

**PROPOSED ABOLITION OF
BRITISH SHIPBUILDERS**

Government response to
consultation

JULY 2012

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Background

1. British Shipbuilders is a public corporation that owned and managed large parts of the British (but not Northern Irish) shipbuilding industry. It was established by the Aircraft and Shipbuilding Industries Act 1977.
2. British Shipbuilders has now privatised all of its active shipbuilding subsidiaries and the one remaining engine building company. British Shipbuilders is, therefore, no longer a trading enterprise but effectively a “shell” company. Its remaining function is to act as the vehicle through which the long term industrial disease liabilities are managed. It has no funds of its own for this purpose, and is completely dependent on the financial backing of the Department for Business, Innovation & Skills. British Shipbuilders contracts Capita Hartshead to provide residual pension services, which involves investigating and handling unrecorded pension claims from former employees. We envisage the arrangements will continue to be made for handling such claims post abolition of the Corporation.
3. It is unsatisfactory that a statutory Corporation established for a specific purpose, namely the nationalisation, rationalisation, and subsequent re-privatisation of the shipbuilding industry, should be kept indefinitely to carry out a function for which it was not designed. The Corporation is not itself directly liable to claimants who have, or are relatives of those who have had, industrial diseases. It is liable rather as statutory surety for the judgment debts of its current subsidiaries, those subsidiaries it has dissolved and liquidated, and certain of its former subsidiaries which it sold to third parties while retaining liabilities attributable to their pre-sale acts or omissions. In addition, winding up British Shipbuilders is consistent with the coalition Government’s policy of reducing the number of arm’s length bodies. The Aircraft and Shipbuilding Industries Act 1977 does not give the Secretary of State for Business, Innovation and Skills the power to cease all operations of British Shipbuilders or to wind it up, and as a result the corporation has to be abolished through legislation.
4. A number of specific regulations relating to the operations of the Corporation were included in the manufacturing theme of the Red Tape Challenge. We did not receive any comments about these regulations. The proposed abolition of the Corporation will be achieved via an Order made under the Public Bodies Act 2011.

Consultation process and summary responses

5. The consultation opened on 2 February 2012 and closed on 26 April 2012. We were keen to hear from anyone who was concerned by the proposal to wind up the Corporation and transfer its liabilities to the Department for Business, Innovation and Skills. The consultation was sent to 23 organisations that were considered to have an interest in the Corporation. It was also placed on the BIS website.
6. By the closing date the Department had received four responses. The board of the British Shipbuilders and Zurich Insurance plc expressed no concerns arising from the proposed abolition. The other two responses were from the London and Glasgow offices of the same firm of claimant-orientated solicitors. Both of these sought reassurance on issues related to clarity of the responsibilities which would pass to Department for Business Innovation & Skills if the proposal to abolish British Shipbuilders were to be acted upon. The following points were made:

- “If British Shipbuilders Corporation is to be dissolved there should be some alternative mechanism for ensuring the continued publication of information and statistics about the impact of asbestos exposure in the industry”.
- [British Shipbuilders has] “dealt with claims against some other shipbuilding companies who were the parent companies of nationalised shipbuilding companies, including Cartsburn Investments Limited (formerly Scott’s Shipbuilding & Engineering Company Limited) and Lithgows Limited. It has also dealt with claims against certain companies which were sold out of nationalisation, such as Barclay Curle Limited. It is important that the arrangements for transferring responsibility for future claims are comprehensive such that the Secretary of State explicitly assumes responsibility for all such liabilities.
- “Arrangements [should] make [it] clear that any future Court action after the transfer date arising out of such claims should be directed against the Secretary of State rather than against any nationalised company, subsidiary, or other company.”
- “The legislation should list all of the Corporation’s subsidiary companies for which the Secretary of State is assuming liability.”
- “Protection must be maintained for claimants who develop latent industrial disease where wrongful exposure occurred during their employment with a ‘sold subsidiary’ company during the period of nationalised ownership , which has given rise to a ‘gap in coverage’ problem in the past.
- [It is] “important that legislation transferring responsibility to the Secretary of State explicitly confirms that the Secretary of State will be liable in cases where the right of action arises after the date of transfer.”

Government response

7. The consultation sought views on whether stakeholders agreed that the Government’s proposal to wind up British Shipbuilders and transfer the legal responsibilities to the Department for Business, Innovation & Skills is the most suitable option to ensure claimants continue to receive compensation awarded by the courts against British Shipbuilders where liability is agreed or established. The Government notes that overall the responses did not identify any specific issue or reason why British Shipbuilders should not be abolished and its liabilities transferred to the Department for Business, Innovation and Skills.

8. In response to the issues raised in response to the consultation the Government makes the following points:

8.1. Publication of information and statistics on British Shipbuilders. Currently directors of the Corporation are required to prepare **annual report and accounts** for each financial year. When British Shipbuilders is abolished and its liabilities are transferred to the Department for Business, Innovation and Skills, the Department will be responsible for including details of its annual spend on the liabilities within its Annual Report and Accounts.

8.2. Legislation confirms that the Secretary of State will be liable in future cases and claims against some other shipbuilding companies who were the parent companies of nationalised shipbuilding companies. The transfer of liabilities will encompass all current and future claims relating to those liabilities (see 8.3 below). Where a company, in accordance with the contract under which it was sold, is entitled to an indemnity, the liability to indemnify will pass to the Secretary of State. The Schedule to this Response (annex A) lists the companies whose liabilities will pass to the Secretary of State. This includes two companies, Carlsburn Investments Limited (In Liquidation), formerly Scott's Shipbuilding and Engineering Company Limited, and Lithgows Limited, neither of which were ever nationalised but to which the Corporation agreed to extend a contractual right to indemnity in respect of their liabilities as employers or as occupiers of shipyards. However, it should be noted that Carlsburn and Lithgows are indemnified for their own acts and omissions, but not as parent companies.

8.3. The Order abolishing British Shipbuilders will transfer all responsibility for any claims which are on-going at the time of the legislation is passed, as well as claims made subsequently, to the Secretary of State. Therefore any future claims relating to the transferred liabilities, whichever company they relate to, should be directed to the Secretary of State.

8.4. The legislation should list all of the Corporation's subsidiary companies. It is not necessary for the legislation to list all the companies as the transfer of liabilities will include all subsidiaries within the meaning of the Companies Act 2006. It will also cover any subsidiary which was dissolved before the transfer of liabilities. However for clarification a list of all companies for the liabilities of which the Corporation is responsible can be found at Annex A. The liabilities transferred to the Secretary of State will include potential liabilities which may lead to causes of action arising after the transfer.

8.5. Status following a 'gap in coverage'. The abolition of British Shipbuilders will not have any impact on the status of the claims cohort identified as having a gap in coverage. The claims involved are those made against former British Shipbuilders' companies that were sold with their liabilities during the privatisation, and which then subsequently became insolvent as did their insurer Chester Street Insurance Holdings Ltd. The Financial Services Compensation Scheme does not compensate former employees in respect of periods of employment with nationalised industries (such as British Shipbuilders) and the then Department of Trade and Industry assumed liability for this compensation by way of the Minute to Parliament in 2003. A copy of the Minute is attached at Annex B. PwC administer the Chester Street Estate and they in turn contract Capita to undertake the claims handling for the claims involved.

9. An Impact Assessment will not be produced as the abolition is a deregulatory measure designed to tidy up the regulatory landscape, and will not impact on business. We will, however, no longer need to procure the services of a company secretary to the Corporation or produce annual accounts that are laid before Parliament.

Next steps

10. The Public Bodies Act gained Royal Assent on 14 December 2011 and gives power to ministers to abolish, merge, modify or transfer functions of public bodies through secondary legislation. We will now seek Parliament's approval to abolish British

Shipbuilders and transfer its liabilities to the Department for Business, Innovation and Skills using these powers.

Respondents

Ian McKenzie Chairman British Shipbuilders

Tony Emms UK Chief Claims Officer Zurich Insurance plc

Thompson Solicitors Scotland

Jennie Walsh, Thompson Solicitors London

Annex A

A list of British Shipbuilders subsidiary companies for the liabilities of which the Secretary of State for Business Innovations and Skills will be responsible on the abolition of the Corporation.

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
1095083	Adamfine Ltd	N/A	08.02.1973	Sold 06.03.1985
SC004925	Ailsa Shipbuilders Ltd	Ailsa Shipbuilding Co Ltd 02.11.1981	26.09.1900	Ceased to trade 31.03.1983
1277640	AMARC (Training Education & Safety) Ltd	British Shipbuilders (Training Education & Safety) Ltd 21.01.1986 Leecoln Ltd 31.12.1981	17.09.1976	Sold 19.12.1985
1294647	Anglo Scottish Marine Trading Ltd	Pearldeed Ltd 28.02.1977	10.02.1977	Liquidated 15.02.1984
00740996	Appledore Constructions Ltd	Appledore Shipbuilders Ltd 05.12.1963 Chantry Finance Ltd 01.11.63	15.11.1962	Liquidated 15.02.1984
00186726	Appledore Shipbuilders Ltd	Appledore Ferguson Ltd 09.12.1988 Bartram & Sons Ltd 23.06.1986	22.09.1922	Sold 26.01.1989
1032315	Appledore Shiprepairers Ltd	N/A	Unknown	Liquidated 15.02.1984
00925780	Ayrodev Processes Ltd	N/A	Unknown	Sold 23.03.1981

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC001381	Barclay Curle Ltd	Barclay Curle & Co Ltd 02.11.1981	09.09.1884	Sold 06.03.1985
00122840	Basingstoke Buildings Ltd	Marine Design Consultants Ltd 31.03.1986 Basingstoke Buildings Ltd 10.01.1986	Unknown	Liquidated 10.12.1986
1102979	BE & HL Foundries Ltd	N/A	Unknown	Sold 03.02.1982
1169378	BE & HL Patternmaking Ltd	N/A	Unknown	Sold 03.02.1982
1385763	Benton Nominees Ltd	N/A	25.08.1978	Sold 07.04.1986
1269232	Bluescroll Ltd	N/A	Unknown	Sold 03.04.1981
0068589	Brigham & Cowan Ltd	N/A	22.12.1919	Liquidated 15.02.1984
0101004	Brigham & Cowan (Hull) Ltd	Amos & Smith Ltd 02.10.1961	06.01.1909	Liquidated 25.08.1988
2012528	British Shipbuilders Enterprise Ltd	Sunderland Enterprise & Training Ltd 14.04.1992 British Shipbuilders Enterprise Ltd 13.02.1989 Nextfeat Ltd 11.08.1986	22.04.1986	Dissolved 16.02.2010
00567297	BS Benton House Ltd	Britparts Ltd 09.02.1989 British Marine Equipment Services Ltd 31.05.1981	08.05.1956	Ceased to trade 08.05.1978

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
		William Doxford & Sons (Shipbuilders) Ltd 05.11.1976		
SC015453	British Shipbuilders (Govan) Ltd	British Shipbuilders Training Ltd 11.05.1989 Greenock Engineering Co Ltd 14.01.1986 James Mitchell & Son (Greenock) Ltd 27.09.1973	05.03.1929	
0041549	British Shipbuilders (Hydrodynamics) Ltd	Joseph L Thompson & Sons Ltd 29.01.1981	10.07.1894	Ceased to trade 31.03.1985
00567296	BS (ETS) Ltd	Marine Design Consultants Ltd 11.08.1989 British Shipbuilders (Engineering & Technical Services) Ltd 01.04.1986 Doxford Engines Ltd 04.01.1982 William Doxford & Sons (Engineers) Ltd 30.11.1972	08.06.1956	
1385768	British Shipbuilders Pension Trustee Ltd	N/A	Unknown	Sold 07.04.1986
SC046307	BS Marine Design Services Ltd	Scott & Sons (Bowling) Ltd 01.07.1983	1958	Ceased to trade 31.03.1980

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC053611	Burntisland Engineers & Fabricators Ltd	N/A	Unknown	Liquidated 25.08.1988
0063669	British Shipbuilders Southwick Ltd	Austin & Pickersgill Ltd 22.10.1991 S. P. Austin & Sons Ltd 22.09.1954	25.09.1899	Ceased to trade 1986. NESL yard closed 04.12.1988
0981423	BS (Sandyford Road) Ltd	Doxford Engines Ltd 14.06.1989 British Shipbuilders (Engineering & Technical Services Ltd) 04.01.1982 Doxford-Hawthorn Research Services Ltd 01.04.1981	08.06.1970	Ceased to trade January 1982
SC046308	Caledonia Fabrications Ltd	Caledonia Fabrications (1969) Ltd 28.06.1972	06.02.1969	Liquidated 15.02.1984
SC046311	Caledonia Joinery Company Ltd	Caledonia Joinery Company (1969) Ltd 28.06.1972	06.02.1969	Ceased to trade 30.09.1980
SC003158	Caledon Shipbuilding & Engineering Co Ltd (The)	N/A	1896	Ceased to trade 31.03.1982
0941612	Cammell Laird Shipbuilding Services Ltd	Cammell Laird (Sea Bed Engineering) Ltd 03.12.1975 Cammell Laird Services Ltd 03.02.1969	01.11.1968	Liquidated 15.02.1984
0945419	Cammell Laird (Training) Ltd	N/A	1969	Sold 19.12.1985

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC004251	Cartsburn Investments Ltd	Scott's of Greenock (Estd 1711) Ltd 22.01.2003 Scott's of Greenock (Estd) 1711 plc 06.06.2002 Previously: Scott's Shipbuilding & Engineering Co Ltd	13.05.1899	Ceased to trade as shipbuilders on 31.12.1969
0925118	Clark Hawthorn Ltd	Hawthorn Leslie (Shipbuilding Successors) Ltd	27.12.1967	Ceased to trade 27.10.1984
0924809	Kincaid Ltd	Kvaerner Kincaid 06.12.1999 Clark Kincaid Ltd 25.01.1990 Tyne Shipbuilders (Naval Yard) Ltd 07.08.1984	19.12.1967	Sold 23.12.1988
0455673	Clark & Stanfield Ltd	N/A	18.06.1948	Sold 28.02.1983
0589782	Clelands Shipbuilders Ltd	Clelands Shipbuilding Co Ltd 02.11.1981	03.09.1957	Ceased to trade 31.03.1984
SC025502	Cowal Engineering Co Ltd (The)	Mitchell Swire Ltd 27.09.1973 Inchgreen Engineering Co Ltd 17.01.1969 John S Thomson (Industries) Ltd	10.06.1947	Ceased to trade 1979

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
		07.04.1956		
0753642	Crest Nicholson Projects Ltd	Crest ERM Ltd 27.08.2004 Warethorn Properties Ltd 14.02.2001	14.02.2001	Sold 13.10.1981
1314613	Dalgliesh Ship Management Co Ltd	N/A	Unknown	Liquidated 15.02.1984
0476645	Denton Slipways Ltd	Motivators Ltd 20.09.1972	1949	Ceased to trade 01.04.1978
0275642	Devon Concrete Works Ltd	N/A	05.05.1933	Sold 30.09.1977
0478837	Devroome Developments Ltd	N/A	28.02.1950	Ceased to trade 01.04.1978
1096167	Elmchurch Ltd	British Shipbuilders Enterprise Ltd 11.08.1986 Elmchurch Ltd 25.06.1986 London Graving Dock Co Ltd 28.02.1986 Terenko Ltd 16.03.1983	1973	Liquidated 10.12.1986
0477194	Estuary Shiprepair & Engineering Services Ltd	Marine & Export Supplies Ltd 1972 Wayside Marine Ltd 1968 Catamaran Sailcraft Ltd 1966 Innovator Aircraft Ltd 1961	1950	Ceased to trade 01.04.1978

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC010990	Ferguson-Ailsa Ltd	Menzies & Co Ltd	05.02.1920	Sold 29.09.1989
SC046310	Ferguson Brothers (Port Glasgow) Ltd	Ferguson Brothers (Port Glasgow) 1969 Ltd	06.02.1969	Ceased to trade Dec. 1983
SC0113454	Ferguson Shipbuilders Ltd	Vendale Ltd	20.09.1988	Sold 26.09.1989
SC046309	Freedstow Ltd	Lithgows Ltd 04.01.1984 Lithgows (1969) Ltd	06.02.1969	Liquidated 10.12.1987
1094891	Gamefine Ltd	N/A	07.02.1973	Sold 06.03.1985
00338315	George Clark & NEM Ltd	North East Marine Engineering Co Ltd (The) 10.08.1964 North East Marine Engineering Co (1938) Ltd 09.12.1954	24.03.38	Ceased trading 31.03.1980
0226855	Goole Shipbuilders Ltd	Goole Shipbuilding & Repairing Co Ltd (The) 02.11.1981	23.12.1927	Ceased to trade Wallsend 01.04.1982 Ceased to trade Goole March 1984
SC049216	Govan Shipbuilders Ltd	N/A	21.09.1971	Started trading 31.08.1972 Ceased to trade 10.08.1988

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC006595	Grangemouth Dockyard co Ltd (The)	Greenock & Grangemouth Dockyard Co Ltd 08.05.1918	06.08.1907	Ceased to trade 03.11.1983
SC060287	Gravity Base Structures (Design & Development) Ltd	N/A	29.06.1976	Sold 28.03.1984
SC060288	Gravity Base Structures (Marketing and Construction) Ltd	N/A	29.06.1976	Sold 28.03.1984
0738146	Gray (Tees Ltd)	N/A	Unknown	Liquidated 31.01.1979
0115048	Greenwell Drydocks Ltd	Amos & Smith Ltd 04.12.1972 Brigham & Cowan (Hull) Ltd 02.10.1961	01.04.1911	Ceased to trade 26.03.1976
00393885	Grisdale & Barton Ltd	N/A	13.03.1945	Ceased to trade 01.04.1978
SC045818	Hall Russell Training Centre Ltd	N/A	15.07.1968	Ceased to trade 01.04.1983
0534993	Hawthorn Leslie (Engineers) Ltd	N/A	26.04.1954	Ceased to trade 31.03.1980
0111128	Henry Edie & Co Ltd	N/A	02.08.1910	Ceased to trade 01.04.1978
SC010099	Henry Robb Ltd	Robb Caledon Shipbuilders Ltd 02.11.1981 Henry Robb Ltd 04.11.1968	26.07.1918	Ceased to trade March 1983
SC041764	Henry Robb (LPG) Ltd	N/A	22.02.1965	Sold 01.04.1981
0510063	High Pressure Spraying and	N/A	25.07.1952	Ceased to trade 01.04.1978

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
	Painting Co Ltd			
0696617	Hobbs & Smith	N/A	27.06.1961	Liquidated 15.02.1984
01269316	ICFC Ltd	Oakspine Ltd	19.07.1976	Sold 21.01.1980
11262289	International Marine Constructors Ltd	N/A	02.01 1974	Sold 01.09.1981
0076772	John Crown & Sons Ltd	N/A	1903	Yard closed 1958
SC006220	JGK Ltd	John G Kincaid Ltd	22.06.1906	Ceased to trade 27.10.1984
1280256	Jardine Cargo Ltd	Mastlake Ltd (25.09.1979)	Unknown	Sold 25.09.1979
1333250	John Readhead & Sons Ltd	Deanpast Ltd 15.12.1977	10.10.1977	Liquidated 10.12.1986
0874262	KDK Welding & Construction Ltd	N/A	Unknown	Ceased to trade 01.04.1978
SC109057	Kvaerner Clyde Ltd	Kvaerner Govan Ltd 30.12.1999 Govan Ltd 11.08.1988 West George Street (391) Ltd 27.06.1988	03.02.1988	Sold 11.08.1988
1095002	Larkgrade Ltd	N/A	08.02.1973	Sold 06.03.1985

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
0089316	Leecoln Ltd	J. Kirkaldy Ltd	Unknown	Ceased to trade 01.04.1978
0833787	LGD Ship repairs Ltd	J Russell & Son Ltd – changed 1973	11.01.1965	Ceased to trade 01.04.1978
0886785	Lintgress Ltd	N/A	30.08. 1966	Ceased to trade 31.03.1980
SC010170	Lithgows Ltd (1)	Lithgows (Holdings) Ltd 28.06.1972 Lithgows Ltd 1969	30.11.1918	Ceased to trade as shipbuilder 31.12.1969
1280300	Lloyd's Project Leasing Ltd	Moonchase Ltd 29.06.1979	06.10.1976	Sold 29.06.1979
0644843	London Graving Dock (Industrial) Ltd	Pool Design Ltd	17.12.1959	Ceased to trade 01.04.1978
0110817	London Scaling Co Ltd (The)	N/A	15.07.1910	Ceased to trade 01.04.1978
1014607	London & Tilbury Dry docks Co Ltd (The)	N/A	16.06.1971	Ceased to trade 01.04.1978
0277343	London Welding Co Ltd (The)	N/A	20.06.1933	Ceased to trade 01.04.1980
0592020	Lyon Street Railway Company Ltd (The)	N/A	Unknown	Liquidated 19.03.1984
0023794	Mercantile Dry Dock Co Ltd (The)	N/A	19.01.1888	Ceased to trade 01.04.1980
0624589	Middle Docks & Engineering Co Ltd	Middle Docks Ltd 13.04.1959	01.04.1949	Ceased to trade 01.04.1980
0536231	Middle Docks Pension Trust Ltd (The)	N/A	28.07.1954	Liquidated 1995

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
0358006	Mid Tyne Ferries Ltd	N/A	Unknown	Ceased to trade 01.04.1982
0909966	Mirmakin Ltd	N/A	Unknown	Liquidated 15.02.1984
1038418	Morgan Asbestos & Insulation Ltd	Veilcroft Ltd 13.09.1972	14.01.1972	Ceased to trade 01.04.1980
SC048473	Newark Ferguson Ltd	N/A	01.03.1971	Ceased to trade 31.03.1980
SC004697	Nortard Ltd	Simons-Lobnitz Ltd 20.02.1987 Wm. Simons & Co Ltd 04.01.1960	124.12.1900	Ceased to trade 31.03.1964
0925047	North East Coast Contractors Ltd	N/A	1968	Liquidated 15.02.1984
0064957	North East Coast Shiprepairers Ltd	Middle Docks & Engineering Co Ltd 13.04.1959	05.02.1900	Liquidated 10.12.1986
033080	North East Shipbuilders Ltd	Sunderland Engineering Ltd 21.02.1986 Sunderland Shipbuilding & Engineering Ltd 02.06.1980 Sunderland Shipbuilders Ltd 02.09.1976 Doxford & Sunderland Ltd 05.03.1973 Doxford & Sunderland Shipbuilding & Engineering Co Ltd (The) 06.04.1970 William Doxford & Sons Ltd	01.01.1891	Ceased to trade end 1988

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
		14.06.1961		
0959445	North West Tank Cleaners Ltd	N/A	01.08.1969	Ceased to trade 01.04.1978
SC051607	O I L (Gulf) Ltd	Ocean Inchcape (Caledon) Ltd	19.10.1972	Sold 07.09.1982
0109602 7	Parlcroft Ltd	N/A	14.02.1973	Sold 06.03.1985
See note on page 21				
0659086	R Harris & Son (Braunton Builders) Ltd	N/A	Unknown	Liquidated 15.02.1984
0588200	R Harris & Son (Concrete) ltd	N/A	Unknown	Liquidated 15.02.1984
0756755	R Harris & Son (Plant Hire)	N/A	Unknown	Liquidated 15.02. 1984
0854231	River Thames Shiprepairers Ltd	ACV Services Ltd	14.07.1966	Ceased to trade 31.12 1979
SC047954	Robb Caledon Shipbuilders (Training) Ltd	N/A	Unknown	Ceased to trade July 1982
1095147	R S Dalgliesh Ltd	Texroy Ltd 15.10.1980	08.02.1974	Liquidated 10.12.1985
SC046305	Scott's Engineering Co Ltd	Scott's Engineering Co (1969) Ltd 29.06.1972	06.02.1969	Ceased to trade 01.04.1981
SC045324	Scott Lithgow Ltd	N/A	20.12.1967	Sold 28.03.1984
SC041796	Scott Lithgow Drydocks Ltd	Crusasure Ltd 29.06.1969	26.02.1965	Ceased to trade 31.03.1979

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
SC046306	Scott's Shipbuilding Co Ltd	Scott's Shipbuilding Co (1969) Ltd	06.02.1969	Ceased to trade 01.04.1981
SC046074	Scott Lithgow Training Centre Ltd (The)	N/A	Unknown	Sold 19.12.1983
SC028540	Scott Lithgow (Offshore) ltd	Inchcape Engineering Co Ltd 03.12.1976 The Cowal Engineering Co Ltd 27.09.1973	26.09.1951	Liquidated 15.02.1984
SC050564	Scotstoun Marine Ltd	N/A	05.07.1972	Ceased to trade 31.03.1983
0772695	Seemark Switches Ltd	N/A	02.09.1963	Liquidated 15.02.1984
1329054	Shipbuilding Publications Ltd	N/A	07.09.1977	Liquidated 25.08.1988
SC102449	Simons Lobnitz Ltd	Nortard Ltd 20.02.1987	18.12.1986	Sold 20.02.1987
0063489	Smiths Dock Ltd	Smiths Dock Co Ltd	01.09.1899	Ceased to trade Tyneside 31.12.1968 Ceased to trade Teesside 27.02.1987
00775474	SMM AppledSC046074ore Ltd	Appledore Shipbuilders Ltd 09.12.1988 PK Harris & Son Ltd 05.12.1963 PK Harris (Realisations) Ltd 07.11.1963	30.09.1963	Sold 26.01.1989

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
1096133	Stegvale Ltd	N/A	15.02.1973	Sold 06.03.1985
SC052096	Strathclyde Enterprises Ltd	Strathclyde Training Ltd (unknown)	Unknown	Sold 19.12.1985
0108759	Sunderland Forge Services Ltd	British Arc Welding Co Ltd 21.09.1984	12.04.1910	Sold 14.04.1989
0635192	Sunderland Magnetic Ltd	Melbro Machine Tools Ltd 16.03.1962	17.08.1959	Ceased to trade 01.04.1982
0531279	Sunderland Shipbuilders Ltd	Sunderland Shipbuilding Drydocks & Engineering Co Ltd (The) 02.09.1976	30.03.1954	Ceased to trade 1966
SC02284	Taysteel (Structural Engineers) Ltd	N/A	17.04.1951	Liquidated 15.02.1984
0380728	Thames Services (Felixstowe) Ltd	Burweld Ltd 09.04.1980	21.05.1943	Ceased to trade 01.04.1978
0207800	Thames Services (Marine) Ltd	Thames Welding & Tank Cleaning Co Ltd 1968 Thames Welding Co Ltd 1962	1925	Ceased to trade 01.04.1978
0181464	Titan Crane Ltd	N/A	Unknown	Liquidated 15.02.1984
0069983	T W Greenwell & Co Ltd	N/A	1901	Ceased to trade 1973
0931200	Tyneside Enterprises Ltd	British Shipbuilders North East Training & Safety Ltd Swan Hunter Training & Safety Co	Unknown	Sold 19.12.1985

Company Number	Most Recent Name	Former Names and Date of Change	Incorporated	Date Ceased Trading, liquidated or Sold
		Ltd 01.04.1980		
0021818	Universal Welding & Construction Ltd	N/A	20.08.1941	Ceased to trade 01.04.1978
1096399	Wallsend Dry Docks Ltd	Poolsprings Ltd 9.06.1977	15.02.1973	Ceased to trade 01.04.1980
1094853	Wallsend Shiprepairers Ltd	Elmchoice 01.04.1978	1973	Ceased to trade 01.04.1980
0380728	WDL Agencies Ltd	Weddell Agencies Ltd 0.02.1996 Thames Services (Felixstowe) Ltd 09.08.1988 Burweld Ltd	21.05.1943	Sold 15.11.1982
0221117	Wear Winch & Foundry Co Ltd	N/A	09.04.1927	Liquidated 15.02.1984
00864588	West of England Enterprises Ltd	Appledore Shipbuilders Training Centre Ltd (date of change unknown)	22.11.1965	Sold 19.12.1985
0763249	Wm Squire Merchants Ltd	N/A	15.06.1963	Liquidated 15.02.1984
0249974	Wolsingham Steel Ltd	Wolsingham Steel Co Ltd 02.11.1981	05.08.1930	Ceased trading 09.08.1983
SC047704	Yarrow (Training) Ltd	N/A	Unknown	Sold 19.12.1985
0976802	Yawbrook Ltd	N/A	10.04.1970	Sold 13.10.1981

Note: Pearce Construction (Barnstaple) Ltd was erroneously included in the original version of this government response to the consultation.

Annex B

A copy of a Minute to Parliament:

Compensation for former employees of certain defunct subsidiaries of British Shipbuilders, February 2003

It is normal practice, when a government department proposes to undertake a contingent liability in excess of £100,000 for which there is no specific statutory authority, for the department concerned to present to Parliament a Minute giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until fourteen days (exclusive of Saturdays and Sundays) after the issue of the Minute, except in cases of special urgency.

Particulars of the liability

Certain British Shipbuilders subsidiaries (listed below) were sold on, retaining employer liability, and subsequently went into liquidation or otherwise ceased trading. The relevant insurer for the period under nationalisation is Chester Street Insurance Holdings, which ran into financial difficulties about two years ago. Former employees of the companies in question are able to pursue shortfalls in claims for health compensation through the Financial Services Compensation Scheme (FSCS) but it does not compensate in respect of periods of employment with Nationalised Industries (such as British Shipbuilders). The legislation under which British Shipbuilders operates does not empower it to compensate for the shortfall, which would entail making discretionary payment. It is proposed that the Department of Trade & Industry assume liability for such compensation. Claims would be handled by Iron Trades Management Services (who manage claims relating to Chester Street) at no extra charge. DTI would be billed monthly for the portion of claims it is responsible for.

If the liability is called, provision for any payment will be sought through the normal Supply procedure. Although total exposure in this area is difficult to estimate, it is thought to be £2 million maximum spread over 10 to 15 years. The liability covers insidious industrial disease claims, for instance on mesothelioma, asbestosis, vibration white finger, and noise induced hearing loss.

The Treasury has approved the proposal in principle. If during the period of fourteen days (exclusive of Saturdays and Sundays) beginning on the date on which this Minute was laid before Parliament, a Member signifies an objection by giving notice of a Parliamentary Question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

(The subsidiaries in question, as defined by their final identity, are:

Ayr Engineering Constructional Company Limited

Brook Marine Limited

Conoley & Company Limited

Hall Russell Limited

Blackwall Engineering Limited

Howard Doris Structures Limited

Energy & Marine (Wearside) Limited

SHSEGL Realisations Limited

Northumbrian Engineering Limited

Vosper Shiprepairers Limited

Burnsmith Limited)

Department of Trade & Industry
February 2003

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