SUBMARINES

Ambush whacked

ACCORDING to the Ministry of Defence and the public relations teams that work for its contractors, HMS Ambush is the UK's most advanced attack submarine to date with "a sonar system which enables it to hear a ship leaving port in New York from the English Channel".

Not only that: "If the submarine was in Winchester it would be able to track a double decker bus going round Trafalgar Square," claims another bizarre PR puff, engineered by the boat's sonar manufacturer, Thales.

Such is the power of the PR teams employed by the MoD and its suppliers, Ambush was even hailed in the *Daily Telegraph* as "BAE's £1bn Astute-class submarine", rather than the Royal Navy's. (Inconveniently, the National Audit Office [NAO] prices Ambush at £3.5bn and not the £1bn often wrongly reported.) But the peddled perception persists that such major weapons projects are the property of their manufacturers rather than the forces that end up trying to use them operationally. This says a lot about the current confidence of UK defence contractors and the MoD's subservience to them when disaster strikes.

Despite its "world class sensor technology", for example, we all know now that Ambush was damaged after hitting a large, slow moving and "noisy" shipping tanker in the Med on 20 July. To the embarrassment of everyone concerned, she is now being repaired in Gibraltar. The truth is that HMS Ambush was put into service before the technology – especially the sensor equipment – was properly assessed and before enough submariners were trained to use it.

In addition to "world beating sonar", Ambush is also equipped with a computerised, digital monitoring periscope that does not allow officers to look at the surface "live". Neither sonar nor scope worked in the Med incident.

Should we be surprised by this fiasco? Not really. Ambush was singled out for criticism in this regard by the NAO back in 2014. Two years before the Med collision, it reported that the sub's potential was so "hampered by the lack of skilled personnel with recent submarine testing and commissioning experience" that an extra ten months' work was needed before launch to address the issue for health and safety reasons.

Worse still, the NAO also pointed out that "training is at risk due to the extent of Boat design changes and the impact of these changes to Astute Class Training Service. Without resolution there could be reduced operational effectiveness, employability and survivability against more capable threats". More capable threats such as, er, lumbering merchant vessels?

Royal Navy staff and civilian engineering tutors at bases like HMS Sultan in Gosport have long protested about the lack of funding to teach new matelots how to manage the ever more complex ship or submarine systems being flogged to the Senior Service. Morale among the navy's teachers has never been lower as the thirst for expensive kit, rather than investment in training people to operate it, has brought them to despair.

'Squarebasher'

RADIOACTIVE WASTE

Fun in store

AS THE government pushes ahead with replacing Trident, the Ministry of Defence (MoD) has announced its plan to store radioactive parts from decommissioned nuclear submarines at Capenhurst in Cheshire.

Capenhurst Nuclear Services (CNS) won the contract after a two-year selection process, despite being caught out last year illegally employing 20 people who had no right to work in the UK (*Eye* 1404). The alternative sites were owned by the Atomic Weapons Establishment and the Nuclear Decommissioning Authority (NDA).

CNS will store and manage the reactor pressure vessels from 27 dismantled submarines, classified as intermediate radioactive waste, until they can be moved into underground "geological" storage some time after 2040. The MoD said Capenhurst met the project's requirements "best overall", including value for money.

The Capenhurst site belongs to the civil uranium enrichment firm Urenco, a UK-headquartered business which is jointly owned by the UK and Dutch governments and two German state-owned utility companies. Over the past few years all four shareholders have expressed a keenness to wash their hands of the business, but selling isn't easy: the list of potential buyers is limited by nuclear non-proliferation treaties; and uranium prices recently hit a ten-year low following Germany's decision to stop using nuclear power.

As chancellor, George Osborne indicated in 2013 that the UK Treasury wanted to sell its share of Urenco, likely to raise more than £3bn even in the current market, and talks were held with German officials last year to prepare for privatisation. It remains to be seen if a buyer can be found who can actually be trusted with responsibility for the dismantled remains of the UK's nuclear submarine fleet.

ST HELENA AIRPORT

Runway success

DESPITE years of delays and cancellations, the airport terminal on the remote south Atlantic island of St Helena is providing exciting new sightseeing opportunities. The airport is running open days every fortnight in which punters can enjoy a "guided tour of the entire airport as well as a bus trip along the runway to view either end and take photographs".

Sadly, they will not be able to see passenger jets take off from the £285m airport, as the runway still remains closed to commercial flights. This is mainly due to the worryingly unpredictable winds on test landings (see *Eye* 1420), leaving the Saints, as the islanders are known, reliant on a slow mailboat as their only means of transport.

However, the airport's head of operations Gwyneth Howell has seen a unique upside, stating that "many airports around the world cannot accommodate open days like these due to traffic and operational requirements".

Indeed, the move seems to have been an unqualified success, with the St Helena government quick to announce: "St Paul's Primary School pupil, Lewis Caesar, was really impressed with the layout of the terminal building, with other schoolchildren describing the whole experience as 'really cool'." So, £285m well spent, then.

PREMIER MOTORAUCTIONS

Utter bankers

IT IS hard enough for a business that gets taken down by a bank to raise sufficient funds to sue. And even when it does, as a high court hearing last week showed, the bank will do everything it can to avoid even having to defend the case.

Back in 2009 *Eye* 1248 first reported how businessman Keith Elliott lost his profitable Leeds car auction company, Premier Motorauctions. When, the year before, he had sought a non-executive director to help with expanding the business, his bank, Lloyds, recommended a financial adviser named Irving Warnett from the local office of Britain's biggest beancounting firm, PricewaterhouseCoopers. He would be a "critical friend", he assured Elliott.

Within weeks Warnett had arranged a full financial review and the business was transferred into Lloyds' Business Support Unit, its equivalent of RBS's now infamous Global Restructuring Group. The bank, which had charges over company assets, set about selling the business with the help of PwC.

In the meantime Elliott lined up a new investment package that would avert the administration process Lloyds and PwC envisaged and thus keep the business continuing in good health. He presented the deal to PwC only for it not even to be considered. He maintains it was not forwarded to Lloyds and that the bank and PwC had already decided on a deal that would suit both of them very nicely. Sure enough, the bank and PwC swiftly put Premier into administration, with the administrators being… PwC. The beancounters' "business recovery services" division went on to earn £450,000 from the job under the direction of partner Ian Green, who happened to be the boss of Irving Warnett – the supposedly independent adviser. Very cosy.

It has since emerged that, unknown to Elliott, PwC and Lloyds had lined up another arm of the bank, Lloyds Development Capital (LDC), to buy the company and that the official allocated to "looking after" Premier in the Business Support Unit, Stuart Atkinson, was also in charge of the "sell team" that flogged businesses to LDC. Premier was duly placed into administration and its assets sold off with Lloyds taking an interest.

Elliott has been seeking redress for years for what he sees as the theft of his business. He appealed to the Lloyds board – including intervening at last year's AGM – and to PwC's senior partners, who said he was just causing inconvenience and annoyance.

After a long struggle, Elliott managed to get liquidators appointed who would seek redress against PwC and Lloyds and they began action for £55m in damages last year. Now the bank and accountancy firm have sought to put the case off on the grounds that, should they win, they might not get paid. This is despite the liquidators having secured £5m in litigation insurance from backers who evidently think there is a strong case.

PwC and Lloyds tried last week to persuade a judge that the policies might not pay out if there had been misrepresentation (as with most insurance policies). They presented no evidence that this had happened or was even feasible. Elliott should get his day in court eventually, but only through years of persistence and with financial backing that is unavailable to smaller businesses. "You need to raise several million quid, and for that your business needs to have been worth tens of millions. Otherwise you can forget it," he says.

New PM Theresa May, who pledged to "get tough on irresponsible behaviour in big business", could start by ensuring better redress for businesses destroyed by the banks and the beancounters.