

ANNEX referred to in the response to Review 202500471029 of FOI 202500466501

Section 30(b)(ii) – free and frank exchange of views for the purposes of deliberation

An exemption under section 30(b)(ii) of FOISA (free and frank exchange of views) applies to some of the information requested. This exemption applies because disclosure would, or would be likely to, inhibit substantially the free and frank exchange of views for the purposes of deliberation. This exemption recognises the need for Ministers and officials to have a private space within which to discuss and explore options before the Scottish Government reaches a settled public view. Disclosing the content of free and frank discussions on commercial aspects of FMPG which this advice relates will substantially inhibit such discussions in the future, particularly because these discussions are still ongoing and decisions have not been taken, and/or these discussions relate to a sensitive or controversial issues.

This exemption is subject to the ‘public interest test’. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exemption. We have found that, on balance, the public interest lies in favour of upholding the exemption. We recognise that there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in allowing Ministers and officials a private space within which to explore and refine the Government’s position on FMPG until the Government as a whole can adopt a decision that is sound and likely to be effective. This private thinking space is essential to enable all options to be properly considered, so that good decisions can be taken. Premature disclosure is likely to undermine the full and frank discussion of issues between Ministers and officials, which in turn will undermine the quality of the decision making process, which would not be in the public interest.

Section 38(1)(b) – personal data of a third party

An exemption under section 38(1)(b) of FOISA (personal information) applies to a small amount the information requested because it is personal data of a third party, ie names/contact details of individuals, and disclosing it would contravene the data protection principles in Article 5(1) of the General Data Protection Regulation and in section 34(1) of the Data Protection Act 2018.

This exemption is not subject to the ‘public interest test’, so we are not required to consider if the public interest in disclosing the information outweighs the public interest in applying the exemption.

Deputy First Minister and Cabinet Secretary for
Economy and Gaelic
Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit
airson Eaconamaidh agus Gàidhlig
Kate Forbes MSP
Ceit Fhoirbeis BPA



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

Graeme Thomson
Chief Executive Officer
Ferguson Marine (Port Glasgow) Ltd
Newark Works
Port Glasgow
PA14 5XR

13 May 2025

Dear Graeme,

MV Glen Rosa – Revised Delivery and Cost Update

I am responding to your letter of 12 May setting out the revised delivery timeline and forecasted cost for MV Glen Rosa.

While I welcome your early engagement and transparency in setting out the current position, I must be candid in expressing the depth of my disappointment and frustration. It is especially galling to see that the focus on delivering the Glen Sannox led to loss of focus on Glen Rosa. The further delay to delivery and significant increase in forecasted costs represent a serious setback for the island communities who are anticipating the vessel's entry into service and the budgetary consequences of the price increase for the Government are significant.

It is clear that challenges in leadership and project planning over a sustained period preceding your appointment have contributed to the current position. As the new CEO, you have an opportunity, and indeed a responsibility, to ensure that this trajectory is reversed and that confidence in the delivery of Glen Rosa is restored. I emphasised this to you when we met a few weeks ago, prior to your start date.

I expect to see clear and demonstrable evidence that the revised plan is being delivered at pace, that key milestones are achieved on schedule, and that every effort is being made to reduce costs wherever possible. While I recognise the initial steps being taken to strengthen planning, mitigate risk, and improve workforce productivity, the priority now must be tangible delivery and visible results.

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

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE[™]
We invest in people Silver



Scottish Government officials, working closely with CMAL, will continue to engage through the Review Group and subsequent governance structures. I expect those forums to be used to challenge performance, monitor progress and ensure full accountability against the plan you have now set out.

You can expect continued engagement from me, my officials, and advisers in the weeks ahead. Our shared objective remains clear, MV Glen Rosa must be delivered with urgency and reliability, recognising the vital role this vessel will play in supporting Scotland's island communities and the lifeline services they depend on.

Yours sincerely,



KATE FORBES

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

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTORS IN PEOPLE[™]
We invest in people Silver



NOTE OF MEETING – THURSDAY 13 JUNE 2024, 10:30 TO 11:00

**DEPUTY FIRST MINISTER AND CABINET SECRETARY FOR ECONOMY & GAELIC
AND ANDREW MILLER CHAIR OF FERGUSON MARINE**

Attendees

Kate Forbes (DFM) – Deputy First Minister and Cabinet Secretary for Economy & Gaelic
Andrew Miller (AM) – Ferguson Marine Port Glasgow, Chair
Colin Cook (CC) – Director for Economic Development
Dermot Rhatigan (DR) – Head of Strategic Commercial Assets Division
[REDACTED] – Unit Head, Benefits Realisation and Futures Team

Summary of points discussed:

AM provided an overview of FMPG's current status including the increase in un-recoverable overheads after the completion of Glen Sannox. To address this there will be a need for a pipeline of future work [REDACTED]

DFM asked about progress in appointing a permanent CEO and any support that SG can provide. AM stated that there is a need for a sufficiently attractive remuneration package, noting that Ministers would not support the inclusion of bonuses. AM confirmed that the Board have confidence in the Interim CEO [REDACTED]

AM explained that discussions are ongoing with BAE around a pipeline of work. [REDACTED]

AM set out his view on the need for reform of ferries bodies and structures to improve value for consumers and end users of the services.

In relation to Glen Sannox, AM confirmed that the Interim CEO spends two hours a day on the vessel to drive progress towards handover. DFM indicated that she was keen to visit the yard ahead of handover. She hoped a visit could be arranged for week commencing 15 July subject to diary availability.

DFM set out some of the challenges around direct award, including the presence of legal complexities, risks around delivery confidence and a need to demonstrate value for money. [REDACTED] This has been shared with Colin Cook.

DFM mentioned the disappointment of previous cost increases and delays. She asked how Scottish Government can have confidence that costs will not increase further. AM replied that action has been taken to strengthen the Board and management team and they will not stand for failure.

DFM reasserted her commitment to the yard's future, irrespective of the eventual decision on direct award. AM confirmed that he was working with SG on a date for a workshop looking at all scenarios that can support a sustainable future. DFM offered her support where possible to demonstrate visible commitment to the business.

MEETING NOTE

DFM and Cabinet Secretary for the Economy and Gaelic's meeting with Andrew Miller (Chair of Ferguson Marine), Monday 31 March 2025

Attendees

Ferguson Marine

Andrew Miller, Chair of Ferguson Marine

Scottish Government

Kate Forbes MSP, Deputy First Minister

Gregor Irwin, DG Economy

Colin Cook, Director of Economic Development

Dermot Rhatigan, Head of Strategic Commercial Assets Division

[REDACTED] Strategic Commercial Assets Division

[REDACTED]

Summary of discussion

DFM was aware of the latest projected delays and cost increases in the revised MV Glen Rosa delivery plan, having received the headlines the day before the FMPG Board. She expressed her disappointment and said ministers were surprised at the scale of the schedule and cost changes; their revelation at this advanced stage of the programme was intolerable.

Andrew said he was sorry to be in this position. The FMPG Ops Committee had approved the plan and the Board papers had been shared with SG in advance. Fergusons had given thought to the public presentation of the revised plan with a session arranged [REDACTED] on the evening before the Board to discuss the handling plan and the next quarterly update to the NZET Committee.

DFM made it clear that ministers would need further advice and greater assurance, including from CMAL. She wanted to know how the Fergusons Board became satisfied with the revisions. The revised costs exceed FMPG's budget allocation for 2025/26; further increases could not easily be signed-off and would require Cabinet support.

Andrew said he believed the new numbers were correct. He proposed the new chair of the Audit and Risk Committee prepare a report for DFM.

DFM requested a full account of the factors driving the revised delivery plan. The government must be assured that costs have been assigned correctly and driven down, risks assessed and mitigations deployed. DFM was willing to chair a group that brings together the relevant people over the next few weeks, to set out actions and provide her with assurance. Fergusons' quarterly update to the NZET committee should reference the planned review.

Gregor said the cost estimates needed further detailed interrogation so they could be explained. [REDACTED]. The proposed review should ensure that programme

OFFICIAL SENSITIVE – COMMERCIAL

delivery and running costs are allocated appropriately with clear reasoning around their apportionment.

Andrew committed to update SCAD with a review proposal this week and DFM said she would check-in with Andrew as often as needed to support the review.

The meeting concluded with Andrew providing a brief update on work opportunities for the yard beyond the Glen Rosa project.