



The Scottish Parliament
Pàrlamaid na h-Alba

Neil Gray MSP

Cabinet Secretary for Wellbeing
Economy, Fair Work and Energy

By email only

**Net Zero, Energy and Transport
Committee**

c/o Clerk to the Committee
The Scottish Parliament
Edinburgh
EH99 1SP

netzero.committee@parliament.scot

Wednesday 20 September 2023

Dear Neil,

Hulls 801 and 802

Thank you for giving evidence to the Committee [on 12 September](#). We had a wide-ranging discussion on all major aspects of your responsibilities falling within the Committee's remit, but this letter relates to the completion of Hulls 801 and 802, in the light of various updates received over the summer—

- The latest quarterly update [letter](#) from David Tydeman, Chief Executive of Ferguson Marine on 30 June. This said that re-work on the Glen Sannox (Hull 801) had increased costs by £20m across four categories—
 - Owner observation reports for specification compliance;
 - Replacement of non-compliant equipment and systems/pipework
 - Steelwork modifications to allow new design or different equipment;
 - Costs from sub-contractors for modification and design changes.
- Your [letter](#) of 30 June, responding to this update;
- A [further update](#) from Ferguson Marine on 22 August;
- An [accompanying update](#) from you on 23 August.

As you will be aware, the 22 August letter falls outwith the usual pattern of Ferguson Marine providing the Committee (and thus the Parliament) with quarterly updates on Hulls 801 and 802. It contains important new information that the Maritime and Coastguard Agency (MCA) had “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)”. It also mentions “other approval issues” as arising. These mean sea trials and the commissioning of liquid natural gas facilities are pushed into 2024.


On 12 September, you described these developments as “largely but not exclusively, due to the MCA taking a *different approach* [emphasis added] to regulation of crew escape from 801”. You said that this was “not a minor thing” but was “pretty fundamental to whether the design of the ferry allows it to sail.”

These developments are obviously regrettable and concerning. In an effort to better understand them, I seek information on the following matters. These include some matters on which you had already undertaken to revert to us—

1. Your understanding of which MCA regulations, guidance, etc constitute the “cargo ship rules” and when these came into force;
2. What you mean by the MCA taking a “different approach” to the rules and when you first became aware of this being signalled;
3. The implications of these rules (or any new “different approach” to the rules) for vessels in the Caledonian Maritime Assets Ltd (CMAL) fleet other than 801/802, or for vessels under construction;
4. The implications of these rules (or any new “different approach” to the rules) for warranties and insurance for hulls 801 and 802 or for any vessels in or under construction for the CMAL fleet;
5. Your current understanding of Hull 801’s completion costs. Please itemise this and set out estimates of the additional costs resulting from meeting the MCA’s requirements on crew exits and the “other approval issues”;
6. The date or dates on which the MCA began to assess the final design and survey the construction of Hull 802;
7. The date when the MCA first advised Ferguson Marine that “the cargo ship rules” would apply to crew areas of Hull 802;
8. The date on which the MCA advised Ferguson Marine that an additional staircase and wider doorways would be required;
9. The date on which Ferguson Marine and the MCA agreed a revised design, following such advice. If not yet agreed, when is it expected?
10. The date on which Ferguson Marine notified (a) CMAL and (b) Transport Scotland of the MCA’s view on the need for significant design changes and (if different) the date on which either body was advised that this would mean more delays;
11. The date when you were first made aware of the MCA’s advice to Ferguson Marine about changes required under the “cargo ship rules” and (if different) the date on which you were informed that this would mean further cost and delay. (If it was another Minister who was first made aware, please set this out, and when);
12. Your understanding of what is meant by the “other approval issues” Mr. Tydeman mentions in his August letter, including where relevant, the date or dates when—
 - the MCA first made Ferguson Marine of them;
 - Ferguson Marine first notified (a) CMAL and (b) Transport Scotland of them;
 - you were first notified of them. (If it was another Minister who was first notified, please set this out, and when).

I request a response by 5 October. I am writing to the MCA seeking similar factual information and this correspondence is copied to the Public Audit Committee.

Yours sincerely,



Edward Mountain MSP
Convener

Net Zero, Energy and Transport Committee