



PLAN



INNOVATE



DELIVER



IMPROVE

## SFT Plans

# Positive impact of planning economic investment programmes



The public sector has long recognised it has the power to unlock and enable wider economic activity by focussing its own infrastructure investment to drive positive, inclusive outcomes.

This essentially is the key principle of an infrastructure investment initiative that SFT plans and manages with its many partners to deliver economic growth. The initiative is called Tax Incremental Financing, or TIF.

TIF is an innovative approach that allows councils to use future increases in business rates to recoup their upfront investment in infrastructure. The principle is that the upfront public sector infrastructure investment programme enables and stimulates further development by the private sector that then increases business rates generated in that area. Councils then capture these new business rates (that would normally go to Scottish Government) and use them to repay the costs they incurred building the initial enabling infrastructure.

Across Scotland there are a number of active TIF projects that our Economic Investment team works on. Falkirk Council's £67m TIF project will see investment made in strategic road infrastructure as well as key development sites and flood prevention schemes that in turn will support the significant petrochemical and fine chemical sector located in Grangemouth and the logistics, tourism and energy sectors in Falkirk.

Responding to the infrastructure investment by the public sector, it is anticipated a wide range of commercial, hotel and retail schemes will be developed by the private sector, creating more than 400,000sqm of business space, reflecting £400m of economic investment over the 25-year TIF lifetime.

Such investment supports significant jobs, as businesses both expand and re-locate to the area. It also anticipates the creation of more than 8,000 long-term additional local jobs, as well as 5,000 short-term construction jobs and training places.

The Council is now witnessing the impact of its initial £7m infrastructure investment with more than 70,000 sqm of commercial space created and new companies to the area employing over 1,300. This is only the beginning with a further £60m ear-marked for investment over the coming years.

Through TIF and via other opportunities the Council is developing with its partners, Grangemouth will continue to play an important role in the local and national economy ensuring businesses and visitors keep coming back to the area.