

MEETING NOTES AND ACTIONS

14h-15h30, Thursday 26 September 2019

Ferguson Marine Shipyard, Port Glasgow

Attendees

Michelle Rennie,	Transport Scotland	Director of Major Projects - Interim Chairperson,
Mo Rooney	Scottish Government	Deputy Director, Ferguson Marine Coordination
Jim Anderson	CMAL	Director of Vessels
[Redacted]	Scottish Government	Finance Manager
Gordon Wales	Scottish Government	Chief Financial Officer, SG (by Phone)
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 (by phone)
Alex Logan	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>	Actioned
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 and action to be removed</i>	Ongoing Scot Gov
3.1	Strategic Risk Register to be circulated by end of week	Actioned
	New actions	
4.1	Consider potential options to raise profile of current yard recruitment activity.	SG
4.2	DH to put SE Account Manager for BiFab in touch with TH to discuss resourcing.	DH and TH
4.3	SG and TH to work closely on developing product to present anticipated delivery schedule for Cabinet Secretary.	SG and TH

4.4	Consider actions to improve communications between office and shop-floor workforce	SG and TH
4.5	Strategic Risk Register to be updated for approval at next meeting	SG
4.6	Separate Discussion to take place about contractual matters and vessel requirements.	SG/CMAL/DML

No.	Item	Action
1 & 2.	<p>Minutes of the meeting on 16th September were approved. Previous Actions would be covered in the discussion.</p> <p>Mo Rooney introduced herself and her role in coordinating SG interests in Ferguson Marine.</p> <p>Risk register for 801 and 802 in development, with good progress.</p>	
3	Update from the yard	
	<p>Tim shared an updated plan of progress towards a schedule for delivery of vessels 801 and 802. Progress is being made against the plan, remaining on track for target delivery of end October.</p> <p>It was highlighted some new actions on this plan in relation to:</p> <ul style="list-style-type: none"> • Subcontracting of pipe manufacture due to yard capacity • Lack of information/process at inventory stores at Westway • [Redacted] <p>Reflection that there has been a lot of progress in the yard in recent weeks, but that lack of resource availability presents an issue. Recruitment activity is underway but market is proving challenging. 17 new staff started work this week; actively recruiting for 10 engineers. Agreed that options should be considered to raise profile of current yard recruitment activity. Intention to bring long term temporary staff onto a permanent footing.</p> <p>Ian Latham, Programme Director has made good progress scoping requirements and getting process' in use. Particular need for planners and planning managers. Agreement in principle is in place with subcontractor Vera Navis to provide further design and modelling support.</p> <p>A commitment was made that staff would be properly trained to do the jobs that they are being asked to do.</p> <p>It was agreed that the product for Ministers at the end of October would include windows for completion of each vessel, anticipated cost, risk register, and provision for contingencies. SG and TH to work closely on this.</p>	<p>SG, TH</p> <p>SG, TH</p>
4	Update from the workforce	
	<p>Thought is being given to improving communication with the workforce. Engagement in relation to the yard transaction will be carefully planned.</p> <p>Some queries have been raised re yard financial information put in to public domain as result of administration process, particularly in relation to pension and other staff cost liabilities. A clear response to these queries will be prepared to alleviate concern.</p>	<p>TH</p> <p>TH</p>

5	Programme Plan and Costs	
	<p>This item was largely covered under 'Update from the Yard'.</p> <p>803 and 804 – improving understanding of costs. 804 likely hand over in December; 803 scheduled before Christmas. 805 – significant amount of engineering and planning work to be done to ensure a realistic understanding of costs.</p> <p>Condition of some of the on-site equipment has been highlighted has been identified as a cost risk. While, in circumstances key items are out of use, there are acceptable alternative arrangements these often incur greater cost.</p>	
6	Risk Register	
	<p>Currently 34 more detailed risks sit behind the 8 strategic risks. Scoring and details remain under review in both documents. Some queries raised on controls and their likely impact further amendments to be co-ordinated and incorporated .</p> <p>Detailed register was subject to review by a core group yesterday, with updates yet to be reflected in the strategic document. This will be progressed at pace to ensure this continues to be a robust working document.</p> <p>Reflections that controls confidence levels appear optimistic. Consideration to be made regarding how to capture risks (notably re weight and power) to whether the completed vessels will be able to deliver the service capability for which they are intended.</p> <p>Revised draft to be circulated early next week for comment by next meeting.</p>	SG
7	801 and 802 contract damages	
	<p>There will be a need to novate these contracts into the new company post-administration. Separate conversation required between SG, CMAL and DML on contractual matters. Need to be alive to the potential VAT implications of additional contractual payments.</p> <p>May want to take collective decisions to save cost to the public purse, particularly in view of renewal of warranties.</p>	SG/CMAL/DML
8.	AOCB	
	<p>There was no other business.</p> <p>Date of next meeting: Thursday 10th October.</p>	