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The Scottish Parliament  
Edinburgh  
EH99 1SP

By email: [Redacted] [msp@parliament.scot](mailto:msp@parliament.scot)

Our ref: 202100223540  
9 August 2021

Dear Edward Mountain MSP

## **REQUEST UNDER THE FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 (FOISA)**

Thank you for your request dated 9 July 2021 under the Freedom of Information (Scotland) Act 2002 (FOISA).

### Your request

24 questions relating to the employment of the Ferguson Marine Turnaround Director, Tim Hair.

### Response to your request

The answers to your questions are as follows:

1. How many candidates were (a) approached (b) interviewed for the job of Turnaround Director (TD) for Ferguson Marine?

(a) 6 (b) 3

2. Was a recruitment consultant used and if so how were they remunerated (fixed fee or % of agreed salary/day rate)? What was the cost of this?

No.

3. What specialist skills were identified as critical for applicants for the TD job?

Following consideration of CVs, senior officials interviewed three candidates by phone and concluded that Tim Hair, who operates through his own service company Melville Management Ltd, had the requisite skills and experience to perform the role. Tim has



significant experience in the engineering and automotive sectors, has led a number of business turnarounds and transformations and is a member of the Institute of Marine Engineering Science & Technology and the Institute of Turnaround.

4. Were applications sought from people experienced working within Scotland and specifically for organisations such as banks and accountants who use turnaround directors?

See answer to question 3 above.

5. What evidence was produced that Tim Hair had recently used his marine engineering skills?

The primary requirement when recruiting the Turnaround Director was experience of turning around engineering businesses with an emphasis on a collaborative approach to re-set the relationship with customers and Tim Hair was selected on this basis. Additionally, Tim Hair had shipping experience in his early career.

6. What evidence was produced that Tim Hair had skills relevant to the sector and evidence of senior executive experience in the same?

See answer to question 5 above.

7. Was Tim Hair employed at the time he was recruited? If so, who was his employer? If not, how long had he been unemployed?

Tim Hair was employed as a Director of Melville Management limited and as Chairman of South Wales Industrial Valve Services Limited.

8. What were Tim Hair's previous appointments as a transformational Specialist and what was the outcome of these appointments?

In the period since 1995, Tim Hair has led multiple turnarounds in several industrial sectors. The exact details of each are covered by Non-disclosure agreements.

9. What references were secured by previous appointments and in particular the last 2.

References were obtained from Non-Executive Directors covering Tim Hair's career since 2007.

10. Who was on the panel that appointed Tim Hair?

Richard Rollison, Acting Director for Economic Development  
Roy Brannen, Chief Executive of Transport Scotland

11. Did the panel secure the input of any independent specialist advisers (ie KPMG) to endorse his appointment?

Yes, Price Waterhouse Cooper (PWC).

12. On what date in August 2019 did Tim Hair start work?

Mr Hair took up appointment on 14 August 2019.

13. What were the agreed weekly hours for Tim Hair and who could approve additional hours?

Tim Hair's contract requires him to be available for at least 4 days each week and to work a minimum of 8 hours per day. He is not paid by the hour so approval of additional hours is not relevant.

14. What was the agreed daily pay rate for Tim Hair?

£2,850 per day plus reasonable expenses, including costs of living in Scotland Monday – Friday. A 10% reduction to the day rate was agreed in February 2020 to £2,565 and came into effect on 1 March 2020.

15. How was the daily rate assessed and how was this benchmarked for similar appointments especially in Scotland?

Tim's net cost of £2k was in the middle of the industry norm. His net cost is what he receives after deductions such as income tax and national insurance. PWC advice was that £2k - £2.5k net is very much in line with the going rate for this type of role: where there are significant PR and reputational risks to be managed.

16. What is the contractual duration of the Tim Hair's appointment?

The contract was for an initial period of two to three months with the option to roll forward on a monthly basis but with a four week notice period.

17. Does the daily rate include payment to the recruitment consultant (if appropriate)?

No.

18. What weekly expenses (including travel and accommodation) were agreed for Tim Hair and could he charge hours spent travelling on a day or part day rate?

Travel and subsistence is reimbursed in line with Scottish Government policies. Time travelling to and from the shipyard is not billable.

19. Was the appointment signed off by an elected member of the Scottish Government and if so who?

Yes, Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work.

20. Is Tim Hair still paid on a daily rate? If not when was he put on a full time contract? If Tim Hair is on a full time contract was this agreed by an elected member of the Scottish Government, and if so, who.

Yes, the current Turnaround Director is still on a daily rate.

21. Has the output of Tim Hair been reviewed and if so by who?

Monthly progress reports are sent to the Scottish Government, CMAL and Transport Scotland.

22. What arrangements exist for the periodic ongoing review of his output?

The Turnaround Directors performance and output are monitored on an ongoing basis by the non-executive directors with feedback as and when required advised via the Chairman. The Turnaround Director and Chairman meet (virtually) once per week as a minimum.

23. What has been the total cost to date for Tim Hair since he has been employed and can this be broken down into days worked, expenses, recruitment costs etc for each respective financial year?

Please see annex below.

24. Were local candidates considered for the role?

Candidates with the relevant skills and expertise were considered. Where candidates resided was not taken into consideration as part of the recruitment process.

#### Your right to request a review

If you are unhappy with this response to your FOI request, you may ask us to carry out an internal review of the response, by writing to:

Reuben Aitken, Director  
Directorate for Covid Business Resilience and Support  
VICTORIA QUAY  
The Shore  
EDINBURGH  
EH6 6QQ  
[Redacted] [@gov.scot](mailto:[Redacted]@gov.scot)

Your review request should explain why you are dissatisfied with this response, and should be made within 40 working days from the date when you received this letter. We will complete the review and tell you the result, within 20 working days from the date when we receive your review request.

If you are not satisfied with the result of the review, you then have the right to appeal to the Scottish Information Commissioner. More detailed information on your appeal rights is available on the Commissioner's website at:

<http://www.itspublicknowledge.info/YourRights/Unhappywiththeresponse/AppealingtoCommissioner.aspx>.

Yours sincerely,

[Redacted]

Strategic Industrial Assets Division

**Tim Hair - Payment Summary**

All figures Exclude VAT

Payment Date	Invoiced before VAT	Days Worked	Fees (after TAX & NI)	Expenses
<b>2019</b>				
Total for period August 19 to January 20	£ 273,160	91	£ 141,623	£ 13,810
<b>2020</b>				
Thursday, 27 February 2020	£ 61,548	20.5	£ 31,885	£ 3,123
Thursday, 26 March 2020	£ 54,150	19	£ 29,619	£ -
Monday, 27 April 2020	£ 59,749	21	£ 29,477	£ 5,884
Tuesday, 26 May 2020	£ 48,735	19	£ 26,758	£ -
Friday, 26 June 2020	£ 42,323	16.5	£ 23,359	£ -
Friday, 24 July 2020	£ 52,153	20	£ 28,118	£ 452
Wednesday, 26 August 2020	£ 62,505	23	£ 29,944	£ 1,860
Friday, 25 September 2020	£ 49,167	20	£ 25,720	£ 5,046
Monday, 26 October 2020	£ 51,472	21	£ 26,943	£ 2,994
Thursday, 26 November 2020	£ 55,964	23	£ 28,141	£ 2,868
Thursday, 17 December 2020	£ 52,197	21	£ 25,694	£ 3,719
<b>2021</b>				
Tuesday, 26 January 2021	£ 59,891	14	£ 30,588	£ 2,179
Friday, 26 February 2021	£ 49,360	20	£ 24,470	£ 3,190
Friday, 26 March 2021	£ 49,115	20	£ 24,470	£ 2,945
Monday, 26 April 2021	£ 56,501	23	£ 24,262	£ 3,405
Wednesday, 26 May 2021	£ 49,320	20	£ 24,470	£ 3,150
Friday, 25 June 2021	£ 49,778	20	£ 24,470	£ 3,608
Monday, 26 July 2021	£ 86,477	22	£ 43,910	£ 3,628
<b>Total</b>	<b>£ 1,263,564</b>	<b>454</b>	<b>£ 643,920</b>	<b>£ 61,861</b>



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The Scottish Parliament  
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By email: [Redacted] [@parliament.scot](mailto:[Redacted]@parliament.scot)

Our ref: 202100231869  
15 September 2021

Dear [Redacted]

## **REQUEST UNDER THE FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 (FOISA)**

Thank you for your request dated 18 August 2021 under the Freedom of Information (Scotland) Act 2002 (FOISA).

### Your request

21 questions relating to the employment of the Ferguson Marine Turnaround Director, Tim Hair.

### Response to your request

The answers to your questions are as follows:

1. How were the six candidates for the position of Ferguson Marine Turnaround Director identified?

PWC were asked to identify suitable individuals with experience of Turnaround in similar or comparable industries. They used their database of individuals who carry out this kind of work and shortlisted those with the relevant experience.

2. What criteria was used to shortlist the candidates from six to three?

This was based on their level of expertise related to the business. For example their experience of turning around engineering businesses and resetting relationships with customers. The availability of candidates was also important as some were in existing roles and would not be able to start promptly.



3. Please explain Tim Hair's previous marine engineering experience, what period this covered and why it was specifically relevant to shipbuilding and Ferguson Marine?

P&O Princess Cruises – Marine Engineer, 1978 to 1988.  
Member, Institute of Marine Engineering Science & Technology

Tim has significant experience in the engineering and automotive sectors, has led a number of business turnarounds and transformations and is a member of the Institute of Turnaround. The primary requirement when recruiting the Turnaround Director was experience of turning around engineering businesses with an emphasis on a collaborative approach to re-set the relationship with customers and Tim Hair was selected on this basis.

4. Does Tim Hair continue to be employed as a non-executive Chairman of South Wales Industrial Valves Services Ltd and a Director of Melville Management? If so, how many days per month does Tim Hair commit to these roles on top of his employment as Turnaround Director at Ferguson Marine?

According to publically available information on Companies House, Tim Hair is currently an active Director at South Wales Industrial Valves Services Ltd (Company number 01582669) and Melville Management Limited (Company number 09311820).

In regard to Tim Hair's other roles, we do not hold the information that you have requested. This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have the information you have requested.

5. Why were references taken from Non-Executive Directors and not Executive Directors?

It is for candidates to identify suitable references. It is normal practice when taking up references on a Chief Executive for Non-executives to be identified.

6. With regards to endorsing Tim Hair's appointment, did Price Waterhouse Cooper confirm that they had direct experience of working with Tim Hair in any previous roles as a Turnaround Director?

PWC completed a background check on Tim Hair which raised no concerns and he has been known to PWC Partners in England for over 10 years.

7. Have PWC worked with Tim Hair before and were they approached for a reference?

PWC were not approached for a reference.

8. How many occasions has Tim Hair worked more than four days each week as Turnaround Director at Ferguson Marine?

The Turnaround Director's contract has been managed by Ferguson Marine's Board of Directors since August 2020. Therefore the Scottish Government does not hold the most up to date information. For the latest information on this matter I would advise that you contact Ferguson Marine directly.

We do not hold the information that you have requested. This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have the information you have requested.

9. Can you please provide a breakdown of how the £61,861 expenses was spent, including categories on accommodation and travel expenditure?

The Turnaround Director's contract, including expenses has been managed by Ferguson Marine's Board of Directors since August 2020. Therefore the Scottish Government does not hold the most up to date information. For the latest information on this matter I would advise that you contact Ferguson Marine directly.

We do not hold the information that you have requested. This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have the information you have requested.

10. Can you please explain what the sums listed as "fees" relate to and how they fit within the invoices and expenses?

The Turnaround Director's current contract is managed by the Ferguson Marine Board of Directors. However I attach a more detailed analysis of the Turnaround Directors remuneration up to July 2021 at Annex B.

11. Some of the invoices indicate nearly a daily rate of around £4,000 per day (July 2021) and other invoices indicate a daily rate of around £2400 (Sept 2020) per day. What are the reasons for these differences?

The Turnaround Director's current contract is managed by the Ferguson Marine Board of Directors. We understand these differences relate to the retention, and then payment, of a percentage of the Turnaround Director's day rate as a retention incentive under the terms of his contract.

12. Is the Scottish Government liable to VAT on top of the daily rate?

The Turnaround Director's contract is with Ferguson Marine, not with the Scottish Government. The Scottish Government is not liable for VAT in respect of the Turnaround Director's contract.

13. How is Tim Hair's time invoiced and who are those invoices made out to?

We understand that, under the terms of his current contract, invoices are addressed to Ferguson Marine, from Melville Management. Scottish Government is not a party to these invoices.

14. What was the basis for the recalculation of the daily rate fee which came into effect on 1 March 2020?

The Turnaround Directors contract has been renegotiated twice since he has been in post. In February 2020, the contract was renewed with a reduction in the day rate. There was also a retention arrangement put in place whereby 10% of each month's fees was accrued to be invoiced at the end of December 2020.

15. Have the pay arrangements been agreed with Inland Revenue so that the fees are not caught by IR35 which would make Tim Hair an employee?

The Turnaround Director's contract is with Ferguson Marine, not with the Scottish Government. For further information on this matter, please contact Ferguson Marine.



16. Please can you provide a general indication of how many days per week Tim Hair works on site at Ferguson Shipyard?

The Turnaround Director's current contract is managed by the Ferguson Marine Board of Directors. We understand Tim Hair is usually on site a minimum of 4 days per week.

17. Were Price Waterhouse Cooper aware that a recruitment consultant had not been used in this appointment and, therefore, that the salary would not be subject to deductions when they provided advice on the daily rate for Tim Hair?

The Scottish Government do not hold information on what information PWC took into account in framing their commercial advice.

We do not hold the information that you have requested. This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have the information you have requested.

18. Can you confirm if the Inland Revenue currently consider Tim Hair's employment status as a temporary contractor and not a full-time employee with benefits?

The Turnaround Director's current contract is managed by the Ferguson Marine Board of Directors. Scottish Government does not hold this information.

We do not hold the information that you have requested. This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have the information you have requested.

19. Following the departure of Derek Mackay as Cabinet Secretary for Finance, which Scottish Government minister is responsible for overseeing Tim Hair's contract with Ferguson Marine?

The Chairman of the Ferguson Marine Board of Directors has been responsible for Tim Hair's contract since August 2020. Kate Forbes, Cabinet Secretary for Finance and Economy is the Scottish Government Minister responsible for Ferguson Marine.

20. Which Scottish Government ministers or officials within Transport Scotland and CMAL have overall responsibility for the output and performance of Tim Hair as Turnaround Director at Ferguson Marine?

The Turnaround Director's performance and output are monitored on an ongoing basis by the Non-Executive Directors of the Board of Ferguson Marine with feedback as and when required advised via the Chairman. The Turnaround Director and Chairman meet once per week as a minimum. Monthly progress reports are sent to the Scottish Government, and shared with CMAL.

21. Who prepared the Annex for FOI 202100223540?

The annex was prepared by Ferguson Marine.

The reasons why we don't have some of the information you have requested are explained in the Annex A to this letter.

## Your right to request a review

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Yours sincerely,

[Redacted]

Strategic Industrial Assets Division

## REASONS FOR NOT PROVIDING INFORMATION

### The Scottish Government does not have the information

The Scottish Government does not have some of the information you have asked for because Ferguson Marine and the Board of Directors have managed the Turnaround Directors contract since August 2020.

Ferguson Marine (Port Glasgow) Limited is a company wholly owned by the holding company known as Ferguson Marine (Port Glasgow) Holdings Limited, which itself is owned by Scottish Ministers, established under the Companies Act 2006.

Ferguson Marine is a non-departmental public body (NDPB) and does not carry out its functions on behalf of the Crown. Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of Ferguson Marine and its use of resources. In line with all limited companies, Scottish Ministers, as sole shareholder, have the reserved power to direct Directors to take or refrain from taking specified actions via the Articles of Association. They are not however responsible for day to day operational matters such as payroll, these are a matter for the yards management.

This is a formal notice under section 17(1) of FOISA that the Scottish Government does not have some of the information you have requested.

**Tim Hair Fee Summary**

Invoice No	Month	Invoiced				
		Fees	Expenses	Invoiced before VAT	VAT	Invoiced after VAT
Various	Various	£ 156.8	£ 7.7	£ 164.5	£ 32.9	£ 197.4
Various	Various	£ 102.6	£ 6.1	£ 108.7	£ 21.7	£ 130.4
202001	Jan-20	£ 58.4	£ 3.1	£ 61.5	£ 12.3	£ 73.9
202002	Feb-20	£ 54.2	£ -	£ 54.2	£ 10.8	£ 65.0
202003	Mar-20	£ 53.9	£ 5.9	£ 59.7	£ 11.9	£ 71.7
202004	Apr-20	£ 48.7	£ -	£ 48.7	£ 9.7	£ 58.5
202005	May-20	£ 42.3	£ -	£ 42.3	£ 8.5	£ 50.8
202006	Jun-20	£ 51.3	£ 0.9	£ 52.2	£ 10.4	£ 62.6
202007	Jul-20	£ 59.0	£ 3.5	£ 62.5	£ 12.5	£ 75.0
202008	Aug-20	£ 46.2	£ 3.0	£ 49.2	£ 9.8	£ 59.0
202009	Sep-20	£ 48.5	£ 3.0	£ 51.5	£ 10.3	£ 61.8
202010	Oct-20	£ 53.1	£ 2.9	£ 56.0	£ 11.2	£ 67.2
202011	Nov-20	£ 48.5	£ 3.7	£ 52.2	£ 10.4	£ 62.6
202012	Dec-20	£ 57.7	£ 2.2	£ 59.9	£ 12.0	£ 71.9
202101	Jan-21	£ 46.2	£ 3.2	£ 49.4	£ 9.9	£ 59.2
202102	Feb-21	£ 46.2	£ 2.9	£ 49.1	£ 9.8	£ 58.9
202103	Mar-21	£ 53.1	£ 3.4	£ 56.5	£ 11.3	£ 67.8
202104	Apr-21	£ 46.2	£ 3.1	£ 49.3	£ 9.9	£ 59.2
202105	May-21	£ 46.2	£ 3.6	£ 49.8	£ 10.0	£ 59.7
202106	Jun-21	£ 82.8	£ 3.6	£ 86.5	£ 17.3	£ 103.8
202107	Jul-21	£ 43.1	£ 3.8	£ 46.9	£ 9.4	£ 56.3
202108	Aug-21	£ -	£ -	£ -	£ -	£ -
202109	Sep-21	£ -	£ -	£ -	£ -	£ -
202110	Oct-21	£ -	£ -	£ -	£ -	£ -
202111	Nov-21	£ -	£ -	£ -	£ -	£ -
202112	Dec-21	£ -	£ -	£ -	£ -	£ -
<b>Total to 26 July payment</b>		<b>£ 1,201.7</b>	<b>£ 61.9</b>	<b>£ 1,263.6</b>	<b>£ 252.7</b>	<b>£ 1,516.3</b>

Payments						
Fees after Tax & NI	Expenses	VAT	Total Paid	Date Paid		
£ 84.5	£ 7.7	£ 32.9	£ 125.1	Various		
£ 57.2	£ 6.1	£ 21.7	£ 85.0	Various		
£ 31.9	£ 3.1	£ 12.3	£ 47.3	27-Feb-20		
£ 29.6	£ -	£ 10.8	£ 40.4	26-Mar-20		
£ 29.5	£ 5.9	£ 11.9	£ 47.3	27-Apr-20		
£ 26.8	£ -	£ 9.7	£ 36.5	26-May-20		
£ 23.4	£ -	£ 8.5	£ 31.8	26-Jun-20		
£ 28.1	£ 0.5	£ 10.4	£ 39.0	24-Jul-20		
£ 29.9	£ 1.9	£ 12.5	£ 44.3	26-Aug-20		
£ 25.7	£ 5.0	£ 9.8	£ 40.6	25-Sep-20		
£ 26.9	£ 3.0	£ 10.3	£ 40.2	26-Oct-20		
£ 28.1	£ 2.9	£ 11.2	£ 42.2	26-Nov-20		
£ 25.7	£ 3.7	£ 10.4	£ 39.9	17-Dec-20		
£ 30.6	£ 2.2	£ 12.0	£ 44.7	26-Jan-21		
£ 24.5	£ 3.2	£ 9.9	£ 37.5	26-Feb-21		
£ 24.5	£ 2.9	£ 9.8	£ 37.2	26-Mar-21		
£ 24.3	£ 3.4	£ 11.3	£ 39.0	26-Apr-21		
£ 24.5	£ 3.1	£ 9.9	£ 37.5	26-May-21		
£ 24.5	£ 3.6	£ 10.0	£ 38.0	25-Jun-21		
£ 43.9	£ 3.6	£ 17.3	£ 64.8	26-Jul-21		
£ -	£ -	£ 9.4	£ -	00-Jan-00		
£ -	£ -	£ -	£ -	00-Jan-00		
£ -	£ -	£ -	£ -	00-Jan-00		
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£ -	£ -	£ -	£ -	00-Jan-00		
£ -	£ -	£ -	£ -	00-Jan-00		
<b>£ 643.9</b>				<b>£ 61.9</b>	<b>£ 252.7</b>	<b>£ 958.5</b>

Days Billed
55.0
36.0
20.5
19.0
21.0
19.0
16.5
20.0
23.0
20.0
21.0
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21.0
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454.0

