



RESEARCH STRATEGY
FACTS AND THE FUTURE
THE SECTOR
THE VISION OF THE
SECTOR SKILLS AGREEMENT
RIGHT SKILLS
ADVICE & GUIDANCE
WORKING WITH THE GOVERNMENT
PROGRESSION
TRAINING PRODUCTS
EXPAND THE NETWORK
BEST PRACTICE
PROFESSIONAL AND
VOCATIONAL
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SEMTA - Marine Sector Skills Agreement - UK Summary

1. The Sector Skills Agreement

This Sector Skills Agreement covers the marine sector within SEMTA's footprint. It covers an estimated 56-57,000 direct employees in shipbuilding and repair, boat building and repair and marine equipment manufacturers. Together they contribute more than £1.9bn to GDP. The Agreement comes at a time when there are new and growing opportunities and serious challenges for companies in the Sector to increase productivity and become more competitive. The skills required to utilise cutting edge technology alongside superb craftsmanship are key to winning a greater market share for the UK¹.

Shipbuilding and Ship Repair including Submarines	Boatbuilding and Boat Repair	Marine Equipment
<ul style="list-style-type: none"> • Employs 24,000 people at 800 sites and up to 50,000 as contract labour. • A series of major orders from the MoD is likely to provide significant levels of work for the naval shipyards and their suppliers over the next 15 years, leading to an increased demand for skills². • Ship repair and conversion are growth sectors, both globally and in the UK. Turnover is £6bn per annum with around 40% generated in Europe. UK ship repair has the advantage of being located on several busy trading routes. • The merchant shipyards in the UK are expanding their business in ship repair and refit. • There may be more potential for UK yards in building smaller specialist cruise ships, since this is a developing market. • A market in converting former naval and fishing craft into superyachts, along with bespoke design, build and outfitting of luxury yachts, is also developing. This is a potential market for naval ship builders and a potentially important niche market for marine equipment suppliers, where the cutting edge technology developed in naval defence work can be transferred to these luxury craft. • England: The South West and South East have an increasing share of employment, alongside the North East and North West. Companies include VT, Fleet Support, A&P, Halmatic, DML, Swan Hunter and A&P Tyneside, BAE, North Western Shiprepairers, Dunstons and Mobile Marine. • Scotland has over 100 firms employing more than 6,000 people. The heart of Scottish shipbuilding has traditionally been centred on the Glasgow Clyde area. Companies include BAE Systems Naval Ships (situated in the Northwest and predominantly building submarines), Babcock Engineering Services and Ferguson. • Wales has 3% of workplaces and 1% of employees. • Northern Ireland employment is around 400 people including the main company Harland and Wolff. 	<ul style="list-style-type: none"> • Boatbuilding and leisure marine equipment manufacture is a growth sector in the UK employing 16,000³ people. • The sector contributed almost £1 billion to GDP in 2003⁴. • Yacht building is a thriving high export sector competing against strong international players and striving to win an increasing share of a growing world market. Employment in the sector is growing and new types of skilled occupation are being created in response to innovation. • The worldwide leisure marine industry is expanding. The most significant element of this growth is the luxury powerboat market where a number of British companies and a small number of high quality equipment suppliers have made great advances. • Some of the powerboat builders export more than 90% of production. • The total value of UK exports in 2004 was £839m, an increase of 5.6% on the previous year. The UK is the world leader in production of inboard stern drive boats under 12 metres. • England: Is home to several major yacht builders. Companies include Princess Yachts, Sunseeker, Pendennis Oyster, Broom, Sealine, Fairline Boats, Raymarine and Lewmar British Maritime Technology, . • Scotland: Has boatyards around the coast, many in the Highland and Islands, with several in Orkney. Companies include A&R Way, Buchan Hall and Mitchell, Buckie, KG McColl and Forbes Orkney Glass Fibre. • Wales: Has 4% of companies and 3% of employees. Companies include Avon Inflatables, APE Fabrications, Pehrhos, Holyhead Marine and Dale Sailing. • Northern Ireland has 1% of companies and 1% of employees. Companies include Red Bay Boats and Bangor Yacht Repairs. 	<ul style="list-style-type: none"> • Society of Maritime Industries identifies nearly 900 companies, throughout the UK. • The supply chain in the UK includes world-class marine equipment manufacturers seeking to strengthen their position in export markets. • UK suppliers of equipment and services for commercial seagoing vessels, warships, and naval auxiliaries (excluding weapons and associated equipment), yachts over 30m and large workboats, have an annual turnover of £1.7bn of which 62% is exported. • Demand for offshore oil platforms and supply vessels shows signs of strong growth in Africa, Asia and North America. The high price of oil and gas, and the likelihood of new areas of activity in the North Sea, could allow the market in the UK to remain buoyant in the medium term and allow UK yards to have the capacity and capability in place to compete. • England: Has around 800 workplaces, mainly in South East, the North West, East of England West Midlands and the North East⁵. Companies include Trend, Kelvin Hughes, MAN B&W Diesel and FCx Truflo Marine. • Scotland: Has around 75 workplaces. Companies include MacTaggart Scott, Thales Optronics, Imes, Marine Shield and DMI Young & Cunningham. • Wales: Has a small number of companies. These include Linde Heavy Truck Division. • Northern Ireland: Companies include Sea King and RFC Beaufort.

¹For further details of markets see SEMTA Marine Sector Skills Agreement -Stage 1 Skills Needs Assessment 2005

²SEMTA Analysis of Gap between the forecast of skill needs to meet MoD new build naval procurement programme and current employment levels February 2005

³BMF industry Bulletin 2004

⁴BMF industry Bulletin Table 2.1

⁵DTI 2001 Competitive Analysis of the UK Marine Equipment Sector by First Marine International 2001

2. Vision for the Sector

The Vision of the Marine Sector Strategy Group is of a UK sector that can:

- Sustain an efficient naval ship, submarine building and repairing resource in the long-term
- Enable high value-added commercial shipbuilding and repair to compete internationally
- Ensure that boat builders can continue to increase world market share in a growing international market.
- Support, and be supported by, a vibrant and competitive supply chain of cutting edge marine equipment companies that are seeking to maintain and expand their strength in export markets.

2.1 Policy Issues	2.3 The Key Strategic Skill Issues	2.4 Implications for Provision
<ul style="list-style-type: none"> • Contribution to Shared Resources. • Sustainable Demand-led Provision. • Integration of Bite-sized, Just in Time Training. • The right person receiving the right training at the right time. 	<p>Management and Leadership</p> <ul style="list-style-type: none"> • The sector needs world-class management skills to be able to develop in an international context. <p>Productivity and Competitiveness</p> <ul style="list-style-type: none"> • To compete globally there is a need for training in 'Lean', 'Six Sigma' and other types of business improvement techniques, new product and process development and implementation, supply chain management and project management. 	<ul style="list-style-type: none"> • There will be a closer working relationship between industry and the providers of education and training. • There will be better use of effective Business to Skills models. • Organisational, operational and people development will go hand in hand. • Training will embrace the requirements of the Job Competence Model.
<p>2.2 Themes for Action</p> <ul style="list-style-type: none"> • Building capacity and capability in the provider network. • Providing appropriate information, advice and guidance for business needs. • Developing an effective delivery of tailored products. 	<p>Technical Workforce Development</p> <ul style="list-style-type: none"> • The sector needs specific technical skills at level 3 and above. As with other sectors, they need multi-disciplined craftspeople, well grounded in the fundamentals and able to absorb training for new technology and business processes. They also need more graduates with relevant degrees, and ready for productive employment. This includes naval architects and marine electrical engineering graduates capable of using the latest technology and materials in design. <p>Manpower Planning and Recruitment</p> <ul style="list-style-type: none"> • The sector wants support for employers' training initiatives, such as the Marine Schools Challenge in South West England. This helps to influence schools to improve maths, engineering and science education and recruitment campaigns. Funding for relevant adult training is also essential. Workforce-pooling schemes and manpower planning tools (e.g. Skills Passport) are currently under development. 	<p>2.5 Delivery Partners</p> <ul style="list-style-type: none"> • Companies • Trades Unions • Trade Associations/Employer Organisations • Education and Training Providers • Regulatory Authorities • Awarding Body • Government Departments • Devolved Administrations • Development Agencies • Funding Councils/Enterprise Councils • Higher Education Funding Councils • Further Education Funding Councils • learndirect • Professional Institutions • JobCentre Plus • Careers Organisations

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