

Section IV copied from Mary McAllan's submission to the Cabinet Secretary for Finance and the Constitution and the Minister for Transport and the Islands.

NEW LOAN AGREEMENT WITH FERGUSON MARINE ENGINEERING LTD

IV) Previous Interventions to Support FMEL

56. Following a competitive procurement exercise, FMEL entered into a contract with CMAL in October 2015 to provide two dual-fuel (marine diesel and liquefied natural gas) ferries, the 801 (now named MV Glen Sannox) and 802 (yet to be named), for a total contract price of £97 million.

57. The contracts were 'design and build' which in practice means that the builder takes on the risk of challenges emerging from the design. The original contractual delivery date for the MV Glen Sannox was end May 2018 and for 802 it was end July 2018. Neither vessel will be delivered on time.

58. [redacted]

59. [redacted]

60. In September 2017 Ministers agreed to make available to FMEL a commercial loan facility of £15 million to support completion of the CMAL order and assist with business stability. [redacted]

61. [redacted]

62. [redacted]

63. [redacted]

64. [redacted]