



The Scottish Parliament
Pàrlamaid na h-Alba

David Tydeman
Chief Executive Officer
Ferguson Marine (Port Glasgow)

Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

By email only

Email:
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16 December 2022

Dear Mr Tydeman,

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

The Public Audit Committee wishes to place on record its gratitude to you and your colleagues for accommodating our visit to Ferguson Marine (Port Glasgow) on 31 October 2022. The visit added a fresh perspective and further context to the wide range of evidence we have gathered on the abovementioned report, published by the Auditor General for Scotland.

One of the key lines of enquiry we have pursued throughout our scrutiny of the report is the substantial amount of public money that has been spent on the vessels. In his report, the Auditor General highlighted that the cost of the vessels project was around £240 million; over double the original contract value. Of this, £128.25 million was paid to the former organisation, Ferguson Marine Engineering Limited.

The Auditor General also reported that a further £110.3 million to £114.3 million¹ is required by Ferguson Marine (Port Glasgow) to compete the vessels.

¹ We have excluded any additional monies announced in the Scottish Government budget for 2023/24 on 15 December 2022

Despite our efforts, it has proved difficult to identify how the vast sums of public money have been spent to deliver vessels 801 and 802, from the inception of the project in 2015 up to present day.

The Committee appreciates that you were not involved in the operation of the yard until February 2022. However, it is recognised that, in addition to your insights from being in post for almost a year at the yard, your wealth of experience in the construction and marine manufacturing industries, may enable you to offer a perspective on how this money could be accounted for.

We are also aware that you provide regular updates to the Deputy First Minister and the Permanent Secretary to the Scottish Government, including on the breakdown of where the funds provided previously had been spent. We would also appreciate sight of the most recent breakdown.

The Committee seeks this information as we turn our attention to drafting a report on our scrutiny findings. We would be very grateful for a response to this letter by **Friday 6 January 2023**. Should this deadline present any difficulties, please contact the clerks as soon as possible.

Yours sincerely

**Richard Leonard MSP,
Convener**