



The Scottish Parliament
Pàrlamaid na h-Alba

Public Audit Committee

Stephen Flynn MSP
Cabinet Secretary for Economy, Tourism and Transport
Scottish Government

cc. Andy Kerr, Director-General Net Zero
Scottish Government

5 October 2026

Dear Cabinet Secretary

Ferguson Marine Port Glasgow (Holdings) Limited

As you will be aware, the Session 6 Public Audit Committee undertook a significant amount of scrutiny relating to the delivery of the Glen Sannox and Glen Rosa and of Ferguson Marine Port Glasgow (Holdings) Limited (FMPG). It reflected the concerns arising from its scrutiny [in its Legacy Report](#). The Public Audit Committee has agreed to continue to pursue these concerns, and I am writing to you to seek an update on the following areas.

Capital investment of £14.2 million

In July 2024, the then Deputy First Minister announced that the Scottish Government would invest up to £14.2 million in FMPG. In [her letter to our predecessor Committee of 6 October 2025](#), the then Deputy First Minister stated that 11 capital expenditure requests from FMPG, with a value of over £570,000 had been approved. She also confirmed that FMPG was developing further, larger capital expenditure proposals which would only be considered for draw-down when accompanied by a robust business case.

Can you provide an update to the Committee on the total amount of funds that has now been drawn down from the £14.2 million capital investment promise made by the Scottish Government?

Direct Award

In her [update to Parliament on 3 March 2026](#), the then Deputy First Minister announced the Scottish Government's proposal to directly award contracts for two ferries under Phase 2 of the small vessel replacement programme and for two

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vessels for marine research and marine protection, to FMPG. We note the commitment that due diligence will be undertaken to ensure the contracts are awarded in accordance with legal requirements and demonstrate value for money. We further note that in your statement to Parliament on [17 September 2026](#) you provided an update on the progress of the proposal to directly award the contracts to FMPG and your commitment to keep Parliament updated on key milestones.

We ask that you also provide updates on the progress of the direct awards to this Committee given its interest in these matters.

Redundancies at FMPG

During [our predecessor Committee's debate](#) in Parliament on its report on the 2023/24 audit of FMPG on 9 December 2025, the then Deputy First Minister stated—

“By taking Ferguson Marine into public ownership in 2019, we protected more than 300 skilled jobs and ensured that the Glen Sannox and Glen Rosa would be completed in Scotland. Our three core objectives remain unchanged: to complete the ferries that are required by our island communities; to support a highly skilled and dedicated workforce; and to secure a sustainable future for a shipyard that is of national industrial importance.”

During her update to Parliament on 3 March 2026, the then Deputy First Minister stated that—

“The substantial proposals that we are announcing today would deliver for Ferguson Marine, for island communities and for Inverclyde...At the same time, our plans for new vessel awards would support skilled employment and industrial capability in Inverclyde, where Ferguson Marine remains an essential part of the local economy and a shipyard of national industrial importance.”

Given the Scottish Government's previously stated commitment to the shipyard and its workforce, the Committee was concerned to learn of [FMPG's voluntary redundancy programme](#), where it expects to reduce its workforce by up to 70 employees. We note from your statement to Parliament on 17 September that no compulsory redundancies are being proposed and that you have sought assurances that the redundancy proposal was subject to proper governance and oversight and that a business case was prepared.

Can you provide a response to the following points:

- **What consideration has been given to the impact of the proposed redundancies on FMPG being able to successfully fulfil any future contracts it is awarded?**
- **In what way is the redundancy programme compatible with the Scottish Government's objectives to support a highly skilled and dedicated workforce and secure a sustainable future for the yard?**

Forensic examination of funds provided to Ferguson Marine Engineering Limited

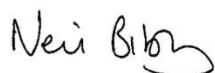
In its Legacy Report, our predecessor Committee drew attention to the work that is underway to carry out a forensic examination of the amount of public money paid to FMPG's predecessor, Ferguson Marine Engineering Limited (FMEL). On 5 November 2025, the [Director of Economic Development wrote to the Session 6 Public Audit Committee](#) to provide an update on the progress of this work.

The Director confirmed that the auditors appointed by the Scottish Government to review FMEL's records and examine how public funds were spent, expected to complete their draft final report in January 2026. As you will be aware, the Auditor General for Scotland has confirmed that once the forensic examination has been completed, he would review the findings and consider the most appropriate way to report on them to support the Committee's scrutiny.

Can you provide an update on the progress of the forensic examination of the Ferguson Marine Engineering Limited's accounts?

I ask that you provide a response by **2 November 2026**.

Yours sincerely,



Neil Bibby MSP

Convener