

Note of meeting between Deputy First Minister and Baroness Gustafsson of Chesterton OBE, UKG Minister for Investment – 24 June 2025

Attendees

Kate Forbes MSP, Deputy First Minister

Poppy Gustafsson, UKG Minister for Investment

Iseabail Mactaggart, Deputy Director, DBT Scotland

[Redact Section 38(1)(b)] Investment Partner Scotland, Office for Investment

[Redact Section 38(1)(b)], Assistant Private Secretary to Minister Gustafsson

Richard Rollison, Director of Trade and Investment, SG

1. The meeting began with a brief discussion on the Minister's positive visit to Dundee and DFM's reflections on Scotland's strong performance in the recent EY Attractiveness Survey. [Redact Section 30 (b)(ii)]
2. The DFM and the Minister discussed the massive economic and net zero potential of investment in offshore wind, [Redact Section 30(b)(ii)].
3. The DFM emphasised the need for both SG and UKG to show momentum and to maximise local content and briefly explained the local content aspects of the Scotwind licensing process with around £25bn of local content anticipated over time.
4. The investment opportunity to bring Mingyang to Scotland was discussed. [Redact Section 30(b)(ii)]. [Redact Section 30(b)(i)]
5. The Minister outlined the importance of the UKG Industrial Strategy to aligning UKG Departments behind common goals and the 8 priority sectors and highlighted that the OFI was putting in place a regional support structure to catalyse investment across the whole of the UK. She also highlighted OFI's role in supporting the creation of 'investable sites' – unlocking sites so they were ready for investment – and emphasised a willingness to work with the Scottish Government and its agencies on this.
6. The DFM and the Minister discussed UKG proposals for AI Growth Zones and associated opportunities for data centres. [Redact Section 30(b)(i)]
7. [Redact Section 30(b)(ii)] Scotland, especially Edinburgh, had very significant strengths in AI which made it a strong contender for a Growth Zone.
8. The DFM outlined the work being done within SG on Scotland's investment pipeline and an associated public/investor facing InvestScotland portal and offered to share that with UKG if helpful.

9. The DFM and the Minister agreed that officials should liaise on the UKG led West Midlands Investment [Redact Section 30(b)(ii)] and the SFE/City of London led investment summit in Edinburgh in October. Both noted the benefits of demonstrating joint working between SG and UKG to investors.

Richard Rollison

OFFICIAL – SENSITIVE

READ OUT - Deputy First Minister / Michael Shanks MP, Parliamentary Under-Secretary of State for Energy – Thursday 26 June, 15:45 - 16:00

Participants

SG Attendees

Deputy First Minister

[Redacted Section 38(b)(i)] Private Office

UKG Attendees

Michael Shanks MP, Parliamentary Under-Secretary of State for Energy

[Redacted Section 38(b)(i)] Private Office

Background

Minister Shanks' Private Office contacted DFM PO on the morning of Thursday 26 June asking for a 15 minute meeting with the DFM before 16:00 that day –

[Redacted Section 30(b)(i)] [Redacted Section 29(1)(d)]

Michael Shanks opened the call by thanking DFM for meeting at short notice. The Minister wanted to flag today's decision by the UK Government on the future of Xlinks and that he had issued a written statement earlier today in that regard – see [Written statements - Written questions, answers and statements - UK Parliament](#)

DFM thanked the Minister for reaching out and shared that she had received a letter from [Redacted Section 38(b)(i)][Redacted Section 33(1)(b)]

Michael Shanks [Redacted Section 33(1)(b)]

DFM mentioned her meeting with Rt Hon Baroness Gustafsson CBE, Minister of State for Investment, in Edinburgh on Tuesday this week and that she had shared a number of investment opportunities with her and that Minister Shanks had been referenced – [Redacted Section 33(1)(b)].

Michael Shanks closed the call by agreeing to pick up those discussions with Minister Gustafsson.

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The Rt Hon Steve Reed OBE MP
Secretary of State for the Department for the
Environment, Food and Rural Affairs
House of Commons
London
SW1A 0AA

27 June 2025

Dear Secretary of State,

**THE CONSERVATION OF OFFSHORE MARINE HABITATS AND SPECIES
REGULATIONS 2017**

MARINE (SCOTLAND) ACT 2010

MARINE AND COASTAL ACCESS ACT 2009

ELECTRICITY ACT 1989

**NOTIFICATION AND AGREEMENT SOUGHT RELATIVE TO SECTION 36 CONSENT
AND MARINE LICENCES FOR CONSTRUCTION AND OPERATION OF BERWICK BANK
WIND FARM AND ASSOCIATED OFFSHORE TRANSMISSION INFRASTRUCTURE,
APPROXIMATELY 47.6KM FROM THE EAST LOTHIAN COASTLINE AND 37.8KM FROM
THE SCOTTISH BORDERS COASTLINE IN THE OUTER FIRTH OF FORTH**

I am writing to you regarding the notification process under regulation 31(5) of The Conservation of Offshore Marine Habitats and Species Regulations 2017 (“the Offshore Regulations”) in respect of an application for consent under section 36 of the Electricity Act 1989 and applications for marine licences under the Marine (Scotland) Act 2010 and Marine and Coastal Access Act 2009 for the construction and operation of Berwick Bank Wind Farm, approximately 47.6km from the East Lothian coastline and 37.8km from the Scottish Borders coastline (“the Project”). The Scottish Ministers, as the competent authority under the Offshore Regulations, are minded to consent the above Project notwithstanding a negative assessment of its implications for one or more European sites.

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

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Under regulation 31(5) of the Offshore Regulations, we, the Scottish Ministers must notify and seek the agreement of the Secretary of State where we propose to agree a plan or project under the habitats derogation provisions, contained within regulation 29 and 36 of the Offshore Regulations, and where that plan or project may have certain negative implications for protected sites outside Scotland/ Scottish waters. Furthermore, your agreement to the Scottish Ministers' proposal to agree to the Project may be given subject to such conditions or restrictions as you, the Secretary of State, may specify.

The Appropriate Assessment ("AA") of the implications of the Project for European offshore marine sites and European sites carried out by Scottish Ministers concluded a negative assessment for the implications of the site conservation objectives in respect of Flamborough and Filey Coast Special Protection Area ("SPA") and Farne Islands SPA, which are English protected sites. Therefore, when considering the Scottish Ministers proposal to agree to the Project under the habitats derogation provisions I ask that you consider the implications on these specific English protected sites and whether further conditions or restrictions are required to mitigate or eliminate negative impacts on these sites. I recognise that you will want to take account of the conclusions of the AA and derogations process as relevant context when reaching your view. I therefore enclose with this letter a copy of the AA and derogation assessment undertaken by the Scottish Ministers in accordance with the Conservation (Natural Habitats, &c.) Regulations 1994 and the Conservation of Offshore Marine Habitats and Species Regulations 2017, alongside advice received from stakeholders and internal advisors.

You will note that under the derogation assessment, it is the Scottish Ministers' intention to approve the Project and therefore grant section 36 consent and marine licences, notwithstanding a negative assessment of the implications for European sites identified in the conclusions of the AA. The Scottish Ministers are satisfied that there are no satisfactory alternatives to the Project, that it is being carried out for imperative reasons of overriding public interest and that the conditions attached to the consent and marine licences will ensure that compensation measures which are sufficient to compensate for the Project's impacts on SPAs are formally secured as required by the Habitats Regulations before the Project can be lawfully built and operated.

I would request that you consider the documentation provided in seeking to ensure that any negative impacts on non-Scottish protected sites are adequately addressed and provide a response by 16/07/25 which confirms one of the following:

1. Unconditional agreement with the Scottish Ministers' proposal to agree to the Project.
2. Agreement with the Scottish Ministers' proposal to agree to the Project subject to certain specified conditions or restrictions including full reasons as to why these conditions or restrictions are relevant, necessary, enforceable, and reasonable. I would anticipate that discussions will be required to ensure that any such conditions or restrictions are drafted in such a way that is suitable for inclusion within the relevant consent and licences.
3. Notification that you do not agree with the Scottish Ministers' proposal to agree to the plan or project and your reasons why, in which case I would anticipate further discussions between our respective governments as to next steps.

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As a key part of the decision making process, Scottish Government officials will publish this notification and your response on the Scottish Government's consenting and licensing website. We would expect considerable public scrutiny of the process and would propose that a general approach to associated communications is agreed between the two governments.

Yours sincerely,

[Redact S29(1)(d)]

KATE FORBES

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The Rt Hon Steve Reed OBE MP
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House of Commons
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The Rt Hon Ed Miliband MP
Secretary of State for Energy Security and Net Zero
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27 June 2025

**THE CONSERVATION OF OFFSHORE MARINE HABITATS AND SPECIES REGULATIONS
2017**

**THE CONSERVATION (NATURAL HABITATS, &C.) REGULATIONS 1994
THE CONSERVATION OF HABITATS AND SPECIES REGULATIONS 2017**

MARINE (SCOTLAND) ACT 2010

MARINE AND COASTAL ACCESS ACT 2009

ELECTRICITY ACT 1989

**NOTIFICATION RELATIVE TO SECTION 36 CONSENT AND MARINE LICENCE FOR
CONSTRUCTION AND OPERATION OF THE WEST OF ORKNEY WIND FARM AND
ASSOCIATED OFFSHORE TRANSMISSION INFRASTRUCTURE, APPROXIMATELY 28
KILOMETRES WEST OF HOY, ORKNEY, AND 23 KILOMETRES FROM THE NORTH
COAST OF SCOTLAND.**

I am writing to inform you under regulation 31(4) of The Conservation of Offshore Marine Habitats and Species Regulations 2017 that consent under section 36 of the Electricity Act 1989 for the construction and operation of West of Orkney Wind Farm, approximately 28 kilometres west of Hoy, Orkney, and 23 kilometres from the north coast of Scotland, was granted by Scottish Ministers on 26 June 2025. An associated marine licence under the Marine (Scotland) Act 2010 and Marine and Coastal Access Act 2009 to construct, alter or improve the marine renewable energy infrastructure and associated offshore transmission infrastructure was also granted on 26 June 2025.

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Please note that the consent and marine licence for this project were granted notwithstanding a negative assessment of the implications for several European sites in Scotland and for European offshore marine sites in the Scottish offshore region. The Scottish Ministers are satisfied that there are no satisfactory alternatives to the project, that there are imperative reasons of overriding public interest justifying proceeding with the project and that the conditions attached to the consent and marine licence will ensure that the appropriate and necessary compensatory measures will be secured.

Yours sincerely,

[Redact S29(1)(d)]

KATE FORBES

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The Rt. Hon Peter Kyle
[Redact S29(1)(d)]

Dear Kate,

Thank you for your letter dated 22nd May regarding the UK Government's AI Opportunities Action Plan and AI Growth Zones, and for your letter of support for all Scottish AI Growth Zone applicants.

The AI Opportunities Action Plan sets out a bold and forward-looking strategy to position the UK as a global leader in AI. It outlines how we will lay the foundations for AI growth, drive adoption, and build UK capability at the frontier. I am committed to building an AI sector that can scale and win globally, ensuring that AI companies want to call the UK home.

Scotland's emerging AI clusters, strong university base, significant renewable energy resources, and existing datacentre developments position Scotland well to contribute to this national ambition. Just last week, we announced that Edinburgh will become home to the UK's most powerful supercomputer, giving scientists across the UK access to compute power found in only a handful of other nations. I was also pleased to see your 'AI Scotland' announcement in your programme for Government 2025 to 2026, which focused on partnerships of business, academia, agencies and government, and a national AI adoption programme for SMEs.

Finally, it is encouraging to see the work underway to identify suitable candidates for AI Growth Zones in Scotland. We are committed to working with Scottish Government to identify suitable sites in Scotland, and where possible, develop those sites into AI Growth Zones. I know our officials have been working closely together on several high potential sites and have met with local council officials, and that all Scottish expressions of interest have been shared with your team.

I look forward to further progress being made in identifying AI Growth Zones in Scotland.

Yours sincerely,

[Redact S29(1)(d)]

Rt Hon Peter Kyle MP
Secretary of State for Science, Innovation and Technology

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The Rt Hon Ian Murray MP
Secretary of State for Scotland

By email: [Redact S29(1)(d)]

03 July 2025

Dear Ian,

Thank you for your letter to the First Minister regarding the current situation facing Young Enterprise Scotland (YES). I am responding as this matter falls within my portfolio.

I certainly welcome the UK government's interest in entrepreneurial education in Scotland. However, I do think it is important to set out the facts and to correct several inaccuracies in your letter.

The Scottish Government has never provided core funding to YES. Over the past five years alone, the Scottish Government has provided over £2 million to support two specific programmes. Those grant agreements with YES concluded in March 2024. Young Enterprise Scotland subsequently requested £285,000 in emergency funding to cover costs they had continued to incur against those programmes in the following financial year. I granted that emergency award in October 2024 on the basis of an agreement that it would enable the organisation to find a route to sustainability. I have also committed to providing the recent sum requested by the Young Enterprise Scotland Board of Trustees to support their business transition over the next few weeks and months.

The Scottish Government therefore recognises the valuable contribution YES has made over many years. We have enjoyed a long and productive relationship with the organisation, underpinned by our shared commitment to empowering young people with the skills, confidence, and experience they need to thrive.

At the same time, it is important that public funding in this area is allocated in a way that is fair, transparent, and open to all organisations working to improve outcomes for young people. We remain committed to supporting a diverse ecosystem of providers and ensuring that opportunities for support are accessible to those who can demonstrate innovation, impact and alignment with our strategic priorities. That is why last year we also awarded over £820,000 in high quality, impactful programmes in schools across Scotland through the competitive Entrepreneurial Education Fund.

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We intend to relaunch the Fund this year as part of the record £30m investment in activity to deliver our entrepreneurial ambitions.

In the meantime, my officials continue to support the Board of Young Enterprise Scotland in navigating a way forward in difficult circumstances. We remain committed to ensuring young people in Scotland have access to opportunities that build their skills and confidence, and we will continue to support initiatives that align with these goals through transparent and sustainable funding mechanisms.

Yours sincerely,

[Redact S29(1)(d)]

KATE FORBES

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Kate Forbes MSP
Deputy First Minister of Scotland and
Cabinet Secretary for Economy and Gaelic

Our ref: MCB2025/03540
Your ref:

By email: [Redact S29(1)(d)]

15 July 2025

Dear Kate,

I am pleased to inform you that the UK government published its response to the review of the United Kingdom Internal Market Act 2020 and public consultation on 26 June 2025, a copy of which is enclosed.

The review was launched on 23 January 2025, with its scope expanded beyond what the law requires, to help determine how the operation of the Act can be improved. The review is now complete, well ahead of the statutory deadline of December 2025.

During the review, the government conducted a ten-week public consultation, which closed on 3 April 2025. We engaged a wide variety of stakeholders, and more than half of the 85 responses received were from the business community. I am grateful for the discussions you and I have had on the review, and for the written response provided by the Scottish government.

From our engagement and consultation, it is clear that business stakeholders value a well-functioning internal market and want to see more collaborative working between governments in the UK, together with stronger communication and engagement with those stakeholders who could be affected by governments' policy decisions. The message that the government has heard loud and clear is that businesses – wherever they are based - need certainty that they can trade freely within the UK, unencumbered by unnecessary disruption resulting from poorly managed regulatory difference between the nations. Businesses also require clarity and certainty to take informed planning decisions and make confident investment decisions for the future.

I have been explicit about the need for businesses to have certainty, which is why the review has not considered repeal of the Act or any of its provisions, and why our starting position was that we were not minded to weaken the protections provided by the Act's Market Access Principles. Many business stakeholders have told us that the Act and these principles provide important protections for our producers, service providers and qualified professionals. We have listened to those views and are not changing the Market Access Principles. Providing business with certainty comes not just from the legal framework, but also from the way in which the UK's four governments are seen to be working together. I believe that we must support innovation that addresses the needs of local people, and that

we should do so in a way that promotes economic growth. This means more actively managing regulatory difference within the UK, with all governments discussing, designing and implementing policy in a joined-up way.

The UK government pledged to explore improvements in the way the Act's provisions operate, recognising the concerns that have been raised about how the UK internal market had been managed to date. That is why the government's response describes how to manage the UK internal market in a more transparent, proportionate, and pragmatic way, fostering open policy discussions between the UK government and devolved governments, with greater clarity and engagement with businesses and other stakeholders.

Specifically, the UK government will:

- implement UK Internal Market Act exclusions that have been agreed by all governments within a Common Framework;
- alongside economic impacts, now consider in particular environmental protection and public health in UK Internal Market Act exclusions, thereby ensuring a balance of factors is considered;
- establish a Minimum Economic Impact process for considering smaller exclusions, and implement them where all governments agree the exclusion has an economic impact of less than £10 million a year;
- implement a "reserve" exclusions process where it has not been possible for all four governments to reach agreement on an exclusion;
- work with the devolved governments to agree processes for how all four governments engage with businesses and other stakeholders on matters being discussed in Common Frameworks; and
- work with the devolved governments to agree a process for all four governments to jointly refer UK internal market matters for advice to the Office for the Internal Market.

I am confident these measures meet the key requests of many stakeholders, allowing the UK's four governments to move forward together in managing the internal market in a way that delivers growth, jobs, and opportunities across our country.

Yours sincerely,

[Redact S29(1)(d)]

The Rt Hon Douglas Alexander MP
Minister of State for Trade Policy and Economic Security
Department for Business and Trade



Department
for Environment,
Food & Rural Affairs

The Rt Hon Steve Reed OBE MP
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The Rt Hon Kate Forbes MSP
Deputy First Minister and Cabinet
Secretary for Economy and Gaelic
The Scottish Parliament
Edinburgh
EH99 1SP

21 July 2025

Dear Deputy First Minister,

**THE CONSERVATION OF OFFSHORE MARINE HABITATS AND SPECIES
REGULATIONS 2017**

MARINE (SCOTLAND) ACT 2010

MARINE AND COASTAL ACCESS ACT 2009

ELECTRICITY ACT 1989

**NOTIFICATION AND AGREEMENT SOUGHT RELATIVE TO SECTION 36
CONSENT AND MARINE LICENCES FOR CONSTRUCTION AND OPERATION
OF BERWICK BANK WIND FARM AND ASSOCIATED OFFSHORE
TRANSMISSION INFRASTRUCTURE, APPROXIMATELY 47.6KM FROM THE
EAST LOTHIAN COASTLINE AND 37.8KM FROM THE SCOTTISH BORDERS
COASTLINE IN THE OUTER FIRTH OF FORTH**

I am writing to advise you that I have considered your letter dated 27 June 2025. In that letter, you notified me of Scottish Ministers' proposal to grant consent to Berwick Bank Wind Farm "the Project", notwithstanding a negative assessment of the implications for one or more European sites. As you outlined in your letter, the Scottish Ministers intend to approve the Project because they are satisfied that there are no satisfactory alternatives to the Project, that it is being carried out for imperative reasons of overriding public interest, and that conditions attached to the consent and marine licences will ensure that compensation measures which are sufficient to compensate for the Project's impacts on Special Protection Areas (SPAs) are formally secured as required by our respective Habitats Regulations before the Project can be lawfully built and operated.

Under regulation 31(5) of the Conservation of Offshore Marine Habitats and Species Regulations 2017 ("the Offshore Regulations"), where the Scottish Ministers propose

to agree to a plan or project under regulation 29 of those regulations, notwithstanding a negative assessment of the implications for a UK marine protected site outside Scottish waters, they must notify the Secretary of State; and they may agree to the plan or project only after having been notified of the Secretary of State's agreement, which may be given subject to such conditions or restrictions as the Secretary of State may specify. It has been agreed within UK Government that I am the relevant Secretary of State for this purpose.

In considering the notification, I have had regard to information from the following documents:

- i. the project application;
- ii. the Appropriate Assessment;
- iii. the Derogation Assessment;
- iv. expert advice from Natural England, NatureScot, the Marine Directorate – Science, Evidence, Data and Digital, and the Chief Scientific Advisor Marine;
- iii. the shadow derogation case from Berwick Bank Wind Farm Limited (“the Company”);
- v. the proposed compensatory measures; and
- iv. the details of the relevant regulations requiring SoS notification (namely, the Offshore Regulations).

Specifically, regarding the impact on SPAs in English waters, I have also received expert advice from Natural England on the Project's impacts; potential mitigations; and the availability of compensation.

The role of the Secretary of State

I have considered what issues I need to take into account when making my decision. I have concluded that in this case my role is to comment on the impacts of the Project on SPAs in English waters and, in particular, whether there is sufficient evidence to conclude that the Scottish Ministers (as the relevant appropriate authority) can secure adequate compensatory measures in respect of those impacts so as to ensure the coherence of the National Site Network is protected. I have also considered, as requested, whether additional conditions or restrictions are required to mitigate or eliminate negative impacts of the Project on English SPAs.

I have also considered the Scottish Ministers' conclusions both on whether there are any alternative solutions to the Project and on whether there are imperative reasons of overriding interest to agree to the project. I have concluded that as the Scottish Ministers have the overarching understanding of these tests in relation to Scotland that I will defer to their decisions on these points.

Adverse Impacts on Site Integrity

I observe that the Scottish Ministers' Appropriate Assessment either concludes that there will be an Adverse Effect on Site Integrity (AEOSI), or is unable to conclude beyond reasonable scientific doubt that there will be no AEOSI, on a

number of SPAs both within and outside Scottish waters. With regards to English sites, the Appropriate Assessment concludes there will be an AEOSI for seabird assemblage qualifiers for kittiwake in the Farne Islands SPA from the Project alone, and razorbill and kittiwake in the Flamborough and Filey Coast SPA in combination with other plans or projects. It was unable to conclude beyond reasonable scientific doubt that there will be no AEOSI for guillemot in the Farne Islands SPA from the Project alone.

I have taken advice from Natural England on the Scottish Ministers' Appropriate Assessment. Impact assessments in Scottish waters follow methodological guidance from NatureScot and the Scottish Government's Marine Directorate, which differs in some key respects from guidance issued by Natural England. As a result, on 3 July, Natural England advised that the impact values in the Appropriate Assessment have some differences with Natural England's assessment. The implications of this are indicated in Annex A. Regardless of the difference in methodology, Natural England has concluded that the predicted impacts on English SPAs would be substantial.

You asked me to consider whether further conditions or restrictions are required to mitigate or eliminate negative impacts on these sites. I am advised by Natural England that options are potentially available to further mitigate the Project's impacts on English SPAs. However, Natural England was unable to advise on whether these options are achievable in the context of a viable project. I have annexed Natural England's advice on this matter. Given the Scottish Ministers are in a better position to judge the viability of mitigations against the objectives and economics of the project, I would ask you to confirm to me that you have satisfied yourself that these options have been fully explored and that you have concluded they are not practical or viable.

Compensatory Measures

The Scottish Ministers have concluded that the measures proposed by the Company will not provide sufficient compensation in respect of the impacts identified and quantified in the Appropriate Assessment. I note that Scottish Ministers' intention is to grant "suspensive" consent, which is consent that is conditional on a detailed seabird compensation plan to be developed and approved by Scottish Ministers prior to the start of construction.

Natural England limited its consideration to the availability for compensation in England, noting, for example, the Implementation and Monitoring Plans being developed under the Collaboration on Offshore Wind Strategic Compensation (COWSC) for predator management and Offshore Artificial Nesting Structures. It noted, however, that if the Company sought to use the predator eradication measure being developed in English waters it would likely reduce the compensation options available for English Offshore Wind projects. It also noted the potential opportunities in the UK outside of England, principally in Scotland, but could not advise on whether these would provide sufficient compensation.

In relation to the SPA sites in English waters, on the basis of advice from Natural England, I am satisfied that there is evidence that sufficient measures to compensate for AEOSI resulting from the Project could be available in the future.

Decision

On this basis I am content to provide agreement to your proposal to consent to the project, subject to the following conditions:

- i. Scottish Ministers must obtain my written agreement to the detailed seabird compensation plan which they intend to require the Company to produce. That written agreement may be given subject to such conditions or restrictions as I may specify. Such conditions may, for example, require the compensation for the impacts on English SPAs to be calculated based on impacts advised by Natural England, as indicated in Annex A.
- ii. A condition must be imposed on the Company reflecting the above requirement and the wording of this condition must be agreed with my officials.

Further Comments

Due to the impacts on SPAs in English waters and the potential impact on compensation options as mentioned above, I would strongly prefer compensatory measures to be secured from Scotland or Scottish waters and this is a point I will consider when I am asked to agree the compensation plan.

My decision is specific to this Project and nothing should be taken as precedent for future projects.

Yours sincerely,

[Redact S29(1)(d)]

The Rt Hon Steve Reed OBE MP
Secretary of State for the Department for the Environment, Food and Rural Affairs

Deputy First Minister and Cabinet Secretary for
Economy and Gaelic
Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit
airson Eaconamaidh agus Gàidhlig
Kate Forbes MSP
Ceit Fhoirbeis BPA



Scottish Government
Riaghaltas na h-Alba
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Michael Shanks MP
Minister for Energy
[Redact S29(1)(d)]

23 July 2025

Dear Michael,

Port of Cromarty Firth

As you are aware, Scotland's ports are key to unlocking our offshore wind potential, leveraging investment in critical infrastructure and the supply chain, and supporting economic growth.

The award of Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS) grant funding to the Port of Cromarty Firth was a very welcome step in securing the critical infrastructure needed to support the deployment of floating offshore wind projects and create a cutting-edge floating offshore wind integration hub.

[Redact S33(1)(b)]

[Redact S33(1)(b)]

The current volatility in the offshore wind market globally means that government and the wider public sector must do all we can to provide certainty, including supporting the development of our world-leading ports facilities. I am grateful for the UK Government's close engagement on this matter, including by your officials, and we are committed to continuing to work closely with you and your officials to ensure the opportunities are realised.

[Redact S29(1)(d)]

KATE FORBES

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The Rt Hon Ed Miliband MP
Secretary of State for Energy Security and Net Zero
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24 July 2025

Dear Secretaries of State,

**THE CONSERVATION OF OFFSHORE MARINE HABITATS AND SPECIES
REGULATIONS 2017**

MARINE (SCOTLAND) ACT 2010

MARINE AND COASTAL ACCESS ACT 2009

ELECTRICITY ACT 1989

**NOTIFICATION RELATIVE TO SECTION 36 CONSENT AND MARINE LICENCE FOR
CONSTRUCTION AND OPERATION OF SALAMANDER OFFSHORE WIND FARM AND
ASSOCIATED OFFSHORE TRANSMISSION INFRASTRUCTURE, APPROXIMATELY 35
KILOMETRES OFF THE COAST OF PETERHEAD**

I am writing to inform you under regulation 31(4) of The Conservation of Offshore Marine Habitats and Species Regulations 2017 that consent under section 36 of the Electricity Act 1989 for the construction and operation of Salamander Offshore Wind Farm, approximately 35 kilometres off the coast of Peterhead, was granted by Scottish Ministers on 24 July 2025. An associated marine licence under the Marine (Scotland) Act 2010 and Marine and Coastal Access Act 2009 to construct, alter or improve the marine renewable energy infrastructure and associated offshore transmission infrastructure was also granted on 24 July 2025.

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

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Please note that the consent and marine licence for this project were granted notwithstanding a negative assessment of the implications for a European site in Scotland or for a European offshore marine site in the Scottish offshore region.

Yours sincerely,

[Redact S29(1)(d)]

KATE FORBES

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The Rt Hon Steve Reed OBE MP
Secretary of State for Environment, Food and Rural Affairs
House of Commons
London
SW1A 0AA

By email: [Redact S29(1)(d)]

31 July 2025

Dear Secretary of State,

**THE CONSERVATION OF OFFSHORE MARINE HABITATS AND SPECIES
REGULATIONS 2017**

MARINE (SCOTLAND) ACT 2010

MARINE AND COASTAL ACCESS ACT 2009

ELECTRICITY ACT 1989

**NOTIFICATION RELATIVE TO SECTION 36 CONSENT AND MARINE LICENCE FOR
CONSTRUCTION AND OPERATION OF BERWICK BANK WIND FARM AND
ASSOCIATED OFFSHORE TRANSMISSION INFRASTRUCTURE, APPROXIMATELY
47.6KM OFFSHORE OF THE EAST LOTHIAN COASTLINE AND 37.8KM FROM THE
SCOTTISH BORDERS COASTLINE AT ST ABBS**

I am writing to inform you under regulation 31(4) of The Conservation of Offshore Marine Habitats and Species Regulations 2017 (“the Regulations”) that consent under section 36 of the Electricity Act 1989 for the construction and operation of Berwick Bank Wind Farm (“the Project), approximately 47.6km offshore of the East Lothian coastline and 37.8km from the Scottish Borders coastline at St Abbs was granted by Scottish Ministers on 31 July 2025. Associated marine licences under the Marine (Scotland) Act 2010 and the Marine and Coastal Access Act 2009 to construct, alter or improve the generating station and offshore transmission infrastructure were also granted on 31 July 2025.

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Please note that the consent and marine licence for this project were granted notwithstanding a negative assessment of the implications for a European site in Scotland, a European offshore marine site in the Scottish offshore region.

In accordance with Regulation 31(5) of the Regulations, the Scottish Ministers notified you of, and sought your agreement to, their intention to approve the Project on 27 June 2025. You provided a response on 21 July 2025 whereby you agreed to the consent of the Project subject to conditions relating to your written agreement to the Seabird Compensation Plan. The wording of the condition relative to the Seabird Compensation Plan was subsequently revised and agreed by your officials on 24 July 2025. This condition is included in the section 36 consent and relevant associated marine licences.

In relation to the options identified by Natural England to further mitigate the project's impacts on English SPAs, my officials have reviewed the information provided by the developer and that which was included within the derogation case. I can confirm, as you requested, that the Scottish Ministers are satisfied that these options are not practical or viable.

Yours sincerely

[Redact S29(1)(d)]

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Meeting between the DFM and Kirsty McNeill, Parliamentary Under Secretary of State for Scotland: Ayrshire Growth Deal

Time and Date

14th August 2025 (16:15-16:40) via Microsoft Teams

Attendees

- Kate Forbes, Deputy First Minister (**KF**)
- Kirsty McNeill, Parliamentary Under Secretary of State for Scotland (**KM**)

(Supporting Officials SG)

- Emily Mackintosh, Senior Special Adviser to the Deputy First Minister
- [Redact S38(1)(b)], Private Secretary to the Deputy First Minister
- [Redact S38(1)(b)] Head of East & West of Scotland Regional Growth Deals, Regional Economic Development Division [Redact S38(1)(b)]

(Supporting Officials UKG)

- [Redact S38(1)(b)], Team leader for City & Region Growth Deals, Scotland Office
- [Redact S38(1)(b)], Private Secretary to Secretary of State for Scotland
- Callum Munro, Special Adviser, Scotland Office

Context to Discussion

KM recently had direct engagement with Ayrshire MPs as part of a series of UKG led roundtables focusing on providing overview information for the various Scottish Regional Growth Deals. At the Ayrshire session, concerns were raised about the perceived lack of progress within the Deal, including lack of tangible activity on the ground, the limited amount of money that has been spent to date and concern about the scope of some projects themselves. There had also been a recent local press article led by local labour MSPs calling for new leadership of the Ayrshire Growth Deal¹.

Key Discussion Areas During the Meeting

KF thanked KM for organising the call and noted late last year local MSPs had similar concerns about the Growth Deal. KF outlined the various actions she undertook with South Ayrshire Council in particular to encourage improved pace, including:

- Chairing monthly meetings with the Chief Executive and senior officers in South Ayrshire Council to understand the blockers to progressing with project development and delivery;
- [Redact S33(1)(b)]

¹ [Ayrshire MPs call for new leadership of £251m Growth Deal | Ayr Advertiser](#)

Meeting between the DFM and Kirsty McNeill, Parliamentary Under Secretary of State for Scotland: Ayrshire Growth Deal

- Led engagement with Scottish Enterprise, supported by Director [Redact S38(1)(b)] and a live commercial partner to explore future opportunities at Prestwick.
- Approved the Prestwick Proposition change request alongside UKG, to provide assurance to South Ayrshire Council to progress with business case development work necessary to consider future Growth Deal funding release.

[Redact S30(b)(ii)].

Actions Agreed:

1. KF/KM to meet with the 3 Ayrshire Council Leaders in person before Christmas for further discussion and to obtain assurance on:
 - a. Acknowledge the challenges previously identified for hindering progression of the Ayrshire Growth Deal;
 - b. Accountability to ensure Growth Deal investment is properly maximised; and
 - c. Progress on key milestones achieved in 25/26.
2. [Redact S29(1)(a)].
3. Consider options for a future local MSP/MP virtual engagement focused on the Growth Deal to improve awareness and provide assurance that concerns have been understood and managed.

[Redact S38(1)(b)] noted for awareness that the three Ayrshire Local Authority Chief Executives have discussed reaching out to Ministers from both Governments to discuss the Growth Deal and provide assurance.

[Redact S38(1)(b)] also noted (and linked to timing of action 3) the Growth Deal Programme Management Office is actively seeking future engagement opportunities with the local MSPs/MPs.



Ministry of Housing,
Communities &
Local Government



Rt Hon Angela Rayner MP

*Deputy Prime Minister and Secretary of State for
Housing, Communities & Local Government*
2 Marsham Street
London
SW1P 4DF

Rt Hon. Ian Murray MP

Secretary of State for Scotland
Dover House
London
SW1A 2AU

Alex Norris MP

*Parliamentary Under Secretary of State for Building
Safety, Fire and Local Growth*
2 Marsham Street
London
SW1P 4DF

Our reference: MC2025/08548

Kate Forbes

Deputy First Minister and Cabinet Secretary for Economy and Gaelic
Scottish Government

Via email: [Redact S38(1)(b)]

19 August 2025

Dear Kate,

Thank you for your letters of 17 March and 29 May. Please accept our apologies for the delay in responding to you. Given the close working between our departments, and our joint engagement to date with stakeholders in Scotland, we thought that a joint response be best.

We would like to start by taking this opportunity to congratulate you on your dedicated service in government in light of your decision to stand down at next year's Holyrood Election.

We want to assure you that we remain committed to meaningful engagement with the Scottish Government and partners in Scotland, particularly in relation to the important work we are doing collectively on Green Freeports and Investment Zones.

Building on the £1.4 billion of existing commitments in Scotland that were outlined and confirmed in the 2024 Autumn Budget, the Spending Review announced further targeted investment to drive local growth and support some of Scotland's most-in-need communities. Alongside existing commitments, we will also be seeking to secure a share of the £240 million new Growth Mission Fund announced by the Chancellor which is being led by the Department for Business and Trade. We have made a clear commitment to ensure every part of Scotland benefits from the announcements made at the Spending Review. We are now writing to you to reaffirm our commitment to work with the Scottish Government across new place-based

programmes, and to seek your support for officials in both governments to work together to achieve the best outcomes for Scotland.

We will be making targeted and long-term investment in communities through Scotland's share of all community cohesion and regeneration projects which align with our commitment to support 350 communities across the UK. This includes the investment announced at Spending Review for the two trailblazer neighbourhoods to be identified from within Glasgow and Fife.

To deliver this support, the UK Government will build on and expand the existing Plan for Neighbourhoods which we outlined earlier this year and includes long term investment for 10 communities in Scotland. We will continue the transparent and collaborative approach taken with the Scottish Government, which has already informed the delivery of this programme to date; and which clearly reference key Scottish Government policies such as your Regeneration Strategy.

In addition to our support for 350 communities across the UK, the Spending Review also confirmed that the Scotland Office, alongside the other Offices for the Nations, will work with the Ministry of Housing, Communities and Local Government (MHCLG) to develop and deliver a new local growth fund. Further details on this will be shared by our officials in the coming weeks, and we plan to work closely with your government to ensure that this is developed and delivered with transparency and with careful consideration of your priorities for regional economic development.

We would like to thank you for your offer to meet. We would be keen to follow this up at the earliest opportunity. Our offices will reach out to your officials to find a suitable time.

We look forward to our two governments working closely and constructively together.

Yours sincerely,

[Redact S29(1)(d)]

RT HON ANGELA RAYNOR MP

Deputy Prime Minister and Secretary of State for Housing, Communities & Local Government

[Redact S29(1)(d)]

RT HON IAN MURRAY MP

Secretary of State for Scotland

[Redact S29(1)(d)]

Alex Norris MP

Parliamentary Under-Secretary of State, Ministry for Housing, Communities & Local Government

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Peter Kyle MP
Secretary of State for Business and Trade
Department for Business and Trade
UK Government
[Redact S29(1)(d)]

16 September 2025

Dear Peter,

I would like to welcome you to your new role following your appointment as Secretary of State for Business and Trade on 5 September. I note that our respective portfolios encompass many similar elements that are critical to our shared ambition to drive economic growth. These include attracting investment, encouraging innovation and enterprise, building effective partnerships with business, better regulation, and the importance of trade. I also have portfolio responsibility within the Scottish Government for long-term labour market strategy, and I know that your Department has been leading on progressing the Employment Rights Bill through the UK Parliament and implementation of the UK Government's wider Make Work Pay agenda.

Given the Scottish Government's long-standing commitment to Fair Work, we have taken a keen interest in the Employment Rights Bill and support the vast majority of the proposals set out in the legislation. Indeed, many of the proposed measures in the Bill will put on a statutory footing some of the progress we have made already in Scotland through our Fair Work policy. While I continue to believe that the best way to ensure the protection of workers' rights in Scotland over the long term is for employment law to be devolved to the Scottish Parliament, I consider the Bill to be a positive step that will have notable benefits for employers and workers, contributing both to economic growth and the wellbeing of individuals and families.

I am concerned that some media coverage suggests the recent changes made by the Prime Minister to his ministerial team might lead to a dilution of the UK Government's commitment to progress the Employment Rights Bill and Make Work Pay agenda. I would be grateful for your firm assurance that the UK Government remains committed to the passage and implementation of the Bill in full, according to the very helpful roadmap and timeline shared with the Scottish Government in July. I am aware that legislation to take forward the Make Work Pay agenda was a manifesto commitment and I would welcome a guarantee from you that this continues to be an urgent priority for the UK Government and there will be no diminution to the provisions in the Bill, either from MPs themselves or in response to amendments put forward in the House of Lords.

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Indeed, the Scottish Government will fully support UK Government action to maintain and reinstate the employment rights protections initially set out in the Bill as intended. If there is sufficient time in the parliamentary process, I would also urge that measures previously advocated by the Scottish Government in our representations be reintroduced into the Bill to strengthen and extend the impact it will have. I would highlight the following as particularly important and am happy to provide further details if you would find that helpful:

- Bereavement leave for pregnancy loss before 24 weeks to be paid leave - which would help reduce the emotional and financial burden on grieving parents who are often pushed to take either sick or unpaid leave at this difficult time.
- Reconsideration of the formula to calculate the rate of statutory sick pay – we welcome the removal of the lower earnings limit, however a rate set at the lower of either a flat £118.75 per week or 80% of weekly earnings will detrimentally impact some low earning workers, particularly those with a serious illness or long-term health condition who are unable to work for a long period. Our view is that the rate should be increased to match, as a minimum, the rate of equivalent schemes across the OECD.

As you will be aware, there are also other matters the Scottish Government has previously indicated its strong support for taking forward through the Make Work Pay programme and I would be grateful for further detail on when and how that will be progressed.

I value the positive engagement between our respective governments in relation to the Bill, at both ministerial and official level, and hope this can continue in a similar collaborative spirit to ensure that the legislation and its implementation mark a significant step in advancing rights and conditions for workers and their families throughout the whole of the UK. In that regard, I understand that Kate Dearden MP will have ministerial responsibility for the Bill following her appointment as Parliamentary Under-Secretary. As Scottish Government Minister with portfolio responsibility for Fair Work, the Minister for Business and Employment, Richard Lochhead MSP, is keen to continue our constructive engagement on this agenda and I invite an early meeting between Mr Lochhead and Ms Dearden. I would also be grateful for clarification of which UK Government Minister will have Cabinet-level oversight of the Bill and implementation of Make Work Pay from now on.

I believe that a date for a meeting between Kaukab Stewart MSP, Scottish Government Minister for Equalities, and Baroness Smith, UK Government Minister for Women and Equalities, is still to be confirmed in relation to provisions in the Bill concerning the use of equality action plans and the naming of outsourcing providers for public bodies in Scotland. As you may be aware, we continue to seek the equivalent powers for Scottish Ministers to regulate as those proposed for UK Government Ministers, and I would be grateful for your assistance in facilitating this meeting as a matter of urgency so that it may enable a possible resolution to be agreed in line with current timelines for passage of the Bill.

Given the breadth of our respective portfolios, there are also a number of other matters I would like to highlight as priorities for the Scottish Government.

The Scottish Government welcomes the UK Industrial Strategy, which confirms much of the focus already described in Scotland's Green Industrial Strategy and Scotland's National Innovation Strategy. Scotland has unique business and research strengths that can contribute strongly to the growth of priority sectors and I would ask that your officials engage fully with my team to exchange ideas and ensure a way of working that maximises benefits

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to the Scottish economy. It is vital that full and early consideration is given to the distinct delivery landscape in Scotland to ensure that any new interventions are effective in the Scottish context. The strategy will have greatest impact if it is delivered in close partnership with the Scottish Government, and leverages the strengths of the Scottish National Investment Bank, our three enterprise agencies, and our Regional Economic Partnerships.

On trade, the Scottish Government welcomes the fact that the UK Government has produced and published a trade strategy. However, the process of producing it was far from satisfactory as devolved governments were effectively shut out despite the strategy touching on significant areas of devolved responsibility and interest. As you work now to implement the strategy, whose evidence-based approach and direction of travel we broadly endorse, I look forward to a more collaborative method of working between our governments.

In particular, we have long called for devolved governments to be properly engaged in UK trade negotiations, acknowledging that the negotiations themselves are a reserved matter. The recent very successful visit to Washington DC by the First Minister illustrates the constructive role that devolved governments can play. The level of information-sharing with and involvement of devolved governments has improved to a degree, but I would still ask you for the most comprehensive possible engagement with us so that Scotland's interests can be fully represented within an overall UK approach to each negotiation. The negotiations with the EU and the US are of course our biggest priorities, but this principle should apply across all such negotiations, including those aimed at trade deals other than classical Free Trade Agreements. I am also very happy for Scottish specificities to be pursued and deployed in ways that support UK-wide objectives, whether that is on particular sectors like spirit drinks or topics like Trade and Gender.

In relation to wider labour market issues, it is important that we take a coordinated approach across the system as a whole and I am keen to explore how our governments and agencies can work together more effectively to generate impact on the scale needed, in partnership with business, industry, trade and investment stakeholders.

I very much look forward to our continued engagement and hope we can arrange a meeting between us in the near future.

I am copying this letter to the First Minister of Scotland; Richard Lochhead MSP, Minister for Business and Employment; Tom Arthur MSP, Minister for Social Care and Mental Wellbeing; Kaukab Stewart MSP, Minister for Equalities; Pat McFadden MP, Secretary of State for Work and Pensions; Kate Dearden MP, Parliamentary Under-Secretary in the Department for Business and Trade; Douglas Alexander MP, Secretary of State for Scotland; and Darren Jones MP, Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations.

Yours sincerely,

[Redact S29(1)(d)]

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Sir Chris Bryant MP
Minister of State for the Department for Science,
Innovation and Technology

By email
To: [Redact S29(1)(d)]
Cc: [Redact S29(1)(d)]

11 August 2025

Dear Sir Chris

[Redact S28(1)(a)]

[Redact S28(1)(a)]

[Redact S28(1)(a)]

[Redact S28(1)(a)]

[Redact S28(1)(a)]

The reality is that, to this point, it is the Scottish Government that has driven improvements to digital connectivity in Scotland. We successfully delivered the Scottish 4G Infill programme and have made great strides through the R100 programme – a £600 million+ Scottish Government investment which prioritises our hardest to reach communities and is extending gigabit access to those with the slowest speeds. But we cannot afford to continue underwriting delivery in a reserved area.

Project Gigabit offers an opportunity to redress the balance and deliver comprehensive whole area solutions across rural Scotland, while also driving volume at national level.
[Redact S28(1)(a)]

[Redact S28(1)(a)]

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I would be happy to arrange a meeting to discuss.

[Redact S29(1)(d)]

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The Rt Hon Darren Jones MP
Chief Secretary to the Prime Minister,
Chancellor of the Duchy of Lancaster and
Minister for Intergovernmental Relations
Burleigh House, 355-359 Strand
London
WC2R 0H

By email:

16 September 2025

Dear Darren

First, may I offer my congratulations on your appointment as Chief Secretary to the Prime Minister, Chancellor of the Duchy of Lancaster and Minister for Intergovernmental Relations.

I look forward to working with you, building on the constructive working relationship you developed with my colleague Shona Robison, Cabinet Secretary for Finance and Local Government, during your time as Chief Secretary to the Treasury.

I am writing with particular reference to your responsibilities for intergovernmental affairs.

The Scottish Government is committed to forging a constructive and collaborative relationship with the UK Government. There is substantial opportunity to achieve better outcomes when we work together in a way that respects our respective responsibilities, and those of our respective legislatures and the Devolution Settlement.

In this context, on 9 September, the Scottish Cabinet held a discussion on the reset in the relationship between the Scottish and UK Governments, since July 2024. You will be aware that last year's Labour Party manifesto pledged the new government to *'reset...the relationship with devolved governments in Scotland, Wales and Northern Ireland [ensuring] the structures and institutions of intergovernmental working improve relationships and collaboration on policy'*. Given the challenging relationship with the previous UK government, Scottish Ministers were encouraged by this commitment and welcomed the new approach.

The first anniversary of the new UK Government provided an opportunity for us to review how the reset has worked in practice. That review, carried out across the Scottish Government, found an improvement in the tone of engagement from the new UK Government as well as some positive progress in relationships with many UK Government

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departments. Where policy objectives were aligned, such as in relation to Grangemouth, progress was particularly encouraging.

Another encouraging development has been the improved level of participation in the agreed schedule of intergovernmental forums. The First Minister has appreciated the four bilateral meetings with the Prime Minister and I am aware of a reasonable level of dialogue at the middle tier through the Interministerial Standing Committee and Finance Interministerial Standing Committee.

However, Cabinet noted that initial positive improvements in engagement have not always been sustained or resulted in any real progress in policy outcomes. In addition, information sharing has been inconsistent across all priority policy areas and there is still a significant level of inconsistency across UK Government departments in the way they approach devolution and engagement with the Scottish Government in policy development.

Over the past year, particularly when the UK Government has been working at pace, this has led to situations where Scottish Government policy input has been requested late, with little time for us to engage effectively. Equally, there have been examples of major UK Government policy or funding announcements being subject to little or no pre-publication engagement or consultation. Examples include changes to Winter Fuel Payments and the production of the UK Government's Industrial Strategy and Trade Strategy. Moreover, the agreement reached between the UK and the European Union in May was finalised with essentially no input from Scottish Ministers, despite the clear read across to devolved responsibilities. We also had concerns regarding how the UK/US trade deal was agreed, with no prior briefing for Scottish Ministers, though I acknowledge information-sharing at official level has now begun to improve.

Regrettably, regarding both the statutory review of the Internal Market Act and the UK Government's manifesto commitment to a memorandum of understanding to "strengthen the Sewel Convention", we concluded that there remains much to be done to address the issues left by the previous UK Government. The IMA review, in particular, was a missed opportunity to demonstrate the UK Government's commitment to respecting the devolution settlement and, unfortunately, was characterised by poor engagement and the refusal by UKG to acknowledge the fundamental issues thrown up by the Act.

In our Cabinet discussion, while we recognised some improvement in the relationship, we concluded that more work is required to ensure UK Government departments consistently share information and seek meaningful input from the Scottish Government in all stages of policy development. It is particularly important that UK Government departments work better with Scottish Government counterparts to ensure that any legislative issues are well managed, so the devolution settlement and the Scottish Parliament can be fully respected.

We would be grateful for any improvements that could be made across UK Government departments to address these issues in order to, ultimately, drive better outcomes for the people of Scotland.

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[Redact S28(1)(a)]

I am copying this letter to the Secretary of State for Scotland, Douglas Alexander MP; the Deputy First Minister of Wales, Huw Irranca-Davies MS; and the First Minister and deputy First Minister of Northern Ireland, Michelle O'Neill MA and Emma Little-Pengelli MA, for information.

Yours sincerely

[Redact S29(1)(d)]

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