

Performance Update: June 2021

Background

The turnaround director wrote to the Net Zero, Energy and Transport Committee on 24 June to provide a quarterly update as requested in the Rural Economy and Connectivity committee report of 9 December 2020. The turnaround directors update provided a new schedule for delivery of the vessels with delivery of 801 now scheduled for July-September 2022 (it was April-June 2022 previously) and 802 scheduled for April-July 2023 (it was December 2022 to February 2023)

This note cover operations of the yard in June but we understand that in parallel with the rebaselining exercise the new programme director will change the approach to monthly reporting for July.

Reporting cycle

The reporting process for the yard is still relatively new, it starts with the yard performance report which is then the topic of a meeting between the yard, CMAL and Scottish Government. Following this meeting the Scottish Government receives CMAL's views on the performance report. After a discussion with CMAL issues are escalated to the chair as required. Our intention is to provide a performance update to Ministers once these steps are complete. However, this is a new process and may require some future adjustment.

Overview

Progress in June has been slow. As we do not yet have a detailed plan for the build from the yard it is difficult to be precise, nonetheless CMAL(acting as our consultant in this instance) suggest that progress is not currently sufficient to meet the schedule. Improvements in the pace of work will be essential to achieve the key date of 16 December (the start of 801 commissioning phase). We will continue to monitor this closely.

Weaknesses on the planning of the build remains a key issue and the issuing of work packages remains a problem. This leads to out of sequence working which contributes to the high level of reworking that is required. The yard is recruiting to address these issues.

Ship design and build must be signed off by the [redacted] and by [redacted]. To date this process has been slow, introducing delays, the yard is in discussion with the agencies to improve and speed up this process.

Success

The sub contracted labour from [redact] is working well and good progress is being made on the steel work for 802.

06/08/2021 – Update spans the period of the Turnaround Director’s quarterly update to Parliament (June) and the announcement of the new delivery schedule

The Yard has recruited a new performance programme Director and is recruiting a new project manager.

Difficulties

The weight of the vessel remains an issue. As of June the vessel is around 30 tonnes overweight, the level of contingency in the build can accommodate this but the yard are actively managing the weight issue.

Owners Observation Reports (OORs) are notifications of mistakes in the build made by CMAL to the yard. This is an essential process by which the “owner” can ensure the vessels are built to specification and agreed quality. The process has ceased to function and CMAL and the yard are in discussion on how to remodel the process.