



The Scottish Parliament
Pàrlamaid na h-Alba

Michelle Quinn
Interim Chief Executive
Transport Scotland

Public Audit Committee
Room T3.60
The Scottish Parliament
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30 September 2022

Dear Ms Quinn,

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

I would like to take this opportunity to congratulate you on your appointment as interim Chief Executive for Transport Scotland.

As you will be aware, the Public Audit Committee has been scrutinising the significant issues highlighted in the Auditor General for Scotland's (AGS) report, [New vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802](#). This has involved gathering a wide range of oral and written evidence to inform its scrutiny of the report, including taking oral evidence from the previous interim Chief Executive of Transport Scotland, and other supporting Transport Scotland officials on [26 May](#) and [9 June 2022](#).

At its meeting on [16 June 2022](#), the Committee took evidence from the former Director of the former organisation, Ferguson Marine Engineering Limited (FMEL), Jim McColl. During the evidence session, Mr McColl referred to his engagement with the constituency MSP for Greenock and Inverclyde, Stuart McMillan before FMEL submitted a bid to Caledonian Maritime Assets Limited (CMAL) for a contract to design and build two new vessels by the deadline date of 31 March 2015.

During evidence, Mr McColl explained that Mr McMillan had approached the Scottish Government on the issue of a Builder's Refund Guarantee (BRG) and had received

correspondence from the then Minister for Transport and Islands, Derek Mackay, explaining that CMAL had on occasion taken an alternative approach to a BRG. The Committee is also aware that some aspects of this correspondence have been reported in the media.

On [8 September 2022](#), the former Minister for Transport and Islands confirmed during oral evidence that he had issued correspondence to Mr McMillan regarding CMAL's procurement process, which had been prepared by civil servants. When asked whether he could provide a copy of this correspondence, he indicated that he, as a former Minister in the Scottish Government, did not hold a copy, but that the Scottish Government and/or Mr McMillan may do so. The Committee has therefore written separately to Mr McMillan to ask for a copy of this correspondence.

To support transparency as well as parliamentary scrutiny, it would be helpful if you could confirm whether the draft response prepared by civil servants on behalf of the former Minister for Transport and Islands to Mr McMillan stated that CMAL had on occasion, taken an alternative approach to a BRG. If so, please provide details of occasions that were drawn on by civil servants to support this statement in the former minister's correspondence.

The Committee looks forward to receiving your response by **21 October 2022**, to allow our consideration of the report to continue as timetabled. Should this date present any difficulties, please contact the clerks as soon as possible.

Yours sincerely

A handwritten signature in black ink that reads "Richard Leonard". The signature is written in a cursive, slightly slanted style.

**Richard Leonard MSP,
Convener**