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## News release

For immediate release, 17 November 2024

# Future of Ferguson Marine's Port Glasgow shipyard remains uncertain

**The future of the publicly owned Ferguson Marine Port Glasgow (FMPG) shipyard is uncertain, with no more work secured beyond the completion of MV Glen Rosa (802).**

FMPG has now handed over the delayed MV Glen Sannox, with MV Glen Rosa currently due to be delivered in September 2025. However, there are multiple risks to the continued costs of completing MV Glen Rosa. Ongoing investment is needed to make the yard competitive and generate future income.

FMPG currently has no contracts for work following the two ferries. The only guaranteed income is funding from the Scottish Government up to 2026.

The yard's business plan to 2029 had assumed direct award for the Scottish Government's small vessel replacement programme. This wasn't possible due to UK subsidy laws. FMPG is now one of six firms invited to tender for the contract.

Auditors have raised serious concerns over poor governance and decision-making. No evidence was provided as to how FMPG decided to award two employee exit packages. Both were above the £95,000 public sector threshold set out in the Scottish Public Finance Manual, which provides guidance on the proper handling and reporting of public funds. These payments were made without the required Ministerial views.

An internal investigation revealed the yard's previous chief executive agreed changes to a seconded employee's contract, without the formal approval of either the board or remuneration committee. Not only was this a failure to follow accepted procedure, it also resulted in FMPG having to back-pay HMRC £48,000 in underpaid income tax.

These failings and weaknesses in the yard's control and governance arrangements must be addressed.

Stephen Boyle, Auditor General for Scotland, said:

"The future of the Ferguson Marine Port Glasgow shipyard remains uncertain. Currently the yard hasn't secured any future work or income, beyond the delivery of the Glen Rosa.

“We are again highlighting issues of inadequate governance and decision making. An independent review of governance arrangements needs to be swiftly actioned to ensure such poor decisions, without the right checks and balances, are not repeated.”

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### Notes to Editor:

**1.** The Auditor General for Scotland last reported on Ferguson Marine Port Glasgow (Holdings) Limited in [March 2023](#).

**2.** The Scottish Government has confirmed ongoing support for 2025/26 in its budget, announced on 4 December. This is now subject to parliamentary approval of the budget. Scottish Government support for Ferguson Marine was: £76.8m in 2023/24, £62.7 million in 2024/25 and £47.9m in 2025/26 (subject to parliamentary approval).

**3.** The Auditor General has prepared the report on Ferguson Marine Port Glasgow (Holdings) Limited under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament and the public's attention matters of public interest related to the financial statements of public bodies.

**4.** Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

**5.** Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit.scot](http://www.audit.scot)

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**ENDS**