

From: [REDACTED]
Sent: 29 Jul 2019 21:11
To: [REDACTED]
Subject: Confidential and Legally Privileged FMEL meeting with Jim McColl

Dear Derek,

Cllr McCabe Leader of Inverclyde Council and Cllr Chris McEleny, Leader of the Opposition, have asked me to forward to you the e mail below. Both Cllr McCabe and Cllr McEleny were keen that this e mail was submitted this evening, hence it is not coming through usual Members secretarial channels.

Dear Cabinet Secretary for Finance, Economy and Fair Work,

We thank you for meeting with us on the 25 July to discuss our concerns regarding the current situation at Ferguson Marine Shipyard.

As indicated at the meeting we committed to meeting with Jim McColl. Today we met with both Jim McColl and Gerry Marshall, Chief Executive at FMEL.

Jim shared with us the proposal he has previously submitted to Scottish Government on behalf of CBC and FMEL. The proposal, which involves creating two companies, one fully nationalised and one a partnership with full capability to operate across the private sector, appears compelling. It continues the wider diversification plan for Ferguson and would appear to create a delivery vehicle for current pipeline contracts. In terms of outcomes, it appears to offer protection of existing jobs with potential for job growth. Jim also advised that the cost to Government of this option would be significantly less than the simple nationalisation proposal as currently being considered.

At our meeting last week you indicated that a key stumbling block to considering this option was the legal implications of state aid and market competition. Jim provided us with copies of legal statements on the proposals from both Brodies Solicitors (dated 29th July 2019) and Queens Counsel (dated 26th July 2019). It is encouraging that legal opinion corroborates and supports this option as fully compliant with State Aid and competition legislation.

We appreciate that the proposal from Jim requires scrutiny and opinion from Scottish Government officials. In view of the strength of the supporting legal advice on this option and the clarity on the matter which has been produced since last Thursday, we would strongly recommend that Scottish Government and FMEL meet to discuss this. We believe we have a possible model to deliver the best outcomes for Inverclyde and Scotland in terms of jobs, innovation and prosperity through a combination of state intervention and partnership working. The option as submitted may require reshaping but this would be a matter for Government, CBC and FMEL working in partnership.

We remain committed to securing the best outcome for Inverclyde and we are happy to help in any way we can.

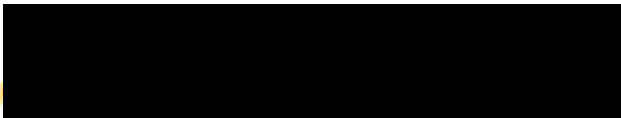
In view of the urgency of the current situation we would appreciate a reply by return.

Yours sincerely

Councillor Stephen McCabe

Councillor Chris McEleny.

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