



# £700 MILLION WASTE WIN OPENS UP HUGE NEW OPPORTUNITY

**VT Group has created a new area of business opportunity after being named preferred bidder for a major waste management and recycling programme in Wakefield.**

Under a £700 million Private Finance Initiative (PFI), VT will build, operate and maintain “green” facilities in the Yorkshire city for the next 25 years.

The Wakefield project will establish the foundations of a new environmental services business that will further expand VT’s support offering. It will utilise VT’s recognised engineering skills and expertise in PFI, project management and long term service delivery.

The drive towards environmentally-friendly waste management and recycling is gathering pace as the option of landfill sites decreases. Dozens of local authorities are looking at building new centres and VT is already pursuing several other opportunities in a market estimated to be worth £10 billion.

VT Group Chief Executive Paul Lester explained: “The waste management

sector will grow considerably over the next few years and we believe there is major potential for VT.”

In Wakefield, technologies will include autoclave (a type of giant pressure cooker) and anaerobic digestion to deal with residual domestic waste.

This methodology is expected to account for some 60 per cent of the 200,000 tonnes of household waste a year that is generated in the District. In vessel composting will deal with kitchen and green waste, while material handling technology will segregate things such as paper, metals and

cardboard for recycling. The process also has the potential to put power back into the National Grid through using residue gas and recycled fibre.

On completion of contract negotiations, expected during 2008, VT will take over current waste management operations in Wakefield. The existing Transfer Loading Station will be redeveloped and household waste recycling centres will be revamped.

Construction of the new facilities should start in 2009 and, by 2015, the Council is looking to increase recycling totals to 55 per cent.



■ Artist's impression of the Wakefield facility

## Acquisition Marks First Entry into Nuclear Sector

**VT has entered the nuclear decommissioning sector with the acquisition of British Nuclear Group Project Services from the British Nuclear Group, a subsidiary of British Nuclear Fuels plc.**

In a further expansion of support services capability, the acquisition takes

£6.4 million. Gross assets are £35.6million.

Project Services provides a logical fit to VT’s existing skills in critical services engineering and project management. Its activities include nuclear clean up, specialist engineering and technical solutions, instrumentation and detection, and radiological as well as specialist waste management and homeland security offerings.

The business employs over 700 people, including more than 500 highly skilled engineers in the UK and overseas, where markets include France, Central and Eastern Europe and Japan. It works on 14 of the 20 Nuclear Decommissioning Authority (NDA) sites in the UK, with major sites including Sellafield in Cumbria and Quedgeley in Gloucestershire.

VT Group Chief Executive Paul Lester explained that the current market for nuclear decommissioning in the UK alone is currently worth around £1 billion a year and lifetime UK decommissioning costs were estimated at some £75 billion until 2035. Project Services is well placed to address a significant part of that market.

He added: “There are strong growth prospects in the medium to long term. The market is also Government controlled which is where we are used to operating.

“Project Services will benefit from being part of a rapidly growing services company. We will dedicate considerable time and resources bringing it into the private sector and developing the business.”



VT into the nuclear sector and, like the Wakefield waste management programme, will augment VT’s engineering pedigree.

VT paid an initial £45 million rising by a maximum of a further £30 million for the new subsidiary. The Warrington-based business had a turnover of £86.9million in the financial year to March 2007, with profit before tax of £8.4 million and underlying operating profit of

## Plotting the Future Using Our Skills Heritage

**2008 is set to be another exciting year in the development of VT Group as we continue to evolve the business.**

The biggest change will be placing our shipbuilding and naval support businesses in the new joint venture with BAE Systems.

The joint venture will create a strategic partner for the UK Government and a leading builder of naval ships on the world stage. VT will play a full part into the foreseeable future as the new company becomes established.

It will also give us the time and resources to continuing developing the support services side of our business in both defence and non-defence sectors. We are very focused on where we want our support activities to grow. Our first success in the waste management sector was an important step into a new environmental services area, as is the acquisition of the nuclear decommissioning business Project Services.

VT has a unique offering in the support services sector. Our strategy is to avoid the run-of-the-mill outsourcing where companies seek to do, often what can be described as, mundane activities in a cheaper way with fewer people.

Our approach is to provide high level,

skilled services that are critical to the customer’s business. Put simply, we want our services to be crucial to a customer’s strategic operations rather than a simple everyday outsourcing contract. Hence, our work is critical to the output of the BBC World Service; British Airways through maintenance of their ground support fleet; the Armed Forces through the provision and maintenance of their equipment and the essential functioning of schools.

For nearly 150 years, VT has been an engineering business – and it will continue to rely heavily on that heritage, both in shipbuilding and support services. One of the criteria that we will apply to developing our support business in the UK and US is to focus on activities that are largely engineering based.

Waste management, which also draws upon other established VT skills like Private Finance Initiative (PFI) and project management expertise, and the Project Services acquisition fit that criteria perfectly and we are currently looking at other similar prospects.

For all our 14,000 employees, 2008 will hold plenty of challenges and some exciting opportunities.

**Paul Lester**  
Chief Executive

### In this Edition

- 2 New Media Centre at Comms
- 3 Facing the dangers of Iraq
- 4 Trinidad & Tobago delegation arrive
- 5 Support head in spotlight
- 6 Bridge that spans 7,000 miles
- 7 Life in Hawaii
- 8 FSL celebrates anniversary
- 9 Ready for Terminal 5 Move
- 10 What’s on at Rampisham
- 11 People News
- 12 New Army truck training



## TMASS Makes VT Top Training Provider at Bovington

VT Support Services has established itself as the major training provider at Bovington Garrison following the capture of a £32 million Training, Maintenance and Support Services (TMASS) contract at the Dorset establishment.

VT is already active at the Garrison through carrying out instructor training for vehicles such as the new Panther Command and Liaison Vehicle.

TMASS will involve providing instructors to teach Army personnel elements such as driving and maintaining a wide range of vehicles; maintaining vehicles used in training, including nearly 40 battle tanks, and providing support services including help in the quartermaster's area and transport provision.

VT Support Services Director Programme Management Support, Bob Watson, explains: "The training at Bovington Garrison is outside the scope of the Defence Training Rationalisation (DTR) programme, and so will enable us to maintain our profile in training and training support to the British Army. It will also provide us with opportunities as new capabilities are introduced into the Army."

VT will take over the work in April 2008 in a move that will involve transferring 241 people from the current provider. The contract will span five years with options for a further three years.

The workforce comprises a mix of technicians, logisticians and administrators, with several engaged in delivering training direct to soldiers.

Among the key features in VT securing the business was a commitment to partnering with the Garrison personnel to secure improvements over the long-term. The pursuit of third party income, including attracting business from overseas forces is also key – similar to the way VT Land has been successful in attracting income for the use of facilities at the Bordon Army camp.

# New Media Centre Prepares Comms for Future



**V**T Communications (VTC) is gearing up for the future in applied communications technology with the opening of a new Media Management Centre (MMC) at its Lincoln's Inn Fields headquarters in London.

To most casual visitors, the £2m. centre appears as a collection of screens and keyboards with a central display unit. However, behind the simplicity lies a complex network and technical infrastructure that places VTC at the forefront of the new methods now being employed to spread broadcasters' messages throughout the world.

Conventional short wave broadcasting is no longer the only medium for listeners in far flung places to tune into their favoured stations. Nowadays, they can listen on the web or download to their mobile phones or mp3 players - and VTC is ready to open the way for broadcasters to exploit these alternate means of communication.

"Platforms and techniques for media delivery already extend way beyond simple radio broadcasts. The MMC enables us to offer our customers additional channels to their existing audience, as well as making it easy for them to target new audiences and markets," explains Josh Sparks, VT Communications Head of Product and Service Development.

VTC currently has more than 50 customers feeding programme data via its facilities at the BBC's Bush House. The development of the MMC will enable VTC to use its own resources for receiving, processing and outputting that programming, either through conventional radio transmission sites such as those it owns in the UK, or through specialist

facilities that will support the distribution of the programming in new media formats.

More than 400 hours of radio programming, excluding the BBC World Service transmissions, are distributed worldwide every day by VTC. The content ranges from specialist religious programming, to the output of state broadcasters such as Deutsche Welle and NHK. Increasingly, these broadcasters are looking at reaching and increasing their audience in different ways.

In addition to supporting multiple distribution platforms, the new MMC provides VTC with the facility to archive programmes and broadcasts for customers so that they can re-utilise them for reference online, or in their future programme output.

"The MMC archiving capability lies at the core of our service offering. All of the content that we play out or repurpose, is stored on our resilient archive in its native format. Our customers are offered 24/7 search and retrieval of their programming from wherever there is an Internet connection available to them," adds Josh.

The VTC MMC will be a 24/7 operation with programming coming into the Centre day and night for global distribution to regions, ranging from bustling centres of population, to the remotest parts of the world. As broadcasters look at serving their audiences better, demand for the flexibility of the new VTC MMC is set to grow.

"We are leading the way in offering a quality managed broadcast service across such diverse platforms to such varied global audiences. I strongly believe that broadcasters will take increasing advantage of these capabilities over the coming months and years," says Josh.



## 200 Personnel Recruited for Sea King Maintenance

**More than 200 technicians have joined VT to carry out maintenance work on the fleet of Sea King helicopters used by the RAF and Royal Navy in search and rescue duties around the UK coast and on the Falkland Islands.**

The Sea King Integrated Operational Support (SKIOS) is a sub-contract from the helicopter's builder Agusta Westland that entrusts VT with maintenance at eight locations.

It will enable the 200-plus posts involved to be transferred from military personnel to civilian contractors and will position VT for its current bid, in tandem with Lockheed Martin and British International Helicopters, for the Search and Rescue (Harmonisation) programme.

VT Aerospace Director Stuart Cameron explained: "We have recruited civilian and ex-military personnel who will undergo training with Agusta Westland and, once trained, will be deployed. On the Falklands, they are sponsored reserves who have also had to undergo medicals and military training. We have successfully deployed the first tranche to the Islands and will progressively take over the other sites early in 2008."

The technicians will take over existing maintenance equipment and infrastructure at the bases, which in the UK extend from Scotland to the West Country.

The programme, valued at approximately £40 million, will run for five years and further strengthens VT's presence in the military aviation maintenance sector.

## Flagship's Network Rail Training Scheme Scoops National Award

**Flagship Training's apprenticeship training programme with Network Rail has been recognised through a national award for people management.**

The People Management Award was announced at the Chartered Institute of Personnel and Development's (CIPD) annual conference. Besides the main award of the evening, the scheme also scooped the prize for maximising business impact through learning and development.

Every year, up to 240 Network Rail apprentices from around the country enter the scheme and spend the first year of their course at Gosport's

HMS Sultan where Flagship deliver their technical training. They are accommodated at nearby HMS Collingwood and in the second and third years of their apprenticeships Network Rail employees deliver a range of rail-specific training.

The scheme, which started in 2005, has proved an outstanding success and, besides delivering training in an ideal environment, also provides valuable third party use for RN training facilities.

Geoff Armstrong, CIPD Director General, said: "Flagship's innovative approach using Royal Navy training facilities and expertise is building a core of people with technical, problem solving and team working skills."



*Building Schools Update...*

## Greenwich Construction Programme Targets Summer Start

**VT Education and Skills, working in partnership with Greenwich Borough Council, is aiming for construction work on the first wave of five schools under the Borough's Building Schools for the Future programme to start this summer.**

Negotiations are currently taking place with a construction company that should result in a contract early in 2008, paving the way for bulldozers to move in on the sites shortly afterwards.

Under the programme, three new schools will be built and two others extensively refurbished in the first wave, which involves capital expenditure of around £180 million. Following construction, long-term contracts for the facilities management and ICT will also be let.

VT Greenwich Project Manager Kevin Turvey explained: "We are working with the Council as their strategic partner and things will move quickly once the construction contracts are in place."

The initial schools have been designed with a heavy emphasis on sustainability and recycling resources. They will also incorporate modern, spacious layouts that will provide pupils with a combination of high quality facilities and the best environments.

It is expected that the first wave schools programme will be complete by 2010. In total, the project will involve refurbishing or building new 13 schools in the Borough.

*How to Stay Safe in Troublespots...*

## Recreating the Dangers of Iraq and Afghanistan in the Woods of Bordon

**A**s the Armoured Personnel Carrier (APC) swept into the woodland, it was met by a scene of devastation. Another APC had been hit by enemy fire and bodies lay strewn around with gaping wounds and shattered limbs.

From the back of the arriving APC, four personnel jump out to be greeted by the scene of carnage. They must do their best to assess the scene, extract wounded colleagues from the APC and treat those who might survive.

Suddenly, there's an extra and terrifying threat as incoming mortar bombs add to the chaotic scene. It's a scenario that calls for cool heads and quick decisions as the role players are tasked with evacuating the casualties before they become victims themselves.

For soldiers, the exercise would be part of their normal training but the participants in this scene are more used to wearing suits than battledress. They are company executives from defence firm Thales who could find themselves in that same dangerous situation when they are sent to Iraq or Afghanistan in support of British troops.

At least they will be better prepared after attending a four-day training course for civilian contractors being deployed on military operations (CONDO). Organised by VT Land and a specialist training firm of ex-Special Forces personnel, along with a team of Nuclear, Biological, Chemical (NBC) trainers, the course is run regularly

at the Bordon camp where VT trains the Army's mechanical engineers.

The Government has now made it compulsory for all civilians going into a hostile theatre to undergo CONDO training and nearly 100 personnel have attended courses at Bordon. They are taught in classrooms or out in the field, with ten subjects including dealing with the threat of kidnap or hostage taking, medical training, the threat of chemical, biological or nuclear attack and situational awareness of elements such as bombs and booby traps.

VT Land Business Support Manager Kev Fry explains: "These guys will live and work from an Army camp when they go to Iraq or Afghanistan. At Bordon, we're able to provide a similar environment so they know what they are going into. They might be technicians supporting equipment the Army is using out there; the Media; people providing construction or camp infrastructure or even managing directors who need to talk contracts. We've had them all on the courses."

"Although there are other courses around the country that are similar, we're the only one that uses the unique

environment of a military base. Most of the others are hotel-based which makes it difficult to organise simulations and create the atmosphere that is required to learn these very important lessons.

"While we provide the environment, our partners are specialist training groups such as Pilgrims and the CBRN team who have ex-SF and NBC people experienced in the type of situations we are teaching."

"The aim is to make sure people at least have some knowledge of situations they may find themselves in, how to protect themselves and not behave in a way that means they will be singled out. At the end of the four days, they have gained valuable experience about the environment that they are going into, and how to live with today's military on operations," adds Kev.

Courses at Bordon run at least once a month with up to 12 personnel attending each session. Any member of VT who is being deployed to a hostile environment and has not taken the mandatory CONDO training course should contact Kev on 01420 485839.



## Contract Signed in Lewisham

**VT has finalised its second Building Schools for the Future (BSF) contract after completing negotiations with the London Borough of Lewisham.**

Under an initial PFI contract, VT Education and Skills (VTE&S), working together with the Costain Group as the Learning21 consortium, will build two new secondary schools. VT will provide associated Facilities Management (FM) and Information Communications Technology (ICT), as well as ICT to several

other schools in the borough.

Further phases under Lewisham's BSF programme will cover the rebuild or refurbishment of the remaining seven secondary schools and three Special Educational Needs schools, with VT providing related FM and ICT services.

VTE&S Managing Director Simon Withey explained: "The Lewisham contract further establishes our credentials in the national BSF programme and will enable us to expand our education support activities."

## VT Commits to National Skills Pledge



David Lammy (left) and Simon Withey celebrate VT's skills commitment

**VT Group has signed up to a national pledge to continue to support its employees' skills development.**

The initiative from the Learning and Skills Council is designed to upskill the UK workforce to develop themselves and work towards a relevant, valuable qualification equivalent to five GCSEs at A - C grade, including basic skills such as numeracy and literacy. More than 2.5 million employees have been covered by the Skills Pledge since June.

Skills Minister David Lammy said: "In today's global economy having a highly skilled workforce

is an economic necessity, not an optional extra. Employers committing to the Skills Pledge and undertaking to train all their staff are showing the type of excellence we are

looking to be the norm across the country."

Most of VT's 9,500 strong UK workforce are already qualified to the levels required but the Group will be undertaking a full audit of its businesses to establish those employees who would benefit from the scheme.

Simon Withey, Managing Director of VT Education and Skills, commented: "VT is delighted to be making the Skills Pledge. One of our core values is our commitment to people and we believe that the quality of our people directly contributes to business success. Through several initiatives, we are already actively engaged in ensuring that our employees realise their full potential and achieve their goals. It is this approach which has enabled VT to consistently meet and exceed targets."

## Green Efforts Gain International Recognition

**Fleet Support Limited (FSL) has had international recognition of its efforts to make Portsmouth Naval Base greener with the award of the leading environmental accreditation ISO14001.**

Months of revising procedures and assessment have led to the VT joint venture, which manages the facilities in the Base, becoming one of the biggest industrial enterprises in the UK to gain the award.

FSL's efforts have helped the Base to reduce carbon emissions into the local atmosphere by nearly 20 per cent last year compared to the previous year. Recycling has also shown a dramatic increase with some 25 per cent of materials, such as wood, metals, cardboard and paper, used in the Base recycled last year. This compares to around 16 per cent the previous year and is well above the local authority average in the UK. Indeed, recycling saves some 1500 tons of material being buried in local landfill sites.

The key to making further savings is to improve management processes, staff awareness and training – some of the particular aspects that auditors examined when assessing FSL's ISO14001 credentials. Duplication is reduced by integrating the environmental management system with the quality system already in place at the company.

The emphasis on effective environmental management at FSL has already led to the company becoming the first UK shiprepairer to gain the British Standard 8555 five star accreditation and the latest award provides international recognition of its green policies.

"Gaining recognition for our green policies is particularly rewarding in such a large industrial complex as the Naval Base and the fact that we are operating adjacent to a site of special scientific interest adds to the importance. Those are elements that few industrial concerns have to contend with," explained FSL Safety and Environmental Manager Brad Hicks.

# Trinidad Team Moves in for Quantum Leap

**Commander Mark Williams admits he and his team have a considerable responsibility on their shoulders as they prepare for "a quantum leap" in the development of the Trinidad and Tobago Coast Guard.**

Cdr Williams has moved into VT Shipbuilding as the senior delegate overseeing the build of three new Offshore Patrol Vessels for the Caribbean islands.

The 90m ships - production starts in January 2008 - will represent an upgrade for a fleet that is currently headed by one former Royal Navy Fishery Protection Vessel.

Cdr Williams says: "This is the biggest contract in the history of the Trinidad and Tobago Government. It is a quantum leap for the Coast Guard and our country's maritime security efforts as a whole."

The work of the T&T Coast Guard has changed considerably in recent

years as it takes on a greater regional responsibility fuelled by the rich oil and gas reserves discovered around the nation's coastline.

"Constabulary roles such as environmental protection, fishery protection and especially anti-drug operations are taking up an increasing amount of our time because of our proximity to major drug trafficking routes," explains Cdr Williams.

"We also have more of a regional security role these days as we extend our support to the wider Caribbean region. Besides anti-smuggling, that means roles like disaster response because the indications are that active tropical storms are on the increase."

VT prevailed over stiff international competition to secure the T&T programme. VT has had a historical relationship with the Trinidad and Tobago Coast Guard when they built their first 102ft patrol craft some



■ The Trinidad and Tobago delegation at VTS

40 years ago and the reputation of those craft more than likely underlined the quality of the three OPVs that VT will now build. As an interim, VT is converting two offshore supply ships into Coastal Patrol Vessels (CPVs) at a yard in Trinidad, for hand over in early 2008.

"VT has designed an excellent product, while another attractive element in the contract was the support that they will give the vessels. The fact that VT will support the ships and guarantee use for 300 days a year means we would not need to develop the internal structure to support heavy maintenance and spares thus permitting us to focus on operations," adds Cdr Williams.

Having already provided valuable input into the design phase of the vessel, Cdr Williams and his team are eagerly anticipating the start of build ready for the first ship to be handed over in May 2009.

One of the major milestones will be the arrival in summer 2008 of the first ship crew to start training.

"Our role is to provide design and technical assistance through the construction phase of the vessel. We've already been able to feed in a lot of information to the designers and VT has been 100 per cent supportive of us. We will work together to solve the challenges as they come up," he adds.



## Fort Huachuca Tops US Safety League

**VT Services' operations at the Fort Huachuca US Army installation in Arizona are in line to receive the United States highest health and safety award.**

The ratio of sites winning the Voluntary Protection Program Star award from the Occupational Safety Health Administration equates to just one in more than 3,000 and recognises exemplary occupational health and safety programs.

Sites must pass a rigorous program of assessment that ensures their health and safety management systems are comprehensive. Fort Huachuca should receive formal recognition of the award early in 2008 when they will be entitled to fly the official OSHA flag.

"This award is truly a business discriminator," says VT Services Corporate Environmental, Health and Safety Manager Mark Golden.



**Fleet Support Limited (FSL) has completed the first fit of a new upgraded NATO Radial Chemical, Biological, Radioactive, Nuclear (CBRN) filter system to the Royal Navy Type 23 frigate HMS Iron Duke during the ship's ten-month maintenance period in Portsmouth.**

The system, potentially the forerunner to all ships in the Class being fitted with similar units, takes into account the latest developments in CBRN technology and will enable more cost effective through-life support through a less frequent requirement for filter changes.

The CBRN upgrade was one of the

major elements of the project on HMS Iron Duke, which saw a 40 per cent growth in workload during the life of the programme.

With a new crew, the ship will embark on an intensive training period early in the New Year following successful completion of her sea trials.

The achievement in carrying out the heavy workload in such a short space of time was acknowledged by HMS Iron Duke Commanding Officer Commander Mark Newland, who said: "The efforts put into achieve what became a significant package of work by all the members of Team Portsmouth was impressive."

# The Big Interview

The Times business correspondent Angela Jameson talks to VT Support Services Head John Davies...



## New Year's Resolution will Keep Support Forging Ahead

**A**s New Year's resolutions go, finding £60 million of revenue is a pretty tough one. That is the challenge John Davies, Managing Director of VT Support Services faces this year, as he looks to replace the revenues lost to his division by the transfer of naval support services to the potential new naval shipbuilding and support company.

Indeed, John sees it as a chance for a fresh start and he has lots of irons in the fire.

"I suppose it's a bit of VT history. But we still retain the air, land, emergency services and commercial services activities," says the 43 year old.

He has every reason to be optimistic. VT's Support Services team is currently in the final stages of negotiating several major contracts that will earn billions of pounds for the company.

The first is UK MFTS – Military Flying Training System – a £3 to 4 billion project to put in place air crew training for the Army, Royal Navy and RAF, on which VT is working with Lockheed Martin. With this contract under its belt, VT will be able to market its expertise in flying training on an international basis, in the Middle East, Eastern Europe and Australia.

Another important contract is Future Strategic Tanker Aircraft - (FSTA or Airtanker). That will generate about £250 million of revenue to VT support services over the contract's life-time, while the Division is also working on Search & Rescue Harmonisation, again with Lockheed Martin, and Whole Fleet Management, both multi billion pound projects.

Another growth area John's team is pursuing is providing and maintaining vehicles for the emergency services. VT already maintains 3,600 vehicles for the Metropolitan Police and is keen to offer its services to other police authorities and fire authorities. "This means the Met can concentrate on front line policing. We free up financial and people resource so that they can do that," he says.

The secret to the business is to provide more availability to the client, with fewer assets. But it's not just about rationalisation and, indeed, it would be counter-productive to cut corners.

"Our contracts have very stringent criteria. The Met requires us to have no more than 280 vehicles off the road at any one time, out of the 3,600 – so it's measurable, it's specific and that's what we sign up to."

In a similar way, VT provides 2000 construction vehicles for the Army and maintains essential ground vehicles at Heathrow and Gatwick for British Airways. John's team will have a critical role to play in BA's move to Terminal 5 this Spring.

Wigan-born John, who started out in life as a solicitor, is clearly

confident that he will meet and exceed the challenge of replacing the naval support services revenues.

He is also pleased to be working in a company where the calibre of the employees is getting better and better. "Over the last five years, the quality of the individuals here has changed considerably. There has been a general upskilling across the business. For me, that has been the most marked difference," he explains.

As a relative newcomer to the group – he joined in 2000, when VT bought Bombardier Defence Services - John thinks it's important to preserve the unique VT culture – even as the business is changing and retreating from manufacturing.

"The culture of VT is very attractive. It doesn't have the same ego or arrogance that perhaps some other manufacturers are reputed to have. We have to work to preserve that," he says.

Perhaps it is because of that unique culture that VT is winning plaudits from customers for its flexibility and partnering skills. Recently the company was voted as the number one supplier to the MOD by the MOD's own Directorate of Supplier Relations Group. "That was a big tick for the people transacting the business on the sites. The most important thing for our business is that we have good people at the sharp end and good relationships with our customer" he says.

Now he is ambitious to generate revenues of £500 million a year in support services, within five years. "That's the challenge. I think the nature of the group will change, with the increasing move away from manufacturing. Undoubtedly we are going to broaden the number of sectors we are operating in and the nature of the group will change and throw up various opportunities," he says.

As the song goes, old friends in the Navy won't be forgotten – VT will still be a shareholder of the new shipbuilding company – but new challenges and new markets are opening up.



### Meet John Davies

**Age 43, lives in Broadstone, Poole  
Married to Susan and dad to Emily and Charlotte**

**First job:** articled clerk at a solicitor's firm in Wigan

**Favourite gadget:** corkscrew

**Loves:** Paul Weller

**What does leadership mean to you?** Vision, energy and passion coupled with an awareness of your own limitations

**Where do you see yourself in 10 years time?** With two teenage daughters by then – bankrupt!

## FSL Apprentices Help to Recreate Daring Commando Raid



■ FSL apprentices who built the Cockleshell canoes. L to r: Ellis Gordon, Neil Dagens, Lucy Jones and Reggie Smith

**Joinery apprentices at Fleet Support Limited have taken a step back in history to help two Royal Marines recreate one of the most heroic Commando raids of World War 2.**

The four apprentices have built a replica of the canoes used by Commandos known as the Cockleshell Heroes to travel up the River Gironde before carrying out a daring raid on shipping in the port of Bordeaux in December 1942, damaging five ships by attaching limpet mines.

The Commandos travelled up the river in the lightweight canoes during the night and hid low during the day before mounting the raid. Only four of the original ten-strong Commando force survived the journey to Bordeaux and only two eventually made it back to England.

Marine Lee Hanmore and Corporal Richard Melia searched out the design of the original canoes and sought the help of the FSL apprentices to build the wooden craft. They repeated the journey at exactly the time of the original raid 65 years ago.

With the Commandos' only taking supplies they could carry in the canoes, the FSL apprentices soon came to appreciate the bravery of the men.

FSL Joinery Production Manager Simon Murray explained: "The apprentices don't normally get to build boats so this has been good experience. They have also learned about one of the most daring commando raids of World War 2 and come to appreciate the bravery of the men who carried it out."

## VTS Health and Safety Initiative Recognised

**VT Shipbuilding health and safety executives John Birchmore and Andy Barkwill have received national recognition for their work with suppliers and manufacturers in developing tools which reduce noise and hand arm vibration.**

VT was among 29 companies who took part in a Health and Safety Executive strategy to encourage companies to involve workers in

health and safety management.

The programme ran for 15 months and involved trade union safety representatives and workers feeding in their ideas.

Although the noise and vibration scheme has now ended, VTS intends to carry on with the strategy in encouraging workers to develop further initiatives involving other areas of health and safety.

Supporting a Royal Navy ship operating some 7,000 miles from the UK will present some interesting challenges for VT Naval Support as the offshore patrol vessel HMS Clyde carries out its duties in the South Atlantic. Senior VT Systems manager George Jamieson (right), who is based with the ship in the Falklands, outlines how things have gone in the opening weeks.

# Building the Support Bridge to Keep Clyde at Sea

“The first few weeks of HMS Clyde being on station have been busy as the ship and her crew get used to their new environment and VT personnel establish the support infrastructure to keep the ship operational. “VT Contractor Logistic Support engineer Mark Spratling was on board as Clyde arrived in the Falklands after a voyage south, during which the ship

called at Las Palmas, Rio de Janeiro and Montevideo, where upon the crew finally had some time to relax. “As the ship sailed south, CLS manager Bill Page, Paul Blankley from Mine Warfare Patrol and Hydrographic (IPT) and I visited Brazil to investigate options for future maintenance periods and docking of the ship with several dockyards at Rio de Janeiro and Rio Grande inspected.

“I then travelled on to the Falklands to set up the support infrastructure ready for Clyde’s arrival. This involved fitting out an office and large storeroom as well as forging links with key personnel at MPA (Mount Pleasant Airbase). Two large containers had been purchased at the UK and filled with a very extensive selection of base stores to support Clyde.

“These containers were sent down to the Falklands on a supply ship. Helped by the Army, we unloaded the containers into the VT storeroom and the preparations were complete. One of the challenges we face is the ability to pay for things. Few companies in the Falklands accept Visa and the only bank is in Stanley which is a two hour round trip. There’s a limit to the amount that can be cashed (£500.00) and it’s not always guaranteed



that the bank will be open! “At last the big day arrived and Clyde sailed into Mare Harbour for the first time. The ship had arrived with only a few minor problems from the voyage which were quickly overcome. Berthed alongside the former OPV HMS Dumbarton Castle the ship looked impressive and received plenty of praise from onlookers stood on the jetty. “Mark enjoyed a week in the Falklands before leaving me to manage the support. After completing a short work up period with Clyde, HMS Dumbarton Castle retired from the Falklands and set sail for the UK leaving Clyde as the new Falkland Islands Patrol Vessel. “Several presentations and guided tours were given to key people on the islands and the general perception was nothing but positive praise for the ship and the increased capability that it brings to the Falklands. “Our second CLS engineer, Gary Kennedy, joined me at the beginning of October and Clyde’s next task was as part of the Falklands conflict 25th anniversary celebrations transporting veterans around and

opening up to visitors at Stanley. “Gary experienced the first major defect that has occurred at the Falklands when the ship’s starboard main engine was found to have bent push rods during a routine maintenance check. This was a test for our air bridge and the CLS organisation. Eventually new push rods were supplied and fitted and following extensive checks to the engine by a contractor the ship was able to proceed with the programme. “Generally things have now settled down and as Clyde approaches the first maintenance period I believe that the vessel will go from strength to strength. Crew rotation has started and the radar optimisation and final acceptance is scheduled for Feb 2008. “Following that Clyde will fall into a routine patrolling the Falklands with occasional flag flying visits to South America. Although it seems like a long time since the first steel was cut Clyde is now firmly established in the Falklands and can finally be considered as a success and a vessel to be proud of.”



## Comms’ Oman Site Keeps Transmitting Through Cyclone!



It was one of the fiercest storms to hit Oman for many years but VT Communications (VTC) ensured that the BBC World Service message continued to get through when the site found itself close to the

eye of a tropical cyclone. As the cyclone roared in from the Indian Ocean, the VTC run BBC site near Aseela on Oman’s South East Coast braced itself for high winds and driving rain, with the authorities warning residents to evacuate the area.

All non-essential staff among nearly 40 VTC personnel at the site were quickly evacuated inland and the pre-laid business continuity plan was put into place to ensure that BBC transmissions could continue into areas such as the Arabian Peninsula, Iran, India, Pakistan and Afghanistan, using stand-by power generation. VTC built the Aseela site five years ago to replace ageing facilities some 100 kilometres south on Masirah Island, which proved fortunate because those facilities would have been highly unlikely to survive the stormy battering! Back at Aseela, the site was occupied only by a handful of British expat staff and two Omani security guards. The surrounding area was virtually deserted with many of the population

having moved to higher ground. With the buildings considered strong enough, the VTC staff battened down the hatches and kept transmitting, hoping that things would improve. Their hopes were answered as the cyclone lost some of its ferocity. “The eye of the cyclone stayed off the coast but the wind and the rain were more than enough to make for an exciting evening and night. Despite all this the site escaped relatively unscathed, apart from a few water leaks,” explains VTC Resident Manager Dave Batty. The surrounding areas and towns didn’t fare so well. They were hit by floods and many areas were inaccessible. A large wadi nearby became a full flood, cutting off the

region for two days. Electricity supply poles were washed away and telephone communications – both land and mobile - were also lost. With roads impassable, the tankers that normally bring water to the area were prevented from getting through, leaving the region to survive on bottled water for several days. “Houses are not designed or built to withstand large amounts of rain so there has been considerable water damage to the homes of staff but the important thing was that they and their families all emerged safe and sound, while for the BBC it proved how well our contingency plans work,” adds Dave.



Focus on VT's work in the Pacific...

# Aiming to Build Presence in Idyllic Hawaiian Paradise



It is probably one of the best locations you could work in. The thought of Hawaii conjures up a feeling of excitement in most of us. However, with the US military presence increasing in these Pacific islands, there's also some serious work to do. VT Griffin's Director of Pacific Operations Deane E. Leidholt, told VTi what life is like among the Kama'aina.

### What does VT Services do on Hawaii?

VT Services has two offices on Hawaii, VT Griffin and VT Milcom, both located in Aiea on the island of Oahu near Pearl Harbor. VT Griffin performs construction management of Indefinite Quantity, Indefinite Delivery (IDIQ) Job Order Construction (JOC) for the Department of Defense (DOD) and Federal Agencies. JOC Construction is alteration, maintenance, repair and modernization of buildings, facilities, infrastructure, and installed equipment and systems. This office also performs business development activities for the Pacific Rim to include the US West Coast. VT Milcom performs full-service Information Technology (IT) and systems electronics integration and installation for both shipboard and shoreside customers, again primarily for DOD & Federal customers.

### Who are our main customers?

Our main customers are the U.S. Army, U.S. Navy, the Hawaii Air National Guard and U.S. Postal Service.

### How many people do we employ there?

The two Hawaii offices include 9 employees and about 15-20 subcontractors.

### Are most of our employees from Hawaii or do they come from the U.S. mainland?

Most of our team is from Hawaii, but all are considered "Kama'aina".

Kama'aina refers to someone who has lived on the islands for a long time and is akamai (smart) about life in the islands. The current population of the state is about 1.3 million.

### What sort of military presence does the US have there and why?

Hawaii is the headquarters of the U.S. Pacific Command (PACOM), which has US Defense responsibility for the Asia-Pacific region encompassing 43 countries. The mission of PACOM, in concert with other US government agencies and regional military partners, promotes security and peaceful development in the Asia-Pacific region. Hawaii is also home to the US Commanders of the Pacific Army, Air Force, Navy and Marine Corps Commands, which have subordinate commands in Alaska, Hawaii, Japan, Korea, Singapore and Guam. About 55,000 military and 65,000 dependents are stationed on Hawaii supported by almost 15,000 Federal civilian employees and 5,000 contractor employees. Of Hawaii's 17 military installations, the major ones include Naval Station, Pearl Harbor; Schofield Barracks; Hickam Air Force Base; Marine Corps Base, Kaneohe Bay; Fort

Shafer and Tripler Army Medical Center.

### Is there a lot of potential for VT Services to grow its business in the region?

The potential for expansion in the Pacific Rim is significant. PACOM is transforming its forces in the Pacific to meet the perceived threats from North Korea and China. For example, 8,000 Marines and 9,000 dependents will move from Okinawa, Japan to Guam by 2015 at an expense of \$10 billion. Army, Navy, Air Force and Marines forces are being expanded in Hawaii, Alaska, the West Coast and Guam to include significant construction and an increased amount of services of all types.

### Is there much competition on the islands for the services that we offer and how do we rank in size among the base operations providers on the islands?

There is significant competition for the base operations, logistics, construction, information technology and other integrated services we offer on Hawaii. The largest is BAE



VT Services personnel at work on Hawaii

Systems, which operates the Naval Shipyard, the Army Garrison, Hawaii logistics contract and ammunitions handling operations. Other US defense contractors with large on-island presence are SAIC, ITT Industries, and URS. Our workload ranks in the lower middle quartile but we have ambitious expansion plans for the Pacific Rim.

### Everyone knows the location as Hawaii but what other islands are there, how big are they and do they differ that much?

Hawaii is the most isolated island chain in the world located 2,300 miles west-southwest of the continental US in the middle of the Central Pacific Ocean. As the 50th US State, it is a 1,523 mile chain of hundreds of islets and eight main islands from northwest to southwest. Hawaii's capital is located in its largest city, Honolulu on the island of O'ahu. O'ahu is also the major business and industrial center and includes the tourist destination of Waikiki and the Pearl Harbor military complex. Both VT Griffin and VT Milcom are located in Aiea near the Pearl Harbor complex. The State's population at the last census was at almost 1.3 million, most of which is located on O'ahu, which is nicknamed "the gathering place". As the tops of ancient volcanoes rising from the ocean floor, all the islands are similar in topography, flora and fauna but each has its unique flavor. Beautiful reefs and beaches, dramatic cliffs and mountains, lush green vegetation with coconut and banana palms and colorful flowers of all types are typical of all islands. Hawaii is the largest island at 4,028 sq miles or 10,433 sq kilometers. The first recorded European contact with Hawaii was in 1778 by British explorer

Capt James Cook. Early British influence can still be seen from the design of the State Flag of Hawaii, which has the British Union Flag in the corner.

### If we work on several different islands how difficult is it to travel between them?

We have had work on the major islands of O'ahu, Kaua'i, Maui and Hawaii. There are three inter-island airlines, which serve these islands so travel between them is easy. There is also a regularly scheduled barge service for shipping vehicles, materials and equipment.

### Everyone thinks of Hawaii as being idyllic, what's it like to live on the islands e.g. advantages and disadvantages?

Most "kama'aina" believe that living in Hawaii is living in paradise, albeit an expensive paradise. The natural beauty of the islands is breathtaking with blue skies, turquoise reef waters, emerald cliffs (pali), mountains and lush landscapes, multi-color flowers, fragrances and rainbows, double rainbows and even triple-rainbows. More important than the beauty of the setting is the beauty of the spirit of the Hawaiian kama'aina. A spirit of "Aloha" (brotherhood and love) is prevalent in the islands and if you are accepting you will be accepted as Ohana (Family). Living on Hawaii is not the same as the US mainland or a continental location. As islands, a significant amount of consumer goods must be shipped here. This means the prices of food, rent, gasoline and dry goods are usually about 35% higher than on the mainland. Traffic is also a problem on Oahu. A recent newspaper article announced that there are more cars than people on Oahu, over a million cars to just under a million people.

## US Teamwork Takes VT to New Frontiers

VT Griffin and VT Milcom have literally crossed new frontiers to set up a new airline operation from Jacksonville International Airport in Florida. The two VT Services businesses were given just a month to set up the offices and ticketing infrastructure for Frontier Airlines to start a new operation adding Jacksonville to its network of domestic services.

The VT team project managed a wide menu of work that included installing and testing communications linking Frontier operations from the passenger embark/disembark area to the ticketing offices and passenger check in area; installing electrics; interior construction of offices and reception areas, and

installing other equipment and materials supplied by the customer.

Headed up by Jim Felder, John Clubb and Timothy Sheider, the VT team immediately set about the communications and electrical tasks. An impressive effort by Herman Woodward, Dennis Mort and Julianne Langerud had things moving ahead of schedule as flight day approached.

But then came a last minute IT hitch that threatened flight day. Fortunately, the VT team came up with the solution and facilities were tested and ready for the first Frontier passenger to arrive at Jacksonville. Indeed, the quality of the project means Frontier Airlines are now set to entrust VT with construction and fit-outs throughout their US system.

## New Role in Helicopter Maintenance for US Army

VT Services is to play a key role in maintaining US Army helicopters following the acquisition of Maryland-based Advanced Engineering and Planning Corp., Inc. (AEPCO).

AEPCO manages helicopter life cycle support programmes and carries out most of its activities at Redstone Arsenal in Huntsville, Alabama, where its major customer is the US Army Aviation and Missile Command (AMCOM).

The business was established in 1979 by its founders and had a turnover of \$65.9 million in 2006.

AEPCO, which employs some 450 people, provides logistics, technical and programme management for helicopters including the Apache, Blackhawk, Chinook, Warrior and Cobra.

VT Services Chief Executive Ken Smith said AEPCO had considerable potential to grow and since the initial agreement for VT to buy the business it had been awarded \$180m worth of new contracts to provide support to the US Army for delivery over the next five years. This

gives a total order book in excess of \$450m.

Ken explained: "AEPCO will enable us to further increase our margins under VT Services, supplementing our existing work in base operations and systems upgrades for naval vessels."



"The acquisition will strengthen our position as a significant supplier to the US Department of Defense logistics sector, where there is exciting potential for future growth. We can also leverage AEPCO's supplier base to benefit other areas of our business."

## Record Score Boosts Award Fees at Kings' Bay

VT Griffin has surpassed even its own high standards of operations at Kings' Bay Naval Base in Georgia with a record performance in achieving its fourth quarter award fees.

Most of Griffin's base operations activities in the US are subject to supplementary fees where bonuses are awarded dependent on the quality of the team's performance, which is assessed by local base commanders. The results of the latest assessment at Kings' Bay, where VT carries out a wide range of support from running the fire service to maintaining cranes, gave VT a score of 99.36 per cent, just beating the previous best 99.35 per cent achieved in the first quarter of 2007.

## FSL Gears Up for Type 45 Support

Fleet Support Limited (FSL), the Joint Venture between BAE Systems and VT Group, is gearing up for the arrival and support of the first Type 45 destroyer, in Portsmouth where the ships will be based.

FSL has a contract to help develop and refine the waterfront support solution as part of a partnering approach that also includes BAE Systems and MBDA with the Ministry Of Defence.

The work will cover interim support of the first-of-class HMS Daring after the ship is accepted off contract from the builder late in 2008, through first entry into Portsmouth in early 2009.

It will start as soon as the ship arrives in Portsmouth for sea trials and will utilise FSL's established expertise in ship engineering, berthing and logistics as well as providing facilities and services for equipment manufacturers.

FSL is actively involved in developing the support requirements, processes and the necessary infrastructure with the Type 45 Integrated Project Team, Naval Base Commander Portsmouth and BAE Systems Project Office.

The process has already started with key personnel being trained on ship familiarisation and regular interface with the T45 teams in Glasgow and Filton. In the Naval Base, preparations will include modifications to electrical supply arrangements and the docksides to accommodate the 7,500 ton ships.

T45 Integrated Project Team Leader Dave Twitchen says: "Portsmouth will be playing a key role in the provision of support to the T45 when the ships are delivered".

# FSL Celebrates Ten Years at the Hub of Portsmouth Naval Base



**J**oint venture Fleet Support Limited (FSL) celebrates its tenth anniversary at the end of February with the satisfaction of having played

a key role in the renaissance of Portsmouth Naval Base.

The JV between VT and BAE Systems was established originally to manage the former Fleet Maintenance and

Repair Organisation (FMRO). Some 1,000 employees, primarily involved in ship repair, transferred to the new company as the private sector became tasked with improving efficiency and reducing costs in the Base.

It was a tough challenge but gradually the benefits became evident as enhanced working practices and better processes were reflected in Portsmouth's improved performance in Royal Navy ship maintenance.

FSL's impressive performance led to an expansion of its activities in 2003 under the Warship Support Modernisation Initiative (WSMI). The company took on around 500 more employees responsible for delivering facilities management, logistics, transport, waterfront support and fleet-time maintenance services in the Base.

WSMI also created a new identity for the Naval Base which reflected a close partnering approach between FSL and the Naval Base Commander under the umbrella of Team Portsmouth. This emphasis on working together in a seamless and open manner fuelled the further renaissance of the Base and underlined Portsmouth's claim as the "best place to support ships."

The results have continued to be impressive and FSL Managing Director Ian Booth believes that his company has been an integral part of the Naval Base change in fortunes.

He explains: "As a company, FSL has developed its capability considerably over the past ten years,

improving our design, engineering and through-life support skills. We have also expanded our footprint by assuming responsibility for areas such as logistics, facilities management and waterfront services, besides assisting the Naval Base to develop new initiatives such as Pay as you Dine.

"One of the biggest successes has been FSL's partnering ethos developed with the Naval Base Commander's team, known locally as Team Portsmouth. It has produced considerable cost savings for everyone involved and that has led to the model being used for a number of other UK defence business relationships and programmes."

Naval Base Commander Commodore David Steel also acknowledges the contribution FSL has made to strengthening Portsmouth's position. He adds: "Portsmouth Naval Base is now recognised as a centre of excellence for supporting the Royal Navy. FSL has made a major contribution to that reputation and will play an important role in supporting future ships such as the Type 45 destroyer and CVF."

Looking ahead, Ian believes that FSL has a considerable part to play in the development of the new BAE Systems and VT shipbuilding and naval support joint venture. "Effective through life support of RN ships will assume even greater significance with the introduction of the new destroyers and carriers," he says.



## Full Steam Ahead

**It's full steam ahead on the Royal Navy's Type 45 destroyer programme with a production line of bow sections at VT and complete ships being launched at BAE Systems' facilities in Glasgow.**

Latest ship parts to leave VT have been the bow for HMS Dragon (top right), the fourth ship in the series, followed by the ship's funnel and mast. After all inspections are complete the mast has to be completely sealed to send to Scotland on the barge. The photo right shows VT outfitters Dave Knight and Chris

Gee put the final touches to ship mast 04 before it is sealed.

The final ship sets - five and six - of bows and related parts are already well underway for loading out in 2008.

Meanwhile, BAE has been making equally impressive progress with some 14,000 people watching ship 03, HMS Diamond, make a stunning entry into the water (left) when she was launched from the Govan shipyard into the Clyde.

With the first-of-class HMS Daring carrying out successful sea trials, the countdown is on for Portsmouth Naval Base to receive the first ship.





*New Ops Hub Almost Ready...*

# Gearing up for Move to Heathrow Terminal 5

**V**T Critical Services at Heathrow are gearing up for one of the Airport's biggest logistical moves in decades when British Airways starts operations from the giant Terminal 5 this Spring.

As the maintainer of BA's ground support equipment, VT is an integral part of the airline's operations and will move out of existing facilities in Terminal 1, which is one of four workshops occupied by Critical Services around the airport.

VT will have its own purpose-built

workshops at the eastern end of the new terminal with equipment and staff moving over the next few weeks in preparation for the first flight at the end of March.

The workshop will maintain equipment such as elevators, electric tugs and transfer transporters, besides having a quick fix facility for the aircraft towing tractors. It will consist of ten

### Terminal Five Factfile

30 million passengers a year  
60 aircraft stands  
68,000 sq. m. roof – equivalent of seven football pitches!  
13 kilometres of bored tunnel (for underground)  
150 retail units

workshop bays, dedicated wash bay and will operate on a 24/7 basis as per the requirements of BA's flight programme.

BA has spent some £35 million on wheeled equipment including agile elevators for aircraft

loading, new coaches and high powered electric tractors to tow baggage trailers from the baggage hall to aircraft stands.

VT will be maintaining all that



equipment as part of its work on over 4,000 pieces of BA kit at Heathrow.

## Expanding Vehicle Airport Maintenance Work

**VT Critical Services has expanded its vehicle maintenance provision at Heathrow Airport by securing a contract to service the fleet of one of the major catering providers.**

LSG Sky Chef has placed the maintenance of its fleet of 90 vehicles, at Heathrow with Critical Services in a three-year contract which is being managed by Gary Hookes and Steve Allaway. Vehicles range from

high lift catering trucks to small vans and the work supplements VT's maintenance of British Airways' ground support equipment.

It also builds on the successful work Critical Services carries out for LSG at Manchester and will provide LSG with a consistent single approach to its vehicle upkeep. As part of the contract, LSG technicians Rabinder Virdi, Theodoro D'Souza and Suckminder Birk have transferred to VT.

## Construction Vehicles Programme Reaches Milestone

**VT's joint venture with Amey plc to provide and maintain all the Ministry of Defence's construction vehicles has now seen nearly 350 new pieces of plant delivered.**

The Private Finance Initiative (PFI) C Vehicle Capability programme is a £500 million, 15-year contract which started in June 2005. It will revamp and upgrade the large fleet of construction and field mechanical handling plant, used mainly by the British Army, around the world.

Over the next two years, the bulk of the fleet will be renewed with some 4,000 units being reduced by almost half as better utilisation and support techniques are introduced.

Fleet replacement is already advanced with new tractors, forklifts and construction equipment in service and deployed worldwide. ALC is procuring nearly 170 different types of vehicle from the UK, Europe and Canada.

The project is viewed as a pathfinder for the MoD's future Whole Fleet Management (WFM) programme and has broken new ground in the integration of the private sector with core military activities. VT has already been downselected for the WFM programme which could cover some 100,000 vehicles ranging from Land Rovers to tanks.

ALC Managing Director Hamish



Knox explains: "The introduction of a fleet central holding, the principle of Whole Fleet Management, and only providing equipment when it is needed has allowed the total fleet holding to be significantly reduced whilst simultaneously retaining full military capability."

Another fundamental aspect in the programme is effective contractor logistics support, centred on the Help Desk at Bicester and over 50 ALC technicians in the field, primarily in UK, Cyprus and Germany but able to be deployed worldwide if necessary

to carry out vital maintenance on the kit, ensuring maximum operability. ALC personnel have travelled to faraway places such as Kenya and the Falkland Islands to ensure units are kept working.

Where necessary, effective logistics also enable vehicles in demanding theatres of operation to be repaired in theatre or if necessary promptly shipped back to the UK for repair and replacement equipment utilised.

"Vehicles operating in extremes of temperature is one of the biggest problems that we face," adds Hamish.

## Confined Space Training Facilities Enhance Excellent Offering

**A new search and rescue/ confined space training facility is set to enhance Flagship Training's fire fighting training unit at HMS Excellent, near Portsmouth.**

The new facility is spread over three levels and comprises a 350 metre long maze of interconnecting tubes which are designed to simulate the confined spaces that workers and emergency teams often need to operate in.

The idea is to replicate enclosed spaces such as plant rooms, drains and sewers, fuel tanks, lift shafts and ductwork. Exercises will include

rescuers navigating by torchlight and crawling through the labyrinth of tubes whilst Flagship instructors provide on hand assistance.

The scenario can be made even more challenging by adding smoke, noise, heat and rescue dummies. Winches and breathing apparatus can also be used whilst further scope can be applied to the exercise by blocking entry routes and sounding gas detector alarms.

Besides Royal Navy students, the new specialist training facilities are expected to attract plenty of interest from commercial customers.

# Rampisham's Cold War Reminders Transmit Powerful Message

**The transmitters are probably among the most powerful in the UK and a reminder of the Cold War days when BBC World Service signals needed to be strong enough to overcome the jamming efforts of the Soviet Bloc.**

Today, their use at the VT Communications' Rampisham site in the heart of Dorset is less confrontational, with standard output of the BBC message and communications from a host of other broadcasters transmitting to the corners of Europe and North Africa.

Rampisham is one of the four VT-owned sites that handle BBC World Service programming from the UK, taking data from BBC headquarters in

Bush House, London, and broadcasting to dozens of countries. Built in 1941, it follows the pattern of the other sites in being originally set up to output BBC wartime programming into Europe.



Nowadays, the 189-acre site, set among Dorset's rolling hills, outputs some 3,000 hours of programmes

a month, headed by the BBC World Service and content from the German state broadcaster Deutsche Welle.

Station manager Peter Thomas (left) also has a unique background. He originally joined VTC to work at its facilities on Ascension Island after serving as the island's Chief Police Officer.

From his current role running the Rampisham facilities, he explains: "It's the ten transmitters – a mix of German and British technology - that help to make this place so different. With 500kW of power, they are among the most powerful around and were mainly installed in the 1980s to overcome the Soviet's attempts to jam the radio programming."

Two of these transmitters have



since been modified to run digital transmissions. There is also a facility for them to be operated unmanned, by being controlled remotely from Bush House or one of the other UK VTC sites. These will soon include VTC's new Media Management Centre at Lincoln's Inn Field's.

Together, the two distribution centres ensure a heavy workload for the transmitters, which feed 34 antennae located throughout the Rampisham site. It demands a well organised

maintenance schedule to keep the transmitters operating efficiently – to such a level that they regularly exceed their performance indicators of 99.85 per cent availability each month.

Today's streamlined VTC team of some 20 engineers, riggers and other staff is a far cry from the bigger numbers that populated Rampisham in those Cold War days. Like the transmitters, their work remains equally valuable.

## New Assembly Hall Extension Completed Ahead of Time

**A new extension to VT Shipbuilding's (VTS) cavernous assembly hall**

**has been completed ahead of time and below budget.**

The seven-month and £9 million project, completed under a partnering arrangement by VTS and construction experts Morgan Ashurst (formerly AMEC) has extended Hall B at the Portsmouth Naval Base facility by a further 70 metres, making it 200 metres overall.

The benefits of the extension will be plain to see over the next few years with six export ships and two Royal Navy CVF (aircraft carrier) blocks to be built at Portsmouth. The first production work to fill the extension will be sections of the first-of-class Oman Ocean Patrol Vessel in early 2008.

Although the extension has an additional ten-tonne capacity crane fitted, the rails from the existing hall have been extended to provide capacity for lifting ship sections up to 400 tonnes. New services such as electricity, gas and extraction systems have been installed and a new stores facility added.



■ VTS Managing Director Francis Paonessa opening the new extension

## VT Four S Expands Education Services

**VT Education and Skills (VTE&S) has enhanced its position as a leading provider of support services to schools after being appointed preferred bidder to deliver a range of school improvement support services to schools in the London Borough of Waltham Forest.**

Under the four-year contract, commencing in April 2008 and valued at around £30 million, VT will be responsible for the management and delivery of school admissions and grant services for pupils, students and parents.

VTE&S will deliver the services through its specialist education services subsidiary, VT Four S, which already provides services to over 400 primary and secondary schools in Surrey, plus a further 40 primary and

secondary schools in Reading. VT also delivers careers guidance services in Waltham Forest.

VT Four S Managing Director Marcus Watson commented: "We look forward to utilising our skills, experience and expertise to ensure that schools, children and young people in Waltham Forest receive the support they need to meet their full potential".

VT's new work in Waltham Forest is set to mean an expansion of the developing conferencing business already undertaken by VT Four S. The business holds more than 20 conferences a year linked mainly to its education services in Surrey and aimed at the local authority as well as education sector.

■ VT Support Services is heavily involved in helping Prince William to gain his pilot wings by supplying and maintaining the Grob Tutor aircraft which he is using for initial training at RAF Cranwell. The Prince is then expected to move on to training on Tucano fast jet training aircraft, also maintained by VT at Linton-on-Ouse.



## VTC Signal will Enhance Seafarer Safety

**Maritime safety around the UK and Irish coasts has been enhanced with the launch of a revamped eLoran signal from Cumbria by VT Communications (VTC).**

eLoran is a radio navigation service which is an alternative to Global Navigation Satellite Systems (GNSS) and allows seafarers from small boat owners to ocean-going vessels to establish electronic positioning, navigation and

timing when satellite signals are disrupted.

VTC's 15-year contract with the General Lighthouse Authority has involved relocating existing eLoran infrastructure from the Midlands to Cumbria and investing in new low frequency (LF) infrastructure and supporting systems.

The move involved decommissioning the existing Loran LF transmitter, consolidating in a series of 40ft containers and transporting it to the

VTC site in Cumbria. VTC engineers then reassembled the transmitter with assistance from the manufacturer and built a new antenna for the signal.

The UK signal is part of a European network of eLoran transmitters with a control centre in France and the GLA are currently running the operation as a trial service for three years, with transition into a full service set to follow.

# Challenge Team Finish Impressive Sixth in World Competition

**V**T's intrepid challenge team have followed up their impressive UK performance by achieving a superb top six finish in the world Microsoft Challenge that tests physical and business skills.

Having earned their passport to the world event in Nice by finishing fourth in the UK championships, VT was pitched against 37 teams from throughout Europe, America and Asia, who had all finished in the top five in their respective national competitions.

Months of training meant the VT team – Simon Pattison, Aidan Kay, Adam Griffiths, Alan Hutchinson, and Paul Beresford - was well prepared as they faced a series of gruelling physical competitions, with testing mental challenges thrown in to provide an extra dimension.

A five-hour cycling and running event, with an initiative test, was a testing opener but the VT team showed its mettle by easing into fourth spot.

After a disappointing night-time



■ The Microsoft Challenge team - (l to r): Simon Pattison, Alan Hutchinson, Adam Griffiths, Paul Beresford and Aidan Kay

challenge, they regained a solid position with a good performance in another tough mountain challenge involving running and canoeing on a fast-flowing mountain river.

Finally, the team had to wrestle with a challenge in the exclusive Villefranche-sur-Mer bay where the physical demands of running, swimming and kayaking were mixed with a fictional test to discover who was the most successful at selling and buying the luxury properties that are dotted about

this playground of the rich and famous.

Fifth place in the last challenge was enough to earn a sixth place overall – and the admiration of the organisers. Indeed, the Chief Executive of organising Challenger World company commented: "For VT to both qualify for the worlds and achieve sixth place in their first year of competition was a phenomenal achievement."

VT will again enter a team in the UK Challenge in 2008, with a selection day taking place in March.

## It's that Man Aurelio Again...



**It's that man again... following his efforts in the London Marathon, VT Shipbuilding materials marshaller Aurelio Bello took on the skyscraper course of New York when he completed the Stateside marathon with another charity target in his sights.**

Aurelio, originally from Spain, has raised more than £100,000 in recent years and added another £2,300 to that total with his exploits in New York. Sense, which helps people suffering from sight and hearing difficulties, and Southampton General Hospital's paediatric intensive care unit will benefit. Aurelio, who has strong links with several top soccer teams in Spain, raised further monies through raffling pennants signed by Arsenal, Barcelona and Celta de Vigo.

## Desert Runners Reap Charity Benefits

**The VT Naval Support team in Jubail took a break from work in Saudi Arabia to go horse racing – and raised £3,000 for charity in one night!**

Actually, the team didn't set foot outside the Hunter Compound but held a race night to raise funds for UK Cancer Research and two hospices in Portsmouth and Blackpool. Organised by Rob and Emma Davies, and Russell Johnson, the night proved a great success and there are already plans to organise another fund-raiser. The Hunter Compound is home to 45 VTNS personnel who look after three minehunters for the Royal Saudi Naval Forces.

## Around The Group

■ What better way to get staff together than a golf day and the 13 golfers at the VT Emergency Services Metropolitan Police maintenance



facility in North London certainly enjoyed a good day out at Wycombe Heights course. Suppliers provided some attractive prizes while a £250 voucher was donated by VT for the winner, paint sprayer Joe Green. Having successfully brought together staff who normally would not meet, the day was judged a great success. It's now planned to make the competition a regular event with the aim of attracting more players.

■ Flagship Training's Steve Burnell is celebrating after being selected as this year's Chartered Quality Institute (CQI) 'UK Quality Leader' of the year. Steve, who has recently joined Portsmouth based Flagship Training Ltd (Flagship) as Director of Business Transformation, now moves forward to represent the UK in the European Quality Leader awards which take place in May 2008.

Each year the CQI presents the UK Quality Leader award to individuals with an outstanding record of achievement in quality improvement and the award was in recognition of Steve's work at helicopter manufacturers Agusta Westland.

■ VT Land's Steve Tyers has been awarded the annual VT Society prize which recognises employees who carry out outstanding community service or charity work. Steve spends much of his time raising money for the Soldiers, Sailors and Airforce Association (SSAFA).

■ VT Shipbuilding supported the Scout Association's stand at the Southampton Boat Show with Charles Hockley, electrical lead on the CVF aircraft carrier project, joinery apprentice Simon Steward and team leader Dave Sykes all helping to attract visitors. Besides celebrations of 100 years of the scouting movement, interest during the week focused on a project by explorer scouts to make and race five coracles. The stand was sponsored by VT suppliers including Morgan Ashurst, SEC Electrical, CSD Sealing and RBS Scaffolding.

■ The work of VT subsidiary Guidance Services, which provides careers guidance in the north of England, has been recognised by Ed Balls Secretary of State for Children, Schools and Families. Mr Balls visited Wakefield to mark the efforts of Guidance Services and its partners in helping young people between the ages of 13 and 16 who are not accessing education and learning. The Goal (Get on at Life) project has supported over 80 young people with 50 of them progressing into education, employment or training.

■ Guidance Services, which is part of the Connexions service for young people in West Yorkshire, decided to forego traditional Christmas card greetings by contributing foodstuffs and toiletries to Christmas hampers. The idea grew to involve wider families and friends with the result that those less fortunate in the community were able to enjoy some extra Christmas cheer

■ VT Bordon instructors are now accredited to offer commercial forklift and crane courses to customers outside the military. Besides scope within the VT Group, there is also plenty of potential with commercial customers throughout the area, according to Business Support Manager Kev Fry who can be contacted on 01420 485839.

■ Boosted by £250 from VT, the crew of the frigate HMS Kent raised a total of more than £1300 for the Kent Air Ambulance after they completed a 170 mile cycle ride from Portsmouth to East Farleigh in Kent.

■ Andy Jennings, who works for VT Critical Services at Heathrow, faces a tough winter of training as he gears up for the London marathon in April, followed by a punishing triathlon two weeks later. His motivation is the Anthony Nolan Bone Marrow Trust, which relies entirely on voluntary donations to help in its treatment of children and adults with leukaemia. Andy is eagerly looking for sponsorship among his VT colleagues in his target to raise £1500 for the charity. He can be contacted on 0208 513 7576 or 07933 744555.

■ Hundreds of visitors, many from overseas, flocked to the VT stand at the bi-annual DSEi exhibition in London's Docklands. The Group showcased its capability in land, sea and air activities with VIP visitors including Lord Drayson, former Minister for Defence Equipment and Support. VT's presence at the exhibition was further enhanced by the offshore patrol vessel HMS Mersey which was berthed alongside the Excel Centre where the event was held. Commanding Officer Lieutenant Commander Jonathan Lett and his team of officers did a superb job in showing visitors around the ship and describing the innovative support that VT provides for the three River Class ships.



■ VT's team of organisers for the show included the Group's graduate trainees who carried out a variety of helping roles and worked closely with HMS Mersey. The ship clearly appreciated their efforts – the group was offered a VIP tour and a "lift" back home to Portsmouth!

# VT Named Company of the Year in Awards Ceremony

VT Group has been named Hampshire Company of the Year in a prestigious ceremony at Portsmouth Naval Base's Action Stations venue.

The annual awards, sponsored by accountants KPMG and backed by the Southampton-based Daily Echo newspaper, saw VT edge out the Chemring Group and CTC Aviation Group to scoop the prize, which was received on behalf of the company by VT Group Chairman Mike Jeffries.

VT's award recognised the Group for its "all-round business excellence" and success in transforming its business from a traditional shipbuilder into a major provider of support services, underlined by its recent confirmation that it is now the Ministry of Defence's leading supplier.

VT's nomination as Company of the Year focused on the growth in turnover from £240 million to more than £1 billion over the past ten years and its expansion to over 14,000 employees, with



■ Mike Jeffries (left) receives the award from KPMG's Phil Cotton

several thousand based in Hampshire.

Judges were particularly impressed by the wide range of VT's support services embracing communications, defence, education and the major VT Services Inc. business in the United States.

Phil Cotton, senior partner at KPMG's

south coast office, said: "VT's ability to manage change really impressed the judging panel. Not only does it have a higher number of employees in Hampshire now, the changes were instrumental in the company announcing record results in 2007."

## VT Embarks on Training for Army's New Support Truck

A group of VT Land instructors (below) are spending six months in Germany training thousands of Army drivers to handle the latest addition to the military's heavy vehicle fleet.

The MAN Support Vehicle ranges in size from six tonnes to 15 tonnes and has several different configurations including a haulage vehicle, heavy transporter and fuel tanker.

VT instructors, working for Quorum Logistics Support, are moving between three main locations in Germany as part of their overall contract delivering training. Over the next few years some 7,000 vehicles are to be delivered as the truck becomes the backbone of Army transport.

The VT team, led by Alan Loveland,

will spend several weeks at three locations in Germany with their first assignment at Hohne resulting in a total of 30 instructors, 442 drivers and 29 civilian employees undergoing training in skills including tilting the cab, using the tools provided with the vehicle, changing the spare wheel and removing the canopy.

Specialist subjects such as the crane, winch and use of the new support tanker are also covered using a special fleet of 19 new vehicles.

The team will return to the UK early in 2008 when they will start their work in this country, kicking off with 3 Commando in Devon. VT's training work on the vehicles will carry on to 2011.



"We have recruited expert instructors from all over the country, mostly ex-military. It is a major training programme covering drivers and instructors," explained VT Land Future Systems Contract Manager Tom Reid.



## Strong First Half Results Fuel Share Price Increase



■ VT Milcom helped to raise margins in the US

VT Group's interim financial results were given an enthusiastic reception by the City with an on-the-day share price rise of around eight per cent after the Group announced an impressive 29 per cent rise in underlying profits before tax for the six-month period to the end of September.

Profits rose to £42.3 million from £32.7 million for the corresponding six months in the previous year, while turnover rose by 23 per cent to £573.1 million.

The strong organic growth in revenues and underlying profits was underpinned by notable highlights, including VT being ranked top performing supplier to the MoD by its Directorate of Supplier Relations. Good progress was also reported on forming the surface fleet Joint Venture with BAE Systems that will provide a major step forward in the UK defence industry

All VT divisions showed good progress, including VT Support Services winning a £32m contract award for training, maintenance and support to the British Army at Bovington, while VT Milcom in the United States was awarded a second option year, worth \$120m, on its C4ISR

(Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) project.

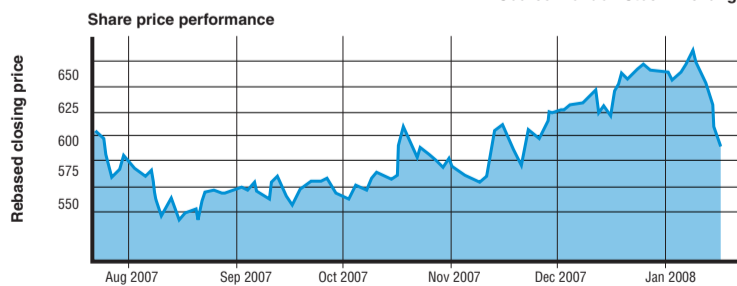
VT Communications' continued to broaden its customer base and has a number of new, long term contracts signed or at preferred bidder stage totalling over £20m, while VT Education and skills continued to make good progress in its Building Schools for the Future programmes.

VT Group Chairman Michael Jeffries commented: "With our shipbuilding activities set to be combined with those of BAE, we will focus increasingly on strengthening our wider support services business by organic growth and acquisition.

"We continue to make progress towards closing some major support services contracts in the near future that will enable us to increase our £3.7 billion order book considerably and will give us excellent visibility of earnings. These exciting new developments will underpin future support services growth as we expand existing areas and develop new business streams.

"Following this strong first half performance, the Board remains confident that the full year results will be in line with our expectations."

## SHAREWATCH



Timeframe: 6 months

VT's share price recovered from uncertainty in the market during the late summer to record an overall increase of some 40 per cent during 2007, on the back of positive news flows and impressive interim financial results.

Contract wins such as Lewisham BSF and preferred bidder status in the Wakefield waste management project have provided new business boosts while the City also warmed to the acquisition of AEPSCO in the US and the nuclear decommissioning business Project Services.

