

Forth Green Freeport Ltd- Board Meeting #13
Ineos, 1 Inchyra Road, Grangemouth FK3 9XB
5th November 2025
11am -13.30pm

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 Alan Nimmo	Falkirk Council	Eilidh Callum	PMO / Secretariat
Andrew Gardner	INEOS	Jo McCrea-Curlett	MHCLG
Amanda Templeman	Falkirk Council	Pamela Stephenson	Fife Council
Councillor Jane Meagher	City of Edinburgh Council	Andy Muddiman	Royal Navy
Alan Muir	Scarborough Muir Group	Paul Ketrick	Falkirk Council
Councillor Altany Craik	Fife Council	William McAlister	Scarborough Muir Group
Gareth Hedicker	Babcock International	Elin Williamson	City Of Edinburgh Council
		Malcolm Bennie	Falkirk Council
		Steve Revell	Falkirk Council
Proxies			
Apologies			
Dave Moxham	Workers Rep	Chris Thompson	Scottish Government
		Pamela Smyth	Forth Ports

No.	Minutes and Actions
1	<p>Welcome and Introductions</p> <p>The Chair welcomed attendees and noted apologies from Dave Moxham, Pamela Smyth and the Scottish Government.</p> <p>The Board formally agreed the appointment of Gareth Hedicker from Babcock International as a Director and welcomed him to the meeting. The Chair thanked him for facilitating Babcock's approval of the landholder agreement.</p> <p><u>Declarations of Interest</u> No new declarations were noted.</p>
2	<p>Chair Update</p>

As outlined in the paper from Derek Knox, OpCo was seeking member approval to appoint Sarah Murray as a Director of their board. Approval was unanimously granted. Sarah will instruct the legal team to proceed with the necessary paperwork.

Minutes of Board Meeting #12(Sept 2025)

Minutes were approved without amendments.

Action List Update

In relation to Action 4, the Chair shared correspondence from the City of Edinburgh Council. After extensive discussion, all directors agreed to support a letter to ministers in both governments addressing the lack of remedies (for tax incentives not controlled by Local Authorities) in cases of breaches of our investment principles. The Chair had drafted a response letter, which was subsequently circulated to all members for approval prior to submission. Please note that this will not be issued to the governments until the FBC is approved and the MoU signed. A copy will also be shared with the Freeports Chairs Group and colleagues from both governments who support the Freeport.

All other actions have been completed, except for Outstanding Action 4 relating to AB costs. While significant progress has been made, a further meeting is required. It is anticipated that this matter will be presented to the Board at the January meeting.

Chair's Update

The Chair and Chief Executive hosted the semi-annual MP/MSP briefing on 31st October, which saw a strong turnout and a positive, supportive tone from MPs and MSPs. Key questions during the session focused on future competitiveness and on communications, where MPs and MSPs emphasized the need for wide dissemination of our story and messaging. It was noted that major announcements are on hold pending FBC approval. Fraud prevention was highlighted as a priority, especially the importance of vigilance and preventive measures. Additionally, there is a need for targeted messaging to counter outdated 1980s-era perceptions about freeports that persist in some quarters. The Chair noted thanks to Derek Knox and Blair Jamieson for their presentations at the session.

MSPs in attendance included:

- Graham Simpson MSP
- Sue Webber MSP
- Graeme Downie MP
- Colin Beattie MSP
- Michelle Thomson MSP
- Tracy Gilbert MP
- Stephen Kerr MSP
- Gordon MacDonald MSP
- Albie Mills, assistant to Melanie Ward MP
- Simon Shedden, assistant to Ben Macpherson MSP

- Chelsea Taylor, assistant to Michelle Thomson MSP
- Adam Wilson, assistant to Tracy Gilbert MP.

At the recent UK Freeports Chairs Forum, discussion highlighted issues faced by other Freeports which are sometimes different from ours. However, there is growing interest in Scotland's approach on various matters such as our governance.

The recent ministerial change was also discussed, and the Chairs agreed to send a letter to Miatta Fahnbulleh MP, requesting a meeting to develop the relationship.

In response to his outreach, the Chair and Chief Executive met with Richard Baker, MP for Glenrothes and Mid Fife. He was particularly interested in how we might embrace activities outside our current boundary, as his constituency falls just beyond it. The Chair explained that we operate on a large scale with fixed boundaries at this time.

The Chair led a meeting of subcommittee chairs which Sarah kindly arranged. The purpose was to reinforce that, while each subcommittee is focused on a specific area such as Fair Work, Net Zero, or Investment and Trade, they are all part of the bigger operation and need to work together. The session provided an opportunity for open conversation and alignment across priorities. Laura McIntyre also gave a presentation on the Nolan Principles to which we are all signed up.

The Chair also attended Scotland's Global Investment Summit which brought together major international investors. She was part of several forums and discussions, including a small working session with the Deputy First Minister and key investors. These conversations provided an excellent platform from which to highlight the Freeport and its plans, ensuring it remains visible in discussions about inward investment.

Action: Chief Exec to share MSPs that were in attendance at FGF Briefing – see text above.

3 FBC Critical Actions & Progress to signing

Following final approval of the landholder agreements from all members, Sarah informed the Board that the Full Business Case (FBC) was submitted in September. She expressed her thanks to the PMO team for their work in collating and submitting the necessary documentation. Government assessors have already reviewed the FBC, and it is now with the Treasury for approval. While there is no specific deadline, it is hoped that approval will be granted within weeks, potentially by the end of November or early December, with full approval and the signing of the MoU anticipated before Christmas.

The MoU is still referred to as a draft; however, it now reflects input from all key parties. It has been reviewed by the three local authorities (as billing authorities), the accountable body, and underwent legal review from both TopCo and OpCo perspectives. The Audit and Risk Committee (ARCo) also considered it. Once all comments were incorporated, the draft was issued to government, who have addressed the concerns raised. The final draft is the version tabled for today's meeting.

	<p>There are no perceived red flags in the document. The only unresolved point relates to seed capital. Government will not amend this wording, as all other Freeports have signed the MoU on the same basis. We are therefore inclined to proceed, while continuing to highlight this as a concern. We understand that MHCLG and the English Freeports are preparing a paper for ministers, proposing additional freedoms and flexibilities around seed capital. We hope that any resulting changes will be mirrored by the Scottish Government.</p> <p>The MoU is not legally binding. Its purpose is to consolidate key elements of the FBC and commitments from all signatories: the three local authorities, the accountable body, and TopCo.</p> <p>The aim is to progress the MoU in parallel with the FBC process so we are ready to sign as soon as the FBC receives final confirmation from the Treasury and both governments.</p> <p>The board was asked to review the MoU issued with the papers and provide approval by end of the month. We are not seeking changes to the text unless you believe there is a fundamental flaw. Once approval is reached, and when requested by government, the Chair will sign on behalf of TopCo.</p> <p>Action: Board Members to review MoU and provide approval by 17th Nov 2025.</p>
4	<p>Risk Register</p> <p>The PMO tabled a new style of risk briefing, which members agreed was clearer and more helpful. It was agreed that future risk updates will follow this format, with the full risk register to be reviewed biannually. The ARCo will continue to review the full register in detail at its scheduled meetings.</p> <p>Eilidh provided an update on the current status of the risk register, which has improved since the last meeting:</p> <ul style="list-style-type: none"> • Two risks have been closed since the last meeting: Landholder Agreements – now fully approved. Manpower – OpCo is now fully staffed. • There are no new or changed risks and, of the current high risks, there is one very high risk and two high risks • Very High Risk: Utility Supply Issues This risk remains very high due to grid capacity issues. It is expected to be partially mitigated by the proposed seed capital-funded utility study. Until that study commences and is delivered, the risk will remain at its current level. • High Risk 1: Investor Engagement

	<p>This risk relates to the challenge of securing investors and attracting commercial interest. While mitigation is underway through the appointment and activities of the Trade & Investment Manager, there are currently no confirmed end users, so the risk remains high.</p> <ul style="list-style-type: none"> • High Risk 2: Coastal Flooding This external risk stems from the Freeport development area being close to or within zones identified as high risk in SEPA's coastal flooding plans. Mitigation measures are in place, but the risk remains high due to the strategic importance of flood resilience for long-term viability and investor confidence.
5	<p>Operations</p> <p><u>Delivery Team Update</u> Following the establishment of a dedicated delivery team, what was previously the CEO update is now presented as the Delivery Team Update, maintaining the same structure for continuity.</p> <p>The team is now fully in place and is focused on operationalising the FBC. This involves aligning all delivery elements and ensuring that subcommittee decisions and recommendations are timed to support investor decision-making processes. For example, in relation to Net Zero, the team are working to ensure carbon assessments are undertaken early enough to influence material choices and investment strategies. Sarah noted that this kind of forward planning is central to their approach.</p> <p>A six-month Delivery Plan was included in the board pack, outlining immediate priorities. This will be followed by the development of a three-year Business Plan, which will require further planning and input.</p> <p>Sarah stated that the OpCo's current focus is on accelerating delivery, now that the team is in place. This includes proactive investor engagement across all sites, recognising that each site offers distinct opportunities for different investor profiles. Sectoral focus remains aligned with the priorities set out in the FBC and she stressed that they are actively pursuing investor interest, with recent overseas business visits demonstrating strong momentum. Each tax site is being positioned with a joined-up offer, supported by collaboration between landlords and delivery partners. This approach is already yielding positive engagement and will be scaled further.</p> <p>Action: ARCo to review the following papers and provide comment/recommendations to CEO at meeting scheduled for 12th Dec.</p> <p><u>OpCo Budget</u></p> <p>The OpCo's budget for 2024/25 was presented to the Board. Sarah confirmed that this is the finalised version of the draft previously shared, though it remains subject to ARCo review. Agreement has now been reached on the AB fee for 2024/25. While there may be</p>

minor differences compared to earlier drafts, these are primarily due to finalised costs for insurance and premises. Crucially, the budget remains within the agreed financial envelope.

Sarah also noted plans to present a new budget paper for 2026/27 at the next Board meeting. She invited anyone with questions to get in touch directly.

Action: CEO to bring 26/27 budget to next meeting.

Financial Scheme of Delegation

Based on the framework set out in the FBC, this paper clarified the levels of authorisation, secondary approvals, and the roles of the ARCo and other relevant committees. It also referenced the associated policies to show how everything connects.

Sarah noted that although we've been active for a year, there hasn't yet been a full cycle of standard activity, so practical adjustments may be necessary over time.

The scheme is intended to help explain why certain processes are followed, especially given the structure involving AB, TopCo and OpCo. It's anticipated that some scenarios may prove challenging, but these will be worked through as they arise.

Amanda, who had expressed interest in this scheme, confirmed that she felt this version was a solid starting point. She noted a couple of minor issues but was happy to raise those separately.

Cllr Meagher commented about the handling of urgent matters which often present the most difficulty. It was suggested that clarity around what constitutes "urgent", particularly in relation to deadlines, would be helpful going forward. Sarah acknowledged this point and noted that further comments on the budget paper would be welcomed.

Financial Reserves Policy (Revised)

Sarah noted that the financial reserves policy has already undergone one round of scrutiny by the ARCo. That review focused on two key areas: the level of reserves the Freeport intends to hold and establishing a mechanism to carry forward funds that are in the process of being commissioned. Sarah confirmed that these points have been incorporated into the current version of the paper. She also expressed thanks to Amanda for her unofficial review. The ARCo is expected to revisit the policy again at its December meeting.

Looking ahead, Sarah explained that the policy will be taken to the OpCo Board in January for a broader discussion on the strategic use of reserves. Given the substantial amount currently held, options to be explored include: potential expenditure that benefits all stakeholders, or reducing the level of subs for the next financial year. She emphasised

the importance of managing the reserves carefully to avoid a significant tax liability, which would be regrettable given the effort involved in building them up.

Stuart added that it is crucial to manage the funds strategically, not only to preserve them but also to support delivery pace and ensure effective use. He recalled that during the early setup phase, the idea of using a portion of the reserves to support community engagement was floated. This could help demonstrate how the Freeport is beginning to make a tangible difference in areas such as Grangemouth and Edinburgh. He clarified that he was not advocating large-scale spending but suggested that a meaningful use of some reserves should be considered, rather than returning them to Treasury.

Cllr Craik raised the point that a specific figure should be put on the reserves, citing Fife Council's benchmark of holding between 2% and 4% of turnover. Sarah responded that she is currently working through that step with the accountants and hopes to have a figure ready in time for ARCo's December review.

Hospitality Policy

Sarah provided an overview of the Hospitality Policy, developed by OpCo. The policy applies not only to staff but also to board members, chairs, committee members, and any secondees supporting Forth Green Freeport business. Sarah emphasised the importance of awareness, particularly for events or invitations attended in a professional capacity on behalf of FGF.

A hospitality log is already in place and was shared at a previous board meeting. Sarah noted that estimating the value of hospitality can be challenging, especially when invitations are informal (e.g. breakfast meetings), and often requires a degree of judgement.

Sarah highlighted that this is a nuanced area, especially given the Freeport's hybrid nature blending private sector engagement with public sector accountability. From her previous public sector experience, the default was often to declare everything, but she acknowledged that this approach may not be practical or proportionate for the Freeport.

The current approach is case-by-case, with decisions made through discussion and agreement. The policy will continue to evolve as the team learns from experience. Sarah suggested that the ARCo could support the process, particularly in managing appeal clarifications. She noted that this is not a board-level matter, but one that requires oversight.

Interim Work Plan

Sarah reminded everyone that the Board had requested a work plan at the last meeting. In response, an interim delivery plan has been developed, recognising the need to take time to shape a full three-year plan. The next three years are expected to be critical for the Freeport's first phase of investment attraction. The interim plan outlines immediate areas of focus, particularly around accelerating delivery across tax sites, advancing

Commented [S(1)]: I'm not sure that and audit cttee takes an operational role.

Commented [EC2R1]: I agree, its not in the TOR list of duties and responsibilities, it was a suggestion from Sarah at the meeting, I am guessing this will be brought to ARCo for their consideration.

sustainable and inclusive employment initiatives and aligning committee workstreams with delivery priorities.

Sarah acknowledged the challenge posed by the breadth of activity, noting the Board's question: "Can we deliver all of this?" She expressed confidence in the core team and the wider group of partners but emphasised that delivery will require full commitment and momentum.

The plan represents a first attempt to map out priorities and processes. Sarah noted the importance of prioritisation and identifying which actions will have the greatest impact, especially as budget planning begins for 2026–27.

Stuart suggested that the Board should have visibility of how the team is prioritising work and assessing impact, with the first year of the three-year plan clearly defined and focused on the most critical actions. This would enable the Board to confirm whether it is comfortable with the proposed direction of travel.

Further comments from members highlighted the need for milestones to provide a clear, at-a-glance view of delivery status. It was proposed that ARCo be involved in establishing these milestones to support progress tracking and identify any slippage.

The Board also requested that the delivery plan be aligned with the risk register, ensuring both tools work together to support informed decision-making.

Sarah agreed, noting that the current paper represents a first step in responding to the Board's request. She welcomed the suggestions for refinement and confirmed that ARCo will have sight of future iterations.

Finally, there was a broader reflection on the need for a shared understanding of OpCo's strategic direction at the start of Board meetings. It was suggested that the Chair review the order of agenda items to enable better decision-making and help determine whether certain actions need to be re-prioritised.

M&E Autumn Submission

This is the first monitoring and evaluation submission supported by OpCo, as the previous round was completed with help from the hub. The OpCo team have already reached out to landholders and initiated an exercise to validate and correct the baseline data, ensuring that the initial submission is accurate. Immediately following this meeting, Arup will host a short workshop for landowners to provide guidance. The session will also be recorded for those unable to attend live.

The OpCo are working closely with Arup to support landholders through this process. While the exercise is challenging, it offers significant value by providing intelligence on what is actually happening on the ground. This insight can inform strategic decisions and highlight areas where intervention may be needed. For example, if progress on power and utilities

	<p>is slow, we can escalate this issue within the context of the UK's modern industrial strategy, which prioritises accelerating delivery of essential infrastructure.</p> <p>Sarah stressed that this is not just a compliance exercise. While we must complete the required reporting, the process should be used to capture meaningful feedback. Even if current investment levels are zero, comments on challenges and observations are critical. For instance, the delivery team has consistently reported that investors are asking about access to cheap, green energy as a key requirement for future growth. Highlighting such issues will strengthen the case for targeted action.</p> <p>All landholders are requested to treat this as an opportunity to provide insight, not simply a tick-box task. The input will help shape priorities and accelerate delivery where it matters most.</p>
6	<p>Subcommittee updates</p> <p>Subcommittee updates were provided in board pack. There were no questions.</p>
7	<p>Seed Capital</p> <p>Paul presented an update on current and potential future seed capital proposals. The main purpose of the report was to seek an in-principle Board approval to progress with seed capital funding for the Calachem proposal; if approved, the AB would be asked to submit a change request and, subject to subsequent approvals, issue the grant award letter.</p> <p>As noted in previous updates to the Board, two projects were at risk and will drop out of the programme. Calachem's proposal would fill part of that gap, while recognising that there remains a residual amount of approximately £900,000, which will be progressed into Phase 3 of the seed capital programme.</p> <p>Any raised a question regarding the source of the freed-up funds enabling new projects. Sarah confirmed that this resulted from delays to the ACORN project falling outside the seed capital window and Forth Ports South Shore Road.</p> <p>He noted the challenge posed by the tight timeline for spending seed capital and expressed concern that a significant allocation (£5.5m) is being directed toward land remediation rather than project delivery. He observed that remediation acts as an enabler but does not directly deliver projects and questioned what more the subcommittee could do beyond facilitating these enabling works.</p> <p>Further discussion highlighted concerns about the use of seed capital for land remediation, given previous commitments during the OBC and FBC stages that such obligations should sit with landowners. Stuart queried the quality and scope of works being funded, noting that landowners were previously expected to meet remediation obligations without reliance on seed capital.</p>

	<p>Both Paul and Steve confirmed that, when the proposal was submitted, they addressed the issue of landowner liability for historic contamination. They made it clear to the applicant that any costs relating to their own legal liabilities must be included in their proposal but cannot be covered by seed capital funding.</p> <p>To ensure compliance, Steve (on behalf of the ICP Subcommittee) had sought legal advice from Brodies on the nature of liability determination. The advice confirmed that:</p> <ul style="list-style-type: none"> • Above-ground structures (e.g., redundant buildings containing asbestos) can be considered within project scope. • Ground contamination remains the responsibility of the landowner and should not be funded through seed capital. <p>This guidance applies not only to this project but also to future proposals, particularly where asbestos removal is involved.</p> <p>For Calachem, there are some legal liabilities linked to previous ownership and legislation dates. Paul and Steve have been clear that no items extending beyond those obligations can be included in the funding request.</p> <p>The Board accepted this position but requested evidence to substantiate compliance. As such, it was agreed that approval cannot be granted at this time, pending:</p> <ul style="list-style-type: none"> • Clarity on the scope of works and associated costs • Confirmation that landowner obligations are not being funded by seed capital <p>Action: Paul and Steve to prepare a detailed paper with a breakdown of the proposal for distribution to Board members. This will be reviewed outside the normal meeting schedule to avoid delays.</p> <p>The Board asked for a status update on all approved seed capital projects, including spend to date, progress, and timelines. This will provide assurance and inform future discussions on funding requirements. Paul confirmed that an update will be provided and noted that this aligns with upcoming discussions on accelerating seed capital spend and ensuring robust oversight.</p> <p>Action: PMO to ensure a seed capital status update is added to future agendas as a standing item.</p>
8	<p>AOB</p> <p>The next meeting will take place at SMG Head Office in Inverkeithing (please note, it's a short walk from the station) on 21st January 2026 at 10am.</p>

<p>As this was the final meeting of the year, the Chair thanked all members and observers for their contributions and extended best wishes for a happy holiday season to members and their families.</p>
