

The background of the slide features the Falkirk Council Coat of Arms. It is 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 waves. 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 6

Falkirk Tax Incremental Finance Initiative and Falkirk Gateway

Falkirk Council

Title: Falkirk Tax Incremental Finance Initiative and Falkirk Gateway

Meeting: Executive

Date: 13 June 2017

Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on the Falkirk Tax Incremental Financing (TIF)/Investment Zone initiative and the Falkirk Gateway including proposals to procure development partners through the establishment of a framework for delivery.

2. Recommendations

It is recommended that the Executive agrees:-

- i) to note the update of progress of the Falkirk TIF Initiative and Investment Zone proposals;**
- ii) to procure a developer framework agreement for the Falkirk Gateway, TIF and Investment Zone sites.**

3. Background & Project Update

- 3.1 The Falkirk TIF initiative is a key priority of the Council and is designed to increase development activity taking place in the Falkirk area through the creation of enabling infrastructure. The Executive, on 21 February 2017, agreed an amended implementation programme and was advised of the work taking place to progress the development of the Falkirk Gateway as described in that report. The report also advised of work to establish an Investment Zone to realise the area's economic opportunities in chemicals, energy, logistics, tourism and manufacturing.
- 3.2 Since the February meeting, an agreement has been reached with Scottish Government on the next steps to develop the Investment Zone. The Falkirk Gateway is a priority project for the Investment Zone and marketing of the Gateway development site is commencing. Work is underway to prepare the site and make it 'shovel ready' for development. The Council has instructed its term contractor, CH2M to progress this work over the coming months including the design and development of the access point to the main part of the Gateway site.

4. Considerations

Investment Zone Business Case

- 4.1 The Falkirk Economic Partnership, which involves national economic development agencies, local business representatives and the Council is progressing the development of a business case for the Investment Zone. The Council has recently appointed financial consultants, Grant Thornton, in partnership with Peter Brett Associates and Ironside Farrar to produce an outline business case for the project with an expectation that the document will be available to submit to the Scottish and UK Governments for consideration later in the year. In advance of a submission, a further report will be presented to the Executive summarising the proposals and seeking approval to progress the initiative.

Falkirk Gateway – Development Process

- 4.2 The Council has appointed an agent, GVA, to market the Gateway site and work is underway to prepare the site and accelerate developer interest.
- 4.3 GVA has highlighted the need for the Council to establish a framework of development partners for the various projects that can be attracted to the site. These partners will expedite delivery of the project, enabling the Council to respond to investment enquiries that seek a completed development scheme within a fixed timescale. To establish this framework it is proposed that the Council procure developers via the Official Journal of the European Union (OJEU). Recognising the benefits of this framework to help advance development, it is intended that the procurement exercise should allow for the option to consider attraction of developer interest for other Council-owned TIF/Investment Zone sites. The framework will allow for the 'call-off' of developer interests in response to specific enquiries that might arise. A report on the outcome of this work will be presented to Executive for approval.
- 4.4 It is necessary to appoint external legal advisers be appointed to assist the procurement process. Using the Council's current legal framework, external solicitors (Brodies) have been identified as having the expertise to work on this matter. The costs incurred would be met through TIF funding.

5. Consultation

Consultation will be undertaken in regard to the future infrastructure projects undertaken as part of the TIF Initiative.

6. Implications

Financial

- 6.1 Delivery of the TIF initiative is being met from the dedicated funds established for this purpose. The cost of establishing the developer framework will be met from the TIF budget.

Resources

- 6.2 Council officers will work in partnership with the marketing agents to attract commercial interest in the Gateway development site.

Legal

- 6.3 It is proposed to use Brodies solicitors to progress the OJEU procurement process for delivery of a developer framework for the Gateway development sites.

Risk

- 6.4 A risk matrix is maintained for the delivery of projects in the TIF programme and will be updated to reflect the recommendations of this report.

Equalities

- 6.5 No implications.

Sustainability/Environmental Impact

- 6.6 The vision outlined in the Gateway development framework is for the development to be a focus for low carbon technologies and a leading initiative in sustainable living and working in Scotland.

7. Conclusion

- 7.1 The TIF project is a major initiative for the Council and is being pursued to assist in the economic transformation of the area. The development of the Investment Zone proposal aims to extend and enhance the delivery of opportunities relating to the TIF. The Falkirk Gateway development provides exciting opportunities at a key growth node in the Council area. To progress the delivery of the Gateway it is important to make both the site and delivery process as 'shovel ready' as possible through delivery of site enabling works and a developer framework.

Director of Development Services

Author – Colin Frame, Principal Surveyor 01324 590972, colin.frame@falkirk.gov.uk
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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:-

1. TIF Files.