



The Scottish Parliament
Pàrlamaid na h-Alba

Graeme Dickson

Public Audit Committee

Room T3.60

The Scottish Parliament

EDINBURGH

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By email only

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26 May 2022

Dear Mr Dickson,

New vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802

The Public Audit Committee recently commenced its scrutiny of the Auditor General for Scotland's (AGS) report, [New vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802](#). To date, this has involved taking oral evidence from the AGS at our meetings on 21 April and 28 April 2022 and then from officials at the Scottish Government and Transport Scotland at our meeting on 26 May 2022¹.

The Committee recognises that a number of personnel changes have taken place since Ferguson Marine Engineering Limited (FMEL) was announced by Scottish Ministers as the preferred bidder for the contract to design and build two new vessels in August 2015, and the awarding of the contracts to FMEL by Caledonian Maritime Assets Limited (CMAL) in October 2015.

The Committee is keen to hear from as many people as possible who were involved, or at least aware of critical discussions and decisions that took during this time period.

A [Transport Scotland Framework Document](#), published in 2012 states that the DG Environment, Enterprise and Digital, as the Portfolio Accountable Officer for the portfolio incorporating transport—

¹ The Official Report for this meeting will be available on 31 May 2022. In the meantime, you can watch the Committee proceedings [here](#).

“exercises a leadership role through management oversight of the relationship between Scottish Ministers and the Agency, and ensures that the Agency is part of the portfolio management arrangements. The Director General provides support and constructive challenge to ensure that the Agency is exercising operational accountability properly, and is a high performing and continuously improving organisation.”

The Framework document goes on to state that “the Director General as Portfolio Accountable Officer is responsible for monitoring the financial and operational performance of the Agency, seeking clarification on any matter as and when required, in order to ensure that operational accountability is being exercised properly”.

We understand that you previously held the role of Director General Environment, Enterprise and Digital until the role was changed to become Director General Enterprise, Environment and Innovation in June 2014. It is also understood that you held this post until mid-2016 before leaving the civil service.

Reflecting on your role as Director General Enterprise, Environment and Innovation, the Committee is keen to establish whether you were the Portfolio Accountable Officer for the portfolio incorporating transport between August and October 2015, and if so—

- As Portfolio Accountable Officer, whether you sought clarification on the significant issues raised by CMAL, in order to ensure that operational accountability was being exercised properly.
- In your leadership role in managing oversight of the relationship between Scottish Ministers and Transport Scotland, what direct engagement you had with Transport Scotland and Scottish Ministers to discuss the risks raised by CMAL before the decision was taken to award the contract to FMEL.
- What support and constructive challenge did you provide to Transport Scotland when it was providing advice to Scottish Ministers to inform their decision to award the ferry contracts to FMEL, recognising the significant risks and concerns raised by CMAL.

Should there be other points you believe would be beneficial to the Committee’s scrutiny of the report, please include this information in your response. The Committee looks forward to receiving your response to this letter by **24 June 2022**.

I would also add that following consideration of your response, it remains open to the Committee to invite you to provide oral evidence at a future meeting.

Yours sincerely

Richard Leonard

**Richard Leonard MSP,
Convener**