

EX92. Tax Incremental Finance Initiative and Falkirk Gateway Update Report

The Executive considered a report by the Director of Development Services which provided an update on the Falkirk Tax Incremental Financing (TIF) initiative including revisions to the delivery timescale for the infrastructure programme, and the legal negotiations relating to the Falkirk Gateway. The report also provided the results of the Falkirk Gateway retail impact assessment and progress with site investigations and the hotel capacity study undertaken for the development.

The TIF 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 funding requirements, utility issues and finalising the detail for cost effective designs. As a consequence, the process had taken longer than was initially programmed. The adjusted timescales 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 agreed in principle to the proposed extension. In addition, it was suggested that the Council seek the Scottish Government's agreement to a one year extension to the TIF to mitigate the effects of the implementation of the Barclay report.

The Falkirk Gateway development provided exciting investment and economic growth opportunities at a key location in the Council area. The conclusion of the site investigation and hotel development studies would allow the Council to finalise the development agreement with Fintry Estates Ltd/Hargreaves to drive the project forward. The retail impact assessment showed that the Gateway project would have a limited impact on the commercial position of Falkirk town centre providing the confidence to move forward. A further report would be submitted to the Executive in 2020 confirming the proposed final terms of the development agreement with Fintry Estates/Hargreaves incorporating the outcome of the site investigations and hotel capacity study and recommending a way forward in relation to the development of the Gateway sites.

Decision

The Executive:-

- (1) agreed 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 forward a request to Scottish Government to extend the TIF payback period from 25 years to 26 years to reflect the change in Scottish Government Non Domestic Rates policy as a consequence of the Barclay Report;**
- (3) noted the progress of the Falkirk Gateway development and the outcome of the retail impact assessment;**

- (4) to proceed to finalise the development agreement with Fintry Estates/Hargreaves incorporating the outcome of the site investigations, hotel capacity study and further details for delivery of development at the Gateway sites, and**
- (5) agreed that a further report on the finalised development agreement be submitted to the Executive in 2020.**