

EE62. Tax Incremental Finance Initiative

The Emergency Executive considered a report by the Acting Director of Development Services which provided an update on Falkirk Tax Incremental Financing (TIF) initiative including proposed revisions to the delivery timescale and budget for the infrastructure programme.

The TIF project was a major initiative for the Council and was being pursued to assist in the economic transformation of the area. Given the complexity of the infrastructure projects being undertaken, delivery timescales had been affected by third party land ownership and funding requirements, ground conditions, utility issues and finalising detailed designs. As a consequence, the process for delivery of TIF projects had taken longer than was initially programmed. The adjusted timescales now required an extension to the 11 year infrastructure programme as established in the legal agreement between the Council and Scottish Government.

The Scottish Government had indicated its willingness to accept a one year extension to the TIF to mitigate the effects of the implementation of the Barclay report on repayment of non-domestic rates. It had also agreed that capital works could proceed to the present cap of £67m. It was therefore suggested that the Council should proceed with delivery of the proposed works at the M9 Corridor and continue its discussions on the request to increase the TIF budget from £67m to £95.7m to meet the increased project costs.

Decision

The Emergency Executive agreed:-

- (1) the revised implementation schedule for TIF projects as outlined in Appendix 1 including the proposed extension to the infrastructure programme period to meet adjusted delivery timescales;**
- (2) to extend the payback period for the Falkirk TIF from 25 years to 26 years to reflect the change in Scottish Government Non Domestic Rates policy;**
- (3) to progress the works relating to the M9 Corridor, including the upgrade of the A904 and Westfield roundabout at a cost of £62.55m, funded from the Falkirk TIF capital budget, and**
- (4) to progress further discussions with Scottish Government/Scottish Futures Trust on the requirement for an increased capital expenditure budget of £95.7m from within the TIF budget meeting the cost of contributions to the A801 and Grangemouth flood protection projects.**