

**MEETING NOTES AND ACTIONS**

Monday 16 September 2019

10:30am Ferguson Marine Shipyard, Port Glasgow

Attendees

Michelle Rennie,	Transport Scotland	Director of Major Projects - Interim Chairperson,
Jim Anderson	CMAL	Director of Vessels
[Redacted]	Scottish Government	Finance Manager
Tim Hair	Ferguson	Turnaround Director
Douglas Hyslop	Scottish Enterprise	Senior Executive
Duncan Mackison	David MacBrayne Ltd	Chief Executive
[Redacted]	Transport Scotland	Ferries Unit (secretariat)
Tim McDonnell	Marine Scotland	Head of Marine Scotland Science
Ian Latham	Ferguson Marine	Programme Director

Apologies

Alex Logan	Workforce Rep	GMB Shop Steward at Ferguson
John McMunagale	Workforce Rep	GMB Shop Steward at Ferguson

No.	Action	Responsibility
2.1	Concerns around age and condition of equipment to be flagged as priority and plans for action to be developed <i>Covered in baselining report</i>	Actioned
2.2	Process for design review to be developed, agreed and actioned <i>Covered in baselining report</i>	Actioned
2.3	Identify rework requirements and plans to complete these tasks <i>Covered in baselining report</i>	Actioned
2.4	Vessel Condition inspection to be carried out <i>Covered in baselining report</i>	Actioned
2.5	Plan for and recruit appropriate additional leadership to meet requirements. <i>Covered under resourcing</i>	Actioned
2.6	Plan to develop cost and programme to be developed and circulated before next meeting. <i>Covered in baselining report</i>	Actioned
2.7	Risk Register to be completed and circulated in advance of next meeting. <i>New Action</i>	Progressed
2.8	Planning for long term strategy to be co-ordinated by SG to include potential pipeline, private work and governance options for wider ferry interests. <i>Update provided by GM further work required out with the scope of PRB</i>	Ongoing Scot Gov
<b>NEW ACTIONS</b>		
3.1	Strategic Risk Register to be circulated by end of week	SG
3.2		

No.	Item	Action
1.	Minutes of the meeting on 29 <sup>th</sup> August were approved Previous Actions would be covered in the discussion	

1.1	Tim Hair introduced Ian Latham, Programme Director who has been in position at the yard for 2 weeks.	
2	<b>Update from the yard</b>	
2.1	<p><u>Workforce update.</u> (Tim Hair) No further all hands meetings but Tim and Ian have been doing site walks to get to know the workforce.</p> <p>There is also a tightening of time keeping protocols and discussions are ongoing with staff representatives.</p> <p>A workforce council has been created by administrators and will meet weekly. Further all hands meeting will be held following the outcome from the administrator sales exercise.</p>	
2.2	<p><u>Rebasing Project /Design Review</u> (Ian Latham) Programme Director has been in place for two weeks Initial impressions would be both vessels are behind expectations for vessels at this stage Workforce positive and well skilled. It was highlighted that:-</p> <ul style="list-style-type: none"> <li>• No end to end process in place and lack of proper control.</li> <li>• Lack of work package controls</li> <li>• No process for approval by Lloyd and MCS or closure with CMAL.</li> <li>• Lack of design is a concern and the design model is held in Portugal. Management are of the understanding this is owned by FMEL.</li> <li>• Portuguese designers are on site this week and will be asked if they have resources to complete work for Fergusons.</li> <li>• Engineering change status is unclear.</li> <li>• Stock control is not apparent and use of 3 warehouses has been utilised to store</li> <li>• Visibility of bill of material is poor and limited documentation on site.</li> <li>• Configuration status is unknown</li> <li>• Subcontractor management is poor.</li> <li>• Documentation control is poor with no apparent sequencing of how we move from design through to procurement.</li> <li>• No sequencing for work</li> </ul> <p>The Board were pleased with progress from Tim and Ian but recognised the scale of the challenge</p> <p><u>Plan for programme and costs</u> (Ian Latham), Need to scope the work required Work ongoing to understand the existing condition and checking if build correlates with current drawings. Looking to structure the plan e.g dry dock requirement, to understand the programme. CMAL and FMEL are now working in partnership to complete the design. No physical work will be started in key areas such as engine rooms until process and approval are in place.</p>	

	<p>A clear process to manage design house is required to provide accurate and controlled designs. No evidence of an authorisation hierarchy to ensure design control but this will be introduced.</p> <p>Need to understand warranties and condition of major components. Once an understanding of programme requirements is clearer a cost for completion can be developed.</p>	
3	<b>Resourcing</b>	
3.1	<p><u>Resourcing</u> Key resourcing will be for “doers” with some additional management and new processes created or existing ones reviewed. Adverts have been placed for 27 new recruits to support reconditioning 801/802. 12 additions to the engineering team required.</p>	
4	<b>Cost and Programme</b>	
4.1	<p><u>Cost and Programme update</u> Challenges remain around meeting the October deadline as current status becomes understood without introducing caveats and assumptions for items/issues still unknown. Identifying areas and realising assumptions may require flexibility from the workforce. The workforce are well skilled to support this action and an encouraging level of interest in initial recruitment advertising suggests this will continue.</p>	
5	<b>Risk Register</b>	
5.1	<p><u>Risk Register</u> Strategic Risk Register has been developed using an SG template. Themes contained in the yard detailed risk register will be aligned .</p> <p>Some key equipment is in an aging condition or poorly specified and inefficient. Many of the workarounds will be more expensive.</p> <p>This group remains focused only on risks around build out 801 &amp; 802</p>	
6	<b>AOCB</b>	
6.1	<p><u>Suppliers</u> All suppliers have re-engaged and process agreed with Deloitte for anything new. [Redacted] Further engagement has taken place via the FMEL procurement manager.</p>	
6.2	<p><u>Long Term Planning</u> It was highlighted again that long term planning in addition to ongoing legal state aid and procurement issues should be pursued due to impact on operational issues e.g. capital investment. Board Members were happy to contribution to this work.</p>	
6.3	<p>Drawing team will be relocated to the Board room to improve efficiency in working with technical team. Future meeting to be held in alternative Ferguson Meeting rooms</p>	
6.4	Date of next meeting – Thursday 26 <sup>th</sup> September	