



Submarine Enterprise Collaborative Agreement (SECA)

**Consultation Document and Impact
Assessment**

February 2008



SECA PPEO CONSULTATION DOCUMENT

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Ministerial Foreword

The UK Government is committed to retaining an indigenous capacity to deliver, operate and maintain nuclear submarines.

This document proposes that to meet this commitment the UK MoD and the three main Industry players in the Submarine market – the submarine divisions of BAE Systems; Rolls-Royce and Babcock Marine – enter into a Collaborative Agreement. For this agreement to operate effectively it is proposed that a Public Policy Exclusion Order is required to enable the sharing of confidential information.

I am confident this approach will help support the aims of the Defence Industrial Strategy and would strongly urge you to share your views on the proposals in this document.

A handwritten signature in black ink, appearing to read 'Baroness Taylor' with a flourish at the end.

Baroness Taylor
Minister (Defence Equipment and Support)

Summary

The purpose of this consultation document is to seek comments on the MoD's intention to seek a Public Policy Exclusion Order (PPEO) to explore the potential for a Collaboration Agreement to be reached with the main Industry players in the Submarine Market. We are interested to see if anything more, or anything different, should be included before laying a Statutory Instrument before Parliament for approval.

We are seeking, through this consultation paper, your views on the contents of the attached Impact Assessment. The MoD welcomes any comments you may have.

Part I: Basic information about this consultation

Who we would like to hear from:

We would welcome comments and views from all Companies in the Submarine market, and related markets, who will be directly impacted by the adoption of a PPEO and Collaboration. We would also like to hear from Trade Associations as well as other relevant stakeholders and interested parties in academia.

Closing date for responses:

The consultation lasts 12 weeks, beginning from 12 February 2008. So, please ensure that your responses reach by 6 May 2008.

How to respond:

Please respond by letter or by email to:

Address:

Submarine Enterprise Collaborative Agreement (SECA) Team
Cedar 3c #3352,
MoD Abbey Wood
Bristol
BS34 8JH

Email:

DESSMDST-SECA-SEC@mod.uk

MoD response:

We intend to consider responses and make final proposals in July 2008. We will publish a summary of responses to the consultation within 4 weeks after the end of the consultation.

Part II: The Impact Assessment – an overview

This consultation document is accompanied by an Impact Assessment. This document is both:

- A continuous process to help the policy-maker fully think through and understand the consequences of possible and actual Government interventions in public and private sectors; and

- A tool to enable the Government to weigh and present the relevant evidence on the positive and negative effects of such interventions, including reviewing the impact of policies after they have been implemented.

Impact Assessments are generally applicable to all Government interventions affecting the private sector and public services, regardless of source: domestic and international. Their preparation and publication ensure that those with an interest understand and can challenge:

- Why the Government is proposing to intervene;
- How and to what extent new policies may impact on them; and
- The estimated costs and benefits of proposed and actual measures.

They also give affected parties an opportunity to identify potential unintended consequences and enhance the scope of the evidence base. As the Government aims to intervene only when necessary and since most policy objectives can be achieved through a range of options, the Government's aim is to identify proposals that best achieve its objectives while minimising costs and burdens.

Part III: Views from Consultees

Consultees are invited to offer views on the treatment of costs and benefits in the accompanying Impact Assessment, and the results will feed into the final assessment which will be published alongside the final Statutory Instrument.

For the purposes of the Assessment, the costs and benefits cover the impact of both the PPEO and the Collaboration on the Submarine, and related, markets. To help elicit information a set of more detailed questions against specific aspects of the costs and benefits case is listed below.

These questions are intended to elicit information on your view of what impact you envisage a PPEO having on:

- your company;
- the markets you trade in and your relationship within these markets;
- the related markets that you and the Tier 1 companies trade in.

With reference to paragraph 3.18 of the Impact Assessment there are a range of the potential benefits of collaboration listed that the MoD anticipates as being enabled by a PPEO. Taking each benefit in turn your views are sought on the impact in cost/benefit terms (focusing on profitability and future involvement in the Submarine market) on your company with regard to:

- the scope for future competition within both the Submarine and related markets.
- the potential for opportunities to develop innovative ideas and introduce new technologies.

And a more general assessment on:

- the nature of the relationship between the different tiers of the market, including the role of Small and Medium Enterprises (SMEs) within the Submarine and related markets.

In addressing the above consultees are asked to refer to Section 4 of the Impact Assessment which contains the MoD's initial assessment of the impact of the PPEO on Small Firms and Section 5 that addressing the Supply Chain.

Part IV: The Consultation Process

The Government wishes to consult Industry about the PPEO and Collaboration during the 12 weeks from 12 February 2008 to 6 May 2008

This document and the consultation process adheres with the Code of Practice on Consultation issued by the Cabinet Office and is in line with the six consultation criteria, which are:

- I. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of policy.
- II. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
- III. Ensure that your consultation is clear, concise and widely accessible.
- IV. Give feedback regarding the responses received and how the consultation process influenced the policy.
- V. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
- VI. Ensure your consultation follows better regulation best practice, including carrying out an Impact Assessment if appropriate.

Electronic versions of this document and the questionnaire for responses (Annex B) can be found at:

<http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/ConsultationsandCommunications/PublicConsultations/>

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions, when they respond.

The information you send may need to be passed to colleagues within the Cabinet Office or other Government departments and may be published in full or in a summary of responses to this consultation.

All information in responses, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If you want your response to remain confidential, you should explain why confidentiality is necessary and your request will be acceded to only if it is appropriate in all the circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding the Department. Contributions made to the review will be anonymised if they are quoted.

Individual contributions will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

If you have any comments or complaints about the consultation process itself, please contact:

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