

Cabinet Secretary for Economy, Tourism and
Transport
Rùnaire a' Chaibineit airson na h-Eaconamaidh,
Turasachd agus Còmhhdhail
Rt Hon Stephen Flynn MSP
An Fhìor Urr Stephen Flynn BPA

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Neil Bibby MSP
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29th October 2026

Dear Neil,

Thank you for your letter of 5 October 2026 regarding Ferguson Marine Port Glasgow (Holdings) Limited. I will address your points in the order they were made.

Funding drawn down from the £14.2 million capital investment package

The Scottish Government has received 11 separate capital expenditure requests from Ferguson Marine. Officials have carried out rigorous due diligence and approved all requests with a combined value of £551,000. Investment to date has focused on business-critical repairs, health and safety improvements and works that directly benefit the construction of the MV Glen Rosa.

Ferguson Marine's 10-year business plan sets out a restructuring strategy that includes substantial capital investment to transform the yard, improve competitiveness and support a return to sustainable profitability. The Government's funding for this investment programme is linked with the proposed direct awards and will therefore be included within the principles assessment being prepared for the overall subsidy case.

Progress on direct awards

As outlined in my parliamentary statement of 17 September the Scottish Government is preparing a principles assessment, for submission to the Competition Market Authority (CMA), describing the rationale for awarding a subsidy to Ferguson Marine. The proposed direct awards are a core element of the proposed subsidy.

We expect to submit the assessment to the CMA very shortly. The CMA will then assess the evidence provided within the principles assessment and publish advice, which ministers must consider carefully before final decisions are taken. I will update parliament as each of the key milestones described above are reached.

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Consideration of the impact of proposed redundancies on FMPG's ability to fulfil future contracts

The voluntary redundancy scheme forms part of Ferguson Marine's transition to the next phase of its development as a modern, efficient and competitive shipyard. The proposal enables Ferguson Marine to align the size and shape of their workforce to future proof the business as part of its efforts to modernise the yard and put it on a competitive footing.

Relationship between the redundancy programme and support for the workforce and a sustainable future for FMPG

The workforce represents the yard's most valuable strategic asset. The voluntary redundancy programme has been carefully designed by Ferguson Marine management to align staffing levels with future operational requirements while protecting critical shipbuilding, engineering and project delivery capability. Ferguson Marine operates a very successful apprenticeship scheme and will continue to recruit and train apprentices across a range of trades to ensure the future workforce is in place.

Progress of the forensic examination of the Ferguson Marine Engineering Limited's accounts

We have received the final report following the forensic examination of Ferguson Marine Engineering Limited's (FMEL) accounts and I have instructed officials to prioritise its release to the Public Audit Committee.

My officials have engaged with Audit Scotland to align arrangements for sharing the final report with the Public Audit Committee, enabling the Auditor General's findings to be considered alongside the final report.

Delivery of MV Glen Rosa

I have also written to the Transport Committee to advise that I have accepted recommendations related to the handover date of MV Glen Rosa. Ferguson Marine has assured me that Glen Rosa can be delivered this year however, the handover will now be scheduled to take place in February 2027. This enables new propellers to be fitted and the ship's liquefied natural gas (LNG) fuel systems to be filled and commissioned only once.

This decision follows discussions involving CMAL, CalMac and Ferguson Marine, and gives island communities the best opportunity chance of reliable, resilient ferry services for island communities.

Conclusion

Thank you again for your interest. Please let me know if you have any further queries.

Your sincerely

STEPHEN FLYNN

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