

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: Wednesday, 04 May 2022 20:30

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>;

[REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Subject: Re: Cab Sec Schedule -

Ok

Sent from my iPhone

On 4 May 2022, at 20:18, Maureen.Rooney@gov.scot wrote:

Office are going to come back to us on that, they said tomorrow.
Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government

4th floor, Atlantic Quay

150 Broomielaw, Glasgow

01382 9[REDACTED] / 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: 04 May 2022 19:40

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc:[REDACTED]<[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>;[REDACTED]

[REDACTED] <[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>

Subject: Re: Cab Sec Schedule -

Thks - if we go onto 801 we may need more than 30 mins for the tour

Was there a decision?

D

Sent from my iPhone

On 4 May 2022, at 17:58, Maureen.Rooney@gov.scot wrote:

David,

Have spoken to Cab Sec's office who were happy with proposed schedule. I would suggest including [REDACTED]and[REDACTED] in the work force group – though they may have a preference for one to one time.

Thanks,
Mo.

Mo Rooney (she/her)
Deputy Director, Strategic Commercial Interventions Division
Scottish Government
4th floor, Atlantic Quay
150 Broomielaw, Glasgow
01382 9[REDACTED]/ 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: David Tydeman <david.tydeman@fergusonmarine.com>
Sent: 04 May 2022 16:06
To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>
Subject: FW: Cab Sec Schedule -

From: [REDACTED] <[REDACTED]@fergusonmarine.com>
Sent: 04 May 2022 15:17
To: David Tydeman <david.tydeman@fergusonmarine.com>
Subject: Cab Sec Schedule -

Hi David,

Please see below schedule if you wish to discuss with Mo this afternoon.

0900 – 0910 Introduction with CEO
0910 - 0915 Change into PPE
0915 – 0945 Yard Tour
0945 - 1005 Chat with Workforce Group
1005 – 1100 Deep Dive with SMT

Kind regards,

[REDACTED]
[REDACTED]

M: +44 (0)7[REDACTED]
E: [REDACTED]@fergusonmarine.com
From: [REDACTED]@fergusonmarine.com>
Sent: 04 May 2022 16:10
To: [REDACTED]@gov.scot>
Subject: RE: Cab Sec Visit

Slight amendment –

0900 – 0910 Introduction with CEO

0910 - 0915 Change into PPE
0915 – 0945 Yard Tour
0945 - 1005 Chat with Workforce Group
1005 – 1100 Deep Dive with SMT

[REDACTED]

From: [REDACTED]
Sent: 04 May 2022 12:54
To: [REDACTED]@gov.scot
Subject: RE: Cab Sec Visit

Hi [REDACTED],

I have confirmed schedule with David below –

0900 – 0910 Meet and Greet with CEO
0910 - 0915 Change into PPE
0915 – 0945 Yard Tour
0945 - 1005 Chat with Workforce Group
1005 – 1100 Deep Dive with SMT

I can see there is a link in the diary entry for a template to be used however I can't open it could you send me a copy?

Many thanks,
[REDACTED]

From: [REDACTED]@gov.scot [REDACTED]@gov.scot>
Sent: 03 May 2022 17:14
To: [REDACTED] [REDACTED]@fergusonmarine.com>
Subject: RE: Cab Sec Visit

Hi [REDACTED],

Ms Forbes is at the yard from 09:00-11:00 am, and wants a tour, deep dive with SMT and a quick chat with some workers.

Could the draft agenda below work?, please tweak as necessary.

0900 – 0910 Meet and Greet with CEO
0910 - 0915 Change into PPE
0915 – 0945 Yard Tour
0945 - 1005 Chat with Workforce Group
1005 – 1100 Deep Dive with SMT

Attendees

- Ms Forbes
- Ms Forbes Private Secretary

- Mr McKee? (I'm confirming if Mr McKee is able to attend- will let you know when I get a response).
- Mr McKee Private Secretary?(pending Mr McKee confirming attendance)
- Mo

Thanks,
[REDACTED]

From: [REDACTED]<[\[REDACTED\]@fergusonmarine.com](mailto:[REDACTED]@fergusonmarine.com)>

Sent: 03 May 2022 14:43

To: [REDACTED] <[\[REDACTED\]@gov.scot](mailto:[REDACTED]@gov.scot)>

Subject: Cab Sec Visit

Hi [REDACTED],

I'm just putting our schedule together for the Cab Sec visit next week and was looking for a little help

-

Is the visit for a deep dive meeting with the SMT only? (no staff group meetings?)

Are attendees looking for a site tour?

Do you have a list of attendees coming to FMPG?

[REDACTED]

Kind regards,

[REDACTED]

[REDACTED]

M: +44 (0)7[REDACTED]

E: [\[REDACTED\]@fergusonmarine.com](mailto:[REDACTED]@fergusonmarine.com)

From: [REDACTED]

Sent: Tuesday, 10 May 2022 12:22

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc: [REDACTED] [REDACTED]@gov.scot>; [REDACTED] [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi [REDACTED],

Updated briefing attached.

Thanks

[REDACTED]

From: [REDACTED]<[REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy

Sent: Tuesday, 10 May 2022 11:15

To: [REDACTED]<[REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc: [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Thanks [REDACTED],

Yes we would be very grateful if this could be incorporated into the briefing.

Kind regards,

[REDACTED]

[REDACTED](she/her)

Deputy Private Secretary to Cabinet Secretary for Finance and Economy – Kate Forbes

The Scottish Government | St Andrew's House, Regent Road, Edinburgh, EH1 3DG

T: 0131 24[REDACTED] | M: 07[REDACTED] | E: CabSecFE@gov.scot

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

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From: [REDACTED] <[REDACTED]@gov.scot>

Sent: 10 May 2022 11:00

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc: [REDACTED]<[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; [REDACTED]

[REDACTED]<[REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi [REDACTED],

Sorry for the delay, I was on leave yesterday.

The risk assessment info we have communicated in this email chain is not in the briefing. I can add it and send up a new version if required?

Thanks

[REDACTED]

From: [REDACTED]<[REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy

Sent: Monday, 09 May 2022 09:52

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: [REDACTED]<[REDACTED]@gov.scot>;[REDACTED] <[REDACTED]@gov.scot>;

[REDACTED]<[REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi Mo, [REDACTED],

Thanks for clarifying. Is this info included in the briefing pack?

[REDACTED]

[REDACTED](she/her)

Deputy Private Secretary to Cabinet Secretary for Finance and Economy – Kate Forbes

The Scottish Government | St Andrew's House, Regent Road, Edinburgh, EH1 3DG

T: 0131 24[REDACTED] | M: 07[REDACTED] | E: CabSecFE@gov.scot

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From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: 09 May 2022 07:26

To: [REDACTED]<[REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: [REDACTED] <[REDACTED]@gov.scot>;[REDACTED] <[REDACTED]@gov.scot>;

[REDACTED]<[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

[REDACTED],

[REDACTED] makes the right points. Trips are the main things - many being the ridges that will hold up the walls of corridors etc. The trip hazards are fairly well highlighted and now that there is no need to wear masks on the vessel (which causes safety glasses to steam up) things generally are easier to see.

There tends not to be a significant sense of motion on the vessel (from being on the water).

Mo.

Sent with BlackBerry Work
(www.blackberry.com)

From: [REDACTED]<[REDACTED]@gov.scot>
Date: Friday, 06 May 2022, 1:15 pm
To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Cc: Rooney M (Maureen) <Maureen.Rooney@gov.scot>, [REDACTED]<[REDACTED]@gov.scot>, [REDACTED] <[REDACTED]@gov.scot>, [REDACTED] <[REDACTED]@gov.scot>, [REDACTED] <[REDACTED]@gov.scot>
Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Collated

Hi [REDACTED],

The key point from David T is that there are no confined spaces or steep steps, but Ms Forbes should be careful around trip hazards which will be well identified.

I've attached the risk assessment the yard sent over, however as I said below it covers everything from a workers perspective.

Mo may be able to add more when she is back on Monday.

Thanks

[REDACTED]

From: [REDACTED]<[REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy
Sent: Friday, 06 May 2022 11:49
To: [REDACTED]@gov.scot; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Cc: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>
Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi [REDACTED],

Thanks for sending this on. Are there any of the risks in the risk assessment in particular that should be highlighted to cab sec in advance of the visit?

Thanks,

[REDACTED]

[REDACTED] (she/her)

Deputy Private Secretary to Cabinet Secretary for Finance and Economy – Kate Forbes
The Scottish Government | St Andrew's House, Regent Road, Edinburgh, EH1 3DG
T: 0131 24[REDACTED] | M: 07[REDACTED] | E: CabSecFE@gov.scot

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From: [REDACTED]@gov.scot>

Sent: 06 May 2022 11:46

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>;

[REDACTED]<[REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi [REDACTED]

Apologies for the delay. Please find attached the briefing pack for the visit to Ferguson Marine next week.

In regard to the risk assessment. David T has said he is happy to take Ms Forbes into the ship if she wants to. She will be escorted the whole way with no heights or confined spaces. The risks are from trips which will be well identified.

David T says the tour can avoid hazardous fumes by not going near any type of hot work.

The yard have sent over a 14 page risk assessment that I can share if you'd like? The reason it's so long is that covers every possibility when working at a Shipyard, so as Ms Forbes would only be taking a tour a lot of it doesn't apply.

A member of the team would be happy to chat this through with anyone in PO.

Thanks

[REDACTED]

From: [REDACTED]

Sent: Thursday, 05 May 2022 16:44

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

[REDACTED],

Just waiting for the yard confirming the risk assessment and I will send up everything together.

Thanks

[REDACTED]

From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy
Sent: Wednesday, 04 May 2022 15:42
To: [REDACTED]@gov.scot>
Cc: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Hi [REDACTED],

Thanks for this note.

Happy to receive the briefing tomorrow afternoon.

Many thanks,

[REDACTED](he/him)

Assistant Private Secretary (Diary) to Cabinet Secretary for Finance and Economy – Kate Forbes
The Scottish Government | St Andrew's House, Regent Road, Edinburgh, EH1 3DG

E: CabSecFE@gov.scot



All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

Scottish Ministers, Special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

From: [REDACTED]@gov.scot>

Sent: 04 May 2022 15:39

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Subject: RE: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

Afternoon,

There has been a slight delay in getting some of the information required for the briefing. I will send over the document tomorrow afternoon.

Apologies for the delay.

Thanks

[REDACTED]

-----Original Appointment-----

From: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Sent: Tuesday, 05 April 2022 13:36

To: Cabinet Secretary for Finance and Economy; Kate Forbes; [REDACTED]; [REDACTED]; [REDACTED]
Rooney M (Maureen); Dobson L (Leanne)

Cc: David Tydeman; [REDACTED]

Subject: 09:00 - 11:00 Visit: Ferguson Marine + Deep Dive with Senior Management

When: Wednesday, 11 May 2022 09:00-11:00 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.

Where: Castle Rd, Port Glasgow PA14 5NG

Hi,

Confirming time in the diary for visit to Ferguson Marine yard and deep dive session with Senior Management Team.

Please prepare briefing using the appropriate templates and guidance from Saltire and send to Private Office by **4PM on Wednesday 4th May**.

If this engagement is with a **business or a business representative organisation** please include the Business Engagement Mailbox (businessengagement@gov.scot) in your distribution list for the briefing and readout to allow this information to be included in the monthly and quarterly reports to Ministers of their engagements with business.

Official support is expected at all meetings and engagements unless otherwise agreed with Private Office. Please note that there is a requirement for an official note of all meetings to be produced – this should be done by the most appropriate official supporting the Minister in line with published guidance.

If diary timings do not match the event times you are providing in briefing then please flag this to Private Office immediately.

If there will be external stakeholders attending a Scottish Government building (not Parliament), please submit visitor forms as appropriate.

Please **do not** forward on this invite - if you require anyone else to be invited please let Private Office know.

Please call to discuss if you have any queries or are likely to miss the deadline.

Thank you very much,

Finance and Economy PO

From: [REDACTED]
Sent: Thursday, 05 May 2022 12:45
To: David Tydeman <david.tydeman@fergusonmarine.com>
Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;
[REDACTED]@gov.scot>;[REDACTED]@gov.scot>
Subject: RE: Cab Sec Visit - Risk Assessment

Thanks David.

Something by Monday possible on your end? Not the end of the world if not, I can update Ms Forbes office.

[REDACTED]

From: David Tydeman <david.tydeman@fergusonmarine.com>
Sent: Thursday, 05 May 2022 12:36
To: [REDACTED]@gov.scot>
Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>[REDACTED]@gov.scot>;[REDACTED]@gov.scot>
Subject: RE: Cab Sec Visit - Risk Assessment

Understood, our head of safety has a risk assessment [REDACTED] from his previous employers, we'll review it pdq and revert/check it for appropriateness

d

From: [REDACTED]@gov.scot <[REDACTED]@gov.scot>
Sent: 05 May 2022 12:26
To: David Tydeman <david.tydeman@fergusonmarine.com>
Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot
Subject: Cab Sec Visit - Risk Assessment
Importance: High

Afternoon David,

I understand Mo touched on this in your recent catch up. Ms Forbes office was looking for some sort of risk assessment to be carried out for her visit on Wednesday. She wants to better understand the risks and decide her approach to the visit accordingly. [REDACTED] So perhaps things like getting on board 801 wouldn't be appropriate for example?

Grateful for your advice as soon as you can.

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: Tel: 0131 2[REDACTED] | 07[REDACTED]

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: [REDACTED]

Sent: Thursday, 05 May 2022 12:42

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: Cab Sec Visit Briefing

Thanks all.

Mo, couple questions in the briefing re one of the agenda items. Grateful if could indicate the best approach and also review the rest of the brief.

SCID - Ferguson Marine - Draft Briefing for Ms Forbes visit to yard - 11 May 2022 (A37766500)

I said to PO I would send up this afternoon.

[REDACTED]

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: Wednesday, 04 May 2022 17:48

To: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Subject: RE: Cab Sec Visit Briefing

[REDACTED],

David T spoke to me about the visit this afternoon, and proposed schedule. He was thinking broadly same as Perm Sec (10min with him, yard tour including 801, meeting with small group of workforce including shop stewards, then back to board room to meet SMT).

I have just had a word with private office about practicalities in terms of what Cab Sec will and will not want to do, and observations of DT in terms of on-board risk assessment [REDACTED]. PO will come back to us tonight or tomorrow on this.

They thought DT's proposed itinerary sounded fine.

Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government

4th floor, Atlantic Quay

150 Broomielaw, Glasgow

01382 9[REDACTED] / 0[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: [REDACTED]@gov.scot>

Sent: 04 May 2022 16:21

To: [REDACTED] <[REDACTED]@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Subject: RE: Cab Sec Visit Briefing

Thanks [REDACTED]. Some very minor tweaks (didn't bother tracking) to reflect latest positions.

[REDACTED]

From: [REDACTED]@gov.scot>

Sent: 04 May 2022 14:45

To: [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]@gov.scot>

Subject: Cab Sec Visit Briefing

All,

Apologies for the delay I attach a draft of the briefing. I've used the same agenda as the Perm Sec visit, seemed sensible.

SCID - Ferguson Marine - Draft Briefing for Ms Forbes visit to yard - 11 May 2022 (A37766500)

[REDACTED] – your section is lifted from the Perm Sec briefing which I assume is still accurate?

Deadline is 4pm today, but I'll tell PO we will send it up tomorrow afternoon if ok.

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: Tel: 0131 2[REDACTED] | 07[REDACTED]

I am working from home, contactable by email, on my mobile, and by MS Teams.

From:[REDACTED]

Sent: Tuesday, 03 May 2022 16:00

To: [REDACTED] <[REDACTED]@gov.scot>

Cc: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED] <[REDACTED]@gov.scot>;

[REDACTED] <[REDACTED]@gov.scot>

Subject: RE: Cab Sec Visit

Hi [REDACTED],

From looking at the invite sent out from PO it seems to be for a deep dive with SMT. Attached email shows a tour was required also.

I'm not sure there would be time to do a workers meet too? Could you perhaps check with PO if Ms Forbes is looking for this and highlight time could be tight? I suppose on the tour she may meet workers anyway.

Unsure if [REDACTED] took this any further? My emails don't go any further if so.

Attendees

- Ms Forbes
- Ms Forbes PS
- Mr McKee? (check if he is able?)
- Mr McKee PS?
- Mo

Thanks

[REDACTED]

From: [REDACTED] <[REDACTED]@gov.scot>
Sent: Tuesday, 03 May 2022 15:32
To: [REDACTED] <[REDACTED]@gov.scot>
Subject: FW: Cab Sec Visit

Hi [REDACTED],

Could you please advise on the below asks from [REDACTED]

- Is the visit for a deep dive meeting with the SMT only? (no staff group meetings?)
- Are attendees looking for a site tour?
- Do you have a list of attendees coming to FMPG?

Thanks,

[REDACTED]

From: [REDACTED]@fergusonmarine.com>
Sent: 03 May 2022 14:43
To: [REDACTED]<[REDACTED]@gov.scot>
Subject: Cab Sec Visit

Hi [REDACTED],

I'm just putting our schedule together for the Cab Sec visit next week and was looking for a little help -

Is the visit for a deep dive meeting with the SMT only? (no staff group meetings?)

Are attendees looking for a site tour?

Do you have a list of attendees coming to FMPG?

[REDACTED]

Kind regards,

[REDACTED]

[REDACTED]

M: +44 (0)[REDACTED]

E: [REDACTED]@fergusonmarine.com



Ferguson Marine | Newark Works | Castle Road | Port Glasgow | PA14 5NG | Scotland -
www.fergusonmarine.com

From: [REDACTED]<[REDACTED]@gov.scot>

Sent: Thursday, 07 April 2022 11:40

To: David Tydeman <david.tydeman@fergusonmarine.com>

Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;
[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Subject: RE: date for ms Frobes visit??

Thanks David – that's noted.

[REDACTED]

[REDACTED] (he/him)

Strategic Commercial Interventions Division | Covid Business Resilience And Support Directorate | [The Scottish Government](http://TheScottishGovernment) |

Mob: 07[REDACTED]

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: 07 April 2022 11:29

To: [REDACTED]@gov.scot>

Cc:

[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;

Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Subject: RE: date for ms Frobes visit??

I'd suggest 2 hours if possible, it can take an hour to get into PPE kit, walk around and back to change etc (MSP's took 1.5 hrs for this but that was partly because we were a large group

thanks

From: [REDACTED]@gov.scot [REDACTED]@gov.scot>

Sent: 07 April 2022 11:20

To: David Tydeman <david.tydeman@fergusonmarine.com>

Cc: [REDACTED]@gov.scot;

[REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot

Subject: RE: date for ms Frobes visit??

David

Thank you for the confirmation of your availability for Ms Forbes visit on the 11th of May.

I forwarded you the meeting invite from Cab Sec's Private Office. Is the time allowed (one and half hours) adequate for the deep dive session and tour as requested by Ms Forbes? Her Private Office have indicated that they could extend this time to a maximum of two hours.

Thanks

[REDACTED]

[REDACTED] (he/him)

Strategic Commercial Interventions Division | Covid Business Resilience And Support Directorate | [The Scottish Government](#) |

Mob: 07[REDACTED]

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: 06 April 2022 11:55

To: [REDACTED]@gov.scot; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc:

[REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>

Subject: RE: date for ms Frobes visit??

Apologies

I had written down 11th April....

From: [REDACTED]@gov.scot [REDACTED]@gov.scot>

Sent: 05 April 2022 12:00

To: Maureen.Rooney@gov.scot; David Tydeman <david.tydeman@fergusonmarine.com>

Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot

Subject: RE: date for ms Frobes visit??

Mo

The Cab Sec's office has now confirmed that Ms Forbes would be available to visit the Ferguson Marine yard on Wednesday 11th May 09:30 – 11:00 and has noted that a tour/visit should be incorporated into this trip.

Ms Forbes has also noted that if Mr McKee is free to attend then he is welcome to join. I am waiting to hear from Mr McKee's office on whether he is able to join the visit on 11 May.

Is this satisfactory for the yard?

Thanks

[REDACTED]

[REDACTED] (he/him)

Strategic Commercial Interventions Division | Covid Business Resilience And Support Directorate | [The Scottish Government](#) |

Mob: 07**[REDACTED]**

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: 28 March 2022 11:26

To: David Tydeman <david.tydeman@fergusonmarine.com>

Cc:

[REDACTED]<**[REDACTED]**@gov.scot>;**[REDACTED]**<**[REDACTED]**@gov.scot>;**[REDACTED]**<**[REDACTED]**@gov.scot>;**[REDACTED]**@gov.scot>

Subject: RE: date for ms Frobes visit??

[REDACTED], [REDACTED]

On back of this morning's Cab Sec call, grateful if your team could pick up with Cab Sec's office on possible dates.

Thanks,

Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government

4th floor, Atlantic Quay

150 Broomielaw, Glasgow

01382 9**[REDACTED]** / 07**[REDACTED]**

I am working from home, contactable by email, on my mobile, and on Teams.

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: 28 March 2022 11:24

To: [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Subject: date for ms Frobess visit??

I'll flex to suit, this week possible I can flex wed/Thursday afterwards and into early evening if required

Wed/thurs best next week because of staff comms Tuesday/MSP's Monday

Following week flexible

Working hours are now 0645:1630 for most trades and to 1300 Friday,

Let me know and I'll set up the senior team as required

regards

David Tydeman

CEO

07[REDACTED]

David.tydeman@fergusonmarine.com

From: [REDACTED] on behalf of [Cabinet Secretary for Finance and Economy](#)
To: [Rooney M \(Maureen\)](#); [Cabinet Secretary for Finance and Economy](#)
Cc: [DG Economy: Director for Covid Business Resilience and Support](#) [REDACTED]
Subject: RE: Ferguson Marine - Cab Sec visit - 11th May 2022 - key points
Date: Monday, 16 May 2022 09:43:42
Attachments: [image002.jpg](#)

Mo,

Ms Forbes has noted and is content with the readout of her visit last week.

Many thanks,
[REDACTED]

[REDACTED]

Private Secretary to Cabinet Secretary for Finance and the Economy – Kate Forbes

Scottish Government | Riaghaltas na h-Alba | St Andrew's House | 4N.11 | Regent Road | Edinburgh | EH1 3DG

Tel/Fòn: 0131 [REDACTED] | Ext/Leudachan: [REDACTED] | Mobile/Fòn-laimhe: [REDACTED]
[REDACTED]

Email /Post-d: CabSecFE@gov.scot

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: 11 May 2022 16:25

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: DG Economy <DGEconomy@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; [REDACTED] gov.scot> [REDACTED]

[REDACTED] gov.scot> [REDACTED] gov.scot> [REDACTED]

[REDACTED] gov.scot>; [REDACTED] gov.scot>

Subject: Ferguson Marine - Cab Sec visit - 11th May 2022 - key points

PS/Cab Sec Finance and Economy,

A short note below of key points of the Cabinet Secretary's visit to Ferguson Marine today.

SG attendees: Cabinet Secretary for Finance and Economy, DG Economy, Director for Covid Business Resilience and Support, Deputy Director for Strategic Commercial Interventions Division, PS/Cab Sec F&E

The Cabinet Secretary undertook a visit of the Ferguson Marine site and the vessels, meeting with management and workforce representatives. Throughout the visit, the Cabinet Secretary communicated the following messages:

- SG is committed to the workforce, the yard, and its future.
- The vessels must be completed on budget.
- Successful delivery of the ferries is key to the future of the yard.
- Her belief in the skill and quality of the workforce.

Meeting with workforce representatives

Coordinated by [REDACTED] the Cabinet Secretary met with a number of workforce representatives. This was an open discussion. [REDACTED] noted the key role for the workforce in completion of the ferries and securing future for the yard. He welcomed new Chief Executive, who he noted was willing to listen and respectful of the workforce's skills and experience. He flagged efforts to mobilise the local community in the effort to secure a future pipeline of work for the yard.

Concerns expressed re business being top-heavy and this not aiding a nimble commercial approach. Planning was noted as a concern of workforce. Workforce representatives reflected that there were indications of change under the new leadership, but they are not yet convinced of the extent of this change or the pace.

It was proposed that union could have a role in liaising between workforce and management on the highlighting of issues identified and possible solutions.

Meetings with management

David Tydeman (CEO, 'DT') provided an overview of his delivery strategy for the ferries and his assessment of the challenges. There was discussion on progress towards delivery of the vessels, and a high level discussion re potential future work opportunities. The Cabinet Secretary met with a number of members of the management team on an introductory basis.

Grateful for confirmation that the Cabinet Secretary is content that this a fair reflection of her discussions.

Thanks,
Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government
4th floor, Atlantic Quay
150 Broomielaw, Glasgow
01382 9[REDACTED]/ 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

**MINISTERIAL ENGAGEMENT BRIEFING:
KATE FORBES, CABINET SECRETARY FOR FINANCE AND THE ECONOMY
Briefing for Ferguson Marine Visit**

<i>What</i>	Visit to Ferguson Marine for Deep Dive with Senior Management
<i>Where</i>	Ferguson Marine Castle Rd Port Glasgow PA14 5NG
<i>When</i>	11 May 2022 0900 – 1100
<i>Who</i>	David Tydeman – Ferguson Marine CEO
<i>Why</i>	An opportunity to revisit the yard, speak to workers and have a deep dive with the senior management team.
<i>Expected outcome</i>	The Cabinet Secretary will be able to see for herself how things are progressing at the yard. She will also get the opportunity to speak face to face with the senior team.
<i>Supporting official</i>	Mo Rooney – Strategic Industrial Assets Tel: 07[REDACTED]
<i>Briefing contents</i>	Annex A: Agenda Annex B: Note of Permanent Secretary's Visit to Yard Annex C: Schedule and Costs Annex D: Vessel Programme & MI Data Annex E: Future Work & Pathway to Productivity Annex F: Risk Assessment
<i>Media Handling</i>	Private Visit
<i>Local MSP contacted (Y/N)</i>	Officials have not contacted the local MSP.
<i>Dress code</i>	Safety clothing/equipment will be provided if required. Sizes will be sorted with officials via email.
<i>Greeting Party and specific meeting point on arrival (if event is at a non SG Building)</i>	You will be greeted by Mo Rooney and David Tydeman at the front gates.

Agenda

Indicative Timetable

0900 – 0910 Introduction with CEO
0910 – 0915 Change into PPE
0915 – 0945 Yard Tour
0945 – 1005 Chat with Workforce Group
1005 – 1100 Deep Dive with SMT

Agenda Items

- **Differences between 801 and 802 programmes**

The CEO will have members of the senior team available to talk through the differences in the programmes after you have seen the visible differences during the yard tour.

801 is 5 years since keel laid, it has been built out of sequence, with the CEO referring to it as a refit project more than a new build. 802 has also been assembled – structural blocks - in a sequence that didn't reflect good shipbuilding practice, however it is currently a relatively 'empty' steel hull and with good drawings and better planning. The CEO believes the 802 programme can now run in a more conventional shipbuilding way.

- **Areas of programme risk**

As you are aware the Chief Executive has developed a revised cost and schedule estimate of the new programme. There is programme risk in respect of both the schedule and the cost estimates.

With regards to schedule, the FMPG team, working closely and directly with CMAL representatives on site, has reconsidered the assumptions behind the commissioning programme and has concluded that given the risk of further 'unknown' legacy issues it will be prudent to make allowance to increase the commissioning period from 6 months to 8 months on 801 (The previous plan for a commissioning period of 6 months was predicated on working 24/7).

With regards to cost, the FMPG team are currently undertaking a detailed scrutiny of the assumptions underpinning the revised cost estimate in order to provide SG/Ministers with assurance that the cost is deliverable. This is a work in progress and is a top priority for the FMPG senior management team. Finance Business Partners are working closely with the FMPG team and with CMAL representatives on site to ensure appropriate scrutiny of the assurance process and the revised cost. Key areas of risk are in relation to manhour forecasts and the maturity of information relating to sub-contractor costs.

You may wish to ask for an update on the assurance work and the key areas of programme risk. You may also wish to reiterate the importance of

concluding this work as soon as possible to provide you with assurance over the revised programme and cost.

- **Management challenges and current plans**

David Tydeman will discuss the challenges and current plans in a 10 minute one to one during the visit.

- **“Empty slipway” 2023 when 802 launches - HR and management challenges**

[REDACTED]

If asked about direct award, you should note that the direct award of public funded vessels raises complex legal and procurement issues. You are aware of the opportunities and challenges around direct award but no decisions have been taken around the potential award of any future vessel.

- **Future bids and opportunities**

[REDACTED]

[REDACTED]

You may wish to ask the CEO to update you on smaller scale potential opportunities

- **Capex and yard improvements**

[REDACTED]

[REDACTED]

evidence will be required to support any business case.

Either way, robust

Officials have engaged with the yard for some time with a view to commissioning a 'pathway to productivity' report through FMI (marine engineering consultants who completed a benchmarking exercise of the yard in late 2020/early 2021). This work would provide the evidence to support a business case on cost and nature of efficiency improvements needed in order to make the yard competitive. [REDACTED]

[REDACTED]

[REDACTED]

You may wish to assure the CEO that SG is committed to supporting development of a business case and appreciates the urgency of this work but that we have to make sure any request for funding is backed by robust evidence and that the viability of any future support is predicated on the yard delivering progress to the revised cost and schedule of 801 & 802.

- **AOB**

Note of Permanent Secretary's Visit to Yard

SG Attendees: Permanent Secretary, Director for Covid Business Resilience and Support, Director for Economic Development, Deputy Director Strategic Commercial Interventions Division, Finance Business Partner.

FMPG attendees: Chief Executive, Chief Financial Officer, Engineering Director, Operations Director, HR Director, Compliance Director. Number of other members of FMPG staff involved in facilitating yard and vessel tour.

KEY POINTS

Permanent Secretary met with Ferguson Marine Chief Executive and members of his senior management team. The conversation reflected on the following key points:

Delivery of the vessels

- Board deep dive scheduled for w/b 25 April, to consider lessons to be learned from process whereby management and Board recommitted to the previous delivery schedule in Dec 2021, yet in March 2022 stepped away from it so significantly.
- Looking across the history of the ferries contracts, cost increases have arisen as a result of original assumed base cost of labour being too low (at point of initial contract bid in 2015), increase in labour cost due to management choices throughout the projects (including poor sequencing), and the associated cumulative overheads over time.
- Improved data and metrics are a keen focus for the CEO. Current tracking approach is by system and by zone. Not presently as able to track overall progress as would like, but this is improving. CEO expects to provide credible assurance on extent to which delivery is on track at end May 2022.
- Permanent Secretary encouraged honesty over optimism.

Capacity and capability

- Challenges related to attracting and retaining the right skills, given the local competitors for these skills.
- New management and leadership ethos being instilled in the business, including encouragement for mutual challenge.
- Resource management in periods where skills might become under-utilised, including redeployment to yard upgrade projects, loans of staff to other companies, and undertaking work on behalf of other yards.

- CEO confirmed importance of increased rigour in planning and delivery, the value of improved relations with CMAL, and supporting senior team to work together as effectively as possible.

Future work and capital investment

- CEO outlined the yard's key future work interests, and the nature of its preferred markets which are shaped by the yard's skills, size, and options for configuration.

- **[REDACTED]**

- Improving the yard's competitiveness would require capital investment in upgrades.
- Officials confirmed the desirability of an independent assessment of the capital upgrade requirements and that work was progressing to allow for this assessment to commence as soon as process would allow.
- CEO flagged a window of opportunity to undertake yard upgrades in late summer/autumn 2022, and the need for approval and funding allocations for those upgrades to be confirmed in early course.

Yard and vessels tour

- Permanent Secretary toured the yard and vessel 801, meeting with key members of staff en route to: learn about the vessels, the challenges, and progress towards delivery; and to seek assurance on confidence level.

Next steps for SG

1. Officials to continue to work with FMPG management to progress and finalise programme and financial assurance work.
2. Officials to progress at pace necessary approvals for the consultancy work required to establish the nature and cost of the capital upgrades required to bring the yard to a position of competitiveness.

Schedule and Costs

The CEO has quantified the cost and timeline issues associated with this problem and have, in addition, reviewed the overall programme for both 801 and 802. The cabling issue itself has created a four-month delay to the start of the commissioning programme for vessel 801, which in turn, has a direct cascade impact on vessel 802 – also of four months. As a result, the start of commissioning for 801 has now moved to May 2022 and commissioning start for 802 is now planned for March 2023.

In parallel with this review the Ferguson Marine team, working closely and directly with CMAL representatives on site, has reconsidered the assumptions behind the commissioning programme and has concluded that given the risk of further as of now unknown legacy issues it will be prudent to make allowance to increase the commissioning period from 6 months to 8 months on 801. The previous plan for a commissioning period of 6 months was predicated on working 24/7. The challenges the yard have faced over the past year in recruiting the required labour to meet their resourcing needs means that this is not a realistic assumption and hence they have assumed a more realistic 8 months for commissioning 801.

Costs

Costs have increased from three factors – increases in labour hours, increases in materials and overhead recovery costs due to the extended timeline.

In terms of the increased cost that will be reported to Parliament, this will have 3 elements:

- Costs associated with the cabling issue - £825k
- Costs associated with schedule extension - £7.875m (£4m in overheads and £3.875m in labour and materials).
- The third cost element relates to the provision for previously unbudgeted warranties on warranty expired equipment and builder's warranty. This comes at a cost of £3.5m (based on 5% of £70m equipment cost).

The cost to complete the ferries will therefore increase from the £110.3m-£114.3m communicated to Parliament in December 2019 to £119m-£123m.

The total additional cost associated with the letter to Parliament is £122.5m-£126.5m.

Schedule Changes Since Nationalisation

	December 2019	August 2020 Update	June 2021 Update	March 2022 Update
	Delivery Range	Delivery Range	Delivery Range	Delivery Range
801	October to December 2021	April to June 2022	July to September 2022	March 2023 and May 2023
802	July to October 2022	December 2022 to Feb. 2023	April to July 2023	October 2023 and December 2023.

Following the nationalisation of Ferguson Marine, the Turnaround Director was requested by the Scottish Government for a report on the conditions of the vessels, together with a revised programme and cost to complete the vessels.

The report was published in **December 2019** and set out the following programme for the vessels.

Vessel 801 delivery range – October to December 2021

Vessel 802 delivery range – July to October 2022

In August 2020 the Turnaround Director submitted another report updating the progress since the December 2019 report. This report summarised the actions taken Ferguson Marine during the COVID-19 lockdown, and to give an assessment of the impact of the lockdown on the project to deliver the ferries.

Ferguson Marine closed for the lockdown on 24 March 2020 and remained closed until early June when, in line with Scottish Government guidelines and in close collaboration with the workforce, limited outdoor working was resumed under a pilot project to restart work at the yard. This pilot allowed around 10% of yard workers to return to work with the level gradually increased through July. In August, approximately 50% of the yard workers have returned to work, supported by a skeleton crew of supervision and technical staff.

65 Ferguson employees worked from home throughout the lockdown and, given the constraints, good progress was made on design, planning and other areas. The Design of the vessels reached a critical phase, requiring concentrated engineering effort to approve final designs. At the time with no immediate prospect of returning the engineers to their offices this had a direct impact on the timetable.

Overall, by **August 2020** the COVID lockdown had left the yard closed for 3 months and on severely restricted working for at least 3 further months.

The Turnaround Director therefore updated the programme for the vessels to the following:

Vessel 801 delivery range – April 2022 to June 2022

Vessel 802 delivery range – December 2022 to February 2023

On **24 June 2021** Ferguson Marine submitted a report to the Scottish Parliament's Net Zero, Energy and Transport Committee as part of regular quarterly updates on progress as requested by the committee in their report on ferry procurement. The report detailed the impact that COVID-19 and shortages of local skilled labour has had on delivery schedules and pandemic-related costs. This report was the second update to the programme to deliver Vessels 801 & 802 and should be considered alongside the previous reports described above.

The issues above at the time of writing created a total 15-week delay in the construction of both vessels.

As a result, the Turnaround Director updated the programme for the vessels to the following:

Vessel 801 delivery range – July 2022 and September 2022

Vessel 802 delivery range – April 2023 and July 2023.

At the time of writing the June 2021 report, the COVID-19 pandemic caused six months of disruption in 2020 and productivity continued to be impacted due to a further shutdown in January 2021 and the introduction of additional COVID-19 safety measures. The timeline impact of ongoing disruption was calculated at the time as seven weeks, with additional costs of **£1 million**, which reflects the update given to parliament in March 2021. It brought the total COVID-19 costs to **£4.3 million**, which is treated as an exceptional item and does not affect the overall project budget.

On **23 March 2022** the FMPG CEO wrote to the Net Zero, Energy and Transport Committee to update them on the further analysis undertaken in relation the legacy cabling issue and to provide an updated programme and costs to complete the vessels.

The updated the programme for the vessels is the following:

Vessel 801 delivery range – March 2023 and May 2023

Vessel 802 delivery range – October 2023 and December 2023.

Vessel Programme & MI Data

Differences in 801 and 802 programmes

The CEO will have the Senior Management team available to talk through the differences in the programmes after you have seen the visible differences during the yard tour.

801 is 5 years since keel laid, it has been built out of sequence, with the CEO referring to it as a refit project more than a new build. 802 has also been assembled – structural blocks - in a sequence that didn't reflect good shipbuilding practice, however it is currently a relatively 'empty' steel hull and with good drawings and better planning. The CEO believes the 802 programme can now run in a more conventional shipbuilding way.

Areas of programme risk

The Senior Management team will talk through the areas of risk in the programmes – e.g. level of integrity of design info needed to build 802 better than 801 and resourcing challenges.

Management challenges and current plans

The CEO can cover the top down view on this in the 10 minute one to one chat.

Financial Assurance

Headlines

- Revised schedule submitted to Parliament has been developed with support from CMAL who have provided assurance that the revised dates are achievable.
- Work is underway to provide assurance on the additional identified costs and provide assurance on the revised cost to complete.
- The yard itself is still in the process of getting its own assurance on the new numbers, so it is unrealistic to expect SG to have this before they do.

There is still information outstanding and further work to be done around the materials and labour profile of workers/subcontractors. Work is underway to assess the appropriateness of the assumptions underpinning the labour and material profiles, including the norm performance assumed in the new cost estimate vs the norm performance achieved to date.

A key element that officials don't yet have is a profile of costs between now and delivery of 801/802 and how this ties to key milestones and the programme for delivery. This will be key for SG (and FMPG) to track progress of the vessels to ensure we are able to identify and highlight slippage and potential cost over-runs early.

[REDACTED]

At this stage we are not able to provide sufficient assurance and confidence in the revised cost estimate. This assurance will take time as we assess the underlying assumptions underpinning the revised cost estimate with the yard's finance and project team. Officials do have the buy in from senior Ferguson Marine management, including CFO, George Crookston, and CEO David T, and [REDACTED] (CMAL Secondee). This buy-in will be critical in providing the Scottish Government with a level of assurance on the revised cost. Officials will continue to push forward with this over the course of the next few weeks.

Future Work & Pathway to Productivity

Top Lines

Future of the yard

- No decisions have been made regarding the future of the yard. This will depend upon a number of factors, including how its future order book evolves.
- We know the yard are actively pursuing opportunities for future vessel contracts. Decision on which vessel opportunities to pursue are for the Ferguson Marine management and board of directors.

Direct Award

- [REDACTED]
- Direct award of contracts is only possible in strictly limited circumstances under public procurement rules. Breaching these rules could lead to a legal challenge costing the taxpayer and causing delay.
- We will consider future contracts from public agencies on a case-by-case basis and whether any might be legally open to direct awards.

Pathway to Productivity

- SG is committed to supporting the development of a business case but we have to make sure any request for funding is backed by robust independent evidence.
- We appreciate the urgency of this work and share the frustration in its delay. I am assured by my officials that procurement and legal colleagues understand this urgency.
- [REDACTED]
- [if pressed on the CEO's view that we need funding agreed in the next 8 weeks] Realistically, this work won't be completed to meet your desired timescales but officials will work with you to ensure we are well placed to anticipate the key findings of the independent advice and consider the subsequent funding request as quickly as possible.

Future Work Opportunities

[REDACTED]

[REDACTED]

[REDACTED]

Future Public Sector Orders

Ferguson Marine will be able to bid for both major and small vessels in the coming years, including those delivered through the £580 million ferry investment programme announced in 2021. This will include up to seven new ships under phase one of the Small Vessel Replacement Programme. These vessels are expected to be within the target specification of Ferguson Marine but the timeline for their procurement is uncertain.

Capital Investment/Pathway to Productivity

Ferguson Marine have been clear for some time that in order to improve competitiveness and to deliver current contracts in the short term there is a need for capital investment in the yard.

Recently there has been the 'pathway to productivity' conversations where we agreed with the yard that FMI (marine engineering consultants who completed a benchmarking exercise in late 2020/early 2021) would be in a strong position to provide the necessary assessment of measures to improve the yard.

This work would ascertain the speed, cost, and efficiency improvements needed in order to make the yard competitive and efficient both for future contracts or in the interim to successfully deliver [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Risk Assessment

[REDACTED]

[REDACTED]

FERGUSON MARINE– NOTE OF MEETING – 30 MAY 2022

Participants

Cabinet Secretary for Finance and Economy

Minister for Business, Trade Tourism and Enterprise

David Tydeman	CEO FMPG
Louise Macdonald	DG Economy, Scottish Government
Mo Rooney	DD SCID, Scottish Government
[REDACTED]	Scottish Government
[REDACTED]	Scottish Government
[REDACTED]	Scottish Government
Leanne Dobson	
[REDACTED]	Scottish Government

Joined call at 11:03

Mr Tydeman expressed concern around accepting figures without validation.

Ms Forbes shared his concern and noted that the assurance figures were required by the end of June. Looking to learn if there were any obvious mitigations available.

Mr Tydeman explained the costs for 801 were mainly due to contractor and essential equipment costs. Overheads and direct labour costs were under tight control.

He suggested, due to the new rebuild strategy, the two vessels should be disconnected. He also indicated that reduction of certain roles had been identified as a means to reduce costs without affecting the work of the yard.

Ms Forbes asked Mr Tydeman to work with the team in this connection-and asked for an update on contractors.

Mr Tydeman apologised for an error in the March figures and indicated there were issues he was looking to resolve. He advised there was an undertaking to the Board to provide a list of the key contractors and the quantum involved-

Ms Forbes asked about budget as she was not in a position to agree to increased costs.

Mr Tydeman expressed tentative optimism around vessel 802 but wanted to validate the figures. He hoped by tomorrow (31 May) to scope out the 20 items that make up the budget. Design review and changing policy with vessel 802 hoped to enable a targeted agreed budget.

Ms Forbes asked if he had any concerns about the timetable previously mentioned.

Mr Tydeman confirmed he didn't have concerns of a timetable of Spring 2023. He advised good progress was being made and the mechanical team was confident in the components.

Ms Forbes asked the if there were issues with new employees settling in.

Mr Tydeman expressed that the new Supply Chain Director had overseen considerable improvements at less cost and there was a good relationship with the shop steward

Ms Rooney flagged the change in the Engineering Director.

Mr Tydeman reassured the transition to the new Engineering Director had been good and there were no issues internally.

Mr McKee asked if the concerns regarding the contractors were due to extra claims on hourly rates.

Mr Tydeman indicated this was the case with some of the contractors.

Mr McKee asked about disposing of the Planning Team.

Mr Tydeman advised there were ongoing issues and a number of supervisors had returned to “the tools”. He also indicated issues had been identified at managerial level-

Ms Forbes noted that the Report had identified several issues.

Mr Tydeman believed the two new Non- Executive Directors would bring additional strengths to the Board on both the legal and ship building side.

Ms Forbes asked about relations with other shipbuilders regarding innovation and collaboration.

Mr Tydeman [REDACTED]

Mr McKee asked about wider engagement for future work.

Mr Tydeman felt this was an area that could be discussed more thoroughly at a different time.

Ms Rooney advised that officials had been invited back to PAC on 9 June 2022.

Ms Forbes closed by thanking everyone for attending.

From: [REDACTED]
Sent: Friday, 27 May 2022 12:08
To: [REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>
Cc: [REDACTED]<[REDACTED]@gov.scot>
Subject: RE: Cab Sec Monthly Call with DT - Monday 11am

Thanks [REDACTED].

It could be an interesting call as DT's latest monthly update alludes to the costs rising.

[REDACTED] and likely me will also be on the call.

[REDACTED]

From: [REDACTED]@gov.scot>
Sent: Friday, 27 May 2022 12:06
To:
[REDACTED]<[REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>
Cc: [REDACTED] <[REDACTED]@gov.scot>
Subject: RE: Cab Sec Monthly Call with DT - Monday 11am

Hi

I have capacity if no one else does.

[REDACTED]

From:[REDACTED]@gov.scot>
Sent: 27 May 2022 12:05
To:[REDACTED]<[REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>
Cc:[REDACTED]<[REDACTED]@gov.scot>;[REDACTED]<[REDACTED]@gov.scot>
Subject: Cab Sec Monthly Call with DT - Monday 11am

Afternoon,

Does anyone have scope to sit on the call Monday morning and take a high level note?

Example from previous meetings can be found here - SCID - Ferguson Marine - Briefing for meeting with CEO and Chair - 17 May 2022 (A37963278)

Thanks

[REDACTED]

[REDACTED] Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: Tel: 0131 2[REDACTED] | 07[REDACTED]

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: Thursday, 26 May 2022 19:45

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>; John-Paul Marks <John-Paul.Marks@gov.scot>

Cc: [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED] <[REDACTED]@gov.scot>; Aitken R (Reuben)

<Reuben.Aitken@gov.scot>; [REDACTED] <[REDACTED]@fergusonmarine.com>;

[REDACTED]@fergusonmarine.com>

Subject: RE: FMPG monthly update, April 22

Dear all

Herewith my second monthly report, dated tomorrow

Apologies I have failed on the financial assurance and metrics promises. I will solve this in the coming weeks

Headcount and % WIP numbers have remained fairly steady since my last report. Sickness levels remain unacceptably high.

[REDACTED], please copy to the board members

Sincerely

David

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: Thursday, 26 May 2022 17:21

To: [REDACTED]@gov.scot>

Subject: Re: Monthly Report and Financial Assurance Paper

Will do

Sent from my iPhone

On 26 May 2022, at 16:42, [REDACTED]@gov.scot wrote:

Hi David,

I understand from Mo that you plan to submit a Financial Assurance paper/monthly report tomorrow that will be used in your catch up with Ms Forbes Monday.

Can I ask that you copy me in on this please as Mo and [REDACTED] are on annual leave.

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: [Tel: 0131 2\[REDACTED\]](tel:01312[REDACTED]) | [07\[REDACTED\]](tel:07[REDACTED])

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>
Sent: Wednesday, 22 June 2022 18:41
To: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Subject: RE: Urgent - Briefing for Cab Sec call with FMPG tomorrow

For collective awareness, I made some adjustments and [REDACTED] has issued to private office.

Mo Rooney (she/her)
Deputy Director, Strategic Commercial Interventions Division
Scottish Government
4th floor, Atlantic Quay
150 Broomielaw, Glasgow
01382 9[REDACTED] / 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: [REDACTED]@gov.scot>
Sent: 22 June 2022 16:45
To: [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Subject: RE: Urgent - Briefing for Cab Sec call with FMPG tomorrow

Copying to Reuben in Mo's absence

From: [REDACTED]@gov.scot>
Sent: 22 June 2022 16:25
To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Subject: Urgent - Briefing for Cab Sec call with FMPG tomorrow
Importance: High

Mo,

With thanks to [REDACTED] for adding substantial background on the financial assurance position. I would be grateful if you could review the content before it is sent to Private Office.

SCID - Ferguson Marine - Draft Briefing for meeting with CEO and Chair - 21 June 2022 (A38587633)

I'll be logging off around 6pm. If you're not able to review before then, could you please send the briefing on this evening?

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: [Tel: 0131 2\[REDACTED\]](tel:01312[REDACTED]) | [07\[REDACTED\]](tel:07[REDACTED])

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: [REDACTED]

Sent: Friday, 24 June 2022 14:15

To: [REDACTED]@gov.scot>

Subject: RE: Note on meeting 23 March

[REDACTED]

Thanks, looks good. I have tracked a few minor changes.

I'd pass this to Mo and highlight that Louise is looking to be sent it also. Not sure if she wants to see it before it goes to Cab Sec for approval.

Thanks

[REDACTED]

From: [REDACTED]@gov.scot>

Sent: Friday, 24 June 2022 13:48

To: [REDACTED]@gov.scot>

Subject: Note on meeting 23 March

[REDACTED]

As discussed find draft note on meeting yesterday.

SCID - Ferguson Marine - Note on meeting with FMPG CEO and Chair - 23 March 2022 details - Objective ECM (scotland.gov.uk)

Best,

[REDACTED]

[REDACTED] | Finance and Business Support Officer

Strategic Commercial Interventions Division

Scottish Government

E: [REDACTED]@gov.scot

From: [REDACTED]

Sent: Wednesday, 22 June 2022 17:52

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; [REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Subject: RE: 10:00 - 10:30 Meeting: Fergusons Marine

Hi [REDACTED],

Sorry the delay, I attach the briefing for tomorrows call with Fergusons.

Thanks

[REDACTED]

From: [REDACTED]

Sent: Wednesday, 22 June 2022 16:32

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; [REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: 10:00 - 10:30 Meeting: Fergusons Marine

Afternoon [REDACTED],

Apologies for the delay. We'll get something over to you later on today, we're finalising some material.

Thanks

[REDACTED]

From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy

Sent: Wednesday, 22 June 2022 16:20

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>;

Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>;

[REDACTED] [REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Subject: 10:00 - 10:30 Meeting: Fergusons Marine

Good afternoon all,

Grateful if any papers or briefing for the Fergusons Call tomorrow can please be sent on to PO.

Many thanks,

[REDACTED] (he/him)

Assistant Private Secretary (Diary) to Cabinet Secretary for Finance and Economy –
Kate Forbes

The Scottish Government | St Andrew's House, Regent Road, Edinburgh, EH1 3DG

E: CabSecFE@gov.scot



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-----Original Appointment-----

From: [REDACTED] On Behalf Of Cabinet Secretary for Finance and Economy

Sent: 24 January 2022 16:13

To: Cabinet Secretary for Finance and Economy; Kate Forbes MSP

(kate.forbes.msp@parliament.scot); Rooney M (Maureen); [REDACTED]

[REDACTED] Director for Covid Business Resilience and Support; [REDACTED]

Cc: david.tydeman@fergusonmarine.com; [REDACTED]; [REDACTED];

[REDACTED]

Subject: 10:00 - 10:30 Meeting: Fergusons Marine

When: 23 June 2022 10:00-10:30 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.

Where: MS Teams

Hi,

Setting up this regular Ferguson Marine meeting for every 6 weeks. This invite runs up to Summer Recess.

Please find the Microsoft Teams link for this meeting noted below.

Thanks,

[REDACTED]

From: [REDACTED]

Sent: Wednesday, 22 June 2022 10:56

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Cc:

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

[REDACTED]@gov.scot>

Subject: RE: 23 June - Cab Call Briefing

Importance: High

[REDACTED],

Noting Mo and [REDACTED] have out of offices on.

Can you advise on wording to include regarding financial assurance for the briefing?

Thanks

[REDACTED]

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: Tuesday, 21 June 2022 08:50

To: [REDACTED]@gov.scot>

Cc:

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: 23 June - Cab Call Briefing

[REDACTED],

[REDACTED] and [REDACTED] are meeting the yard today so we should have clearer picture thereafter.

Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government

4th floor, Atlantic Quay

150 Broomielaw, Glasgow

01382 9[REDACTED] / 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: [REDACTED]@gov.scot>

Sent: 20 June 2022 14:54

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: 23 June - Cab Call Briefing

Hi Mo,

I attach a draft briefing pack for Thursday's call with DT and Robert.

SCID - Ferguson Marine - Draft Briefing for meeting with CEO and Chair - 21 June 2022 (A38587633)

The financial assurance section has yet to be updated. I understand conversations are ongoing around this - grateful for a steer on what to include. Ideally I would like to send the briefing to PO by 10am Wednesday morning.

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: Tel: 0131 2[REDACTED] | 07[REDACTED]

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: [REDACTED]

Sent: Friday, 17 June 2022 13:48

To: David Tydeman <david.tydeman@fergusonmarine.com>

Cc: Robert Mackenzie <[REDACTED]@fergusonmarine.com>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>;

Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Subject: RE: Agenda for meeting with Ms Forbes - 21 June

Hi David,

This meeting has been moved today from what I can see. It is now scheduled for 1030-1100 on Thursday 23 June.

Thanks

[REDACTED]

From: David Tydeman <david.tydeman@fergusonmarine.com>

Sent: Friday, 17 June 2022 13:23

To: [REDACTED]@gov.scot>

Cc: Robert Mackenzie <[REDACTED]@fergusonmarine.com>;

[REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: Agenda for meeting with Ms Forbes - 21 June

What time is this call please - it has vanished from my calendar?

From: [REDACTED]@gov.scot <[REDACTED]@gov.scot>

Sent: 14 June 2022 15:37

To: David Tydeman <david.tydeman@fergusonmarine.com>;

Robert Mackenzie<[REDACTED]@fergusonmarine.com>

Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot

Subject: Agenda for meeting with Ms Forbes - 21 June

Afternoon,

We propose the agenda below for next week's call. Any additions or amendments, please let me know.

Agenda

- Financial Assurance

- June Update to Parliament's NZET Committee
- Recent Staff Changes
- General Progress
- Future Work and Pathway to Productivity
- AOB

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: [Tel: 0131 2\[REDACTED\]](tel:01312[REDACTED]) | [07\[REDACTED\]](tel:07[REDACTED])

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: [REDACTED]

Sent: Wednesday, 15 June 2022 16:07

To: [REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>

Subject: Cab Sec Call with DT and Chair - Briefing

[REDACTED],

The next Cab Sec call with the yard is in the diary for 21 June. Financial Assurance will likely be the main topic of discussion.

For the briefing, could you give me the latest position and some probing lines for Cab Sec to deploy please? I've got an early draft sitting on objective with some previous Financial Assurance text in there.

SCID - Ferguson Marine - Draft Briefing for meeting with CEO and Chair - 21 June 2022 (A38587633)

Appreciate there is a finance meeting in diary Friday afternoon where things may become clearer. PO are looking for me to send the briefing up by 4pm Friday, however I can likely push this to Monday morning.

Thanks

[REDACTED]

[REDACTED] | Strategic Commercial Interventions Division | Scottish Government

Scottish Government | 4th Floor | 5 Atlantic Quay | 150 Broomielaw | Glasgow | G2 8LU

✉: [REDACTED]@gov.scot ☎: [Tel: 0131 2\[REDACTED\]](tel:01312[REDACTED]) | [07\[REDACTED\]](tel:07[REDACTED])

I am working from home, contactable by email, on my mobile, and by MS Teams.

From: [REDACTED]
Sent: Friday, 17 June 2022 12:34
To: [REDACTED]@gov.scot>; [REDACTED]<[REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Subject: RE: 15:30 - 16:00 Meeting: Fergusons Marine Briefing

[REDACTED],

The next 6 weekly meeting has been moved to 23 June. From your calendar it look like you may be in that day, if you'd like to observe?

Thanks

[REDACTED]

From: [REDACTED]@gov.scot>
Sent: Monday, 16 May 2022 15:48
To: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>
Subject: RE: 15:30 - 16:00 Meeting: Fergusons Marine Briefing

Hi [REDACTED],

I'm off Tuesday-Thursday then then 30 May to 3 June as well.

Cheers

[REDACTED]

From: [REDACTED]@gov.scot>
Sent: 16 May 2022 15:40
To: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>
Cc: [REDACTED]@gov.scot>
Subject: RE: 15:30 - 16:00 Meeting: Fergusons Marine Briefing

[REDACTED],

The next monthly call between DT and Cab Sec is on 30 May if suitable?

Will also keep [REDACTED] in mind for any ad hoc calls that arise. There could be some this week around the potential DFM statement on Wednesday.

Thanks

[REDACTED]

From: [REDACTED]@gov.scot>
Sent: Monday, 16 May 2022 15:37
To: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>
Cc: [REDACTED]@gov.scot>
Subject: RE: 15:30 - 16:00 Meeting: Fergusons Marine Briefing

Hi both

Just a quick request that you invite **[REDACTED]** along as an observer to the next Ministerial meeting that presents itself, noting that he hasn't yet the opportunity to do so.

[REDACTED] is on leave tomorrow so the 6 weekly won't work on this occasion.

Thanks

[REDACTED]

From: **[REDACTED]**@gov.scot>

Sent: 16 May 2022 15:31

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: **[REDACTED]**@gov.scot>;**[REDACTED]**@gov.scot>;**[REDACTED]**@gov.scot>;

Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>;

Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

[REDACTED]<**[REDACTED]**@gov.scot>

Subject: 15:30 - 16:00 Meeting: Fergusons Marine Briefing

Afternoon,

Please find a briefing attached for the 6 weekly meeting between Ms Forbes, and the FMPG CEO and Chair scheduled **17 May – 15:30-16:00**

Please let me know if further information is required ahead of the meeting.

Best,

[REDACTED]

[REDACTED] | Finance and Business Support Officer
Strategic Commercial Interventions Division
Scottish Government

E: **[REDACTED]**@gov.scot

From: **[REDACTED]**

Sent: Friday, 17 June 2022 12:32

To: **[REDACTED]**@gov.scot>

Cc: **[REDACTED]**@gov.scot>

Subject: RE: 6 Weekly Contribution

Thank you both!

From: **[REDACTED]**@gov.scot>

Sent: Thursday, 16 June 2022 15:58

To: **[REDACTED]**@gov.scot>

Cc: **[REDACTED]**@gov.scot>

Subject: 6 Weekly Contribution

Hi **[REDACTED]**,

Please see attached briefing for the 6 weekly.

Cheers

[REDACTED]

[REDACTED](He/Him) | Policy Officer | Strategic Commercial Interventions
Division | Scottish Government | 5 Atlantic Quay | Glasgow | G2
8LU | **[REDACTED]**@gov.scot

I am working from home and can be reached via email and Microsoft teams

From: [REDACTED]

Sent: Friday, 17 June 2022 09:51

To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Subject: RE: Cab Sec/yard on 21 June

Copying [REDACTED] for information.

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: Thursday, 16 June 2022 20:38

To: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Subject: Cab Sec/yard on 21 June

For awareness, this will be moving to slightly later in the week.

Mo.

Mo Rooney (she/her)

Deputy Director, Strategic Commercial Interventions Division

Scottish Government

4th floor, Atlantic Quay

150 Broomielaw, Glasgow

01382 9[REDACTED]/ 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: [REDACTED]@gov.scot>

Sent: Friday, 24 June 2022 15:43

To: Aitken R (Reuben) <Reuben.Aitken@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>

Cc: [REDACTED]@gov.scot>;[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; [REDACTED]@gov.scot>

Subject: Note of Ms Forbes meeting FMPG

Hi Reuben,

Find note of Ms Forbes meeting with the FMPG CEO and Chair from yesterday. In Mo's absence are you able to approve this note. DG Economy office have been in touch asking if we can share the note with Louise today.

Please let me know if any changes are required.

Thanks,

[REDACTED]

[REDACTED] | Finance and Business Support Officer
Strategic Commercial Interventions Division

Scottish Government

E: [REDACTED]@gov.scot

From: [REDACTED]@gov.scot>

Sent: Friday, 24 June 2022 17:39

To: DG Economy <[DGEconomy@gov.scot](mailto:DGEEconomy@gov.scot)>

Cc: [REDACTED]@gov.scot>;>; Rooney M (Maureen)
<Maureen.Rooney@gov.scot>; Aitken R (Reuben)

<Reuben.Aitken@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>

Subject: Ferguson Marine: Note of the meeting between Ms Forbes and the FMPG
CEO and Chair.

Hi,

As requested find note of the meeting between Ms Forbes and the FMPG CEO and
Chair.

Best,

[REDACTED]

[REDACTED] | Finance and Business Support Officer
Strategic Commercial Interventions Division
Scottish Government

E: [REDACTED]@gov.scot

What	6-weekly meeting with David Tydeman, CEO of Ferguson Marine and Robert Mackenzie, Interim Chair of the Ferguson Marine Board of Directors.
Where	MS Teams – Join on your computer or mobile app Click here to join the meeting Or call in (audio only) +44 [REDACTED] United Kingdom, Edinburgh Phone Conference ID: [REDACTED] Find a local number Reset PIN SCOTS Connect Learn More Help Meeting options
When	Thursday, 23 June 2022 10:00-10:30
Key Message(s)	Reaffirm Scottish Government’s commitment to the vessels, the workforce and the yard, and your expectation of delivery within budget.
Who	David Tydeman, CEO of Ferguson Marine Robert Mackenzie, Interim Chair of the Ferguson Marine Board of Directors
Why	This is a continuation of the 6-weekly meetings with the CEO and Chair. The purpose of the meeting is to discuss the turnaround of the yard and progress against delivery of 801 and 802.
Supporting official	Mo Rooney – Strategic Industrial Assets Tel: 07[REDACTED] [REDACTED]– Strategic Industrial Assets Tel: 07[REDACTED] [REDACTED] – Strategic Industrial Assets
Briefing contents	Annex A: Agenda Annex B: Background Briefing Annex C: Cost and Schedule Background

Agenda

- **Financial Assurance / update to Parliament**

- *I'm aware that the Board is concerned that there may be a significant increase in costs associated with the build of the vessels.*

- *To be very clear, there is no blank cheque for delivery of these ferries, and I expect you to work within your budget. As a Board, I expect you to be considering all possible options to manage within your allocated budget.*

- *An increase to the budget should not be the default option. I will want to understand what you can achieve within your current budget and why you can't achieve what you previously committed to deliver.*

- *As great a degree of certainty as possible in your numbers is very important.*

- *With regards to 801, there is a significant increase in manhours from the March 2022 update to the May 2022 update based on initial workings provided – does this change your confidence in the schedule for delivery of 801?*

- *With regards to 802, I note there is significant risk around the labour and sub-contractor costs. What confidence do we have in the delivery schedule for 802 if the financial assurance process is at an immature stage?*

- **Recent Staff Changes**

- **General Progress**

- **Future Work**

- *The First Minister has requested advice on potential options for the yard's future. As part of this, I understand that officials are engaging with the yard to understand the resource profile as work on 801 and 802 tapers off.*

- **Pathway to productivity and capital investment**

- *We recognise the importance of this report. SG is commissioning it directly, under open competition.*

- *We anticipate the contract to be awarded by mid July 2022. The report should be finished in October 2022.*

- We will need the yard's access and expertise to support this work and turn the outcomes of the report into a business case that Ministers can consider in the context of wider capital expenditure pressures.

- **AOB**

Background Briefing

Financial Assurance

Headlines

- Ferguson Marine are working on a revised cost estimate for the programme to deliver 801 and 802. The yard has separated the two vessels in its internal reporting and is treating these as separate programmes at this stage.
- We have not yet been formally provided with an updated schedule and cost. However, we understand from workings and conversations with FMPG Senior Management that they expect significant cost increases.
- The yard has undertaken a detailed assurance exercise in respect of 801 and work to date suggests the revised costs for this vessel will increase from £59 million to £79 million. There may be small deductions against this however we expect an overall potential increase in the region of £18-20 million to be notified to us by the Board when the yard have full confidence and the Board have approved.
- The assurance work on 802 has not made significant progress and is still at an immature stage. It is anticipated that this work will take several weeks, if not months. The indications to date suggest that this will increase once the assurance work is complete.
- Work is underway to scrutinise the additional costs currently identified and this scope of work will be extended to cover any additional increases notified to us in the coming days. Officials do not currently have confidence that these numbers will not again shift in the coming days.
- We propose in your lines to take above that this meeting (23/6/22) with the Chair and CEO be used as an opportunity to reinforce the need for delivery within budget and the expectation that the Board will consider all options to do so.

801

The yard has undertaken an extensive assurance exercise in respect of the cost estimate for delivering 801. This has included a detailed review of labour manhours, sub-contractor costs and overheads. The result of this assurance process is expected to be an increase in the cost of delivering the vessel, increasing from £59 million in March 2022 to £79 million in May 2022. The increase in cost of c£20 million can be summarised as:

- Correcting misstated actual costs up to March 2022 - £7 million
- Error in the March 2022 costs to complete spreadsheet - £3 million

- Additional costs to complete resulting from assurance exercise - £10 million (£8m subcontractors, £2 million Labour/Overheads)

The estimated cost to complete 801 from 1 June 2022 is £19 million. There is still risk in these numbers, specifically around engineering change and management of sub-contractors, however the yard has significantly greater assurance than it previously did. The yard and CMAL remain confident in the schedule for delivery of the vessel.

802

FMPG do not have assurance over the total cost to complete 802. The assurance work will take a number of weeks or months to obtain the same level of assurance to 801.

Assurance work is ongoing. The cost to complete 802 as stated in the March 2022 update was £36 million and this remains the estimated cost to complete.

Early work indicates there is **significant risk** that these costs will increase by a **significant amount**. There is considerable risk in the direct labour and sub-contractor cost lines.

There is also a risk that if no other work is secured all of the yard's overheads would be allocated to 802 which could push the 'programme cost' for 802 up **significantly**.

The yard remain confident in the schedule for delivery of the vessel, however the lack of assurance over labour hours and sub-contract scope of works would challenge this confidence.

We are unable to offer any assurance over the costs of 802 at this stage, given the relatively immature stage of the yard's own assurance process.

Future Work Opportunities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Capital Investment and Efficiency Work

[REDACTED]

[REDACTED]

The invitation to tender for the productivity review issued on 30 May 2022. The deadline for bids is 21 June 2022. We expect to award a contract by mid-July and for the work to conclude by the end of October.

[REDACTED]

[REDACTED]

Future options for the yard

[REDACTED]

Staff Changes

[REDACTED]

[REDACTED]

[REDACTED]

Cost and Schedule Background

Costs

In March 2022 the costs increased from three factors – increases in labour hours, increases in materials and overhead recovery costs due to the extended timeline.

The increased cost that was reported to Parliament, comprised 3 elements:

- Costs associated with the cabling issue - £825k
- Costs associated with schedule extension - £7.875m (£4m in overheads and £3.875m in labour and materials).
- The third cost element relates to the provision for previously unbudgeted warranties on warranty expired equipment and builder's warranty. This comes at a cost of £3.5m (based on 5% of £70m equipment cost).

The cost to complete the ferries increased from the £110.3m-£114.3m communicated to Parliament in December 2019 to £119m-£123m.

The total additional cost associated with the letter to Parliament inclusive of warranty is £122.5m-£126.5m.

Schedule Changes Since Nationalisation

	December 2019	August 2020 Update	June 2021 Update	March 2022 Update
	Delivery Range	Delivery Range	Delivery Range	Delivery Range
801	October to December 2021	April to June 2022	July to September 2022	March 2023 and May 2023
802	July to October 2022	December 2022 to Feb. 2023	April to July 2023	October 2023 and December 2023.

Following the nationalisation of Ferguson Marine, the Turnaround Director was requested by the Scottish Government for a report on the conditions of the vessels, together with a revised programme and cost to complete the vessels.

The report was published in **December 2019** and set out the following programme for the vessels.

Vessel 801 delivery range – October to December 2021

Vessel 802 delivery range – July to October 2022

In August 2020 the Turnaround Director submitted another report updating the progress since the December 2019 report. This report summarised the actions taken Ferguson Marine during the COVID-19 lockdown, and to give an assessment of the impact of the lockdown on the project to deliver the ferries.

Ferguson Marine closed for the lockdown on 24 March 2020 and remained closed until early June when, in line with Scottish Government guidelines and in close collaboration with the workforce, limited outdoor working was resumed under a pilot project to restart work at the yard. This pilot allowed around 10% of yard workers to return to work with the level gradually increased through July. In August, approximately 50% of the yard workers have returned to work, supported by a skeleton crew of supervision and technical staff.

65 Ferguson employees worked from home throughout the lockdown and, given the constraints, good progress was made on design, planning and other areas. The Design of the vessels reached a critical phase, requiring concentrated engineering effort to approve final designs. At the time with no immediate prospect of returning the engineers to their offices this had a direct impact on the timetable.

Overall, by **August 2020** the COVID lockdown had left the yard closed for 3 months and on severely restricted working for at least 3 further months.

The Turnaround Director therefore updated the programme for the vessels to the following:

Vessel 801 delivery range – April 2022 to June 2022

Vessel 802 delivery range – December 2022 to February 2023

On **24 June 2021** Ferguson Marine submitted a report to the Scottish Parliament's Net Zero, Energy and Transport Committee as part of regular quarterly updates on progress as requested by the committee in their report on ferry procurement. The report detailed the impact that COVID-19 and shortages of local skilled labour has had on delivery schedules and pandemic-related costs. This report was the second update to the programme to deliver Vessels 801 & 802 and should be considered alongside the previous reports described above.

The issues above at the time of writing created a total 15-week delay in the construction of both vessels.

As a result, the Turnaround Director updated the programme for the vessels to the following:

Vessel 801 delivery range – July 2022 and September 2022

Vessel 802 delivery range – April 2023 and July 2023.

At the time of writing the June 2021 report, the COVID-19 pandemic caused six months of disruption in 2020 and productivity continued to be impacted due to a further shutdown in January 2021 and the introduction of additional COVID-19 safety measures. The timeline impact of ongoing disruption was calculated at the time as seven weeks, with additional costs of **£1 million**, which reflects the update given to parliament in March 2021. It brought the total COVID-19 costs to **£4.3 million**, which is treated as an exceptional item and does not affect the overall project budget.

On **23 March 2022** the FMPG CEO wrote to the Net Zero, Energy and Transport Committee to update them on the further analysis undertaken in relation the legacy

cabling issue and to provide an updated programme and costs to complete the vessels.

The updated the programme for the vessels is the following:

Vessel 801 delivery range – March 2023 and May 2023

Vessel 802 delivery range – October 2023 and December 2023.

Ferguson Marine – Ms Forbes meeting with FMPG CEO and Chair
23 June 2022
10:00 – 10:30

Attendees

Kate Forbes MSP, Cabinet Secretary for Finance and Economy
David Tydeman, CEO of Ferguson Marine Port Glasgow
Robert MacKenzie, Interim Chair of Ferguson Marine Port Glasgow
Reuben Aitken, Director, Covid Business Resilience and Support Directorate
Mo Rooney, Deputy Director, Strategic Commercial Interventions Division
[REDACTED], Senior Financial Business Partner
[REDACTED], Financial Business Partner
[REDACTED], Strategic Commercial Interventions Division
[REDACTED], Strategic Commercial Interventions Division
[REDACTED], Strategic Commercial Interventions Division
[REDACTED], Strategic Commercial Interventions Division
[REDACTED], Strategic Commercial Interventions Division

DT gave an update on the ongoing financial assurance work. FMPG finance have been reviewing the assumptions behind the revised cost and schedule and how spend aligns to the vessels delivery with SG finance colleagues.

The emerging outputs of the financial assurance exercise will be shared with the FMPG Board today. The Board will consider options in terms of next steps.

DT indicated that preliminary findings reveal; 240,000 hours are needed to complete 801, there are design gaps which require addressing, and there is an increase in costs relating to major contractors. As a result of this the budget on 801 could increase by an estimated £21m. This figure was shared as a preliminary indication of the cost uncertainty. DT reported that FMPG's understanding of the numbers had been, and continued to evolve. The final position was currently uncertain, with work still to be conducted to investigate further. The figure is also commercially sensitive and had not gone through a Board assurance process and so was provided in confidence at this stage.

The indicative increase is the result of accounting corrections, a spreadsheet error from the FMPG finance team, and accruals previously understated.

DT outlined the re-planning of the design and build strategy for 802. Re-planning allows for the opportunity to re-tender contract packages and forecast labour differently. DT suggested that until this re-planning is complete, it is difficult to confirm costs on 802.

Ms Forbes indicated that DT and the FMPG Board need to have full confidence in the internal accounting and internal budget management regarding the final figures relating to the financial assurance work. Ms Forbes also underlined the budget constraints and the challenges of any additional budget being forthcoming for potential further cost overruns.

DT agreed that more work was needed to have full confidence in the final figures, with estimates at this stage uncertain and requiring further scrutiny. RM confirmed the FMPG Board's priority is to scrutinise this financial assurance work and provide certainty.

Regarding future key dates, DT outlined that 801 will go into dry-dock on the 15 July, with dry-dock complete by 8 August. After dry-dock is completed DT stated he would have much more confidence in costs. Regarding 802, likewise, DT believes he will have more confidence on costs mid/late August. External design experts are coming on site to work on 802 in the coming weeks.

It was agreed that the September quarterly update to Parliament was a reasonable target to have full confidence in the financial assurance figures. DT estimated that the design re-work on 802 would take roughly 3 months, the result of which would be greater confidence in overall costs.

Ms Forbes recognised that DT has made a number of positive improvements relating to FMPG.

RA asked that DT keeps Scottish Government up to date as the cost analysis of 802 develops, this would be useful in helping develop ongoing value for money assessments.

DT went on to discuss opportunities **[REDACTED]**, relating to potential future work, with discussions ongoing.

From: [REDACTED]@gov.scot>
Sent: Wednesday, 06 July 2022 11:45
To: [REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>; Minister for Transport <MinisterFT@gov.scot>
Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

Hi [REDACTED] – just waiting for confirmation that Cab Sec is content with the note.

[REDACTED]

[REDACTED]

Governance and Sponsorship/Strategic Commercial Interventions Division
Scottish Government
07[REDACTED]

From: [REDACTED]@gov.scot>
Sent: 05 July 2022 09:03
To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; [REDACTED]@gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>; Minister for Transport <MinisterFT@gov.scot>
Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

Hi [REDACTED],

We will send up the note as soon as possible. My colleague who took the note is off ill at the moment.

Thanks

[REDACTED]

From: [REDACTED] <[REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy
Sent: Monday, 04 July 2022 12:44
To: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>
Cc: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; [REDACTED]@gov.scot>; [REDACTED] [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Director for Covid Business Resilience and Support

<DirectorCOBRAS@gov.scot>; Minister for Business, Trade, Tourism & Enterprise
<MinisterBTTE@gov.scot>; Minister for Transport <MinisterFT@gov.scot>
Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

[REDACTED], [REDACTED]

Just a reminder that Ms Gilruth has asked for a read out of this meeting on Monday 27 June. Copying in the Minister's PO so they know this is in hand.

Thanks

[REDACTED]

[REDACTED] | Interim Private Secretary to Cabinet Secretary for Finance and the Economy – Kate Forbes

St Andrew's House | Regent Road | Edinburgh | EH1 3DG | Tel: 0131
24[REDACTED] | Mob: 07[REDACTED] | Email: CabSecFE@gov.scot

Please check out the Minister's updated [Ministerial Preferences](#)

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From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy

Sent: 27 June 2022 17:30

To: [REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy
<CabSecFE@gov.scot>; [REDACTED] [REDACTED]@gov.scot>

Cc:

[REDACTED]@gov.scot>[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>;
Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>;
Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>

Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

Thanks [REDACTED]

[REDACTED] | Interim Private Secretary to Cabinet Secretary for Finance and the Economy – Kate Forbes

St Andrew's House | Regent Road | Edinburgh | EH1 3DG | Tel: 0131
24[REDACTED] | Mob: 07[REDACTED] | Email: CabSecFE@gov.scot

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From: [REDACTED]@gov.scot>

Sent: 27 June 2022 17:28

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>;

[REDACTED] [REDACTED]@gov.scot>

Cc:

[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;

Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>;

Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>

Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

[REDACTED]– I'm not sure if [REDACTED] is still around for today. I'll join the meeting just in case but can bow out if he joins.

[REDACTED]

[REDACTED]

Governance and Sponsorship/Strategic Commercial Interventions Division

Scottish Government

07[REDACTED]

From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy

Sent: 27 June 2022 17:21

To: [REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy

<CabSecFE@gov.scot>

Cc: [REDACTED]@gov.scot>;

[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;

[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>;

Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>;

Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>

Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

[REDACTED]

Just to flag that Ms Gilruth is no longer able to join this meeting today and has asked for a read out. Grateful if you could draft.

Also Mr McKee is planning to join whilst he is travelling to an event.

Thanks

[REDACTED]

[REDACTED] | Interim Private Secretary to Cabinet Secretary for Finance and the Economy – Kate Forbes

St Andrew's House | Regent Road | Edinburgh | EH1 3DG | Tel: 0131
24[REDACTED] | Mob: 07[REDACTED] | Email: CabSecFE@gov.scot

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From: [REDACTED]@gov.scot>

Sent: 24 June 2022 15:58

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc:[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>;[REDACTED]@gov.scot>; Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>

Subject: RE: 18:00 - 18:30 Meeting: Ferguson Marine

PS/Cabinet Secretary for Finance and Economy,

You received the Ferguson Marine monthly update from the CEO yesterday.

Policy officials have drafted the following bullets that Cab Sec may wish to deploy in the call.

- I appreciate our last call was only a few days ago, however do you have an update on the Financial assurance work?
- There has been a significant amount of staff turnover how is this affecting the yard?
- What do you mean that dealing with the unknown unknowns is built into the plan?
- When will the OOR process for category 1 issues be finished, will it be before the dry dock?
- Do you anticipate any issues arising out of the dry dock?
- How do you see the relationship with [REDACTED] will it affect 801 or 802?

Thanks

[REDACTED]

-----Original Appointment-----

From: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Sent: Wednesday, 12 January 2022 10:59

To: Cabinet Secretary for Finance and Economy; Kate Forbes; Rooney M (Maureen); [REDACTED]; [REDACTED]; McFarlane J (John) (Special Adviser); [REDACTED]; DG Economy; Director for Covid Business Resilience and Support; Higgins K (Kate); Dobson L (Leanne); Minister for Business, Trade, Tourism & Enterprise; Ivan.McKee.msp@parliament.scot; Mitchell E (Elinor); 'david.tydeman@fergusonmarine.com'

Cc: [REDACTED];[REDACTED]; 'Jenny Gilruth MSP'; Minister for Transport; [REDACTED]
Subject: 18:00 - 18:30 Meeting: Ferguson Marine
When: Monday, 27 June 2022 18:00-18:30 (UTC+00:00) Dublin, Edinburgh, Lisbon, London.
Where: MS Teams

Hi,

Setting up regular catch up with Ferguson Marine each month. Sequenced to take place following the Monthly Report.

Thanks,

[REDACTED]

From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>
Sent: Tuesday, 28 June 2022 10:24
To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Cc: [REDACTED]@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; [REDACTED]@gov.scot>; Dobson L (Leanne) <Leanne.Dobson@gov.scot>; McAllister C (Colin) <Colin.McAllister@gov.scot>; Higgins K (Kate) <Kate.Higgins@gov.scot>
Subject: RE: Ferguson Marine - ahead of Cab Sec call this evening

[REDACTED],

Current iteration of letter attached. The revised wording was shared with us at 17h58 yesterday, 2 min before start of Cab Sec meeting.

Mo.

Mo Rooney (she/her)
Deputy Director, Strategic Commercial Interventions Division
Scottish Government
4th floor, Atlantic Quay
150 Broomielaw, Glasgow
01382 9[REDACTED] / 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Finance and Economy
Sent: 28 June 2022 09:38
To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>
Cc: [REDACTED]@gov.scot>; Director for Covid Business Resilience and Support <DirectorCOBRAS@gov.scot>; [REDACTED]@gov.scot>; Dobson L (Leanne) <Leanne.Dobson@gov.scot>; McAllister C (Colin) <Colin.McAllister@gov.scot>;

Higgins K (Kate) <Kate.Higgins@gov.scot>

Subject: RE: Ferguson Marine - ahead of Cab Sec call this evening

Mo,

Can you please send over the further version of the attached letter which David referred to on the call yesterday evening.

Just wondering when David sent the further amends as it would have been helpful if this had been flagged to PO ahead of the meeting.

Thanks

[REDACTED]

[REDACTED] | Interim Private Secretary to Cabinet Secretary for Finance and the Economy – Kate Forbes

St Andrew's House | Regent Road | Edinburgh | EH1 3DG | Tel: 0131

24**[REDACTED]** | Mob: 07**[REDACTED]** | Email: CabSecFE@gov.scot

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From: Rooney M (Maureen) <Maureen.Rooney@gov.scot>

Sent: 27 June 2022 12:34

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: **[REDACTED]**@gov.scot>; Director for Covid Business Resilience and Support

<DirectorCOBRAS@gov.scot>; **[REDACTED]**@gov.scot>; Dobson L (Leanne)

<Leanne.Dobson@gov.scot>; McAllister C (Colin) <Colin.McAllister@gov.scot>;

Higgins K (Kate) <Kate.Higgins@gov.scot>

Subject: Ferguson Marine - ahead of Cab Sec call this evening

PS/Cabinet Secretary,

The Ferguson Marine Chief Executive has shared a draft of the yard's planned letter to Committee with us. This is attached for the Cabinet Secretary's awareness ahead of the call. Due to him being unavailable until this evening we have as yet been unable to have a conversation with him on this.

Our key reflections are primarily in relation to the final paragraph.

- We would suggest reframing the final paragraph to more appropriately reflect the nature of the ongoing assurance work (financial assurance and value for money assurance not being the same thing), and the role of the Board in that.
- **[REDACTED]**

Mo.

Mo Rooney (she/her)
Deputy Director, Strategic Commercial Interventions Division
Scottish Government
4th floor, Atlantic Quay
150 Broomielaw, Glasgow
01382 9[REDACTED] / 07[REDACTED]

I am working from home, contactable by email, on my mobile, and on Teams.

From: David Tydeman <david.tydeman@fergusonmarine.com>
Sent: 23 June 2022 18:08
To: Rooney M (Maureen) <Maureen.Rooney@gov.scot>; Aitken R (Reuben) <Reuben.Aitken@gov.scot>
Subject: RE: draft revised NZET letter

Slightly revised, will issue Tuesday after Cabsec call Monday evening

rgds

From: David Tydeman
Sent: 23 June 2022 11:28
To: Maureen.Rooney@gov.scot; Reuben.Aitken@gov.scot
Cc: Robert Mackenzie [REDACTED]@fergusonmarine.com>
Subject: draft revised NZET letter

As attached

Comments welcome

David Tydeman
CEO
07[REDACTED]
David.tydeman@fergusonmarine.com

Notes of Meeting: Cab Sec Economy and Finance with Ferguson Marine on 27 June 22

On the call:

Cabinet Secretary Economy and Finance

Leanne Dobson (SPAD)

Officials:

DG Economy – Louise MacDonald (LM)

Director COBRAs – Rueben Aitken (RA)

Deputy Director SCID – Mo Rooney (MR)

Economy Head of Corporate Support - [REDACTED]

Lead Governance & Support SCID – [REDACTED]

Private Secretary Cab Sec – [REDACTED]

Ferguson Marine:

Chief Executive Officer - David Tydeman (DT)

The Cabinet Secretary noted that DT had advised her on their previous call on 23 June 22 of an anticipated increase in costs associated with the build of ferries 801 and 802 – these costs have not yet been confirmed or approved by the Fergusons Board.

DT indicated that, given the Board did not yet have confidence in the emerging costs position, it would not be possible to address this in any detail in his update letter to Parliament. The Cabinet Secretary agreed that it would not be appropriate to share numbers publicly until these had been fully assured and approved by the FMPG Board.

The Cabinet Secretary indicated that it was important that the financial assurance and costings work was robust, and the final figures were approved by the Board and provided to SG for consideration. She emphasised the need for options for Fergusons to deliver within their budget.

The Cabinet Secretary explored with DT the Board's role in the process and next steps. It was noted that the recruitment of a new, permanent Board Chair is ongoing. DT confirmed that the emerging costs issue had been the subject of a deep dive discussion by the Board members on 23 June 22. At this meeting the Board commissioned DT to undertake further work on the costs, noting SG's request for the consideration of options to deliver within budget.

The Cabinet Secretary asked that officials be kept updated on this work as it progresses.

DT stated that support from SG officials on site is adding value.

From: [REDACTED]

Sent: 28 June 2022 13:43

To: [REDACTED]@thebank.scot; [REDACTED]@thebank.scot>

Subject: Cabinet Secretary meeting with Sarah and David - 29 June 11:45

Hi [REDACTED]and [REDACTED],

I hope you are both very well this afternoon. We have now submitted the briefing for this meeting to the Cab Sec – we have included all points raised for discussion. If it helps this is the running order we presented to the Cab Sec – hopefully this can form a working agenda/running order for the meeting tomorrow.

1. **Impact on SG budget to all public bodies – including Bank**
2. **Glasgow office location**
3. **Portfolio, Pipeline and Engagement update from Bank**
4. **FCA update from Bank**
5. **2030 Ambition**
6. **AoB**

Please let me know if you need anything further and I will be more than happy to help.

Thanks

[REDACTED]

[REDACTED]

Senior Policy Officer

Scottish National Investment Bank Shareholder Team

Directorate for International Trade and Investment | Scottish Government

My preference is sometimes to work out of normal hours, please note I do not expect others to do the same.

My preference is sometimes to work out of normal hours, please note I do not expect others to do the same.

From: [REDACTED]

Sent: 28 June 2022 13:38

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>

Cc: Rollison R (Richard)

<Richard.Rollison@gov.scot[REDACTED]@gov.scot[REDACTED]@gov.scot>

Subject: Scottish National Investment Bank - Briefing - Cab Sec meeting with Bank SMT - 29 June 2022 (A38867207)

Cabinet Secretary for Finance and Economy,

Please find attached the briefing pack for your meeting with the Sarah Roughead and David Ritchie of the Bank on Wednesday 29 June – 11:45-12:15.

If you require anything further please let me know.

Very Best Wishes

[REDACTED]

[REDACTED]

Senior Policy Officer

Scottish National Investment Bank Shareholder Team

Directorate for International Trade and Investment | Scottish Government

My preference is sometimes to work out of normal hours, please note I do not expect others to do the same.

**MINISTERIAL ENGAGEMENT BRIEFING:
KATE FORBES, CABINET SECRETARY FOR FINANCE AND THE ECONOMY
Briefing for 29 June 2022**

Who	<p>Sarah Roughead, Chief Executive, Scottish National Investment Bank plc David Ritchie, Head of Partnerships and Engagement, Scottish National Investment Bank plc</p> <p>(Willie Watt is on leave)</p>
Why	<p>Quarterly meeting with Bank to address recent and upcoming topics of interest and concern. Brief discussion points shared with official and outlined below.</p>
When	<p>Wednesday 29 June – 11:45-12:15 via teams</p>
Expected outcome	<p>Discussion around current SG Budget and context for this with the Bank.</p> <p>Discussion around Glasgow office location for the Bank.</p> <p>Bank update on key issues; FCA authorisation, portfolio, pipeline and engagement – how these relate to 2030 ambitions.</p>
Supporting officials	<p>Richard Rollison, Director, International Trade and Investment – Mobile 07[REDACTED]</p> <p>[REDACTED], Head of SNIB Shareholder Team</p>
Briefing contents	<p>ANNEX A: Discussion points ANNEX B: Context – Discussion Points ANNEX C: Context – If Raised</p>
Media Handling	<p>None required.</p>
Social Media	<p>None required.</p>

ANNEX A

Discussion Points

The agenda that has been agreed with the Bank is as follows.

1. **Impact on SG budget to all public bodies – including Bank – the Bank has received detailed guidance on the below in writing, but you may wish to reiterate the challenging fiscal context. Further detail at Annex B.**
 - Due to the budget challenges facing the Scottish Government and wider public sector as a result of inflation and the cost of living crisis, SG and public bodies need to look hard at their spend commitments for 2022/23 and to identify potential areas for savings.
 - [REDACTED]
 - [REDACTED]
2. **Glasgow office location – further detail is at Annex B, but key point is that we believe Bank has strong case for Glasgow office proposal.**
 - Understand the Bank is looking to securing Glasgow location for Bank activity. Given wider fiscal context, could you share more detail on why using existing SG estate is not workable?
3. **Portfolio, Pipeline and Engagement update from Bank**
 - Last Bank investment announcement was made on 9 May (Elasmogen), do the Bank expect to make any further announcements over the summer?
4. **FCA update from Bank – the Bank are progressing their FCA application. They need two letters of support from us, which have been drafted and are being finalized with the legal team in advance of your clearance.**
 - Welcome progress on Stage 1 of the application and move to self-sufficiency.
5. **2030 Ambition – when the Permanent Secretary met with the Bank, he encouraged them to think about their 2030 ambition and in particular delivery of the missions. The Bank want to update you on their thinking.**
 - Vital to see delivery of the core missions – as will be set out in strategic guidance letter, measuring impact will be key to ensuring strong case can be made for the Bank.
6. **AoB**

ANNEX B

BRIEFING/CONTEXT – CORE DISCUSSION

SG Budget/public bodies

Due to the budget challenges facing the Scottish Government and wider public sector as a result of inflation and the cost of living crisis, SG and public bodies need to look hard at their spend commitments for 2022/23 and to identify potential areas for savings. This applies to the Bank's Resource budget and, related to that, the resource income it receives as capitalised interest.

[REDACTED]

[REDACTED]

Glasgow location lease

The Bank had a commitment to staff to have a location in Glasgow [REDACTED]The Bank has therefore sourced a private office location which can be leased from now. Although space is available in floor 1 of Atlantic Quay 5, neither the Bank or Shareholder team believe this would appropriate given the need to maintain an “arm’s length” relationship with SG and a number of security and access issues (with associated costs) make this option unattractive. This is subject to fuller advice to you.

FCA Authorisation

The Bank are planning to submit an application to become FCA authorised. This authorisation would allow the Bank to form Bank managed funds through a number of joint investors. [REDACTED]

- [REDACTED]
- [REDACTED]

Investment summary

To date the Bank has delivered investment commitments of over £200 million to 16 projects across all three of their missions, leveraging in over £450m of additional private funding. The majority of these investments (8) have been had net zero as their primary mission. Of the 16 investments – 13 have been with companies and 3 into larger funds. The last investment made was £3.5 million into Elasmogen on 9 May.

Annex C

BRIEFING/CONTEXT – IF RAISED

Additional Budget/Capitalised Interest

In your previous meeting with the Bank, the Bank requested [REDACTED]

Cabinet Secretary for Finance & Economy meeting Scottish National Investment Bank ('the Bank')– 29 June 2022 – note of meeting

In attendance

(KF) Kate Forbes, Cabinet Secretary for Finance & Economy

(SR) Sarah Roughead, CEO ad interim, the Bank

(DR) David Ritchie, Director, Partnership & Engagement, the Bank

(RR) Richard Rollison, Director DITI, SG

[REDACTED], Team Leader, the Bank Shareholder Team, SG

[REDACTED], the Bank Shareholder Team, SG

[REDACTED], Deputy Private Secretary, MPO

Pre-meeting discussion

- Willie Watt's Chairmanship due up in November 2023. ACTION: Shareholder Team to provide a note on the appointment procedure.
- Bank CEO interviews timetabled for early September.

Agenda

Budget issues

KF commented that she did not see the budget constraints being a reason for the Bank not being successful. The Bank has a key role in Scotland's growth.

SR was mindful of the challenges. Bank is acutely focused on value for money and continues to manage costs (most of the cost is staffing). RR commented that the Bank's income was dependent on a range of factors and could not be guaranteed and it was therefore important to maintain transparency with the Shareholder team / SG. **[REDACTED]**DR stressed that becoming self-sustainable is at the forefront of the Bank's mind. KF agreed that raising more income would also help with the Bank's autonomy.

Glasgow premises

[REDACTED]

SR explained this was about the Bank's ability to target the west coast and expand the staff talent pool. She emphasised this was more a 'try before we buy' and were looking for 12-15 desks and some meeting rooms. It was about building the identity and the brand. They had looked at vacant space in the SG estate but the FCA requirements need the staff space to be 'sealed off'. However, in the longer term they could revisit the SG estate portfolio if they decide to go for a more permanent

premises in due course. DR emphasised the Bank was for the whole of Scotland and location in Glasgow would help address the place mission component.

KF was keen to see more on the case to be put forward.

Portfolio

SR commented that the Bank has committed to over £200m in investments, with 3 closing this week:

- 1 addressing the Net Zero and Place missions
- 1 tech investment
- 1 turbine / tidal deal in the marine energy space which will hopefully create a new market and make the sector commercially viable.

DR explained that a new Engagement Plan had been submitted to the Board which included wider engagement with the Enterprise networks and the public sector. The Board are supportive of this and the Bank is keen to draw on the expertise of the Board in this work.

DR also explained that the Bank is now drawing insights from its investments and developing its thought leadership. It is increasing relationships with think tanks and organisations such as the SCDI and shaping a more positive narrative. It is becoming more strategic and increasing its visibility and becoming more active now.

[REDACTED] The Bank is very much in line with the Scotland agenda and engaging with SG policy teams around commercial capital as opposed to grants.

FCA update

SR outlined a 2-stage FCA application. Stage 1 creating greater credibility and providing clarity on **[REDACTED]** outlined her support for this application, which she expected would continue from whoever covered her portfolio during her maternity leave.

From: [REDACTED]

Sent: 18 May 2022 07:47

To: [REDACTED]@gov.scot>; Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; [REDACTED]@gov.scot>

Cc: Director of International Trade and Investment <DirectorDITI@gov.scot>; Dobson L (Leanne)

<Leanne.Dobson@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]@gov.scot>

Subject: RE: Briefing: Bank/Cab Sec Meeting - 17.30 Weds 18th

Hi David and Team,

Please find an updated briefing for the meeting between the Cab Sec and Bank, small changes to proposed running order of the agenda only.

Thanks

[REDACTED]

From: [REDACTED]@gov.scot>

Sent: 17 May 2022 13:30

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>; Storrie D [REDACTED]@gov.scot>

Cc: Director of International Trade and Investment <DirectorDITI@gov.scot>; [REDACTED]@gov.scot>; Dobson L (Leanne)

[REDACTED]@gov.scot> [REDACTED]@gov.scot>; [REDACTED]@gov.scot> [REDACTED]@gov.scot>

Subject: Briefing: Bank/Cab Sec Meeting - 17.30 Weds 18th

Hi David and team,

Please see briefing for meeting tomorrow between Cab Sec and the Bank, at 5.30pm.

Naturally very happy to support with any questions.

All the best,

[REDACTED]

[REDACTED]

Head of the Scottish National Investment Bank Shareholder Team
Directorate for International Trade & Investment
Scottish Government

M: 07[REDACTED]

I work Monday-Thursday. I sometimes respond to e-mails outwith normal working hours – that works for me but I understand it might not work for you.

**MINISTERIAL ENGAGEMENT BRIEFING:
KATE FORBES, CABINET SECRETARY FOR FINANCE AND THE ECONOMY
Briefing for 18 May 2022**

Who	Willie Watt, Chair, Scottish National Investment Bank plc Sarah Roughead, Chief Executive , Scottish National Investment Bank plc
Why	Quarterly meeting with Bank to address recent and upcoming topics of interest and concern. We suggest you use this meeting to set out expectations for the Bank’s strategy over the next year, which we will follow up with a Strategic Guidance Letter.
When	Wednesday 18 April – 17:30-18:15 via teams
Expected outcome	Update from Bank on recruitment, including new Chief Executive position. [REDACTED] the Bank strategy and how it expects to align with NSET. Further discussion on progress of Equality Strategy and identification of key areas of interest/concern.
Supporting officials	Richard Rollison, Director, International Trade and Investment – Mobile 07[REDACTED] [REDACTED], Head of SNIB Shareholder Team
Briefing contents	ANNEX A: Discussion points ANNEX B: Context – Discussion Points ANNEX C: Context – If Raised
Media Handling	None required.
Social Media	None required.

Annotated Agenda

7. Overview of recent investments and activity (5 mins)

- Great to see strong collaboration on comms around investment announcements – we want to help amplify Bank’s impact.

8. Recruitment update (5 mins)

- [REDACTED]
- [REDACTED]

9. Bank Strategy and NSET (25 mins)

- It is essential the Bank has a clear strategy moving forward through the year ahead and over the next 5-10 years. Given the breadth of the missions, we expect this to involve trade-offs between which markets they prioritise in their investment. Although investment decisions are operationally independent, interpretation of the missions should be agreed with the shareholder.
- A key aspect of this will be how the Bank measure the impact of its investment. This will help ensure the Bank is well-placed to demonstrate the impact it is delivering. [REDACTED].
- The crowding in of private finance is crucially important to achieving the goals set forward in NSET and my expectation is that the Bank will be at the forefront of this thinking and activity over the life of this Parliament and beyond. FCA authorization will be crucial to enabling this.
- Fully integrating into the Scottish finance ecosystem requires that the Bank can work effectively alongside Scottish Government policy, other Scottish enterprise agencies and UK Government institutions.

4. Equality Strategy (10 mins)

- Although staffing is a matter for the Bank, I want to be clear that ministers see equality as at the heart of the Bank’s delivery – that is why the requirement for a strategy is in the Bank’s underpinning legislation.
- [REDACTED]What specific actions the Bank is looking at in order to address the equalities issues this has raised?

BRIEFING/CONTEXT – CORE DISCUSSION

Bank Strategy

[REDACTED]

[REDACTED].

Equality Strategy

The Bank were due to publish their equalities strategy this week, but have decided to pause it to reconsider where it may be possible for them to be more ambitious. This has largely been driven by the disappointing gender pay gap at the Bank, which is more than twice the Scotland average of 10.1% (at 23.1%). The Bank believe that this is caused by the need to recruit from a sector which has a high pay gap - the UK financial services as a whole has a pay gap of 32.2%. They also have a below average representation of disabled staff. While staffing is ultimately a matter for the Bank, we would nevertheless recommend pushing the Bank to set out what specific actions it will be taking to address the pay gap and any other equalities issues they have identified, and emphasise that you expect progress as they review the strategy over the next years.

Recruitment

[REDACTED].

Annex C

BRIEFING/CONTEXT – IF RAISED

Scotwind

[REDACTED].

Additional Budget/Capitalised Interest

[REDACTED]

[REDACTED]

Glasgow location lease

The Bank are in the latter stages of scoping a Glasgow location for the Bank to operate from. The Bank has sourced a private office location which can be leased from June 2022. Although space is available in floor 1 of Atlantic Quay 5, the Bank's preference will be to maintain its own space to keep an "arm's length" relationship with SG and a number of security and access issues (with associated costs) would need to be worked through. We therefore expect the private location to be the more reasonable option, but this is still subject to full advice and approval.

From: [REDACTED]

Sent: 17 May 2022 15:29

To: Cabinet Secretary for Finance and Economy <CabSecFE@gov.scot>;

[REDACTED]@gov.scot>

Subject: RE: Briefing: Bank/Cab Sec Meeting - 17.30 Weds 18th

Hi,

Just as an FYI the Bank is meeting today at 15:30 to discuss the meeting with the Cab Sec. Although unlikely they may raise some additional discussion points.

If this does occur – how best would we update the briefing?

Thanks

[REDACTED]

Summary of Bank quarterly meeting with Cab Sec

18/5/22

Attendees:

Cabinet Secretary for Finance and Economy

[REDACTED] – Private Secretary to Ms Forbes

Richard Rollison – Director For DITI

[REDACTED] – Head of Shareholder team

[REDACTED] – Senior Policy Executive Shareholder team

Willie Watt – Chair Scottish National Investment Bank

Sarah Roughead – CEO *ad interim* Scottish National Investment Bank

David Ritchie – Director Scottish National Investment Bank

Summary:

- Summary of recent investments into Circularity and Elasmogen – relay of investment details
- **[REDACTED]**
- **[REDACTED]**
- NSET – Bank looking for best ways to contribute to NSET – Bank is more comfortable as a scale up driver of business. **[REDACTED]**
- **[REDACTED]**.