

**FALKIRK COUNCIL**

**Subject: FALKIRK ECONOMIC STRATEGY – UPDATE REPORT**  
**Meeting: EXECUTIVE**  
**Date: 29 SEPTEMBER 2015**  
**Author: DIRECTOR OF DEVELOPMENT SERVICES**

**1. INTRODUCTION**

- 1.1 A report was presented to the Executive in March 2015 proposing the development of a new Economic Strategy. This was agreed and a Policy Development Panel was formed to guide this process.
- 1.2 The purpose of this report is to provide an update on the work of the Policy Development Panel convened to consider the new Economic Strategy for Falkirk and to agree the draft strategy for consultation.

**2. BACKGROUND**

- 2.1 The preparation of the Economic Strategy has been led by a Policy Development Panel (PDP). Its members are Councillor Dennis Goldie (convener), Councillor Jim Blackwood, Councillor Linda Gow, Councillor Tom Coleman and Councillor Sandy Turner. The Panel has met on three occasions to agree the scope of its work, consider evidence and agree the draft for consultation.
- 2.2 The March report had initially suggested a final draft would be submitted at the August Executive however the process has been delayed to allow for wider consultation and to incorporate developments taking place through the Grangemouth Energy Project and the Investment Project noted in the June Executive report.
- 2.3 The amended timetable is as follows:
  - a. Preparation of consultative draft
    - 3 September 2015 – consult Falkirk Economic Partnership
    - 9 September 2015 – regional and national stakeholder consultation
    - 18 September 2015 – Falkirk Business Panel Annual Conference –consultation
    - 29 September 2015 - Executive meeting – draft strategy presented for approval
  - b. Consultation to finalise strategy
    - 29 September 2015 – consultation commences using website, online survey etc
    - 6 November 2015 – closure of consultation period and comments built into final version for presentation to December Executive.
    - 1 December 2015 – final strategy document presented for approval to Executive committee

Meeting of the Policy Development Panel will be aligned to this timetable.

### **3. CONSULTATION**

3.1 The PDP has attracted views to assist the development of the new strategy through Falkirk Business Panel events, other relevant forums and engagement with local individuals, groups and businesses including:

- The Falkirk Economic Partnership
- Local businesses at the Business Panel Update event on 25th March in a discussion format involving c100 businesses.
- Meetings with key services within Falkirk Council.
- A round of external consultation with organisations and advisers on economic policy including key partners such as Scottish Enterprise, Scottish Government, SCDI etc.
- Engagement with key sector bodies e.g. Chemical Sciences Scotland

3.2 It is proposed that a full consultation exercise be conducted on the draft strategy once this is approved by the Executive. This will include:

- Consultation with community groups and organisations
- Online consultation via the Council website
- Meetings with key partners and stakeholders

The consultation exercise will be completed by 6 November 2015

### **4. ECONOMIC STRATEGY: PROPOSED CONTENT**

4.1 The content of the draft strategy reflects work done to review the circumstances of the area's economy and the contributions made by the PDP, business, stakeholders and partners during consultation sessions. Amongst the main messages conveyed are the following:

- The strategy must reflect Falkirk's increasing population and changing demographics that will see the level of those aged 75+ increasing nearly two-fold by 2037 and an increase in the number of children over the same period.
- Falkirk contributes 2.2% of Scotland's overall GVA – we must look to increase this figure
- The need to reinforce Falkirk's importance to the national economy as the home of Scotland's chemicals industry, petrochemicals facilities, largest port and a key manufacturing base.
- Falkirk has comparative strengths in construction, distribution and transport, and is weaker on information and communication, finance and insurance, real estate and business service activities
- The need to embrace the digital age and welcome modern work practices to attract industries that are not geographically tied to larger cities.
- The need to create the environment for new and innovative businesses to locate and thrive in Falkirk.

- The need to build on Grangemouth's existing strengths and develop its role as a centre of excellence for chemicals, renewables, new energy and sustainable technology.
- In relation to employment, we need to:
  - take advantage of the area's higher economic activity rate and increase the number of self-employed people
  - increase the proportion of women who are self-employed, ( currently half male self-employment rates).
  - attract higher value jobs to bring average earnings in line with national and UK levels.
  - seek to reduce disparities in earnings.
- Unemployment has followed national trends through the recent downturn however twice as many men are unemployed as women in Falkirk and the disparity for males is even more significant in the 16-24 age group.
- Overall educational attainment is improving, with the level of qualifications held and numbers of school leavers going into positive destinations increasing. However attainment levels remain below the national average.
- A higher proportion of Falkirk school leavers go into employment or training as opposed to further or higher education.

## **5. DRAFT ECONOMIC STRATEGY**

- 5.1 The draft strategy document sets out the ambition for the area's economy as a smarter, greener and more inclusive place, where opportunities for work, quality of life, leisure and the excellence of the living spaces offer the ideal location for people, business and communities to thrive.
- 5.2 The draft strategy identifies three main priorities for action, relating to:
- a growing economy
  - an economy attractive to investors, including a proposal to create a Grangemouth Investment Zone
  - an inclusive economy
- 5.3 The draft strategy document (Appendix 1) sets out the proposals for each of these priorities. It is proposed that following the formal consultation phase, a finalised version, including details of intended actions by the Council and its partners will be brought forward to the PDP and Executive for approval.

## **6. RECOMMENDATIONS**

**6.1 It is recommended that the Executive agrees to:-**

- i) note the content of the draft Falkirk Economic Strategy document as detailed in Appendix 1; and**
- ii) agrees that this be issued for consultation and completion of a finalised draft by the end of 2015 following approval of the PDP.**

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**Director of Development Services**

**Date: 17 September 2015**

Contact Officer: Douglas Duff, 4952

### **LIST OF BACKGROUND PAPERS**

- 1. Draft Economic Strategy 2015**
- 2. Economic Review August 2015**

Any person wishing to inspect the background papers listed above should contact Douglas Duff on 01324 504952

**Falkirk 2025**  
**(Working Title)**

**Falkirk's Economic Strategy – 2015 - 2025**

1. Foreword
2. Falkirk's Economy: Review
3. Challenges and Opportunities
4. Falkirk 2025 – Purpose
5. Our Vision
6. Priority 1 – Growth
7. Priority 2 – Investment  
*Grangemouth - Investment Zone of National Significance*
8. Priority 3 – Inclusion
9. Delivery and Performance
10. Actions Matrix

# 1. Foreword

Falkirk is being transformed. From a past reliant on heavy industry, Falkirk is recognised for its commitment to the future, to new economic prospects in manufacturing, chemical sciences and logistics; in new service industries and in attracting tourists to our area. It is an area committed to growth, attracting investment and including all in its communities to benefit from its economic prospects.

This economic strategy sets out our ambitions for the area's future; creating a smarter, more sustainable economy which offers opportunity for all.

Excitingly, Falkirk's journey of transformation is well known. The Falkirk Wheel, Helix Park and the Kelpies provide internationally recognised symbols of change. They have helped us to establish a growing tourism market. The ambition of the local community, the businesses and the public sector partners to work together is solid and a platform for further success.

We highlight in particular the opportunities for investment at Grangemouth. Through the creation of an Investment Zone of national significance we aim to build on its strengths in chemicals, manufacturing and logistics, aligning this with new capacity for growth in innovation and low carbon technologies.

The purpose of this strategy is to set out what we wish to achieve, consider any obstacles to change and how to overcome them to the benefit of all in our communities. We wish to engage people about our economic future. This is our initial proposals in draft. We ask you to consider the contents of this document, give comments and help us to shape the direction of Falkirk's economy in the future.

## 2. Falkirk's Economy: Review

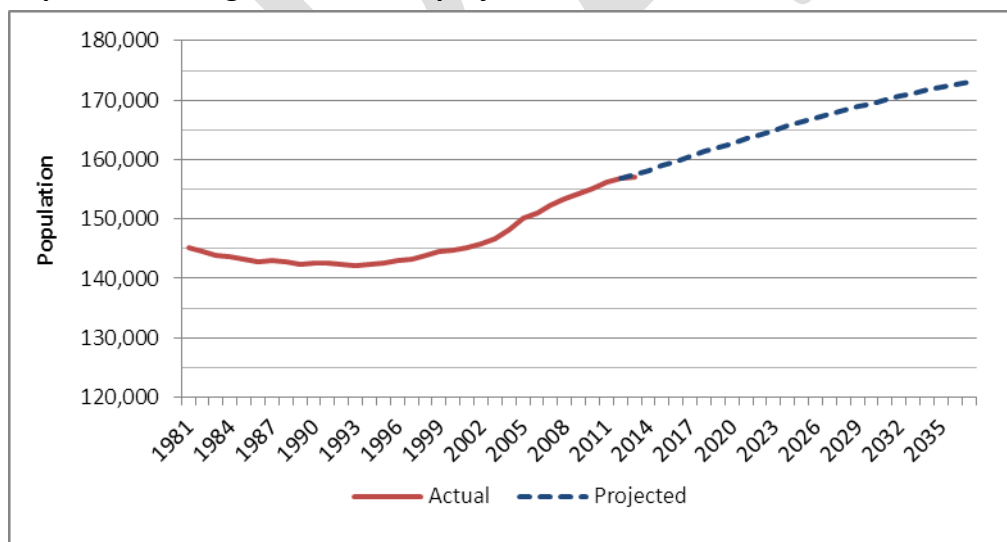
Our economic strategy is informed by an understanding of our past, present and influences for our future. Our economic review highlights the following:

### Demographics

Falkirk's population has been rising over the last 20 years, increasing from 142,240 in 1993 to 157,140 in 2013. Latest projections suggest the population will increase by a similar amount over the next 24 years to around 173,000 by 2037.

*'Falkirk's population has increased at more than double the national rate over the last 20 years'*

### Population change – Actual and projected



Source: National Records of Scotland, Population estimates and projections

Falkirk population has increased at more than double the national rate over the last 20 years. While the number of children is projected to increase slightly in the future, the

number of older people will increase considerably, with those aged 75+ increasing by 94% by 2037.

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*‘the number of inhabitants over 75 is estimated to almost double by 2037’*

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### **Productivity**

Productivity levels in the UK, Scotland and the Falkirk area present a challenge. The Gross Value Added (GVA) for Scotland in 2013 was estimated to be £117.1 billion giving GVA per person of £21,982. The equivalent GVA for Falkirk Council area in 2013 was estimated at £2.6 billion with a GVA per person of £16,509.

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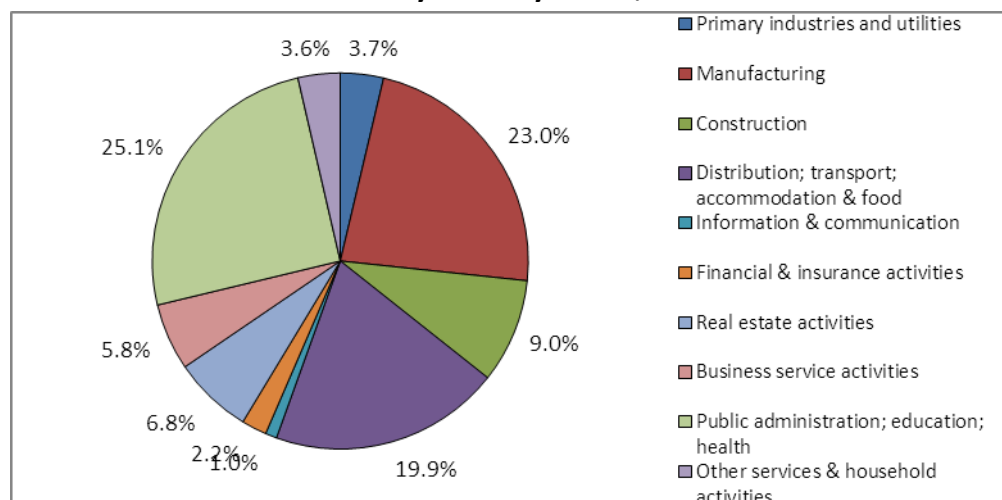
*‘we need to strive for greater recognition of Falkirk’s contribution to economic growth particularly through exports and imports not only activity that originates here’*

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Falkirk’s GVA per head of population has been lower than that of Scotland, the UK and Eastern Scotland for the last 15 years. In 2013, Falkirk was 30% lower than the UK figures and was 25% lower than the Scottish and Eastern Scotland figures. This disparity has increased since the start of the economic downturn in 2008.



### Gross Value Added in Falkirk by industry sector, 2012



Source: Office for National Statistics - Regional GVA NUTS 3

Manufacturing is a particular strength of our economy, contributing almost a quarter of Falkirk's GVA in 2012. This compares to just over 10% across Scotland as a whole. This is largely due to the impact of the petro-chemical complex at Grangemouth which is a leading contributor to both the national and local economy.

Falkirk is above the Scottish average in its contribution to GVA in the construction industry - 9.0% compared to 6.4% - and distribution, transport, accommodation and food - 19.9% compared to 17.4%.

Conversely, information and communication, finance and insurance, real estate and business service activities contributed over 30% of the Scottish total GVA, whereas in Falkirk they contributed less than 16%.

In primary industries such as farming, mining etc., the national GVA contribution was 8.3% whereas in Falkirk they only contributed 3.7%.

### **Labour Market**

Falkirk has had a consistently higher economic activity rate than Scotland and the UK over the last eight years. While numbers in employment have since increased, they are still below the pre-recession level. A very similar pattern can be seen in the Scottish figures, although did not start to recover until 2014.

A total of 66,600 were in employment while 7,500 were self-employed, making up 10.2% of the employed population. This is a smaller proportion of self-employed than in Scotland as

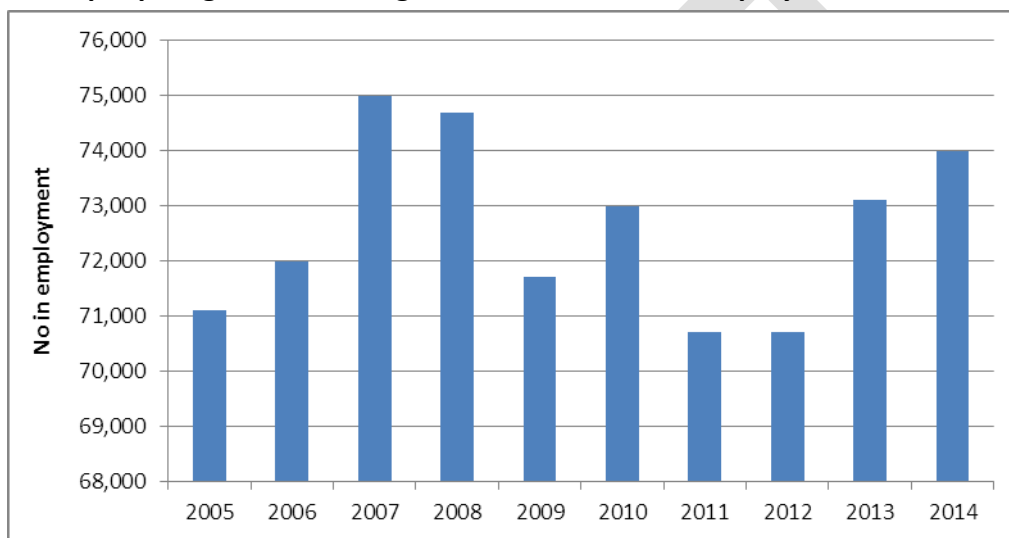
a whole, where the percentage of self-employed was 11.0%. About two thirds of self-employed people are males, only one third female.

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*'Falkirk has had a consistently higher economic activity rate than Scotland and the UK over the last eight years'*

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#### **No of people aged 16-64 living in the Falkirk area in employment 2005-14**



Source: Annual Population Survey, NOMIS

#### **Self-employment 2005-2014**



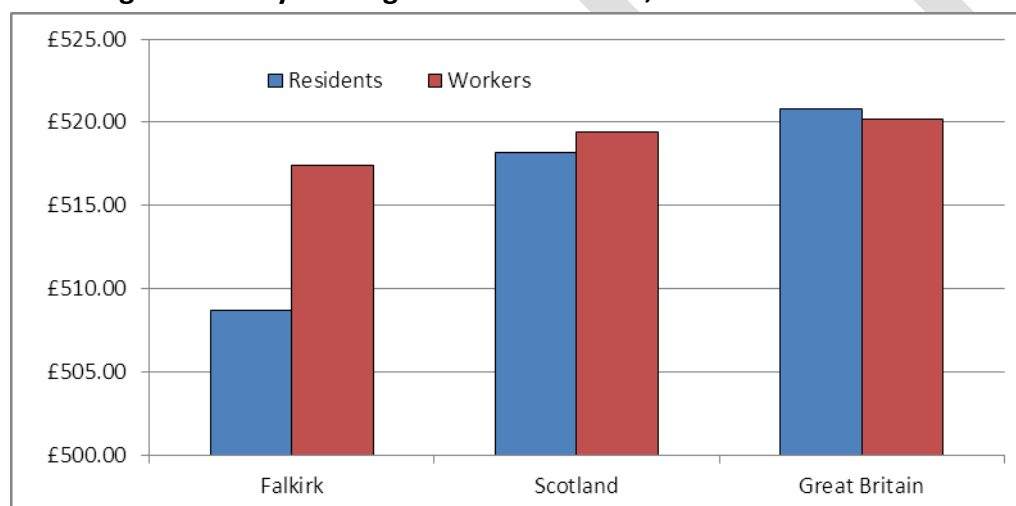
Source: Annual Population Survey, NOMIS

12,500 more people commute out of Falkirk Council area to work than journey in. This compares with a net difference of 7,150 in 2001. The three areas to which there is the greatest net out-commuting are Stirling, Edinburgh and Glasgow. In spite of the increase in the level of commuting, the pattern has changed little between 1991 and 2011.

The earnings of people living in Falkirk are slightly lower than the Scottish and the Great Britain averages. The median gross weekly earnings for full time workers in 2014 living in Falkirk was £508.70, 1.8% lower than the Scottish median of £518.20 and 2.3% lower than the Great Britain median of £520.80.

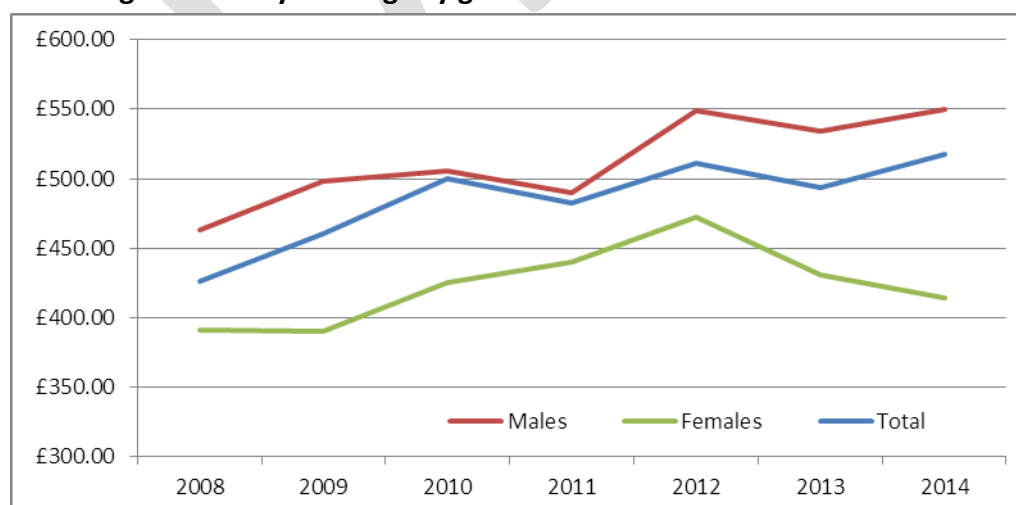
From 2008 to 2012 the median weekly earnings for men increased by 18%, but over the same period women's weekly earnings increased by only 6%. However, women's earnings have decreased in the last two years. Women's earnings in 2014 were over 30% lower than those of men and this gap has increased since 2012.

#### Median gross weekly earnings full time workers, 2014



Source: Annual Survey of Hours and Earnings, NOMIS

#### Median gross weekly earnings by gender full time workers 2008-2014

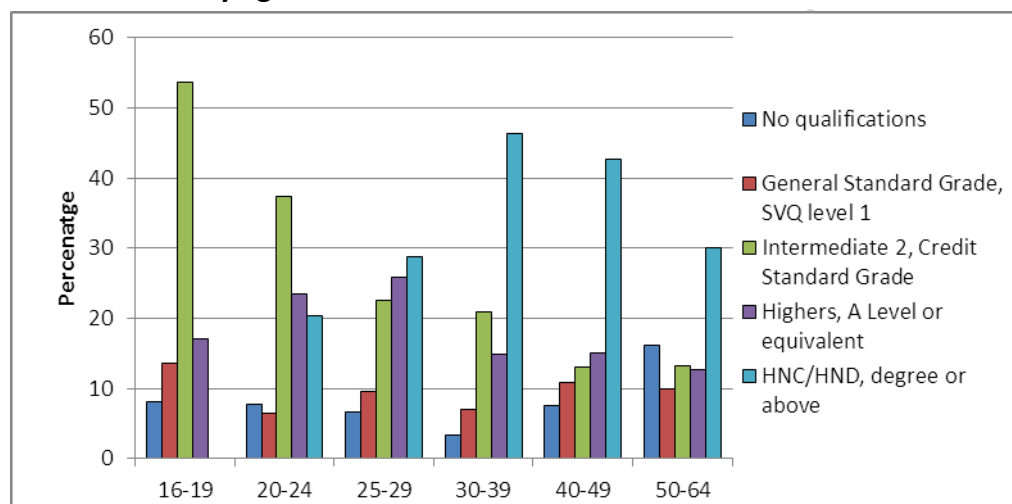


Source: Annual Survey of Hours and Earnings, NOMIS

## **Skills and qualifications**

In skills and qualifications Falkirk figures show a similar pattern to Scotland as a whole, although generally the level of qualifications held is lower. The percentage of people with an HNC/HND, degree or higher qualification is higher across Scotland (41%) than in the Falkirk Council area (34%) and this applies across the full age range of 16-64.

### **Qualifications by age band in the Falkirk Council area 2014**



Source: Annual Population Survey, NOMIS

*'Since 2007 attainment has improved'*

Since 2007 attainment has improved. For example, the percentage of S4 pupils achieving 5+ Standard Grades improved from 30.4% to 38.7% and the percentage of S6 pupils achieving 5+ Highers increased from 16.3% to 25.9%. 19.2% of S6 pupils achieved 5 or more Highers which is slightly lower than the Scottish rate of 26.6%. At the same time the gap between Falkirk and Scotland has decreased so that by 2013, the Falkirk attainment figures were very similar to those across Scotland.

Overall, almost the same percentage of Falkirk school leavers went into a positive destination in 2013/14 as across Scotland - 91.1% compared to 91.4%. However, fewer in Falkirk went into Further or Higher Education, with more going into training or employment.

Since 2006/07, the percentage going into Further and Higher education has increased in both Falkirk and Scotland as a whole. The percentage going into a positive destination has increased in Falkirk from 84.3% to 91.1% and the gap between Falkirk and Scotland has almost disappeared.

### ***Your Views:***

*Do you agree that the matters raised in this review are important for our economy?*

*Do you wish to highlight other aspects of Falkirk's economy we should consider in this review?*

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### 3. Challenges and opportunities

The context for this strategy presents a number of challenges and opportunities. We have highlighted a number of case studies of these opportunities and challenges:

#### ***Opportunities:***

##### **A. Attracting Investment and jobs**

Falkirk's location provides it with many clear advantages however it has strong local competitors for investment and jobs, lying equidistant between Scotland's two largest cities. With Edinburgh's strengths in finance and tourism and Glasgow's strengths in retail and manufacturing, Falkirk has focussed on areas where it performs more strongly.

Falkirk's strengths, particularly at the Grangemouth complex are in the chemical sector, manufacturing, and logistics. We need a two pronged approach to grow our economy focussing on our key strengths and fostering new capacity for our skilled workforce to deploy their talents and our young people to find a career.

Our strength in petrochemicals needs reinforced through innovation and co-location, attracting smart, green technologies and building complimentary industries in renewables, sustainability and green energy. With a cluster of knowledge, suppliers, skilled labour and training and an upgraded infrastructure, there is an opportunity in Grangemouth to create a new, profitable and sustainable industrial centre of excellence providing jobs and growth which augments the existing petrochemical sector. This should take advantage of the area's commitment to innovation, internationalisation and potential for the development of low carbon industrial biotechnologies.

Meanwhile we need to diversify our economy, building on new sectors in tourism, finance and business services. Building on the success of the Helix and Kelpies, and the formation of new business ventures such as the Falkirk Hub, we need to create the infrastructure for the attraction of new service sector employment.

We must recognise the potential of growing sectors in education, health and social care where changing demographics will influence a new range of economic opportunities.

Importantly we have to attract investment and jobs to the area. We must work with our partners across the public and private sectors to ensure that the opportunities our area

presents are put to the forefront of investors' attention and that our response to their enquiries is matched with a commitment to deliver.

### **Case Study: Grangemouth**

*INSERT A SUMMARY OF ACTIVITIES AT GRANGEMOUTH:*

- *Formation of Ineos ethane supply infrastructure*
- *Co-location opportunities*
- *New HQ development*
- *Calachem energy investment*
- *Logistics and Port developments*
- *Innovation and industrial biotech potential*
- *Commitment to training and MAs etc.....*

### **B. A greener, smarter, more sustainable Falkirk**

The Scottish and UK governments have set ambitious targets for carbon reduction, urging a shift to renewable energy supplies, more sustainable forms of transport, promoting a circular economy and improving the quality of our environment. A greener economy for Falkirk presents many opportunities in:

- Development of sustainable business processes
- Promotion of new renewable energy infrastructure generation capacity and supply
- Development of more sustainable forms of transport, through the promotion of our low carbon logistics hub and increased modal shift, taking advantage of our
- Development of a circular economy which reuses valuable resources, channeling these back into the economy through new products.
- Application of new smarter technologies to monitor environmental performance and develop sectoral strengths

### **Case Study: Waste Sector**

*Falkirk is at the forefront of work to increase recycling and promote a more circular economy. Emanating from the European Waste Framework Directive, Scotland's Zero Waste Plan (2010) and Waste (Scotland) Regulations 2012, we must also inhibit the transfer of waste to landfill. This places obligations on us to change practices and find new ways to operate. We are taking steps to embrace our Zero Waste Strategy 2012-2022. The strategy urges a reduction in the amount of waste produced, improving the waste and resource*

*management infrastructure and managing non-recyclable waste. The zero waste strategy will be incorporated into the wider economic development strategy to ensure that its principles inform the relevant decisions. One example is the work to ensure that the Grangemouth Energy Project incorporates the waste strategy into the centre of plans for new energy generation and management utilities.*

### **C. Making Falkirk a premier tourism destination**

The perception of Falkirk as a tourist destination has changed significantly over the last 15 years. Our prime tourism attractions have played a significant role in establishing Falkirk as an integral part of Scotland's tourism business:

- the Falkirk Wheel
- Helix Park and the Kelpies
- Callendar House
- Bo'ness & Kinneil Railway
- Bo'ness Hippodrome

We have secured the emergence of a location which can sustain increased visitors numbers and extended visitor stays.

Significant progress has been made through brand building activities including music events and festivals such as Falkirk Rocks, inclusion in international VisitScotland campaigns and promotion of the Falkirk area at VisitScotland Expo. The delivery of the recent strategy was complemented by the launch of [www.visitfalkirk.com](http://www.visitfalkirk.com) which builds on the existing credentials of the VisitFalkirk brand to showcase the attractions of the Falkirk area. We have now established a Tourism Partnership to progress this work.

### **Case Study**

*The new Tourism Strategy sets out what Falkirk wants to achieve over the next 5 years and has set 3 overarching targets:*

- *To increase visitor expenditure in the Falkirk area by 20% over the next five years to 2020.*



- *To increase overnight visitor accommodation (serviced bedrooms and self-catering units) in the Falkirk area by 20% over the next five years to 2020.*
- *To develop a Falkirk Tourism Partnership to take ownership of, to review and to implement the strategy.*

*The tourism work will be delivered through 3 Strategic Priorities:*

- *Targeting key markets*
- *Providing enjoyable and marketable experiences*
- *Improving the customer journey*

*The full version of the Tourism Strategy is available on the Falkirk Council website and at [www.visitfalkirk.com](http://www.visitfalkirk.com).*

#### **D. International opportunity**

The rate of change in Scotland's workplaces has increased significantly over the last 20 years. New technologies have altered the way that people interact and conduct their work creating a raft of new job types. These technologies have brought our global competitors closer, presenting risks and challenges in cost, service and innovation.

We need to ensure that we provide the infrastructure for our businesses to compete in this global marketplace. We must ensure that world class digital connectivity is available and reliable through the area and that our physical infrastructure can enable the international flows of goods and services.

Our young people need to be prepared to deal with international clients and suppliers and be comfortable with foreign languages and customs. Crucially, our businesses need to be able to take the steps to look beyond our local borders to grow their markets and supply chains in order to keep pace with global competitors.

#### **Case Study**

*Insert case study of company accessing international markets.....*

## Challenges:

### Financial pressures

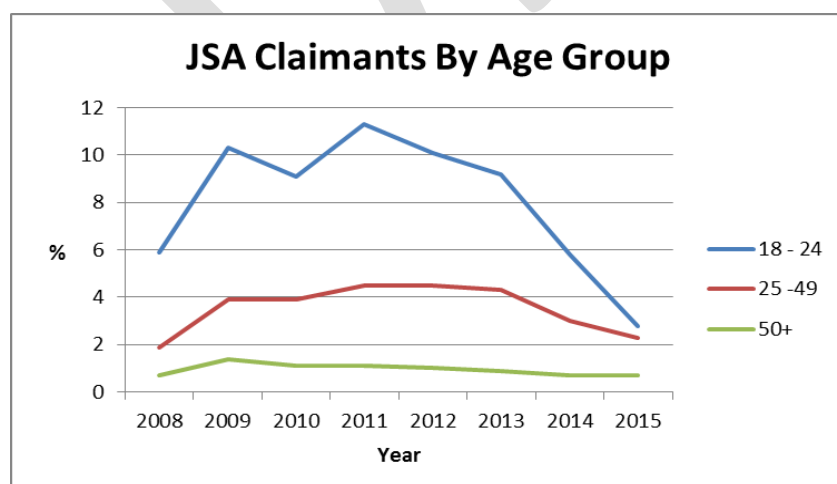
All organisations face financial pressures at this time. Pressures on public sector budgets, including those of the Council will require that we enable the delivery of our economic ambitions in new and innovative ways, changing how we operate. We must consider more efficient means of service delivery at lower cost, adopting new service channels and engaging other partners. The role of the private sector in delivery of our objectives will prove vital and initiatives such as the Falkirk BID and the recently formed Tourism Partnership, which engage business actively in delivering support for economic development are of critical importance.

### The employment gap

Demographic pressures will increase the demand for care services and particular community services. We anticipate increased demand for new school places across the Falkirk area. In order to address an increase in the competition for jobs available to our young people entering employment, we need to increase our engagement with employers and boost the level of apprenticeships and training schemes being offered.

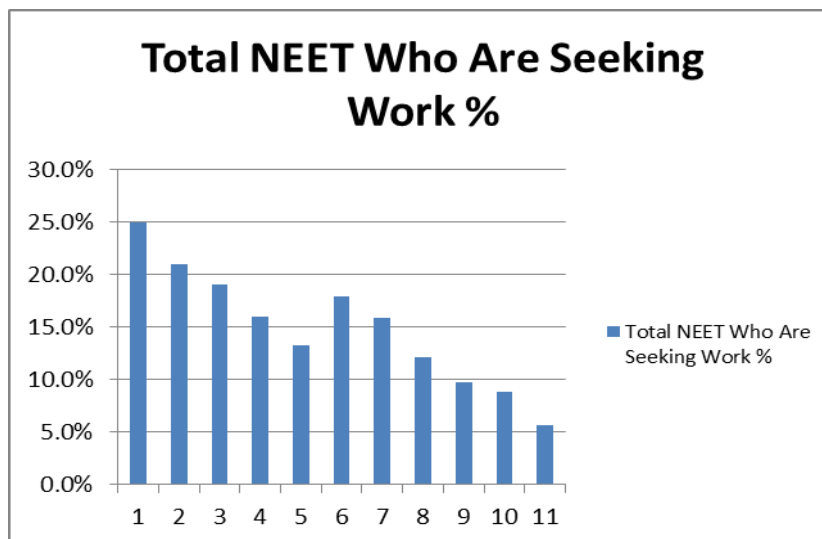
This approach will need to be replicated across the broader range of services as we work with private, public and third sector organisations to fulfil the gaps service provision that budget reductions will cause.

### JSA Claimants July 2009 – July 2015



Significant work has been carried out over the last ten years to address the youth unemployment gap and leading to real progress (insert charts showing improvement in SLDR). However solutions continue to be required to ensure that young people aged 16-24 are not falling out of the labour market at a crucial point in their development and training.

#### Reduction in School Leavers Unemployed 2003– 2014



The issue reverses when we address self-employment and earnings. Wages for women are lower by around 30% and the number of self employed women around half the number of self-employed men. Disabled people also face significant challenges in accessing the workplace. Across the UK only half of disabled people are in work and disabled people face multiple constraints in accessing and sustaining employment.

#### **Your Views:**

*Do you agree that the opportunities and challenges suggested in this document are relevant to the prospects for Falkirk's economy?*

*Are there others you wish to highlight which will affect Falkirk's economy?*

## 4. Falkirk 2025 – Purpose

Falkirk is being transformed, the opening of the Falkirk Wheel, renewal of the area's school stock to the conception and delivery of Helix Park and the Kelpies all demonstrate the area's commitment to change.

This strategy has assessed our progress, identified challenges and opportunities and aims to apply the lessons we have learned to take account of a changing landscape, recent developments within Falkirk and the wider global economy.

The purpose of this Strategy is to:

- Plan for sustainable economic growth
- Identify how to maximise Falkirk's economic potential
- Leverage the areas comparative advantage in particular industries and sectors
- Set out plans to broaden and diversify Falkirk's industrial base
- Identify new sectors and opportunities for growth
- Promote innovation and the application of new technologies
- Highlight the area's potential and means to attract investment
- Stimulate further development in the skills and experience of Falkirk's people to improve a ready, highly-skilled workforce.
- Help create opportunities for all
- Identify our priorities for action

We have had regard to national policy developments, including:

- *Scotland's Economic Strategy*
- *EU Structural Funds Operational Programme 2014-20*
- *Tourism Scotland 2020*
- *Scottish Chemicals Sciences Strategy*
- *The Routemap for Renewable Energy in Scotland*
- *Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth*

We have also drawn on existing Council policies. As such, this strategy should be viewed in conjunction with the:

- *Falkirk Strategic Community Plan and Single Outcome Agreement*
- *Local Development Plan*
- *Falkirk TIF Business Case 2013*
- *Falkirk Tourism Strategy*
- *Employability Action Plan*

### ***Consultation and engagement***

To inform this strategy we have engaged a wide range of stakeholders across the Council, public sector bodies and the wider business community via Falkirk Business Panel.

The external consultation process has been broad and involved a varied range of stakeholders including:

- Falkirk Business Panel
- Falkirk Economic Partnership
- External Economic Development stakeholders such as SE/SDI/CSS/SCDI/Job centre plus etc.
- Open online consultation

We have invited comment and response in developing this strategy. The strategy presents a dynamic process with opportunities for dialogue and discussion about Falkirk's economic future being maintained as we progress.

### ***Your Views:***

*Do you agree with our approach to preparing this strategy?*

*How might we engage people in the strategy as it progresses?*

## Our Vision

We aspire that Falkirk is the place to be; a smarter, greener and more inclusive place, where opportunities for work, quality of life, leisure and the excellence of the living spaces offer the ideal location for people, business and communities to thrive:

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To achieve this we aim to achieve the following:

### ***A Growing economy:***

Falkirk will be a prime location in Scotland for innovation where clusters of likeminded businesses, a skilled workforce and a supportive, focussed education system, draws on innovation from across the world to develop the fields of chemical sciences, new energy, smart technology, manufacturing and sustainable development.

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### ***An economy attractive to investors:***

Falkirk will present excellent opportunities for investment with a infrastructure and support available to enable ready access to sites, premises and finance for development and a skilled, flexible workforce attuned to the demands of a competitive global economy.

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At Grangemouth, we will create an Investment Zone of National Significance. This will build on its key strengths of chemicals, manufacturing and logistics, creating a globally competitive location for investment in new low carbon technologies and innovation in industrial biotechnology.

Falkirk will be recognised as the gateway to Scotland; a national logistics hub with a busy port with networks distributing goods throughout the country and exporting across the world by road, rail, sea and air.

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Falkirk's economy will be smart, sustainable, a base for innovation, education and training to meet ever changing demands of the global economy.

### ***An inclusive economy:***

Falkirk will be recognised for enabling opportunities for all in communities that are smart, sustainable and take full advantage of opportunity.

In short, Falkirk as a place where people and business want to be. Where they can thrive, knowing that the area offers opportunities for all.

### **Key Priorities**

Our priorities encompass the challenges and opportunities set out above. By tackling these we aim to :

- **Grow** the Falkirk economy, boosting business formation and growth, fostering innovation and ensuring a skilled workforce
- **Attract Investment** – to enhance the area’s infrastructure, attract business and realise in full the area’s economic potential. We will promote the **Grangemouth Investment Zone** as a key focus of our actions
- **Include** all in our communities to help access opportunities and make a full contribution to the area’s economy.

### ***Your Views:***

*Do you agree with the vision for Falkirk’s economy suggested in this strategy?*

*Do you have other ambitions for Falkirk you suggest we might adopt?*

## Priority One – Growing Falkirk’s economy

We want to **Grow** the Falkirk economy, boosting business formation and growth, fostering innovation and ensuring a skilled workforce

### Business Support:

Business Gateway offers interventions to assist business to start up and grow. It works closely with Council services including procurement, planning, food safety and building control to enable a one-stop service for business growth. This approach has allowed development projects to proceed more quickly and faster resolution to any obstacles encountered. With Council and EU assistance the Business Gateway offers rounded and flexible support to meet business needs.

- We will sustain an integrated Business Gateway service helping local businesses to grow. Develop the business support function that is responsive, supportive and experienced.
- We will work with business to find opportunities to diversify products and services through; better marketing of existing offerings; increasing market reach through developing an online presence; developing new markets through improved promotion and branding
- We will ensure that sites and premises are available and affordable to extend operations or to take on premises for the first time
- Continue to offer a varied programme of workshops providing premises for business to start-up and grow
- We will build upon existing relationships with training providers such as Forth Valley College to make sure that the right options are available for developing staff and training people to compete in the labour market and meet emerging business needs.
- Ensure that Falkirk Council’s employment and training unit aligns closely with our business support offering to help our young people make the transition from education to work.
- Exploit the potential of developments related to healthcare including alignment with the new Forth Valley Royal Infirmary at Larbert
- Leverage the support of national partners such as Scottish Development International and UK Trade and Investment to ensure that our businesses are receiving the support to confidently approach exporting their products and services.



- We will aim to enhance access to finance for business growth and investment purposes.
- We will assist businesses to access funding for growth from banks and institutions, regional, national and European sources (including the Scotland Investment Fund, Regional Selective Assistance and targeted sector-specific Government programmes such as the Food Producers Grant Scheme).

### **Land and buildings for Growth**

The provision of appropriate, high quality accommodation is essential to supporting the development of the local economy and is a key attractor to inward investment. Across Falkirk, the council owns and operates industrial, commercial and office accommodation to facilitate access for local businesses. We maintain an extensive property portfolio accommodating almost 500 businesses. Through our Portfolio Management Plan we aim to extend our range of business properties and attract new businesses.

- We will help sustain a range of premises to meet business demand through our Portfolio Management Plan and by working with private sector partners, Scottish Enterprise and others to sustain provision, well-suited to market need
- We will monitor market requirements and apply this intelligence towards facilitating new provision

### **Build a stronger business community**

One of the real successes of *My Future's in Falkirk* has been the development of a strong business community in the Falkirk area. Through the Falkirk Business Panel, communications, networking opportunities and major events such as the Falkirk Business Day and the Business Falkirk annual conference have taken place. We identified a need for more sector-specific and focussed events and following a successful pilot last year have added these to the programme of events. Sector specific forums to support growth are progressing in chemicals (via the national Chemical Sciences Scotland, involving several Grangemouth companies); tourism, logistics and in the food and drink sector.

We need business to recognise the opportunities and value available from building supply chains involving local partners and make full opportunity of the public sector tender opportunities available through Public Contracts Scotland, the Supplier Development Programme and Falkirk Council's procurement clinics.

It is essential that the business support service reflects the needs of the business community and we aim to enhance our responsiveness to changing requirements. By adopting modern technology and social media platforms we aim to increase awareness of activities and enhance business support.

## **Town Centres**

We aim to rejuvenate our town centres, ensuring they are more attractive and resilient in the face of the challenge from online retailing and out-of-town retail locations. A new town centre strategy has been prepared and this strategy seeks to improve the fortunes of our town centres through the attraction of investment in retail, commercial and related sectors. The opportunities for residential development to enhance the development mix and increase the resident population of town centres will be explored. ..

- We will implement our Town Centre regeneration strategy, seeking to attract investment and increase retail footfall in our centres.
- We will work with Falkirk Delivers, the Falkirk BID to promote the fortunes of Falkirk town centre.
- We will promote Shop Local initiatives in each district centre
- We will continue delivery of the Falkirk THI, upgrading the historic core of the town centre
- We will promote a scheme for the upgrade of the public realm in the town centre
- We will complete the regeneration of Denny town centre
- We will promote the introduction of new commercial, civic and residential developments to town centres to diversify activity and increase footfall

## **Foster a culture of innovation**

Levels of innovation in competitor markets are such that in order to compete Falkirk and Scotland have to innovate through process, products and services. Our aspiration, one shared with local businesses, communities and through our education system is to put innovation at the centre of how we organise our businesses.

We need to foster a culture of innovation through education into training and workplace - finding ways to operate more efficiently and increase productivity. We need to find ways to use all of our resources better be that finance, raw inputs or our time.

The factors and unique selling points that draw people to Scotland and Scottish products need to be leveraged to create new and engaging products.

Scotland has a strong history of innovation and Falkirk has been pivotal in this – a mind shift is required to once again value the investment in research and development as an essential business process rather than a luxury or a contingency strategy.

Businesses need to review how they approach innovation, along with our public sector partners we need to instigate fora and networks to join universities, college and other centres of research to the machinery of business to ensure that the ideas and research are being converted into viable opportunities.

### **A Skilled Workforce**

We will apply the Falkirk Skills Pipeline model, helping young people to progress into training and employment and helping business to meet their skill requirements.

#### **The Falkirk Strategic Skills Pipeline**

<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
<b>Engagement Activity</b>	<b>Barrier Removal and Development Activity</b>	<b>Vocational Skills and Work Focused Training</b>	<b>Employer Engagement Transitional Employment</b>	<b>In-Work/Skills Development</b>
<b>Life and Personal Skills</b>	<b>Core Skills</b>		<b>Job Matching/ Brokering</b>	<b>Aftercare</b>

The Council, Forth Valley College and local employers have been extremely successful in improving the positive destinations of school leavers from across our education system. Nevertheless there remains a disparity between the numbers of students progressing to further and higher education from Falkirk relative to the national averages. We need to engender a change in attitudes to support our young people to be able to benefit from all of the post-education options available, vocational training, further education or otherwise.

Forth Valley College is one of the most successful and innovative FE colleges in the UK, in. The construction in 2015/16 of a new £80m college campus at Middlefield on the Falkirk Gateway site must be recognised as an opportunity to reinvigorate our approach to the

delivery of skills suited to the needs of business, increasing our capacity to innovate and compete.

Our business support work, education, employment and training will create a seamless pathway from education to employment.

We will enhance the engagement of the education sector in helping to meet the growth ambitions of local companies through the creation of a skilled and motivated workforce.

We will work closely with the College, business and other partners to increase understanding of future skill demands and ensure these are met.

We will take advantage of the creation of the new College Campus development to increase the motivation and engagement of young people in boosting their skills and accessing jobs.

### ***Forth Valley College*** – new campus development

*Insert visual*

## **Internationalisation**

- There are opportunities to look outwards to new markets.
- Falkirk has led the way in international trade in the past.
- In a globalised world we can find partners, customers and suppliers all over the world.
- Access to world-class digital connectivity and transport infrastructure take away some of the challenges.
- Internationally, customers are interested in the Scottish Brand and the values that it carries.
- We need to help businesses realise what they have to offer internationally.
- We need to redouble our efforts working with SDI and to ensure that the opportunity of opening up new markets is made available to Falkirk companies across sectors and industries.
- We recognise the opportunities in creating strong partnerships with rapidly growing countries such as China and India.

- Need to also consider partnerships closer to home. The UK, the republic of Ireland, the rest of the European Union particularly our twinning partners in France and Germany.

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## Priority Two – Investment

We want to **Attract Investment** – to enhance the area’s infrastructure, attract business and realise in full the area’s economic potential. We will promote the **Grangemouth Investment Zone** as a key focus of our actions

Our transformation must be sustained through the attraction of further investment. In 2013 Falkirk Council led the creation of a significant and highly innovative investment programme involving the use of the Scottish Governments Tax Incremental Finance (TIF) Scheme. This has secured £67m to invest in infrastructure for growth however this is only the lever with which to deliver investment. The money is being used to create the conditions to induce over £500m of private sector investment and help create 5000 jobs. Over the 30 sites identified across the area finance is available to improve access, prepare sites, bring utilities and overcome any barriers to investment.

The work of this programme has started with development of junctions to ease the flow of traffic from Grangemouth port to the existing logistics and transport centres. The work will continue with developments including the opening of new employment land sites with direct access to the M9 and the investment of £30m to improve road links between the M9 and the M8 which will improve Falkirk’s existing position at the centre of Scotland’s transport networks.

The investment must occur in both physical and digital infrastructure to ensure that Falkirk has the connectivity required in a globalised marketplace. In order to make the best use of the resources we have – we must invest across three categories:

- Invest in infrastructure
- Invest to create jobs
- Invest in people

We can make a compelling case for various sectors requiring superfast, high bandwidth connectivity right now, ranging from health care to the creative sector however the real benefit from investing now in our connectivity infrastructure is in ensuring that Falkirk businesses do not fall behind their competitors.

As more services move online, the demand to be reactive via electronic means becomes a pre-requisite rather than an optional extra. The transfer of data across all areas of society is shifting online and the future requirements are not solely around speed of access but the

sufficient bandwidth to transfer significant amounts of data reliably and safely at any time of the day and without incurring great expense.

Our planning and building control policies must reflect these changes and we must invest in making digital connectivity a utility within our public buildings, schools, businesses and housing.

As with every other area of Scotland, we find ourselves on the cusp of a transition. The way we have produced and consumed energy over the last century is unlikely to prevail through the rest of this century. Due to climate change, scarcity of supply and rising costs, there will be an increasing imperative to find alternative methods of powering our towns and cities.

Falkirk is perfectly placed to employ the skilled and experienced workforce that has developed around the Grangemouth industrial complex, to use the existing available industrial sites and to leverage the supportive regulatory framework and business support network to create a hub for sustainable and new energies.

We want to make Falkirk the prime location for sustainability and innovation in energy. We will invest in creating the conditions for innovative business to locate here, we will ensure that the regulatory environment is welcoming to prospective companies, we will work with our local communities to involve them in the development of the area, to consult them on these developments and we will invest in these communities to ensure that they can take up the opportunities that this will deliver and can benefit from the growth they can bring.

We need to invest now in a sustainable future which looks to build up on the strength of existing industry and enable development of green, innovative technologies. Finding ways to reduce the costs of processes to allow for greater reinvestment, using less natural resources whether through direct inputs or through energy usage, we can contribute to delivering a more sustainable economy.

We must invest now to ensure that Falkirk can transition to a low carbon economy and lead Scotland in developing sustainable ways to power our communities and business, to heat our homes and schools and to grow our economy

In the first year after opening, Helix Park and the Kelpies welcomed over 1 million visitors to the award winning urban park. This site was a success of the previous strategy an example of how ambitious ideas can capture the imagination of people from all over the world and significantly change the perception of an area.

We must build upon the momentum that these projects have delivered. We must continue to invest in Falkirk, invest in the spaces where people live their lives to make them pleasant and welcoming, invest in a place that draws and welcomes visitors and demonstrates to them the ambition and qualities of the area and its people.

## ***Grangemouth - Investment Zone of National Significance***

### **The current position**

At Grangemouth we aim to progress an Investment Zone of national significance. Recognised in national planning terms for its strengths in chemicals, manufacturing and logistics, Grangemouth Investment Zone offers a unique set of opportunities:

- To grow Scotland's chemicals sector
- to create new centres of excellence in industrial bio-technology and energy
- to apply smart technology to assist business processes, enhance infrastructure and sustain resilience
- to promote lower carbon business processes
- to diversify into new business sectors, broadening the area's industrial base and taking advantage of new found tourism potential
- to build on the commitment of the existing business base to expand, enable co-location and develop closer integration

The chemical sector in Scotland has its primary base in the Grangemouth Industrial complex; several hundred acres of land are dedicated to chemical facilities which include, bulk and specialist production, research and development, innovation and management.

The port of Grangemouth is also located within the Grangemouth industrial complex. The country's largest port handles over 150,000 containers per year and more than 250,000 tonnes of general cargo, helping transport c30% of Scotland's GDP.

### **The opportunities**

Grangemouth can remain the centre of the chemicals industry in Scotland and this current strength can be leveraged to provide other opportunities. We want to see Grangemouth become the prime location for sustainable, renewable technology. The partners, the skilled workforce and the networks are already in place and as Scotland and the UK moves towards a lower carbon future this new industry can build upon the area's existing manufacturing and innovation.

There is a greater strategic role that Grangemouth can play. With £6.2billion of goods passing through the Port of Grangemouth each year our ambition for enhanced freight facilities is supported by national development status and recognises Falkirk/Grangemouth as a national freight and logistics hub.



Road and rail access to Grangemouth requires to be enhanced. Distribution by rail is an area where we want to improve uptake, it will reduce the levels of traffic on roads and provide a lower carbon option for the movement of goods. There is also an opportunity to grow the volume and scale of the traffic through Grangemouth port with the deepening and widening of the draft of the port – this would allow the Port to compete for a greater level of business but also reduce costs of importing and exporting goods for Scotland.

### **How we can work together**

There are already a number of key logistics companies and retail distribution centres but the investment plan supported by the Tax Incremental Finance project is bringing over £67m of infrastructure investment to the area. Working with existing businesses, a plan has been developed to increase the capacity of the transport infrastructure, improve journey times and increase journey reliability.

Key developments include opening of new sites with direct access to the M9 and a £30m project to develop connectivity between the M8 and the M9, reduce journey times and improve access to the Central Belt and the South.

The Grangemouth Investment Zone currently has multi modal access with road, rail and sea connections and is less than 20 minutes' drive from Edinburgh airport – often quicker than travelling to Edinburgh city centre. We need to promote the area with this message that Falkirk is the best connected place in Scotland to locate your business.

We want to designate Falkirk as the location for innovation in chemicals and new energy. The building blocks exist already in the skilled workforce, the infrastructure and the training facilities.

We will assist industry and academia to grow on-site training facilities within the industrial complex to ensure that the level of training is world-class.

We will join with our European partners to promote the area through official programmes and provide the facilities and opportunities to ensure that a site location decision in chemicals or energy has to consider Grangemouth as a serious option.

### **Grangemouth Energy Project**

Integral to the Investment Zone is the development of the Grangemouth energy project. This builds on the requirement to renew the area's energy generation capacity and is examining the opportunities to share heat and power across local distribution networks in the area. The introduction of new models for renewable power generation and supply

along with new mechanisms for finance and distribution offers the potential make this one of the most prominent and innovative energy locations in Scotland.

### **Falkirk Gateway**

We will promote the Falkirk Gateway as a new centre of low carbon futures for the area. This exciting initiative will build on the success of ventures such as the Helix, the Falkirk Community Stadium and the proposals for the development of the new Forth Valley College Campus. With the supporting investment of the Falkirk TIF initiative it will provide a vital core of enhanced logistics capacity, with a new, integrated infrastructure exploiting the potential of water, energy and digital networks to attract investment in new business technologies and sectors.

The Gateway scheme will progress in a phased programme of delivery, engaging a wide range of partners. Its central themes will be of low-carbon futures, enabling new development to take advantage of green energy supplies and application of smart technologies.

INSERT PROPOSALS FROM GATEWAY MASTERPLAN

### **Chemicals Sciences and development of Industrial Biotechnology innovation cluster**

We will build on the acknowledged strengths of the chemicals sector in Grangemouth. We will assist in developing the manufacturing of high-value chemical products which promote low carbon solutions using less water, less energy, more renewable raw materials and reduce waste. We will aid the development of new industrial biotechnologies and biofuels to assist the growth of the chemicals and energy sectors.

### ***Building Smart Resilience: Internet of Things***

Realising the investment potential at Grangemouth demands smart solutions in resilience to maintain environmental quality and sustain the protection of the wider community. We will progress new measures to sustain the area's capacity for resilience. This includes working with CENSI, the national Innovation Centre and other businesses in the development of a sensor shield for Grangemouth utilising the 'internet of things' to support environmental monitoring and enhance protection of the community.

## 5. Priority Three – Inclusion

We want to ***include*** all in our communities to help access opportunities and make a full contribution to the area's economy.

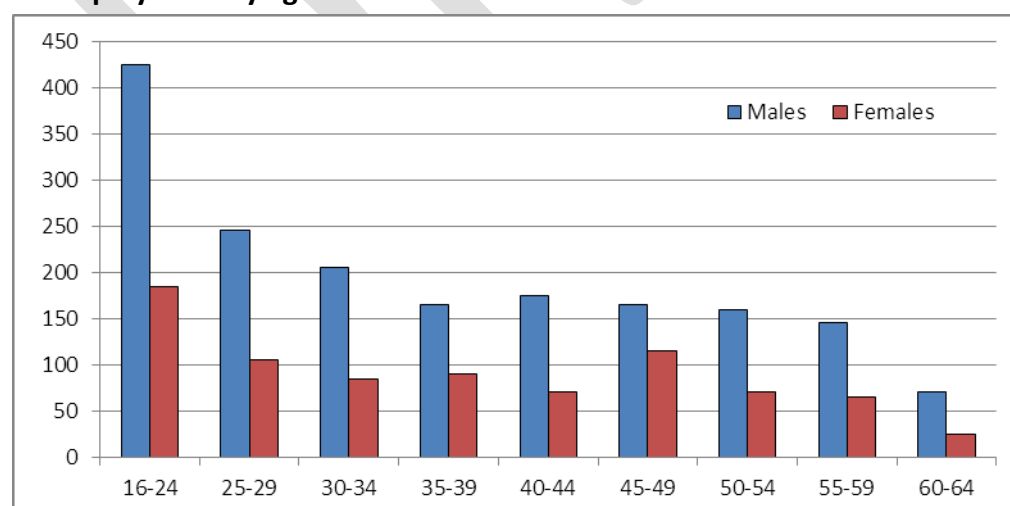
Developing the fortunes of the area's economy is an essential underpinning in tackling social exclusion. Without jobs and investment, it is impossible to address one of the key underlying causes of social exclusion - poverty.

**To achieve inclusion is to support all residents in our communities to be able to participate fully in the economic life of the area.**

As with social mobility, poverty is a root cause of exclusion. The work to address this therefore must start as early as possible, through education. We need to ensure that our young people are supported in their aspirations and given the tools and opportunities to achieve them.

Firstly, we need to work with our education colleagues to ensure that we are meeting the requirements of our young people – that we are fully equipping them for the world of work

### Unemployment by age March 2015



Source: *Jobseeker Allowance claimants NOMIS*

Falkirk underwent a process of renewal of its secondary schools stock, completing a programme of renovation in 2009. Our commitment to ensuring that educational facilities remain of the highest standards must be a key plank in any inclusion strategy.

It is noted above that the levels of school leavers taking up higher education is lower than the national average. There is an opportunity here to grow this cohort, we must strive to make our young people equally prepared to take on vocational training, work or higher or further education.

### ***Promoting employability***

Through our Employability Partnership we work closely with other stakeholders to ensure a coordinated approach – engaging Skills Development Scotland, Job Centre Plus, DWP amongst others. The level of apprenticeships in Falkirk has grown ten-fold over the last ten years as the result of a concerted approach to improving the ability of young people to enter the workplace and the outcomes for the employers who take them on.

A broader level of support for the journey from education into the world of work could be provided through the development of opportunities for trainee and graduate schemes. We will develop links with employers to find new ways to provide schemes that meet the requirements of both employer and employee.

We need to work with Skills Development Scotland to take a wider approach to workplace development - a programme to ensure that employers can find the right applicants, have the processes and programmes in place to nurture them and can continue this development process throughout the careers of their staff.

### ***Case Study: Employability Toolkit***

*The Employability Partnership has prepared a new toolkit to help businesses to find new staff to help their business grow. Research has shown a need for this type of support and the free guide takes new and first time employers through the various stages involved in employing staff and gives them the tools to do it successfully.*

*The guide covers best practice in recruitment procedures; the costs involved in recruiting and provide templates and forms to speed the process. Details at:*

*[[www.falkirk.gov.uk/employersupport](http://www.falkirk.gov.uk/employersupport)]*

We will continue to join-up the journey out of education into work, offering with a greater focus on pinpointing the individual support required whilst simultaneously ensuring that there is a higher standard of broad access to education, support and opportunity across our communities.

We need to continue to work with employers to reduce the mismatch between the skills our young people have and the skills they need. An increase in the dialogue between education and work can only serve to ensure that our students leave school best-placed to take up the available opportunities.

Falkirk council's employment and training unit focus primarily on post-education clients however we need to work with our partners earlier to tackle the issue of students who leave school without qualifications to assist them in being ready for the world of work.

We must look to many of our social enterprises to find new ways of approaching employment. There is a strong social enterprise culture in Falkirk but we want to develop this further. Social enterprise is required to bridge an important gap in our economy. Promoting social enterprise can be extremely beneficial for our communities as a way to provide services such as cafés or youth facilities that would not exist otherwise.

### ***Employing disabled people***

Inclusion is about providing a level of opportunity to all of our residents and targeted support to those who require it most. Employment for residents with learning disabilities or physical impairment can often be difficult to find. The recent success in the establishment of the Haven PTS factory and centre of excellence in training for people with disabilities has shown the full contribution that disabled people can make in the workplace. We aim to help sustain and growth the opportunities arising from Haven;s establishment in the area. We will develop the skills pipeline of support for people with disabilities and work with employers to grow the job opportunities presented that disabled people can access.

Insert HAVEN PTS CASE STUDY

### ***Addressing fuel poverty***

We want to create the conditions to develop enterprise that can deliver well-paid, sustainable jobs which recognise the importance of work-life balance and provide not just

work but development opportunities for people. However the issue is not solved solely by access to employment.

We know that many people in work still experience poverty and fuel poverty in particular. Through the Grangemouth Energy Project we want to develop a pilot scheme to address residential fuel poverty which could subsequently be applied across the area.

This can be approached in a number of different ways. Firstly, through the use of energy saving technologies and techniques; secondly, from the capture and use of heat from existing industrial processes, and thirdly through new methods of sustainable generation, leveraging the available support and investment to reduce the costs to end users. We have the full support of national partners to develop this programme and will work with Scottish Futures Trust to ensure that lessons learned are made available to other areas facing similar issues.

However there is more we can do:

- working with our NHS colleagues to ensure that wherever possible our services contribute to improving healthcare outcomes across the area.
- Helping communities access the know-how and experience to set up facilities that will alleviate poverty such as credit unions, cooperatives and other community based initiatives.
- In order to fully participate, there must be access to financial services and other instruments of the economy – we must advocate on behalf of our residents to ensure these services are available.
- Create a Falkirk Scholarship fund to support students from less wealthy backgrounds to access higher and further education.
- Work with Falkirk Community Trust to enable access to the arts and world cultures
- We must value the diversity of our local towns, celebrate their differences and foster a sense of both distinct and shared community.

At the heart of inclusion is the aim to tackle the enduring barriers to entry into the market that have impaired our communities and to create the conditions for each one of our residents to meet their full potential.

### ***Your Views:***

*Do you agree with the ideas to progress our priorities to enhance Falkirk's economy suggested in this strategy?*

*Are you able to contribute towards delivery of our actions?.*

## 6. Delivery and Performance

Our strategy for Falkirk's economy and for the delivery of the Grangemouth Investment Zone is ambitious. As an outcome of this work we anticipate:

- A stronger, more resilient and diverse business base
- increased productivity, with our area making an increased contribution to Scotland's economy
- increased job creation in sectors and with skills that meet the needs of a globally competitive economy
- Growth in new sectors with clusters of innovation and excellence
- Increased innovation capacity and application of new, lower carbon technologies
- Increased investment, particularly in the Grangemouth Investment Zone, contributing to the area's economic development
- development of the area's skills base
- town centres that are thriving and resilient to the challenges of online and out-of-town retailing
- enhanced skills levels amongst our workforce, well- attuned to the needs of business
- opportunities for all to benefit from the area's economic growth

By working in partnership we will establish an action programme to progress the activities proposed in this strategy, enabling contributions to be made by all partners. This will coincide with work to monitor our performance in helping to realise these intentions, reporting regularly on progress to partners, business and other stakeholders.

## 7. Matrix of actions

*....to be completed following consultation response requesting actions by partners.*