

**MEETING NOTES AND ACTIONS**

Monday 19 August 2019

12:00pm Ferguson Marine shipyard, Port Glasgow

Attendees

Derek Mackay [Redacted]	Scottish Government Scottish Government	Cabinet Secretary Finance, Economy and Fair Work Private Office
Michelle Rennie, Jim Anderson Tim Hair Douglas Hyslop Alex Logan [Redacted]	Transport Scotland CMAL Ferguson Scottish Enterprise Workforce Rep Scottish Government	Director of Major Projects - Interim Chairperson, Director of Vessels Turnaround Director Senior Executive GMB Shop Steward at Ferguson Special Adviser
Tim McDonnell Duncan Mackison [Redacted] [Redacted]	Marine Scotland David MacBrayne Ltd Transport Scotland Scottish Government	Head of Marine Scotland Science Chief Executive Ferries Unit (secretariat) Chief Financial Officer

No.	Action	Responsibility
1.1	Provide an update on deterioration of 801/802	JA/AL
1.2	Ascertain current status of design work	JA/TH
1.3	Approve list of staff authorised within the yard	TH
1.4	Estimate timescales required to complete robust cost and programme plan	TH
1.5	Workforce / management engagement to be improved	TH/AL
1.6	Contractor control processes to be examined with the administrator	TH
1.7	Dependency list to be created for contractor/specialism requirements	TH
1.8	Ferguson employees on long term temporary contracts to be reviewed	TH
1.9	A plan to achieve cost and programme plan will be developed by end August.	TH
1.10		
1.11	A risk register will be created – potentially using the SG templates	Scot Gov/TH
1.12	Future meeting dates to be agreed.	Scot Gov

No.	Item	Action
1	<p><b>Introduction and Welcome</b></p> <ul style="list-style-type: none"> <li>Following introductions from everyone Mr Mackay thanked those attending for participating and acknowledged the breadth of knowledge and expertise in a range of areas to support the completion of the contracts:</li> <li>Mr Mackay highlighted the need for a collaborative and team approach between all parties involved in completing the ferries including the workforce, CMAL and Calmac.</li> <li>Additional expertise would be called upon if required.</li> <li>Mr Mackay reinforced the need to look forward and trust each other. Mutual trust and respect will enable the team to move forward.</li> </ul>	

	<ul style="list-style-type: none"> <li>• The interim chair highlighted that the focus of this group will be cost and programme for 801 and 802. Other matters relating to the shipyard would be dealt with elsewhere.</li> <li>• It is critical that we take the lessons from the build of 801 and replicate these in 802 to drive efficiencies.</li> <li>• It should be achievable to deliver a cost and programme range by end October but at this stage, the unknown level of rework/engineering that may be required is acknowledged as a potential risk.</li> <li>• A strong start to understanding the next steps to complete work is critical and will inspire confidence in all stakeholders.</li> </ul> <p>Mr Mackay and Alastair Paddison left the meeting at 12:35pm</p>	
2	<p><b>Aim and remit of the group</b></p> <ul style="list-style-type: none"> <li>• The aim of the group is to secure the most effective delivery programme to completion in terms of time, cost and impact on the workforce by providing an appropriate level of review and challenge.</li> <li>• This will include consideration of the resources and expertise necessary to deliver that programme.</li> </ul> <p>The group will initially report back to Scottish Ministers on a two- weekly basis</p>	
3	<p><b>Background</b></p> <ul style="list-style-type: none"> <li>• Current position on 801 – Jim Anderson provided an update. <ul style="list-style-type: none"> <li>○ It is clear that there is still a significant piece of works to be done.</li> <li>○ It was suggested that the steelwork is treated as a priority so that the external work could be completed in order to facilitate progress on the internal works.</li> </ul> </li> <li>• Current position on 802 – Jim Anderson provided an update. <ul style="list-style-type: none"> <li>○ Indications are that this vessel is showing some deterioration and the condition needs to be stabilised at the earliest opportunity, ideally prior to weather conditions deteriorating through the winter.</li> </ul> </li> <li>• Identification of further information required – Jim Anderson/Tim Hair provided an update. Some key areas were identified: <ul style="list-style-type: none"> <li>○ An assessment will be undertaken on the current status of the design work. This will include an update on the approvals provided by regulatory bodies to date.</li> <li>○ It was suggested that some re-work may be required, particularly where conflicts have been identified. There were differing views on the risk that this presented and it was agreed that the extent of this re-work must be determined as a priority. Quality systems and decision making will be streamlined within a team approach.</li> <li>○ An approved list of authorising staff at the yard will be highlighted and communicated to all.</li> <li>○ The importance of ensuring that any decisions taken now do not impact on longer life cycle costs of vessels and associated port infrastructure was acknowledged.</li> </ul> </li> </ul>	<p>JA to provide an update.</p> <p>JA/TH to update</p> <p>TH to Update.</p>

	<ul style="list-style-type: none"> <li>• Timescales for further information – Tim Hair provided an update. <ul style="list-style-type: none"> <li>○ Mr Mackay indicated earlier a desire to get the cost and programme right and that sufficient time should be allowed to ensure that these are robust and that risks are well understood.</li> </ul> </li> <li>• Workforce update - Alex Logan provided an update. <ul style="list-style-type: none"> <li>○ It is clear that the workforce is currently lacking motivation due to a lack of engagement by the previous management, including on areas such as quality and design.</li> <li>○ The workforce would welcome the return of regular meetings as this has lapsed in past 6 months and they feel unsighted on developments. It was agreed that this was an important area to address and that a plan would be put in place to re-introduce regular communications with the workforce.</li> </ul> </li> <li>• Resourcing – Tim Hair provided an update <ul style="list-style-type: none"> <li>○ Contractor control was highlighted as being not efficient. Tim Hair will explore this aspect in partnership with the administrator.</li> <li>○ A dependency list will be created to determine where additional resource will be required and whether contractor support and/or specialism is needed.</li> <li>○ Ferguson employees on long term temporary contracts will need to be assessed and utilised accordingly.</li> <li>○ It was acknowledged that there was a clear need to re-establish systems and processes that ensure robust planning, monitoring and progressing work on the vessels</li> </ul> </li> </ul>	<p>TH to provide an update</p> <p>TH to Action</p> <p>TH to Update</p>
4	<p><b>Strategy and responsibilities</b></p> <ul style="list-style-type: none"> <li>• The initial work will establish, with some urgency, the current baseline position of each vessel, how a new and robust cost and programme can be established. The expertise of the group will be relied upon to use their specialist knowledge, or identify appropriate support, to progress matters.</li> <li>• To ensure that the programme and cost estimate is robust, the group will provide an appropriate level of challenge to test the time and cost information being provided. A plan to achieve this will be developed by end August.</li> <li>• The established and agreed plan will then be carefully monitored to identify progress towards a firm cost and programme to complete the vessels. This subsequent work will be absorbed into the general governance of the shipyard. The group will aim to have final costs mid-end October.</li> </ul>	<p>TH to update</p>
5	<p><b>Initial plans and actions</b></p> <ul style="list-style-type: none"> <li>• TH suggested initial plans will be created to :- <ul style="list-style-type: none"> <li>○ Communicate with employees and other stakeholders to provide clear information and confidence for the future.</li> <li>○ Understand the current situation as fast as possible</li> <li>○ Initiate a detailed design review process for 801 &amp; 802, working closely with CMAL, to finalise the design, identify any areas of rework, and create a solid plan for their completion</li> <li>○ Accelerate work on 801/802 as soon as possible</li> </ul> </li> </ul>	<p>TH to update</p>

	<ul style="list-style-type: none"> <li>○ Review and update plans for the other hulls</li> <li>○ Work with Deloitte as required to support the sale of the business</li> </ul>	
6	<p>AOCB Establishment of a risk register will need to be developed. SG will provide a template that is currently used for Major transport Projects for use if required.</p> <p>Date of next meeting – proposed week commencing Monday Sept 2<sup>nd</sup>. <b>Post Meeting Note:</b> Due to the availability of Board members, this meeting was re-scheduled for Thursday, August 29<sup>th</sup>.</p>	<p>SG to Action</p> <p>SG to action</p>