

**FERGUSON MARINE PORT GLASGOW - UPDATE**  
**OFFICIAL SENSITIVE - COMMERCIAL**

From: Louise Macdonald  
DG Economy  
20 December 2022

**First Minister**  
**Deputy First Minister and Cabinet Secretary for Covid Recovery**

**FERGUSON MARINE PORT GLASGOW – UPDATE ON DUE DILIGENCE [REDACTED]**

**Priority and Purpose**

1. **Routine.** The submission provides an update to Ministers on the ongoing due diligence of the September update from the CEO of Ferguson Marine (Port Glasgow) (FMPG) on the forecast costs to complete the vessels the MV Glen Sannox (801), and 802, [REDACTED]

**Recommendation**

2. Ministers note the progress, areas still requiring development and proposed next steps [REDACTED] to support the principal aims of completion of the vessels, protecting the jobs and securing a sustainable future for the business, and the outstanding work to complete [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. In September, the CEO of FMPG wrote to Ministers updating them on the revised forecast cost to complete the vessels and the new delivery schedule. Ministers updated Parliament on the same day that we had started due diligence on these numbers and would update Parliament when the due diligence work was concluded.
6. Since this work commenced, the Permanent Secretary, DG Economy and senior officials have met on a regular basis to review progress being made on the financial analysis and the [REDACTED] and Ministers have received updates in advance of the monthly calls with the CEO and on individual issues including the interim in year funding and budget pressures.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

**Due Diligence**

18. To provide the Accountable Officers and Ministers with additional assurance, commercial advisers (Teneo) have been appointed to review and test the assumptions behind the costs to complete vessels 801 and 802. They have focussed on providing an independent assessment of the assurance work to date by FMPG and test the underlying assumptions and robustness of the data on the estimated cost to complete vessels 801 and 802. Annex A provides a summary of the conclusions of the report and the full report is attached to this submission (originally provided on 30 November). (Annex C)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Conclusion**

[REDACTED]

Louise Macdonald  
DG Economy

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Copy List:	For Action	For Comment	For Information		
			Portfolio Interest	Constituency Interest	General Awareness
First Minister	X				X
Deputy First Minister and Cabinet Secretary for Covid Recovery					
Minister for Transport			X		
Minister for Business, Trade, Tourism and Enterprise					X
Cabinet Secretary for Net Zero, Energy and Transport					X
Cabinet Secretary for Rural Affairs and Islands			X		

Permanent Secretary  
 DG Economy  
 DG Net Zero  
 Chief Executive Transport Scotland  
 Director Economic Development  
 Kate Hall  
 Chief Financial Officer  
**[REDACTED]**  
**[REDACTED]**  
**[REDACTED]**  
**[REDACTED]**  
**[REDACTED]**  
 Frances Pacitti  
 Roddy Macdonald  
 Director for Marine Scotland  
 Catriona Matheson  
**[REDACTED]**  
 Colin McAllister  
 Kenny Hannaway  
 Hilary Pearce  
**[REDACTED]**

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**ANNEX A [REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**

**[REDACTED]**



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[REDACTED]

[REDACTED]

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[REDACTED]

**ANNEX C – FINAL TENEO FINANCIAL ANALYSIS REPORT**

**(attached separately)**