

E: [DGEconomy@gov.scot](mailto:DGEconomy@gov.scot)

Richard Leonard MSP  
Convenor  
Public Audit Committee

By email: [publicaudit.committee@parliament.scot](mailto:publicaudit.committee@parliament.scot)

19 May 2023

Dear Convenor

Thank you for your letter of 4 May in relation to Ferguson Marine (Port Glasgow) Limited (FMPG) and your Committee's recent evidence session on the 2021/22 audit of the company.

In the Auditor General's s22 Report into the FMPG Annual Accounts 2022-23 he refers to the following: "There are uncertainties about FMPG's future funding and its ability to secure contracts after the existing contracts are completed. This presents risks to the longer-term viability of FMPG. The Scottish Government has commissioned an independent review to assess this."

While I cannot speak for the Auditor General, I believe the independent review he referred to at that session was the study by First Marine International (FMI) which was commissioned by the Scottish Government in July 2022. I can confirm that this is the only such report commissioned by the Scottish Government since nationalisation to assess FMPG's productivity and consider any potential improvements that might increase the competitiveness of the business. The study was subject to open tender and cost £212,543.75 (plus VAT).

I can confirm that Scottish Government received a final report from FMI in January 2023. The report has been shared with FMPG and is being used to inform consideration around future investment in the business. While we remain committed to transparency as far as possible, making this report publicly available would substantially prejudice the commercial interests of both FMI, whose methodologies and intellectual property inform the report, and FMPG, whose ability to compete for tenders on a level playing field would be compromised if competitors had access to detail about its productivity levels and potential improvements it might wish to consider.

I can confirm that there was no Non Disclosure Agreement between the Scottish Government and FMI. We have however been made aware by the CEO of FMPG that FMI

and FMPG did enter a Non-Disclosure Agreement with respect to engagement during the preparation of that study.

For clarification, we are aware that FMPG commissioned a separate piece of consultancy work from FMI at an earlier date. Any further detail relating to this report would be for FMPG to provide.

I would of course be happy to provide any further clarification if that would be helpful.

**GREGOR IRWIN**

Director-General Economy  
Scottish Government