal approach, where a small pot of resources and investment are diluted due to the range of programmes involved and whether the project is under the auspices of civil space, security or defence is not making the best use of government investment in the sector.

2.2 As a result, the British National Space Centre (BNSC) has no overall control, does not have responsibility for budgets and it does not have the relevant resources required to carry out the role of a designated Space agency similar to those in France and Germany.

2.3 In other European countries such as Italy, Germany and France there is a much more focussed approach to Space as an industrial, research orientated and innovative sector. They have one agency that controls all aspects of the sector including one budget and one procurement process, which means that all investment is focussed and there is no devolvement around a large group of users such as currently happens in the UK. This presents a much more pragmatic approach to Space industry companies

2.4 Unite believes that to ensure the long term economic prosperity of the sector and the retention and creation of jobs within the sector there is a clear need for a single strategic approach to governance. Unite believes this is the way forward for the sector. It is also vital for government to invest in key capabilities; for example the rolling out of Digital Britain, there must be a much stronger linkage between government policy, academic research institutions and industry. This linkage was successfully achieved in the Defence Industrial strategy and Unite envisages that this could be replicated again for the Space sector.

3. Single governance and jobs

3.1 There are significant issues relating to Unite members in relation to the present form of governance for the sector. The budget cuts by the DTI in December 2005 for the ARTES technology project, and the proposed cuts to the funding of the Galileo project meant there was an immediate threat to over 500 jobs in the UK Space industry.

3.2 With the capitulation of the cuts to the funding of Galileo the threats were lessened, however Unite believes that the fragmented governance of the sector has contributed to the growing problems of work going elsewhere in Europe and the loss of key skills and experience in the UK. However, this is only the tip of the iceberg where jobs are concerned. Although cuts have been recorded in directly employed workers it is the jobs that will be in jeopardy in the 'downstream' that have serious implications for the sustainability of the sector. Skills that are lost in the supply chain are often

never recovered and that work is then sent abroad, with the corresponding loss of intellectual property.

3.3 Unite believes that a single Space Agency responsible to higher level Ministers will resolve some of these problems. This will be achieved by a more strategic investment focus and a clear focus on the economies of scale that could be achieved if a single agency controlled the whole sector.

3.4 Unite believes the lack of a cohesive structure for the sector is adding to the issues around funding and as such has far wider implications for many key sectors linked to the Space industry and also for investment in research and development and innovation. The UK government cannot afford to ignore a sector as dynamic, vibrant and lucrative as the Space sector.

4. Europe

4.1 Unite believes that for the UK to play a strategic and influential role in European and global space policy and any decision making process, it is vital that the proposed UK Space agency has the necessary decision making authority, has the investment budget commensurate with an international and global agenda and is totally supportive of the UK based companies involved.

4.2 Unite also believes that the agency should have appropriate and innovative policy objectives, which engages fully with industry and academia. In this way a fully rounded and cohesive structure for the sector could be achieved, enabling the UK to become far more effective and adopt a far superior position across Europe and the global Space arena.

4.3 Unite also believes there needs to be a far more constructive and proactive approach to the Space agencies in Europe. It is not appropriate that the UK is consistently re-active and not pro-active in decisions about European Space policy, funding investment and which projects should be supported by the UK government.

4.4 Unite believes that this move to a more refined level of focus within the sector will enable future decisions about projects and research initiatives to be more pragmatic and offer increased opportunities to UK based companies in the sector and allow jobs within the sector to be retained and created. Unite is sure that government must know how important this sector is to the UK manufacturing sector as a whole and to the wider UK economy.

5. Into the future

Unite believes that one of the most important aspects of a single Space agency is the impact this could have on education, skills and training for the sector. It is of vital importance that for the future prosperity and growth of the sector there is a highly educated and highly skilled workforce to carry out the research and development and the technological challenges that the sector demands.

5.1 It is vital that education policy in the UK actively encourages students to train for and take up careers in space technology, science, maths and

engineering. This could be done via bursaries, financial inducements or the re-structuring of the current teaching of STEM³ subjects. A single agency could facilitate the necessary focus to engage with all the differing stakeholders concerned to achieve this ambitious aim. This would also further the UK's standing in the global economy as a centre of excellence for research and design, ensuring that the most highly skilled workforce in UK manufacturing is retained and built upon.

5.2 Unite would also comment that UK Trade and Industry (UKTI) have a role and a responsibility in prioritising a marketing strategy for the Space industry in the UK, whereby the countries involved in the global market for Space related items come to the UK first to see what manufacturing companies have to offer, thereby encouraging inward investment. It is clear to Unite that without a single UK Space agency, and sustained financial investment from government the UK Space sector will not be in a position to achieve its full potential in the global market place.

Unite recommendations

- Government must acknowledge the importance of the space industry for the creation of technological innovative, cutting edge research and development and the value added for the wider UK economy.
- There needs to be a national space programme (technology and applications) to complement what is currently being achieved in ESA and other international collaborations.
- Government must invest in key capabilities such as broadband via satellite; the UK is the foremost supplier of satellite equipment.
- Unite believes it is vitally important that all the differing government departments that currently deal with Space projects and research are brought together as one UK Space agency.
- Unite would like to see government commit to a long term and sustainable increase in investment in the Space sector.
- Unite believes Lord Drayson is ideally placed to ensure a vibrant and exciting Space agency is created which will assist all stakeholders in ensuring that the UK Space sector achieves the full global potential it deserves.
- Unite believes it is vital that government puts in place the educational and training policies and opportunities which will ensure a highly skilled and highly educated workforce for the sector.
- It is vital that government uses the current procurement process to ensure the purchase of space infrastructure, which will ensure the UK

³ Science, technology, engineering and maths subjects.

Space industry has a stream of government contracts that will support innovation, research and development and job retention and creation.

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