Cabinet Secretary for Wellbeing Economy, Fair Work and Energy Rùnaire a' Chaibineit airson Eaconamaidh do Mhath Dhaoine, Obair Chothromach is Cumhachd Neil Gray MSP Niall Gray BPA



Richard Leonard Convenor Public Audit Committee <u>publicaudit.committee@parliament.scot</u>

Edward Mountain Convenor Net Zero, Energy and Transport Committee <u>publicaudit.committee@parliament.scot</u>

30 June 2023

Richard, Edward,

As you will be aware, the Chief Executive Officer of Ferguson Marine Port Glasgow (FMPG) has now provided his quarterly update to the Net Zero and Transport and Energy Committee on the progress being made with Vessels 801 and 802.

I am, of course, extremely disappointed by the projected increase in costs and share the very real concerns that our island communities, in particular, will feel as a result of his update. I have made it repeatedly clear that I expect the management of FMPG do everything possible to minimise costs and ensure that these vessels enter service as soon as possible.

I do, of course, accept that there are inflationary pressures in the wider economy and inherent risks around the delivery of first-in-class vessels, particularly when FMPG are wrestling with the consequences of design decisions taken some time ago under previous ownership. However, I expect the management of the yard to bear down on these costs and to continue working with my officials to scrutinise expenditure and report performance in an open and transparent way.

For the avoidance of doubt, this update does not change the decision I announced recently to continue building the two vessels at FMPG. This includes my decision to issue a Written Authority in relation to vessel 802, which was based on the interests of our island communities and the wider social and economic benefits to the area around Port Glasgow.

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I know that all members of the Committees will share both my disappointment in the latest update and my continuing determination to challenge costs and ensure that these vessels are soon able to provide the lifeline services on which our island communities depend.

NEIL GRAY

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