



18 May 2018

Mr Keith Brown MSP  
Cabinet Secretary for Economy, Jobs & Fair Work  
Transport Scotland  
Area 2D North  
Victoria Quay  
Edinburgh,  
EH6 6QQ

Dear Mr Brown

**Inchgreen Drydock, Port Glasgow, Inverclyde**

I understand you will be addressing questions in Parliament next week in regard to Peel Ports plans for Inchgreen and trust the enclosed information will provide a level of assistance. It is perhaps to our detriment that, as an investor, we have invariably taken a low-key approach to telling people about our numerous investment activities, particularly in Scotland, as I hope you will appreciate from the information set out below.

When the Peel Group acquired Clydeport in 2003 we did so on the basis of a plan to invest in its Clydeside assets for decades to come. Since then we have made significant progress in several areas. For example, generations of politicians and developers had unsuccessfully attempted to breathe life back into the north bank of the Clyde within the Glasgow City Centre, given the fragmented nature of the landholdings and the sheer scale of the investment required. Under the guidance of Peel Ports' Chairman Tom Allison, the Peel Group worked tirelessly to bring this vision to fruition and we have invested over £200 million in the Glasgow Harbour site, creating hundreds of homes and 2,200 jobs. As part of this work, the Peel Group invested over £25 million in transport and amenity infrastructure on the north bank of the Clyde, unlocking transport bottlenecks on the Clydeside Expressway which had blighted local communities for many years. Anyone travelling along the route today may be oblivious to the fact that the Peel Group is arguably the largest private sector contributor to Glasgow's infrastructure in recent decades, but this typifies our approach to partnership with local communities. We are also working closely with local authorities at Glasgow Harbour and Renfrew on pedestrian and road bridges that improve access.

We are now moving forward with more investment locally, which we are confident will help create a major retail, leisure and tourism destination for Glasgow, at Glasgow Harbour. This will build on the Peel's Group's gifting of a strategic parcel of land to Glasgow City Council to enable the £78 million Riverside Museum to be located at the confluence of the Clyde and the Kelvin.

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Further west on the banks of the Clyde, you may also be unaware that Peel Group is a major investor in Intu Properties, the Company behind the 'intu Braehead' retail and leisure development. At 1.4 million sq ft, this £550 million investment has created one of the largest and most successful schemes of its kind in the UK. Furthermore, as a sign of Intu's ongoing commitment, it is planning to invest another £130 million to increase the size of the development by a further 475,000 sq. ft. Once completed, this scheme will create significant numbers of new, local jobs.

I will address Inchgreen in detail shortly, but I also wanted to draw your attention to a few of the other transport and logistics activities which we have taken forward since acquiring Clydeport.

In Ardrossan, we are working in close partnership with North Ayrshire Council to deliver new homes and infrastructure but also importantly to dramatically improve the ferry terminal at Ardrossan Harbour, building on the growing success of passenger and freight traffic to Arran via the shortest, fastest and most environmental route. As you will know, one of the vessels being constructed at Ferguson Marine will ply this route. The major benefits to the local economy of Ardrossan and also to Arran via increased passenger and freight volumes will be felt for many decades to come.

Similarly, we have invested heavily in Greenock Ocean Terminal, transforming it into one of Europe's leading cruise terminals, bringing in over 100,000 visitors and £15 million of additional inward investment. Indeed, last year, Greenock Ocean Terminal was voted the top UK mainland cruise destination and one of Europe's Top Five in industry awards.

Also, as has been widely reported, the dramatic and swift reduction of coal-fired power stations in the UK has had a major impact on the Hunterston Deep Water Terminal, which relied on that sector for the bulk of its income. However, we are very actively marketing the site on a global basis for a variety of suitable industrial and environmental uses and are hopeful that we will be in a position soon to announce major progress which would bring the site back into meaningful, productive use with the creation of significant numbers of jobs.

In addition, through our Peel Energy business, we have made significant progress in bringing forward a number of major renewable energy and low carbon schemes in Scotland, which will deliver over 200MW of energy generation for the country.

In order to respond properly to your note, I asked my team to carefully aggregate the Peel Group's impact on Scotland over the past ten years, including the activities of Peel Ports, which currently employs 149 people in Scotland, with a turnover of £32 million in the last financial year.

The resultant figures may surprise you. Over the past decade, we have invested £874 million in Scotland, creating 5,450 jobs and building 3,560 homes in local communities near the Clyde. At a conservative estimate, the annual gross value added to the Scottish economy from the activities of the Peel Group is in excess of £200 million.

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Now coming to Inchgreen, I again must apologise for a failure on our part to better inform local stakeholders about our activities, and those of our subsidiary Cammell Laird.

Cammell Laird and A & P Group are the largest commercial operators of strategic marine engineering infrastructure in the UK, with facilities across the country. The businesses offer their services in the international market place in commercial and naval ship building, ship conversion, military ship re-fit, offshore oil and gas and the renewable energy markets. They employ 1000's of people directly and indirectly. As mainland UK's largest dry dock, with a rebuild value of £200 million, Inchgreen is a key asset for the Peel Ports Group and is vital to our ongoing ship repair strategy. Indeed, it is at the heart of Cammell Laird's current bid to win the multi-million-pound contract to provide dry dock facilities for the Royal Navy's massive new aircraft carriers.

It's a sign of how serious we are about winning this work that we have already removed Inchgreen's outdated quayside cranes. Our bid for the carrier work is an extremely strong one, but Cammell Laird is also actively pursuing a number of other major ship repair contracts which would be based at Inchgreen with substantial investment programmes and the opportunity to create hundreds of skilled jobs in Inverclyde.

I can categorically assure you that this is not an idle claim, nor a short-term attempt to deflect criticism. As Chief Executive of Peel Ports Group, I can attest that the Peel Group is extremely serious about winning these contracts and is working hard on a number of levels to convince key stakeholders and other clients that Inchgreen offers a realistic and economical long-term solution to their dry-dock requirements.

To be clear, whilst any successful bids for these multi-million-pound contracts will require input from the existing workforce at Cammell Laird, it is our firm intention, if successful, to launch a major recruitment programme in Inverclyde and the surrounding areas, taking advantage of the longstanding shipbuilding expertise on the Clyde. Additionally, we will need to implement significant training and apprenticeship schemes, working in conjunction with local agencies, to fulfil the workforce requirements which come with such major orders.

I hope that the contents of this letter provide a significant level of reassurance regarding the Peel Group's longstanding and active commitment to Scotland, and in particular gives a more accurate and up-to-date picture of our current and planned activities in Inverclyde. Peel's ethos of continued investment over the long term and recycling capital into regeneration projects makes us a supportive, stable and sustainable investment partner for the communities in which we operate.

We have a long track record of successful regeneration and investment of which we are justifiably proud but as I explained earlier, we do not seek the headlines, preferring our demonstrable track record to do the talking. However, following your letter, we will also commit to undertake a programme of communication with a range of stakeholders in Clydeside and across Scotland, to ensure that the manifold benefits of our plans are more widely appreciated.

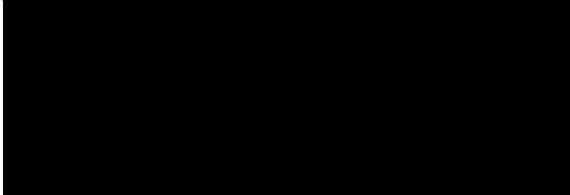
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I would also welcome the opportunity to meet with you in person and provide further context of our plans for Inchgreen.

Yours sincerely



Mark Whitworth  
**Chief Executive Officer – Peel Ports Group**

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## Letter from Keith Brown MSP's Private Office to Peel Ports

Cabinet Secretary for Economy, Jobs and Fair Work  
Keith Brown MSP



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Mr Mark Whitworth

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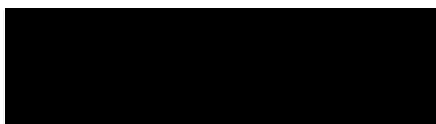
Our ref: 2018/0016552  
29<sup>th</sup> May 2018

Dear Mr Whitworth

Thank you for your detailed letter to Keith Brown MSP, Cabinet Secretary for Economy, Jobs and Fair Work, on Peel Ports' plans for Inchgreen Dry Dock. Mr Brown was extremely appreciative of the information you provided.

The Cabinet Secretary also noted your request for a meeting and he would be delighted to meet. Please contact Mr Brown's office at [CabSecEJFW@gov.scot](mailto:CabSecEJFW@gov.scot) or on 0131 244 9993 to make the necessary arrangements.

Kind regards



**Simon Forrest** *PS*  
Private secretary

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
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## Email from Scottish Government official to Peel Ports

**dalla Costa D (Dario)**

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**From:** dalla Costa D (Dario)  
**Sent:** 13 September 2018 10:43  
**To:** Whitworth, Mark (Mark.Whitworth@peelports.com)  
**Cc:** Ferguson V (Val); Wilcock C (Chris)  
**Subject:** Meeting with Minister on Inchgreen Drydock

Dear Mr Whitworth

We are aware that earlier this year you requested a meeting with Keith Brown, former Cabinet Secretary for the Economy, Jobs and Fair Work, to discuss Peel Port's Plans for Inchgreen Drydock.

The reference to our original response is 2018/0016552.

As you will know, Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, has taken on Mr Brown's portfolio and he would be happy to meet.

If you wish, please contact Mr Matheson's Assistant Private Secretary, [REDACTED] at [CabSecTIC@gov.scot](mailto:CabSecTIC@gov.scot) or on [REDACTED] to make the necessary arrangements.

Kind regards  
Dario

**Dario Dalla Costa | Ports & Canals Policy Adviser**

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Please note that I am not in the office on Friday afternoons.