



E: DGEconomy@gov.scot

Richard Leonard MSP
Convener
Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

17 January 2025

Dear Mr Leonard,

Strategic Commercial Assets: Transparency Review

My letter to you of 25 October 2024 gave details of the transparency review of the Scottish Government's portfolio of commercial assets managed by the Strategic Commercial Assets Division. A key element of the review is examining the potential for a publication scheme that strikes the appropriate balance between facilitating access to information and protection of commercial interests.

Given the particular interest your Committee has shown in the written authority granted by Scottish Ministers on 14 May 2023 for the continuation of funding for the construction of MV Glen Rosa at Ferguson Marine, we have prioritised consideration of the advice commissioned from external consultants that informed the decision. This focussed exercise is part of a broader review of reports commissioned from external consultants on the Government's strategic commercial assets.

With the review making good progress, I am pleased to advise that an information pack containing six due diligence reports preceding the decision to continue public investment in construction of MV Glen Rosa at Ferguson Marine will be provided to the Committee by 7 February 2025. Sharing this initial output of the transparency review will complete our response to the Committee's request for a public record covering the written authority.

The annex to this letter provides fuller details of the six reports relating to Ferguson Marine that will be included in the information pack.

We will also be sharing with the Committee a further report prepared by external consultants, which does not concern Ferguson Marine. This report is an evaluation of the Scottish Government's intervention concerning the BiFab business prior to its administration and the acquisition of the Scottish sites by Harland & Wolff.

The material in the shared information pack will include necessary redactions to protect commercial interests, personal information and contractual rights and legal privileges.

Through extensive consultations and careful review, we are seeking to strike the appropriate balance that facilitates openness while protecting the ability of Ferguson Marine to operate in a highly competitive market and the secure the future contracts on which many jobs and livelihoods depend. With those protections in place the Committee will be free to publish the information pack in full.

When the information pack is shared with your Committee it will be accompanied by a fuller narrative that outlines the nature of the redacted material and its commercial sensitivity.

The Committee will be aware that a publication scheme already operates for the Ferguson Marine business with progress reports, risk registers, action logs and other material published monthly. Moreover, the Government's Consolidated Annual Accounts offers transparent insights into the financial risks associated with government interventions, and significant contingent liabilities.

The transparency review of our strategic commercial assets, which includes the review of consultancy reports, is designed to produce an effective transparency policy for the management of our portfolio of commercial assets. As other elements of the review mature, and are ready to be shared, I will provide further updates to your Committee.

Yours sincerely,

Gregor Irwin
Director-General Economy

ANNEX – INFORMATION PACK CONTENTS

Reference	Product Date	Product Name	Author Organisation
1	24 November 2022	Workstream 1 – Financial review	Teneo
	This commission provides a comprehensive examination of FMPG’s baseline financial forecasts for completion of Hulls 801 and 802. Assumptions are articulated to inform forecast costs to complete. Professional opinion is offered around the underlying drivers of cost estimation.		
2	12 December 2022	Discussion document: Workstream 2 – Options analysis	Teneo
	Workstream 2 develops scenario testing with information from Workstream 1, input from the business (FMPG) and other partners. Judgements upon the strength and weaknesses of data and information used to build scenarios is a significant element of this product.		
3	18 April 2022	Discussion document: Workstream 2 – Options analysis Update	Teneo
	This commission provides an update on Workstream 2 covering delays to Hulls 801 and 802 respectively and highlights changes in the cost comparison of the options caused by programme delays.		
4	23 January 2023	FMPG Potential Improvements Study	First Marine International
	This commission builds upon a benchmarking assessment commissioned by FMPG directly with FMI. This commission is densely populated with commercially sensitive information, which remains highly sensitive today.		
5	February 2023	Economic Impact Assessment	Teneo
	Economic impact assessment produced in accordance with the Treasury’s Green Book principles to ascertain the value measured in GDP created by FMPG in their current state and in certain scenarios with varying assumptions.		
6	March 2023	Economic Impact Assessment: Scenario Update	Teneo
	This commission develops a number of additional scenarios in the lifecycle and future of the Port Glasgow shipyard.		
7	September 2024	Scottish Government Intervention Analysis Evaluation of BiFab Intervention	Ernst & Young