

Forth Green Freeport Ltd- Board Meeting #11

Port Office, Forth Ports Ltd, Grangemouth

18th June 2025

10am -12pm

Board Directors in Attendance:		Other Attendees:	
Dame Susan Rice DBE	Chair	Sarah Murray	FGF Chief Executive Officer
Stuart Wallace	Forth Ports	Laura McIntyre	PMO / Secretariat
Councillor Altany Craik	Fife Council	Eilidh Callum	PMO / Secretariat
Councillor Alan Nimmo	Falkirk Council	Christopher Thomson	Scottish Government
Amanda Templeman	Falkirk Council	Jo McCrea-Curlett	MHCLG
Councillor Jane Meagher	City of Edinburgh Council	Svea Miesch	Scottish Government
Dave Moxham	Workers Rep	Elin Williamson	City Of Edinburgh Council
Ilgi Kim	Babcock	Malcolm Bennie	Falkirk Council
		Pamela Stevenson	Fife Council
		Andrew Muddiman	Royal Navy
		Steve Revell	Falkirk Council
		Tom Morris	FGF
		Rhona McMillan	FGF
Proxies			
Paul Kelly	Scarborough Muir		
Colin Pritchard	INEOS		
Apologies			
William McAlister	Scarborough Muir	Pamela Smyth	Forth Ports
Andrew Gardner	INEOS	Paul Kettrick	Falkirk Council
		Carol Connelly	Fife Council

No.	Minutes and Actions
1	<p>Welcome and Introductions</p> <p>Chair welcomed attendees and noted apologies from Andrew and William. Two new FGF OpCo team members were introduced:</p> <ul style="list-style-type: none"> - Rhona McMillan (Governance and Operations Officer) - Tom Morris (Trade and Investment Manager) <p>The Board noted the passing of Ronnie Muir and acknowledged his early and ongoing contributions to the Freeport initiative.</p> <p><u>Declarations of Interest</u></p> <p>No new declarations were noted at the start of the meeting. However, later in the meeting, a previously declared conflict of interest was clarified. This related to a Scottish Water seed</p>

	<p>capital proposal, with the conflict involving Sarah Murray, Opco CEO, due to her relationship/connection with the CEO of Scottish Water.</p> <p>It was agreed that, going forward, declarations of interest be made more explicitly and recorded at the beginning of the meeting, rather than at the point of the relevant agenda item.</p>
2	<p>Chair Update</p> <p><u>Minutes of Board Meeting #10(April 2025)</u></p> <p>Minutes were approved with minor amendments noted: Correction of Councillor names and clarification on seed capital eligibility (change to priority given to partners). The explicit reference to the declaration of interest by Sarah Murray in relation to the Scottish Water seed capital project is to be added. This relates to her relationship to the CEO of Scottish Water.</p> <p><u>Action List Update</u></p> <ul style="list-style-type: none"> • Action 1 – Completed. Close and remove. • Action 2 – Completed (attached to the papers). Close and remove. • Action 3 – Landholder approval but no board approval at this time, extensive discussion detailed in item 3 below. Action to remain on log. • Action 4 – Completed. Close and remove. • Action 5 – The Trade & Investment Manager is now in post. While this will be covered in more detail below. The action remains open as the work is ongoing. • Action 6 – SM explained that the process is partially complete but still lacks some information. As this is the first time undertaking this exercise, additional questions may arise. However, with each iteration, the process will be refined and improved. Completed. Close and remove. • Action 7 – Completed. Close and remove. • Action 8 – A final budget was not prepared for this meeting as OpCo still lacks clarity on the services and costs associated with the Accountable Body and has been in ongoing conversation about the matter. The Financial Scheme of Delegation has also not been prepared due to time constraints. This action remains open. OpCo will prepare the Scheme and bring it first to the Audit & Risk Committee, then to the Board. <p>AT expressed concern that recruitment and contracting are proceeding without a scheme of delegation, budget, or cashflow, leaving board members without a clear sense of solvency.</p> <p>Cllr Nimmo asked how new staff are being funded. SM responded that following Board agreement, DSR had written to landholders regarding 2024/25 invoicing. Invoices have been issued, and with council contributions in the bank and reserves available under the reserve policy, OpCo felt comfortable proceeding with recruitment.</p> <p>It was noted that the current approach differs from what was previously communicated. Board members have requested evidence of solvency. While the budget would typically provide sufficient assurance, the next board meeting is not</p>

	<p>scheduled until September—midway through the financial year. As such, members have asked to receive some form of assurance prior to that meeting. Action: SM to provide board members with appropriate evidence of solvency in the interim.</p> <ul style="list-style-type: none"> • Action 9 – Covered above. Completed. Close and remove. • Action 10 – Completed. Close and remove. • Outstanding Action 1 – Still live. See Action 8 above. • Outstanding Action 2 – Communications group to meet and update timelines. • Outstanding Action 3 – Completed. To be discussed at the end of the meeting. • Outstanding Action 4 – Completed. All landholders are in agreement. Now with the Board for approval. Close and remove. • Outstanding Action 5 – Thanks to landholders who submitted baseline data. Babcock data is still outstanding. The return has been submitted to government to begin the data cleansing process. Further clarification may be required from landholders. This action remains open until all data is submitted. • Outstanding Action 6 – Completed. Discussed in more detail below. Close and remove. <p>➤ Action: SM to provide board members with appropriate evidence of solvency in the interim.</p> <p><u>Chair's Update</u></p> <p>The Chair provided a brief overview of her recent engagements including an email exchange (without actions) with the UK Freeport Chairs Group and participation at the UK REiif forum. She highlighted that the Department for Business and Trade (DBT) has been in touch several times. Notably, she had a productive conversation with a New York-based DBT officer who was in the UK exploring investment opportunities.</p>
3	<p>FBC Critical Actions & Progress to signing</p> <p>Landholder and End User Agreement Templates were issued to the Board for approval by 12 June 2025. However, the Board did not reach unanimous agreement, and the templates remain unapproved.</p> <p>City of Edinburgh Council (CEC) expressed concerns with the current wording, particularly around the enforcement of investment principles. CEC emphasised that these principles are fundamental to the Freeport's success. While local authorities can withdraw Non-Domestic Rates (NDR) relief, their concern lies with Revenue Scotland and HMRC, who have indicated that there is no mechanism to claw back relief once granted and they have not agreed to suspend or revoke relief in the event of a breach.</p> <p>SM explained that this issue had been anticipated during the OBC and FBC submission phase, with expectations that an anticipated Freeport policy statement from the UK Government would address enforcement mechanisms. Unfortunately, that statement never materialised. Despite this, government departments confirmed they are satisfied</p>

	<p>with the current remedies, and other Freeports across the UK are operating under the same conditions. ICF has approved their agreements and is comfortable with the position.</p> <p>CT thanked SM, Cllr Meagher, and EW for their comments and confirmed that this issue had been the subject of months of dialogue with HMT and HMRC. The outcome was clear: there is no legislative mechanism for clawback and attempts to embed this into policy were unsuccessful. However, NDR relief (likely the largest relief and biggest lever) remains within local authority control, and can be withdrawn from non-compliant investors.</p> <p>Cllrs Craik and Nimmo expressed disappointment at only now fully understanding the implications. It was clarified that this issue had been discussed at previous Board meetings and through correspondence over several months. The current position reflects the best available solution.</p> <p>SW noted that Freeport partners are reputable organisations with strong governance and due diligence processes. The types of investors being targeted will undergo checks on covenant strength, reputation, and compliance, which should provide additional reassurance. While the enforcement mechanisms may not be perfect, the risk is manageable and shared by all partners.</p> <p>AT clarified that local authorities could not reclaim NDR relief already awarded but could stop future reliefs.</p> <p>CEC maintained their position: their approval of the FBC was conditional on no investor receiving benefits until the enforcement issue is fully clarified with HMRC. For transparency and assurance, they requested a written statement from HMRC and Revenue Scotland confirming the current position.</p> <p>CT and JMcC reiterated that this is the final legislative position. Both UK and Scottish Governments have pursued this issue extensively, but any change would require new legislation, which could take years and significantly delay Freeport operations.</p> <p>The Chair and CEO reiterated the urgency to move through the stages to finalising the Memorandum of Understanding (MoU) which is essential for unlocking seed capital (which carries a fixed end point). They emphasised that any further delays could jeopardise access to this funding and limit the potential impact of what could be achieved with it. Additionally, continued delays may pose a reputational risk to the Freeport.</p> <p>Action: SM and Government - A written response from Government confirming the current position will be requested and circulated to the Board. The Board will be kept informed and a further call for approval will be issued if anything changes.</p>
4	Risk Register

	<p>The Programme Risk Register was updated in relation to the risk action items from the previous meeting and subsequently reviewed; no new risks were identified. Landholder agreements remain the highest risk.</p>
5	<p>Operations</p> <p><u>Chief Executive Office Update</u></p> <p>SM highlighted the following key updates:</p> <ul style="list-style-type: none"> • Staffing: Two new team members, Tom and Rhona, have joined and the remaining two staff are expected to start in August. • Government Spending Review: The outcome was positive for the Freeport, with confirmation of seed capital and support for the Project Acorn's development. SM noted that the UK Industrial Strategy is expected to be published in the coming weeks. It is anticipated to emphasise key sectors such as advanced manufacturing and clean energy—areas where the FGF has a strong presence. Freeports are expected to be positioned as a key place-based delivery mechanism within the strategy. SM committed to providing board members with a summary note once the strategy is released. • Recent engagement: SM also shared highlights from recent engagements, including attendance at UK REiIF (also attended by the Chair) and a ministerial roundtable with the Minister for Investment. She observed a strong commitment to engagement from the Department for Business and Trade (DBT), particularly the recently expanded Office for Investment. <p>SW raised a question regarding the alignment of Investment Zones and Freeports as Industrial Strategy Zones. SM confirmed that, in England, there is a move toward closer integration. However, the situation in Scotland differs. CT from the Scottish Government confirmed that a policy statement is imminent. While changes are expected in England, Scotland has opted to maintain its current approach to preserve the Green Freeport brand. This will provide an opportunity to create a more coordinated and bigger Scotland offer to investors.</p> <p>MB sought clarification from SM regarding the accountable body costs. He noted that the board had approved a draft budget in December, which included an allocation to Falkirk Council of £200,000 for 2025/26. However, SM's earlier comment—suggesting the budget could not be finalised due to uncertainty around this cost—raised concerns about a potential shift in position by OpCo.</p> <p>SM responded that OpCo is seeking clarity on the actual costs associated with specific services provided by the accountable body and the PMO. She explained that OpCo directors, a point supported by CP, feel a fiduciary responsibility to ensure transparency and value for money. They believe that as the current arrangement lacks the rigour of a traditional procurement process, they want assurance that the services being paid for are clearly defined and appropriately costed. A discussion had been initiated by OpCo in February involving MB, DSR and the OpCo Chair. The financial details requested were still outstanding.</p>

MB expressed concern from the perspective of the Council, which is delivering the accountable body services. He reiterated that Falkirk Council had resourced its team based on the draft budget agreed in December. He found it problematic to be in a position where the budget appears to be under negotiation mid-financial year. While he supported the effort to define services and ensure fair pricing—including a tapering of costs over time—he was troubled by the implication that he might need to restructure his team mid-year due to a potential budget reduction. He described this as a case of "moving the goalposts."

SW offered a broader perspective, noting that in his experience as a director on multiple boards, mid-year budget changes are not unusual. He emphasised the need for both parties to engage in a transparent and collaborative discussion, as assumptions were being made on both sides and the current uncertainty could not continue.

MB concluded with three key points:

1. Goodwill Request: Noting that Falkirk Council had invested significantly and resourced up to support the Freeport's development, he requested goodwill during the 2025/26 transition period.
2. Mutual Accountability: While it is fair for OpCo to seek clarity on costs and services, he pointed out that board members were informed that OpCo had recruited staff without being presented a finalised budget or assurance that the Opco have the funding to support such recruitment and annual salaries—highlighting a need for mutual accountability.
3. Budget Presentation: He suggested that the accountable body allocation could have been presented with an asterisk, indicating it was under negotiation. This would have allowed the board to review a draft budget and provided some reassurance.

Chair closed the discussion by acknowledging the importance of the points raised and reminding the Board that if the December iteration of the budget was acceptable for some staffing purposes as noted above, then it should be so across the piece. She stressed the need for both parties to sit down together and review the costs which have been requested. She emphasised the urgency of resolving the matter quickly and collaboratively.

Later in the meeting, questions were raised regarding the OpCo's reserves policy. While it was noted that the policy had been agreed upon, no specific details were provided to the board. As a result, an action was agreed for SM to present the reserves policy to the Audit and Risk Committee for review and subsequently share it with the board at the next meeting.

AT asked SM to clarify a point in her report, on page 12 of the PDF. The last sentence of the last bullet point says in the absence of any master planning or stronger levers, the FGF, Scottish Enterprise and landholders will need to work closely to ensure no regret investments. Can it be clarified what this means and what it might mean for the FGF board. SM responded with support from CP that what this relates to is the work that SE and GFIB are doing on the back of Project Willow. There is an acknowledged need to create a masterplan for the investment, addressing where investment is best situated to make sure that the cluster operates at its optimal level. It's about sequencing, use and allocation of

land and consideration of the landholder's decision and the implications this could have on the cluster.

During the meeting, a proposed revision to the CEO report format was proposed. It was suggested that the template would benefit from the inclusion of two additional sections:

1. Key Risks – A summary of the top three to five strategic or operational risks that SM is currently managing.
2. Forthcoming Actions – An outline of the key actions planned for the next six weeks or the upcoming reporting period. These would provide the board with greater visibility into emerging challenges and the immediate priorities being addressed.

- **Action: SM to provide board members with a summary note once the Industrial Strategy is released.**
- **Action: SM to meet with the Accountable Body to discuss costs and services to finalise the budget.**
- **Action: SM to provide the Audit and Risk Committee with details of the OpCo reserves policy, which will subsequently be shared with the Board.**
- **Action: SM to revise the CEO report format.**

Revised Opco Terms of Reference

SM outlined the key changes to the Terms of Reference (ToR), which will come into effect upon the signing of the Memorandum of Understanding (MoU). The primary purpose of the revised ToR is to support the transition from the Steering Group to the OpCo Board meeting structure.

To ensure continuity, individuals who have played a significant role in guiding the project to this stage will continue to participate as observers. These organisations are explicitly named in the ToR.

The revised ToR also includes a provision allowing the OpCo Board to meet independently—without observers or external participants—when discussing confidential company matters.

Due to time constraints during the meeting, the Chair requested that any comments or feedback on the ToR be directed to SM following the meeting, rather than being raised during the session.

Enquiry Reporting/Sharing Process

Tom introduced himself as the new Trade and Investment Manager, sharing his background and explaining how his experience aligns with the role. One of his key priorities is to establish a clear and effective enquiry reporting and sharing process.

Tom emphasised two main objectives:

	<ol style="list-style-type: none"> 1. Transparency – Ensuring visibility into the enquiries received, and more importantly, identifying gaps—what enquiries are not coming in? Are we attracting the right types of enquiries and referrals? 2. Confidentiality – Balancing transparency with the need to protect sensitive information, so that stakeholders are informed without compromising commercial sensitivities. <p>To support this, Tom, along with Blair Jamieson (T&I Subcommittee Lead) and SM, has developed a logging format that categorises enquiries by sector and likely landing position. This format can be presented in a report to the subcommittee and adapted for board-level reporting.</p> <p>Tom also proposed a regular update cadence. A subgroup of the T&I Subcommittee would receive weekly updates to maintain real-time awareness, while broader updates could be shared monthly or at board meetings to provide a strategic overview of trends and developments.</p> <p>Given the absence of a T&I Manager until now, the team has been reactive, relying on incoming enquiries. A key part of Tom's role will be to shift towards a more proactive approach through targeted marketing activities. He plans to review existing efforts by SDI and DBT to understand what has been done and how best to target specific sectors, industries, companies, and key individuals.</p> <p>Once Tom has had time to settle into the role and develop a comprehensive plan, he will present it to the Board to ensure all members are informed and aligned.</p>
6	<p>Subcommittee updates</p> <p>Update papers provided for all subcommittees.</p> <p>It was noted that the "Actions/Points for the Board to Consider" section in the update template is often left empty, including in most recent submissions. This was seen as undervaluing the significant work being carried out by the subcommittees. It was requested that, to better reflect the contributions of these groups and to support more informed board discussions, this section of their reporting form is completed in detail.</p> <p>➤ Action for subcommittee Leads / SM - ensure future updates inform the board of key decisions and considerations.</p>
7	<p>ICP Subcommittee Special Agenda Item</p> <p>SR presented the paper and outlined the request for board approval that would allow the Accountable Body to issue a grant offer letter for £75,000 in seed capital to fund a utility constraints study. The board was also asked to give the ICP chair authority to approve the business case when this is developed.</p> <p>It was noted that the release of seed capital is contingent upon the signing of the Memorandum of Understanding (MoU). As such, while the proposal is supported in principle, the project cannot proceed at pace until the MoU is formally executed and seed capital received by the Accountable Body.</p>

	<p>➤ Decision - Approved in principle, pending FBC and MOU finalisation and approval of the project business case by the ICP Subcommittee.</p>
8	<p>Community Engagement</p> <p>The Board expressed a desire to gain clarity on the planned local authority community engagement activities following approval of the Full Business Case (FBC). Specifically, members requested details on who will be engaging with community councils and what types of activities are planned.</p> <p>It was noted that community engagement falls under the remit of the Infrastructure, Communities and Place (ICP) Subcommittee. The distinction between community engagement and media/communications was emphasised—while both are important, they serve different purposes. Community engagement focuses on direct interaction with local stakeholders, whereas media and communications, including marketing, will be led by Spreng Thomson.</p> <p>Local authorities were asked to present their community engagement plans at the next Board meeting to ensure alignment and transparency. In parallel, it was agreed that a strategic communications and media plan should be prepared in advance, with placeholder content ready to be finalised and launched immediately upon FBC approval. Councillor Craik requested that this item be moved up the agenda at the next meeting to allow for a focused discussion on the proposed communications campaign. SM noted that the chair of the Communications Subcommittee would be attending and presenting to the next meeting of the ICP Subcommittee with latest messaging.</p> <p>➤ Action: ICP Subcommittee to work with local authorities to create a community engagement plan to be presented to board.</p>
9	<p>Accountable Body</p> <p><u>MOU</u></p> <p>The Accountable Body has completed its review of the draft Memorandum of Understanding (MoU). All initial questions and concerns have been addressed in consultation with Government, and there are currently no issues requiring escalation. The draft MoU template was circulated for information only. It will be formally populated by the Scottish Government once the landholder agreements have been received and the Full Business Case (FBC) has been approved. The finalised MoU will be presented to the Board for formal approval following review by the Audit and Risk Committee. It was noted that the MOU doesn't contain anything new, all elements are extracted from the FBC.</p> <p><u>M&E Baseline</u></p> <p>This item was addressed by SM under the action points. The submission remains pending, as we are still awaiting data from Babcock. All other available data have been submitted</p>

	to Government. Once Babcock's input is received, the full M&E submission will be formally completed and submitted.
10	<p>Future Meetings</p> <p>Given the breadth of topics and detailed discussions required during this initial setup phase, future Board meetings will be extended by 30 minutes. This arrangement can be reviewed in the future.</p> <p>Where possible, meetings will be scheduled on Wednesdays from 10:00 AM to 12:30 PM. Dates for the next year have been agreed and formal calendar invites will be issued accordingly.</p> <p>The Chair reminded members and observer attendees that the Board had previously agreed these meetings would be held in person. A Teams link will be provided only in cases where physical attendance is not possible. Board members unable to attend are expected to nominate a proxy to ensure continued representation.</p>
11	<p>AOB</p> <p>Date of next meeting – Wednesday 3rd September 2025 at Babcock Rosyth.</p> <p>A special meeting by Teams may be required over the summer months to approve the MoU and final submission to government.</p>