

Cabinet Secretary for Economy, Tourism & Transport
Rùnaire a' Chaibineit airson na h -Eaconamaidh,
Turasachd agus Còmhhdhail
Stephen Flynn MSP

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Clare Haughey MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
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By email: FPA.committee@parliament.scot

18 August 2026

Dear Convener,

Lochaber Guarantee and Reimbursement Agreement

I am writing to inform the Committee of recent developments concerning the Scottish Government's oversight of the Lochaber Guarantee and Reimbursement Agreement (GRA).

The Scottish Government has identified transactions undertaken by entities within the Lochaber group that required Ministerial consent under the terms of the GRA. Consent was not sought and the Scottish Government has advised GFG Alliance that consent has not been granted for these transactions and reaffirmed that any request for consent requires a Ministerial decision.

Ministers have a responsibility to safeguard the interests of the Scottish Government and taxpayers in relation to the Lochaber arrangements. Following consideration of the information available and acting on legal advice, the Scottish Government has therefore taken steps to protect its position under the GRA and to prevent any further unauthorised transactions involving the Lochaber businesses.

As aspects of this matter are now before the courts, it would not be appropriate to comment on ongoing legal proceedings. The Scottish Government will continue to act in accordance with the established practice regarding live litigation so as not to prejudice the ongoing proceedings.

The Scottish Government remains committed to supporting the long-term future of the Lochaber operations and recognises their importance to employment, the regional economy of the West Highlands and Scotland's industrial base. The actions being taken are intended to protect the position of the Scottish Government and ensure compliance with the contractual framework agreed between the parties.

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

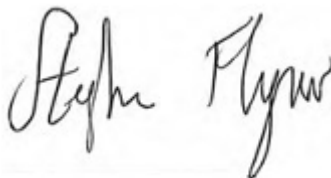
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I have written to inform the Committee of these developments at the earliest opportunity given the Committee's interest in matters relating to public finances and the Lochaber guarantee arrangements.

I will keep the Committee updated on any significant developments as appropriate.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Flynn', is centered on the page. The signature is written in a cursive, flowing style.

STEPHEN FLYNN