

# Net Zero, Energy and Transport Committee

## 8<sup>th</sup> Meeting, 2024 (Session 6)

Tuesday, 27 February 2024

### MV Glen Sannox (Hull 801) and MV Glen Rosa (Hull 802) – Evidence from Ferguson Marine Port Glasgow

#### Background

1. The Committee has been keeping a watching brief on progress in completing Hull 801 and 802 (now named the Glen Sannox) and Hull 802 (now named the Glen Rosa) by Ferguson Marine Port Glasgow (FMPG). This has included tracking the increasing costs arising from completing this work and the knock-on effect on ferry services whilst the vessels remain uncompleted.
2. This scrutiny has involved corresponding with the main parties: FMPG, the Scottish Government and its agency Transport Scotland, and CMAL ([Caledonian MacBrayne Assets Ltd](#)). As prospective owner of the vessels, CMAL procured them. Both CMAL and FMPG are companies owned by the Scottish Government.
3. Some Committee Members will also visit the FMPG yard on 23 February, meeting management, board members and representatives of workers.
4. The next evidence session on this matter will be on 27 February, when the Committee hears from FMPG.
5. Since 2021, Scottish Parliament Committee with lead responsibility for transport (currently the Net Zero, Energy and Transport Committee) has been receiving quarterly updates on progress on the two hulls from FMPG. The updates, and a summary of the main points each makes, are available in **Annexe A**. **Annexe B** contains a table setting out other relevant developments relating to issues identified as causing delays (correspondence etc).

#### Hulls 801 and 802

6. Hulls 801 and 802 are passenger ferries to be used by CalMac, the publicly owned provider of services for Firth of Clyde and Hebrides routes. In 2014, Transport Scotland and CalMac first made the case for procuring two new vessels. They were to be for the Ardrossan-Brodick and the Uig, Tarbert and Lochmaddy routes.

7. There have been prolonged problems with the procurement and construction of the vessels which have resulted in cost increases and delays. Audit Scotland produced a timeline of the key events in its 2022 report “[New vessels for the Clyde and Hebrides Arrangements to deliver vessels 801 and 802](#)”.

8. The report says—

“In October 2015, CMAL awarded Ferguson Marine Engineering Limited (FMEL) the contract to design and build the new vessels, known as Hull 801 and Hull 802, at a combined fixed price of £97 million. Hull 801 was expected to be completed in May 2018 and Hull 802 in July 2018. CMAL first reported problems with the delivery of the project to Transport Scotland in December 2015. This was followed by several notifications of delays and concerns about FMEL’s finances. Despite CMAL agreeing to FMEL’s requests to change the contract and the Scottish Government providing financial support, FMEL entered administration in August 2019. In December 2019, the Scottish Government brought the shipyard into public ownership and formed a new organisation – Ferguson Marine (Port Glasgow) Limited (FMPG) – to complete the vessels.”

## Parliamentary scrutiny of hulls 801 and 802

9. In October 2019, the Session 5 Rural Economy and Connectivity Committee agreed to hold an inquiry on construction and procurement of the vessels. The Committee reported in December 2020.

- [Details of the inquiry remit and activity](#)
- [Read the Committee’s report on its inquiry into the construction and procurement of ferry vessels in Scotland](#)

10. In its Legacy Report, the REC Committee drew the attention of its successor to the need for ongoing consideration of ferry procurement, specifically Hulls 801 and 802, and services in general.

- [Read the Legacy Report of the REC Committee \(Paras 92-98\)](#)

11. In Session 6, two major Committee inquiries have focused on ferry issues.

12. The Public Audit Committee has considered the Audit Scotland report on [New vessels for the Clyde and Hebrides Arrangements to deliver vessels 801 and 802](#).

- [Read the report of the Public Audit Committee on New vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802](#)

13. The Public Audit Committee has also considered the [Written Authority](#) provided by the Scottish Government on 14 May 2023 relating to the completion of Hull 802.

14. The Net Zero, Energy and Transport Committee undertook an inquiry into a [Modern and Sustainable Ferry Service for Scotland](#). This considered the issue of

ferry services across Scotland as a whole and was not focused on the construction of vessels 801 and 802.

- [Read the report of the Net Zero, Energy and Transport Committee into a Modern and Sustainable Ferry Service for Scotland](#)

## Net Zero, Energy and Transport scrutiny of the construction of Hulls 801 and 802

### Current issues, and estimated costs and completion dates

15. The most recent projections of costs for completion of the vessels were provided in [September 2023](#)—

- **801** (Glen Sannox) – £142.1m (£130m plus a contingency of between £2.3 and £12.1m)
- **802** (Glen Rosa) - £128.5m (£110m plus a contingency of between £3m and £18.5m)
- Total for completion of both ships is £270m (£240m plus a contingency of £5m to £30m)

16. The September 2023 update also provided handover dates of—

- **801 (Glen Sannox)** – March 2024 (depending on successful trials)
- **802 (Glen Rosa)** – May 25 (on the condition the Glen Sannox is delivered in March 2024)

17. However, in [December 2023](#), the Committee was advised of a potential 2 month delay due to supplier issues with the commissioning of the LNG system for 801, with a knock on effect for the delivery of 802. The February 2024 interim update advises the review is considering the timescales for handover of both vessels.

18. In his update on [2 February 2024](#), Mr Tydeman said a new supplier for parts required for the LNG system had been found and installation was estimated to be completed by the end of March. He added there would be a 10 week commissioning and testing period following this.

19. He said “We are evaluating the risks to further slippage on the planned late May handover date for Glen Sannox, the cascade impacts onto Hull 802 and the overall costs to complete impacts for both ships.”

### Maritime and Coastguard Agency certification

20. On 12 September 2023, the Committee took evidence from the then newly appointed Cabinet Secretary for Wellbeing Economy, Fair Work and Energy.

- [Read the Official Report of the 12 September evidence session](#)

21. This covered all areas within the Committee’s remit for which the then Cabinet

Secretary had portfolio responsibility, which included Hulls 801 and 802.

22. One of the matters discussed on 12 September was of “issues” in obtaining Maritime and Coastguard Agency (MCA) safety certification. These were first discussed in any detail in an August letter from FMPG. The issues had been briefly mentioned, but not described, in previous correspondence in June.

- [Read the letter from FMPG in June 2023 first indicating issues with MCA certification](#)
- [Read the letter from FMPG in August 2023 detailing the issues with MCA certification](#)

23. The August letter warned of the issues causing further delays and costs—

“The MCA have reassessed the application of ‘cargo ship’ rules to the crew spaces of passenger ferries (on a broader basis that just Ferguson and Glen Sannox/802) and for the last 2 months we have been working to close the impacts of this and some other approvals issues. We have been designing and planning the necessary modifications to some doorways in crew corridors and three additional staircases between decks 5,6 & 7. We have one issue to finalise and hope to reach final agreement with the MCA within the next 2 weeks so that we can carry out all the modifications before Glen Sannox moves to the dry-dock just before Xmas.”

24. Following the September evidence session, the Convener wrote to both the Cabinet Secretary and the MCA on 20 September seeking more information on the timeline of events leading up to these modifications having to be made-

- [Read the Committee’s 20 September letter to the Scottish Government](#)
- [Read the Committee’s 20 September letter to the MCA](#)

25. The then Cabinet Secretary wrote back to the Committee on 6 October 2023. He said that Scottish Government officials, Transport Scotland, CMAL and FMPG meet weekly to review progress on Hull 801.

- [Read the response from the Cabinet Secretary’s 6 October letter](#)

26. On 24 October 2023, the Committee held an evidence session with the Chief Executive and Chair of FMPG to discuss the safety issues the MCA had raised and the timeline leading up to them, alongside other issues concerning progress on both hulls

- [Read the Official Report from this meeting.](#)

27. Since then, the Committee has corresponded with FMPG, the MCA, Scottish Government and CMAL on the issues raised in updates and the evidence session on the situation with MCA safety certification (and other issues). This can be found at **Annexe B**.

## **27 February Evidence session and next steps**

28. On 27 February, the Committee will hear from—

- Andrew Miller, Chairman, Ferguson Marine (Port Glasgow) Ltd
- David Tydeman, Chief Executive Officer, Ferguson Marine (Port Glasgow) Ltd
- Simon Cunningham, Non-executive Director and Chairman, Audit and Risk Committee, Ferguson Marine (Port Glasgow) Ltd

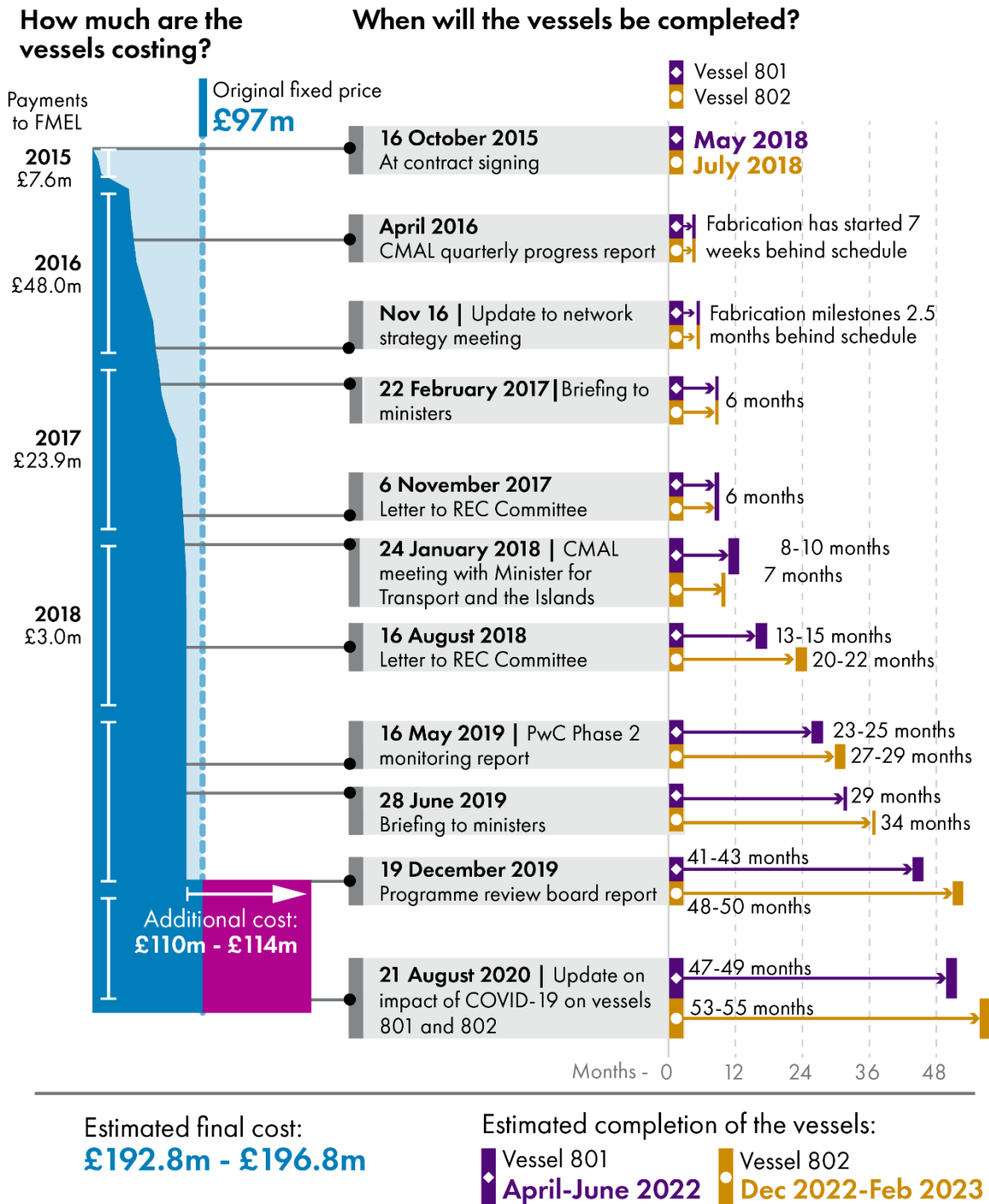
29. In a discussion later in the meeting that the Committee is likely to agree to hold in private the Committee will discuss next steps on this matter.

### **Clerks**

**Net Zero, Energy and Transport Committee**

Annexe A – Updates from Ferguson Marine

Table from the Rural Economy and Connectivity Committee report its inquiry into the “Construction and procurement of ferry vessels in Scotland” on the costs and timescales for delivery of the vessels throughout procurement and construction



**Quarterly and interim updates from Ferguson Marine to Scottish Parliamentary Committees since December 2020**

The Scottish Government also receives regular written updates from FMPG. It has [published](#) “Documents describing key events leading to Ferguson Marine being taken into public ownership, and progress since then.”

<b>Year Quarter</b>	<b>Date of update(s)</b>	<b>Key messages</b>	<b>Time added/new delivery date</b>	<b>Cost added/new total</b>
<b>2021 – Q1</b>	<a href="#">24 March 2021</a>	<p>Provides details of delays caused by COVID 19 pandemic, including introducing a weekend working shift.</p> <p>Lack of local skilled labour meant they were planning to recruit from overseas.</p>	None	Confirmed on track to deliver the vessels for the additional budget of £110m - £114m
<b>2021 – Q2</b>	<a href="#">24 June 2021</a>	<p>Sub-contracting of “smaller fabrications” had taken place.</p> <p>Overseas workers had been employed in the year in late May that year, with 60 to be in place by the July.</p>	<p>801 – July-September 2022 (delivery)</p> <p>802 – April – July 2023 (delivery)</p>	Same as previous update
<b>2021 – Q3</b>	<a href="#">30 September 2021</a>	<p>Overseas workers had integrated well and the number to be employed would rise from 60-90 in the October that year.</p> <p>The impacts of social distancing and transmission of COVID 19 were detailed as well as work to integrate data systems and work flows. The latter was due to be completed by October that year and unsuccessful completion was highlighted as a potential risk to delivery time of 801.</p>	Same as previous update	Same as previous update

		It also suggested there was a risk that equipment installed since 2016 may have deteriorated and despite this being surveyed since Government ownership, there was a potential for issues to emerge.		
<b>2021 – Q4</b>	<a href="#">23 December 2021</a>	<p>Positive updates on availability of skilled workers, impact of COVID 19 and the system integration project.</p> <p>Issues highlighted included a shortfall in estimated levels of pipework installation in 801 and discussions with the Scottish Government, Transport Scotland and CMAL on the ducktail on 802 at those organisations’ request.</p> <p>Risks identified included challenging timescales for delivery of 801, Omicron variant of COVID 19 and the potential for equipment deterioration.</p>	Same as previous update	Same as previous update
<b>2022 – Q1</b>  <b>Audit Scotland reported in March 2022</b>	<a href="#">9 February 2022</a> – interim update	The interim update was on identification of an issue with the cabling in vessel 801. These were too short and rectification would cause a delay.	Unable to assess at time of update but it confirmed delays for both 801 and as a consequence, 802.	Unable to assess at time of update
	<a href="#">23 March 2022</a>	Confirms the cabling issue plus “some regulatory and other issues” will cause a delay of 4 months to delivery of 801, which will impact on delivery date for 802. The update also highlighted the original timescales did not include contingency for other “unknown’ legacy issues” and a	<p><b>801</b> – March and May 2023</p> <p><b>802</b> – October – December 2023</p>	<p><b>801</b> - £58-59m (increase of £8.7m)</p> <p><b>802</b> – increase of £4m</p>



		<p>period to complete “dry docking, trials and handover programme”. These were now being added into the estimated delivery dates. This impacted on the estimated costs. The total impact on costs had the potential to be mitigated by securing additional work.</p> <p>Warranty costs were “expected but not quantified” and estimated to be £3.5m.</p> <p>Senior CMAL official was seconded to FMPG and took over as Programme Director.</p> <p><b>801</b> - Stated “Structural blocks/modules, masts, funnels, internal pipework, major equipment, and electrical cabling etc were installed in a far from ideal sequence...”. Commissioning programme over ensuing 3-4 months would reveal whether there were any more legacy issues.</p> <p><b>802</b> – resources had mainly been directed at 801. The construction had “...less-than-ideal build sequencing” but did not have “at this time, ...cabling, pipework and other installed systems dating back over 3+years.”</p>		<p>Delivery of both vessels now estimated as additional <b>£119-122m</b></p>
<p><b>2022 – Q2</b></p>	<p><a href="#">30 June 2022</a></p>	<p>Provided an update on the positive impact of a CMAL secondee on joint understanding and status updates.</p>	<p>Same as previous update</p>	<p>Same as previous update</p>

		<p>Stated “In the last 2 weeks the senior management of Lloyds Register of Shipping and the Maritime and Coastguard Agency have attended site and from these meetings I am now assured we can satisfy all Class and Flag issues, ultimately leading to a Passenger Certificate.”</p> <p>Implemented design review targets for 802 with design contractors ICE. This was anticipated to lead to re-planning outfitting and commissioning, including possible re-rendering of the scope of works.</p>		
2022 – Q3	<a href="#">28 September 2022</a>	<p>Over the summer, a programme to re-plan the work required to complete the vessels was carried out. They also sought concrete costs for “small tools and spare kits” which were previously omitted or estimated.</p> <p>The result of the works estimated on 801 would be delays to both vessels.</p>	<p><b>801</b> – May 23 (with potential for the LNG not to be operational until the winter of 2023)</p> <p><b>802</b> – January - March 2024</p>	<p><b>801</b> – £101m</p> <p><b>802</b> – £108.6</p>
	<a href="#">28 October 2022</a> – Interim update	<p>The interim update was on an issue arising from the LNG system. It said “To comply with Classification and safety related rules applying to the bunkering operations, bespoke vacuum sensors are required in the system, and these are made to order, unfortunately, on a 36-week lead time from the supplier.”</p>	<p>Same as previous update (May 23) although it confirmed the proposal was for 801 to initially run on diesel for the first season and for the sensors/LNG system to be installed and</p>	

			implemented over the summer.	
<b>2022 – Q4</b>	<a href="#"><u>22 December 2022</u></a>	<p>Identified the main areas being monitored on each vessel.</p> <p>Confirmed the LNG vacuum sensors would not be delivered until July 23.</p> <p>Some staffing issues meant “starting of main engines and generators has slipped to January but this doesn’t yet affect the critical path”.</p> <p>Suggested a dry dock period in February 23 would be an opportunity to assess “confidence of meeting the target delivery dates...”.</p> <p>It also outlined progress of work with BAE Systems.</p>	Same as previous update	Same as previous update
<b>2023 – Q1</b>	<a href="#"><u>16 March 2023</u></a>	<p>Provided an updated on the dry docking of 801.</p> <p>It said continued uncovering of historical issues was being dealt with as things arose but this was progressing slower than planned.</p> <p>CMAL and CalMac has expressed a preference for the ship to be delivered with dual fuel capacity.</p>	<p>801 – September – December 2023</p> <p>802 – September - December 2024</p>	Same as previous update but suggests “There may be some time-related increases in the overhead costs in 2024 due to the extension of 802 to later in that year.”

		It said they requested extensions in the contract to “end of 2023 and 2024 respectively” with an intention to endeavour to “deliver earlier”.		
2023 – Q2	<a href="#">24 May 2023</a> – update from the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy	<p>Update following the conclusion of due diligence on the costs to complete the vessels since the increase outlined in September 2022.</p> <p>The value for money case for 802 had not been met but a Ministerial Written Authority to continue was approved because completion of the vessel was estimated to be faster than commissioning a new one. The impact on the shipyard of re-procurement was also taken into account in making the decision.</p>	None	None
	<a href="#">30 June 2023</a> – FMPG quarterly update	<p>Historical issues continued to arise and had implications for cost.</p> <p>Mr Tydeman agreed with the Scottish Government Sponsoring Team he would provide “final out-turn costs for Glen Sannox [801]”. This would be provided “as we complete commissioning and handover trials during the rest of the year”. He said an update of costs of 802 would be provided in November upon the launch of the vessel.</p> <p>An additional £3.5m would be required per ship for the “12-month warranty obligations FMPG has under the build contracts”. This</p>	<p>801 – Spring 2024</p> <p>802 – Same as previous update</p>	<p>801 - £118m</p> <p>802 - £109m</p>

		<p>was still to be agreed with the Scottish Government and will be “required from handover and then will run into the next financial year ‘24/’25 commenting 1<sup>st</sup> April ’24 for Glen Sannox and 802 will have a similar requirement in FY ‘25/’26.”</p> <p>It said “...we continue to find re-work on Glen Sannox as we close the design gaps and build issues and as part of this, we close the final approvals processes with CMAL as client reps for Scottish Ministers and with Lloyds &amp; the Maritime Coastguard Agency (MCA).” He added “Some issues have just surfaced over the last month with the MCA, and our plans for a few days in dry-dock in September have had to move to December.”</p>		
<p><b>2023 – Q3</b></p>	<p><a href="#">22 August 2023</a> – interim update</p>	<p>Noted the issues arising with the MCA and said “I am aware the press has picked up these issues and write to you now to provide further information”.</p> <p>It said the MCA has “reassessed the application of ‘cargo ship’ rules to the crew spaces of passenger ferries (on a broader basis than just Ferguson and Glen Sannox/802 and for the last 2 months we have been working to close the impacts of this and some other approvals issues.”</p> <p>This was to cause delays.</p>	<p>Update on delays envisaged to be outlined in next quarterly update</p>	

		<p>It also noted press coverage of safety issues on site and the “stand down by our electrical contractor”.</p>		
	<p><a href="#">29 September 2023</a></p>	<p>Provided updates costs and delivery times.</p> <p>Highlighted Mr. Tydeman’s view on the main reasons for issues causing cost increases and delays, the majority of which were attributable to design decisions and build strategies. He highlighted the work to rectify the cabling issue identified in March 2022 as an example of this.</p> <p>Commitments were in place with all sub-contractors to complete the build in the next three months. Electrics and the LNG system were highlighted in particular.</p> <p>On the MCA, he said compliant designs had been completed and these would be included within final construction work. He said CMAL and CalMac were considering a reduced passenger carrying limit of 852 on the basis of this.</p> <p>On “other approvals issues” he said this was related to exit routes from machinery spaces to the car deck and a solution was identified. Discussions are still taking place with the MCA and the Committee can anticipate a further update with the cost and</p>	<p>801 (Glen Sannox) – March 2024 (depending on successful trials)</p> <p>802 (Glen Rosa) – May 25 (on the condition the Glen Sannox is delivered in March 2024)</p>	<p><b>801</b> – £142.1m (£130m plus a contingency of between £2.3 and £12.1m)</p> <p><b>802</b> - £128.5m (£110m plus a contingency of between £3m and £18.5m)</p> <p>Total for completion of both ships is £270m</p> <p>(£240m plus a contingency of £5m to £30m)</p>

		<p>timescale implications of this. These required alterations resulted from issues “missed by our compliance team over the last year”.</p> <p>On 801, “The core message of this quarterly update is we are moving away from the technically difficult design, re-design, re-work, and engineering challenge into a resourcing, planning and management task to complete Glen Sannox and the get the shop ready for trials and resting in Q1 ’24”.</p> <p>Cost increases, including as a result of the MCA approvals issues highlighted over the summer.</p>		
	<p><a href="#">29 September 2023</a> – Letter from the Cabinet Secretary on the latest FMPG update</p>	<ul style="list-style-type: none"> <li>• Expresses disappointment at the latest update on costs and timescales.</li> <li>• It notes that at weekly meetings, Scottish Government officials “continue to impress upon them the need to do everything possible to minimise costs and ensure that MV Glen Sannox is available to enter service this summer.”</li> <li>• It says that “As a result of this update, officials are preparing to undertake due diligence drawing upon the value for money assessment completed earlier this year. I will provide both committees with further information on this when the assessment is complete.”</li> </ul>		

	<p><a href="#">14 November 2023</a> – FMPG interim update</p>	<ul style="list-style-type: none"> <li>• Confirmed “the MCA have approved the 1261 application for the spatial aspects of the escape routes and confirmed that there are no legal non-compliance issues with systems in escape routes and hence no 1261 exemption or equivalence is required in this respect.</li> <li>• There was to be a meeting with the MCA later in November to “discuss this whole process again and to look at our proposals for Glen Rosa, hull 802.”</li> <li>• The “first part of the trials programme for Glen Sannox -the dock trials, stage 1-is on schedule to start in early December '23”.</li> </ul>		
<p><b>2023 – Q4</b></p>	<p><a href="#">21 December 2023</a> – FMPG Interim Update</p>	<ul style="list-style-type: none"> <li>• Advised of “supplier issues around the commissioning of the LNG systems” which could cause up to 2 months delay.</li> <li>• Dry docking of Glen Sannox that week was prevented by bad weather. The next available slot for the dry dock was “3rd-7th April.”</li> <li>• “Glen Sannox will operate from the Inchgreen quayside down river from Ferguson from mid-late February onwards.”</li> <li>• “Build progress remains on track to launch Hull 802 on 12th March, after which she will be alongside the shipyard quayside where Glen Sannox has been previously based.”</li> </ul>	<p>Advised of a 2 month delay – March - May</p>	



	<p><a href="#">21 December 2023</a> – letter from the Cabinet Secretary on the latest quarterly update</p>	<p>The letter says the FMPG update “notes that further review of the forecast provided in September 2023 is being undertaken, and that he will provide a further update on these figures once this has concluded, and is expected in January 2024. This notification that there will be a review is extremely concerning, and at a recent meeting with the CEO, I impressed upon him the significant challenges facing Scottish Government in terms of spending. In addition, I reiterated that he should exercise every possible mitigation over potential overspend. As I informed you in September, officials are preparing to undertake due diligence on the costs once the CEO confirms the review is complete. I will provide the committee with further information on this in due course.”</p>		
<p><b>2024 – Q1</b></p>	<p><a href="#">2 February 2024</a> - Interim update from FMPG</p>	<p>The update confirms supplier issues for the commissioning of the LNG system have been resolved. It says—</p> <ul style="list-style-type: none"> <li>• “Supply of the final parts of the piping systems should have taken place in the last quarter of 2023, but was delayed, and I can now confirm that we’ve had an alternative specialist UK company on site since the beginning of January this year, with installation due to complete by the middle of March.” It adds there will then be a 10 week commissioning and testing period.</li> </ul>	<p>The letter notes a 10 week testing period for the LNG system following the middle of March installation and “We are evaluating the risks to further slippage on the planned late May handover date for Glen Sannox, the cascade impacts onto Hull 802 and the</p>	

		<ul style="list-style-type: none"> <li>• The handover dates and final costs of both ships were being reviewed and an update would be provided to the Scottish Government and the Committee at the end of February when the Committee is due to visit the yard.</li> </ul>	<p>overall costs to complete impacts for both ships.”</p>	
	<p>2 February 2024 – <a href="#">Letter</a> from the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy</p>	<ul style="list-style-type: none"> <li>• Confirms due diligence will be carried out on updated costs.</li> <li>• Expresses disappointment at the update.</li> <li>• States “Whilst I accept that the upcoming sea trials are designed to identify issues that need to be addressed before the vessel enters into service, I have impressed upon the CEO the need to control costs wherever possible”</li> <li>• It also “reaffirm[s] my commitment to supporting FMPG to deliver these lifeline ferries so that we can enhance the services provided to our island communities.”</li> </ul>		

**Annexe B**

A summary of other key events (including from other correspondence and sources is) highlighted is provided below—

<b>Date</b>	<b>Event</b>
27 April 2023	The Cabinet Secretary’s <a href="#">letter</a> said “FMPG advised that they were instructed to submit an MSF 1261 application for exemption for crew areas in relation to door widths which were following FSS Code Chapter 13, Section 3, for Glen Sannox...”
Tuesday 16 May 2023	The Cabinet Secretary made a <a href="#">statement to Parliament</a> on the Written Authority and <a href="#">wrote to the Public Audit Committee</a> .
1 June 2023	The Cabinet Secretary’s <a href="#">letter</a> said it was on this date the FMPG were advised of the non-compliance of the design through the rejection of the MSF 1261 application.
26 June 2023	<p>The Cabinet Secretary in his <a href="#">letter</a> said that on this date “my Officials became aware that FMPG were in discussions with the MCA around what they reported as a “change in approach to certification””.</p> <p>The Convener of the Public Audit Committee <a href="#">wrote</a> to the Convener of the Net Zero, Energy and Transport Committee on its consideration of the Written Authority to complete vessel 802.</p> <p>The letter said—</p> <p>“We also recommended in our report that quarterly updates to the NZET Committee must provide good quality, balanced and transparent information about the progress of the vessels. This is in light of concerns raised by the Auditor General that these updates—</p> <p>“tend to provide a more positive view of progress than those provided to Scottish ministers”.</p>
28 June 2023	<p>The Cabinet Secretary said <a href="#">in his letter</a> that on this date “The information available at this stage was set out in a submission to me on 28th June 2023, which set out the requirement for FMPG to install additional escapes in the upper deck areas.”</p> <p>He further confirmed this was “The date when you [The Cabinet Secretary] were first made aware of the MCA’s advice to Ferguson Marine about changes required under the “cargo ship rules” and ... the date on which you [The Cabinet Secretary] were informed that this would mean further cost and delay.”</p>
<a href="#">30 June 2023</a>	<p>FMPG sent a quarterly update to the NZET Committee.</p> <p>It said “...we continue to find re-work on Glen Sannox as we close the design gaps and build issues and as part of this, we close the final approvals processes with CMAL as client reps for Scottish Ministers and with Lloyds &amp; the Maritime Coastguard Agency (MCA).”</p> <p>It added “Some issues have just surfaced over the last month with the</p>

	MCA, and our plans for a few days in dry-dock in September have had to move to December.”
8 July 2023	Clarification on the rejection of the April application was sought from the MCA local office on 8 <sup>th</sup> July 2023.
14 July 2023	The Cabinet Secretary said in his <a href="#">letter</a> that on this date a further submission to him—  “set out that the MCA had considered the means of escape from crew accommodation required to meet the minimum width requirements for FSS code Chapter 13, Section 2, for passenger ships CMAL indicated to my officials that previously the requirements of Chapter 13, Section 3 relating to cargo vessels had been accepted by the MCA for crew areas, however as on Glen Sannox the crew accommodation corridor could be used as a secondary escape by passengers, they had considered that the requirements of Chapter 13 Section 2 should be applied.”
22 August 2023	FMPG <a href="#">provided an interim update</a> to the Committee explaining the MCA rejection of the application for exemption of the door widths and the ongoing work with the MCA.
23 August 2023	The Cabinet Secretary <a href="#">wrote to the Committee</a> on the interim update from FPMG.
12 September 2023	The Cabinet Secretary <a href="#">gave evidence</a> to the Net Zero, Energy and Transport Committee and undertook to write to the Committee on the sequence of events leading to the FMPG update in August.
29 September	FMPG provided a <a href="#">quarterly update</a> to the Committee detailing progress on obtaining approvals from the MCA and confirmed an update would be sent following final approvals.  It also highlighted cost increases and amended timescales overall, including those caused by the issues arising over the summer with obtaining MCA approvals.  The Cabinet Secretary <a href="#">wrote</a> to the Committee with his views on the quarterly updated provided by FMPG. It said “As a result of this update, officials are preparing to undertake due diligence drawing upon the value for money assessment completed earlier this year. I will provide both committees with further information on this when the assessment is complete.”
6 October 2023	The Cabinet Secretary <a href="#">wrote</a> to the Committee with details of the timeline. He said the MCA “has not yet completed the certification process for either vessel”.
23 October 2023	The MCA <a href="#">wrote</a> to the NZET Committee. It said “For Ferguson Hull 801 and 802 there has been no reassessment of the application of Chapter 13 of the Fire Systems Safety Code as the requirements have not changed.”
24 October 2023	David Tydeman gave <a href="#">evidence</a> to the NZET Committee.  On notifying the Scottish Government of the MCA certification issues, he told the Committee—

	<p>“The first monthly meeting [emphasis added] that I advised SG was towards the end of May.”</p>
2 November 2023	<p>The Committee received a <a href="#">written submission</a> on the 24 October evidence session.</p>
14 November 2023	<p><a href="#">Ministerial Statement</a> on Ferguson Marine</p>
16 November 2023	<p>Convener of the NZET Committee wrote to <a href="#">FMPG</a> and the <a href="#">MCA</a> seeking an update on evidence provided on 24 October</p>
21 November 2023	<p>David Tydeman of FMPG <a href="#">wrote to the Committee</a> regarding discussions with the MCA. He said—</p> <p>“In the interests of trying to reach early clarity and to progress the decisions with trials for Glen Sannox and with the build of Glen Rosa, 802, I can confirm that FMPG and the MCA team I met yesterday are agreed that the Glen Sannox was designed with the application of "Cargo Rules" in mind by FMEL for crew spaces and was built by FMEL in 2015-2019 without the relevant plan approval processes being completed.</p> <p>I can also confirm that the "FMPG over-confidence" I referred to in committee and in letters to you, should now include FMPG's interpretation of conversations with the Glasgow office - it is now clear to me that the issues lie within the FMPG/FMEL history of events and not between the local office and head office of the MCA as I was previously advised. I believe that we do now have a "shared understanding of events" and I trust this will aid the CEO of the MCA in her response to your letter.”</p>
28 November 2023	<p>The MCA <a href="#">wrote</a> to the NZET Committee on the MCA approvals process. It states there was no “internal disconnect within the Maritime and Coastguard Agency.”</p> <p>It continues—</p> <p>“Mr Tydeman has acknowledged that the vessel was constructed prior to completion of the ongoing plan approval process and has withdrawn the accusations of an internal disconnect within the Maritime and Coastguard Agency. The impact of the recent structural changes required on board to ensure statutory compliance are regrettable, but are the consequence of the decision taken at a very early stage in the project to proceed with build prior to completion of the plan approval process.”</p>
15 December 2023	<p><a href="#">Letter</a> from David Tydeman to the NZET Committee in response to 16 November letter requesting clarity on the timeline following the 24 October evidence. He writes—</p> <ul style="list-style-type: none"> <li>• In his first three months in the role “FMPG engineering &amp; project teams – and the external designers ICE - set out to me</li> </ul>

	<p>that significant design and engineering work remained outstanding”</p> <ul style="list-style-type: none"> <li>• “As part of a routine call with DG Economy on 26th June ’23 I advised him that we were facing more complex solutions for the MCA approvals processes. We then followed up with the SG team who, together with CMAL, were aware of the emerging issues earlier in April-June ’23 as part of the regular programme reviews and CMAL through their team who are permanently on-site, surveying progress. The June ’22 discussions were not specifically referred to, however board and SG in attendance were updated from time to time during the rest of 2022 in relation to the evacuation modelling leading to MSF 1261 Application no 1...”</li> <li>• “The undersized dimensions of the stairwells in the side casing structures were identified prior to FMPG being set up in late ’19 and were first raised with the new FMPG engineering team by the external designers ICE in December ’20.”</li> </ul>
21 December 2023	<p><a href="#">Letter</a> from David Tydeman with Quarterly update which said—</p> <ul style="list-style-type: none"> <li>• “Overall, the dates and budgets set out in my update to you in September will be subject to review by the FMPG board 25th January ’24.”</li> <li>• There is a potential delay caused by “supplier issues around the commissioning of the LNG systems” which could be up to two months. An update will be provided at the end of January 24</li> <li>• “...bad weather has prevented the ship moving to the dock this week” and the dry dock cannot now take place until April</li> </ul>
21 December 2023	<p>The Cabinet Secretary <a href="#">wrote</a> to the Committee and said the notification of the review of costs was “extremely concerning” and the due diligence exercise notified in September would now be carried out “once the CEO confirms the review is complete”.</p>
10 January 2024	<p>Committee <a href="#">wrote</a> to the Cabinet Secretary on Hulls 801 and 802 following agreement on 19 December</p>
10 January 2024	<p>The Committee <a href="#">wrote</a> to CMAL on risk management and Hulls 801 and 802 following agreement on 19 December</p>
23 January 2024	<p>The then Cabinet Secretary for Wellbeing Economy, Fair Work and Energy said during an <a href="#">evidence session</a> on the Budget 2024/25 that a further £42.5 million had been set aside to pay for the hulls in 2024-25.</p>
2 February	<p><a href="#">Interim update</a> from FMPG</p>
14 February 2024	<p>CMAL <a href="#">responded</a> to the queries on the 801 and 802 MCA issues.</p>
20 February 2023	<p>The Cabinet Secretary for Wellbeing Economy, Net Zero and Energy <a href="#">wrote</a> to the Committee with details of governance of the completion of the vessels. She wrote—</p> <p>“CMAL have confirmed to us that whilst exemption options for escape routes were discussed at monthly update meetings, as reflected in the</p>

	<p>update documents you have referenced, this was considered part of the normal iterative process of design and build refinement. At that stage it had not been raised as a concern by FMPG, nor was it recognised by CMAL as a concern in relation to a potential delay. In addition, CMAL have confirmed that the date on which FMPG first indicated that these upper deck escape routes would potentially need to be redesigned to meet MCA requirements was 15th June 2023. This was prior to the previous Cabinet Secretary for Wellbeing Economy being notified by officials on 29th June 2023. My understanding is that in the period between notifying CMAL and SG, FMPG were engineering solutions to mitigate delay, and to ensure that accurate information was presented to the sponsor directorate on both delay, cost impacts and planned action.”</p>
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