

The background of the slide is the Falkirk Council Coat of Arms. It features a shield divided into four quarters. The top-left quarter shows a castle tower. The top-right quarter shows a stag's head with antlers. The bottom-left quarter shows a sailing ship on water. The bottom-right quarter shows a bird with spread wings. Above the shield is a crown with four fleurs-de-lis. Below the shield is a ribbon with the motto 'A'NE FOR A'.

## **Agenda Item 9**

### **Falkirk and Grangemouth Investment Zone**

**Falkirk Council**

**Title:** Falkirk and Grangemouth Investment Zone  
**Meeting:** Executive  
**Date:** 8 October 2019  
**Submitted By:** Director of Development Services

**1. Purpose of Report**

- 1.1. This report summarises the work undertaken to prepare an outline business case for the Falkirk and Grangemouth Investment Zone and seeks the agreement of the Executive for this to be forwarded to the UK and Scottish Governments for approval as a means to progress this initiative.

**2. Recommendation(s)**

- 2.1. **It is recommended that the Executive:**

- 1) notes the progress of work on the Falkirk-Grangemouth Investment Zone initiative**
- 2) endorses the Investment Zone Outline Business Case (OBC), summarised in Appendix 1, and**
- 3) agrees that this be forwarded to the UK and Scottish Governments for their approval.**

**3. Background**

- 3.1. The Executive on 21 February 2017 agreed that a Strategic Outline Case (SOC) submission for an Investment Zone bid for Falkirk and Grangemouth be made to UK and Scottish Governments. The Investment Zone aligns with work underway across the UK to establish a series of city and growth deals whereby financial support is allocated to Councils to enable investment in infrastructure and related measures to enable sustainable, inclusive growth.
- 3.2. The SOC was positively received and the Executive, on 16 October 2018, agreed to move to the next stage of the bid process and develop the Outline Business Case (OBC).
- 3.3. The Investment Zone initiative is intended to accelerate economic growth in the Falkirk area and aligns closely with the Falkirk Tax Incremental Finance (TIF) programme and other investment programmes being pursued by public and private sector partners in the Falkirk-Grangemouth area.

3.4. The initiative leads on from the ambitions set out in:

- *Growth: Investment: Inclusion* - the Falkirk Economic Strategy
- the UK Government's Industrial Strategy
- Scotland's Economic Strategy
- the Scottish Government's National Planning Framework 3 document,
- Chemical Sciences Scotland's 'Grangemouth 2025 Vision' document

3.5 The Investment Zone bid package totals £235M and as such, offers a means to develop measures that can be pursued via the Scottish Government's recent 'Programme for Government' and in Regional Economic Partnerships. In this setting, the Investment Zone can be aligned with work underway in the Stirling & Clackmannanshire City Deal. To support this, discussions have commenced with partners elsewhere in the Forth Valley and this will be subject of a further report in due course to the Executive

#### 4. Considerations

4.1 Submission of the Investment Zone OBC is an important step in progressing sustainable inclusive economic growth ambitions for the Falkirk-Grangemouth area. The Growth Deal aims to deliver transformational and inclusive growth locally, regionally and nationally. It proposes a series of measures to create a sustainable, long term investment area that delivers a smarter, greener, resilient and a more inclusive place – 'a dynamic and distinctive area at the heart of Central Scotland'. It will create jobs, increase innovation, exports and productivity and attract private investment.

4.2 Taking strategic direction from the Falkirk Economic Partnership, a steering group was formed to oversee the Investment Zone OBC preparation and submission. The group includes Falkirk Council, Scottish Enterprise, Scottish Futures Trust, Ineos, Forth Valley College and Scottish Canals. A consultancy team, led by Stantec/Grant Thornton were commissioned to prepare the submission.

4.3 Nine projects were shortlisted as part of the SOC process and in developing the OBC, these were under-pinned by a focus on inclusive, sustainable growth. For each shortlisted project, 3 workshops with key partners were delivered and supporting papers produced summarising the intentions for delivery of each project. The final OBC submission sorts these into 3 main themes: *Driving Innovative Industry*, *Enhancing National Infrastructure* and *Creating Great Places* and a summary of the OBC submission is set out in Appendix1. The OBC submission will be considered by both Governments along with project partners, with an announcement made on the level of investment thereafter. In summary the themes address the following:

4.5 ***Driving Innovative Industry*** recognises the area's strengths in chemicals and automotive engineering. It also recognises the significant challenge facing the area in moving towards a low carbon economy. It aims to establish the Falkirk area as a Centre for Excellence and Innovation (CEI)

within 3 key sectors for growth: Sustainable Chemical Manufacturing, Public Transport Technology and Carbon Capture, Utilisation and Storage (CCUS). Also included in this theme is a strategic business site portfolio to accommodate new industries, spin-offs from the Innovation Centres and growth of supply chain companies.

- 4.6 ***Enhancing National Infrastructure*** recognises the area's significant role as a logistics hub and the significant role its infrastructure networks play in supporting the national economy. It aims to secure substantial improvement to the road and rail networks in the area to enable movement in and around Grangemouth and maximise the potential of the Grangemouth Port, logistics operations and local industry. This will help to separate industrial and domestic traffic and improve the air quality around residential areas. This measure also introduces new infrastructure to aid the introduction of CCUS technology.
- 4.7 ***Creating Great Places*** recognises the need to enhance the quality of place and ensure the benefits of economic growth are secured for local communities. It includes support for sustainable transport measures, a place development fund, community energy infrastructure and development of measures adopting a 'whole systems' approach to inclusion. The place development fund will help to improve the area's tourism visitor offer and town centres. The whole systems approach will help to integrate the services of public sector partners to towards ensuring that the benefits of the Investment Zone and resultant jobs created are shared across communities. Sustainable travel will support investment at Falkirk Grahamston Station (promoting this as 'Falkirk Central'), creation of a Falkirk and Grangemouth green corridor, and park and ride measures. The community energy programme will focus on development of solar power and local heat networks.
- 4.8 In addition to the projects above, an enabling project will coordinate the support for delivery of each of the projects, with support for place development masterplans, transport appraisals, procurement and project management.
- 4.9 It is anticipated that there will significant returns on investment and delivery will generate an additional 6,000 jobs and boost the economy by some £400m annually.
- 4.10 It is hoped that the Scottish and UK Governments will decide those elements of the bid they are willing to fund and the level of investment to be provided by the end of 2019, with Heads of Terms to be agreed by March 2020. Full business cases will be developed from that date with delivery of some projects beginning in 2021 (see Appendix 2).

## **Consultation**

- 5.1 Wide-ranging consultation with public and private sector stakeholders has taken place. As lead organisation the Council has engaged Scottish Enterprise, Scottish Canals, the Scottish and UK Governments, Forth Valley

College, Chemical Sciences Scotland, University of Stirling, the Industrial Biotechnology Innovation Centre IBIoC Visit Scotland, Skills Development Scotland, Scottish Futures Trust and other national agencies in this work. Private sector consultation has also been significant and continues with direct engagement and wider consultation events taking place. Community engagement has also commenced, aligned with work being undertaken by the Community Planning Partnership, Falkirk Tourism Partnership, Falkirk Town Centre Partnership, and Making Places (Grangemouth).

## **6. Implications**

### **Financial**

- 6.1 The OBC submission for the Investment Zone Growth Bid amounts to c£235m, with contributions to be sought from UK and Scottish Governments and other partners. These amounts will be confirmed through further stages of this work.

### **Resources**

- 6.4 There are no immediate resource issues arising from this stage of work on the outline business case, however it is anticipated that a successful bid will generate the need for additional support to enable signing of Head of Terms and in developing the Full Business Cases.

### **Legal**

- 6.5 There are no additional legal implications arising from the recommendations at this stage of the process. There may be a requirement for legal support in concluding the Heads of Terms in March 2020.

### **Risk**

- 6.6 A full risk register has been completed.

### **Equalities**

- 6.7 The Investment Zone focuses on inclusive and sustainable economic growth Equality and Poverty impact assessments will be prepared as we develop full business cases in 2020.

### **Sustainability/Environmental Impact**

- 6.8 The Investment Zone aims to deliver a lower carbon economy in the Falkirk area. Where necessary, sustainability and environmental assessments will be carried out on the individual projects.

## **6.9 Council of the Future**

The Investment Zone proposals align with the 'Investing for Inclusive Growth' strand of the Council of the Future Business Plan.

## **7. Conclusions**

- 7.1 Submission of the Falkirk and Grangemouth Investment Zone Outline Business Case is an important step in realising the economic growth ambitions in the Falkirk-Grangemouth area. This is the stage that determines which parts of the bid the Scotland and/or UK Government will fund and the level of investment they are willing to deploy. A successful bid will bring significant, long term investment that will make the Falkirk area a smarter, greener, more resilient and more inclusive place. The programme supporting this vision will deliver significant infrastructure improvements to support increasing levels of investment in Falkirk's economy.
- 7.2 The delivery of the Investment Zone will rely upon further engagement with partners and wider stakeholders to work towards Heads of Terms and development of Full Business Cases.

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Director of Development Services

Author – Laura McIntyre, Principal Economic Development Officer, 01324 590988  
Date: 25 September 2019

## **Appendices**

1. Falkirk and Grangemouth Investment Zone Growth Deal Outline Business Case (OBC) Submission ( Executive Summary)
2. Infograph – Timeline & “Green Book” guidance.

## **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- UK Industrial Strategy
- Scotland's Economic Strategy
- Grangemouth Vision 2025 – Chemical Sciences Scotland
- Falkirk Economic Strategy 2015-2025
- Falkirk-Grangemouth Investment Zone Growth Bid Submission (Strategic Outline Case (2018))



now part of



**Stantec**

IronsideFarrar  
Environmental Consultants



## Falkirk Grangemouth Investment Zone

**Growth Deal Submission**

**Executive Summary**

On behalf of



**Falkirk Council**

Project Ref: 41128 | Rev: NS | Date: 19 September 2019

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Registered Office: Buckingham Court Kingsmead Business Park, London Road, High Wycombe, Buckinghamshire, HP11 1JU  
Office Address: 2nd Floor, 160 West George Street, Glasgow G2 2HG  
T: 0141 352 2360 E: info.glasgow@stantec.com





## Executive Summary

1. Falkirk and Grangemouth contribute significantly to Scotland's GVA, combining nationally-important industrial assets, reputation for high-value manufacturing, the Port of Grangemouth, and internationally-recognised tourist attractions.
2. The Falkirk area – and Grangemouth in particular – has seen considerable private sector investment in these areas in recent years. There is potential for this to continue at significantly higher levels. However, the ability to attract this investment, build nationally and internally renowned industries resilient to climate challenge, and ensure broad benefit across resident and business communities is hampered by a lack of supporting transport, utilities and place infrastructure.
3. The Falkirk Grangemouth Investment Zone aims to deliver transformational economic, inclusive and clean growth locally, regionally and nationally. At its heart is a vision to develop a sustainable, long term investment area that is a smarter, greener, resilient and more inclusive place – ‘a dynamic and distinctive area at the heart of Central Scotland’. With funding of £235 million sought, its ambition is to increase job creation, innovation, productivity, and investment. Development of its key manufacturing, visitor and service sectors and the creation of great places across the Investment Zone will anticipate shifts in technology, transport and the ways people live and work to meet the challenges of climate change.
4. The UK and Scottish Governments will secure significant returns on their support: delivery will generate an additional 6,000 jobs and boost the economy by some £400 million annually.
5. The Falkirk Grangemouth Investment Zone will be:
  - **Nationally important** through its vital industries and their integrated supply chains;
  - **Regionally Significant** reflecting its attractions;
  - **Locally Successful** in the great places it creates; and
  - **Community Inclusive** in sharing the benefits of growth.
6. Vision delivery requires significant infrastructure improvement to support increased investment in the Falkirk and Grangemouth economy and to address the constraints which restrict it. While there is real private sector commitment to grow and develop, in the absence of United Kingdom and Scottish Government funding for the Investment Zone, development of a national focus will be restricted to incremental and piecemeal change. Opportunities to deliver broader economic opportunity across the Council area and the Forth Valley will be foregone.
7. The ability of the Falkirk and Grangemouth economy to realise the full potential of its strategic location and sector strengths is inhibited by below average skills attainment, restricted domestic spending linked to lower than average wages and the relative lack of access connections (infrastructure and services) between places of opportunity and communities. Road network capacity issues and a lack of town centre investment constrain development of a regional commercial and supply chain focus and other private sector investment in the area.
8. With the Falkirk Wheel, the Helix, and the Kelpies Park, the area is increasingly recognised as a visitor destination and a central part of the regional Forth Valley product. However, their benefit locally, regionally and nationally is limited by a lack of supporting visitor and cultural facilities, transport including active travel connections, and visitor accommodation. This will continue without supporting infrastructure, limiting the opportunity to widen the benefits of employee and visitor spending from key attractions.
9. Marshalling investment propositions behind development and exploitation of new technology, the Investment Zone will create sustainable and inclusive growth. Given the nationally and regionally important assets at the Grangemouth Port, refinery and chemicals complex, its advanced manufacturing base (particularly its central role in bus manufacturing), and its developing tourism status, support for

the Falkirk Grangemouth Investment Zone will realise a return on UK and Scottish Government investment at least equal to, but likely to be greater than, those anticipated elsewhere.

10. The Investment Zone will deliver against key Scottish and UK Government, regional and local policy objectives and strategic priorities; furthering delivery of the UK Industrial Strategy and Scotland's Economic Strategy. It has been developed with a focus on sustainable and inclusive growth contributing to the UK target for net zero emissions by 2050<sup>1</sup>. Driving the diversification and innovation central to the UK and Scotland's advanced manufacturing transition towards bio and low carbon feedstocks is a core element.
11. This Investment Zone submission recognises the scale of potential economic opportunity to Falkirk, Grangemouth, the Forth Valley, Scotland and the UK that will be realised in addressing the areas key challenges.
  - Grangemouth's chemicals and related manufacturing base will be an international proposition developing a resilient and adaptable chemicals cluster, including innovation facilities, and provision of sites with networked services;
  - Falkirk's heritage in advanced public transport manufacturing will be reinforced, encouraging ongoing adaptation to low and zero emission requirements of developed and emerging economies and encouraging supply chain colocation;
  - Site constraints affecting development of the manufacturing supply chain and general business activity will be addressed;
  - Road, access and other infrastructure improvements will encourage investment in commercial, residential, cultural, civic and administrative facilities in central locations, building footfall around public transport nodes. Town centre resident and business populations will increase, stimulated by the platforms offered by Investment Zone support;
  - Sustainable transport and active travel routes will link key employment areas optimising their operation and enabling access from communities across the Council area. A sustainable transport corridor will encourage enhanced low carbon connections between Falkirk and Grangemouth; and
  - Further development around Falkirk's established attractions will reinforce their appeal to national and international visitors. Visitor facilities will be better connected, building the conditions for more effective development of underutilised tourism assets.
12. The Falkirk & Grangemouth Investment Zone projects and initiatives, centred on Grangemouth and Falkirk & extending across the Forth Valley, respond to these specific issues and opportunities. They will develop a 'zone' of investment involving contributions from the public, private and third sectors to enable transformative growth. It is not a 'business as usual' programme.
13. Investment from the United Kingdom and Scottish Governments will therefore be channelled behind the pillars of **Innovative Industry**, **Strategic National Infrastructure**, and creating **Great Places**, each of which includes a series of interlinked projects. They will be supported by **critical enabling actions**, projects which underpin infrastructure development and the extent to which benefits are driven regionally.

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<sup>1</sup> Climate Change Commission (CCC) Net Zero Report - March 2019. Note, the report suggested a net-zero target for Scotland by 2045.

## INNOVATIVE INDUSTRY

INVESTMENT ZONE FUNDING - £79 MILLION

### Innovation 2050

£30 million

#### UK Innovation District for Chemical & Manufacturing Excellence

14. Falkirk-Grangemouth is a centre of production excellence in chemical sciences and large public vehicle manufacturing. It hosts the largest cluster of advanced manufacturing businesses in Scotland and has established itself as a leading location for inward investment and allied company investment in related energy, bio-sciences and logistics. These existing strengths will be bolstered to further expansion in industrial biotechnology, carbon usage and low / zero carbon production
15. There are excellent partnerships between industry and the area's education institutions. These will be developed further to ensure its company base and its people are equipped to take full advantage of the transition to bio and low carbon feedstocks in manufacturing and transport. The establishment of Centres of Excellence & Innovation (CEIs) will reinforce this. With strong links to the UK Industrial Strategy and its growth ambitions in key emerging areas, they will operate as 'shared knowledge' resources supporting research and development, incubator, 'proof of concept', and commercialisation of manufacturing development in these areas. They will combine the area's manufacturing capability with Scotland's leading advanced manufacturing and transport technology research & innovation centres to drive mutual benefit from product innovation, development and commercialisation at scale. Three CEIs will be developed, providing medium scale facilities for research-industry collaborations and commercialisation. The CEIs have the in-principle support of key industry operators and related University expertise. A Sustainable Chemical Manufacturing Campus in Grangemouth will house:
  - The Industrial Biotechnology CEI; to be managed by the Industrial Biotechnology Innovation Centre (IBioIC)(Strathclyde University) ; and
  - The Scottish Centre for Industrial Decarbonisation; a carbon capture usage and storage (CCUS) scale up facility, managed by Scottish Carbon Capture and Storage (SCCS).
16. The Autobus Technologies (including Hydrogen & Electric Propulsion) CEI will be located in Falkirk with support from Napier University's Transport Research Institute and Strathclyde University's Department of Electronic & Electrical Engineering. It will build on the areas established transport manufacturing & related supply chain capacity. Future development of Falkirk's vehicle manufacturing capability will also respond to the climate challenge, adapting 'clean' bus and other manufacturing technology to meet the requirements of domestic and export markets for low and zero carbon public transport.
17. CEI commercial and research activity will be reinforced by 'Community Satellites' in the town centres of Grangemouth (Sustainable Chemical Manufacturing) and Falkirk (Autobus and General Technologies) providing centrally accessible accommodation for: innovative and start-up businesses in the supply chain; and Forth Valley College's promotion of training and employment opportunities from future technology to the local community to widen access to related training and employment opportunities and as centres for related STEM education. They will reflect the areas industrial heritage, demonstrating its central role in industrial development over the last 200 years and more. The UK Innovation District for Chemical & Manufacturing Excellence includes provision for investment in training plant to service the future skills requirements in the area and across the UK. The equipment will be located between each CEI and Forth Valley College to provide direct access to developing businesses.

### Strategic Site Portfolio

£35 million

18. The Investment Zone will enable the areas further development as a national and international production centre. This requires land for high value manufacturing colocation in the chemicals, industrial biotechnology and other sectors, and to extend the scope and sustainability of advanced manufacturing and other operations. The area is affected by a shortage of effective industrial land to support its advanced manufacturing activity and its future development. The Investment Zone will advance sites close to major transport corridors or co-located with existing industrial sites and services. The sites will support a combination of innovation / industry and business park style settings. Where legacy constraints presently render development for economic purposes unviable, it will assist with improved access and support works to address ground conditions; sub-ground / above ground structures; re-profiling; decontamination and other constraints. This project will enable complementary investment in strategic grow-on-space including advanced units) , promoting sector & joint venture development

*Grangemouth*

Earls Gate (ownership CalaChem)  
Grangemouth Dock (Forth Ports)  
Grangemouth 1/2/3 (Forth Ports)  
INEOS co-location sites (INEOS)  
Wholeflats Road (INEOS / FC)

South Bridge St (Forth Ports/Falkirk Council)  
*Falkirk/Larbert*  
Abbotsford (Falkirk Council/Scottish Enterprise)  
Glenbervie (Scottish Enterprise)

**SME Skills Pathway**

*£4 million*

19. Whether as innovators or as part of sector supply chains, SMEs are critical in commercialising new technologies, developing future job roles, and retaining economic activity locally and regionally. The success of the UK Innovation District will be influenced by SME development and growth. In turn, this relies on an appropriate supply of skilled workers, particularly in STEM subjects, aligned to sector needs. SMEs are generally not eligible for training support for the Flexible Workforce Development Fund, typically accessed by Apprenticeship Levy payers. Where industry clusters exist, the potential for larger companies to attract staff trained in an SME environment is a further disincentive. The SME Skills Pathway seeks to remove barriers to SMEs growth by de-risking investment in workforce training and upskilling; and addressing a shortage of skills in growth areas.
20. The SME Skills Pathway has three elements: an SME Skills Enhancements Fund operating for 10 years allowing business to access appropriate training opportunities; an SME Shared Apprenticeship Model to de-risk investment in developing employees; and additional investment in local labour market intelligence to ensure peaks and troughs in anticipated requirements can be effectively managed in pursuing Innovation District growth.

**Resilient Industrial Environment**

*£10million*

21. State-of-the-art technology will combine with the availability of supporting data to provide continuous and advanced information on environmental hazards to support community, business and environmental resilience. Working with industry and regional academic and other partners an innovative, integrated and smart network of sensors will be developed, a first of a first-of-its-kind suite of integrated technologies to minimise risks to industry and community alike such as floodwater levels, tidal surges and air quality. It will have close links with the National Environment Centre being developed through the Stirling & Clackmannanshire Growth Deal

**NATIONAL ECONOMIC INFRASTRUCTURE INVESTMENT ZONE FUNDING - £72 MILLION**

**Critical Economic Infrastructure**

22. The Investment Zone will support a modern transport network reinforcing Falkirk- the integrated chemicals, port and settlement cluster, creating a major industrial access at the M9 Junction 5 with associated distributor connections linked to major industrial sites and the Port of Grangemouth. It will reinforce the area's strategic national infrastructure for sustainable growth through:
  - upgrades to the M9 Junction 5 and Inchyra Road; *£22million*
  - new access to the Port of Grangemouth; *£16million*
  - additional rail freight capacity within the Port; and *£7million*
  - a carbon dioxide pipeline link to the Feeder 10 Pipeline (enabling national decarbonisation objectives) *£27 million*
23. This Investment Zone infrastructure will support the whole of the Grangemouth Investment Zone (NPF3<sup>2</sup>) including the Chemical Cluster / Logistics Sector / Petro-chemicals / Port and business and industrial areas to the west, north and east of Grangemouth. Wider place and community benefits will include removal of HGV traffic from sensitive local and residential streets.

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<sup>2</sup> National Planning Framework 3 identifies the Grangemouth Investment Zone, its freight and transport infrastructure as a national development

## GREAT PLACES

## INVESTMENT ZONE FUNDING - £79 MILLION

24. Based on internationalisation, innovation, investment and inclusion, the Investment Zone will drive new levels of activity, opening new and emerging markets associated with meeting the climate challenge, digitisation and adapting to changing markets. Investment Zone funding will support places and the links between to fully capture these opportunities to build Great Places in Grangemouth and Falkirk.

### Sustainable Transport

*£27 million*

25. The Investment Zone will support critical infrastructure to ensure its key centres and communities are sustainably connected. Reinforcing Innovative Industry and National Economic Infrastructure investment, it will improve connections between its main centres – Falkirk & Grangemouth – and its key employment and living places. It will deliver wider place, environment, and economic efficiency benefits by establishing:

- The Falkirk Central rail/bus/active travel interchange. Taking advantage of increased capacity and better strategic links with electrification of services to Edinburgh, Glasgow & Stirling, the interchange will improve arrival facilities in the centre of the Investment Zone, with coordinated services linking it to key sites and places;
- A Falkirk- Grangemouth Green Corridor, enabling low / zero carbon movement between centres, arrival points and linking major areas of employment, visitor activity and neighbouring communities; and
- Park and Ride/ Choose facilities, linked by regular services to the Investment Zone's main centres and sites.

### Great Places Development Fund

*£32.5 million*

26. Despite their strategic accessibility, Falkirk and Grangemouth centres face major challenges associated with structural change in retail, leisure markets and other markets
27. While its tourism profile has risen based on the attraction of the Falkirk Wheel and the Kelpies, there is clear opportunity to drive greater benefits locally and regionally, by encouraging longer stays and higher levels of spending, and nationally, by increasing the area's international attraction. The areas supporting tourism infrastructure assets, the connections between them, and the connections to the key centres of Falkirk and Grangemouth badly need to be reinforced to achieve this.
28. Supporting projects with a minimum value of £4m, the Great Places Fund will support proposals which: can drive transformation of the centres as supply chain hubs and focal points of regional cultural and economic activity; and which strengthen supporting tourism infrastructure, demonstrate major additional benefits in increasing visitor volumes & related levels of spending and broaden and deepen visitor impacts on the regional economy.

### Inclusive Growth – a Whole System Approach

*£8 million*

29. The Investment Zone package is underpinned by a robust programme to promote inclusive growth. Procurement processes will be structured to ensure the widest possible community benefit from related contracts. There is also an acknowledgement that mechanisms need to be developed to address deep-seated and long-standing issues of deprivation in particular parts of the Investment Zone. Household and fuel poverty is compounded by family health and other issues in parts of Grangemouth in close proximity to the area's main industrial complex. A Whole System Approach pilot will bring together Council departments, NHS staff and other agencies to target compound disadvantage at household level to comprehensively address related issues and increase household economic activity levels.

### Community Energy Infrastructure

*£12 million*

30. The Investment Zone will promote local, inclusive and sustainable energy generation by investing in renewable energy solutions to meet local needs whilst reinforcing community empowerment. The Investment Zone will enable local organisations, with Falkirk Council and Local Energy Scotland, to commercialise low carbon energy solutions to generate a financial return for community re-investment. This investment will capitalise on Scotland's largest concentration of industrial heat to develop a series of interconnected district heating networks.



## ENABLING PROJECTS

## INVESTMENT ZONE FUNDING - £4 MILLION

31. Delivery of the Investment Zone projects needs effective coordination, clear direction and prioritisation and clarity regarding the effects of implementation on existing networks. Their delivery will therefore be supported by Enabling Projects including:
- Dedicated project management & delivery resource. Coordination and management will also require additional resource beyond a 'business as usual' approach;
  - A focussed approach to ensure Inclusive Growth factors are comprehensively reflected in project delivery and procurement: lack of monitoring and follow up information frustrates the efforts of the Council and others in extending the inclusive growth and economic benefits of procurement activity. An early focus on such barriers will address these and encourage consistency across Investment Zone projects and Forth Valley delivery partners. This measure will raise the level of inclusive growth and related benefits from Investment Zone infrastructure expenditure;
  - Comprehensive information to guide project and infrastructure development & delivery: the interventions will affect the movement of people, information and traffic across Falkirk and Grangemouth. A multi-modal movement assessment of vehicle and active travel movement across Falkirk – Grangemouth will provide a baseline of existing and forecast conditions; and
  - Place Development Masterplans: Grangemouth and Falkirk's centres are critical to increased investment, productivity, performance and inclusion across the Investment Zone. They will be critical to the development of regional supply chains in industry and in supporting the visitor economy. They will be the focus of regional and local cultural, and administrative activity. They will also be the 'front window' for residents and visitors to the innovation in industrial biotechnology, advanced manufacturing, decarbonisation and public transport taking place across the Investment Zone and its opportunities. Masterplans will be prepared as initial actions to ensure Investment Zone ambitions are realised.

## IMPACT

32. The Falkirk Grangemouth Investment Zone Investment Zone is expected to generate considerable economic benefits over and above those of existing programmes. Its programme will be delivered over a 15-year programme and its full benefits captured within 25 years as private and other investment and local business, resident and visitor communities capture its opportunities. Over 25 years, more than 6,000 new jobs will be created, adding nearly £3bn to the regional economy

Falkirk Grangemouth Investment Zone Theme	Impacts			
	Annual <sup>3</sup>		Cumulative GVA	
	Job <sup>4</sup> s	GVA	to 2040	over 25 Years
Innovative Industry	2,182	£156m	£619m	£1,191m
Strategic National Infrastructure	2,078	£148m	£590m	£1,134m
Great Places	1,817	£91m	£323m	£650m
<b>Total</b>	<b>6,077</b>	<b>£395m</b>	<b>£1,532m</b>	<b>£2,975m</b>

33. The figure below shows the relationship between Investment Zone interventions and their associated investment.

## GOVERNANCE

34. The experience of Falkirk's Tax Incremental Finance initiative, Scotland's most successful, shows the benefit of infrastructure and other investment behind targeted sector expansion. It also demonstrates the ability of Falkirk Council and its partners in the Falkirk Economic Partnership to deliver successful outcomes. The Investment Zone will be delivered by the Falkirk Economic Partnership, led by Falkirk

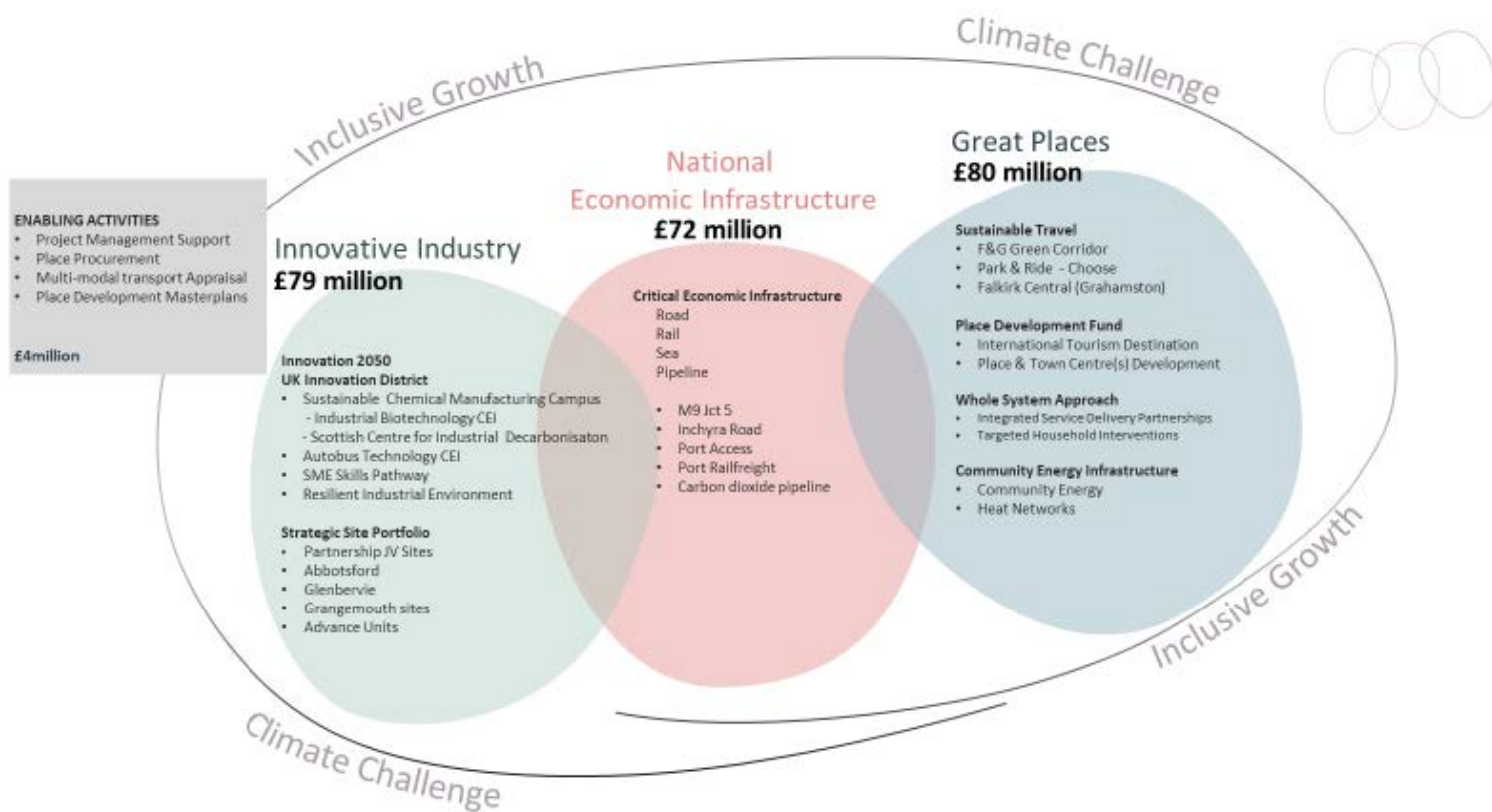
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<sup>3</sup> On completion

<sup>4</sup> Full time equivalents

## Falkirk Grangemouth Investment Zone Executive Summary

Council. Partners including Scottish Enterprise, Forth Valley College, Falkirk Community Trust, Scottish Canals, INEOS, Forth Ports, Calachem and Alexander Dennis will have lead roles as appropriate in project development and delivery.



# A GROWTH DEAL FOR FALKIRK AND GRANGEMOUTH INVESTMENT ZONE



## Outline Business Case Development (OBC)

JULY / AUG 2019

Workshops complete July 2019  
Steering Group Meeting 2nd Aug 2019  
Draft business cases out for comment  
Steering Group Meeting 27th August  
Economic Partnership (Sign off) 24th September



## OBC submission to Scottish and UK Government

30 SEPTEMBER 2019



## Growth Deal Announcement

NOVEMBER / DECEMBER 2019

Announcement of level of investment  
Start the process of developing Head of Terms and  
Full Business Cases.



## Head of Terms Agreed

MARCH 2020



## Full Business Cases

FROM APRIL 2020

Project prioritisation and  
timelines  
Revision of all OBC  
Signing of Contracts with UK  
and Scotland Governments  
Procurement

# TIMELINE



# BUSINESS CASE DEVELOPMENT



## Strategic Outline Case (SOC) - the scoping stage

Confirm strategic context of proposal  
Make a robust case for change  
Provide stakeholders and customers with an early indication of the proposed way forward (not yet the preferred option)

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## Outline Business Case



The strategic case  
The Economic Case  
The Commercial Case  
The Financial Case  
The Management Case  
Procurement Strategy  
Management Arrangements

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## Full Business Case



Takes place within procurement phase  
Prior to the signing of contracts  
Prior to Procurement of goods and services  
Revises all elements of OBC

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