

**MEETING NOTES AND ACTIONS**

14:00 – 15:30 Thursday 10 October 2019

Ferguson Marine Shipyard, Port Glasgow

Attendees

Jim Anderson	CMAL	Director of Vessels
[Redacted]	Scottish Government	Finance Manager
Tim Hair	Ferguson	Turnaround Director
Douglas Hyslop	Scottish Enterprise	Senior Executive (by Phone)
Duncan Mackison	David MacBrayne Ltd	Chief Executive
[Redacted]	Transport Scotland	Ferries Unit (secretariat)
Tim McDonnell	Marine Scotland	Head of Marine Scotland Science (by phone)
John McMungale	Workforce Rep	GMB Shop Steward at Ferguson
Ian Latham	Programme Manager	Ferguson Marine

Apologies

Michelle Rennie,	Transport Scotland	Director of Major Projects - Interim Chairperson,
Mo Rooney	Scottish Government	Deputy Director, Ferguson Marine Coordination
Alex Logan	Workforce Rep	GMB Shop Steward at Ferguson

No.	Action	Responsibility
4.1	Consider potential options to raise profile of current yard recruitment activity. <i>Covered by Mr Mackays visit on 07 October 2019 Further advertising for engineers and designers through associations and institutes or other routes. Potentially promoted by Ministers.</i>	Actioned
4.2	DH to put SE Account Manager for BiFab in touch with TH to discuss resourcing.	Actioned
4.3	SG and TH to work closely on developing product to present anticipated delivery schedule for Cabinet Secretary. Straw man has been created on format with some sections already populated.	Actioned and ongoing
4.4	Consider actions to improve communications between office and shop-floor workforce. <i>Intention to have small focused discussions with the workforce to share information and answer any queries.</i>	Ongoing with TH
4.5	Strategic Risk Register to be updated for approval at next meeting <i>Actioned and for discussion.</i>	Actioned
4.6	Separate Discussion to take place about contractual matters and vessel requirements. <i>To be progressed outside this meeting</i>	Not yet actioned SG/CMAL/DML
<b>New actions</b>		
5.1	JA to provide TH with contact details for appropriate associations and institutions so that recruitment can be advertised wider. Any other avenues for promotion of resource requirements are to be channelled through Tim Hair. TH to examine situation of long term temporary contractors	JA  TH  TH
5.2	TH to consider options for Dry Dock	TH

5.3	TH to convene a meeting between key stakeholders to address technical challenges and agree principles for resolution.	TH
5.4	SG to work with TH and yard staff to assess capital requirements to aid efficiency of the yard longer term. Process to start with draft available by end of 2019	SG
5.5	Any comments on Risk Register to be forwarded to GM	All
5.6	Consideration of future of PRB post Ministerial submission at end October.	SG
5.7	An offer was made by CMAL to support sea trails, crew training and service delivery and also whether CMAL could support the LNG trails.	CMAL/DML/TH

No.	Item	Action
1.	Minutes of the meeting on 26 <sup>th</sup> September were approved. Previous Actions not addressed above were covered during the meeting.	
2	<b>Update from the yard</b>	
	<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 to delivery to Cabinet Secretary by end October. There will be appropriate assumptions and caveats.</p> <p>There was a general 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.</p> <p>There was agreement that options should be considered to raise profile of current yard recruitment activity. Intention to bring long term temporary staff onto a permanent footing is already being considered. Additional requisition for additional recruitment of ~20 pipe fitters Definite improvements to the operation of the yard but still considerable challenges to overcome.</p> <p>Dry Dock – there is a key priority to make arrangements for the work required for 801 which necessitates a dry dock. Further investigations and options to be considered .</p> <p>Supplier contacts [Redacted]</p> <p><b><u>Preparation of the Plan</u></b> Ian Latham provided an update on the status of the vessels</p> <p>Survey Status at ship</p> <ul style="list-style-type: none"> <li>• Paint condition of ships established</li> <li>• System installation audit complete</li> <li>• Pipe manufacture audit continuing to complete analysis</li> <li>• Care and protection audit complete</li> <li>• Still some areas to review/close out – access into tanks.</li> <li>• Engineering work has been scoped, developing resource requirements to support programme</li> </ul>	TH

	<p>Additionally over 160+ CMAL observations reviewed resulting in 100+ to be included in the programme and 40 still to be finalized. Detailed risk review continues to be developed with identified risk owners. First draft of overall programme expected by 11 October but will remain uncostered at this stage as review and analysis continues.</p> <p><u>Technical issues</u> Scope of process for resolution of fixing technical challenges is required. Replacing all components e.g. axilock pipe joints may have knock on effect for wider designs and layouts. Some examples may not be resolved prior to October plan date and the worst scenario case should be used for costing purposes. Assumptions on costs will be required for submission to Ministers</p> <p>This issue to agree technical challenges needs resolved and could impact on whether the entire ship is approved for use by client and ultimate customer. Main problems will be in the engine room spaces where only 50% of pipework is complete. A complete, joint review of these areas should enable a reasonable estimate for cost and programme to be agreed.</p> <p>TH to convene a meeting between key stakeholders to agree principles of negotiation.</p> <p><i>The Board were generally agreed that the rework option still remains better public value than rebuild but once estimates are better understood this could be reconsidered.</i></p> <p>Ian Latham highlighted the individual components (numbering over 40) that will be costed separately for completion estimates</p>	TH
4	<b>Update from the workforce</b>	
	<p>Potential to create more permanent work as temporary workers have been in place for up to 4 years. Agency staff may be lured to other contracts due to enhanced wages. Concerns over the flow and capital investment in the yard hampering efficiencies which will be addressed once SG consider the capital programme require to invest in the yard in the longer term. Concerns regarding management doing unpaid overtime and this impacts the ability of workforce to do necessary work</p>	TH  SG/TH
5	<b>Programme Plan and Costs</b>	
	<i>This item was covered under 'Update from the Yard'.</i>	
6	<b>Risk Register</b>	
	<i>There was general contentment that risk register was shaping up well. Further comments would be provided electronically to GM for amendments</i>	All
8.	<b>AOCB</b>	
	<p>Date of next meeting: Thursday 24 October. It was noted potential issues around this time include completion of Transaction and submission to Ministers. Timing of the meeting to be kept under review.</p>	

	<p>Long term future of the PRB post delivery of plan to Ministers will be considered.</p> <p>It was highlighted that Warranties for some of the major components will have expired before completion.</p> <p>Dry dock requirement is critical as 801 will have been in water for over 24 months which is longer than usual or anticipated.</p> <p>An offer was made by CMAL to support sea trails, crew training and service delivery and also whether CMAL could support the LNG trails.</p>	SG