

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

Dean Lockhart MSP  
Convenor  
Net Zero, Energy & Transport Committee  
Scottish Parliament  
EH99 1SP

24 June, 2021

Dear Mr Lockhart,

### **Update on Hulls 801 & 802**

I write to provide the second quarterly update on the progress of Hulls 801 and 802 which once again is being submitted early because of the upcoming recess. I attach a paper which summarises the progress made in the turnaround of the yard and the construction of the ferries and details the issues relating to the delivery schedules of the vessels.

### **Financial**

In my letter dated 8<sup>th</sup> March I advised that, treating COVID-19 costs as an exceptional item, we are on track to deliver the project for the original budget of £110m to £114m. I confirm that this remains the case.

### **Resourcing**

In my previous letter I described the impact of a second suspension of production due to COVID-19 and highlighted the delay of 7 weeks in the schedule for both vessels which has resulted. I also gave an update on the shortage of skilled workers available locally to meet our resource requirements and advised that we would expedite our plans for subcontracting and the introduction of non-UK labour.

I am pleased to advise the Committee that we have made good progress in both these matters. Smaller fabrications have been subcontracted to local businesses, reducing the resource requirement in the yard and allowing Ferguson to focus on the major units that go to construct the ship. Overseas workers were introduced to the yard in late May, after proper quarantine precautions, and the numbers increased so that there will be 60 such workers in place at the start of July. The ramp-up will be paused at that point while material flow and planning processes are reviewed and additional overseas workers will be added when appropriate.

The shortfall in skilled labour has had an impact on the schedule, causing a delay of approximately 8 weeks. Taken together the COVID-19 and labour factors result in a delay of 15 weeks in the project.



Registered in Scotland No. SC638457  
Registered office: Ferguson Marine (Port Glasgow) Ltd.  
Newark Works, Castle Road  
Port Glasgow, Renfrewshire, PA14 5NG  
VAT Number GB 340 6721 21

**Schedule**

The delivery of 801 is now planned for the range July 2022 to September 2022. Note that the delivery window has been reduced from three months to two as work on the vessel has progressed and uncertainty reduced.

The delivery of 802 is now planned for April 2023 to July 2023. The vessel will be ready for launch in mid-August 2022, with the actual launch taking place when tidal conditions are most favourable.

I note that, with the new Parliament, Ferguson now comes under the remit of the Net Zero, Energy & Transport Committee whose members may not be familiar with the shipyard. You will know that the Rural Economy and Connectivity Committee visited the yard in February 2020 and I believe that they found the visit helped their understanding of Ferguson. I would like to take this opportunity to invite your Committee to visit Ferguson and look forward to showing you the progress we have made since the Scottish Government took control of the yard.

We are very aware that island communities have been waiting a very long time for the arrival of the ferries. We remain committed to delivering them as soon as we can to provide the lifeline services for which they are designed.

Yours sincerely,



**Tim Hair**  
Turnaround Director