

Permanent Secretary
John-Paul Marks



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Richard Leonard
Convener, Public Audit Committee

23 February 2024

Dear Mr Leonard,

I am writing to again extend my thanks for the Public Audit Committee session on 18th January. I have provided further information below in relation to areas we committed to writing to the Committee on.

Firstly, in relation to The Scottish Government's response to each of the recommendations in the 2022/23 audit of the Scottish Government Consolidated Accounts. The Scottish Government provides a response to all recommendations made by Audit Scotland in its Annual Audit Report and these are included in the published report which is available at [Scottish Government 2022/23 Annual Audit Report \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk)

I indicated that I would provide more information as regards the compensation payable to sub-postmasters who suffered miscarriages of justice as a result of the Post Office Horizon IT scandal. As you may be aware, anyone convicted because of the failings of the Horizon IT system can apply for compensation via a scheme set up by the UK Government. The UK Government have announced their intention to amend that scheme so that those who have their convictions reversed through legislation will also be eligible for compensation, rather than having to have the conviction overturned on appeal.

On 22 February, the UK Government announced that it would bring forward legislation to reverse the convictions of wrongly convicted sub-postmasters in England and Wales only. The Cabinet Secretary for Justice and Home Affairs has made clear that UK-wide legislation would be the quickest route to resolving the matter but has confirmed that the Scottish Government will introduce legislation if necessary, noting that it is likely that would need to be after a UK bill had passed to ensure full compatibility with UK legislation and the UK compensation scheme, in which the Scottish Government has no locus.

Mr Beattie asked whether the framework agreement for Ferguson Marine had been finalised. We committed to advise the Committee upon its completion which is expected by the end of February.

As a further update to Gregor Irwin's response, I would like to advise the Committee that a revised framework document was substantially agreed between FMPG board and Scottish

Government officials, save for certain points relating to director's responsibilities under the Companies Act and matters relating to pay policy, in December 2023. Officials continue to work with the board to close these outstanding issues and will update the Committee again when the framework is agreed.

In reference to vessel 802 Mr Simpson asked about the estimate of the cost of procuring a new vessel and then (at Col 34) he asked about the cost of completing 802. On the first point, the estimate of the cost of procuring a new vessel was produced with our commercial advisers, Teneo, as part of a detailed due diligence exercise to assess the value-for-money of continued delivery of 802 compared with possible alternatives. That estimate has not been released because it draws on commercially sensitive information and its release could impact on any future procurement. On the second point, this figure was factored into the due diligence around the value for money assessment. Responsibility for producing official estimates of the costs to complete the vessels and providing updates to the Net Zero, Energy and Transport Committee and Parliament lies with the Chief Executive of Ferguson Marine.

The costs to complete and contingency estimates produced by Ferguson Marine in September 2022, which are in the public domain, were interrogated thoroughly by independent commercial advisers and officials as part of the value for money assessment. While all details of this due diligence have been shared with Audit Scotland the analysis has not been published at this stage on the grounds of commercial sensitivity and given risks of potential prejudice to the commercial interests of Ferguson Marine.

In response to your question, Convener, we committed to report the date of the last meeting with Mr Sanjeev Gupta of the GFG Alliance. The former Minister for Business, Trade, Tourism and Enterprise met with Sanjeev Gupta online on 15 December 2022. A meeting was arranged for Mr Gupta to meet Cabinet Secretary Neil Gray on 25 July 2023; however, Mr Gupta was unable to attend and senior GFG executives attended on his behalf. Officials meet with GFG representatives on a regular basis.

Lastly, I stated I would ask the Director of Scottish Procurement and Property to provide a further update to the committee in relation to the ePC review, including confirmation of monthly transaction limits for the use of ePC. This update will be with you shortly.

I hope you find this update helpful and I wish you well.

Best wishes,

JP Marks
Permanent Secretary to the Scottish Government