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Edward Mountain
Convenor
Net Zero, Energy & Transport Committee
Scottish Parliament
EH99 1SP

19th December 2024

Dear Mr Mountain,

Glen Sannox and Glen Rosa

Thank you for your letter dated 5th December 2024 and for your recent invitation to appear before the Committee on Tuesday 26th November 2024. We welcomed the opportunity to meet with you and the other members of the Committee to discuss our progress on the delivery of Glen Sannox and Glen Rosa. We were pleased to be able to speak to you immediately following the handover of Glen Sannox, a real Clyde-built industrial achievement for Ferguson Marine (Port Glasgow) Ltd (FMPG) and the first ship of her kind to be built in the UK.

We're happy to provide to you the normal Quarterly Update on the progress of Glen Rosa and Glen Sannox followed by clarification on the points raised in your letter. Please note that we have requested an extension to some questions which require the knowledge and expertise of our Chair, Andrew Miller, who is currently out of the country on leave. We therefore commit to providing responses to those questions by Friday 31st January 2025.

Update on MV Glen Sannox

The Glen Sannox is currently going through shakedown with CalMac. FMPG personnel are on-hand to attend as/when appropriate to rectify any issues that are highlighted during this demonstration period.

Warranty items are also being identified and rectified concurrently.

Of the three class exceptions identified at handover, two have now been completed. The remaining one, the recertification of the anchor system, is still outstanding. The parts required ("gypsies") are scheduled to arrive in mid-February 2025 and we will co-ordinate with the relevant parties to discuss installation at that time.

Update on MV Glen Rosa

We are pleased to confirm the progress for various elements of the major areas of work currently happening on Glen Rosa as requested at the last Committee Meeting as follows:

- Switchboards installed with 40% of associated cables also installed
 - 40% of the pipework now installed
 - LNG subcontractors engaged, slightly later than planned, however the first pipes are now on site
 - The Mezzanine deck is outfitted and scheduled to commence installation on the ship in January 2025
 - The 801 “Lessons Learned” session is scheduled for January 2025
 - Detailed plans are being developed and operated in order to deliver the critical areas
- Key personnel engaged on Glen Sannox have now returned to work on Glen Rosa, enhancing the delivery team and allowing the recent slower progress to be accelerated

In early January 2025, we will begin lessons learned sessions, during which we will discuss the key learnings from the build and delivery of Glen Sannox. We will undertake this session with our Scottish Government sponsor team facilitating and will engage all relevant parties including Lloyds, MCA, CMal, and CalMac. Once this exercise has concluded, we will incorporate these learnings into a full review of the Glen Rosa delivery plan. On completion of this review, we will be able to provide the Committee with a more detailed update on build schedule, completion and forecasted cost for Glen Rosa.

We are not yet able to provide a final date and cost to the Committee as various scenarios are currently being worked on with a view to presenting a revised plan to the Board for discussion and approval at the FMPG Board meeting taking place on 30th January 2025. If approved, we will update the Committee on both handover date and Forecasted Cost to Complete on 31st January 2025.

Responses to the Committees queries

Evidence given by former Chief Executive

You said at the meeting that the evidence given by former Chief Executive, David Tydeman, at one of the previous evidence sessions with the Committee was “not exactly accurate” and that you had had to write later to partner organisations about it.

- 1. Please set out each point made during the evidence sessions on 24 October 2023 or 27 February 2024 which you believe were not accurate, alongside what should have been stated.**

Andrew Miller to respond by 31st January 2025.

- 2. Which partner organisations did you write to?**

Andrew Miller to respond by 31st January 2025.

- 3. Why did you not also write to the Committee to correct the record?**

Andrew Miller to respond by 31st January 2025.

Appointment of a new chief executive

Shortly after the 27 February evidence session, Mr. Tydeman was dismissed as Chief Executive. On 26 November, we asked about the recruitment process for a permanent replacement. You said the search for a new Chief Executive had started 12 months ago. This was 5 months before the dismissal of Mr. Tydeman. Board minutes from March 2024 state external recruitment had not yet begun at that time.

4. Please could you confirm when the process of seeking a new permanent chief executive began?

During the 26th of November 2024 NZET Committee meeting, Andrew Miller misspoke in stating that the search for the new Chief Executive started 12 months prior. The process to remove David Tydeman as CEO began in Q1 2024, which was 7 months prior as opposed to 12. The search for a permanent CEO began in April 2024 with the appointment of Odgers Berndtson, a UK based executive search and recruitment firm. Odgers Berndtson began proactively recruiting for the position on our behalf once instructed, also in April 2024.

5. If the Board of this publicly owned company did not have confidence in the Chief Executive as early as 12 months ago, why did they continue to employ him until March this year?

The Board of Directors lost confidence in the CEO and started the process to remove him in Q1 2024. During meetings held in Q1 2024, the Board identified that FMPG required strong leadership to ensure its long-term future and recognised that action was required to restructure the leadership team in place at that time to guarantee this. Once the Board had reached that conclusion, the necessary steps were taken to address this issue by removing David Tydeman from the position and searching for a new CEO.

Information provided to the Committee in updates

On 27 February, David Tydeman had told the Committee there had been no issues arising from the sea trials and they had been “overwhelmingly positive”.

6. Did the MCA sign or provide any documentation following the February Sea trials confirming both anchors had been signed off?

It was discovered in September 2024 during routine sea trials that the anchor had been lowered but not signed off by MCA during the February 2024 sea trials. There was no documentation signed or provided at that time, this isn't something the Board would normally request.

7. Why was the Committee (and the wider public) not informed of issues with the anchor (which caused a delay in delivery of the Glen Sannox) until October? Could we have been informed earlier?

The Board and Senior Leadership Team were not aware of any issues with the anchor until the September 2024 sea trials, which began on Monday 30th September. We wrote to the Committee in a letter dated Thursday 3rd October 2024, three days after sea trials began, with an interim update which stated that “On Monday 30th September Acceptance Sea Trials began with anchor trials where one anchor successfully passed, and one did not.” We also added in that letter that we were working hard to find a solution for the anchor issue. Sea trials test many parts of the ship, and we did not feel it was necessary

to inform of the anchor issue before trials had concluded, in order for us to provide a more detailed overview on the progress of the sea trials once complete.

8. When will a permanent fix to the anchor be installed on Glen Sannox, how long will this take, and what impact will this have on its entering service?

We expect delivery of the items required to fix the anchor by February 2025. Following delivery of these materials, we will liaise with CalMac to agree a suitable time to complete the required fix to the anchor. Once a suitable date is agreed, the fix should take a matter of days to implement. We aren't in a position to confirm any expected impact on Glen Sannox entering service, this will need to be reviewed with CalMac once we have the materials and have agreed with them a timescale for repair. We will provide the Committee with an interim update with further information and timescales after the materials have arrived and we have discussed with CalMac.

On 26 November, John Petticrew said of the anchors:

"We checked the drawings and all the technical data that we had received, and those suggested that it should have worked. When we went down and did some measurements on vital parts, the measurements did not match the drawings that were provided."

He later confirmed that, although it was the parts which did not match the drawing and having to replace the parts, it was a "design issue".

9. How is compliance and adherence to design overseen internally at FMPG prior to seeking external views?

We use an internal quality management system.

10. Have other outcomes of the sea trials in February been re-assessed to confirm there have been no other misinterpretation of the MCA's view by FMPG?

No other outcomes of the February 2024 sea trials have been re-assessed. This is because all other outcomes have been signed off and any re-assessment would have caused a delay to the handover date.

We look forward to providing a further update to the Committee in January 2025, once we have concluded our lessons learned exercise from Glen Sannox and completed our updated plan for the delivery of Glen Rosa. We will also provide an update on the above questions earmarked for Andrew Miller and will provide further detail on the repair to the anchor on Glen Sannox as soon as we are able.

In the meantime, we want to remind the Committee that they are always welcome to visit the yard in Port Glasgow and would be delighted to host the members for a tour of Glen Rosa.

Yours sincerely,

John Petticrew

Interim CEO