

Newark Works
Castle Road
Port Glasgow
Renfrewshire, PA14 5NG
T. +44 (0) 1475 742300
E. info@fergusonmarine.com
www.fergusonmarine.com

Edward Mountain MSP
Convenor
Rural Economy and Connectivity Committee
Room T.3.60
Scottish Parliament
EH99 1SPAddress line 1

8 March, 2021

Dear Mr Mountain

Follow Up to Hearing on 3rd March 2020

In the recent hearing I committed to write to you today to set out the financial impact of the recent COVID-related suspension of production at the yard.

In August 2020, following the first lockdown, I advised that the exceptional cost related to COVID-19 amounted to £3.3m. The suspension of production in January 2021, required for the reconfiguration of amenities and a full review of COVID measures, came at an exceptional cost of £1.0m. The total exceptional cost as a result of COVID since March 2020 is therefore £4.3m.

I can also confirm that, excluding this exceptional item, we are on track to deliver the project for the original budget of £110m to £114m

You also asked me to “confirm to me that you are absolutely clear that there will be no slippage on the original times that were put forward to the committee for the deliveries of 801 and 802 when you took charge” and I agreed to address this point today.

Ferguson Marine is working to the timetable set out in my reported dated 21st August 2020. We are currently reviewing the schedule in light of the production suspension in January and the offset that may be gained from introducing a weekend shift. The success of the weekend shift will determine the result and I will provide the Committee with an update before Parliament recesses on 25th March 2021.

I hope that the Committee finds these answers useful and look forward to providing a more comprehensive update before the recess.

Yours sincerely,



Tim Hair
Turnaround Director



Registered in Scotland No. SC638457
Registered office: Ferguson Marine (Port Glasgow) Ltd.
Newark Works, Castle Road
Port Glasgow, Renfrewshire, PA14 5NG