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27 November 2023

Dear Richard,

Thank you for your recent letters, both to myself on 30 October and separately to the Minister for Transport on 2 November, seeking further information as part of the Committee's continued scrutiny of the new vessels for the Clyde and Hebrides.

The Minister and I have considered your requests and I provide an amalgamated response as follows:

### **Ferguson Marine Port Glasgow quarterly update.**

As I indicated in my letter to the Net Zero, Energy and Transport Committee, Ferguson Marine is undertaking an internal review of delivery programme for both vessels, following receipt of the recent decision from the MCA. This internal review is estimated to conclude at the end of November when my officials will determine the scope of work required to undertake due diligence on the forecasts provided. The timescale for this work, which may involve the use of external experts, cannot be confirmed until the internal review is completed but I will update the Committee as soon as timescales are firmed up.

### **Publication of information relating to FMPG, Glen Sannox and Glen Rosa.**

As I stated to the Parliament on 14 November, at this present time the information contained in the two commissioned reports cannot be made public. I set out the reasons for this in my statement. I do however reaffirm my commitment to keep this under review so that when, at

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some point in the future, some of the information in these reports is considered less commercially sensitive, it will be published in the interest of transparency and accountability.

## **Use of Non-Disclosure Agreements**

Over several years, Scottish Government has entered into 10 non-disclosure agreements (NDAs) with external private companies in relation to FMPG. In each case, these were necessary to protect commercial sensitivities of FMPG and the interests of the taxpayer, for example to enable the sharing of confidential information during a tendering process. We will only use NDAs where appropriate and remain fundamentally committed to transparency and openness as regards our shareholding in FMPG, as demonstrated through Ministerial appearance at a range of Committees and statements to Parliament.

## **Publication of monthly reports**

Since my update to the committee in June, there have been additional weekly meetings between Scottish Government officials, FMPG, Caledonian Maritime Assets Ltd and CalMac on the progress towards delivery of Glen Sannox and Glen Rosa. As a result, a refresh of the publication scheme is underway, and is intended to be complete with an updated content and new URL by the end of the year. I will provide the details of this to the committee when it is available.

## **Forensic Analysis of FMEL's financial records.**

Officials have commissioned further legal advice on this matter, and I will update the Committee on a timescale once this is received.

## **KC Report**

I note the Committee's intent to seek a formal Scottish Government response to this, and I understand that the Chief Executive Officer of Transport Scotland will be writing to you to confirm the position on the KC Report as CMAL's Sponsor.

I would however reiterate that the Auditor General has indicated that he will review the report and identify whether further audit work is required. Scottish Government, CMAL and Transport Scotland are committed to cooperating fully with any further work that may be undertaken.

## **Strengthening the Business Investment Framework**

The Business Investment Framework has been strengthened based on the themes of risk, monitoring and evaluation and transparency in line with recommendation made by Audit Scotland in last year's audit of Scottish Government's Consolidated Annual Accounts.

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The Scottish Government's most recent updates to the Business Investment Framework were published on 8 November 2023. In the spirit of continuous improvement, and through dialogue with internal and external stakeholders including Audit Scotland, officials periodically review and strengthen the Framework to build upon existing guidance. A summary of the key changes made is included in the Finance Guidance Note at: [FGN2023-02 SPFM amendments: November 2023 - Scottish Public Finance Manual - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/FGN2023-02_SPFM_amendments_November_2023_-_Scottish_Public_Finance_Manual_-_gov.scot)

## **Sharing Investment in Private Business with Parliament.**

Scottish Government will continue to update Parliament at appropriate junctures on any major financial interventions into strategic businesses. The majority of financial support provided to business in resilience cases is administered via enterprise agencies as part of their core remit.

## **Written Authority and Shareholder Authorisation**

We are currently progressing the publishing of Written Authorities in a separate area on the Scottish Government website and are working towards this being finalised by the end of November.

## **Scottish Government's Shareholder Authorisation on record**

As the Minister for Transport indicated in her earlier response to you, we will consider further whether or not the broad principle of publishing these can be accepted - noting as the Committee also reflected, that issues of commercial confidentiality will need to be considered. There is currently no fixed timescale for this work, noting the rarity with which we would expect Shareholder Authorisations to be used.

I understand that the Minister for Transport will also confirm to you separately the timescale for agreeing procedures around Shareholder Authorisation within the CMAL Framework Agreement.

I thank the Committee for their continued work and scrutiny of these matters and will of course continue to provide updates on the progress of these when information becomes available.

Yours sincerely,

**NEIL GRAY**

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