

MINISTERIAL ENGAGEMENT BRIEFING: PAUL WHEELHOUSE

Copied to: Cabinet Secretary for Economy, Jobs and Fair Work

DG Economy	Mary McAllan
Oonagh Gil	Karen Jackson
Andrew Hogg	Kathleen Robertson
Morag Watt	Walter McConnachie
James White	Martin Mathers
Ewan Swaffield	Richard Walsh
Elisabeth Stark	Anna Kynaston
Stephen Martin	Jacqueline Marsland
Lisa Magnani	Val Fergusson
Fiona Hesling	Daniel Lafferty
Alex McGhie	Brian Spence
Mike Bloom	Stuart Mckeown
Tony McGale	Fiona Robertson, Location Director
Peter John Meiklem	Stewart Maxwell, Special Adviser
	Communications Economy

<p><i>Engagement Title</i></p> <p><i>Timing</i></p> <p><i>Organisation/Venue and full address including postcode</i></p> <p><i>Date and Time of Engagement</i></p> <p><i>Background/Purpose</i></p>	<p>MEETING WITH FALKIRK ECONOMIC PARTNERSHIP</p> <p>URGENT</p> <p>Falkirk Stadium, 4 Stadium Way, Falkirk, FK2 9E</p> <p>Date(s): Thursday 2 March 2017 Time(s): 9.00-10.30</p> <p>The Minister met Cllr. Craig Martin, Leader Falkirk Council, to discuss their ambitions for the Grangemouth Investment Zone on 24 January. The Minister agreed to meet Falkirk Economic Partnership (FEP) and to work towards issuing a joint statement to explore how proposals could be taken forward.</p> <p>The meeting provides an opportunity for FEP to be updated on the Grangemouth Investment Zone and the Future Grangemouth Vision.</p> <p>There will be two slots for photos:</p> <ol style="list-style-type: none"> 1) Set up shots at the start of the meeting with the Minister and FEP. 2) After meeting (10.15-10.30), with Cllr. Martin to support marketing of Falkirk Gateway (a TIF supported development) – either by posters in the stadium lobby or (weather permitting) by billboards outside. <p>These engagements follow correspondence around Falkirk’s disappointment that it did not</p>
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<p><i>Relevance to Core Script</i></p>	<p>receive a share of the £10m Capital Stimulus Programme [MACCS 2016/0032452].</p> <p>Committed to delivering sustainable economic growth and tackling inequalities to build a wealthier and fairer Scotland.</p>
<p><i>Greeting Party and specific meeting point on arrival</i></p>	<p>Cllr. Martin and Douglas Duff, Falkirk Council will greet the Minister at reception.</p>
<p><i>Agenda</i></p>	<p>9.00 – FEP Meeting Start</p> <ul style="list-style-type: none"> 1) Welcome & introductions 2) Grangemouth Investment Zone / Vision presentations by Falkirk Council/ SE 3) FEP partners' update 4) Way forward and joint statement <p>10.15 – FEP Meeting Close</p> <p>10.15 – Falkirk Gateway photo-op</p> <p>10.30 – Minister departs</p>
<p><i>Parking</i></p>	<p>Falkirk Stadium has a large car park. Space will be available.</p>
<p><i>Venue Contact</i></p>	<p>Matthew Farrell, Falkirk Council [REDACTED]</p>
<p><i>Summary</i> <i>Agenda and attendees</i> <i>Annotated Agenda</i> <i>Joint Statement</i> <u><i>Background - key issues</i></u> <i>City Deals</i> <i>TIF and A801 Avon Gorge</i> <i>Forth Valley College</i> <i>Chemical Sciences Sector</i> <i>Energy: Refinery & Petrochemical Plant</i> <i>Energy : District Heating</i> <i>Tourism</i> <i>Overview of Investment</i> <i>Economic Profile</i> <u><i>Key Documents</i></u> <i>Falkirk's Narrative</i> <i>Future Grangemouth Vision</i></p>	<p>Annex: A Annex: B Annex: C Annex: D Annex E Annex F Annex G Annex H Annex I</p> <p>Annex J Annex K Annex L Annex M</p> <p>Annex N Annex O</p>
<p><i>Media Handling</i></p>	<p>A photo-op to support the marketing of the Falkirk Gateway. Photography has been arranged by Falkirk Council. SG Comms are considering further, including a joint release.</p>
<p><i>Official Support</i></p>	<p>Karen Jackson, Enterprise and Cities, [REDACTED]</p>

Contact: Graeme Malcolm, Enterprise and Cities, Ext: [REDACTED]

PURPOSE OF MEETING

- The meeting provides an opportunity for Falkirk Economic Partnership (FEP) partners to receive updates from:
 - Falkirk Council on its ambitions for the Grangemouth Investment Zone: and
 - Scottish Enterprise on Future Grangemouth Vision 2025 (commissioned by SE from Peter Brett Associates on behalf of Chemical Sciences Scotland)
- FEP brings together the public and private sectors and includes: Falkirk Council (chair), SE, Forth Valley College, Scottish Canals, INEOS, Calachem, Forth Ports, John Mitchell & Sons Ltd.
- Key partners (including private sector members) will be invited to give a brief update on their activity, recent development and future plans with the following likely speak:
 - Scottish Enterprise - Julia Brown or John Hand
 - Ineos - Gordon Milne or Ian Little
 - Forth Valley College - Ken Thomson
 - Forth Ports - Stuart Wallace
 - Scottish Canals - Steve Dunlop
 - John Mitchell & Son – Hauliers - Iain Mitchell
 - Calachem - Russell Clarke
- The meeting will also provide an opportunity to set out a joint of statement between the council and national government to commit to take more detailed work further.

PUBLICITY

- There will be two photo-calls: the first set-up shots at the start of the FEP meeting and the following the meeting (10.15-10.30) with Cllr. Martin to support the new marketing material for Falkirk Gateway (a TIF supported development).

POST MEETING FALKIRK GATEWAY PHOTO-CALL (TIF supported project)

- Falkirk Gateway is a priority project for the Falkirk TIF and during 2015 the Council's designers, WSP, prepared a preliminary development framework for the creation of a new urban quarter at the eastern entrance to Falkirk; including the former Falkirk Gateway development site, the Falkirk Community Stadium site, the Helix and the Forth Valley College site. The road network connecting each of the Gateway sites is to be upgraded and widened as part of the TIF infrastructure programme.
- The photos will be used in the marketing of the Gateway development site by specialist commercial agent, GVA.

CORRESPONDENCE LEADING TO THE MEETING

- This meeting follows previous correspondence between the Minister and Cllr Martin:
 - 27 September – 4th meeting of Longannet Task Force, Falkirk Council expressed disappointment that it had not been allocated support from the £10m capital resource to support local economic development projects.
 - 30 September [MACCS 2016/0032452] - Cllr. Martin wrote to FM reinforcing those concerns. Mr Wheelhouse replied on 26 October explaining the rationale for the projects chosen and agreeing to meet to discuss the Council's growth aspirations.
 - 2 December [MACCS 2016/0040706] - Cllr. Martin wrote to Mr Wheelhouse requesting that the Minister also meet the FEP on the Grangemouth Investment Zone proposals.
 - 6 December – At the 5th meeting of the Longannet Task Force, Cllr Martin repeated the invitation.
 - 24 January – The Minister met Cllr. Martin and Douglas Duff, Head of Economic Development and Environmental Services for initial discussions on the Grangemouth Investment Zone proposals and committed to working towards a joint statement.

AGENDA

FALKIRK ECONOMIC PARTNERSHIP MEETING

9.00-10.15

Chaired by Cllr. Craig Martin, Leader of Falkirk Council

1. Welcome / Introductions
Will include an photo-call with Minister and FEB Board
2. Grangemouth Investment Zone
Presentation by Falkirk Council officials

Grangemouth Vision
Presentation by Scottish Enterprise officials
- 3 Roundtable partner update on current activity, recent developments and future
5 minutes per partner
4. Way forward – joint statement
Minister / Cllr. Martin.
5. Next Steps
Falkirk Council

PHOTO-CALL: FALKIRK GATEWAY

10.15-10.30

Minister / Cllr. Martin / FEP Board

Photo to support the marketing of Falkirk Gateway development (TIF supported)

Will take place in the stadium foyer in front of advertising banners, or good weather permitting by billboards outside.

ATTENDEES

ORGANISATION	INVITEE
Falkirk Council	Councillor Craig Martin
Falkirk Council	Councillor Dennis Goldie
Falkirk Council	Douglas Duff
Falkirk Council	Matthew Farrell
Falkirk Council	Pete Reid
Falkirk Council	Rhona Geisler
CalaChem	Dr Russell Clarke
Forth Ports	Stuart Wallace
Forth Valley College	Ken Thomson
Ineos	Gordon Milne
Ineos	Ian Little
John Mitchell Haulage	Iain Mitchell
Scottish Canals	Katie Hughes
Scottish Canals	Steve Dunlop
Scottish Enterprise	John Hand
Scottish Enterprise	Julia Brown
Scottish Government	Andrew Hogg
Scottish Government	Karen Jackson
Scottish Government	Oonagh Gill
Scottish Government	Paul Wheelhouse MSP

	<p>CLLR CRAIG MARTIN</p> <ul style="list-style-type: none"> • Leader of Falkirk Council • Labour Party • Ward: Carse, Kinnaird and Tryst (4) • First elected May 2012. • Network Rail employee until 2012 election.
	<p>DOUGLAS DUFF</p> <ul style="list-style-type: none"> • Head of Economic Development and Environmental Services at Falkirk Council (since 2011) • Previously Regeneration and Inclusion Manager at South Lanarkshire Council (1996-2006)
	<p>MATTHEW FARRELL</p> <ul style="list-style-type: none"> • Economic Development Officer at Falkirk Council (2013+)
	<p>RHONA GEISLER</p> <ul style="list-style-type: none"> • Director of Development Services at Falkirk Council (2000+)
	<p>RUSSELL CLARKE</p> <ul style="list-style-type: none"> • Head of Commercial at CalaChem Ltd, responsible for Supply Chain (Purchasing, Planning and Logistics), R&D (Process Development and Technology Transfer) and Commercial activities (Contract Manufacturing and Effluent Treatment business)

	<p>Stuart Wallace</p> <ul style="list-style-type: none"> • Divisional Director of Scottish Operations, at Forth Ports Ltd (2013+)
	<p>Ken Thomson</p> <ul style="list-style-type: none"> • Principal / CEO, Forth Valley College (2013+)
	<p>Gordon Milne</p> <ul style="list-style-type: none"> • Operations Director, INEOS Grangemouth
	<p>Ian Little</p> <ul style="list-style-type: none"> • New Business Development Manager, INEOS Grangemouth (2016+)
	<p>Iain Mitchell</p> <ul style="list-style-type: none"> • Managing Director, John Mitchell Haulage (1979+) • John Mitchell Haulage and Warehousing was established in 1956 and is one of the largest family owned road haulage companies in Scotland
	<p>Katie Hughes</p> <ul style="list-style-type: none"> • Director of Estates & Commerce, Scottish Canals
	<p>Steve Dunlop</p> <ul style="list-style-type: none"> • CEO Scottish Canals (2006+)
	<p>John Hand</p> <ul style="list-style-type: none"> • Chemicals Sciences Specialist, Scottish Enterprise (2012+)
	<p>Julia Brown</p> <ul style="list-style-type: none"> • Senior Director of Life and Chemical Sciences, Scottish Enterprise (2013+)

1. MEETING STARTS 09.00➤ **Cllr Martin will chair meeting.**➤ *Cllr Martin will lead welcome and introductions. There will be a set-up shot at the beginning of the meeting with the Minister and FEP.*➤ *If asked to say a few words Minister may wish to note:*

- Pleased to be here today – to hear your ambitions for growth, your plans for future developments and how best we can maximise the significant opportunities for economic growth at Grangemouth.
- Look forward to exploring how collectively we can work together to maximise those opportunities

2. ITEM 1: GRANGEMOUTH INVESTMENT ZONE / VISION PRESENTATIONS➤ *Douglas Duff will lead a presentation on Falkirk Council's Grangemouth Investment Zone proposals.*➤ *Julia Brown / John Hand, Scottish Enterprise, will lead on a presentation the Grangemouth Vision 2025.*➤ *Minister has an audience role only.**Background on NARRATIVE at ANNEX M and GRANGEMOUTH VISION at ANNEX N***3. ITEM 2: ROUND TABLE PARTNER UPDATE**➤ *Cllr Martin will invite partners around the table to update the FEP on current activity and recent developments and future plans.*➤ *We understand the following are likely to be invited to give a 5 minute update*

- *Ineos – Gordon Milne, Operations Director /
Iain Little, New Business Development*
- *Calachem – Russell Clarke, Head of Communications*
- *Forth Ports – Stuart Wallace, Divisional Director Scottish Operations*
- *Forth Valley College – Ken Thomson, Principal / CEO*
- *Scottish Canals – Steve Dunlop, CEO*
- *John Mitchell & Son - Iain Mitchell, MD*

(To note engagement with Ineos - Cabinet Secretary for Economy has agreed to meet with Ineos (John McNally, CEO Ineos Olefins & Polymers UK) on 30 March to discuss progress and receive an update on Ineos' future plans.)

- *If asked to say a few words Minister may wish to note:*
 - Interesting to hear direct about the range of significant opportunities at Grangemouth which draw together a wide range of interests – represented here
 - We absolutely recognise the importance and contribution that this area makes to the Falkirk economic and to the wider economy of Scotland
 - Clear partners in the Economic Partnership are vital to the economic success of the area with a clear contribution to make its inclusive growth
 - Happy to work with you all to drive these opportunities forward – clear you have a solid basis on which to build – happy to explore how best to take forward, recognising fiscal climate and potential of different ways of funding an approach

4 ITEM 4: INVESTMENT ZONE JOINT STATEMENT

- *When you met Cllr. Martin on 24 January to discuss the Council's ambitions for the Grangemouth Investment Zone you agreed to making a joint statement to work together to explore the proposition in more detail. A joint statement has been developed setting out that commitment.*
- *Cllr Martin will invite you to reflect on what you have heard and to set out the Scottish Government's commitment to working with Falkirk to develop the proposition further.*
 - I met Cllr Martin earlier this year who very eloquently and enthusiastically outlined the opportunities that Grangemouth offered – and I have heard more about these today
 - We agreed to use the opportunity of this meeting to underline our commitment to working together to unlock the opportunity for future growth.
 - Following this meeting, we will issue a joint statement setting out the opportunity, our aim and what we are going to do to progress
 - That statement will make clear that we will bring together Scottish and local government to commission work to develop the detail of the opportunities and specific projects that could be supported as part of the Grangemouth Investment Zone.

- That work will explore how those opportunities might be delivered and could form that basis for discussions to build on our existing commitments to help realise the opportunity of the Grangemouth Investment Zone.
- However, we must be realistic and that work will recognise the constraints of the current fiscal environment. I know that the Partnership will want to ensure that we make progress and we will commit to report back to you on that progress.

5. Next Steps

- *Cllr. Martin will conclude the meeting, likely providing a short update on the development of Falkirk Council's business case for the Investment Zone and arrangements for the team to it forward, and timetables.*

CLOSE 10.15

PHOTO-CALL: FALKIRK GATEWAY

10.15-10.30

- *Falkirk Council officials will direct attendees to the Stadium foyer.*
- *Minister, Cllr. Martin and the FEP Board will partake in a photo-op in front of Falkirk Gateway banners to use in Falkirk Council's marketing of the project.*
- *Weather permitting, Falkirk Council has also expressed interest in taking a shot of the Minister and Cllr. Martin by the Falkirk Gateway billboards outside the stadium.*

SCOTTISH GOVERNMENT AND FALKIRK COUNCIL

FALKIRK ECONOMIC PARTNERSHIP – GRANGEMOUTH INVESTMENT ZONE

JOINT STATEMENT OF INTENT

Our commitment

The Scottish Government and Falkirk Council recognise the importance and contribution that Grangemouth makes to the Falkirk economy and to the wider economy of Scotland. We are committed to working together to unlock opportunities for future growth.

The opportunity

The, Falkirk Economic Strategy *Growth: Investment: Inclusion*, sets out Falkirk's Economic Partnership's ambitions for future growth which will benefit communities in the area:

- Falkirk is a growing community, with its population projected to grow to 170,000 in the next 20 years
- It is a key centre for manufacturing with 8,000 jobs and 25% of its productivity (in GVA) generated from this sector of the economy
- Grangemouth is a vital part of Scotland's chemical sector, generating 34% of its GVA
- Grangemouth is Scotland's largest port, handling 150,000 containers annually
- The Falkirk Tax Incremental Financing (TIF) initiative is investing £67m in infrastructure works to help create/sustain 6,000 jobs and attract £580m of investment:
- It is a growing tourism destination, experiencing a 45% increase in visitors since 2009.
- Its new £83m STEM focused Forth Valley College campus, opening in 2019, will contribute to its growing skills base

Scottish Government, Falkirk Council and their partners in the Falkirk Economic Partnership seek to understand further these growth opportunities and how they can be realised.

The aim

Through this work, we want to ensure there is a clear vision for the area, focused on growth driven by local leadership and incorporating all sectors. We want to harness the combined potential of the assets and opportunities across the area. In developing more detailed proposals, we want to ensure that they are linked to the range of potential funding streams and approaches. We will ensure that there is a clear link to sustainable economic outcomes in jobs and inclusive growth. We will ensure that our work is realistic and recognises the constraints of the current fiscal environment.

What are we going to do?

We will

- Bring together key local partners with Scottish government and its agencies, commissioning work to develop the detail of the opportunities and specific projects that could be supported as part of the Grangemouth Investment Zone and its related developments.
- Identify how these opportunities might be delivered, including how existing and future funding mechanisms could contribute to success and establish the anticipated impact in terms of investment, jobs, skills and place,
- Use this work as a basis for future discussions to build on our existing commitments to help realise the opportunities of the Grangemouth Investment Zone and its related developments.
- Report back to the Falkirk Economic Partnership with recommendations on the way forward.

SCOTTISH GOVERNMENT & FALKIRK COUNCIL

2nd March 2017

➤ **Issue: An ask for a proposal for a city deal like initiative.**

Lines

- We are happy to consider new proposals and ideas to stimulate growth and today's joint statement underlines the commitment to working together to unlock growth opportunities in Falkirk.

Top Lines

- Cities and their regions are the engines of our economy. The Scottish Government is committed to working with all our cities to unlock investment, whether that is individually or collectively and whether that is through a City Region Deal, one of the Scottish Government's devolved initiatives to stimulate growth and deliver infrastructure investment, or a combination of measures.
- The Scottish Government has consistently supported City Region Deals for all of Scotland's cities and the Scottish Government is a full partner in all the City Region Deals agreed in Scotland so far, matching and in some cases exceeding the financial contributions made by the UK Government.
- We have committed up to £760 million over the next 10 to 20 years for City Deals in Glasgow, Aberdeen and Inverness.
- City Region Deal investment will benefit Scotland as a whole, creating thousands of jobs and upskilling local labour markets. We will also continue work to support City Regions developing proposals.
- We are also working with regions to address regional economic inequalities to allow all of Scotland's regions and communities to prosper. The Scottish Government is committed to working in partnership across the public sector to boost economic growth outside the traditional growth areas of Scotland.

KEY POINTS:

Glasgow

- The SG is a full partner in the Glasgow City Region Deal, now in its delivery stage, supporting all three strands and contributing £500 million over 20 years to the Infrastructure Investment Fund. The Scottish Government, along with the UK Government, is supporting £1.13 billion of investment as a result of the Glasgow City Region Deal. Local authority partners estimate that the City Region Deal will support an overall increase of around 29,000 jobs in the city region and lever in an estimated £3.3 billion of private sector investment over twenty years.

Aberdeen

- The SG, UKG and regional partners signed the Aberdeen City Region Deal document on 21 November 2016 demonstrating our strong support to the Aberdeen City Region. Both Governments are committed to jointly investing up to £250m over the next 10 years subject to detailed business cases and implementation plans and support bringing these projects forward as quickly as possible. In addition to an SG contribution of £125m to the Aberdeen City Region Deal the SG will invest an additional £254m to deliver a more significant step change to the economy of the North East. This funding will support Transport, Digital and Housing proposals. This brings the total amount of SG support announced for the NE to £379m

Inverness

- The SG, UKG and the Highland Council (THC) signed the Inverness City Region Deal document on 30 January 2017. The SG committed to funding up to £135m over a period of upto 10 years. The UKG committed to funding £53.1m over the same period and THC and regional partners will contribute upto £127m.
- Working in partnership SG, UKG, THC and regional partners' investment brings total city deal funding for Inverness to £315 million over 10 years. Both Governments continue to

ANNEX E (cont)

develop business cases and governance arrangements and work together to make proposals a reality and ensure

Edinburgh

- The Scottish Government remains absolutely committed to supporting a City Region Deal for Edinburgh and South East Scotland.
- We are working closely with the city region partners to understand their ambitions and develop proposals which will unlock investment and secure and grow the regional economy.
- We are fully engaged in tripartite discussions with the city region partners and the UK Government and are committed to working with them towards a Spring 2017 Heads of Terms announcement.

Tay Cities

- Dundee, Perth & Kinross, Angus and North Fife published their Tay Cities Region Deal proposals on Friday 3 February 2017. This document is a high level overview consisting of two parts: Part 1 – Tay Cities Regional Economic Strategy 2017-2037 and Part 2 – Tay Cities Deal Proposal.
- Over the month of February the four Council Executive committees will be meeting to discuss and approve the deal proposals which will then be officially submitted to Scottish and UK Governments in early March 2017 when discussions on the projects can officially commence towards a Heads of Terms.
- SFT also continues to work with the Dundee City Council on its Growth Accelerator Model for the Dundee Central Waterfront Area and to explore scope for any broader deal.

Stirling and Clackmannanshire

- SG is currently engaged in discussions with the Stirling and Clackmannanshire. city region partners. The Chancellor has now responded positively in his Autumn 2016 statement committing to City Deal for the Stirling region
- We are due to formally commence tripartite discussions with the city region partners and the UKG before the end of February 2017.

Regional Partnerships

- The Programme for Government 2015 gave a commitment to formalise our approach to engagement with regional partnerships building on the work already underway in City Regions to encourage regions facing economic challenges to work collaboratively to identify how best to deliver a vision for inclusive growth.
- As well as the South Of Scotland Rural Regional Economic Development Programme developed by the South of Scotland Alliance, the Ayrshire Economic Partnership has developed an Ayrshire Regional Partnership plan which they are calling an “Ayrshire Growth Deal”.
- As part of the Enterprise and Skills Review Phase 2 work both the South of Scotland and the three Ayrshires are participating in projects in their areas on how regional partnerships can stimulate local economies and build inclusive growth.

Contact: Martin McCloskey, Enterprise & Cities, [REDACTED]

➤ **Issue: An ask for increased flexibility of resources available currently via TIF.**

Lines to take:

- I am pleased that the current Falkirk TIF scheme is working, there has been enabling investment and the Non Domestic Rates returns are beginning to flow, and that there is a lot of thought going into what the next investments are.
- Through the TIF Executive, Scottish Government and Scottish Futures Trust have highlighted that there is flexibility to consider different enabling infrastructure to meet the needs of the area and bring forward the development sites within the business case – still under the current TIF. This may apply with aspects of the Investment Zone given its covered by the red line / development sites.
- Scottish Government would be willing to consider potential flexibility to the current

Background

- **The Scottish Futures Trust is playing an active role in the development of TIF** as funding mechanism for major regeneration schemes. Under TIF, councils fund infrastructure by borrowing against future business rate income that should be generated by the resulting regeneration and development.
- **TIF is an innovative way to unlock future economic growth**, as every £1 invested by the public sector has the potential to attract a further £5 from the private sector through a range of investments, building on the enabling investments made through the TIF. This includes business and industrial space, retail, and related leisure investments.
- **Scotland is leading the way in the UK** and the Scottish Government is supportive of a limited number of pilot projects to test applicability of TIF to Scottish circumstances.
- **The Scottish Government has supported infrastructure investment** in some local authorities which may otherwise be unaffordable, through the TIF scheme.

TIF Projects

- **There are currently four TIF pilots** (Glasgow, Argyll & Bute, Fife and Falkirk).
- **The previous North Lanarkshire and Edinburgh pilots have** not proceeded as planned due to changes to the market conditions and with agreement of all parties to pursue other options for supporting growth.
- **As a result, two new pilots will be available for all local authorities** (including Falkirk, North Lanarkshire and Edinburgh) to apply for. SFT has written to each local authority inviting proposals to come forward.
- **We are limited through legislation to 6 TIF pilot schemes in total.**

ANNEX F (cont)

- **Falkirk Council's Grangemouth project (£67m) - in construction.** Final approval on 5 August 2013 and construction started in November 2013 on improving the M9 motorway links. The project is expected to lever in £413 million in private investment creating almost 6,000 jobs and hundreds of apprenticeships. The 25-year plan, over three phases across Falkirk and Grangemouth includes improving the M9 motorway links to established industrial areas and unlocking 400,000 square metres of business space. Within the bid, funding is earmarked to contribute to major flood defences to protect the port and refinery at Grangemouth.

A801 AVON GORGE

Lines to take:

- It is planned that this upgrade will be in the second cluster of investment under the TIF project following the M9 improvements, and is still currently scheduled for delivery around 2021. The project will be funded jointly by Falkirk Council, West Lothian Council and the Scottish Government. Falkirk Council outlined their proposed approaches to funding it in 2015.
- The Scottish Government has already approved a Tax Incremental Financing (TIF) business case from Falkirk Council which envisages a £6.67m contribution from the TIF towards the estimated £30 million cost of this scheme.
- The business case notes that in due course a review will be required to confirm that the upgrade is viable to commence. In terms of timescales.

Background

Although the A801 forms an important part of the road network in central Scotland and a significant part has already been constructed to a modern standard, a 3.2 kilometre section through the Avon Gorge is of a poor vertical and horizontal alignment. Design work for a new viaduct on a new alignment has completed all the statutory processes.

Contact: James White, Financial Strategy Division, [REDACTED]

FORTH VALLEY COLLEGE

Capital Investment

- State-of-the-art **£19m** Alloa campus in 2011, fully funded by SFC and **£28m** Stirling campus in 2012, supported by £14m SFC investment.
- The October 2014 budget statement outlined £140m of NPD funding for campus development to be shared by Fife College and FVC. In March 2016 (following the ESA10 ruling), SG confirmed the **£70m** FVC project to replace the existing Falkirk campus would be grant-funded rather than NPD.
- The new Falkirk campus will deliver state-of-the-art facilities, including a regional, national and international centre for STEM provision. It will also support the Falkirk Economic Strategy and provide an anchor for the new Falkirk Gateway development.
- The full business case for the new campus has been approved (November 2016) and will now enter the procurement process via an Official Journal of the European Union (OJEU) notice. The College anticipate completing the procurement process by September 2017, with the new campus open to students by September 2019.

FVC Business Case

- SFC formally confirmed on 22 December that they have received approval from Scottish Government of the Full Business Case for the redevelopment of our Falkirk campus. They also confirmed their in-principle offer of grant was set by reference to the nominal construction costs (including VAT) of the project [REDACTED]. As normal, a final offer of grant will not be issued until the College complete Decision Point 3 and 4.
- The in-principle offer of grant was also made in accordance with a specific number of conditions which were attached to the offer and these are being progressed by the College. Most of the conditions were standard and none will prevent the project progressing, but further discussion is being sought on some of these conditions, [REDACTED]

Programme/Progress Report

- The College undertook a series of user group workshops with the Staff (and students) to understand requirements for the new facility. This comprised a total of 10 groups (2 Falkirk Focus Groups and 8 Advisory Groups). These sessions informed the Outline Accommodation Brief, which was issued to the Design Team.
- The 1st round of user meetings which included M&E considerations were undertaken in late 2015. These meetings allowed the Architect to engage with the various College department heads in order to refine the Outline Accommodation Brief and define the Schedule of Accommodation.

ANNEX G (cont.)

- The 2nd round of user meetings between the Architect, the College Heads of Departments and a member of the College project team occurred during February 2016. These meetings were to mainly consider the contents of the RDS's and the FF&E (College responsibility) requirements, but also to discuss potential adhoc minor design development queries.
- The 3rd round of user meetings commenced on 9 September, 2016 with the Construction department to establish their requirements in respect of their specialist equipment. This is continuing with other Departments although the process is nearing completion.
- The key milestones are summarised within the table below:

Description	Date	Actual	% Complete
Issue Architect ITT	March 2015	March 2015	100
Appoint Architect	June 2015	July 2015	100
Submit Full Business Case – £83.03m scheme	26 August, 2016	26 August, 2016	100
Discharge of Specified Matters (validation of submission of further information)	9 September, 2016	23 September, 2016	100
Submission of Stage 1 Building Warrant	26 September, 2016	1 November, 2016	100
Issue OJEU Notice	25 November, 2016	9 December, 2016	100
Shortlist - 5 Bidders	13 February, 2017		
Issue IT Tender	3 April, 2017		
Tender Return	5 June 2017		
Contract Award	4 September, 2017		
Construction Complete	16 August, 2019		
Occupation of College	4 October, 2019		

Outcome Agreement process

- FVC has submitted its draft OA for this year which has been reviewed by the SFC. Some feedback has been provided to the college concerning the draft which will be taken into account as the document is finalised. The OA was of a very good standard and we expect no issues in its further drafting, but will continue to engage with FVC around its finalisation.

Contact: Tony McGale, College Provision & Funding, [REDACTED]

- **Issue:** *Falkirk's Narrative seeks for Grangemouth to become a tier 1 international chemical science location, attracting innovative new biotechnology and chemicals related development.*

Lines to Take

- The Scottish Government fully recognises the importance of the chemical sciences sector to the Scottish economy and provides a wide range of support to companies including support for: enterprise; innovation; internationalisation; equity investment; business infrastructure and skills. Tailored individual support is offered by account managers in the enterprise agencies
- Chemical sciences are at the heart of Scotland's economy and underpin its key life sciences, energy, chemicals and electronics industries.
- Scotland has a large chemicals industry which is supported by a well-established network of public, private and academic organisations.

Key Facts

- **GVA and Turnover (2014):** In 2014, turnover in the Scottish chemical, pharmaceutical, coke and refined petroleum products manufacturing sector was around £2.7 billion . Gross value added in the sector was £0.9 billion.
- **Employment (2015):** The Scottish chemical, pharmaceutical, coke and refined petroleum products manufacturing sector had total employment (employee jobs plus working proprietors) of 10,100 in 2015. Chemicals manufacturing (SIC 20) had employment of 6,700, pharmaceuticals manufacturing (SIC 21) had employment of 3,300, and manufacture of coke and refined petroleum products (SIC 19) had employment of around 600. Overall employment increased by 8.1 per cent, with the biggest increase in manufacture of chemicals and chemical products (8.8 per cent).
- **Exports:** Total exports from the chemical, pharmaceutical, coke and refined petroleum products manufacturing sector was £ 3.77 billion in 2014, accounting for 5.0 per cent of Scotland's total exports.
- International exports by the chemical, pharmaceutical, coke and refined petroleum products manufacturing sector decreased in 2016 Q2 by 0.4 per cent compared to the previous quarter and decreased by 5.4 per cent comparing the last quarter with the same quarter a year previously (2015 Q2).
- Exports in the wider manufacturing sector decreased by 0.8 per cent in 2016 Q2 compared with the previous quarter and decreased by 5.1 per cent compared to the previous year (2015 Q2)
- **R&D expenditure** in the chemicals and pharmaceuticals industry was £138 million in 2014, accounting for 15.3 per cent of total Scottish business expenditure on R&D. This represents a 0.4 per cent decrease in real terms on 2013
- **Manufacturing:** Chemicals sector accounts for 28% of Scottish manufacturing by turnover

Illustrations

- 13 universities and 6 colleges which have research and teaching excellence in chemistry & engineering in Scotland.
- Scotland has the UK No1 chemistry department at EaStChem, with four departments in the UK's top 10 (Research Assessment Exercise (RAE 2008)).
- Scottish Enterprise is currently supporting the development & implementation of two specific projects which the sector believes will create transformational change and opportunity for Scotland: Grangemouth & the National Plan for Industrial Biotechnology.
- **Grangemouth Project** aims to establish Grangemouth within the UK and EU as a leading destination for new investment in chemical sciences and other sustainable high value manufacturing, and to attract new investment through co-location of downstream users.
- **National Plan for Industrial Biotechnology** - Scotland is one of few EU nations with ambition to deliver a biochemical/biorefinery facility. This might transition our chemical facilities from solely using fossil based feedstocks to more renewable feedstocks and /or catalysts. There may be small and large facilities nationally, and Grangemouth offers a significant potential large scale opportunity in the chemical and the refining businesses.
- **Land Use Planning** – following representation by CSS stakeholders the Grangemouth Chemicals Cluster is now identified as a proposed national development site in the National Performance Framework (NFP3). This means planning decisions surrounding industrial or residential developments affecting the cluster can be processed more quickly and decisively.

Contact: Martin Mathers, Innovation, Investment & Industries, 

ENERGY: GRANGEMOUTH REFINERY & PETROCHEMICAL PLANT

Lines to Take

- Grangemouth has significant economic and strategic importance to Scotland, and the Scottish Government wants to see a sustainable future for the petrochemical and refinery business.

- [Redacted]

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

PetroChemical Plant (Ineos)

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

ANNEX I (cont.)

- The Cabinet Secretary for Economy has agreed to meet with Ineos (John McNally, CEO Ineos Olefins & Polymers UK) on 30 March to discuss progress to date and receive an update on Ineos' future plans.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Contact:

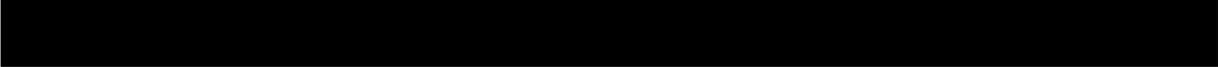
[REDACTED]

ENERGY: DISTRICT HEATING / SILVA**DISTRICT HEATING**

- The Low Carbon Infrastructure Transition Programme lead by the Scottish Government offers support to projects looking to take forward energy generation projects that offer carbon savings.
- In spring 2016 Falkirk Council applied for support to consider the possibility of District Heating in Grangemouth. LCITP procured technical advice from Atkins Global at a cost of £65K on behalf of Falkirk Council. The purpose of the work was to assess the opportunity to establish low carbon district heating networks serving a mixture of domestic, commercial and public sector buildings in the Grangemouth (Eastern) and Falkirk (Western) areas.
- In addition the Scottish Government joined a project working group that was chaired by Falkirk Council and met on a weekly basis to review project progress.

Conclusions

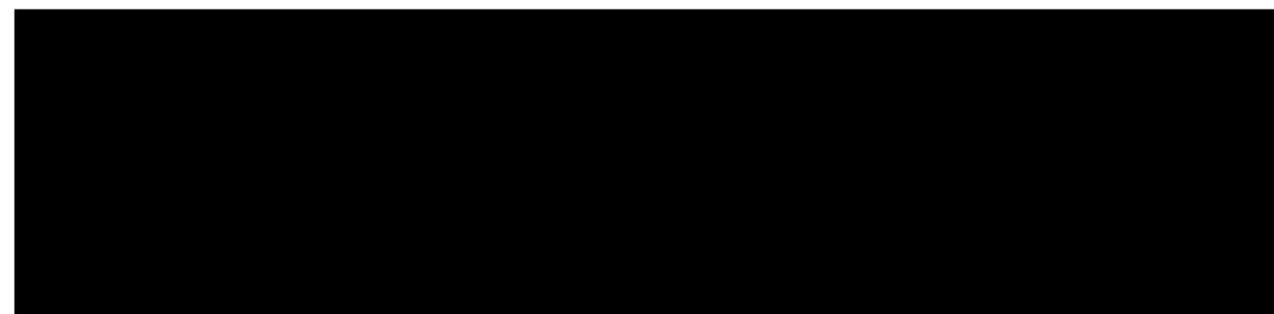
The main conclusion was that at this point of time the roll out of District Heating is not viable. The reasons for this are highlighted below:

- The heat load density and linear heat density for the Grangemouth area are very low. This means that a lot of infrastructure has to be put in place for a comparatively small demand.
- 
- 
- Significant capital grant, circa £26 million, would be required to make the scheme. The commercial and legal review concluded that an Energy Services Company (ESCO), including Falkirk Council, would be the recommended vehicle to deliver the scheme, **should the economic viability of the scheme be realised**

Next Steps

- The Scottish Government recognises the important role that District Heating will play as part of Scotland's Energy mix moving forward. However priority is given to schemes that can demonstrate that they can pay for themselves over their lifetime.
- As such the Scottish Government established the District Heating Loan Fund to support projects. The Scottish Government does not have the levels of funding available to provide grants to projects at the level required by the Grange mouth proposal. This policy is applied consistently.

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[Redacted]

[Redacted]

[Redacted]

Contact: Anna Kynaston, Low Carbon Support Unit, [Redacted]

- **Issue: Falkirk's Narrative seeks to strengthen / diversify their tourism offer, taking particular advantage of canal and watercourse networks.**

Lines to Take – Tourism General

- SG see huge potential in the development of the Marine and Coastal Tourism Sector and share the enthusiasm of the industry in what can be achieved.
- Marine Tourism Strategy for Scotland is an industry-led approach, wholly aligned with the Scottish Tourism Alliance (STA) Tourism Strategy 2020 - co-ordinated by the industry-led Scottish Marine Tourism Development Group (SMTDG) and covering marine, coastal and inland waterways and waters.

Lines to Take - on CANALS

- The VisitScotland Tourism Development Plan (December 2016) has identified potential of Scottish Canals work on marina development – and linkages into other sectoral work - cycling and pathways.
- Working in partnership with Scottish Canals and other local and national stakeholders, VisitScotland encourages development planning authorities to continue to promote the tourism potential of our canals and waterways and consider the allocation of suitable sites in local development plans.
- Pleased that Scottish Canals have recently completed a £1m refurbishment of the Falkirk Wheel in order to continue to attract additional visitors. Am encouraged that they have plans to further develop and connect the links between the Falkirk Wheel and the Helix Park to encourage tourists to visit both attractions.
- Scottish Canals have also worked in partnership with Falkirk Council on the Helix project which regenerated 350 hectares of vacant green belt land in the Falkirk and Grangemouth areas. This included the Kelpies which have now attracted over 2 million visitors. The Helix project was a £43m development which was funded through £25m of Big Lottery funding and received a total of £9.3m Scottish Government funding.

STATS & FUNDING TO SECTOR

- Latest EKOS report on “Sailing Tourism in Scotland” was commissioned by Crown Estate, Scottish Canals and HIE (who are lead agency in this tourism sector). EKOS Report estimates ailing tourism market across Scotland accounts for total output of £130.1m, 2,740 FTE jobs and a GVA of £67.7m. Total output for marine tourism sector up 28% since last report in 2010 (on 2009 figures)
- Highlands and Islands Enterprise (HIE) have approved **£60,000 over a three year period to support the delivery and implementation of the Marine Tourism Strategy**. HIE are funding the Marine Tourism Strategy Project Manager to support the SMTDG to maintain a strategic focus and ensure actions are being developed and implemented in line with Strategic priorities and themes identified in the Marine Tourism Strategy.
- In addition, HIE, VisitScotland, and Scottish Development International (SDI) are providing a £140k package of support for the industry body, Sail Scotland, over the next 3 years. £113k from HIE over the next three years is enabling Sail Scotland to acquire and maintain the skills, expertise and resources necessary to lead and build ambition within sailing tourism businesses and fully represent and market the sector.

ANNEX K (cont.)

- Additional funding from the VisitScotland Growth Fund (£22,500) and SDI (£11,900) will support Sail Scotland's marketing strategy.

SG & OTHER PUBLIC BODIES ROLE

- The **Scottish Government** works closely with a wide range of public bodies, local authorities, the third sector, financial institutions and other specialist sectoral advisory bodies in order to promote sustainable economic growth throughout Scotland
- Scottish Government continue to play an active role in helping the sector to develop and in March 2016 published the **Scottish Marine Recreation and Tourism Survey (SMRTS)**. This fills a data gap for the industry identified in SG National Marine Plan. The survey provides an invaluable set of information for all marine and coastal enterprises (including potential investors) for 23 different recreation and tourism activities at sea, around the Scottish coastline and (crucially for Falkirk) alongside our inland waterways.
- **VisitScotland Tourism Development Plan** (December 2016) has already identified potential of Scottish Canals work on marina development – and linkages into other sectoral work - cycling and pathways. **Para 2.81** “Working in partnership with Scottish Canals and other local and national stakeholders, VisitScotland encourages development planning authorities to continue to promote the tourism potential of our canals and waterways and consider the allocation of suitable sites in local development plans.”

Contact: Richard Walsh, Tourism, [REDACTED]

OTHER INVESTMENT IN FALKIRK

Infrastructure

Schools

- **Scotland's Schools for the Future Building Programme** (£1.8bn) - SG supported programme will deliver 112 new or refurbished schools by end March 2020 and three schools within Falkirk form part of this programme:
 - **Carrongrange ASN School** (£18.1m) – currently in construction, operational by Aug 2017.
 - **St Bernadette's RC Primary School** (£8m) – operational, opened to pupils in Aug 2013.
 - **Mariner Support Service** (£0.5m) – operational and opened to pupils in June 2016.

Colleges

- **Forth Valley College (Falkirk Campus)** (£83m) – new build to replace the existing Falkirk campus. In procurement following Full Business Case approval in December 2016. Construction is due to commence September 2017.

Transport

- **Edinburgh Glasgow Improvement Programme EGIP** (£795m) - the electrification of the core Edinburgh to Glasgow via Falkirk High Line forms part of this comprehensive programme of improvements to Scotland's railway infrastructure, rolling stock and service provision. Currently in construction.
- **Stirling Dunblane Alloa Rail Electrification** (£166.8m) - project involves electrification of 100 single track km of track from Dunblane through Stirling and Alloa connecting to the newly electrified Edinburgh - Glasgow via Falkirk high route at Larbert. The project includes £13 million advance route clearance works to prepare the route for electrification. Advanced works have commenced.

Regeneration

Regeneration Capital Grant Fund (RCGF) - is a £25m per annum joint SG/COSLA fund which supports locally developed regeneration projects which will deliver strong physical, social and economic outcomes, involve the local community and potentially leverage other funding and investment. Falkirk supported projects include:

- Denny Town Centre Regeneration Project: 2015/16 - £1,400,000
- One application from Falkirk Council is being invited to stage 2 of the fourth call for RCGF, to support projects in 2017/18. Falkirk Council Arnotdale House, Community Hub Grant: £1,125,547. The independent RCGF investment panel met on 24 February 2017. Projects that are recommended for funding are expected to be announced in early March 2017. A call for projects for 2018/19 has not yet been agreed.

Empowering Communities Fund (ECF) - Through ECF we will continue various community support programmes such as the People and Communities Fund (PCF). PCF supports a wide range of community anchor organisations with a proven track record of delivering positive regeneration outcomes in their local communities. Falkirk has benefitted from over £1.1m in PCF funding to date. The fund is being evaluated during 2016/17 to help inform its future direction and focus.

Business Improvement Districts (BIDs) - Falkirk's BID 'Falkirk Delivers' works with partners to deliver a range of projects to enhance the visitor experience to the town centre and covers four strategic themes: cleanliness, safety, marketing and tourism. In 2016 the BID became the first in Scotland to be approved through ballot for a third term. BIDs are an internationally proven method of facilitating and energising community-led regeneration. While BIDs traditionally focus on town centres, in Scotland the model is being deployed across a wide variety of sectors, including tourism, food and drink, and canals.

Business Support

SCOTTISH ENTERPRISE

- SE account manages 51 companies in Falkirk
- In the first 6 months of 2016/17,
 - There was 1 Regional Selective Assistance (RSA) of £150,000, creating 9 new jobs and 4 and safeguarding (Acadian Engineering Ltd).
 - SDI supported 20 Falkirk companies to internationalise
 - SMAS conducted **5** manufacturing reviews and completed **1** project.
 - **2** R&D grants, **7** innovation support grants and **1** SMART R&D grant were awarded.

BUSINESS GATEWAY (Forth Valley – no Falkirk specific breakdown)

In 2015/16:

- Business Gateway supported 646 businesses to start up in the Forth Valley region
- Over 155 additional businesses benefited from intensive one-to-one assistance
- A further 939 advisory and expert help initiatives were been delivered

Contact: Graeme Malcolm, Enterprise & Cities, [REDACTED]

Key strengths

- Falkirk outperforms the national average in terms of employment and unemployment rates, earnings, and level of deprivation. In addition, a lower percentage of employees in Falkirk is paid below the Living Wage than in Scotland as a whole. The claimant count rate is in line with the national average.

Key challenges

- Falkirk performs poorly relative to the national average in terms of degree level qualifications and percentage of people without qualifications, business start-up rate and GVA per head. R&D spend per head is also considerably lower.

Population: Falkirk's population was 158,500 in 2015, 2.9% of Scotland's population.

Labour Market (Jul 2015-Jun 2016)

	Falkirk	Scotland	UK	Rank of 32 LAs
Claimant count rate ¹ (Nov 2016)	2.2%	2.2%	1.8%	12th highest
Unemployment rate (16+)	4.9%	5.4%	5.1%	18th lowest
Youth Unemployment rate (16-24)	-	14.1%	14.1%	- ²
Employment rate (16-64)	77%	72.9%	73.7%	7th highest

Earnings: Median weekly full-time earnings for employees who *live* in Falkirk were 2.6% higher than the Scottish average in April 2016 (£550 in Falkirk compared to £537 in Scotland as a whole). The percentage of all employees - who *work* in Falkirk - with hourly pay below the Living Wage, at 18.9% in 2016, was below the figure for Scotland as a whole, at 20.1%.

Employment by sector: The service sector accounted for 79% of total employment in Falkirk in 2015 (84% in Scotland), while manufacturing accounted for 13% (7% in Scotland).

Qualifications: In 2015, 20.7% of people (16-64) in Falkirk held a degree level qualification, below the average across Scotland of 27.8%. The proportion of people with no qualification, at 10.3% in Falkirk, was also above the figure for Scotland as a whole, at 9.2%.

GVA: Gross value added (GVA) in Falkirk was £2,908 million in 2015, 2.3% of Scottish total. GVA per head was £18,352, lower than the average across Scotland (£23,685).

Deprivation: According to the Scottish Index of Multiple Deprivation 2016, 11.2% of Falkirk's 214 datazones were found in the 15% most deprived datazones in Scotland.

Business performance: In 2015, the business start-up rate per 10,000 resident adults, at 40% in Falkirk, was below the rate for Scotland as a whole, at 49. In 2015, expenditure in R&D per head in Falkirk, at £28, was below the figure for Scotland, at £162.

Small businesses: In 2016, small enterprises accounted for 33% of employment in Falkirk, compared to 36% in Scotland as a whole.

Contact: Lisa Magnani, OCEA, [REDACTED]

¹ The denominator used for the claimant count rate is the resident population aged 16-64.

² Youth unemployment rate rank is not provided as youth unemployment rate estimates are not reliable for many LAs.

FALKIRK NARRATIVE SUMMARY

Background

Falkirk has shared its initial draft of a high level narrative identifying the opportunities associated with the Grangemouth Investment Zone and shaping the process for progressing

Falkirk's Vision

Falkirk council proposes that the Grangemouth Investment Zone offers opportunities:

- to become a tier 1 international chemical science location, attracting innovative new biotechnology and chemicals related development.
- to create new centres of excellence in industrial bio-technology and energy to play a key role in securing Scotland's energy supply future
- to apply smart technology to assist business processes, enhance infrastructure and sustain resilience
- to apply the strengths of existing industries to become a centre of development for low carbon transport
- to be a catalyst in developing transnational collaboration links to secure links with European and global partners.
- to diversify into new business sectors, broadening the area's industrial base and taking advantage of new found tourism potential, taking particular advantage of our canal and watercourse networks.
- to build on the commitment of the existing business base to expand, enable co-location and develop closer integration

They identify an investment pipeline of £2 billion across the public and private sectors – with investment from Ineos, BP, Silva, Forth Ports, Calachem, Forth Valley College, flood prevention works, Falkirk Gateway, Falkirk TIF and the Avon Gorge Upgrade. The programme focuses on developing a competitive, lower carbon economy, developing smart manufacturing, including communities in the economic benefit and placemaking.

Desired Support

Falkirk Council stresses that the opportunities are nationally significant and so the resources required to deliver these opportunities are beyond its and its partners capacity, It proposes a dedicated Investment Zone proposition on the lines of City Deals/Growth accelerator/TIF to act a delivery vehicle. It is anticipated that this additional programme should cover:

- upgrade area's infrastructure in the form of roads, flood mitigation and watercourse management works, and digital technologies
- Site enabling infrastructure, to present development sites to the market to attract co-location and inward investment
- Creation of centres of excellence in manufacturing and low carbon technologies
- Development of district heating and networks
- Development of low carbon transport measures
- Develop measures to grow local enterprise and skills
- Promote a programme of place-making and community regeneration
- Develop the application of sensor technology for community resilience, energy efficiency and manufacturing industry 4.0 measures
- Marketing and promotional activity

Next steps

- Falkirk proposes a business case be initiated to establish anticipated costs and create a programme for formal agreement at the Falkirk Economic Partnership meeting on 2 March with staff and budgets for the programme team to be sought from partners.
- Business case development to be completed by September 2017, to seek agreement from project partners with a goal of launching the Investment Zone by end of 2017.

Background

Scottish Enterprise has shared a draft version of its Grangemouth Vision, which does not yet reflect the feedback received from the principal stakeholders.

The Vision objectives:

- **“A key European Hub for sustainable HV Chemical Manufacturing”**: The vision for Grangemouth will be accomplished over the next 10 years, culminating in 2025 when the following scenario is envisaged:
- **Businesses**: Businesses are all signed up to the promotion and advancement of Grangemouth to develop and maximise the opportunity it offers to Scotland and the UK.
- **Smart City** : Grangemouth is recognised as a smart city focussed on the key 'smart' sectors including energy (costs and security of supply), and transport as well as utilities such as water and waste and taking into consideration emission and flood protection and the Sensor Shield Project is fully developed.
- **Collaboration** : Government and industry are working in partnership to position chemical science industries and Grangemouth as an important growth sector in the Scottish and UK economy.
- **Competitive Port** : An improved strategic road and rail infrastructure has placed Grangemouth Port as the key logistics and distribution centre for Scotland.
- **World Class Refinery** : Grangemouth accommodates a globally competitive refinery with reduced support costs and improved supply chain management capabilities, focusing not just on traditional refining but also on biofuels.
- **Combined Heat & Power (CHP)** : Power and heat is being provided by highly efficient CHP plants, selling on excess electricity to the National Grid, and geared towards utilising raw materials with no higher value use.
- **Unconventional gas** : Extraction and import of shale gas is operating in parallel. Grangemouth is recognised as the on shore Gas Centre for Scotland. Shale Gas Upstream HQ established.
- **Bio based Industries**: Grangemouth is globally recognised as a main location for biorefining using industrial biotechnologies as part of the chemical manufacturing process, with pilot and demonstration facilities alongside full- scale manufacturing facilities.
- **Carbon Utilisation**: Grangemouth is a centre of excellence in carbon capture and utilisation, with pilot and demonstration facilities for CO2 utilisation.
- **Workforce** : The percentage of the Scottish workforce in the chemical industries has grown and Grangemouth's excellence in a fully skilled work force is recognised internationally.
- **Inward Investment** : An agreed strategy is in place which attracts inward investment opportunities to Grangemouth.
- **High Value Manufacturing (HVM)**: A HVM proposition has been developed for Grangemouth's chemicals businesses encompassing the full cycle of activities from R&D, through design, production, logistics and services, to end of life management.

ANNEX N (cont.)

- The Vision acknowledges the considerable recent investment made by INEOS and other major companies in the area and the commitment of Scottish Enterprise, Falkirk Council, Chemical Sciences Scotland to establishing Grangemouth as a major European focus of activity in the chemical sciences sector.
- Recognising Grangemouth' significance to Scotland manufacturing industry and the country's exports, the strategy and supporting actions are developed to firmly position Grangemouth as Scotland's main chemicals and advanced manufacturing centre.
- By 2030, strategy delivery will create some **4,150 additional jobs** in the local area, and nearly 3,000 across Scotland. The effects of investment in the Grangemouth chemical sciences cluster in growing the economy will be similarly striking - with an additional **£237 million generated annually** in the local area, £157 million across Scotland.
- The strategy has 4 elements:
 - Industry & Sector Development: Extending sustainable & innovative advanced manufacturing
 - Sustainable infrastructure to enable growth & attract investment
 - People: Skills & capacity to support the Grangemouth Investment Zone
 - Partnership & Positioning: a structure to support Vision delivery
- Partnership coordination in delivery is essential in achieving agreed goals. With national priority, its delivery clearly needs to be enabled by appropriate resource. While this will require commitment to investment to fund infrastructure, company expansion and skills development, it also needs to be supported by dedicated staff resource and clear leadership.
- A series of actions has been identified. While lead responsibility differs in each case, strong central coordination by this dedicated resource will drive and promote strategy delivery. Key actions and responsibility for implementation are shown in the following thematic tables overleaf.

Summary provided by SE