



# British Shipbuilders Act 1983

CHAPTER 15

## ARRANGEMENT OF SECTIONS

Section

1. Modification of British Shipbuilders' functions.
2. Organisation etc. of British Shipbuilders' activities.
3. Short title, interpretation, repeals, commencement and extent.

SCHEDULE—Enactments repealed.

## ELIZABETH II



# British Shipbuilders Act 1983

## 1983 CHAPTER 15

An Act to make further provision with respect to the functions and activities of British Shipbuilders.

[9th May 1983]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) The Aircraft and Shipbuilding Industries Act 1977 (in this Act referred to as “the 1977 Act”) shall have effect subject to the following amendments (which are designed to remove the general duties of British Shipbuilders and modify its powers). Modification of British Shipbuilders' functions.  
1977 c. 3.

(2) Section 2 (which imposes general duties on British Shipbuilders) shall cease to have effect.

(3) For subsection (1) of section 3 (which confers power on British Shipbuilders to carry on activities which it is under a duty to carry on and to carry on certain other activities) there shall be substituted the following subsection—

“(1) Subject to the provisions of this Act, British Shipbuilders shall have power to carry on the following activities, namely—

- (a) the design, development, production, sale, repair and maintenance of ships and slow speed diesel marine engines ;

- (b) research into matters relating thereto ;
- (c) any activities which were carried on, immediately before the date of transfer, by a company which, by virtue of this Act, becomes a wholly owned subsidiary of British Shipbuilders ; and
- (d) with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State, any other activities to which the consent or authority relates ;

and British Shipbuilders may also promote the carrying on of any of those activities to such extent as it thinks fit by other persons none of whom need be a wholly owned subsidiary of British Shipbuilders."

(4) In section 18 subsection (4) (which provides for annual reports to contain statements about the performance of British Shipbuilders' duty under section 2(8)) shall cease to have effect.

(5) In section 48(2) (duty of British Shipbuilders to consult with Northern Ireland state-controlled bodies) for the words "subsection (2) of that section" there shall be substituted the words "section 3(1)(a) and (b) above".

Organisation  
etc. of British  
Shipbuilders'  
activities.

2.—(1) The following sections shall be inserted after section 4 of the 1977 Act—

"Organis-  
ation of  
British Ship-  
builders'  
activities.

4A.—(1) It shall be the duty of British Shipbuilders so to exercise its powers as to secure that the carrying on of the activities that have fallen to be carried on under its ultimate control is organised, so far as regards the direction thereof, in the most efficient manner.

(2) British Shipbuilders shall not make, or permit to be made, any substantial change in the manner in which the carrying on of the activities that have fallen to be carried on under its ultimate control is organised, so far as regards the direction thereof, except with the consent of the Secretary of State.

Discontin-  
uance and  
restriction of  
British Ship-  
builders'  
activities.

4B.—(1) Without prejudice to section 4(2) above but subject as provided in subsection (2) below, the Secretary of State may, after consultation with British Shipbuilders, by order, give to it directions—

- (a) to discontinue or restrict any of its activities or to dispose of any of its property, rights and liabilities ; or
- (b) to secure the discontinuance or restriction of any of the activities of a wholly owned

subsidiary of British Shipbuilders or the disposal of all or any of its property, rights and liabilities or the winding up of any such subsidiary.

(2) The Secretary of State shall not give any direction under subsection (1) above unless he is satisfied that the giving of it will further the national interest.

(3) Subject to subsection (4) below, any direction under subsection (1) above to dispose or secure the disposal of property, rights or liabilities may in particular include a direction—

- (a) to form a company for the purpose of acquiring the property or rights and assuming the liabilities to be transferred in pursuance of the direction ;
- (b) prohibiting, except with the consent of the Secretary of State, the disposal to, or acquisition from any person by, any company which will acquire property or rights in pursuance of the direction of assets used or capable of use in the carrying on of activities of a description, or of activities other than activities of a description, specified in the direction.

(4) The powers to direct the formation of a company and to restrict the disposal or acquisition of assets are exercisable subject to the following further limitations, that is to say—

- (a) no company shall be directed to be formed otherwise than as a wholly owned subsidiary of British Shipbuilders ; and
- (b) no such restriction shall be imposed except on a company which is, or when formed will be, a wholly owned subsidiary of British Shipbuilders or be binding after it ceases to be such a subsidiary.

(5) So long as the restriction on the disposal or acquisition of assets is binding on British Shipbuilders or any of its wholly owned subsidiaries the provisions of this Act relating to the capacity of British Shipbuilders or of the subsidiary shall have effect subject to the restriction.

(6) Where the Secretary of State gives a direction under subsection (1) above requiring the disposal to an outside person of an interest in a company which

is a wholly owned subsidiary of British Shipbuilders, or gives his consent to such a disposal under section 3(3) above or section 9(3) below, then, without prejudice to section 4(2) above, he may, after consultation with British Shipbuilders, by order give to it directions to secure—

- (a) that the articles of association of the company are altered in the manner specified in the directions ;
- (b) that the share capital of the company is increased by the sum and in the manner so specified and that any share or shares representing the whole or any part of that sum are issued to the Secretary of State or to a nominee of his ; and
- (c) that an employees' share scheme is established in respect of the company in such terms and making such provision as is so specified.

(7) Any power to make orders conferred by this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(8) In this section—

'employees' share scheme' means a scheme for encouraging or facilitating the holding of shares or debentures in a company by or for the benefit of—

(a) the bona fide employees or former employees of the company or of a subsidiary of the company ; or

(b) the wives, husbands, widows, widowers or children or stepchildren under the age of 18 of such employees or former employees ;

'the group' means British Shipbuilders and all its wholly owned subsidiaries taken together ;

'outside person' means a person who is not a member of the group."

(2) Section 5 of the 1977 Act (duty of British Shipbuilders to review and report on management of its affairs) shall cease to have effect.

(3) In section 18 of the 1977 Act (annual report) the following subsection shall be inserted after subsection (3)—

"(3A) The report for any accounting year shall also

set out any consent given by the Secretary of State to British Shipbuilders during that year under subsection (2) of section 4A above and shall include a general account of the changes in organisation made during that year by virtue of any consent of his given in that or in any earlier accounting year under that subsection.”

(4) In section 53 of the 1977 Act (liabilities of British Shipbuilders etc.), in subsection (1) the words “or has at any time since the cause of action arose been such a subsidiary” and subsection (2) shall cease to have effect ; but nothing in this Act shall affect the operation of that section in a case where the cause of action has arisen, or would (but for this Act) be deemed to have arisen, before the coming into force of this Act.

**3.**—(1) This Act may be cited as the British Shipbuilders Act 1983. Short title, interpretation, repeals, commencement and extent. 1977 c. 3.

(2) In this Act “the 1977 Act” means the Aircraft and Shipbuilding Industries Act 1977.

(3) The enactments specified in the Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.

(4) This Act shall come into force at the expiry of the period of two months beginning with the day on which it is passed.

(5) This Act extends to Northern Ireland.

Section 3(3).

**SCHEDULE**  
**ENACTMENTS REPEALED**

Chapter	Short title	Extent of repeal
1977 c. 3.	Aircraft and Shipbuilding Industries Act 1977.	Section 2. Section 5. Section 18(4). In section 53, in subsection (1) the words "or has at any time since the cause of action arose been such a subsidiary" and subsection (2).

PRINTED IN ENGLAND BY W. J. SHARP

Controller and Chief Executive of Her Majesty's Stationery Office and  
Queen's Printer of Acts of Parliament

LONDON: PUBLISHED BY HER MAJESTY'S STATIONERY OFFICE

£1.30 net

ISBN 0 10 541583 9