



## **Agenda Item 5**

# **Falkirk-Grangemouth Investment Zone Growth Deal**

Falkirk Council

**Title:** Falkirk-Grangemouth Investment Zone Growth Deal  
**Meeting:** Executive  
**Date:** 23 August 2022  
**Submitted By:** Director of Place Services

**1. Purpose of Report**

- 1.1. The purpose of this report is to update Executive on progression of the Falkirk-Grangemouth Investment Zone Growth Deal (“the Growth Deal”), its proposed governance and assurance frameworks, and the outline delivery resource principles.

**2. Recommendations**

**2.1. It is recommended that Council Executive:**

- (1) Note the progress to date following the Heads of Terms of the Growth Deal being approved by Council on 21 December 2021;**
- (2) Recognises the governance, assurance and project delivery requirements to secure the formal legal commitment of Growth Deal funding from both Scottish and UK Governments to support investment proposals;**
- (3) Approves the proposed Governance Structure;**
- (4) Note that further reports on specific investment projects including consideration of business cases will be provided to Council Executive for determination as they progress;**
- (5) Notes the scope, scale, and complexity of the investment proposals to be delivered and the need to prioritise existing staff resources, recruit additional staff where required and engage professional and technical external advisors to ensure projects are progressed effectively, efficiently and in accordance with funding requirements; and**
- (6) Authorise the Director of Place Services to continue to progress all necessary actions to develop business cases, establish appropriate governance and assurance arrangements to progress the formal legal agreement and meet funding requirements.**

**3. Impact on Climate Change Targets**

- 3.1 The contents of the report do not have a direct impact on the Council’s Climate Emergency targets. There is however, due to the scope and scale of

the proposed projects likely to be substantial positive and negative impacts during both construction and post construction periods.

- 3.2 Detailed consideration of climate impacts (particularly carbon emissions) form an integral part of the Council's and project delivery partners obligations as part of the business case development requirements necessary to secure projects and be considered for approval to proceed. These requirements are comprehensive and the findings of appraisals will be reported on as part of the key stage reviews as projects progress.
- 3.3 It is expected that the proposals contained within the Growth Deal will overall advance the Council's work to tackle the climate emergency and reduce the area's carbon emissions. This includes work with local industrial partners in measures to reduce their emissions, promotion of active travel and supporting the principles of a Just Transition.

#### **4. Background**

- 4.1 The Economic Strategy 2015-2025 for the Falkirk area, Growth: Investment: Inclusion, agreed by the Council and the Falkirk Economic Partnership in 2015, set an ambition to create an Investment Zone of national significance. This aimed to attract public and private sector investment to the area to help create jobs, grow key sectors in chemicals, manufacturing and logistics and assist with the promotion of low carbon technologies. Appendix 1 outlines the main economic challenges and opportunities to tackle those that the Growth Deal will provide.
- 4.2 In June 2020, the UK and Scottish Governments announced their support for the Council's submission, allocating £90m of funds towards the Investment Zone's (Growth Deal) delivery. This comprised £40m from UK Government and £40m from the Scottish Government. In addition, the Scottish Government announced an allocation of £10m towards the delivery of green recovery as part of the measures. The programme is to be matched with the Council's £45m commitment to the HQ & Arts centre development and £5.8m of investment from Scottish Canals, creating a combined investment package of approx. £140.8m.
- 4.3 The Growth Deal reflects national economic policy and will help accelerate economic growth in the Falkirk area. It aligns closely with the Falkirk Tax Incremental Finance (TIF) programme, the recent award of £20m of UK 'Levelling Up' (LUF) funding for A9 / Westfield, proposed future LUF funding opportunities, and other investment programmes being pursued by private and public sector partners in the Falkirk Council area such as the Forth Green Freeport.
- 4.4 On 21 December 2021, Council approved the agreement of the Heads of Terms of the Growth Deal and these were subsequently endorsed by both the Scottish and UK Governments. This represented the "in principle" approval of the Growth Deal between the main funding partners and a commitment by the Council as the accountable body to progress with the establishment of a framework. In accordance with guidance the framework is expected to include effective governance arrangements, partnership assurance requirements, robust and comprehensive business case development (including benefits realisation), provision of sufficient professional and technical resources, financial and

regulatory management as well as various other programme and project management aspects normally associated with large investment proposals.

- 4.5 Since the Heads of Terms for the Growth Deal were approved there have been significant changes within the areas of the Council responsible for delivery of the Growth Deal. Within Place Services, who have primary responsibility for the Growth Deal, a new Director was appointed. Meanwhile, the Invest Falkirk Division which is responsible for the overall Growth Deal programme management and delivery of the Place Theme projects amongst others has been established and a new Head of Service appointed in April. In addition, a new Head of Growth, Planning and Climate Change has recently been appointed and will lead on a number of the Innovation projects which are focused on businesses. This turnover of staff is unprecedented and combined with changes at key partner organisations has necessitated a period of review and organisational establishment.
- 4.6 The Council's review of its management structure is now nearing completion and governance arrangements are now settled following the May local government elections. It should also be noted that new senior officer appointments have brought a wealth of experience in the delivery of substantial investment programmes and complex projects (including a Growth Deal). Staff previously working on Growth Deal projects in addition to normal duties are now being congregated within Invest Falkirk to create renewed focus and prioritisation.
- 4.7 Positive progress has also been made on the projects themselves with a number likely to reach completion of the business case stage by the end of 2022. Significant collaboration across partner organisations continues to occur and there is pro-active engagement with both Scottish and UK Governments on progressing matters.

## **5. Considerations**

- 5.1 **Governance (Decision Making)** - As noted earlier in the report, as accountable body the Council is responsible for ensuring that there are comprehensive management and governance arrangements in place to deliver the Growth Deal. The proposed structure of governance reflects the collaborative approach that Falkirk Council has established through the Falkirk Economic Partnership and will involve Scottish Enterprise, Forth Valley College, Scottish Canals and key business representatives. The proposed governance hierarchy and remits is outlined in Appendix 2.
- 5.2 Council / Council Executive (as appropriate) will be responsible for decision making on behalf of the Council's role in the Growth Deal. Council will be expected to consider financial matters with Council Executive considering other matters such as business cases and progress updates. At the same level as the Council Executive in terms of the management hierarchy within the Growth deal itself, although responsibility ultimately resides with Council, will be a new Growth Deal Board which will be chaired by the Chief Executive and have senior officer representatives from the Council, UK and Scottish Government representatives, key partners and businesses who are leading on projects. The Growth Deal Board will make decisions on delivery matters and

projects together with making recommendations to Falkirk Council about project investments. Where Council / Council Executive makes decisions on behalf of the Council these will be implemented through the Growth Deal Board. Any significant changes or issues will be referred to the respective governments by the Growth Deal Board. By having a separate Growth Deal Board with partner representation there will be a focus on delivery, recognition of the needs of the local area and strengthening of the partnership between public, private, community and third sectors. It will facilitate collaborative working on the delivery of Growth Deal programme and guide and direct the Investment Programmes Management Unit (IPMU), Theme Boards and Project Delivery Groups.

- 5.3 Reporting to the Growth Deal Board will be two management boards with responsibility for taking forward projects based on the two Growth Deal themes. These are the Place Board and the Innovation Board. These Theme Boards will be responsible for overseeing the progress and delivery of the projects and provide advice to the main Growth Deal Board and be chaired by the appropriate Heads of Services (Invest Falkirk and Growth, Planning and Climate). Membership will be made up of key senior responsible officers and staff from project representatives.
- 5.4 Each of the Theme Boards will be supported by Project Delivery Groups dedicated to each of the specific projects. The Delivery Groups will lead on the development of detailed business cases for each project and support the IPMU to ensure these are compliant. The groups will be responsible for the day to day management of the projects, and the progressing of these in accordance with agreed milestones.
- 5.5 **Governance (Assurance)** – In order to formally confirm governance and management arrangements, requirements for effective and efficient project management together with general arrangements for the delivery of the Growth Deal an Assurance Framework will be agreed and endorsed by partners. This together with individual memorandums of understanding and funding agreements will be entered into as appropriate and are an essential part of the requirements of the funding arrangements.
- 5.6 **Governance (Delivery Teams)** – As the Growth Deal contains both directly delivered Council projects and partner delivered projects the structure within Invest Falkirk requires to reflect the requirements of each. The proposal is therefore to establish an Investment Programmes Management Unit (IPMU) and a Strategic Infrastructure Delivery Team (SID). The IPMU will oversee delivery of the programme and the various projects and provide support to the Growth Deal Board. The IPMU will be responsible for the secretariat of the project advisory and strategic boards. The IPMU will be responsible for project governance, financial management, monitoring and reporting, communications and stakeholder engagement and delivery of projects (either directly or via a third party) and will engage and direct consultants/contractors/partners as appropriate.
- 5.7 To lead on the delivery of the projects where the Council has direct responsibility, the proposal is to establish a dedicated team (SID) consisting of project managers, engineering, construction, planning, architectural and other

technical professionals to create a centre of expertise. This team will enable the Council to prioritise the delivery of projects and work in an integrated fashion to provide greater co-ordination and appropriate prioritisation of projects.

- 5.8 The roles and remits of the two teams proposed are shown in Appendix 3. The detail of the individual management structures and the staff involved who will transfer to Invest Falkirk from other services, external agencies and where recruitment will be required is currently being progressed.
- 5.9 **Governance (Financial)** - The Council will be responsible for the management and distribution of funds secured and therefore must ensure that it has appropriate authorisation processes and systems in place to ensure that disbursements are made in accordance with agreed Heads of Terms and the finalised legal agreement with the UK and Scottish Government. It is likely that payment of funds will have a “flat profile” with a fixed amount paid by UK and Scottish Government each year. It is therefore essential that the profiling of programme expenditure is established and monitored rigorously. It is expected that all project partners will enter into agreements that outline key milestones for distribution of funds and provide appropriate information for audit purposes. Regular reporting to both Scottish and UK Governments will be frequent and comprehensive.
- 5.10 **Delivery Projects** - The scope and scale of the projects which are proposed as part of the Growth Deal are extensive in terms of scope and scale together with being complex in terms of deliverability. The projects are outlined in Appendix 4 and in summary consist of:

#### 5.10.1 Innovative Industry

- Strategic Innovation Sites which will involve £10 million to support the development of market-ready locations to attract investment in innovative industry. These Innovation Sites will be capable of accommodating future sector opportunities within advanced manufacturing which have been identified as: chemical sciences, industrial biotechnology, CO2 Utilisation; and Zero-Emission Heavy Duty Vehicles.
- Carbon Dioxide Utilisation Centre that will capture CO2 to manufacture more sustainable products and aid the transition to net zero with a Growth Deal contribution of £10m.
- Bioeconomy Accelerator Pilot Plant to develop new sustainable processes using feedstocks such as food processing and whisky by-products with a Growth Deal contribution of £10m
- Innovation Skills Transition Centre that will be led by Forth Valley College delivering a programme for local school and college students gaining the right skillset that will help local industry and their supply chains. Growth Deal contribution of £4m

#### 5.10.2 Creating Great Places

- Central Sustainable Transport Hub to be known as ‘Falkirk Central’ at the current Falkirk Grahamston Station and an associated ‘Green Corridor’ that will connect local communities. Growth Deal funding of £21m identified.

- Scotland's Canal Centre that will bring a derelict site into use offering opportunities for employment, training and recreation as well as a relocated HQ for Scottish Canals who will lead the project. Project cost is approx. £9.8m with £4m support from the Growth Deal.
- Scotland's National Outdoor Art Park with work along stretches of the Forth and Clyde canal linking key visitor attractions at a cost of £3m
- Greener Grangemouth programme with further Scottish Government Capital investment to be delivered outside the deal to help progress a just transition. The programme will complement the work of the Grangemouth Future Industry Board and will place Grangemouth as a demonstrator for placemaking and just transition. A Growth Deal contribution of £2m revenue support is identified to support the programme.
- Falkirk Arts Centre which aims to create a vibrant new fulcrum for the region's cultural sector whilst igniting the renewal of Falkirk town centre. Scottish and UK Governments will each invest £3 million in The Falkirk Arts Centre. This sits alongside £45 million of capital funds the Council has committed towards delivery of its civic headquarters and arts centre project, its match funding contribution to the Investment Zone package. It will create a 550-seat auditorium, studios, workshop and other facilities, intended to be a new regional destination for culture in Falkirk and the surrounding area.

## **6. Consultation**

- 6.1 The Council, as lead organisation in progressing the Growth Deal has and continues to engage both public and private sector stakeholders in developing the proposals. These include Scottish Enterprise, Scottish Canals, the Scottish and UK Governments and Forth Valley College amongst others. It is expected that as the Growth Deal progresses that significantly more engagement will take place at both programme and project level. The scale, complexity and participatory nature of the Growth Deal means that communications, engagement and consultation represent a significant area of activity.
- 6.2 Pro-active, comprehensive, and participatory community engagement will be required for the successful delivery of the programme and the projects proposed. A communication strategy for the wider programme and plans for individual projects will be developed as business cases are developed and resources come forward. Early stage work will be required to involve each community and this will be connected with the Council's work on empowering communities. In the case of Grangemouth which is the focus of a large number of Growth Deal and other investment programmes, a dedicated programme of community activity will be progressed to enable an integrated approach across services and partners.

## **7. Implications**

### **Financial**

- 7.1 Agreement on the Heads of Terms and the priority projects enables the Council and partners to now commit resources to the development of full business cases required to satisfy funding requirements and enable conclusion of the formal Growth Deal legal agreement.

- 7.2 Upon conclusion of the formal Growth Deal agreement, funding secured will be provided on a “flat” profile. This means that the council will need to carefully consider the phasing and profiling of project expenditures. This will be undertaken as part of the business case development process and whilst it is hoped to align expenditure with income there is an expectation by both UK and SG governments that where this is not possible the Council will enable funding to be available to ensure projects are not unduly delayed.
- 7.3 Part of Growth Deal funding requirements is the commitment of the Local Authority to resource a programme management function. The costs associated with this are not recoverable from projects although individual project management and related support costs are recoverable. Proposals for the establishment of an Investment Programmes Management Unit within Invest Falkirk are being developed and will consist of existing staff transferring, being seconded or new staff being recruited. This will be funded from within existing Council resources.

### **Resources**

- 7.4 It will be important to ensure that adequate staff and associated resources are in place to ensure delivery of the Growth Deal. The Council has established the Invest Falkirk Division with a Head of Service directly responsible for the Growth Deal and the management of the Councils Property Asset and associated capital investment projects. This will ensure appropriate prioritisation and provide a centre of expertise where the emphasis is to focus on delivery of the Growth Deal programme and projects where the council is leading physical delivery.
- 7.5 As part of the Invest Falkirk division as outlined in the report there are two key business areas, these are the Investment Programme Management Unit (IPMU) and the Strategic Infrastructure Delivery Team (SID).
- 7.5.1 The IPMU will be responsible for ensuring delivery of the Growth Deal and will lead on ensuring appropriate governance is embedded in all projects, compliance with funding conditions, development of business cases, provide access to financial, procurement, legal, communications and performance management and analysis resources. The unit will be responsible for coordinating engagement and consultation activities, communications and regularly reporting progress to members. This unit is in the process of being established with appropriate existing staff being transferred and seconded as appropriate. It is likely that additional specialist, technical and professional staff will be required together with the procuring of external support to deliver the programme funding requirements. Costs associated will be managed within existing budgets or recoverable from funding.
- 7.5.2 The SID will be responsible for the physical delivery of projects under the Place Theme and where the council is responsible. It will also provide construction, engineering, property and other technical support across the programme. Predominantly made up of engineering and construction professionals this unit will also lead on the delivery of other investment programme projects (i.e. TIF, Avon Gorge and Grangemouth Flood Protection



Scheme). The unit will provide a centre of expertise for the project management of large complex strategic infrastructure projects. The unit is currently being established with existing project staff forming the core of the unit. Additional appropriate staff are being transferred from other associated areas within the council and going forward appropriate recruitment will occur to ensure that the unit is adequately resourced to effectively manage projects. Staff costs associated with this unit are likely to be fully recoverable as part of the project costs.

- 7.6 The approach accords with similar models established to support city or growth deal delivery elsewhere in the UK. A business case, identifying the staff requirements, financial model and working practices necessary for both teams is being finalised and where additional resources are required these will be identified together with options to secure these. This will include secondment or transfer from within the council reflecting the high level of priority the delivery of the Growth Deal represents or staff from partner organisations or traditional recruitment.

### **Legal**

- 7.7 There are no additional legal implications arising from the recommendations at this stage of the process. There is for legal support in concluding the business cases for delivery of projects at subsequent stages. A full governance model will require to be established for delivery of the programme. This will confirm the Council as the lead accountable body for the investment and that it will be responsible for reporting progress to the UK and Scottish Governments.
- 7.8 It is acknowledged that whilst the Heads of Terms document gives a framework for delivery of the Investment Zone proposals it does not legally secure the funding itself which requires the development, assessment, submission and subsequent approval of business cases by both the UK and Scottish Government to secure funding. It is recognised that the detailed content of the projects change as the programme develops and regular updates on the programme, including any amendments proposed, will be brought to the Council's Executive for approval following consultation with the relevant stakeholders and review by the Growth Deal Programme Board.

### **Risk**

- 7.9 As accountable body the Council will require to develop, monitor and regularly review a comprehensive risk register for the Growth Deal at programme level. In addition, for each of the investment projects being delivered by the Council and partners a risk register will require to be provided and regularly reviewed. These will be reported upon as projects progress and monitored through the governance structure identified within this report.
- 7.10 Individual project risk registers will be comprehensive and established to enable pro-active recognition, monitoring, management and where possible mitigation measures implemented. These will be established at both project and programme level. Arrangements for risk management will develop as governance and management arrangements for projects mature. It is clear

however, that there are a number of significant risks that will need to be closely monitored and mitigated against wherever possible. Those worth noting include construction inflation, construction and specialist contractor availability, technical and professional staff availability and statutory and regulatory changes.

## **Equalities**

- 7.11 The Council is required to have regard to the Equality Act 2010 and the public sector equality duty (PSED). The PSED places a statutory duty on the Council in the exercise of its functions to have due regard to the need to: (1) eliminate discrimination (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.12 An initial Equality and Poverty Impact Assessment has confirmed that there are no identified PSED requirements or impacts on any groups with protected characteristics identified because of the proposals contained in the report.
- 7.13 The Investment Zone focuses on the delivery of inclusive and sustainable economic growth for the Falkirk area. Equality and Poverty Impact Screening Assessments will be undertaken for each of the projects as part of the business case development process.

## **Conclusions**

- 8.1 The agreement on Heads of Terms for the Growth Deal was an important step for the Council in realising its ambitions for sustainable and inclusive economic growth in the area. This provides the opportunity to establish a major, long-term programme of investment by both UK and Scottish Governments that will aid the area's economic transformation with the provision of new significant new assets.
- 8.2 To progress to the next stage and formally secure the funding, substantial work has occurred and will, with the establishment of Invest Falkirk and the completion of recruitment of senior officers with responsibility for delivery of the growth deal and the investment projects themselves, gather pace. The first stage in this process is the establishment of appropriate governance and assurance arrangements as outlined within the report. This together with appropriate resourcing of the both the programme management and physical project delivery will enable business cases to be developed both internally and with partners that are Treasury Green Book compliant. Business cases which are compliant are a pre-requisite to securing the funding and the guidance represents the framework by which all projects within the Growth Deal are to be delivered in accordance with.
- 8.3 The successful development and delivery of the Growth Deal and the projects involved will rely upon ongoing engagement with partners, communities and other stakeholders if this aspirational investment programme is to be effectively delivered. The proposed governance and assurance framework will

provide the opportunity for collaborative working and co-delivery across many areas.

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**Director of Place Services**

**Date:** 10 August 2022

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**Appendices: -**

Appendix 1 – Economic Challenges and Growth Deal Opportunities  
Appendix 2 – Governance Hierarchy Chart and Remits  
Appendix 3 – Delivery Teams Remit  
Appendix 4 – Project Scope and Information

**List of Background Papers:**

**None**

## **Appendix 1 – Falkirk Area Economic Challenges and Growth Deal Benefits**

The challenges facing the area's economy, including:

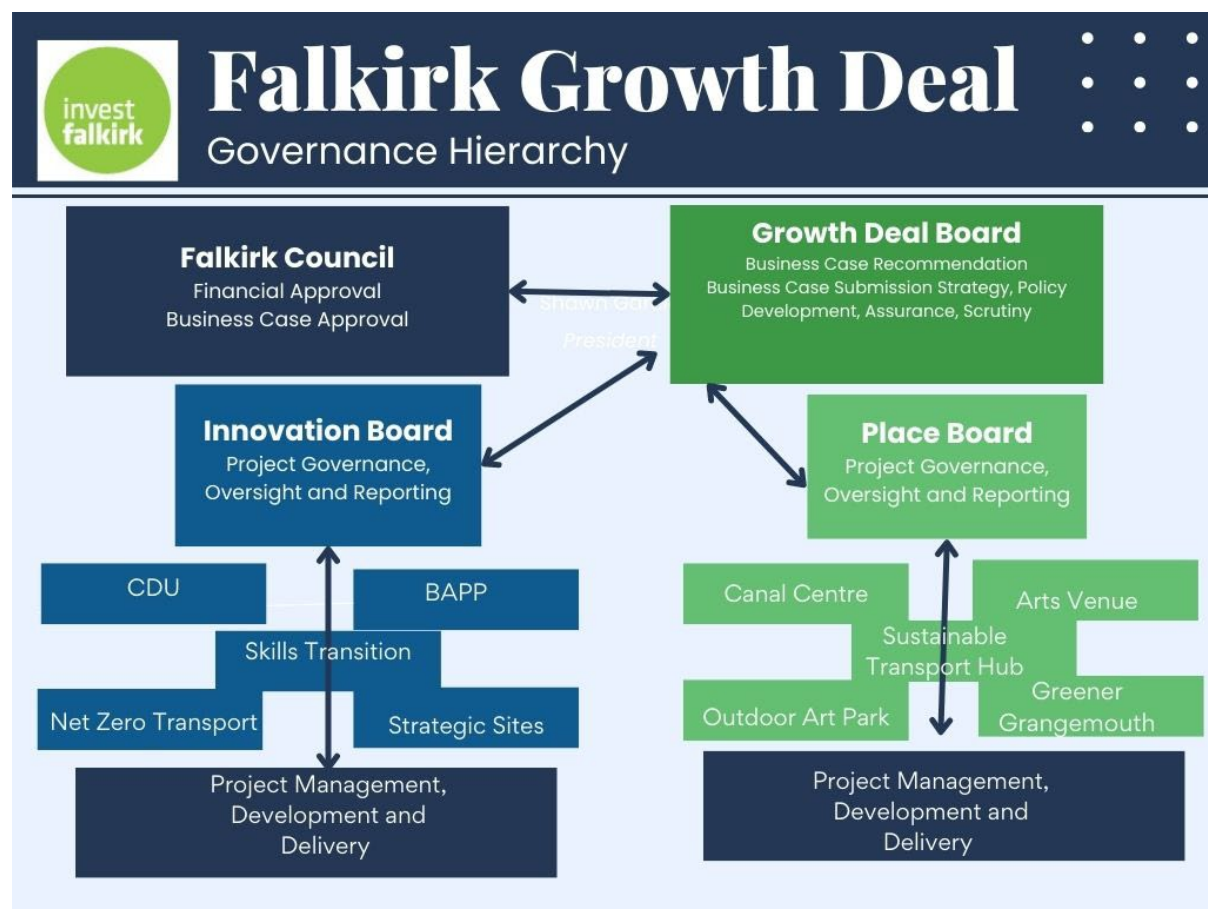
- Maintaining and building competitiveness of established industry clusters;
- Adapting Scotland's largest manufacturing, and most significant carbon emitting cluster to low/net zero carbon technologies;
- Some areas of low educational attainment and low participation in highly skilled jobs;
- Limited employment opportunities for a growing population;
- Over-reliance on traditional manufacturing, retail, health and social work sectors;
- Limited investment in town centres;
- Limited central cultural offer;
- Congestion affecting access to the Port and industrial areas;
- Constrained access to town centres and weakness in the attractiveness of entry points;
- Limited visitor support infrastructure; and
- The impact of industry on the Grangemouth community.

The significant opportunities of the Growth Deal will:

- Support the transformation of Grangemouth's chemicals and related manufacturing industries as an internationally competitive low carbon proposition.
- Re-connect with the Grangemouth community following the pandemic to enable opportunities for place-making and a just transition to net zero.
- Enhance the area's public transport manufacturing capacity leading the change to low and zero emission vehicles.
- Encourage dedicated skills provision focused on new, low carbon technologies.
- Support the creation of sustainable and active travel routes linking key employment areas and enabling access across the Council area.
- Further develop visitor and outdoor attractions to reinforce their appeal to national and international visitors.
- Support the regeneration of town centres.

Grangemouth has the largest concentration of carbon emissions in Scotland with almost 4m tonnes emitted annually, 10% of Scotland's total emissions. The funding package includes projects to help reduce carbon and encourage application of new technologies by industry, local business, and the wider community towards a low carbon future.

## Appendix 2 – Governance Hierarchy and Outline Remits



Note – Falkirk Council refers to either Council or Council Executive. Council will consider reports with Financial approvals, commitments and considerations whilst Council Executive will consider all other aspects such as business cases, progress updates, delivery timescales and performance.

Growth Deal Board is noted as the same level as Council to reflect that whilst it is advisory and makes recommendations it is also expected following approval to implement these and make submissions / notify on behalf of the delivery partners Scottish and UK Governments.

### Appendix 3 – Delivery Teams Remit

The following is an outline of the activities of the two teams identified to progress delivery of the Growth Deal.

Investment Programmes Management Unit	Strategic Infrastructure Delivery
<ul style="list-style-type: none"><li>• Programme Management (TIF, Growth Deal, LUF etc)</li><li>• Programme Governance and Management<ul style="list-style-type: none"><li>• Management of boards</li><li>• CMT and Committee reporting</li><li>• Financial Oversight and Reporting</li></ul></li><li>• Programme and Project Progress Reporting to Boards, Partners and Stakeholders</li><li>• Project Governance<ul style="list-style-type: none"><li>• Gateway Reviews</li><li>• Audits and Risk Evaluations</li></ul></li><li>• Funders, Partner and Stakeholder Relationship Liaison / Engagement</li><li>• Programme and Project Communications</li><li>• Financial, Legal and Procurement Support</li><li>• Securing External Programme Funding</li><li>• Business Case Development Lead</li></ul>	<ul style="list-style-type: none"><li>• Physical Delivery of Projects</li><li>• Project Management<ul style="list-style-type: none"><li>• Project Cost Control, Forecasting and Management</li><li>• Delivery Timescales and Critical Path Establishment and Management</li><li>• Risk Management and Mitigation</li></ul></li><li>• Progress Reporting (to Project Boards and IPMU))</li><li>• Project Performance Reporting (to Project Boards and IPMU)</li><li>• Tendering and Contractor Management</li><li>• Construction Contract Negotiation<ul style="list-style-type: none"><li>• Variance and Change Managements</li></ul></li><li>• Statutory Consent Applications and Adherence</li><li>• Project Development<ul style="list-style-type: none"><li>• Feasibility, Cost and Deliverability Assessments</li><li>• Technical Brief Development and Business Case Support</li></ul></li></ul>

## **Appendix 4 – Project Summary**

### **Creating Great Places.**

#### **Falkirk Central Sustainable Transport Hub (Estimated Cost - £21m)**

The creation of a '*Falkirk Central*' sustainable transport hub at Falkirk Grahamston and a Green Corridor connecting communities, will assist the movement of people and goods across the area and attraction of investment. It will also contribute to the regeneration of the town centres of Falkirk and Grangemouth. Improving Falkirk's transport infrastructure will help to deliver inclusive and sustainable economic growth while overcoming local access constraints.

#### **Scotland's Canal Centre (Estimated Cost - £9.8m / £5.8m from Scottish Canals; £4.8m from Growth Deal)**

Anchored with the relocation of Scottish Canals' headquarter offices, this project will create facilities for business, communities, employment and training, and recreation. A Centre for Excellence and Innovation in canal maintenance and boat building will offer opportunities for collaboration with local industry to investigate decarbonising solutions.

The development will be led by Scottish Canals and will bring the former Barr's factory and derelict site at Lock 16 on the Forth and Clyde Canal back into productive use and become a bustling canal-side quarter. Project will offer a range of economic, social and environmental benefits.

#### **Scotland's National Outdoor Art Park (Estimated Cost - £3m)**

The development of Scotland's National Outdoor Art Park, will provide a series of new creative interventions along the Forth and Clyde Canal, breathing new life into this urban waterfront. It will strengthen green corridors between tourism assets and extend the regenerative effects of public art across Falkirk and Grangemouth.

The success of the Falkirk Wheel and the Kelpies has secured Falkirk's status as a destination for culture and tourism. It demonstrates the transformational potential of public art interventions to drive economic growth. The project will provide a pedestrian and cycle-link through a number of visitor destinations thereby encouraging active travel.

#### **Falkirk Arts Centre (Cost to be confirmed / Funding of £6m from Growth Deal)**

The Falkirk Arts Centre aims to create a vibrant new fulcrum for the region's cultural sector whilst igniting the renewal of Falkirk town centre. With a 550-seat auditorium, studios, workshop and other facilities, this is intended to be a new regional destination for culture in Falkirk and the surrounding area. The Arts Centre will help drive Falkirk town centre's regeneration, repurposing it as a vibrant cultural and residential centre.

It is acknowledged that this proposal requires more detailed consideration given the Council's decision on the potential refurbishment of Falkirk Town Hall and this will be reported upon separately to a future Council meeting.

The provision of this £6m of Growth Deal funding will involve further assessment of the regeneration benefits associated with delivery of this project. It is also noted that the £45m of capital funds the Council has committed to the delivery of this project are identified as its match funding contribution to the Investment Zone package.

#### The Greener Grangemouth Programme (Estimated Cost - £12m)

The town of Grangemouth is impacted by the proximity of industry to its communities. Current levels of deprivation and other indicators suggest that the community does not benefit sufficiently in proportion to the wealth created locally. The Greener Grangemouth programme aims to address this imbalance and ensure that the community of Grangemouth prospers from the jobs and wealth created, as it transitions to net zero.

This reflects work by the national Just Transition Commission which has highlighted the need for towns such as Grangemouth to be assisted in this journey. The programme will complement the work of the Grangemouth Future Industries Board and place Grangemouth as a demonstrator for Just Transition and place-making.

### **Innovative Industry**

#### Carbon Dioxide Utilisation Centre (Estimated Cost TBC – £10m Growth Deal Funding)

The Carbon Dioxide Utilisation Centre (CDU) Centre will test technologies and processes to be shared with industry to make the transition to sustainable manufacturing more effective and widespread. The project scope, complexity and unique nature mean that detailed costs are not available at this stage and the expectation is that delivery will be in partnership with the Private Sector with Growth Deal funding providing support to commercial investment if necessary.

Grangemouth is one of the 6 largest industrial clusters in the UK and the largest cluster of advanced manufacturing businesses in Scotland. Enabling the use of captured CO2 to manufacture more sustainable products will aid the transition to net zero.

This project has been advanced by strategic partners Scottish Enterprise.

#### Bioeconomy Accelerator Pilot Plant Estimated Cost TBC – £10m Growth Deal Funding)

The Bioeconomy Accelerator Pilot Plant will be co-located with the CDU Centre in a Sustainable Manufacturing Campus and will differentiate Grangemouth from other industrial clusters, supporting its decarbonisation. It will be a destination for businesses to innovate, collaborate, commercialise and share knowledge.

Industrial Biotechnology is an emerging technology to develop new sustainable processes using feedstocks such as food processing and whisky by-products. It harnesses the power of biology to deliver further decarbonisation. The project scope, complexity and unique nature mean that detailed costs are not available at this stage and the expectation is that delivery will be in partnership with the Private Sector with Growth Deal funding providing support to commercial investment if necessary. This project is being advanced by strategic partners Scottish Enterprise.



### Public Transport Net Zero Tech Cluster (Estimated Cost TBC – £10m Growth Deal Funding)

Radical decarbonisation of the transport sector is needed to support a cleaner, healthier, and more sustainable future. The Public Transport Net Zero Technology Cluster, involving ADL and other industry partners will create a research and development centre of excellence, a high-tech incubator and a dedicated flexible carbon neutral manufacturing space. This will enable the area to become a global leader in the development and manufacture of zero emission transport technology and interrelated industries.

The project scope, complexity and unique nature mean that detailed costs are not available at this stage and the expectation is that delivery will be in partnership with the Private Sector with Growth Deal funding providing support to commercial investment if necessary.

This project is being advanced by strategic partners including major industry partners and Scottish Enterprise.

### Strategic Innovation Sites (Estimated Cost TBC – £10m Growth Deal Funding)

The creation of market-ready Strategic Innovation Sites will accelerate project development accommodating opportunities in advanced manufacturing in chemicals, CO2 Utilisation; Bio-Economy; and zero-emission heavy duty vehicles.

This project was being advanced by Scottish Enterprise prior to the Council establishing Invest Falkirk and whilst the restructure was implemented. Scottish Enterprise will continue to play an active role in the project particularly in relation to engagement with Industry and Business. Responsibility for day to day management of the project is now with Falkirk Council.

### Innovation Skills Transition Centre (Estimated Cost - £4m)

Developing a sustainable skills transition pathway is vital in ensuring communities have the chance to benefit from the projects being delivered through the growth deal. The Innovation Skills Transition Centre, led by Forth Valley College will deliver a programme for local school and college students, providing the pipeline of talent necessary for the Falkirk and Grangemouth industry cluster, its supply chain and beyond. The centre will enable re-skilling and upskilling, creating the expertise needed for the transition to net zero. The centre will encourage innovation, promote collaborative working and accelerate start-up creation.